

CITY OF HAGERSTOWN, MARYLAND

**AN ORDINANCE TO APPROVE THE SALE
OF A PROPERTY KNOWN AS
36-38-40 NORTH POTOMAC STREET, HAGERSTOWN, MARYLAND
AND AUTHORIZING EXECUTION AND DELIVERY OF A
PURCHASE AGREEMENT BETWEEN THE CITY AND 339 ANTIETAM, LLC**

RECITALS

WHEREAS, the City of Hagerstown, hereinafter called "the City," owns improved real property located in Hagerstown, Maryland known as 36-38-40 North Potomac Street and identified in a Deed to the City dated August 26, 2011, and recorded at Liber 4141, folio 0430, among the Land Records of Washington County, Maryland (Tax Map 306; Parcel 0571). The foregoing real property and improvements are collectively referred to herein as the "Property;"

WHEREAS, portions of the Property are presently leased by the City to a restaurant business, a retail business, and to four (4) residential tenants;

WHEREAS, the City has determined that the Property is no longer needed for a public purpose;

WHEREAS, the Property is among the inventory of real property in the City's Competitive Negotiated Sale Program;

WHEREAS, 339 Antietam, LLC, a Maryland limited liability company which has redeveloped other properties within the City of Hagerstown, has submitted a proposal for purchase and redevelopment for the Property, which proposal has been approved and recommended by City staff;

WHEREAS, the introduction of this Ordinance shall constitute the twenty (20)-day notice of the proposed transfer as required by law;

WHEREAS, attached hereto and incorporated herein is a Purchase Agreement, including various Exhibits, for the purchase of the Property;

WHEREAS, the Purchase Agreement contains some provisions restricting the use of the Property which shall survive closing and shall run with the land;

WHEREAS, the Purchase Agreement includes that sale of some of the personal property belonging to the City and presently used on Property by the current restaurant lessee; and

WHEREAS the Mayor and Council believe it to be in the best interest of the citizens of the City of Hagerstown to enter into said Purchase Agreement.

NOW THEREFORE, BE IT RESOLVED, ENACTED AND ORDAINED by the Mayor and Council of the City of Hagerstown, Maryland, as its duly constituted legislative body, as follows:

1. That the foregoing Recitals be and are hereby incorporated herein as if set forth verbatim.
2. That the Mayor and Council find that the Property is not needed for any public purpose.
3. That the sale of the Property pursuant to the terms of the attached Purchase Agreement is hereby approved.
4. That the Mayor be and is hereby authorized to execute and deliver the Purchase Agreement with 339 Antietam, LLC, a copy of which is attached hereto and incorporated herein by reference.
5. That City Staff be and are hereby authorized to execute and deliver any additional documentation and take any additional steps necessary to effectuate the purpose of this ordinance and satisfy the terms of the aforesaid Purchase Agreement.
6. That in the event that settlement on the sale of the Property has not occurred by the date set forth in the Purchase Agreement, the City Administrator may, upon a finding of good cause by him, extend the date for settlement up to an additional sixty (60) days, without need for further authorization from the Mayor and Council.

BE IT FURTHER RESOLVED, ENACTED AND ORDAINED THAT this ordinance shall become effective at the expiration of thirty (30) calendar days following its approval.

WITNESS AND ATTEST
AS TO CORPORATE SEAL

MAYOR AND COUNCIL OF THE
CITY OF HAGERSTOWN, MARYLAND



Donna K. Spickler,
City Clerk



Emily N. Keller, Mayor

Date of Introduction: April 13, 2021
Date of Passage: April 27, 2021
Effective Date: May 28, 2021

PREPARED BY:
SALVATORE & MORTON, LLC
CITY ATTORNEYS

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this "**Agreement**") is made as of the 28th day of May, 2021, (the "**effective Date**") by 339 Antietam, LLC ("**Buyer**") and the City of Hagerstown, a Maryland municipal corporation ("**Seller**").

RECITALS

Seller is the owner in fee simple of certain improved real property consisting of one (1) parcel of land located in Hagerstown, Maryland known as 36-38-40 North Potomac Street and identified in a Deed to Seller dated August 26, 2011, and recorded at Liber 4141, Folio 0430, among the Land Records of Washington County, Maryland Street (Tax Map 306; Parcel 0571). The foregoing real property and improvements are collectively referred to herein as the "**Property**."

Seller has agreed to sell the Property to Buyer, and Buyer has agreed to purchase the Property from Seller, under all of the terms set forth herein.

NOW, THEREFORE, in consideration of the mutual promises herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Incorporation of Recitals. The foregoing Recitals are hereby incorporated herein by reference as a substantive part of this Agreement.

2. Purchase and Sale of the Property. Subject to the terms and conditions set forth in this Agreement, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, the Property in accordance with the terms of this Agreement. In addition to the Property, Seller conveys all of its right, title and interest to the personal property described in the list attached hereto as Exhibit 1. Seller makes no representation to the condition of said personal property, which is being conveyed in 'AS-IS' condition and is presently subject to use by the tenant per the Lease Agreement which is attached to this Agreement as Exhibit 2.

3. Purchase Price: Terms of Payment.

3.1 Purchase Price. The aggregate purchase price for the Property ("**Purchase Price**") shall be FOUR HUNDRED FOURTEEN THOUSAND DOLLARS and 00/100 CENTS (\$414,000.00), FIFTEEN THOUSAND DOLLARS (\$15,000.00) of which shall be due and payable as a **nonrefundable** deposit ("Deposit") contemporaneously with the execution of this Agreement, with the balance of the Purchase Price due at settlement, subject to adjustments and prorations as set forth below and in Section 5.

3.2 Terms of Payment. Upon closing under this Agreement, the Purchase Price shall be paid to Seller in 100% available funds by cash, certified check or wire transfer.

4. Closing. The closing of the purchase and sale of the Property shall be held after May 28, 2020 but no later July 31, 2021.

4.1 Seller's Closing Deliverables. At the closing, Seller shall deliver the following documents (collectively the "Closing Documents") and such other items described below:

4.1.1 a special warranty deed to the Real Property including a covenant of further assurances, duly executed and acknowledged by Seller and in proper form for recording, conveying fee simple title to the Real Property to Buyer or its designee subject to all conditions, restrictions, rights of way and easements of record and any Permitted Exceptions. Buyer hereby acknowledges and agrees that the deed shall contain a covenant prohibiting use of the Property for a period of ten (10) years as any of the following: bail bond business, a store front church, Hookah Shop, gambling facility, pawn shop, gun shop, liquor store, massage parlor, tanning salon, check cashing facility, adult entertainment facility, adult video/book store, or tattoo business. The obligations of Buyer under the previous sentence shall survive closing.

4.1.2 a certificate updating the representations and warranties made pursuant to Section 7;

4.1.3 a FIRPTA affidavit;

4.1.4 any transfer tax statements, declarations, filings and other similar documents that may be necessary, to the extent the same are required to be executed by Seller;

4.1.5 a closing statement conforming to the proration and other relevant provisions of this Agreement;

4.1.6 such other information as Buyer may reasonably require to demonstrate Seller's due authorization and performance of this Agreement and the foregoing documents; and

4.1.7. Such other information as the Settlement Agent may reasonably require to demonstrate Seller's due authorization and performance of this Agreement and the foregoing documents.

4.2 Buyer's Closing Deliverables. At the closing, Buyer shall deliver the following:

4.2.1 the balance of the Purchase Price as adjusted pursuant to the terms hereof;

4.2.2 a closing statement conforming to the proration and other relevant provisions of this Agreement; and

4.2.3 a certificate updating the representations and warranties made pursuant to Section 8.

5. Closing Adjustments/Costs.

5.1 Expense Adjustments. The following items of expense shall be adjusted as of 11:59 p.m., of the day immediately preceding the Closing Date such that Seller shall be responsible for all days prior to the Closing Date and Purchaser shall be responsible for the Closing Date and all days thereafter:

5.1.1 Taxes. Real estate, personal property, ad valorem taxes, assessments payable in installments and front foot benefit charges payable in installments that are due and payable with respect to Seller and the Property, respectively, on the basis of the most current bills or other current information available. Assessments payable in a lump sum and not in monthly installments, if any, for improvements completed prior to the Closing Date, whether assessment therefor has been levied or not, shall be paid by Seller or allowance therefor made at the closing.

5.1.2 Utilities. Fuel, water and sewer service charges, and charges for gas, electricity, telephone and all other public utilities. If there are meters on the Property measuring the consumption of water, gas or electric current, Seller shall cause such meters (for utilities for which Seller, and not tenants, are responsible) to be read not more than one (1) day prior to the Closing Date, and shall pay promptly all utility bills for which Seller is liable upon receipt of a statement therefor. Purchaser shall be liable for and shall pay all utility bills for services rendered after such meter readings.

5.2 Final Reconciliation. The adjustments described in this Section 5 shall be paid on the Closing Date. If the amount of any of the adjustments described in this Section 5 cannot be determined on the Closing Date, the adjustment therefor shall be made within thirty (30) days after the Closing Date by cashier's check. In making the adjustments required by this subsection, Seller shall be given credit for all amounts prepaid for the Closing Date and any period thereafter, and Seller shall be charged with any unpaid charges for the period prior to the Closing Date.

5.3 Closing Costs. Buyer shall pay all expenses of examination of title, title insurance commitment and title premiums. All state, county, city, local, and municipal transfer and recordation taxes, if any, owing with respect to the sale of the Property, if any, shall be paid by Buyer. Each of Buyer and Seller shall pay its own attorneys' fees and expenses incurred in connection with this negotiation of this Agreement and the closing of the transactions contemplated hereby.

6. Title. Buyer shall have the right to inspect the status of title to the Property. Promptly after execution hereof, Buyer may obtain at Buyer's expense a title report or title commitment ("**Commitment**") and, at Buyer's election, a UCC lien search for the Property. Buyer may also obtain, at Buyer's sole cost and expense, a current ALTA/ASCM survey of the Property. In the event the Commitment discloses or Buyer becomes aware of any lien on the Property created by Seller that can be discharged or satisfied by the payment of money ("**Monetary Title Matters**"), Seller shall discharge or satisfy such Monetary Title Matters on or prior to the Closing Date. If Seller fails to discharge or satisfy any such Monetary Title Matters as aforesaid, Buyer, at its sole option, and in addition to any other rights and remedies it may have under this Agreement, at law and/or in equity, shall have the right to discharge and satisfy the same from the proceeds of the Purchase Price to be paid to Seller at closing. Title to the Property shall be subject only to the following matters: (i) the lien of real estate taxes and sewer and water rents not yet due and payable; and (ii) such matters appearing on the Commitment to which Buyer shall fail to object (collectively, the "**Permitted Exceptions**"). Title

to the Property shall be insurable, together with such title insurance endorsements as Buyer may reasonably request, at regular rates (including applicable rates for such endorsements) from a title insurance company licensed in the State of Maryland and selected by Buyer. In the event Buyer's review of title to the Property reveals any matters that are unacceptable to Buyer and which are commercially reasonable objections (other than Monetary Title Matters which Seller is required to remedy as aforesaid), Buyer shall notify Seller thereof within twenty (20) days after the date on which an Ordinance for the Sale of the Property is introduced by the Mayor and City Council (the "Objection Notice"). Within ten (10) days after receipt of the Objection Notice, Seller shall notify Buyer in writing, whether Seller shall undertake to cure such unacceptable exception(s). In the event Seller elects not to cure any unacceptable exception or is unable with the exercise of due diligence to satisfy said objection before the Closing Date, Buyer may, at its option, either (a) accept title subject to the objections raised by Buyer, without an adjustment of the Purchase Price, in which event each of said objections shall be deemed waived for all purposes and considered a Permitted Exception, or (b) terminate this Agreement. If Buyer shall terminate this Agreement, then (i) this Agreement shall be deemed to have terminated as of the date of Buyer's notice without need for any further action by either party, and (ii) neither Buyer nor Seller shall have any further obligations to one another hereunder, except for those which expressly survive termination of this Agreement. Notwithstanding any other provision of this Agreement, Buyer shall not be entitled to a return of its deposit in the event that it terminates this Agreement under the terms of this Paragraph 6.

7. Representations and Warranties of Seller. Seller hereby makes the following representations and warranties to Buyer, all of which are made as of the Effective Date and shall be true and correct in all material respects on and as of the Closing Date.

7.1 Enforceability: Authorization. This Agreement and the documents, affidavits, certificates and other instruments to be executed and delivered by Seller pursuant hereto are, or will be when executed and delivered by Seller, the legal, valid and binding obligations of Seller and enforceable against Seller in accordance with its terms. Seller has obtained all consents necessary for, and possesses full authority and legal right to authorize Seller's entry into and performance of this Agreement, the documents, affidavits, certificates and other instruments to be executed and delivered by Seller pursuant hereto and/or the transactions contemplated hereby or thereby.

7.2 Ownership of the Property. Seller is the fee simple record and beneficial owner of the Property. No person or entity has an option, right of first refusal or other similar right to acquire all or any portion of the Property. Seller has performed all obligations under and is not in default in complying with the terms and provisions of any covenants, conditions, restrictions, rights-of-way or easements applicable to the Property.

7.3 No Conflicts. Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will conflict with, or result in a breach of, the terms, conditions or provisions of, or constitute a default under, any agreement or instrument to which Seller is a party.

7.4 Third Party Consents. All consents required from any governmental authority or third party in connection with the execution and delivery of this Agreement by Seller or the

consummation by Seller of the transactions contemplated hereby have been made or obtained or shall have been made or obtained by the Closing Date.

7.5 Leases. The following leases exist on the Property:

40 N. Potomac Street

Tenant: Ayahana, Inc. d/b/a Hana Thai Dining

Commercial Lease is for 3 years beginning August 1, 2018 and terminating July 31, 2021 and with a renewal option for an additional 3-year term

Rental amount \$16,068.00 per year

A copy of the Lease Agreement is attached hereto as Exhibit 2

38 N. Potomac Street #4

Tenant: Alexandra E. Burt

Residential Lease is for 1 year beginning April 1, 2021 and terminating March 31, 2022

Rental amount \$5400.00 per year

A copy of the Lease Agreement is attached hereto as Exhibit 3

38 N. Potomac Street #3

Tenant: Anthony P. Jones, Jr.

Residential Lease is for 1 year beginning August 1, 2017 and terminating July 31, 2018

Tenant is currently on a month-to-month rental

Rental amount \$5400.00 per year

A copy of the Lease Agreement is attached hereto as Exhibit 4

38 N. Potomac Street #2

Tenant: Amanda Fairchild

Residential Lease is for 1 year beginning January 1, 2018 and terminating December 31, 2018

Tenant is currently on a month-to-month rental

Rental amount \$6000.00 per year

A copy of the Lease Agreement and Amendment thereto are attached hereto collectively as Exhibit 5

38 N. Potomac Street #1

Tenant: Kaitlin Bell

Residential Lease is for 1 year and 15 days beginning November 15, 2019 and terminating November 30, 2020

Rental amount \$6000.00 per year

Lease is being terminated by agreement of landlord and tenant effective 4/30/21

A copy of the Lease Agreement and Amendment thereto are attached hereto as Exhibit 6

40 N. Potomac Street

Tenant: Williamsport Yarn Closet, LLC

Commercial Lease is for 1 year beginning February 1, 2021 and terminating January 31, 2022 and with no renewal option. Tenant may terminate Lease upon 60 days' notice

Rental amount \$14,400.00 per year

A copy of the Lease Agreement is attached hereto as Exhibit 7

As of the date of this Agreement, (a) all rents payable under the leases are current, except as to Unit 2, which is seven (7) months delinquent at this moment; (b) there exists no event of default on the part of any of the tenants under the leases; Seller has no knowledge of, nor has received any notice from any tenant with respect to, any default on the part of the Seller as landlord under the leases.

7.6 Other Agreements. Seller is not a party to, nor does Seller have knowledge of, any agreements relating to the Property.

7.7 Condemnation, Violation of Laws, Etc. Excepting City Code violations which have been noted but not yet cited, Seller has not received notice of, and, to Seller's knowledge, there are no existing violations of any federal, state, county or municipal laws, ordinances, orders, codes, regulations or requirements affecting all or any portion of the Property, including, without limitation, violations of housing, building, safety, health, environmental, fire or zoning ordinances, codes and regulations of the respective jurisdictions within which the Property is located or any certificate(s) of occupancy issued for the Property.

7.8 No Flood Hazard Area. To Seller's knowledge, no portion of the Real Property is located in an area designated by any governmental entity as a flood hazard area.

7.9 Environmental Condition. Seller makes no representations as to the environmental condition of the Property and no representation as to the presence of any Hazardous Conditions in and around the Property. "Hazardous Conditions" shall mean the presence on, in or about the Property (including ground water) of Hazardous Materials, the concentration, condition, quantity, location or other characteristic of which fails to comply with applicable Environmental Laws. "Hazardous Material" shall mean any chemical, substance, waste, material, equipment or fixture defined as or deemed hazardous, toxic, a pollutant, a contaminant, or otherwise regulated under any Environmental Law, including but not limited to, petroleum and petroleum products, waste oil, halogenated and non-halogenated solvents, PCBs, asbestos and asbestos containing materials.

7.10 Litigation. No proceeding, suit or litigation relating to Seller or the Property or any part thereof is pending or, to Seller's knowledge, threatened in any court or other tribunal or before any Governmental Authority. Seller is not the subject of, nor has Seller received any written notice of or threat that it has or will become the subject of, any actions or proceedings under the United States Bankruptcy Code, 11 U.S.C. §§ 101, et seq. ("Bankruptcy Code"), or under any other federal, state or local laws affecting the rights of debtors and/or creditors generally, whether voluntary or involuntary and including, without limitation, proceedings to set aside or avoid any transfer of any interest in property or obligations, whether denominated as a fraudulent conveyance, preferential transfer or otherwise, or to recover the value thereof or to charge, encumber or impose a lien thereon.

7.11 FIRPTA. Seller is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the "**Code**"), and the sale of the Property is not subject to the federal income tax withholding requirements of such section of the Code.

7.12 Mechanic's Liens. There are no claims for labor performed, materials furnished or services rendered in connection with the development, construction, improvement, renovation or repair of the Property with respect to which liens may or could be filed against the Property, either pending or threatened.

7.13 Tax Matters. No federal or other taxing authority (each, a "**Taxing Authority**" and collectively, the "**Taxing Authorities**") has asserted in writing any tax deficiency, lien, interest or penalty against Seller or the Property that has not been paid, and there is no pending audit or inquiry from any Taxing Authority relating to Seller or the Property, and to Seller's knowledge, no event has occurred and no condition or circumstance exists which presents a material risk that any tax deficiency, lien, interest, penalty or other assessment will be imposed against Seller or the Property.

7.14 Re-Zoning. Seller is not a party to, nor does Seller have any actual knowledge of, any threatened proceeding for the rezoning of the Property or any portion thereof, or the taking of any other action by governmental authorities that would have an adverse or material impact on the value of the Property or use thereof.

7.15 Condemnation. Seller has not received any written notice advising it of any pending or threatened condemnation or other governmental taking proceedings affecting all or any part of the Property.

7.16 Except as otherwise provided herein Seller is making no warranties as to the condition of the property and the property is being sold "AS IS."

8. Representations and Warranties of Buyer. Buyer hereby represents and warrants to Seller that: (i) Buyer is a limited liability company organized and existing under the laws of the State of Maryland and that it is in good standing in the State of Maryland; (ii) this Agreement and the documents, affidavits, certificates and other instruments to be executed and delivered by Buyer pursuant hereto are, or will be when executed and delivered by Buyer, legally binding on, and enforceable against, Buyer in accordance with their respective terms except as the same may be limited by applicable bankruptcy, insolvency, reorganization, receivership and other similar laws affecting the rights and remedies of creditors generally and by general principles of equity (whether applied by a court of law or equity); and (iii) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will conflict with, or result in a breach of, the terms, conditions or provisions of, or constitute a default under, any agreement or instrument to which Buyer is a party.

9. Seller Covenants.

9.1 Inspection. Seller shall make available to Buyer during normal business hours prior to the Closing Date all information in Seller's or its management agent's possession or control concerning the Property, including, without limitation, all books and records and plans and specifications.

9.2 Operation and Maintenance. Seller agrees that from the date of this Agreement to the Closing Date, Seller will, at its sole cost and expense: (i) maintain the Property in its current condition (ii) comply with and perform all material provisions and obligations to be complied with and/or performed by Seller under each Contract; (iii) not mortgage or otherwise encumber all or any part of the Property; and (iv) maintain in full force and effect its current all-risk casualty insurance policy for the Property.

9.3 Contracts. Seller shall not enter into any Contracts of any kind with respect to the Property or any portion thereof.

9.4 Leases. Seller shall not enter into any leases or other occupancy agreements of any kind with respect to the Property or any portion thereof. As noted in Paragraph 7.5, above, one of the commercial leases is subject to right of renewal at the option of the present tenant.

9.5 Correspondence. Promptly upon receipt, Seller shall provide Buyer with copies of any notices (including all written notices and summaries, including requests for rental concessions), and sales reports and correspondence received from tenants, neighboring property owners, any insurance company which carries insurance on the Property or Board of Fire Underwriters, from any Governmental Authorities or from any other person or entity with respect to the Property or any portion thereof.

9.6 Title and Encumbrances. Seller hereby agrees that, after the date of this Agreement, it shall not take any action affecting title to the Property or encumbering the Property (except for actions effectuating the release of liens or encumbrances in accordance with the terms of this Agreement) unless consented to by Buyer, which consent may be withheld in Buyer's sole and absolute discretion. In all events, Seller will cause to be removed, paid off, released and/or discharged at closing any mortgage, judgment, deed of trust, lien or other evidence of a monetary charge against the Property and any lien or other encumbrance affecting title to the Property and arising subsequent to the date of the Commitment referred to above.

9.7 Real Estate Tax Assessments. Prior to the Closing Date, Seller shall not institute any proceeding or application for a reduction in the real estate tax assessment of the Real Property for any tax year without the prior written consent of Buyer, which consent may be withheld in Buyer's sole and absolute discretion.

9.8 Payment of Taxes. Subject to proration in Paragraph 5, Seller shall pay all federal, state, county, local and foreign income, excise, real and personal property, sales and other taxes, if any, which first become due and payable prior to or on the Closing Date.

9.9 Claims. Seller hereby agrees to cooperate with Buyer in connection with the pursuit of any claims resulting from or based on an event that occurred prior to closing that are covered under the liability insurance policies for the Property that were in effect prior to closing to assist Buyer in filing a claim under such insurance policies, including, but not limited to executing any assignment of such policy or proceeds to Buyer. The obligations of Seller under this Section shall survive closing for a period of three (3) years.

10. Conditions Precedent to Buyer's Obligation to Purchase. The obligation of Buyer to acquire the Property and to perform the other covenants and obligations to be performed by it on the Closing Date shall be subject to the following conditions precedent (which conditions precedent shall inure solely to the benefit of Buyer and no other person or entity, including, without limitation, Seller, shall have any right to waive or defer any of such conditions in whole or in part):

(i) Seller shall have performed in all material respects its covenants and obligations required by this Agreement to be performed or complied with by it on or before the Closing Date.

(ii) All of Seller's representations and warranties in this Agreement shall be true and correct in all material respects as of the Closing Date with the same force and effect as though such representations and warranties had been made on and as of such date and Seller shall have executed and delivered to Buyer, upon written Request by Buyer, a certificate, dated as of the Closing Date, to the foregoing effect.

(iii) Delivery of possession of the Property to Buyer at Closing, which shall be in substantially the same condition it is in on the date of this Agreement, subject to casualty and/or condemnation and the provisions of this Agreement relating thereto. The property shall be in broom-clean condition at Closing.

(iv) Title to the Property on the Closing Date shall be in accordance with Section 6, above.

11. Condemnation and Casualty. If prior to the Closing Date Seller receives written notice of any pending or threatened condemnation proceedings or actions or if there occurs any damage, destruction or casualty with respect to all or any portion of the Property, Seller shall promptly notify Buyer thereof in writing. In the event there occurs: (i) any actual or pending condemnation of any portion of the Property; or (ii) any casualty, Buyer shall have the right to terminate this Agreement by giving notice to Seller within thirty (30) days after receipt of Seller's notice advising Buyer of the occurrence of any casualty or condemnation. If: (i) Buyer fails to notify Seller of Buyer's election to terminate this Agreement within such 30-day period; or (ii) Buyer elects to proceed to closing and not terminate this Agreement, then Buyer shall proceed to closing, without adjustment of the Purchase Price, subject to such condemnation or casualty, in which event at closing, Seller shall, as applicable: (A) assign to Buyer any condemnation award or rights thereto paid or payable or otherwise accruing to Seller on account of such condemnation; or (B) assign to Buyer all of Seller's right, title and interest in and to the proceeds of any casualty insurance payable to Seller on account of such casualty and pay to Buyer an amount equal to any deductible or coinsurance applicable to the casualty insurance under such insurance policies. If Buyer timely elects to terminate this Agreement as aforesaid, neither Buyer nor Seller shall have any further rights or liability under this Agreement except for such rights and liabilities as expressly survive termination hereof.

12. Breach/Termination.

12.1 Breach by Seller. If Seller shall fail to perform its covenants or agreements hereunder and such failure shall continue for five (5) days after written notice from Buyer, or if any of Seller's representations and warranties set forth in this Agreement are not true and correct in all material respects on the date hereof or on the Closing Date, Buyer shall have the right, at its sole option, to: (i) terminate this Agreement with neither party having any further rights or obligations to the other under this Agreement except such rights and obligations as expressly survive termination of this Agreement; or (ii) pursue any legal or equitable remedies to which Buyer may be entitled on account of the foregoing, including, without limitation, specific performance and recovery of actual third party costs and expenses incurred by Buyer with respect to this Agreement, up to a maximum of One Thousand Dollars (\$1,000.00).

12.2 Breach by Buyer. If Buyer shall fail to perform any of the covenants or agreements to be performed by it hereunder and such failure shall continue for five (5) days after written notice from Seller, or if any of Buyer's representations and warranties set forth herein shall not be true and correct in all material respects as of the date made or deemed made, Seller's remedy, at its option, shall be to: (i) terminate this Agreement with neither party having any further rights or obligations to the other under this Agreement except such rights and obligations as expressly survive termination of this Agreement; and also retain the Buyer's deposit described in Paragraph 3.1; or (ii) pursue any legal or equitable remedies to which Seller may be entitled on account of the foregoing, including, without limitation, recovery of consequential damages and actual third party costs and expenses incurred by Seller with respect to this Agreement.

12.3 Litigation Costs. In the event of any litigation between the parties with respect to this Agreement, including any action for specific performance that may be brought by Buyer as provided above, the prevailing party shall be entitled to recover reasonable attorney's fees and expenses.

13. Brokers. Each party hereto represents and warrants to the other that it has dealt with no brokers or finders in connection with this transaction. Each of the parties hereto hereby represents and warrants that neither has authorized any real estate broker, agent or finder to act on its/their behalf in connection with the transaction contemplated by this Agreement, nor does it have any knowledge of any other broker, agent or finder purporting to act on its behalf in respect to this Agreement and the sale of the Property to be made pursuant hereto, and that the other party hereto shall have no liability to any broker for compensation, commission or otherwise. Each party agrees that it shall indemnify, defend and save the other harmless from and against any cost, expense, claim, loss, liability or damages, including reasonable attorneys' fees, and court costs, resulting from a breach of the foregoing representation and warranty by such party. The provisions of this Section shall survive closing or termination of this Agreement.

14. Entire Agreement/Modification. This Agreement, including any Exhibits attached hereto, and the Closing Documents contain the entire agreement between the parties relating to the conveyance of the Property, all prior negotiations between the parties are merged into this Agreement and there are no promises, agreements, conditions, undertakings, warranties or representations, oral or written, express or implied, between them other than as set forth in this Agreement, including the exhibits attached hereto, and the Closing Documents. No change or modification of this Agreement or any of the Closing Documents shall be valid unless the same is in writing and signed by each of

the parties hereto or thereto. No waiver of any of the provisions of this Agreement or any of the Closing Documents executed or to be executed in connection herewith shall be valid unless in writing and signed by the party against whom it is sought to be enforced.

15. Miscellaneous.

15.1 Binding Effect. This Agreement shall be binding upon, and inure to the benefit of and be enforceable by, the respective personal representatives, successors and permitted assigns of the parties hereto.

15.2 Governing Law: Venue. The provisions of this Agreement shall be governed by the laws of the state of Maryland, without regard to the conflicts of laws provisions thereof. Any suit involving any dispute or matter arising under this Agreement may only be brought the District Court of Maryland for Washington County or the Circuit Court for Washington County, Maryland. All parties hereto consent to such jurisdiction.

15.3 Notices. Any notice, demand, consent/election, offer, approval, request, or other communication (collectively a "notice") required or permitted under this Agreement must be in writing and delivered (i) personally, or (ii) sent by certified or registered mail, postage prepaid, return receipt requested, or (iii) by a nationally recognized overnight courier. A notice must be addressed to a party as indicated below. Any notice hereunder shall be deemed duly delivered (a) when delivered, with written receipt, if personally delivered or delivered by nationally recognized overnight courier, or (b) three (3) days after mailing, if mailed by certified mail, return receipt requested, postage prepaid. Any party may designate a change of address by written notice to the other in accordance with the provisions set forth above, which notice shall be given at least ten (10) days before such change of address is to become effective.

Seller's notice address:

Jonathan Kerns
Dept. of Community & Economic Development
14 N. Potomac Street, Suite 200 A
Hagerstown, MD 21740

With a copy to:

Jason Morton
82 West Washington St
Ste 100
Hagerstown, MD 21740

Buyer's notice address:

339 Antietam, LLC
Attention: Lloyd Thoburn, Managing Member
14324 Ashleigh Greene Road
Boys, Maryland 20841

With a copy to:

15.4 Incorporation. Each and all of the exhibits and schedules attached hereto are hereby incorporated into this Agreement by reference.

15.5 Further Assurances. Seller agrees that it will, at any time and from time to time after the Closing Date, upon reasonable request of Buyer, do, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably required for the better assigning, transferring, granting, assuring and confirming to Buyer, or to its successors and assigns of, or for aiding and assisting in collecting and reducing to possession, any or all of the assets or property being transferred to Buyer pursuant to this Agreement; provided, however, that any instruments to be executed by Seller shall be in form and substance reasonably acceptable to Seller and in no event shall Seller be required to incur any liability or obligation in addition to that which it is obligated to incur under this Agreement. The provisions of this Section shall survive the closing of the transactions contemplated by this Agreement.

15.6 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument; provided, however, in no event shall this Agreement be effective unless and until signed by all parties hereto. Fax or email copies of this Agreement shall be sufficient for all purposes.

16. Risk of Loss. Risk of loss or damage from fire or other casualty until recordation of the deed conveying the Property to Buyer is assumed by Seller.

17. Rules of Construction. Section captions used in this Agreement are for convenience only and shall not affect the construction of the Agreement. All references to "Sections", without reference to a document other than this Agreement are intended to designate articles and sections of this Agreement, and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section, unless specifically designated otherwise. The use of the term "including" shall mean in all cases "including but not limited to," unless specifically designated otherwise. No rules of construction against the drafter of this Agreement shall apply in any interpretation or enforcement of this Agreement, any documents or certificates executed pursuant hereto, or any provisions of any of the foregoing.

18. Computation of Time. In computing any period of time pursuant to this Agreement, the day of the act or event from which the designated period of time begins to run will not be included. The last day of the period so computed will be included, unless it is a Saturday, Sunday or legal holiday in Maryland, in which event the period runs until the end of the next day which is not a Saturday, Sunday or such legal holiday.

19. Time of the Essence. **Time shall be of the essence under this Agreement.**

20. No Third Party Beneficiaries. None of the rights or obligations provided hereunder shall inure to the benefit of any third party.

21. Waiver of Trial by Jury. THE PARTIES HERETO HEREBY AGREE TO WAIVE ANY RIGHTS THEY MIGHT OTHERWISE HAVE TO A TRIAL BY JURY UNDER ANY PROVISION OF ANY APPLICABLE LAW.

22. Assignment. Buyer may not assign the Agreement, or any part hereof, without the express written consent of Seller, in its sole and absolute discretion. The foregoing notwithstanding, the Buyer may assign this Agreement to a new or affiliated entity, the principals of which are identified and are identical to the principals of the Buyer.


23. Approvals. Any approvals required under the provisions of this Agreement by City shall be as duly authorized by the Mayor and Council as its duly constituted legislative body.

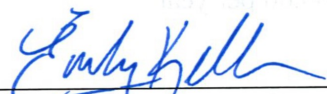
IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the day and year first above written.

ATTEST:

SELLER:

CITY OF HAGERSTOWN
A Maryland municipal corporation

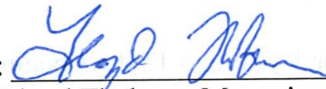

Name: Donna K. Spickler
City Clerk

By: 
Emily N. Keller
Mayor

ATTEST:

BUYER
339 ANTIETAM, LLC


Name: _____

By: 
Lloyd Thoburn, Managing Member

EXHIBITS

Exhibit 1 – Personal Property to be conveyed to Buyer in “As Is” condition.

Exhibits 2 – 7 are approved and executed leases (listed below). All exhibits are available online at the City’s website <https://hagerstown.novusagenda.com/agendapublic/> or hard copies may be requested in the City Clerk’s office.

Exhibit 2

40 N. Potomac Street

Tenant: Ayahana, Inc. d/b/a Hana Thai Dining

Commercial Lease is for 3 years beginning August 1, 2018 and terminating July 31, 2021 and with a renewal option for an additional 3-year term

Rental amount \$16,068.00 per year

Exhibit 3

38 N. Potomac Street #4

Tenant: Alexandra E. Burt

Residential Lease is for 1 year beginning April 1, 2021 and terminating March 31, 2022

Rental amount \$5400.00 per year

Exhibit 4

38 N. Potomac Street #3

Tenant: Anthony P. Jones, Jr.

Residential Lease is for 1 year beginning August 1, 2017 and terminating July 31, 2018

Tenant is currently on a month-to-month rental

Rental amount \$5400.00 per year

Exhibit 5

38 N. Potomac Street #2

Tenant: Amanda Fairchild

Residential Lease is for 1 year beginning January 1, 2018 and terminating December 31, 2018

Tenant is currently on a month-to-month rental

Rental amount \$6000.00 per year

Exhibit 6

38 N. Potomac Street #1

Tenant: Kaitlin Bell

Residential Lease is for 1 year and 15 days beginning November 15, 2019 and terminating November 30, 2020

Rental amount \$6000.00 per year

Lease is being terminated by agreement of landlord and tenant effective 4/30/21

Exhibit 7

40 N. Potomac Street

Tenant: Williamsport Yarn Closet, LLC

Commercial Lease is for 1 year beginning February 1, 2021 and terminating January 31, 2022 and with no renewal option. Tenant may terminate Lease upon 60 days’ notice

Rental amount \$14,400.00 per year

0-21-06

Exhibit 1

Personal Property to be conveyed to Buyer in "As Is" condition.

- Gas Griddle Counter Unit
- Gas Hotplate Counter Unit
- 28x60 Stainless Steel Stand
- 28x24 Stainless Steel Stand
- Electric Counter Full Pot Fryer
- Single Door Freezer
- Under-Counter Reach-in Refrigerator
- Refrigerated Pizza Prep Table
- Refrigerated Sandwich Top Counter
- Hand Sink
- Refrigerated Work Top Counter
- Ice Maker
- Step-In Refrigerator
- 72" Long Stainless Work Table
- 3-Compartment Sink (2)
- Range Hood and Exhaust System

0-21-06

Exhibit 2

CITY OF HAGERSTOWN, MARYLAND

A RESOLUTION AUTHORIZING THE CITY OF HAGERSTOWN TO ENTER INTO A NEW LEASE AGREEMENT WITH AYAHANA, INC. dba HANA THAI DINING FOR A PORTION OF THE PROPERTY KNOWN AS 40 NORTH POTOMAC STREET

RECITALS

WHEREAS, the City of Hagerstown owns property known as 40 North Potomac Street in Hagerstown, Maryland; and

WHEREAS, a portion of the said property is currently occupied and used as a restaurant known as Thai Zap ("the Restaurant Space"), whose lease expires on or about July 31, 2018; and

WHEREAS, the City of Hagerstown desires to lease a said Restaurant Space to Zahana Holmes, aka Zahana Pakpoom; and

WHEREAS, Zahana Holmes, an individual resident of the State of Maryland, doing business as Hana Thai Dining, desires to lease the Restaurant Space from the City and operate a restaurant at said location, provided that the City make certain improvements to the Restaurant Space and reduce the monthly rent; and

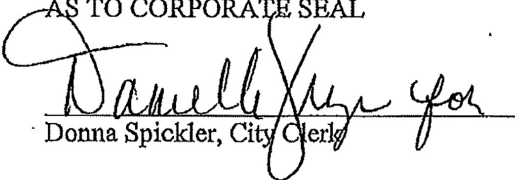
WHEREAS, the Mayor and Council find it to be in the best interests of the citizens to do so;

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Council of the City of Hagerstown, Maryland as its duly constituted legislative body, as follows:

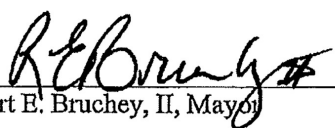
1. That it adopts herein the foregoing Recitals and authorizes the City of Hagerstown to enter into a Lease Agreement with Ayahana Inc, dba Hana Thai Dining for the Restaurant Space pursuant to the terms of the Lease Agreement attached hereto and incorporated herein by reference.
2. That upon Zahana Holmes' providing written proof that she has a valid trader's license, restaurant license, and all other applicable licenses and approvals, the Mayor be and is hereby authorized to execute and deliver the Lease Agreement attached hereto, and to execute any additional documentation required to effectuate the purpose of this Resolution.

BE IT FURTHER RESOLVED THAT this Resolution shall become effective immediately upon its approval.

WITNESS AND ATTEST
AS TO CORPORATE SEAL


Donna Spickler, City Clerk

MAYOR AND COUNCIL OF THE
CITY OF HAGERSTOWN, MARYLAND


Robert E. Bruchey, II, Mayor

Date of Introduction: July 24, 2018
Date of Passage: July 24, 2018
Effective Date: July 24, 2018

Prepared by:
SALVATORE & MORTON, LLC
City Attorneys

0-21-06

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Agreement") entered into on 1 day of August, 2018, by and between THE CITY OF HAGERSTOWN, a Maryland Municipal Corporation, existing under and by virtue of the laws of the State of Maryland, hereinafter called "City" or "Landlord", and Ayahana, Inc, a corporation organized and existing under the laws of the State of Maryland, dba Hana Thai Dining, hereinafter called "Tenant".

WHEREAS, the City owns a certain property located in Hagerstown, Washington County, Maryland, known as 40 North Potomac Street (the "Property"); and

WHEREAS, the City desires to Lease a portion of the aforesaid Property to the Tenant; and

WHEREAS, Tenant desires to enter into a lease for a portion of the Property pursuant to the terms hereof;

NOW THEREFORE, in consideration of the obligations contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

SECTION 1
DEMISE OF PREMISES

Landlord, for and in consideration of the payment of the rent and performance of the covenants and agreements hereinafter mentioned, hereby leases to Tenant and tenant hereby leases from Landlord all of the following space located at 40 North Potomac Street, Hagerstown, Maryland, consisting of approximately 2,008 total square feet, with approximately 1,612 usable square feet of which are on the store front street level and approximately 396 square feet of which are on the basement level, more particularly identified on the attached **Exhibit A**, together with five (5) designated parking spaces at the rear of the Property (hereinafter call the "Premises").

SECTION 2
TERM

The Premises described herein are leased by Landlord to Tenant for an initial term of three (3) years (36 months) beginning on the 1st day of August, 2018 and terminating on the 31st day of July, 2021 at and for rental as set forth in Section 3 – Rent. In the event that the current tenant of the Premises, Thaitan Group, Inc., has not vacated by July 31, 2018, then Tenant's term shall begin promptly upon Thaitan Group, Inc.'s vacation of the Premises and shall still conclude on July 31, 2021. Upon the expiration of the term and/or any renewal thereof (collectively the "term"), the rights of the Parties shall be construed pursuant to Section 17 hereof. In no event shall the tenancy be extended or renewed absent an express written agreement between the Parties.

0-21-06

Thereafter, the Tenant is given and shall have the option to renew this Lease for two (2) additional three-year terms, so long as Tenant is in compliance with the terms of this Lease, and is utilizing the Premises described herein as contemplated hereunder.

In order to renew this Lease as outlined above Tenant must give Landlord notice in writing ninety (90) days prior to the expiration of the initial term (or renewal term as the case may be) of its desire to renew pursuant to the terms and conditions contained in this Lease Agreement. In the event Tenant fails to give any such notice to the City, it shall be presumed that Tenant has elected to terminate this Lease.

SECTION 3
RENT

A. For the period of August 1, 2018 to July 31, 2019, the annual rental shall be Fifteen Thousand Six Hundred and 00/100 Dollars (\$15,600.00). Tenant shall pay in equal monthly installments of One Thousand Three Hundred and 00/100 Dollars (\$1,300.00) per month in advance on the first day of each month.

B. For each year thereafter, if any, Tenant's rent shall increase at the rate of 3% per year over the previous year's rent. Tenant shall pay said rent in equal monthly installments in advance on the first day of each month.

SECTION 4
USE FEES; UTILITIES

Tenant shall be responsible for paying for water, sewer, electricity, gas, heating, and all utilities except as provided herein. Tenant shall place the account for said utilities in her name and same shall be payable directly by Tenant to the applicable utility provider. Tenant shall be responsible for all trash removal services.

TENANT SHALL NOT BE RESPONSIBLE FOR OR PAY REAL ESTATE PROPERTY TAXES. Tenant shall be responsible for any other applicable taxes or fees.

SECTION 5
COMPLIANCE TO MAINTAIN PROPERTY
IN COMPLIANCE WITH INSURANCE

Tenant covenants that it will not do nor permit to be done, nor keep nor permit to be kept upon the Premises, anything which will contravene the policy or policies of insurance against loss by fire or other causes, or which will increase the rate of fire or other insurance on the Property beyond the current rate. Should any act of Tenant so increase the rate, then, in addition to the rent hereinabove provided for, Tenant shall be liable for such additional premium, which shall be payable when billed as additional rent, collectible in the same manner as the annual rent. Tenant covenants that under no circumstances will it keep or permit to be kept, do or permit to be done, in or about the Premises, anything of a character so hazardous as to render it difficult, impracticable, or impossible to secure such insurance in companies acceptable to Landlord. Tenant further covenants, immediately upon notice, to remove from the Premises and/or to desist

from any practice deemed by the insurance companies or the Fire Marshall as so affecting the insurance risk or otherwise presenting a hazard.

SECTION 6 MAINTENANCE

Tenant agrees to keep the interior of the Premises, including the fixtures, equipment and personalty and appurtenances thereto in good repair and will make all ordinary and replacement repairs as its expense. Tenant agrees to be responsible for all interior and exterior window cleaning. Tenant shall be responsible for snow removal and cleaning on front sidewalk as needed. Tenant shall maintain the Premises in a neat and clean condition and upon the expiration of the term of this Agreement surrender the entire premises in as good a state and condition as they were in at the commencement of the term, ordinary wear and tear excepted. If Tenant refuses or neglects to repair or replace the fixtures, equipment or personal property as required hereunder to the reasonable satisfaction of Landlord within a reasonable time following written demand to Tenant by Landlord, Landlord may make such repairs or replacements, and upon completion, Tenant shall pay Landlord's costs for making such repairs or replacements upon presentation of bills therefore, payable and collectible as additional rent.

Tenant shall be responsible and pay for all janitorial and cleaning services as may be required for the Premises. Tenant shall be responsible and pay for all pest/insect/rodent control services for the Premises. At its sole cost, Tenant shall have the range exhaust hood professionally cleaned every four (4) months.

Landlord agrees to keep and maintain in good order and repair the exterior, the roof and all structural parts of the Premises and the Property. Landlord shall maintain in good condition and repair the electrical, heating, cooling and plumbing systems which serve the Premises.

SECTION 7 USE OF EQUIPMENT AND PERSONALTY

Tenant shall be permitted use of the fixtures, equipment and personal property located in the Premises as specifically delineated on the attached **Exhibit B** (the "Personalty"). The Personalty shall remain the property of the Landlord at all times. Tenant shall be responsible to maintain, repair and replace the Personalty as necessary during the term hereof.

SECTION 8 ALTERATIONS

Tenant further covenants that it will not make any alterations, additions, or changes of any kind to the Premises, without first securing the written consent of Landlord, after submission of the plans therefor to Landlord for review and prior approval. Any alterations, additions, or changes as Landlord shall permit in writing shall be made at Tenant's expense. This shall not be construed to deny the Tenant the right to do usual and customary decorating of the Premises. Tenant agrees that all improvements to the Premises shall become the property of the Landlord at the time of installation.

Within a reasonable period of time, Landlord shall perform the alterations set forth on **Exhibit C**.

SECTION 9
USE

The demised Premises shall be used by the Tenant solely for the purpose of conducting a restaurant business and any related business activities incidental thereto. No other use may be made of the premises unless approved in writing by the Landlord.

Tenant shall at all times during the term hereof remain in good standing with the State of Maryland, maintain its trader's license, restaurant license, and all other applicable licenses and approvals current and valid. Failure to cure a violation of this provision within thirty (30) days of notice to do so shall constitute an event of default hereunder.

Tenant's agents, servants, employees, invitees, or other persons upon the Premises under the control and direction of the Tenant shall not engage in any criminal activity upon the Premises. Tenant, its agents, servants and employees shall not engage in any act intended to facilitate criminal activity upon the Premises or permit the Premises to be used for any such criminal activity. Any violation of this warranty shall be deemed an event of default hereunder.

SECTION 10
SIGNS

Tenant shall be permitted to install the name of Tenant and/or its trade name, on any interior walls. The Tenant may not erect or place any signs on the exterior of the Premises or Property or which are visible from the exterior of the building unless same are in compliance with all applicable regulations and have been approved in writing by the Landlord. Said approval shall not be unreasonably or arbitrarily withheld.

SECTION 11
ASSIGNMENT AND SUBLEASE

Tenant shall not assign this Lease nor sublet all or any portion of the Premises to any person or entity without prior written approval from Landlord. Said approval shall be in the sole and absolute discretion of the Landlord.

SECTION 12
INDEMNITY AND LIABILITY INSURANCE

Tenant shall save and hold harmless and indemnify Landlord, its agents, servants, employees, officers and representatives from any and all claims of whatsoever nature or kind arising directly or indirectly from Tenant's use of the Premises including any suits, demands, claims or fines of whatsoever nature or kind including personal injuries and property damage

arising directly or indirectly under any circumstances by the exercise of the Tenant in the use of the premises.

Tenant agrees to maintain general liability, fire and casualty and property damage insurance with an insurance company acceptable to Landlord and to protect Landlord as an additional insured in the minimum amount of \$1,000,000.00 per occurrence. The insurer must be approved or acceptable to the Landlord. Such policy shall cover the demised Premises only. Said policies shall provide for at least 30 days' notice to the Landlord before cancellation and an endorsement shall be delivered to Landlord. A certificate of insurance shall be furnished to Landlord upon the execution of this Lease, and annually thereafter.

SECTION 13
QUIET ENJOYMENT; SUBORDINATION TO MORTGAGES

Provided Tenant is not in default hereunder, Landlord agrees to permit Tenant quiet enjoyment of the Premises. Tenant agrees that this Lease is and shall be subordinate to any existing or future liens or encumbrances of the Premises either by Landlord or its successors or assigns.

SECTION 14
INSPECTION OF PREMISES

Tenant agrees that Landlord shall have the right to inspect the Premises at all reasonable times during business hours, and to place upon the Premises or Property, where Landlord shall choose, "For Sale" or "For Rent" signs at any time during the term of this agreement.

SECTION 15
FIRE DAMAGE/CONDEMNATION

In the event the Premises is damaged by fire, storm, the elements, act of God, unavoidable accident and/or the public enemy, to such an extent as to render it partially untenable, Landlord shall restore such portion of the Premises so injured or damaged as speedily as possible. The rent shall abate proportionately on such part of the Premises as may have been rendered untenable until such time as such part shall be fit for use, and after which time, the full amount of rent reserved in this Lease shall be payable as hereinabove set forth. If the Premises is injured or damaged by any of the aforesaid causes to such an extent as to render the same wholly untenable, then this Lease shall thereupon become null and void, and all liability of Tenant shall terminate upon payment of all rent and additional rent or other charges due and payable to the date of such happening.

Should the Premises or any part thereof be condemned, appropriated and/or required for public use, then this Lease Agreement at the option of Landlord, shall terminate upon the date when the Premises or any part thereof shall be taken. Rent shall be apportioned as of the date of such termination. Tenant shall not be entitled to any portion of a damage award.

In the event of partial or entire untenability or condemnation, Landlord shall not be responsible for relocation costs and/or loss of business or income to Tenant. The term untenable shall be defined as meaning the premises are unable to be used for a restaurant business.

SECTION 16
DEFAULT OF TENANT; REMEDIES OF LANDLORD

In addition to, and not in contravention of any other provision hereof, it is further agreed and understood that if any default is made in the payment of the rental or any other provisions as herein agreed by the Tenant, then the relationship of Landlord and Tenant at the option of the Landlord shall wholly cease and terminate, and the Landlord, its agents or attorneys, shall have the absolute right to re-enter said premises and assume and take possession of the same and the said Tenant waives service of any Notice of Intention to Re-enter, Notice to Terminate Tenancy, or Notice to quit or Demand for Possession.

SECTION 17
TENANT HOLDING OVER

This agreement shall terminate automatically upon the expiration of the initial term or any validly exercised renewal thereof. However, if Tenant does not immediately surrender possession of the Premises upon the termination, and there is a holding over by Tenant, then and in said event, the tenancy of this lease shall be considered at will, and Landlord shall be entitled to retake possession of the Premises without any prior notice to Tenant. Tenant hereby waives Demand for Possession and Service of Notice to Re-enter and Notice of any kind in connection with Landlord's right to re-enter and take possession of the Premises upon expiration of the term. If, despite the intent of the Parties, a Court of competent jurisdiction shall hold that a periodic tenancy exists upon the expiration of the initial term or any renewal hereof, the Parties hereto agree that said periodic tenancy shall be month-to-month.

SECTION 18
CONTINGENCY

It is recognized by and between the parties that it is necessary for the Landlord to pass a resolution approving the execution of this Lease and the provisions hereof. In the event that said resolution should not become effective for any reason, then in said event, this agreement is null and void of no effect. It is agreed that the necessary resolution required by the Landlord shall be introduced as expeditiously as possible.

SECTION 19
SMOKING

No smoking will be permitted on the Premises by the public or the guests, invitees, agents, servants or employees of Tenant. No candle, incense or open flame shall be permitted on the Premises.

SECTION 20
NOTICES

Any notice required or permitted by this Lease to be given by either party may be personally delivered or sent by certified mail, properly addressed and prepaid, to the addresses of the parties herein given, unless another address shall have been substituted for such address by notice in writing. The date of delivery, being taken as the date of the receipt of such notice.

City of Hagerstown: City Clerk
 City of Hagerstown
 City Hall
 1 E. Franklin Street
 Hagerstown, MD 21740

Tenant: Zahana Holmes, aka Zahana Pakpoom
 107 E Franklin St.
 Hagerstown, Md 21740

SECTION 21
ADDITIONAL DOCUMENTS

The parties agree to execute, acknowledge and deliver, any and all further documents and instruments that may be required or necessary to carry out and effectuate the purpose of this Agreement or any provisions contained herein.

SECTION 22
PARTIAL INVALIDITY

If any term, covenant or condition of this Agreement shall be deemed invalid or unenforceable, then the remainder of this Agreement shall not be affected and same shall remain in full force and effect.

SECTION 23
GOVERNING LAW

This Agreement shall be construed, interpreted and enforced according to the Laws of the State of Maryland, without regard to principles of conflict of law. The parties hereto agree to the exclusive jurisdiction and venue of the State Courts of Maryland located in Washington County. THE PARTIES HEREBY WAIVE THE RIGHT TO TRIAL BY JURY.

SECTION 24
PERMITS

In the event that it becomes necessary for any special permits, licenses or anything that may be requisite for the Tenant to occupy and use the Premises for the purposes set forth herein

or as hereinafter may be agreed upon, then in said event, Tenant shall be responsible for the application and payment of any such permit or license fee if required.

SECTION 25
SECURITY DEPOSIT

Tenant shall deposit with the Landlord the sum of One Thousand Three Hundred and 00/100 Dollars (\$1,300.00) as a security deposit, upon the execution of this Lease Agreement. The security deposit, or any portion thereof, may be withheld by the Landlord at the termination of this Lease for unpaid rent, damage due to breach of lease or for physical damage to the leased Premises by the Tenant, its agents, servants, employees, social guests or invitees, in excess of ordinary wear and tear.

SECTION 26
PERSONAL GUARANTEE

The Tenant hereby acknowledges that the Landlord has agreed to enter into the Lease based in part on the assurances of and receipt of a personal guarantee from Zahana Holmes aka Zahana Pakpoom. The Personal Guarantee is the form attached hereto as Exhibit D is incorporated herein by reference as an integral and material requirement of this Lease Agreement.

SECTION 27
MISCELLANEOUS

The headings in the Agreement are solely for convenience and reference only and are not intended to define or limit the scope of any provisions of this Agreement, nor affect the interpretation thereof.

All references made, and nouns and pronouns used herein, shall be construed in the singular or plural, and in such gender as the sense and circumstances require.

This Agreement shall enure to the benefit of and be binding upon the parties hereto, their grantees, successors and assigns, if applicable.

This Agreement is subject to and contingent on the passage of any ordinances or resolutions required as indicated, and upon the adoption of this Agreement by formal action of the Mayor and Council.

This Agreement contains the final and entire Agreement between the parties and they shall not be bound by any terms, conditions, statements, or representations, oral or written, not herein contained. Any subsequent amendment to the Agreement shall be valid only if executed in writing by the parties or their grantees, successors or assigns, if applicable.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the date and year first above written.

WITNESS AND ATTEST
AS TO CORPORATE SEAL

Donna Spickler for
Donna Spickler, City Clerk

ATTEST

Donna Spickler

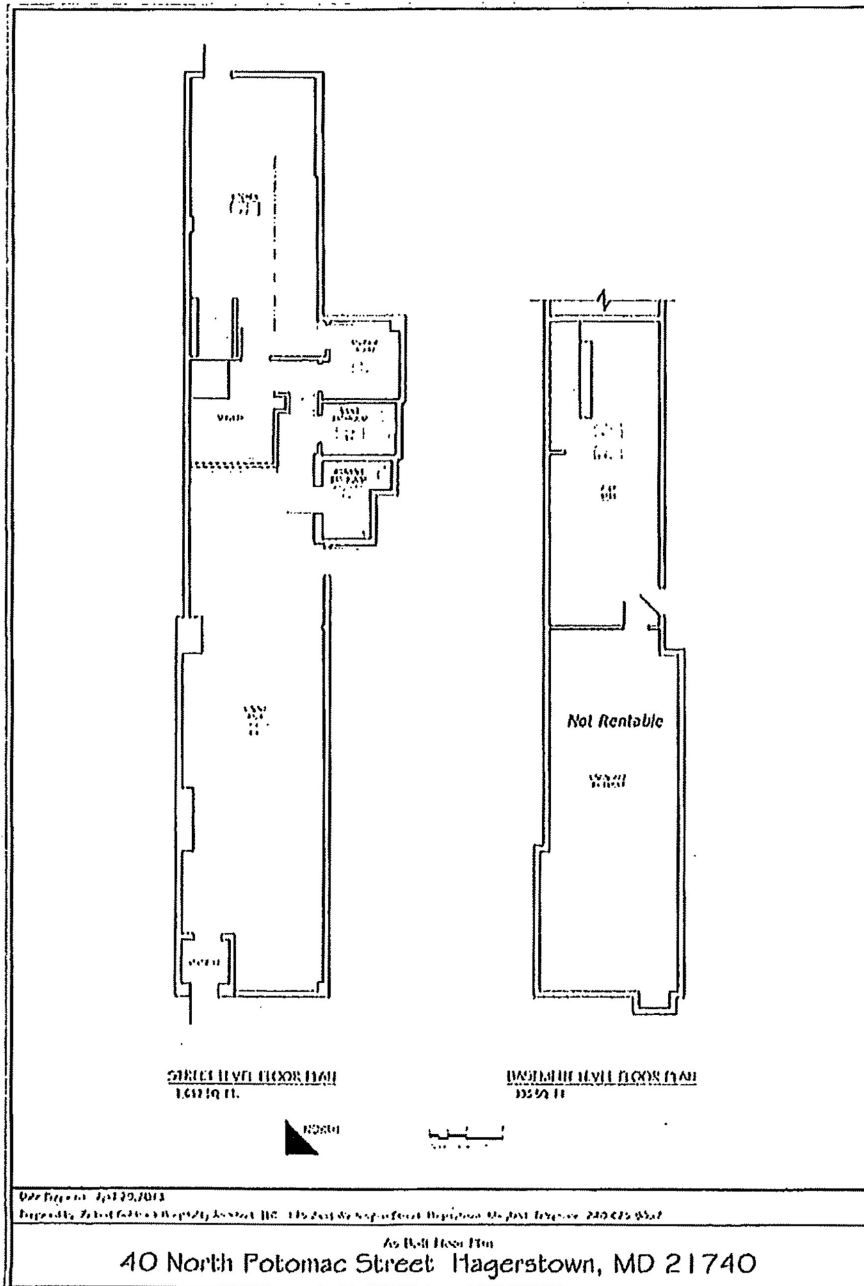
CITY OF HAGERSTOWN

By: Robert E. Bruchey II
Robert E. Bruchey, II, Mayor

TENANT
AYAHANA, INC.

BY: Zahana Holmes (SEAL)
Zahana Holmes aka Zahana Pakpoom,
President

Exhibit A



Total of 2008 Rentable Square Feet

Initials: PK, JS

0-21-06

Exhibit B

Equipment in Place for Tenant Use

- Gas Griddle Counter Unit
- Gas Hotplate Counter Unit
- 28x60 Stainless Steel Stand
- 28x24 Stainless Steel Stand
- Electric Counter Full Pot Fryer
- Single Door Freezer
- Under-Counter Reach-in Refrigerator
- Refrigerated Pizza Prep Table
- Refrigerated Sandwich Top Counter
- Hand Sink
- Refrigerated Work Top Counter
- Ice Maker
- Stop-In Refrigerator
- 72" Long Stainless Work Table
- 3-Compartment Sink (2)
- Range Hood and Exhaust System

SLK

Exhibit C

1. City Staff will purchase and install a second interior door at the entrance area to create a small interior vestibule.
2. Tenant will purchase combination locks for the two bathroom doors and City Staff will install.
3. City Staff will replace broken tiles in kitchen area.
4. City will install a new deck with a covered area extending to the steps.
5. Tenant will purchase up lighting for the awning and City Staff will install.

0-21-06

EXHIBIT D

GUARANTEE OF LEASE

As a material inducement of Landlord to execute the foregoing Lease Agreement (the "Lease") by and between The City of Hagerstown, a Maryland Municipal Corporation ("Landlord"), and Ayahana, Inc., a Maryland Corporation ("Tenant"), for Premises located at 40 North Potomac Street, Hagerstown, Maryland, the undersigned Zahana Holmes aka Zahana Pakpoom ("Guarantor") hereby unconditionally and absolutely guarantees unto Landlord, its successors and assigns, the full, prompt and complete payment by Tenant of all Rent, additional rent, utility charges, fees, and any other sums due provided for in the Lease, and the prompt, faithful and complete performance and observance by Tenant of all of the terms, covenants and conditions of the Lease to be performed or observed by Tenant (the "Guarantee").

Guarantor hereby waives (i) notice of any and all defaults by Tenant, (ii) all demands for payment and/or performance, and (iii) all rights of indemnification, recourse or reimbursement for any liability under this Guarantee. Guarantor agrees that no delay by Landlord in enforcing any of its rights or remedies, nor any extension of time, nor any modification to the Lease, shall limit, affect or impair the liability of Guarantor, and Guarantor expressly consents to any such delays, extensions, and modifications with the same force and effect as though its consent had been given to each of them. The assignment of the Lease or subletting of all or any portion of the Premises shall not affect the Guarantor's liability hereunder, unless specifically released herefrom by Landlord.

This Guarantee is independent of and in addition to any security or other remedies which Landlord may have for the performance or satisfaction of any of the Tenant's obligations under the Lease. Landlord shall not be required to resort to any other security or other remedies before proceeding upon this Guarantee. Landlord may proceed against Guarantor at any time it sees fit, independently of or concurrently with any other remedies.

Guarantor agrees to pay Landlord, on Landlord's request, any costs (including, but not limited to, reasonable attorney's fees of twenty percent (20%)) incurred by Landlord to enforce this Guarantee. In addition, Guarantor agrees to promptly acknowledge and confirm, in such form as Landlord may request from time to time, Guarantor's obligations under this Guarantee.

This Guarantee shall be binding upon the undersigned, his heirs and personal representatives, and shall inure to the benefit of Landlord, its successors and assigns.

IN WITNESS WHEREOF, the undersigned has executed this Guarantee on the 1 day of August, 2018, intending it to be both legally binding and an instrument under seal.

WITNESS:

Donald Meyer

GUARANTOR

Zahana Holmes aka Zahana Pakpoom (SEAL)
Zahana Holmes aka Zahana Pakpoom

STATE OF Maryland, COUNTY OF Washington

I hereby certify that on August 1, 2018, before me, a Notary Public of the above-referenced jurisdiction, personally appeared Zahana Holmes aka Zahana Pakpoom, known to me or satisfactorily proven to me to be the person whose name is subscribed to the within instrument, who acknowledged the he/she executed the same for the purposes contained herein.

WITNESS my hand and Notarial Seal.

My Commission Expires:

Brenda Hawbaker

, Notary Public



Brenda Hawbaker
NOTARY PUBLIC
Washington County
State of Maryland
My Commission Expires
June 4, 2021

90 Hagerstown

State of Maryland License

21375800
21375800



AYAHANA INC
HANA THAI DINING
40 N. POTOMAC STREET
HAGERSTOWN MD 21740

AYAHANA INC
HANA THAI DINING
40 N. POTOMAC STREET
HAGERSTOWN MD 21740

18

CODE	UNIT	TYPE OF LICENSE	NO OF LIC	COST
71	1.0	TRADER'S LICENSE	1	15.00
87	801	RESTAURANT	1	25.00

DATE OF ISSUE
MO - DAY - YR
07/31/2018

MONTHS PAID
10

ISSUING FEES	4.00		
TOTAL	44.00	AMOUNT PAID	44.00

THIS LICENSE MUST BE PUBLICLY DISPLAYED
AND EXPIRES ON **APRIL 30, 2019**

ISSUED BY
KEVIN R. TUCKER, ACTING CLERK OF CIRCUIT COURT
24 SUMMIT AVENUE
HAGERSTOWN, MD 21740 (301)733-8660

RZR

0-21-06

Exhibit 3

CITY OF HAGERSTOWN, MARYLAND

A Resolution Authorizing the City Of Hagerstown to Enter into a Residential Lease Agreement with Alexandra E. Burt for a Portion of the Property Known As *The Studios On Nopo, 38 North Potomac Street, Hagerstown, Maryland*

RECITALS

WHEREAS, the City of Hagerstown owns real property known as *The Studios on NoPo*, 38 North Potomac Street, Hagerstown, Maryland, upon which artist lofts are located;

WHEREAS, a portion of said property is currently available and is intended to be used by Alexandra E. Burt, the Tenant, solely for the purposes of residential lease, as set forth in the attached Residential Lease agreement;

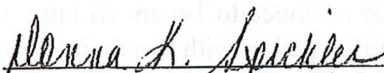
WHEREAS, the City of Hagerstown desires to lease a portion of said property (further described in the attached Residential Lease) to Alexandra E. Burt, an adult individual; and

NOW THEREFORE, BE IT RESOLVED, by the Mayor and Council of the City of Hagerstown, Maryland as its duly constituted legislative body as follows:

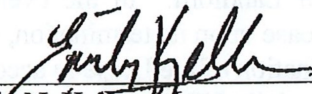
1. That the foregoing recitals are incorporated herein as if fully set forth.
2. That the City of Hagerstown be and is hereby authorized to enter into a Residential Lease with Alexandra E. Burt, for the portion of the property located at premises known as 38 North Potomac Street, Apartment #4, Hagerstown, Maryland, pursuant to the terms of the Residential Lease attached hereto and incorporated herein by reference. The Residential Lease shall be guaranteed by Logan W. Burt.
3. That the City of Hagerstown be and is hereby authorized to execute and deliver the Residential Agreement attached hereto, and to execute any additional documentation required to effectuate the purposes of this Resolution.

BE IT FURTHER RESOLVED, that this Resolution shall become effective immediately upon its approval.

WITNESS AND ATTEST
AS TO CORPORATE SEAL


Donna K. Spickler, City Clerk

MAYOR AND COUNCIL OF THE CITY
OF HAGERSTOWN, MARYLAND

By: 
Emily N. Keller, Mayor

Date of Introduction: February 23, 2021
Date of Passage: February 23, 2021
Effective Date: February 23, 2021

PREPARED BY:
SALVATORE & MORTON, LLC
CITY ATTORNEYS

0-21-06

Residential Lease

THIS LEASE made on the 15 day of March, 2021, between City of Hagerstown, Landlord, and Alexandra E. Burt, Tenant.

WITNESSETH, that the Landlord hereby leases to the Tenant and the Tenant hereby leases from the Landlord, premises known as *The Studios on NoPo*, 38 North Potomac Street, Apartment #4, Hagerstown, Maryland 21740.

1. **TERM.** This Lease shall be for a term of one year, beginning on the 1st day of April, 2021 and ending on the 31st day of March, 2022. Thereafter, the Tenant shall be considered a month-to-month, periodic tenant, with said tenancy terminable by either party upon thirty (30) days' written notice to the other party.

2. **RENT.** Total annual rent of Five Thousand Four Hundred Dollars (\$5400.00) payable in equal monthly installments of Four Hundred Fifty Dollars and 00/100 Cents (\$450) per month in advance on the first day of each and every month of said term, without deduction or demand at the office of the Landlord at the cashier's office, 1 East Franklin Street, Hagerstown, MD.

If this Lease commences on a day other than the first of the month, the pro-rated amount of rent for the balance of the first month shall be paid to the Landlord at the time of possession. Thereafter, rent shall be paid on the first day of each month according to the amounts described above.

3. **SERVICE CHARGES.** Landlord shall have the right to require rent payments to be made in cash, money order, Cashier's Check and/or certified check. A service charge of \$35.00 will automatically be made for each instance in which a check is returned unpaid by the Tenant's bank for any reason. A late charge of five percent (5%) of the amount of rent due for the monthly rental period shall be assessed for any payment delinquent ten (10) days after the due date.

4. **SECURITY DEPOSIT.** In addition to payment of the first month's rent, Tenant, upon the execution of this Lease, will deposit with Landlord the sum of \$450 as Security Deposit. If the Tenant has a pet within the guidelines outlined in Section 9 of this lease, an additional \$250 shall be collected as the Pet Deposit.

This Security Deposit shall be held as security by Landlord for the full and complete performance by Tenant of Tenant's obligations under this Lease, and shall be applied at the expiration of the term of this Lease, or any extensions, thereof, if any, on account of any unpaid rent, damage due to breach of this Lease or damage to the premises by Tenant, Tenant's family, agents, invitees, employees or social guests in excess of ordinary wear and tear. In no event, shall Tenant apply the Security Deposit toward any month's rent due under this Lease, without prior written consent of Landlord. In the event Tenant shall have fully and completely performed Tenant's obligations under this Lease upon its termination, the Security Deposit shall be refunded to Tenant within forty-five (45) days after the termination of the Lease in accordance with the terms hereof, together with simple interest which shall have accrued at the daily US Treasury yield curve rate for 1 year, as of the first business day of each year, or 1.5% a year, whichever is greater. A move-in checklist will be completed by Tenant within three (3) days of moving in and Landlord will use the move-in checklist during the move out inspection to determine if any of the tenant's deposit will be retained for cleaning or repairs after move-out. Upon tenant's written notification to Landlord of Tenant's intention to vacate premises, the date of moving and Tenant's new address, Tenant has the right to be present when Landlord inspects the premises in order to determine the existence of any damages caused during the tenancy. Upon receipt of Tenant's written notice of Tenant's intention to vacate premises, Landlord

shall notify Tenant in writing of the date and time when the premises are to be inspected. The date of inspection shall occur within five (5) days before or five (5) days after the date of moving as designated in Tenant's written notice. A Security Deposit Receipt is attached hereto as Exhibit 1 to this Lease.

5. **DELIVERY OF POSSESSION.** Delivery of possession shall occur only after the first month's rent and security deposit have been paid to the Landlord. The Landlord shall then tender two key sets for the premises to the Tenant.

6. **SUBLEASE.** Tenant shall not assign this Lease or sublet the premises, or any portion thereof, or transfer possession or occupancy thereof to any other person or persons without prior written consent of Landlord.

7. **OCCUPANTS.** Tenant agrees that the premises shall be occupied by the individuals listed below, and as set forth in the NoPo Studio Application, who are specifically declared as follows:

- Alexandra E. Burt (Tenant)

Additional persons will be permitted to occupy the Premises only upon written consent of the Landlord. Guests of Tenant will be considered additional occupants of the Premises if any such guest remains on the Premises for more than five (5) days in any 30 day period. Tenant shall notify Landlord immediately if Tenant intends to have a guest for more than five days.

8. **THE STUDIOS ON NOPO APPLICATION.** In connection with The Studios on NoPo Application, Tenant has submitted asset verification, employment verification, rental verification, and income certification statements, all of which are considered a part of the Studios on NoPo Application. Tenant has also provided authorization for the Landlord to perform credit report check(s) and criminal background check(s) for the household member(s). The parties acknowledge that Landlord relies upon the information given by Tenant in the Rental Application to enter into this Lease, and said information is incorporated herein by reference as fully as if attached hereto.

9. **ANIMALS.** One cat or dog under 25 pounds is permitted in each studio apartment, after paying the Pet Deposit described above in Section 4. Other pets may be considered on a case-by-case basis, and may be permitted within the sole discretion of the Landlord. **This tenant is permitted to have the following pets only: one (1) lizard and one (1) rabbit are specifically allowed under this Lease. A pet deposit of \$250 shall be paid in addition to the deposit set forth in Section 4.**

10. **MAINTENANCE, CONDITIONS, NOISE AND ALTERATIONS.**

(a) Tenant has examined the Premises and all appliances and equipment thereon owned by Landlord, and hereby accepts them in their "AS IS" condition and acknowledges that Landlord has made no representations or warranties, either expressed or implied, as to the condition or use of the Premises. Tenant shall immediately notify Landlord of any defects or dangerous conditions. Tenant shall keep the Premises in good order and condition and shall pay Landlord promptly for any repairs to the Premises or its equipment caused by Tenant's negligence or misuse or by the negligence or misuse of tenant's invitees, licensees or guests. Tenant shall return the Premises and all fixtures, appliances and improvements therein owned by Landlord in substantially the same condition as received, including but not limited to, general cleanliness and upkeep. Tenant acknowledges that Tenant shall pay to Landlord,

upon vacating the Premises, expenses as may be incurred to restore the Premises to the condition in which it was delivered to Tenant at the commencement of this Lease, reasonable wear and tear excepted.

(b) Tenant shall not make any alterations or additions to the Premises without the prior written consent of Landlord.

(c) Tenant shall maintain the premises in a clean and sanitary condition at all times; and complies with all laws, ordinances and regulations, health, fire and police regulations with respect to the Premises. Tenant shall indemnify and save Landlord from all liability arising out of any violation by Tenant of such laws or regulations or arising out of any neglect or any violation or non-performance by the Tenant of any of the covenants contained in this Lease. Landlord shall monitor the condition of the premises and maintenance of the property. If the Tenant is negligent and Landlord incurs cost to maintain property, or be charged fines or fees the tenant will subsequently be charged for any and all costs incurred and shall be due as additional RENT.

(d) Tenant shall keep all plumbing from becoming obstructed due to negligence. NOTE: the sanitary sewer system may only be used for its designed and intended purposes. No diapers, condoms, paper towels, feminine hygiene products, or like materials may be flushed in the sanitary sewer system. If the plumbing becomes obstructed because of Tenant negligence or deliberate acts, Tenant shall pay the costs to have lines cleared.

(e) Tenant shall keep noise of occupants and guests and noise from radios, television sets, stereos, etc. to a level of sound that does not annoy or interfere with neighbors.

11. **UTILITIES.** The Landlord shall provide the utilities listed in Column 1 without any additional charge to the Tenant. The utilities listed in Column 2 are not included in the rent and are to be paid solely by the Tenant. The utilities payable by the tenant in Column 2 shall be considered additional rent.

Utility	Column 1 Landlord Paid	Column 2 Tenant Paid
Heating (Electric)		X
Hot Water (Electric)		X
Cooking (Electric)		X
Lights (Electric)		X
Water/Sewer/Trash Collection	X	
Phone/Cable TV/Hard-Wired Internet		X

12. **INSPECTION.** Landlord shall have the right to enter the Premises at all reasonable times necessary to inspect the Premises, to control pests and vermin, and to make necessary repairs to and maintain the Premises, including but not limited to, the heating, ventilation and air conditioning systems, the plumbing system, the electrical systems, etc. When practical, the Landlord shall give Tenant a one (1) day posted written notice of its intent to inspect the premises and the approximate time for said inspection. The notice shall be posted to the front door and such posting shall meet all requirements for said notice. In case of emergency, Landlord may enter the premises immediately and without notice to Tenant. During the last 60 days of the term of this Lease or during any extension thereof, Landlord or its Agent may enter the premises during daylight hours to exhibit the same, and place a "for rent" or "for sale" sign thereof.

13. **USE OF PREMISES.** The Premises shall be solely used for residential use. Tenant shall comply with all requirements of the Landlord and by all applicable laws, ordinances, and governmental regulations. No smoking or burning of incense or candles shall be permitted on the premises.

14. **INDEMNIFICATION.** The tenant agrees to indemnify, exonerate and save the landlord harmless from any and all suits, claims for loss, expenses, damages or injury to person or property sustained on the premises or arising out of the use of the premises by the tenant or the tenant's family, employees, invitees, guests or licensees.

15. **SMOKING/ALARMS. CARBON MONOXIDE ALARMS.** Smoking of any sort is prohibited inside the Premises. Smoking is ONLY permitted at the exterior rear area of premises. Tenant acknowledges that the Premises are equipped with smoke alarms and carbon monoxide alarms (collectively "Alarms"), in accordance with Maryland law. It shall be the obligation of the Tenant to test the Alarms in accordance with the respective manufacturers' recommendations and to alert the Landlord immediately in the event that they do not function. It shall be the responsibility of the Landlord promptly to repair, maintain and replace the Alarms upon notification by the Tenant.

16. **HANDBOOK.** The Tenant shall be in compliance with all property rules and regulations in the booklet titled, *The Studios on NoPo Tenant Handbook*, revised 1/2021, and hereby incorporated into this lease by reference and attached as Exhibit 3.

17. **ILLEGAL ACTIVITY.** Notwithstanding anything which in any way might be construed to the contrary, it shall be deemed to be a material breach of this Lease for Tenant, or any member of the Tenant's household to engage in and/or to suffer the engagement in any criminal activity, including drug-related criminal activity, on or off the premises, while such Tenant is a Tenant in occupancy of any housing unit under control of Landlord. The term "drug-related criminal activity" shall mean the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use, of a controlled substance [as defined in Section 102 of the Controlled Substance Act (U.S.C. 802) as amended].

18. **INSURANCE.** Tenant acknowledges that Landlord maintains insurance on the Premises, which insurance does not protect the personal property, possessions, or personal liability of Tenant. Tenant must consult her own Agent for insurance protection. Tenant is strongly encouraged to obtain adequate insurance on personal property of Tenant placed on, in, or about the premises.

19. **CASUALTY.**

(a) If the Premises is damaged or destroyed by fire or other casualty to an extent that the use of the Premises is substantially impaired, Tenant may immediately vacate the Premises and may terminate this Lease upon written notice to Landlord given within ten (10) days of Tenant's vacation of the Premises. In the event Tenant remains in possession of the damaged Premises, Rent shall be reduced in proportion to the impairment of use of the premises until same are repaired.

(b) In the event the Premises are damaged by fire or other casualty, and Landlord elects not to restore, repair and rebuild, Landlord may terminate this Lease by giving written notice to Tenant, whereupon Tenant shall promptly vacate the premises. Rent shall be paid through the date Tenant vacates.

20. **CONDEMNATION.**

(a) If the whole or any part of the Premises shall be taken by any competent authority for public or quasi-public use or purpose, then and in that event, this Lease shall cease and terminate from the date when the possession of the part so taken shall be required for such use or purpose.

(b) All damages awarded for such taking shall belong to and be the property of Landlord. Tenant shall not be entitled to any sum from Landlord or the condemning authority as compensation for the loss to the unexpired Term, nor for any other damages.

21. **BREACH AND REMEDIES.** If Tenant breaches this Lease, Landlord may repossess the Premises pursuant to judicial process, and Landlord shall have other rights as may be allowed by law. Tenant will pay the court costs charged to Landlord for notice sent for non-payment of rent, and Tenant also agrees to reimburse Landlord for all reasonable expenses incurred by Landlord, including attorney's fees as Additional Rent, if ejectment is ordered by the court.

22. **ATTORNEY FEES.** If Landlord be compelled to incur any expenses including reasonable attorney's fees in instituting and prosecuting any action or proceeding by reason of any default of Tenant hereunder, the sum or sums so paid by Landlord with all interest, costs, and damages shall be deemed to be additional rent hereunder and shall be due from Tenant to Landlord on the 1st day of the month following the incurring of such respective expenses. Tenant agrees to reimburse Landlord for any reasonable attorney fees incurred by Landlord in enforcing the provisions of this Lease. In the event that Tenant files suit against Landlord in connection with this lease and Tenant is unsuccessful in obtaining a judgment against Landlord, Tenant agrees to pay Landlord's reasonable attorney fees in defending said suit.

23. **EXTENDED ABSENCES.** Tenant shall give Landlord prior written notice of any anticipated absence from the premises in excess of seven (7) days, during which absence Landlord may enter the premises as reasonably necessary. In the event Tenant fails to give notification to Landlord of an extended absence in excess of seven (7) days, Landlord may recover actual damages, if any, from Tenant.

24. **ENTIRE AGREEMENT.** The provisions hereof together with the Rental Application and the Exhibits 1 – 5, which are incorporated herein by reference along with any addendum attached hereto and initialed by the parties represent the complete and entire agreement between the parties with respect to the Premises. This Lease cannot be changed or supplemented except by agreement in writing signed by both parties.

25. **DEFAULT.** If the premises are abandoned or become vacant during the term, the Lessor or its agents may re-enter the same by force or otherwise without being liable to any prosecution therefore and, in addition to any other remedies, re-rent the premises in whole or in part as the agent of the Lessee who in all events shall remain liable for any unpaid rentals for the full term of this Lease. Lessor may receive the rent from any such re-rental applying the same first to the payment of such expenses as the Lessor may incur in re-entering and re-letting, and then to the payment of the rent due hereunder.

If any default is made in the payment of the rent due hereunder including utilities, or if any default or violation be made in the performance of any of the covenants and agreements herein contained on the part of the Lessee to be performed, and if such default shall not be cured by the Lessee within fifteen (15) days after receipt by the Lessee of written notice from the Lessor of such default, then the relation of Lessor and Lessee, at the option of the Lessor, shall wholly cease and determine and, in addition to any other remedies, the Lessor may re-enter the premises by force, if necessary, and remove all persons therefrom and distrain for rent, if any be due, and assume and take possession of the premises and Lessee's property therein; and the Lessee, in any such event, expressly waives the service of any notice to Quit or Demand for Possession, but the Lessee shall, nevertheless, remain liable for any unpaid rental for the full term of this Agreement.

If any legal process whatsoever shall be issued for the purpose of attaching or taking in execution of any of Lessee's chattels located on the premises or Lessee's interest in the premises created by this Agreement, or if Lessee shall petition or have a petition filed against him to be adjudicated a bankrupt or insolvent, and such petition is not removed within ten (10) days, or if a receiver or trustee shall be appointed for Lessee's business or property, or if Lessee shall make a general assignment for the benefit of creditors, or if a corporate reorganization of Lessee or any arrangement with Lessee's creditors shall be approved by a court under any provision of the Federal Bankruptcy law, or if, in any other manner, the Lessee's interest under this Agreement would otherwise pass to another by operation of law, or if Lessee, without Lessor's prior written consent, shall assign or transfer to another in bulk, and not in the ordinary course of business, a major part of the materials, supplies, merchandise and other inventory, or substantially all of the fixtures and equipment located on the premises, then in any such event, Lessee shall be deemed to have committed a material breach of this Agreement and the Lessor may, at its option, forthwith by written notice re-enter the premises, and re-rent the premises as the agent for the Lessee. Notwithstanding any such action(s) by Lessor, Lessee shall in all events remain liable for any unpaid rental for the full term of this Lease.

Lessee hereby expressly waives the benefits of all laws exempting property of any amount or value from levy and sale on execution of distress for rent, or upon any execution under any judgment that may be recovered from rent due under this Agreement.

Lessor shall in all events be entitled to the benefit of all provisions of applicable laws respecting the speedy recovery of lands and tenements held over by Tenants or proceedings in forcible entry and detainer.

26. **FAILURE TO PERFORM.** Tenant covenants that in case Landlord, by reason of the failure of Tenant to perform any of the provisions hereof, shall be compelled to pay or shall pay any sum of money, or shall be compelled to do or shall do any act which requires the payment of money, then the sum or sums so paid or required to be paid, together with all interest, costs and damages, shall be added to the next installment of rent due or to any subsequent installment of rent and shall be collectible as additional rent in the same manner and with the same remedies as if it had been originally reserved.

27. **ADDITIONAL ITEMS / REQUIREMENTS.**

1. Attached as Exhibit 1 is a Security Deposit Receipt, which is incorporated herein.
2. Attached as Exhibit 2 is a lead paint notification, which is incorporated herein.
3. Attached as Exhibit 3 is the Tenant Handbook, which is incorporated herein.
4. Attached as Exhibit 4 is the Wireless Network Benefit, which is incorporated herein.
5. Attached as Exhibit 5 is a Guarantee of Lease, which is incorporated herein.

28. **CRIME FREE HOUSING.** Tenant, any members of the Tenant's household or a guest or other persons affiliated with the Tenant or affiliated with any member of the Tenant's household:

- a. Shall not engage in criminal activity at, on or near the said premises. "Criminal activity" means the commission of any of the acts defined in the Maryland Criminal Law Code Annotated, as from time to time amended.
- b. Shall not engage in any act intended to facilitate criminal activity and shall not permit the premises to be used for or to facilitate criminal activity, regardless of whether the individual engaging in the activity is a Tenant, a member of the Tenant's household, a guest, or another person affiliated with the Tenant.
- c. Violation of the above provisions shall be a material breach of the Lease and good cause for immediate

termination of tenancy. Proof of a violation of the Lease hereunder shall not require a criminal conviction, but shall be by a preponderance of the evidence.

29. **MODIFICATIONS.** The provisions contained in this Lease shall not be changed or modified without express consent of Tenant and Landlord.

30. **SEVERABILITY.** In the event that any term or condition of this Lease shall be determined to be void or unenforceable for any reason, then notwithstanding such determination, the balance of this Lease shall nonetheless remain in full force and effect and be construed and applied as though that term or condition was not contained herein.

This Lease contains the entire understanding between the parties hereto. There are no representations, warranties or agreements concerning the subject matter of this Lease other than as expressly set forth herein.

LANDLORD: The City of Hagerstown

TENANT:

BY: 



Print: Emily N. Keller

Alexandra E. Burt

Title: Mayor of the City of Hagerstown

Attest:

Witness:

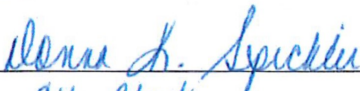

City Clerk



Exhibit 1

**Security Deposit Receipt
RP §§8-203(c) and 8-203.1**

(a) The Tenant is hereby notified of the following:

- (1) The right to have the dwelling unit inspected by the landlord in the tenant's presence for the purpose of making a written list of damages that exist at the commencement of the tenancy if the tenant so requests by certified mail within 15 days of the tenant's occupancy;
- (2) The right to be present when the landlord inspects the premises at the end of the tenancy in order to determine if any damage was done to the premises if the tenant notifies the landlord by certified mail at least 15 days prior to the date of the tenant's intended move, of the tenant's intention to move, the date of moving, and the tenant's new address;
- (3) The landlord's obligation to conduct the inspection within 5 days before or after the tenant's stated date of intended moving;
- (4) The landlord's obligation to notify the tenant in writing of the date of the inspection;
- (5) The tenant's right to receive, by first-class mail, delivered to the last known address of the tenant, a written list of the charges against the security deposit claimed by the landlord and the actual costs, within 45 days after the termination of the tenancy;
- (6) The obligation of the landlord to return any unused portion of the security deposit, by first-class mail, addressed to the tenant's last known address within 45 days after the termination of the tenancy; and
- (7) The failure of the landlord to comply with the security deposit law may result in the landlord being liable to the tenant for a penalty of up to 3 times the security deposit withheld, plus reasonable attorney's fees.

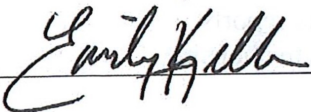
Retention of receipt

The landlord shall retain a copy of the receipt for a period of 2 years after the termination of the tenancy, abandonment of the premises, or eviction of the tenant, as the case may be.

Failure of landlord to provide written receipt

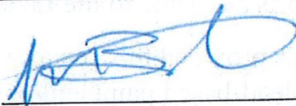
The landlord shall be liable to the tenant in the sum of \$25 if the landlord fails to provide a written receipt for the security deposit.

LANDLORD: The City of Hagerstown

By: 

Title: Mayor of the City of Hagerstown

TENANT:



3/15/2021
Date

Exhibit 2

LEAD-BASED PAINT DISCLOSURE

Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards

Lead Warning Statement:

Every Tenant of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The Landlord of any interesting residential real property is required to provide the Tenant with any information on lead-based paint hazards from risk assessments or inspections in the Landlord's possession and notify the Tenant of any known lead-based paint hazards. A risk assessment or inspections for possible lead-based paint hazards is recommended prior to occupancy of the rental property.

Landlord's Disclosure (initial)

_____ (a.) Presence of lead-based paint and/or lead-based hazards (check one below):

- (X) Known lead-based paint and/or lead based paint hazards are present in the housing (explain).
Structure was constructed prior to 1950 and it is likely that lead based paint was used in building components at that time.
- () Landlord has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b.) Records and reports available to the Landlord (check one below):

- () Landlord has provided the Tenant with all available records and reports pertaining to lead-based paint and/or lead based paint hazards in the housing (list documents below).

- (X) Landlord has no reports or records pertaining to lead-based paint and/or lead-based hazards in the housing.

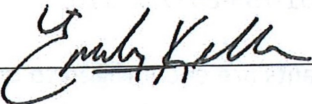
Tenant's acknowledgement (initial)

- JB (c.) Tenant has received copies of all information listed above.
- JB (d.) Tenant has received the pamphlet *Protect Your Family From Lead in Your Home*
- JB (e.) Tenant has received a copy of the lead inspection certificate from Landlord (to be delivered to the Tenant upon receipt).
- JB (f.) Tenant has received a copy of the Notice of Tenants' Rights, a Maryland Department of Environment publication from Landlord, as required by Annotated Code of Maryland, Environment Section 6-820.

Certification of Accuracy

By signing this lease, the parties agree that they have reviewed the information above and certify; to the best of their knowledge, that the information provided by the signatory is true and accurate.


LANDLORD: The City of Hagerstown

BY: 

Print: Emily N. Keller

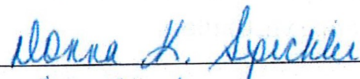
Title: Mayor of the City of Hagerstown

TENANT:

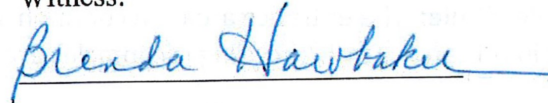


Alexandra E. Burt

Attest:


City Clerk

Witness:



The Studios on NoPo Tenant Handbook

Welcome to the Studios on NoPo!

This tenant handbook has been created for easy reference of answers to anticipated questions.

Maintenance Requests: Please contact the Department of Public Works at 301-739-8577, x. 176.

Common Areas: The second floor lounge is considered a common area. Tenants are encouraged to use this area to enhance the enjoyment of their stay.

Noise: All residents and guests of the Studios on NoPo must conduct themselves in a respectful manner to the other residents and guests. Noise levels must be reasonable so as to not impair the quiet enjoyment of the other residents.

Entrance Vestibule: The entrance area is a common space. Tenants shall not change, alter, decorate or store any items in this area. Trash/recycling receptacles are not to be stored in the entrance vestibule.

Landscaped Areas: The Landlord will maintain all landscaped areas. Tenants are not permitted to alter or change any landscaping without prior permission from the Landlord. At no time shall a planter, plant or support for a plant be attached to the structure or any component of the structure without prior permission from the Landlord.

Sanitation - Exterior of Structure: The Landlord shall maintain the exterior of the structure in a clean and sanitary manner. Tenants are responsible for ensuring that all household rubbish and garbage is secured in leak proof containers. Grocery or similar bags cannot be used for the temporary storage of rubbish and garbage. Additionally, tenants are responsible for the timely removal of any litter caused by said tenant or their guests. Trash/recycling receptacles are to be stored in the closet in the rear of the first floor hallway and placed out on the appropriate day.

Recycling: The City of Hagerstown has a recycling program. The Landlord encourages all tenants and their guests to participate in the recycling programs.

Exterior Storage: Tenants are prohibited from storing (temporarily or long-term) any items outside their dwelling unit. Boxes, household items, cleaning instruments, and other such personal items must not be stored on the exterior of the structure. Items left in the common areas and entrance vestibule will be considered discarded. As such they will be disposed of at the tenant's expense.

Stickers, flags, banners, signs, posters, or similar items: Such items are prohibited on the exterior of your dwelling unit or affixed to the interior of the unit in such a manner as to intend them to be visible on the exterior of the structure.

Smoking/Burning: Smoking is ONLY permitted at the exterior rear area of premises. Candles, incense or similar burning devices: Use of these or any such item is prohibited.

Clothes lines, exterior blinds or similar items: These items are prohibited.

Pets: Pets are permitted, as outlined in the Lease Agreement.

Yard Sales, Flea Markets, and Porch Sales: Permission must be obtained from the Landlord prior to conducting any such sale on the premises.

Window Treatments: Mini-blinds are provided for each window. Tenants may add window treatments with permission of the Landlord. However, such window treatments must be designed and constructed for that purpose. Window treatments visible to the exterior of the structure shall not contain any messages, (written or drawn). Sheets, blankets, drawn characters, or items considered signs shall not be used as additional window treatments. The mini-blinds shall not be removed without prior permission from the Landlord.

City, State, and Federal Laws, Codes, Ordinances: Tenants and their guest must comply with any and all laws, codes, and ordinances. Any costs incurred by the Landlord for the tenants violating the above shall be billed as rent on the next following month.

These rules are hereby incorporated into the lease and are part of said lease. Violations of rules and regulations constitute a material violation of said lease.

Acknowledge of Receipt



Tenant

Rev. 1/2021

Exhibit 4

WIRELESS NETWORK BENEFIT

A wireless internet connection is available via a secured network to the tenants of the *Studios on NoPo* at 38 North Potomac Street, Hagerstown, MD. This access is for the exclusive benefit of our tenants, with the following understandings:

- The access of this network is not to be used for any commercial venture or any illegal activity.
- The use of this wireless network is not and will not be included in the lease agreement.
- The owners may at any time without cause or notice eliminate access to this network. The tenant is prohibited from giving others the access code to this secured network.
- The owners do not warrant against any damage or injury from the use of or access to the internet via this connection. The tenant assumes all risk associated with use of the internet and releases, indemnifies, and holds harmless the owners in regards to internet access, the tenant's computer and associated components and related activities.


RELEASE, INDEMNIFICATION AND HOLD HARMLESS AGREEMENT

Whereas, The City of Hagerstown, hereinafter known as the "owners" desire to make available to the tenants of the *Studios on NoPo*, Secured Network Wireless Internet, and

Whereas, the herein named tenant desires to use said Secured Network Wireless Internet, the tenant hereby releases the owners, their agents or assignees of any and all liability either real or perceived arising from damage to personal property or personal injury in gaining access to or the use of said Secured Network Wireless Internet. The tenant hereby releases, indemnifies, and holds harmless the owners in reference to the herein described activity.

The tenant further acknowledges that access to and use of said Secured Network Wireless Internet is not a requirement of any lease or other written or verbal agreement. Further that the access to and use of said Secured Network Wireless Internet may be terminated by the owners without notice or cause.

Further, tenant agrees and affirms that the tenant shall follow all laws associated with internet use and use ordinary care in the access of the Secured Network Wireless Internet. The tenant agrees and affirms that any and all damage caused to *The Studios on NoPo*, equipment or building systems by the tenant's unlawful use of the internet shall be the sole responsibility of the tenant.



Tenant



City of Hagerstown

Rev. 3/2014

3/15/2021

Date

February 23, 2021

Date

Exhibit 5

GUARANTEE OF LEASE

As a material inducement of Landlord to execute the foregoing Residential Lease (the "Lease") by and between The City of Hagerstown, a Maryland Municipal Corporation ("Landlord"), and Alexandra E. Burt ("Tenant"), for a portion of the real property located at 38 North Potomac Street, Apartment #4, Hagerstown, Maryland, the undersigned Logan W. Burt ("Guarantor") hereby unconditionally and absolutely guarantees unto Landlord, its successors and assigns, the full, prompt and complete payment by Tenant of all Rent, additional rent, utility charges, fees, and any other sums due provided for in the Lease, and the prompt, faithful and complete performance and observance by Tenant of all of the terms, covenants and conditions of the Lease to be performed or observed by Tenant (the "Guarantee").

Guarantor hereby waives (i) notice of any and all defaults by Tenant, (ii) all demands for payment and/or performance, and (iii) all rights of indemnification, recourse or reimbursement for any liability under this Guarantee. Guarantor agrees that no delay by Landlord in enforcing any of its rights or remedies, nor any extension of time, nor any modification to the Lease, shall limit, affect or impair the liability of Guarantor, and Guarantor expressly consents to any such delays, extensions, and modifications with the same force and effect as though its consent had been given to each of them. The assignment of the Lease or subletting of all or any portion of the Premises shall not affect the Guarantor's liability hereunder, unless specifically released herefrom by Landlord.

This Guarantee is independent of and in addition to any security or other remedies which Landlord may have for the performance or satisfaction of any of the Tenant's obligations under the Lease. Landlord shall not be required to resort to any other security or other remedies before proceeding upon this Guarantee. Landlord may proceed against Guarantor at any time it sees fit, independently of or concurrently with any other remedies.

Guarantor agrees to pay Landlord, on Landlord's request, any costs (including, but not limited to, reasonable attorney's fees incurred by Landlord to enforce this Guarantee. In addition, Guarantee agrees to promptly acknowledge and confirm, in such form as Landlord may request from time to time, Guarantor's obligations under this Guarantee.

This Guarantee shall be binding upon the undersigned, his heirs and personal representatives, and shall inure to the benefit of Landlord, its successors and assigns.

IN WITNESS WHEREOF, the undersigned has executed this Guarantee on the 15 day of March, 2021, intending it to be both legally binding and an instrument under seal.

WITNESS:

Brenda Hawbaker

GUARANTOR:

Logan W. Burt (SEAL)
Logan W. Burt

Exhibit 4

Residential Lease

THIS LEASE made on the 25th day of July, 2017, between City of Hagerstown, Landlord, and Anthony P. Jones, Jr., Tenant.

WITNESSETH, that the Landlord hereby leases to the Tenant and the Tenant hereby leases from the Landlord, premises known as *The Studios on NoPo*, 38 North Potomac Street, Apartment #3, Hagerstown, Maryland 21740.

1. **TERM.** This Lease shall be for a term of one year, beginning on the 1st day of August 2017 and ending on the 31st day of July, 2018. Thereafter, the Tenant shall be considered a month to month, periodic tenant.
2. **RENT.** Total annual rent of Five Thousand Four Hundred Dollars (\$5,400) payable in equal monthly installments of Four Hundred Fifty Dollars (\$450) per month in advance on the first day of each and every month of said term, without deduction or demand at the office of the Landlord at the cashier's office, 1 East Franklin Street, Hagerstown, MD.

If this Lease commences on a day other than the first of the month, the pro-rated amount of rent for the balance of the first month shall be paid to the Landlord at the time of possession. Thereafter, rent shall be paid on the first day of each month according to the amounts described above.

3. **SERVICE CHARGES.** Landlord shall have the right to require rent payments to be made in cash, money order, Cashier's Check and/or certified check. A service charge of \$35.00 will automatically be made for each instance in which a check is returned unpaid by the Tenant's bank for any reason. A late Charge of five percent (5%) of the amount of rent due for the monthly rental period shall be assessed for any payment delinquent ten (10) days after the due date.
4. **SECURITY DEPOSIT.** In addition to payment of the first month's rent, Tenant, upon the execution of this Lease, will deposit with Landlord the sum of \$450 as Security Deposit. If the Tenant has a pet within the guidelines outlined in Section 9 of this lease, an additional \$250 shall be collected as the Pet Deposit.

This Security Deposit shall be held as security by Landlord for the full and complete performance by Tenant of Tenant's obligations under this Lease, and shall be applied at the expiration of the term of this Lease, or any extensions, thereof, if any, on account of any unpaid rent, damage due to breach of this Lease or damage to the premises by Tenant, Tenant's family, agents, or social guests in excess of ordinary wear and tear. In no event, shall Tenant apply the Security Deposit toward any month's rent due under this Lease, without prior written consent of Landlord. In the event Tenant shall have fully and completely performed Tenant's obligations under this Lease upon its termination, the Security Deposit shall be refunded to Tenant within forty-five (45) days after the termination of the Lease in accordance with the terms hereof, together with simple interest which shall have accrued in the amount required by State law, currently three percent (3%) per annum, from the receipt of the Security by Landlord. A move-in checklist will be completed by Tenant within three (3) days of moving in and Landlord will use the move-in checklist during the move out inspection to determine if any of the tenant's deposit will be retained for cleaning or repairs after move-out. Upon tenant's written notification to Landlord of Tenant's intention to vacate premises, the date of moving and Tenant's new address, Tenant has the right to be present when Landlord inspects the premises in order to determine the existence of any damages caused during the tenancy. Upon receipt of Tenant's written notice of Tenant's intention to vacate premises, Landlord shall notify Tenant in writing of the date and time when the premises are to be inspected. The date of inspection shall occur within five (5) days before or five (5) days after the date of moving as designated in Tenant's written notice.

5. **DELIVERY OF POSSESSION.** Delivery of possession shall occur only after the first month's rent and security deposit have been paid to the Landlord. The Landlord shall then tender two key sets for the premises to the Tenant.

6. **SUBLEASE.** Tenant shall not assign this Lease or sublet the premises, or any portion thereof, or transfer possession or occupancy thereof to any other person or persons without prior written consent of Landlord.

7. **OCCUPANTS.** Tenant agrees that the premises shall be occupied by the individuals listed below, and as set forth in the NoPo Studio Application, who are specifically declared as follows:

- Anthony P. Jones, Jr. (Tenant)

Otherwise, children of the above-listed Tenants are allowed to occupy the premises. Additional persons will be permitted to occupy the Premises only upon written consent of the Landlord. Guests of Tenant will be considered additional occupants of the Premises if any such guest remains on the Premises for more than five (5) days in any 30 day period. Tenant shall notify Landlord immediately if Tenant intends to have a guest for more than five days.

8. **THE STUDIOS ON NOPO APPLICATION.** In connection with The Studios on NoPo Application, Tenant has submitted asset verification, employment verification, rental verification, and income certification statements, all of which are considered a part of the Studios on NoPo Application. Tenant has also provided authorization for the Landlord to perform credit report check(s) and criminal background check(s) for the household member(s). The parties acknowledge that Landlord relies upon the information given by Tenant in the Rental Application to enter into this Lease, and said information is incorporated herein by reference as fully as if attached hereto.

9. **ANIMALS.** One cat or dog under 25 pounds is permitted in each studio apartment, after paying the Pet Deposit described above in Section 4.

10. **MAINTENANCE, CONDITIONS, NOISE AND ALTERATIONS.**

(a) Tenant has examined the Premises and all appliances and equipment thereon owned by Landlord, and hereby accepts them in their "AS IS" condition and acknowledges that Landlord has made no representations or warranties, either expressed or implied, as to the condition or use of the Premises. Tenant shall immediately notify Landlord of any defects or dangerous conditions. Tenant shall keep the Premises in good order and condition and shall pay Landlord promptly for any repairs to the Premises or its equipment caused by Tenant's negligence or misuse or by the negligence or misuse of tenant's invitees, licensees or guests. Tenant shall return the Premises and all fixtures, appliances and improvements therein owned by Landlord in substantially the same condition as received, including but not limited to, general cleanliness and upkeep. Tenant acknowledges that Tenant shall pay to Landlord, upon vacating the Premises, expenses as may be incurred to restore the Premises to the condition in which it was delivered to Tenant at the commencement of this Lease, reasonable wear and tear excepted.

(b) Tenant shall not make any alterations or additions to the Premises without the prior written consent of Landlord.

(c) Tenant shall maintain the premises in a clean and sanitary condition at all times; and complies with all laws, ordinances and regulations, health, fire and police regulations with respect to the Premises. Tenant shall indemnify and save Landlord from all liability arising out of any violation by Tenant of such laws or regulations or arising out of any neglect or any violation or non-performance by the Tenant of any of the covenants contained in this Lease. Landlord shall monitor the condition of the premises and maintenance of the property. If the Tenant is negligent and Landlord incurs cost to maintain property, or be charged fines or fees the tenant will subsequently be charged for any and all costs incurred and shall be due as additional RENT.

(d) Tenant shall keep all plumbing from becoming obstructed due to negligence. NOTE: the sanitary sewer system may only be used for its designed and intended purposes. No diapers, condoms, paper towels, feminine hygiene products, or like materials may be flushed in the sanitary sewer system. If the plumbing becomes obstructed because of Tenant negligence or deliberate acts, Tenant shall pay the costs to have lines cleared.

(e) Tenant shall keep noise of occupants and guests and noise from radios, television sets, stereos, etc. to a level of sound that does not annoy or interfere with neighbors.

11. **UTILITIES.** The Landlord shall provide the utilities listed in Column 1 without any additional charge to the Tenant. The utilities listed in Column 2 are not included in the rent and are to be paid solely by the Tenant. The utilities payable by the tenant in Column 2 shall be considered additional rent.

Utility	Column 1 Landlord Paid	Column 2 Tenant Paid
Heating (Electric)		X
Hot Water (Electric)		X
Cooking (Electric)		X
Lights (Electric)		X
Water/Sewer/Trash Collection	X	
Phone/Cable TV/Hard-Wired Internet		X

12. **INSPECTION.** Landlord shall have the right to enter the Premises at all reasonable times necessary to inspect the Premises, to control pests and vermin, and to make necessary repairs to and maintain the Premises, including but not limited to, the heating, ventilation and air conditioning systems, the plumbing system, the electrical systems, etc. When practical, the Landlord shall give Tenant a one (1) day posted written notice of its intent to inspect the premises and the approximate time for said inspection. The notice shall be posted to the front door and such posting shall meet all requirements for said notice. In case of emergency, Landlord may enter the premises immediately and without notice to Tenant. During the last 60 days of the term of this Lease or any extension thereof, Landlord or its Agent may enter the premises during daylight hours to exhibit the same, and place a "for rent" or "for sale" sign thereof.

13. **USE OF PREMISES.** The Premises shall be primarily used for residential and light artistic use, not to include industrial arts. Tenant shall comply with all requirements of the Landlord and by all applicable laws, ordinances, and governmental regulations. No smoking or burning of incense or candles shall be permitted on the premises.

14. **INDEMNIFICATION.** The tenant agrees to indemnify, exonerate and save the landlord harmless from any and all suits, claims for loss, expenses, damages or injury to person or property sustained on the premises or

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arising out of the use of the premises by the tenant or the tenant's family, employees, invitees, guests or licensees.

15. **HANDBOOK.** The Tenant shall be in compliance with all property rules and regulations in the booklet titled, *The Studios on NoPo Tenant Handbook*, revised 3/2014 and hereby incorporated into this lease by reference and attached as Exhibit 2.

16. **ILLEGAL ACTIVITY.** Notwithstanding anything which in any way might be construed to the contrary, it shall be deemed to be a material breach of this Lease for Tenant, or any member of the Tenant's household to engage in and/or to suffer the engagement in any criminal activity, including drug-related criminal activity, on or off the premises, while such Tenant is a Tenant in occupancy of any housing unit under control of Landlord. The term "drug-related criminal activity" shall mean the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use, of a controlled substance [as defined in Section 102 of the Controlled Substance Act (U.S.C. 802) as amended].

17. **INSURANCE.** Tenant acknowledges that Landlord maintains insurance on the Premises, which insurance does not protect the personal property, possessions, or personal liability of Tenant. Tenant must consult her own Agent for insurance protection. It is the responsibility of the Tenant to obtain adequate insurance on personal property of Tenant placed on, in, or about the premises.

18. **CASUALTY.**

(a) If the Premises is damaged or destroyed by fire or other casualty to an extent that the use of the Premises is substantially impaired, Tenant may immediately vacate the Premises and may terminate this Lease upon written notice to Landlord given within ten (10) days of Tenant's vacation of the Premises. In the event Tenant remains in possession of the damaged Premises, Rent shall be reduced in proportion to the impairment of use of the premises until same are repaired.

(b) In the event the Premises are damaged by fire or other casualty, and Landlord elects not to restore, repair and rebuild, Landlord may terminate this Lease by giving written notice to Tenant, whereupon Tenant shall promptly vacate the premises. Rent shall be paid through the date Tenant vacates.

19. **CONDEMNATION.**

(a) If the whole or any part of the Premises shall be taken by any competent authority for public or quasi-public use or purpose, then and in that event, this Lease shall cease and terminate from the date when the possession of the part so taken shall be required for such use or purpose.

(b) All damages awarded for such taking shall belong to and be the property of Landlord. Tenant shall not be entitled to any sum from Landlord or the condemning authority as compensation for the loss to the unexpired Term, nor for any other damages.

20. **BREACH AND REMEDIES.** If Tenant breaches this Lease, Landlord may repossess the Premises pursuant to judicial process, and Landlord shall have other rights as may be allowed by law. Tenant will pay the court costs charged to Landlord for notice sent for non-payment of rent, and Tenant also agrees to reimburse Landlord for all reasonable expenses incurred by Landlord, including attorney's fees as Additional Rent, if ejection is ordered by the court.

21. **ATTORNEY FEES.** If Landlord be compelled to incur any expenses including reasonable attorney's fees in instituting and prosecuting any action or proceeding by reason of any default of Tenant hereunder, the

sum or sums so paid by Landlord with all interest, costs, and damages shall be deemed to be additional rent hereunder and shall be due from Tenant to Landlord on the 1st day of the month following the incurring of such respective expenses. Tenant agrees to reimburse Landlord for any reasonable attorney fees incurred by Landlord in enforcing the provisions of this Lease. In the event that Tenant files suit against Landlord in connection with this lease and Tenant is unsuccessful in obtaining a judgment against Landlord, Tenant agrees to pay Landlord's reasonable attorney fees in defending said suit.

22. **EXTENDED ABSENCES.** Tenant shall give Landlord prior written notice of any anticipated absence from the premises in excess of seven (7) days, during which absence Landlord may enter the premises as reasonably necessary. In the event Tenant fails to give notification to Landlord of an extended absence in excess of seven (7) days, Landlord may recover actual damages, if any, from Tenant.

23. **ENTIRE AGREEMENT.** The provisions hereof together with the Rental Application and the Rules and Regulations which are incorporated herein by reference along with any addendum attached hereto and initialed by the parties represent the complete and entire agreement between the parties with respect to the Premises. This Lease cannot be changed or supplemented except by agreement in writing signed by both parties.

24. **DEFAULT.** If the premises are abandoned or become vacant during the term, the Lessor or its agents may re-enter the same by force or otherwise without being liable to any prosecution therefore and, in addition to any other remedies, re-rent the premises in whole or in part as the agent of the Lessee who in all events shall remain liable for any unpaid rentals for the full term of this Lease. Lessor may receive the rent from any such re-rental applying the same first to the payment of such expenses as the Lessor may incur in re-entering and re-letting, and then to the payment of the rent due hereunder.

If any default is made in the payment of the rent due hereunder including utilities, or if any default or violation be made in the performance of any of the covenants and agreements herein contained on the part of the Lessee to be performed, and if such default shall not be cured by the Lessee within fifteen (15) days after receipt by the Lessee of written notice from the Lessor of such default, then the relation of Lessor and Lessee, at the option of the Lessor, shall wholly cease and determine and, in addition to any other remedies, the Lessor may re-enter the premises by force, if necessary, and remove all persons therefrom and distrain for rent, if any be due, and assume and take possession of the premises and Lessee's property therein; and the Lessee, in any such event, expressly waives the service of any notice to Quit or Demand for Possession, but the Lessee shall, nevertheless, remain liable for any unpaid rental for the full term of this Agreement.

If any legal process whatsoever shall be issued for the purpose of attaching or taking in execution of any of Lessee's chattels located on the premises or Lessee's interest in the premises created by this Agreement, or if Lessee shall petition or have a petition filed against him to be adjudicated a bankrupt or insolvent, and such petition is not removed within ten (10) days, or if a receiver or trustee shall be appointed for Lessee's business or property, or if Lessee shall make a general assignment for the benefit of creditors, or if a corporate reorganization of Lessee or any arrangement with Lessee's creditors shall be approved by a court under any provision of the Federal Bankruptcy law, or if, in any other manner, the Lessee's interest under this Agreement would otherwise pass to another by operation of law, or if Lessee, without Lessor's prior written consent, shall assign or transfer to another in bulk, and not in the ordinary course of business, a major part of the materials, supplies, merchandise and other inventory, or substantially all of the fixtures and equipment located on the premises, then in any such event, Lessee shall be deemed to have committed a material breach of this Agreement and the Lessor may, at its option, forthwith by written notice re-enter the premises, and re-rent the premises as the agent for the Lessee. Notwithstanding any such

action(s) by Lessor, Lessee shall in all events remain liable for any unpaid rental for the full term of this Lease.

Lessee hereby expressly waives the benefits of all laws exempting property of any amount or value from levy and sale on execution of distress for rent, or upon any execution under any judgment that may be recovered from rent due under this Agreement.

Lessor shall in all events be entitled to the benefit of all provisions of applicable laws respecting the speedy recovery of lands and tenements held over by Tenants or proceedings in forcible entry and detainer.

25. **FAILURE TO PERFORM.** Tenant covenants that in case Landlord, by reason of the failure of Tenant to perform any of the provisions hereof, shall be compelled to pay or shall pay any sum of money, or shall be compelled to do or shall do any act which requires the payment of money, then the sum or sums so paid or required to be paid, together with all interest, costs and damages, shall be added to the next installment of rent due or to any subsequent installment of rent and shall be collectible as additional rent in the same manner and with the same remedies as if it had been originally reserved.

26. **ADDITIONAL ITEMS / REQUIREMENTS.**

1. Tenant, in addition to rent, commits to assist in the operation of the Art Gallery on the first floor of the premises by contributing time at the Gallery without compensation for a minimum of five (5) hours per week. This obligation shall be scheduled through the Gallery Coordinator. Tenant may also display his own art in the Gallery, which display shall be subject to the discretion of the Gallery Coordinator.
2. The terms of the Lease shall include the terms of the Tenant Handbook, a copy of which is incorporated herein as Exhibit 2.
4. Attached as Exhibit 1 is a lead paint notification.
5. Attached as Exhibit 3 is the wireless network benefit.

27. **CRIME FREE HOUSING.** Tenant, any members of the Tenant's household or a guest or other persons affiliated with the Tenant or affiliated with any member of the Tenant's household:

- a. Shall not engage in criminal activity at, on or near the said premises. "Criminal activity" means the commission of any of the acts defined in the Maryland Criminal Law Code Annotated, as from time to time amended.
- b. Shall not engage in any act intended to facilitate criminal activity and shall not permit the premises to be used for or to facilitate criminal activity, regardless of whether the individual engaging in the activity is a Tenant, a member of the Tenant's household, a guest, or another person affiliated with the Tenant.
- c. Violation of the above provisions shall be a material breach of the Lease and good cause for immediate termination of tenancy. Proof of a violation of the Lease hereunder shall not require a criminal conviction, but shall be by a preponderance of the evidence.

28. **MODIFICATIONS.** The provisions contained in this Lease shall not be changed or modified without express consent of Tenant and Landlord.

29. **SEVERABILITY.** In the event that any term or condition of this Lease shall be determined to be void or

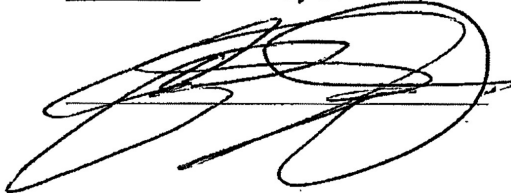
unenforceable for any reason, then notwithstanding such determination, the balance of this Lease shall nonetheless remain in full force and effect and be construed and applied as though that term or condition was not contained herein.

This Lease contains the entire understanding between the parties hereto. There are no representations, warranties or agreements concerning the subject matter of this Lease other than as expressly set forth herein.

LANDLORD: The City of Hagerstown

TENANT: Anthony P. Jones, Jr.

Signed: REBruchey



Print: Robert E. Bruchey, II

Title: Mayor of the City of Hagerstown

Witness:

Donna B. Spicker

Witness:

JK

Exhibit 1

LEAD-BASED PAINT DISCLOSURE

Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards

Lead Warning Statement:

Every Tenant of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The Landlord of any interesting residential real property is required to provide the Tenant with any information on lead-based paint hazards from risk assessments or inspections in the Landlord's possession and notify the Tenant of any known lead-based paint hazards. A risk assessment or inspections for possible lead-based paint hazards is recommended prior to occupancy of the rental property.

Landlord's Disclosure (initial)

_____ (a.) Presence of lead-based paint and/or lead-based hazards (check one below):

(X) Known lead-based paint and/or lead based paint hazards are present in the housing (explain).

Structure was constructed prior to 1950 and it is likely that lead based paint was used in building components at that time.

() Landlord has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b.) Records and reports available to the Landlord (check one below):

(✓) Landlord has provided the Tenant with all available records and reports pertaining to lead-based paint and/or lead based paint hazards in the housing (list documents below).

Lead Paint Risk Assessment Report

(X) Landlord has no reports or records pertaining to lead-based paint and/or lead-based hazards in the housing.

Tenant's acknowledgement (initial)

AP (c.) Tenant has received copies of all information listed above.

AP (d.) Tenant has received the pamphlet *Protect Your Family From Lead in Your Home*

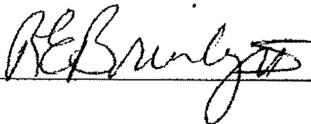
AP (e.) Tenant has received a copy of the lead inspection certificate from Landlord (to be delivered to the Tenant upon receipt in ~~March~~ ^{August} 2017)

AP (f.) Tenant has received a copy of the Notice of Tenants' Rights, a Maryland Department of Environment publication from Landlord, as required by Annotated Code of Maryland, Environment Section 6-820.

Certification of Accuracy

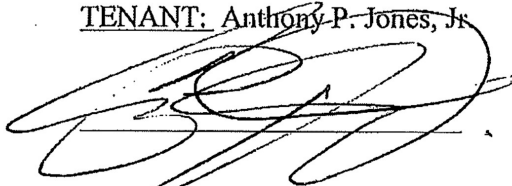
By signing this lease, the parties agree that they have reviewed the information above and certify; to the best of their knowledge, that the information provided by the signatory is true and accurate.

LANDLORD: The City of Hagerstown


By: 

Title: Mayor of the City of Hagerstown

TENANT: Anthony P. Jones, Jr


28.07.2017
Date

Witness:


Date July 25, 2017




Exhibit 2

The Studios on NoPo Tenant Handbook

Welcome to the Studios on NoPo!

This tenant handbook has been created for easy reference of answers to anticipated questions.

Maintenance Requests: Please see the *Residential Maintenance Request Information* at the end of this handbook.

Common Areas: The second floor lounge is considered a common area. Tenants are encouraged to use this area to enhance the enjoyment of their stay.

Noise: All residents and guests of the Studios on NoPo must conduct themselves in a respectful manner to the other residents and guests. Noise levels must be reasonable so as to not impair the quiet enjoyment of the other residents.

Entrance Vestibule: The entrance area is a common space. Tenants shall not change, alter, decorate or store any items in this area.

Landscaped Areas: The Landlord will maintain all landscaped areas. Tenants are not permitted to alter or change any landscaping without prior permission from the Landlord. At no time shall a planter, plant or support for a plant be attached to the structure or any component of the structure without prior permission from the Landlord.

Sanitation - Exterior of Structure: The Landlord shall maintain the exterior of the structure in a clean and sanitary manner. Tenants are responsible for ensuring that all household rubbish and garbage is secured in leak proof containers. Grocery or similar bags cannot be used for the temporary storage of rubbish and garbage. Additionally, tenants are responsible for the timely removal of any litter caused by said tenant or their guests.

Recycling: The City of Hagerstown offers numerous recycling programs. The Landlord encourages all tenants and their guests to participate in the recycling programs.

Exterior Storage: Tenants are prohibited from storing (temporarily or long-term) any items outside their dwelling unit. Boxes, household items, cleaning instruments, and other such personal items must not be stored on the exterior of the structure. Items left in the common areas and entrance vestibule will be considered discarded. As such they will be disposed of at the tenant's expense.

Stickers, flags, banners, signs, posters, or similar items: Such items are prohibited on the exterior of your dwelling unit or affixed to the interior of the unit in such a manner as to intend them to be visible on the exterior of the structure.

Smoking/Burning: Smoking is ONLY permitted at the exterior rear area of premises. Candles, incense or similar burning devices: Use of these or any such item is prohibited.

Clothes lines, exterior blinds or similar items: These items are prohibited.

Pets: Pets are permitted, as outlined in the Lease Agreement.

Yard Sales, Flea Markets, and Porch Sales: Permission must be obtained from the Landlord prior to conducting any such sale on the premises.

Window Treatments: Mini-blinds are provided for each window. Tenants may add window treatments with permission of the Landlord. However, such window treatments must be designed and constructed for that purpose. Window treatments visible to the exterior of the structure shall not contain any messages, (written or drawn). Sheets, blankets, drawn characters, or items considered signs shall not be used as additional window treatments. The mini-blinds shall not be removed without prior permission from the Landlord.

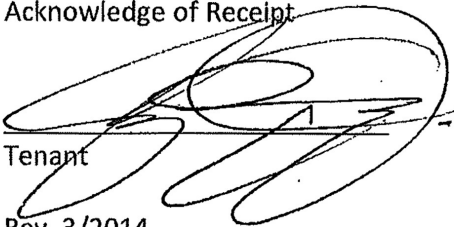
City, State, and Federal Laws, Codes, Ordinances: Tenants and their guest must comply with any and all laws, codes, and ordinances. Any costs incurred by the Landlord for the tenants violating the above shall be billed as rent on the next following month.

These rules are hereby incorporated into the lease and are part of said lease. Violations of rules and regulations constitute a material violation of said lease.

Acknowledge of Receipt

Tenant

Rev. 3/2014



R-17-48
0-21-06

Exhibit 3
WIRELESS NETWORK BENEFIT

A wireless internet connection is available via a secured network to the tenants of the *Studios on NoPo* at 38 North Potomac Street, Hagerstown, MD. This access is for the exclusive benefit of our tenants, with the following understandings:

- The access of this network is not to be used for any commercial venture or any illegal activity.
- The use of this wireless network is not and will not be included in the lease agreement.
- The owners may at any time without cause or notice eliminate access to this network. The tenant is prohibited from giving others the access code to this secured network.
- The owners do not warrant against any damage or injury from the use of or access to the internet via this connection. The tenant assumes all risk associated with use of the internet and releases, indemnifies, and holds harmless the owners in regards to internet access, the tenant's computer and associated components and related activities.

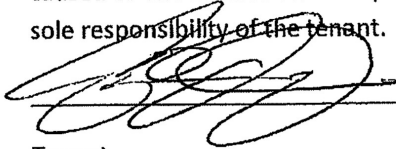
RELEASE, INDEMNIFICATION AND HOLD HARMLESS AGREEMENT

Whereas, The City of Hagerstown, hereinafter known as the "owners" desire to make available to the tenants of the *Studios on NoPo*, Secured Network Wireless Internet, and

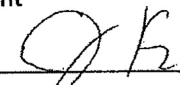
Whereas, the herein named tenant desires to use said Secured Network Wireless Internet, the tenant hereby releases the owners, their agents or assignees of any and all liability either real or perceived arising from damage to personal property or personal injury in gaining access to or the use of said Secured Network Wireless Internet. The tenant hereby releases, indemnifies, and holds harmless the owners in reference to the herein described activity.

The tenant further acknowledges that access to and use of said Secured Network Wireless Internet is not a requirement of any lease or other written or verbal agreement. Further that the access to and use of said Secured Network Wireless Internet may be terminated by the owners without notice or cause.

Further, tenant agrees and affirms that the tenant shall follow all laws associated with internet use and use ordinary care in the access of the Secured Network Wireless Internet. The tenant agrees and affirms that any and all damage caused to *The Studios on NoPo*, equipment or building systems by the tenant's unlawful use of the internet shall be the sole responsibility of the tenant.



Tenant



City of Hagerstown

28.07.2017

Date

7/28/2017

Date

Exhibit 5

Residential Lease

THIS LEASE made on the 19th day of December, 2017, between City of Hagerstown, Landlord, and Amanda Fairchild, and Andrew Laxton, Tenants.

WITNESSETH, that the Landlord hereby leases to the Tenants and the Tenants hereby lease from the Landlord, premises known as *The Studios on NoPo*, 38 North Potomac Street, Apartment #2, Hagerstown, Maryland 21740.

1. **TERM.** This Lease shall be for a term of one year, beginning on the 1st day of January 2018 and ending on the 31st day of December, 2018. Thereafter, the Tenants shall be considered a month to month, periodic Tenants.
2. **RENT.** Total annual rent of Six Thousand Dollars (\$6,000) payable in equal monthly installments of Five Hundred Dollars (\$500) per month in advance on the first day of each and every month of said term, without deduction or demand at the office of the Landlord at the cashier's office, 1 East Franklin Street, Hagerstown, MD.

If this Lease commences on a day other than the first of the month, the pro-rated amount of rent for the balance of the first month shall be paid to the Landlord at the time of possession. Thereafter, rent shall be paid on the first day of each month according to the amounts described above.

3. **SERVICE CHARGES.** Landlord shall have the right to require rent payments to be made in cash, money order, Cashier's Check and/or certified check. A service charge of \$35.00 will automatically be made for each instance in which a check is returned unpaid by the Tenants's bank for any reason. A late Charge of five percent (5%) of the amount of rent due for the monthly rental period shall be assessed for any payment delinquent ten (10) days after the due date.
4. **SECURITY DEPOSIT.** In addition to payment of the first month's rent, Tenants, upon the execution of this Lease, will deposit with Landlord the sum of \$500 as Security Deposit. If the Tenants have a pet within the guidelines outlined in Section 9 of this lease, an additional \$250 shall be collected as the Pet Deposit.

This Security Deposit shall be held as security by Landlord for the full and complete performance by Tenants of Tenants' obligations under this Lease, and shall be applied at the expiration of the term of this Lease, or any extensions, thereof, if any, on account of any unpaid rent, damage due to breach of this Lease or damage to the premises by Tenants, Tenants' family, agents, or social guests in excess of ordinary wear and tear. In no event, shall Tenants apply the Security Deposit toward any month's rent due under this Lease, without prior written consent of Landlord. In the event Tenants shall have fully and completely performed Tenants' obligations under this Lease upon its termination, the Security Deposit shall be refunded to Tenants within forty-five (45) days after the termination of the Lease in accordance with the terms hereof, together with simple interest which shall have accrued in the amount required by State law, currently three percent (3%) per annum, from the receipt of the Security by Landlord. A move-in checklist will be completed by Tenants within three (3) days of moving in and Landlord will use the move-in checklist during the move out inspection to determine if any of the Tenants' deposit will be retained for cleaning or repairs after move-out. Upon Tenants' written notification to Landlord of Tenants' intention to vacate premises, the date of moving and Tenants' new address, Tenants have the right to be present when Landlord inspects the premises in order to determine the existence of any damages caused during the tenancy. Upon receipt of Tenants' written notice of Tenants' intention to vacate premises, Landlord shall notify Tenants in writing of the date and time when the premises are to be inspected. The date of inspection shall occur within five (5) days before or five (5) days after the date of moving as designated in Tenants' written notice.

5. **DELIVERY OF POSSESSION.** Delivery of possession shall occur only after the first month's rent and security deposit have been paid to the Landlord. The Landlord shall then tender two key sets for the premises to the Tenants.

6. **SUBLEASE.** Tenants shall not assign this Lease or sublet the premises, or any portion thereof, or transfer possession or occupancy thereof to any other person or persons without prior written consent of Landlord.

7. **OCCUPANTS.** Tenants agrees that the premises shall be occupied by the individuals listed below, and as set forth in the NoPo Studio Application, who are specifically declared as follows:

- Amanda Fairchild (Tenant)
- Andrew Laxton (Tenant)

Otherwise, children of the above-listed Tenants are allowed to occupy the premises. Additional persons will be permitted to occupy the Premises only upon written consent of the Landlord. Guests of Tenants will be considered additional occupants of the Premises if any such guest remains on the Premises for more than five (5) days in any 30 day period. Tenants shall notify Landlord immediately if Tenants intends to have a guest for more than five days.

8. **THE STUDIOS ON NOPO APPLICATION.** In connection with The Studios on NoPo Application, Tenants has submitted asset verification, employment verification, rental verification, and income certification statements, all of which are considered a part of the Studios on NoPo Application. Tenants have also provided authorization for the Landlord to perform credit report check(s) and criminal background check(s) for the household member(s). The parties acknowledge that Landlord relies upon the information given by Tenants in the Rental Application to enter into this Lease, and said information is incorporated herein by reference as fully as if attached hereto.

9. **ANIMALS.** One cat or dog under 25 pounds is permitted in each studio apartment, after paying the Pet Deposit described above in Section 4.

10. **MAINTENANCE, CONDITIONS, NOISE AND ALTERATIONS.**

(a) Tenants have examined the Premises and all appliances and equipment thereon owned by Landlord, and hereby accepts them in their "AS IS" condition and acknowledges that Landlord has made no representations or warranties, either expressed or implied, as to the condition or use of the Premises. Tenants shall immediately notify Landlord of any defects or dangerous conditions. Tenants shall keep the Premises in good order and condition and shall pay Landlord promptly for any repairs to the Premises or its equipment caused by Tenants' negligence or misuse or by the negligence or misuse of Tenants's invitees, licensees or guests. Tenants shall return the Premises and all fixtures, appliances and improvements therein owned by Landlord in substantially the same condition as received, including but not limited to, general cleanliness and upkeep. Tenants acknowledges that Tenants shall pay to Landlord, upon vacating the Premises, expenses as may be incurred to restore the Premises to the condition in which it was delivered to Tenants at the commencement of this Lease, reasonable wear and tear excepted.

(b) Tenants shall not make any alterations or additions to the Premises without the prior written consent of Landlord.

(c) Tenants shall maintain the premises in a clean and sanitary condition at all times; and complies with all laws, ordinances and regulations, health, fire and police regulations with respect to the Premises. Tenants shall indemnify and save Landlord from all liability arising out of any violation by Tenants of such laws or regulations or arising out of any neglect or any violation or non-performance by the Tenants of any of the covenants contained in this Lease. Landlord shall monitor the condition of the premises and maintenance of the property. If the Tenants is negligent and Landlord incurs cost to maintain property, or be charged fines or fees the Tenants will subsequently be charged for any and all costs incurred and shall be due as additional RENT.

(d) Tenants shall keep all plumbing from becoming obstructed due to negligence. NOTE: the sanitary sewer system may only be used for its designed and intended purposes. No diapers, condoms, paper towels, feminine hygiene products, or like materials may be flushed in the sanitary sewer system. If the plumbing becomes obstructed because of Tenants negligence or deliberate acts, Tenants shall pay the costs to have lines cleared.

(e) Tenants shall keep noise of occupants and guests and noise from radios, television sets, stereos, etc. to a level of sound that does not annoy or interfere with neighbors.

11. **UTILITIES.** The Landlord shall provide the utilities listed in Column 1 without any additional charge to the Tenants. The utilities listed in Column 2 are not included in the rent and are to be paid solely by the Tenants. The utilities payable by the Tenants in Column 2 shall be considered additional rent.

Utility	Column 1 Landlord Paid	Column 2 Tenant Paid
Heating (Electric)		X
Hot Water (Electric)		X
Cooking (Electric)		X
Lights (Electric)		X
Water/Sewer/Trash Collection	X	
Phone/Cable TV/Hard-Wired Internet		X

12. **INSPECTION.** Landlord shall have the right to enter the Premises at all reasonable times necessary to inspect the Premises, to control pests and vermin, and to make necessary repairs to and maintain the Premises, including but not limited to, the heating, ventilation and air conditioning systems, the plumbing system, the electrical systems, etc. When practical, the Landlord shall give Tenants a one (1) day posted written notice of its intent to inspect the premises and the approximate time for said inspection. The notice shall be posted to the front door and such posting shall meet all requirements for said notice. In case of emergency, Landlord may enter the premises immediately and without notice to Tenants. During the last 60 days of the term of this Lease or any extension thereof, Landlord or its Agent may enter the premises during daylight hours to exhibit the same, and place a "for rent" or "for sale" sign thereof.

13. **USE OF PREMISES.** The Premises shall be primarily used for residential and light artistic use, not to include industrial arts. Tenants shall comply with all requirements of the Landlord and by all applicable laws, ordinances, and governmental regulations. No smoking or burning of incense or candles shall be permitted on the premises.

14. **INDEMNIFICATION.** The Tenants agrees to indemnify, exonerate and save the landlord harmless from any and all suits, claims for loss, expenses, damages or injury to person or property sustained on the premises or arising out of the use of the premises by the Tenants or the Tenants's family, employees, invitees, guests or licensees.

15. **HANDBOOK.** The Tenants shall be in compliance with all property rules and regulations in the booklet titled, *The Studios on NoPo Tenants Handbook*, revised 3/2014 and hereby incorporated into this lease by reference and attached as Exhibit 2.

16. **ILLEGAL ACTIVITY.** Notwithstanding anything which in any way might be construed to the contrary, it shall be deemed to be a material breach of this Lease for Tenants, or any member of the Tenants's household to engage in and/or to suffer the engagement in any criminal activity, including drug-related criminal activity, on or off the premises, while such Tenants is a Tenants in occupancy of any housing unit under control of Landlord. The term "drug-related criminal activity" shall mean the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use, of a controlled substance [as defined in Section 102 of the Controlled Substance Act (U.S.C. 802) as amended].

17. **INSURANCE.** Tenants acknowledges that Landlord maintains insurance on the Premises, which insurance does not protect the personal property, possessions, or personal liability of Tenants. Tenants must consult her own Agent for insurance protection. It is the responsibility of the Tenants to obtain adequate insurance on personal property of Tenants placed on, in, or about the premises.

18. **CASUALTY.**

(a) If the Premises is damaged or destroyed by fire or other casualty to an extent that the use of the Premises is substantially impaired, Tenants may immediately vacate the Premises and may terminate this Lease upon written notice to Landlord given within ten (10) days of Tenants's vacation of the Premises. In the event Tenants remains in possession of the damaged Premises, Rent shall be reduced in proportion to the impairment of use of the premises until same are repaired.

(b) In the event the Premises are damaged by fire or other casualty, and Landlord elects not to restore, repair and rebuild, Landlord may terminate this Lease by giving written notice to Tenants, whereupon Tenants shall promptly vacate the premises. Rent shall be paid through the date Tenants vacates.

19. **CONDEMNATION.**

(a) If the whole or any part of the Premises shall be taken by any competent authority for public or quasi-public use or purpose, then and in that event, this Lease shall cease and terminate from the date when the possession of the part so taken shall be required for such use or purpose.

(b) All damages awarded for such taking shall belong to and be the property of Landlord. Tenants shall not be entitled to any sum from Landlord or the condemning authority as compensation for the loss to the unexpired Term, nor for any other damages.

20. **BREACH AND REMEDIES.** If Tenants breaches this Lease, Landlord may repossess the Premises pursuant to judicial process, and Landlord shall have other rights as may be allowed by law. Tenants will pay the court costs charged to Landlord for notice sent for non-payment of rent, and Tenants also agrees to reimburse Landlord for all reasonable expenses incurred by Landlord, including attorney's fees as Additional Rent, if ejectment is ordered by the court.

21. **ATTORNEY FEES.** If Landlord be compelled to incur any expenses including reasonable attorney's fees in instituting and prosecuting any action or proceeding by reason of any default of Tenants hereunder, the sum or sums so paid by Landlord with all interest, costs, and damages shall be deemed to be additional rent hereunder and shall be due from Tenants to Landlord on the 1st day of the month following the incurring of such respective expenses. Tenants agrees to reimburse Landlord for any reasonable attorney fees incurred by Landlord in enforcing the provisions of this Lease. In the event that Tenants files suit against Landlord in connection with this lease and Tenants is unsuccessful in obtaining a judgment against Landlord, Tenants agrees to pay Landlord's reasonable attorney fees in defending said suit.

22. **EXTENDED ABSENCES.** Tenants shall give Landlord prior written notice of any anticipated absence from the premises in excess of seven (7) days, during which absence Landlord may enter the premises as reasonably necessary. In the event Tenants fails to give notification to Landlord of an extended absence in excess of seven (7) days, Landlord may recover actual damages, if any, from Tenants.

23. **ENTIRE AGREEMENT.** The provisions hereof together with the Rental Application and the Rules and Regulations which are incorporated herein by reference along with any addendum attached hereto and initialed by the parties represent the complete and entire agreement between the parties with respect to the Premises. This Lease cannot be changed or supplemented except by agreement in writing signed by both parties.

24. **DEFAULT.** If the premises are abandoned or become vacant during the term, the Lessor or its agents may re-enter the same by force or otherwise without being liable to any prosecution therefore and, in addition to any other remedies, re-rent the premises in whole or in part as the agent of the Lessee who in all events shall remain liable for any unpaid rentals for the full term of this Lease. Lessor may receive the rent from any such re-rental applying the same first to the payment of such expenses as the Lessor may incur in re-entering and re-letting, and then to the payment of the rent due hereunder.

If any default is made in the payment of the rent due hereunder including utilities, or if any default or violation be made in the performance of any of the covenants and agreements herein contained on the part of the Lessee to be performed, and if such default shall not be cured by the Lessee within fifteen (15) days after receipt by the Lessee of written notice from the Lessor of such default, then the relation of Lessor and Lessee, at the option of the Lessor, shall wholly cease and determine and, in addition to any other remedies, the Lessor may re-enter the premises by force, if necessary, and remove all persons therefrom and distrain for rent, if any be due, and assume and take possession of the premises and Lessee's property therein; and the Lessee, in any such event, expressly waives the service of any notice to Quit or Demand for Possession, but the Lessee shall, nevertheless, remain liable for any unpaid rental for the full term of this Agreement.

If any legal process whatsoever shall be issued for the purpose of attaching or taking in execution of any of Lessees' chattels located on the premises or Lessees' interest in the premises created by this Agreement, or if Lessee shall petition or have a petition filed against him to be adjudicated a bankrupt or insolvent, and such petition is not removed within ten (10) days, or if a receiver or trustee shall be appointed for Lessee's business or property, or if Lessee shall make a general assignment for the benefit of creditors, or if a corporate reorganization of Lessee or any arrangement with Lessee's creditors shall be approved by a court under any provision of the Federal Bankruptcy law, or if, in any other manner, the Lessees' interest under this Agreement would otherwise pass to another by operation of law, or if Lessees, without Lessor's prior written consent, shall assign or transfer to another in bulk, and not in the ordinary course of business, a major part of the materials, supplies, merchandise and other inventory, or substantially all of the fixtures and equipment located on the premises, then in any such event, Lessee

shall be deemed to have committed a material breach of this Agreement and the Lessor may, at its option, forthwith by written notice re-enter the premises, and re-rent the premises as the agent for the Lessee. Notwithstanding any such action(s) by Lessor, Lessee shall in all events remain liable for any unpaid rental for the full term of this Lease.

Lessees hereby expressly waive the benefits of all laws exempting property of any amount or value from levy and sale on execution of distress for rent, or upon any execution under any judgment that may be recovered from rent due under this Agreement.

Lessor shall in all events be entitled to the benefit of all provisions of applicable laws respecting the speedy recovery of lands and tenements held over by Tenants or proceedings in forcible entry and detainer.

25. **FAILURE TO PERFORM.** Tenants covenants that in case Landlord, by reason of the failure of Tenants to perform any of the provisions hereof, shall be compelled to pay or shall pay any sum of money, or shall be compelled to do or shall do any act which requires the payment of money, then the sum or sums so paid or required to be paid, together with all interest, costs and damages, shall be added to the next installment of rent due or to any subsequent installment of rent and shall be collectible as additional rent in the same manner and with the same remedies as if it had been originally reserved.

26. **ADDITIONAL ITEMS / REQUIREMENTS.**

1. Tenant Fairchild, in addition to rent, commits to assist in the operation of the Art Gallery on the first floor of the premises by contributing time at the Gallery without compensation for a minimum of five (5) hours per week. This obligation shall be scheduled through the Gallery Coordinator. Tenant Fairchild may also display his/her own art in the Gallery, which display shall be subject to the discretion of the Gallery Coordinator.

2. The terms of the Lease shall include the terms of the Tenants Handbook, a copy of which is incorporated herein as Exhibit 2.

4. Attached as Exhibit 1 is a lead paint notification.

5. Attached as Exhibit 3 is the wireless network benefit.

27. **CRIME FREE HOUSING.** Tenants, any members of the Tenants' household or a guest or other persons affiliated with the Tenants or affiliated with any member of the Tenants' household:

a. Shall not engage in criminal activity at, on or near the said premises. "Criminal activity" means the commission of any of the acts defined in the Maryland Criminal Law Code Annotated, as from time to time amended.

b. Shall not engage in any act intended to facilitate criminal activity and shall not permit the premises to be used for or to facilitate criminal activity, regardless of whether the individual engaging in the activity is a Tenants, a member of the Tenants's household, a guest, or another person affiliated with the Tenants.


c. Violation of the above provisions shall be a material breach of the Lease and good cause for immediate termination of tenancy. Proof of a violation of the Lease hereunder shall not require a criminal conviction, but shall be by a preponderance of the evidence.

28. **MODIFICATIONS.** The provisions contained in this Lease shall not be changed or modified without express consent of Tenants and Landlord.

29. **SEVERABILITY.** In the event that any term or condition of this Lease shall be determined to be void or unenforceable for any reason, then notwithstanding such determination, the balance of this Lease shall nonetheless remain in full force and effect and be construed and applied as though that term or condition was not contained herein.

This Lease contains the entire understanding between the parties hereto. There are no representations, warranties or agreements concerning the subject matter of this Lease other than as expressly set forth herein.

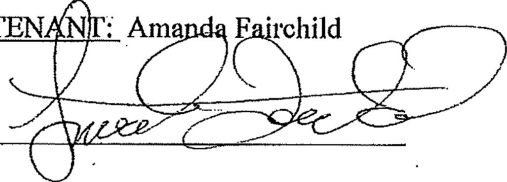
LANDLORD: The City of Hagerstown

Signed: 
12/19/17

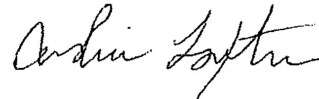
Print: Robert E. Bruchey, II

Title: Mayor of the City of Hagerstown

TENANT: Amanda Fairchild



TENANT: Andrew Laxton



Witness:



Witness:

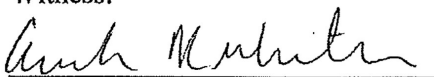


Exhibit 1

LEAD-BASED PAINT DISCLOSURE

Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards

Lead Warning Statement:

Every Tenants of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The Landlord of any interesting residential real property is required to provide the Tenants with any information on lead-based paint hazards from risk assessments or inspections in the Landlord's possession and notify the Tenants of any known lead-based paint hazards. A risk assessment or inspections for possible lead-based paint hazards is recommended prior to occupancy of the rental property.

Landlord's Disclosure (initial)

WJ (a.) Presence of lead-based paint and/or lead-based hazards (check one below):

(X) Known lead-based paint and/or lead based paint hazards are present in the housing (explain).

Structure was constructed prior to 1950 and it is likely that lead based paint was used in building components at that time.

() Landlord has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b.) Records and reports available to the Landlord (check one below):

(✓) Landlord has provided the Tenants with all available records and reports pertaining to lead-based paint and/or lead based paint hazards in the housing (list documents below).

Lead Paint Risk Assessment Rpt

(X) Landlord has no reports or records pertaining to lead-based paint and/or lead-based hazards in the housing.

Tenants's acknowledgement (initial)

WJ/ACL (c.) Tenants has received copies of all information listed above.

WJ/ACL (d.) Tenants has received the pamphlet *Protect Your Family From Lead in Your Home*

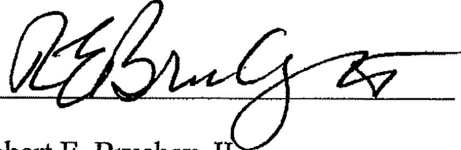
WJ/ACL (e.) Tenants has received a copy of the lead inspection certificate from Landlord (to be delivered to the Tenants upon receipt in ^{Dec.} March 2017).

WJ/ACL (f.) Tenants has received a copy of the Notice of Tenants' Rights, a Maryland Department of Environment publication from Landlord, as required by Annotated Code of Maryland, Environment Section 6-820.

Certification of Accuracy

By signing this lease, the parties agree that they have reviewed the information above and certify; to the best of their knowledge, that the information provided by the signatory is true and accurate.

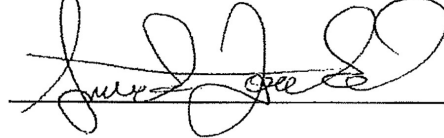
LANDLORD: The City of Hagerstown

Signed: 

Print: Robert E. Bruchey, II

Title: Mayor of the City of Hagerstown

TENANT: Amanda Fairchild



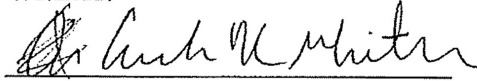
TENANT: Andrew Laxton



Witness:



Witness:



The Studios on NoPo Tenants Handbook

Welcome to the Studios on NoPo!

This Tenants handbook has been created for easy reference of answers to anticipated questions.

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Landscaped Areas: The Landlord will maintain all landscaped areas. Tenants are not permitted to alter or change any landscaping without prior permission from the Landlord. At no time shall a planter, plant or support for a plant be attached to the structure or any component of the structure without prior permission from the Landlord.

Sanitation - Exterior of Structure: The Landlord shall maintain the exterior of the structure in a clean and sanitary manner. Tenants are responsible for ensuring that all household rubbish and garbage is secured in leak proof containers. Grocery or similar bags cannot be used for the temporary storage of rubbish and garbage. Additionally, Tenants are responsible for the timely removal of any litter caused by said Tenants or their guests.

Recycling: The City of Hagerstown offers numerous recycling programs. The Landlord encourages all Tenants and their guests to participate in the recycling programs.

Exterior Storage: Tenants are prohibited from storing (temporarily or long-term) any items outside their dwelling unit. Boxes, household items, cleaning instruments, and other such personal items must not be stored on the exterior of the structure. Items left in the common areas and entrance vestibule will be considered discarded. As such they will be disposed of at the Tenants's expense.

Stickers, flags, banners, signs, posters, or similar items: Such items are prohibited on the exterior of your dwelling unit or affixed to the interior of the unit in such a manner as to intend them to be visible on the exterior of the structure.

Smoking/Burning: Smoking is ONLY permitted at the exterior rear area of premises. Candles, incense or similar burning devices: Use of these or any such item is prohibited.

Clothes lines, exterior blinds or similar items: These items are prohibited.

Pets: Pets are permitted, as outlined in the Lease Agreement.

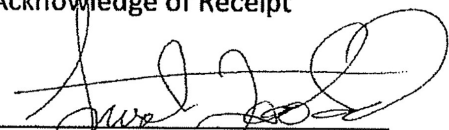
Yard Sales, Flea Markets, and Porch Sales: Permission must be obtained from the Landlord prior to conducting any such sale on the premises.

Window Treatments: Mini-blinds are provided for each window. Tenants may add window treatments with permission of the Landlord. However, such window treatments must be designed and constructed for that purpose. Window treatments visible to the exterior of the structure shall not contain any messages, (written or drawn). Sheets, blankets, drawn characters, or items considered signs shall not be used as additional window treatments. The mini-blinds shall not be removed without prior permission from the Landlord.

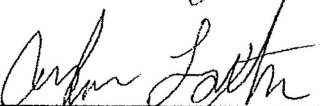
City, State, and Federal Laws, Codes, Ordinances: Tenants and their guest must comply with any and all laws, codes, and ordinances. Any costs incurred by the Landlord for the Tenants violating the above shall be billed as rent on the next following month.

These rules are hereby incorporated into the lease and are part of said lease. Violations of rules and regulations constitute a material violation of said lease.

Acknowledge of Receipt



Tenant Amanda Fairchild



Tenant Andrew Laxton

Rev. 3/2014

Exhibit 3
WIRELESS NETWORK BENEFIT

A wireless internet connection is available via a secured network to the Tenants of the *Studios on NoPo* at 38 North Potomac Street, Hagerstown, MD. This access is for the exclusive benefit of our Tenants, with the following understandings:

- The access of this network is not to be used for any commercial venture or any illegal activity.
- The use of this wireless network is not and will not be included in the lease agreement.
- The owners may at any time without cause or notice eliminate access to this network. The Tenants is prohibited from giving others the access code to this secured network.
- The owners do not warrant against any damage or injury from the use of or access to the internet via this connection. The Tenants assumes all risk associated with use of the internet and releases, indemnifies, and holds harmless the owners in regards to internet access, the Tenants's computer and associated components and related activities.

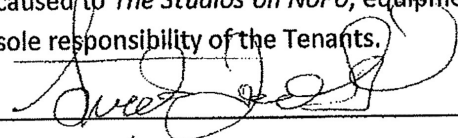
RELEASE, INDEMNIFICATION AND HOLD HARMLESS AGREEMENT

Whereas, The City of Hagerstown, hereinafter known as the "owners" desire to make available to the Tenants of the *Studios on NoPo*, Secured Network Wireless Internet, and

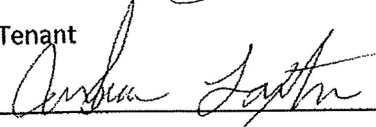
Whereas, the herein named Tenants desires to use said Secured Network Wireless Internet, the Tenants hereby releases the owners, their agents or assignees of any and all liability either real or perceived arising from damage to personal property or personal injury in gaining access to or the use of said Secured Network Wireless Internet. The Tenants hereby releases, indemnifies, and holds harmless the owners in reference to the herein described activity.

The Tenants further acknowledges that access to and use of said Secured Network Wireless Internet is not a requirement of any lease or other written or verbal agreement. Further that the access to and use of said Secured Network Wireless Internet may be terminated by the owners without notice or cause.

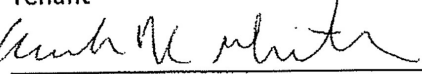
Further, Tenants agrees and affirms that the Tenants shall follow all laws associated with internet use and use ordinary care in the access of the Secured Network Wireless Internet. The Tenants agrees and affirms that any and all damage caused to *The Studios on NoPo*, equipment or building systems by the Tenants's unlawful use of the internet shall be the sole responsibility of the Tenants.



12-29-17

Tenant


12/29/17

Tenant


12/29/17

City of Hagerstown

Date

Rev. 3/2014

Amendment to Residential Lease

THIS AMENDMENT TO RESIDENTIAL LEASE made on the 28th day of August, 2018, between City of Hagerstown, Landlord, and Amanda Fairchild, and Alice Laxton (formerly known as Andrew Laxton), Tenants.

WITNESSETH, that pursuant to Residential Lease dated December 19, 2017, the Landlord hereby leased to the Tenants and the Tenants hereby leased from the Landlord, premises known as *The Studios on NoPo*, 38 North Potomac Street, Apartment #2, Hagerstown, Maryland 21740.

WITNESSETH, that the parties desire to amend the Residential Lease *in only the following regards*:

1. **TERM.** This Lease shall be for a term of one year, beginning on the 1st day of January 2018 and ending on the 31st day of December, 2018. Thereafter, the Tenant shall be considered a month-to-month, periodic Tenant, with said tenancy terminable by either party upon thirty (30) days' written notice to the other.
2. **OCCUPANTS.** Tenants agrees that the premises shall be occupied by the individual listed below, who is specifically declared as follows:

- Amanda Fairchild (Tenant)

Alice Laxton shall vacate the premises effective August 23, 2018. Alice Laxton shall be entitled to return of her pet deposition in the amount of \$250, to be paid to her immediately.

3. **IN ALL OTHER RESPECTS**, the Residential Lease dated December 19, 2017, shall remain in full force and effect.

This Amendment to Residential Lease contains the entire understanding between the parties hereto. There are no representations, warranties or agreements concerning the subject matter of this Amendment to Residential Lease other than as expressly set forth herein.

LANDLORD: The City of Hagerstown

TENANT: Amanda Fairchild

Signed: RE Bruchey II

Amanda Fairchild

Print: Robert E. Bruchey, II
Title: Mayor of the City of Hagerstown

TENANT: Alice Laxton (formerly known as Andrew Laxton)

Alice Laxton

Attest: Donna K. Spickler
City Clerk

Witness as to both tenants: Brenda Hewitakey

Exhibit 6

Residential Lease

THIS LEASE made on the 14th day of November, 2019, between City of Hagerstown, Landlord, and Kaitlin Bell, Tenant.

WITNESSETH, that the Landlord hereby leases to the Tenant and the Tenant hereby leases from the Landlord, premises known as *The Studios on NoPo*, 38 North Potomac Street, Apartment #1, Hagerstown, Maryland 21740.

1. **TERM.** This Lease shall be for a term of one year, beginning on the 15th day of November 2019 and ending on the 30th day of November, 2020. Thereafter, the Tenant shall be considered a month to month, periodic tenant, with said tenancy terminable by either party upon thirty (30) days' written notice to the other.

2. **RENT.** Total annual rent of Six Thousand Dollars (\$6,000) payable in equal monthly installments of Five Hundred Dollars (\$500) per month in advance on the first day of each and every month of said term, without deduction or demand at the office of the Landlord at the cashier's office, 1 East Franklin Street, Hagerstown, MD.

If this Lease commences on a day other than the first of the month, the pro-rated amount of rent for the balance of the first month shall be paid to the Landlord at the time of possession. Thereafter, rent shall be paid on the first day of each month according to the amounts described above.

3. **SERVICE CHARGES.** Landlord shall have the right to require rent payments to be made in cash, money order, Cashier's Check and/or certified check. A service charge of \$35.00 will automatically be made for each instance in which a check is returned unpaid by the Tenant's bank for any reason. A late Charge of five percent (5%) of the amount of rent due for the monthly rental period shall be assessed for any payment delinquent ten (10) days after the due date.

4. **SECURITY DEPOSIT.** In addition to payment of the first month's rent, Tenant, upon the execution of this Lease, will deposit with Landlord the sum of \$500 as Security Deposit. If the Tenant has a pet within the guidelines outlined in Section 9 of this lease, an additional \$250 shall be collected as the Pet Deposit.

This Security Deposit shall be held as security by Landlord for the full and complete performance by Tenant of Tenant's obligations under this Lease, and shall be applied at the expiration of the term of this Lease, or any extensions, thereof, if any, on account of any unpaid rent, damage due to breach of this Lease or damage to the premises by Tenant, Tenant's family, agents, or social guests in excess of ordinary wear and tear. In no event, shall Tenant apply the Security Deposit toward any month's rent due under this Lease, without prior written consent of Landlord. In the event Tenant shall have fully and completely performed Tenant's obligations under this Lease upon its termination, the Security Deposit shall be refunded to Tenant within forty-five (45) days after the termination of the Lease in accordance with the terms hereof, together with simple interest which shall have accrued at the daily US Treasury yield curve rate for 1 year, as of the first business day of each year, or 1.5% a year, whichever is greater. A move-in checklist will be completed by Tenant within three (3) days of moving in and Landlord will use the move-in checklist during the move out inspection to determine if any of the tenant's deposit will be retained for cleaning or repairs after move-out. Upon tenant's written notification to Landlord of Tenant's intention to vacate premises, the date of moving and Tenant's new address, Tenant has the right to be present when Landlord inspects the premises in order to determine the existence of any damages caused during the tenancy. Upon receipt of Tenant's written notice of Tenant's intention to vacate premises, Landlord shall notify Tenant in writing of the date and time when the premises are to be inspected. The date of inspection shall occur within five (5) days before or five (5) days after the date of moving as designated in Tenant's written notice.

5. **DELIVERY OF POSSESSION.** Delivery of possession shall occur only after the first month's rent and security deposit have been paid to the Landlord. The Landlord shall then tender two key sets for the premises to the Tenant.

6. **SUBLEASE.** Tenant shall not assign this Lease or sublet the premises, or any portion thereof, or transfer possession or occupancy thereof to any other person or persons without prior written consent of Landlord.

7. **OCCUPANTS.** Tenant agrees that the premises shall be occupied by the individuals listed below, and as set forth in the NoPo Studio Application, who are specifically declared as follows:

- Kaitlin Bell (Tenant)

Otherwise, children of the above-listed Tenants are allowed to occupy the premises. Additional persons will be permitted to occupy the Premises only upon written consent of the Landlord. Guests of Tenant will be considered additional occupants of the Premises if any such guest remains on the Premises for more than five (5) days in any 30 day period. Tenant shall notify Landlord immediately if Tenant intends to have a guest for more than five days.

8. **THE STUDIOS ON NOPO APPLICATION.** In connection with The Studios on NoPo Application, Tenant has submitted asset verification, employment verification, rental verification, and income certification statements, all of which are considered a part of the Studios on NoPo Application. Tenant has also provided authorization for the Landlord to perform credit report check(s) and criminal background check(s) for the household member(s). The parties acknowledge that Landlord relies upon the information given by Tenant in the Rental Application to enter into this Lease, and said information is incorporated herein by reference as fully as if attached hereto.

9. **ANIMALS.** One cat or dog under 25 pounds is permitted in each studio apartment, after paying the Pet Deposit described above in Section 4.

10. **MAINTENANCE, CONDITIONS, NOISE AND ALTERATIONS.**

(a) Tenant has examined the Premises and all appliances and equipment thereon owned by Landlord, and hereby accepts them in their "AS IS" condition and acknowledges that Landlord has made no representations or warranties, either expressed or implied, as to the condition or use of the Premises. Tenant shall immediately notify Landlord of any defects or dangerous conditions. Tenant shall keep the Premises in good order and condition and shall pay Landlord promptly for any repairs to the Premises or its equipment caused by Tenant's negligence or misuse or by the negligence or misuse of tenant's invitees, licensees or guests. Tenant shall return the Premises and all fixtures, appliances and improvements therein owned by Landlord in substantially the same condition as received, including but not limited to, general cleanliness and upkeep. Tenant acknowledges that Tenant shall pay to Landlord, upon vacating the Premises, expenses as may be incurred to restore the Premises to the condition in which it was delivered to Tenant at the commencement of this Lease, reasonable wear and tear excepted.

(b) Tenant shall not make any alterations or additions to the Premises without the prior written consent of Landlord.

(c) Tenant shall maintain the premises in a clean and sanitary condition at all times; and complies with all laws, ordinances and regulations, health, fire and police regulations with respect to the Premises. Tenant shall indemnify and save Landlord from all liability arising out of any violation by Tenant of such laws or regulations or arising out of any neglect or any violation or non-performance by the Tenant of any of the covenants contained in this Lease. Landlord shall monitor the condition of the premises and maintenance of the property. If the Tenant is negligent and Landlord incurs cost to maintain property, or be charged fines or fees the tenant will subsequently be charged for any and all costs incurred and shall be due as additional RENT.

(d) Tenant shall keep all plumbing from becoming obstructed due to negligence. NOTE: the sanitary sewer system may only be used for its designed and intended purposes. No diapers, condoms, paper towels, feminine hygiene products, or like materials may be flushed in the sanitary sewer system. If the plumbing becomes obstructed because of Tenant negligence or deliberate acts, Tenant shall pay the costs to have lines cleared.

(e) Tenant shall keep noise of occupants and guests and noise from radios, television sets, stereos, etc. to a level of sound that does not annoy or interfere with neighbors.

11. **UTILITIES.** The Landlord shall provide the utilities listed in Column 1 without any additional charge to the Tenant. The utilities listed in Column 2 are not included in the rent and are to be paid solely by the Tenant. The utilities payable by the tenant in Column 2 shall be considered additional rent.

Utility	Column 1 Landlord Paid	Column 2 Tenant Paid
Heating (Electric)		X
Hot Water (Electric)		X
Cooking (Electric)		X
Lights (Electric)		X
Water/Sewer/Trash Collection	X	
Phone/Cable TV/Hard-Wired Internet		X

12. **INSPECTION.** Landlord shall have the right to enter the Premises at all reasonable times necessary to inspect the Premises, to control pests and vermin, and to make necessary repairs to and maintain the Premises, including but not limited to, the heating, ventilation and air conditioning systems, the plumbing system, the electrical systems, etc. When practical, the Landlord shall give Tenant a one (1) day posted written notice of its intent to inspect the premises and the approximate time for said inspection. The notice shall be posted to the front door and such posting shall meet all requirements for said notice. In case of emergency, Landlord may enter the premises immediately and without notice to Tenant. During the last 60 days of the term of this Lease or any extension thereof, Landlord or its Agent may enter the premises during daylight hours to exhibit the same, and place a "for rent" or "for sale" sign thereof.

13. **USE OF PREMISES.** The Premises shall be primarily used for residential and light artistic use, not to include industrial arts. Tenant shall comply with all requirements of the Landlord and by all applicable laws, ordinances, and governmental regulations. No smoking or burning of incense or candles shall be permitted on the premises.

14. **INDEMNIFICATION.** The tenant agrees to indemnify, exonerate and save the landlord harmless from any and all suits, claims for loss, expenses, damages or injury to person or property sustained on the premises or

arising out of the use of the premises by the tenant or the tenant's family, employees, invitees, guests or licensees.

15. **HANDBOOK.** The Tenant shall be in compliance with all property rules and regulations in the booklet titled, *The Studios on NoPo Tenant Handbook*, revised 3/2014 and hereby incorporated into this lease by reference and attached as Exhibit 2.

16. **ILLEGAL ACTIVITY.** Notwithstanding anything which in any way might be construed to the contrary, it shall be deemed to be a material breach of this Lease for Tenant, or any member of the Tenant's household to engage in and/or to suffer the engagement in any criminal activity, including drug-related criminal activity, on or off the premises, while such Tenant is a Tenant in occupancy of any housing unit under control of Landlord. The term "drug-related criminal activity" shall mean the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use, of a controlled substance [as defined in Section 102 of the Controlled Substance Act (U.S.C. 802) as amended].

17. **INSURANCE.** Tenant acknowledges that Landlord maintains insurance on the Premises, which insurance does not protect the personal property, possessions, or personal liability of Tenant. Tenant must consult her own Agent for insurance protection. It is the responsibility of the Tenant to obtain adequate insurance on personal property of Tenant placed on, in, or about the premises.

18. **CASUALTY.**

(a) If the Premises is damaged or destroyed by fire or other casualty to an extent that the use of the Premises is substantially impaired, Tenant may immediately vacate the Premises and may terminate this Lease upon written notice to Landlord given within ten (10) days of Tenant's vacation of the Premises. In the event Tenant remains in possession of the damaged Premises, Rent shall be reduced in proportion to the impairment of use of the premises until same are repaired.

(b) In the event the Premises are damaged by fire or other casualty, and Landlord elects not to restore, repair and rebuild, Landlord may terminate this Lease by giving written notice to Tenant, whereupon Tenant shall promptly vacate the premises. Rent shall be paid through the date Tenant vacates.

19. **CONDEMNATION.**

(a) If the whole or any part of the Premises shall be taken by any competent authority for public or quasi-public use or purpose, then and in that event, this Lease shall cease and terminate from the date when the possession of the part so taken shall be required for such use or purpose.

(b) All damages awarded for such taking shall belong to and be the property of Landlord. Tenant shall not be entitled to any sum from Landlord or the condemning authority as compensation for the loss to the unexpired Term, nor for any other damages.

20. **BREACH AND REMEDIES.** If Tenant breaches this Lease, Landlord may repossess the Premises pursuant to judicial process, and Landlord shall have other rights as may be allowed by law. Tenant will pay the court costs charged to Landlord for notice sent for non-payment of rent, and Tenant also agrees to reimburse Landlord for all reasonable expenses incurred by Landlord, including attorney's fees as Additional Rent, if ejectment is ordered by the court.

21. **ATTORNEY FEES.** If Landlord be compelled to incur any expenses including reasonable attorney's fees in instituting and prosecuting any action or proceeding by reason of any default of Tenant hereunder, the

sum or sums so paid by Landlord with all interest, costs, and damages shall be deemed to be additional rent hereunder and shall be due from Tenant to Landlord on the 1st day of the month following the incurring of such respective expenses. Tenant agrees to reimburse Landlord for any reasonable attorney fees incurred by Landlord in enforcing the provisions of this Lease. In the event that Tenant files suit against Landlord in connection with this lease and Tenant is unsuccessful in obtaining a judgment against Landlord, Tenant agrees to pay Landlord's reasonable attorney fees in defending said suit.

22. **EXTENDED ABSENCES.** Tenant shall give Landlord prior written notice of any anticipated absence from the premises in excess of seven (7) days, during which absence Landlord may enter the premises as reasonably necessary. In the event Tenant fails to give notification to Landlord of an extended absence in excess of seven (7) days, Landlord may recover actual damages, if any, from Tenant.

23. **ENTIRE AGREEMENT.** The provisions hereof together with the Rental Application and the Rules and Regulations which are incorporated herein by reference along with any addendum attached hereto and initialed by the parties represent the complete and entire agreement between the parties with respect to the Premises. This Lease cannot be changed or supplemented except by agreement in writing signed by both parties.

24. **DEFAULT.** If the premises are abandoned or become vacant during the term, the Lessor or its agents may re-enter the same by force or otherwise without being liable to any prosecution therefore and, in addition to any other remedies, re-rent the premises in whole or in part as the agent of the Lessee who in all events shall remain liable for any unpaid rentals for the full term of this Lease. Lessor may receive the rent from any such re-rental applying the same first to the payment of such expenses as the Lessor may incur in re-entering and re-letting, and then to the payment of the rent due hereunder.

If any default is made in the payment of the rent due hereunder including utilities, or if any default or violation be made in the performance of any of the covenants and agreements herein contained on the part of the Lessee to be performed, and if such default shall not be cured by the Lessee within fifteen (15) days after receipt by the Lessee of written notice from the Lessor of such default, then the relation of Lessor and Lessee, at the option of the Lessor, shall wholly cease and determine and, in addition to any other remedies, the Lessor may re-enter the premises by force, if necessary, and remove all persons therefrom and distrain for rent, if any be due, and assume and take possession of the premises and Lessee's property therein; and the Lessee, in any such event, expressly waives the service of any notice to Quit or Demand for Possession, but the Lessee shall, nevertheless, remain liable for any unpaid rental for the full term of this Agreement.

If any legal process whatsoever shall be issued for the purpose of attaching or taking in execution of any of Lessee's chattels located on the premises or Lessee's interest in the premises created by this Agreement, or if Lessee shall petition or have a petition filed against him to be adjudicated a bankrupt or insolvent, and such petition is not removed within ten (10) days, or if a receiver or trustee shall be appointed for Lessee's business or property, or if Lessee shall make a general assignment for the benefit of creditors, or if a corporate reorganization of Lessee or any arrangement with Lessee's creditors shall be approved by a court under any provision of the Federal Bankruptcy law, or if, in any other manner, the Lessee's interest under this Agreement would otherwise pass to another by operation of law, or if Lessee, without Lessor's prior written consent, shall assign or transfer to another in bulk, and not in the ordinary course of business, a major part of the materials, supplies, merchandise and other inventory, or substantially all of the fixtures and equipment located on the premises, then in any such event, Lessee shall be deemed to have committed a material breach of this Agreement and the Lessor may, at its option, forthwith by written notice re-enter the premises, and re-rent the premises as the agent for the Lessee. Notwithstanding any such action(s) by Lessor, Lessee shall in all events remain liable for any unpaid rental for the full term of this Lease.

Lessee hereby expressly waives the benefits of all laws exempting property of any amount or value from levy and sale on execution of distress for rent, or upon any execution under any judgment that may be recovered from rent due under this Agreement.

Lessor shall in all events be entitled to the benefit of all provisions of applicable laws respecting the speedy recovery of lands and tenements held over by Tenants or proceedings in forcible entry and detainer.

25. FAILURE TO PERFORM. Tenant covenants that in case Landlord, by reason of the failure of Tenant to perform any of the provisions hereof, shall be compelled to pay or shall pay any sum of money, or shall be compelled to do or shall do any act which requires the payment of money, then the sum or sums so paid or required to be paid, together with all interest, costs and damages, shall be added to the next installment of rent due or to any subsequent installment of rent and shall be collectible as additional rent in the same manner and with the same remedies as if it had been originally reserved.

26. ADDITIONAL ITEMS / REQUIREMENTS.

1. Tenant, in addition to rent, commits to assist in the operation of the Art Gallery on the first floor of the premises by contributing time at the Gallery without compensation for a minimum of five (5) hours per week. This obligation shall be scheduled through the Gallery Coordinator. Tenant may also display his own art in the Gallery, which display shall be subject to the discretion of the Gallery Coordinator.

2. The terms of the Lease shall include the terms of the Tenant Handbook, a copy of which is incorporated herein as Exhibit 2.

4. Attached as Exhibit 1 is a lead paint notification.

5. Attached as Exhibit 3 is the wireless network benefit.

27. CRIME FREE HOUSING. Tenant, any members of the Tenant's household or a guest or other persons affiliated with the Tenant or affiliated with any member of the Tenant's household:

a. Shall not engage in criminal activity at, on or near the said premises. "Criminal activity" means the commission of any of the acts defined in the Maryland Criminal Law Code Annotated, as from time to time amended.

b. Shall not engage in any act intended to facilitate criminal activity and shall not permit the premises to be used for or to facilitate criminal activity, regardless of whether the individual engaging in the activity is a Tenant, a member of the Tenant's household, a guest, or another person affiliated with the Tenant.

c. Violation of the above provisions shall be a material breach of the Lease and good cause for immediate termination of tenancy. Proof of a violation of the Lease hereunder shall not require a criminal conviction, but shall be by a preponderance of the evidence.

28. MODIFICATIONS. The provisions contained in this Lease shall not be changed or modified without express consent of Tenant and Landlord.

29. SEVERABILITY. In the event that any term or condition of this Lease shall be determined to be void or unenforceable for any reason, then notwithstanding such determination, the balance of this Lease shall nonetheless


remain in full force and effect and be construed and applied as though that term or condition was not contained herein.

This Lease contains the entire understanding between the parties hereto. There are no representations, warranties or agreements concerning the subject matter of this Lease other than as expressly set forth herein.

LANDLORD: The City of Hagerstown

TENANT: _____

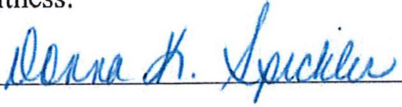
Signed:  11/12/19

 11/14/19

Print: Robert E. Bruchey, II

Kaitlin Bell

Title: Mayor of the City of Hagerstown

Witness: 

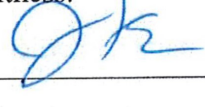
Witness:  11/14/19

Exhibit 1

LEAD-BASED PAINT DISCLOSURE

Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards

Lead Warning Statement:

Every Tenant of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The Landlord of any interesting residential real property is required to provide the Tenant with any information on lead-based paint hazards from risk assessments or inspections in the Landlord's possession and notify the Tenant of any known lead-based paint hazards. A risk assessment or inspections for possible lead-based paint hazards is recommended prior to occupancy of the rental property.

Landlord's Disclosure (initial)

(a.) Presence of lead-based paint and/or lead-based hazards (check one below):

(X) Known lead-based paint and/or lead based paint hazards are present in the housing (explain).

Structure was constructed prior to 1950 and it is likely that lead based paint was used in building components at that time.

() Landlord has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b.) Records and reports available to the Landlord (check one below):

(X) Landlord has provided the Tenant with all available records and reports pertaining to lead-based paint and/or lead based paint hazards in the housing (list documents below).

Lead Risk Assessment Report September 2011

(X) Landlord has no reports or records pertaining to lead-based paint and/or lead-based hazards in the housing.

Tenant's acknowledgement (initial)

KB (c.) Tenant has received copies of all information listed above.

KB (d.) Tenant has received the pamphlet Protect Your Family From Lead in Your Home

KB (e.) Tenant has received a copy of the lead inspection certificate from Landlord (to be delivered to the Tenant upon receipt in March 2017). November 2019 - J.K. KB

KB (f.) Tenant has received a copy of the Notice of Tenants' Rights, a Maryland Department of Environment publication from Landlord, as required by Annotated Code of Maryland, Environment Section 6-820.

Provided 11/20/19 SK


Certification of Accuracy

By signing this lease, the parties agree that they have reviewed the information above and certify; to the best of their knowledge, that the information provided by the signatory is true and accurate.

LANDLORD: The City of Hagerstown

TENANT: Kaitlin Bell

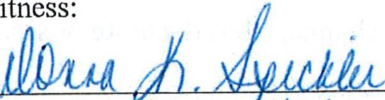
By: 




Title: Mayor of the City of Hagerstown

11/14/19
Date

Witness:


Date 11/12/19


11/14/19

The Studios on NoPo Tenant Handbook

Welcome to the Studios on NoPo!

This tenant handbook has been created for easy reference of answers to anticipated questions.

Maintenance Requests: Please see the *Residential Maintenance Request Information* at the end of this handbook.

Common Areas: The second floor lounge is considered a common area. Tenants are encouraged to use this area to enhance the enjoyment of their stay.

Noise: All residents and guests of the Studios on NoPo must conduct themselves in a respectful manner to the other residents and guests. Noise levels must be reasonable so as to not impair the quiet enjoyment of the other residents.

Entrance Vestibule: The entrance area is a common space. Tenants shall not change, alter, decorate or store any items in this area.

Landscaped Areas: The Landlord will maintain all landscaped areas. Tenants are not permitted to alter or change any landscaping without prior permission from the Landlord. At no time shall a planter, plant or support for a plant be attached to the structure or any component of the structure without prior permission from the Landlord.

Sanitation - Exterior of Structure: The Landlord shall maintain the exterior of the structure in a clean and sanitary manner. Tenants are responsible for ensuring that all household rubbish and garbage is secured in leak proof containers. Grocery or similar bags cannot be used for the temporary storage of rubbish and garbage. Additionally, tenants are responsible for the timely removal of any litter caused by said tenant or their guests.

Recycling: The City of Hagerstown offers numerous recycling programs. The Landlord encourages all tenants and their guests to participate in the recycling programs.

Exterior Storage: Tenants are prohibited from storing (temporarily or long-term) any items outside their dwelling unit. Boxes, household items, cleaning instruments, and other such personal items must not be stored on the exterior of the structure. Items left in the common areas and entrance vestibule will be considered discarded. As such they will be disposed of at the tenant's expense.

Stickers, flags, banners, signs, posters, or similar items: Such items are prohibited on the exterior of your dwelling unit or affixed to the interior of the unit in such a manner as to intend them to be visible on the exterior of the structure.

Smoking/Burning: Smoking is ONLY permitted at the exterior rear area of premises. Candles, incense or similar burning devices: Use of these or any such item is prohibited.

Clothes lines, exterior blinds or similar items: These items are prohibited.

Pets: Pets are permitted, as outlined in the Lease Agreement.


Yard Sales, Flea Markets, and Porch Sales: Permission must be obtained from the Landlord prior to conducting any such sale on the premises.

Window Treatments: Mini-blinds are provided for each window. Tenants may add window treatments with permission of the Landlord. However, such window treatments must be designed and constructed for that purpose. Window treatments visible to the exterior of the structure shall not contain any messages, (written or drawn). Sheets, blankets, drawn characters, or items considered signs shall not be used as additional window treatments. The mini-blinds shall not be removed without prior permission from the Landlord.

City, State, and Federal Laws, Codes, Ordinances: Tenants and their guest must comply with any and all laws, codes, and ordinances. Any costs incurred by the Landlord for the tenants violating the above shall be billed as rent on the next following month.

These rules are hereby incorporated into the lease and are part of said lease. Violations of rules and regulations constitute a material violation of said lease.

Acknowledge of Receipt



Tenant

Rev. 3/2014

Exhibit 3
WIRELESS NETWORK BENEFIT

A wireless internet connection is available via a secured network to the tenants of the *Studios on NoPo* at 38 North Potomac Street, Hagerstown, MD. This access is for the exclusive benefit of our tenants, with the following understandings:

- The access of this network is not to be used for any commercial venture or any illegal activity.
- The use of this wireless network is not and will not be included in the lease agreement.
- The owners may at any time without cause or notice eliminate access to this network. The tenant is prohibited from giving others the access code to this secured network.
- The owners do not warrant against any damage or injury from the use of or access to the internet via this connection. The tenant assumes all risk associated with use of the internet and releases, indemnifies, and holds harmless the owners in regards to internet access, the tenant's computer and associated components and related activities.

RELEASE, INDEMNIFICATION AND HOLD HARMLESS AGREEMENT

Whereas, The City of Hagerstown, hereinafter known as the "owners" desire to make available to the tenants of the *Studios on NoPo*, Secured Network Wireless Internet, and

Whereas, the herein named tenant desires to use said Secured Network Wireless Internet, the tenant hereby releases the owners, their agents or assignees of any and all liability either real or perceived arising from damage to personal property or personal injury in gaining access to or the use of said Secured Network Wireless Internet. The tenant hereby releases, indemnifies, and holds harmless the owners in reference to the herein described activity.

The tenant further acknowledges that access to and use of said Secured Network Wireless Internet is not a requirement of any lease or other written or verbal agreement. Further that the access to and use of said Secured Network Wireless Internet may be terminated by the owners without notice or cause.


Further, tenant agrees and affirms that the tenant shall follow all laws associated with internet use and use ordinary care in the access of the Secured Network Wireless Internet. The tenant agrees and affirms that any and all damage caused to *The Studios on NoPo*, equipment or building systems by the tenant's unlawful use of the internet shall be the sole responsibility of the tenant.



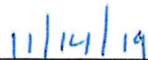
Tenant



City of Hagerstown



Date



Date

Exhibit 7

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Agreement") entered into on 5 day of February, 2021, by and between THE CITY OF HAGERSTOWN, a Maryland Municipal Corporation, existing under and by virtue of the laws of the State of Maryland, hereinafter called "City" or "Landlord," and Williamsport Yarn Closet, LLC, a limited liability company organized and existing under the laws of the State of Maryland, hereinafter called "Tenant".

WHEREAS, the City owns a certain property located in Hagerstown, Washington County, Maryland, known as 36 North Potomac Street, (the "Property"); and

WHEREAS, the City desires to Lease a portion of the aforesaid Property to the Tenant; and

WHEREAS, Tenant desires to enter into a lease of a portion of the Property pursuant to the terms hereof;

NOW THEREFORE, in consideration of the obligations contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

SECTION 1 DEMISE OF PREMISES

Landlord, for and in consideration of the payment of the rent and performance of the covenants and agreements hereinafter mentioned, hereby leases to Tenant and tenant hereby leases from Landlord all of the following space located at 36 North Potomac Street, Hagerstown, Maryland, consisting of approximately 1,300 total square feet, more particularly identified on the attached **Exhibit 1** ("the Premises").

SECTION 2 TERM

The Premises described herein are leased by Landlord to Tenant for an initial term of 12 months beginning on the 1st day of February 2021 and terminating on the 31st day of January 2022 at and for rental as set forth in Section 3 – Rent. Upon the expiration of the term and/or any renewal thereof (collectively the "term"), the rights of the Parties shall be construed pursuant to Section 16 – Tenant Holding Over hereof. In no event shall the tenancy be extended or renewed absent an express written agreement between the Parties.

Notwithstanding the foregoing, the Tenant may terminate this lease upon providing the Landlord with at least sixty (60) days' written notice.

0-21-06

SECTION 3
RENT

Total rent amount of: FOURTEEN THOUSAND FOUR HUNDRED AND 00/100 DOLLARS (\$14,400.00) payable in monthly installments of ONE THOUSAND TWO HUNDRED and 00/100 DOLLARS (\$1,200.00) per month in advance of the first day of each and every month of said term.

SECTION 4
USE FEES; UTILITIES

Tenant shall be responsible for paying for water, sewer, electricity, gas, heating, and all utilities except as provided herein. Tenant shall place the account for said utilities in its name and same shall be payable directly by Tenant to the applicable utility provider. Tenant shall be responsible for all trash removal services.

TENANT SHALL NOT BE RESPONSIBLE FOR OR PAY REAL ESTATE PROPERTY TAXES. Tenant shall be responsible for any other applicable taxes or fees.

SECTION 5
COMPLIANCE TO MAINTAIN PROPERTY
IN COMPLIANCE WITH INSURANCE

Tenant covenants that it will not do nor permit to be done, nor keep nor permit to be kept upon the Premises, anything which will contravene the policy or policies of insurance against loss by fire or other causes, or which will increase the rate of fire or other insurance on the Property beyond the current rate. Should any act of Tenant so increase the rate, then, in addition to the rent hereinabove provided for, Tenant shall be liable for such additional premium, which shall be payable when billed as additional rent, collectible in the same manner as the annual rent. Tenant covenants that under no circumstances will it keep or permit to be kept, do or permit to be done, in or about the Premises, anything of a character so hazardous as to render it difficult, impracticable, or impossible to secure such insurance in companies acceptable to Landlord. Tenant further covenants, immediately upon notice, to remove from the Premises and/or to desist from any practice deemed by the insurance companies or the Fire Marshall as so affecting the insurance risk or otherwise presenting a hazard.

SECTION 6
MAINTENANCE

Tenant agrees to keep the interior of the Premises, including the fixtures, equipment and personalty and appurtenances thereto in good repair and will make all ordinary and replacement repairs as its expense. Tenant agrees to be responsible for all interior and exterior window cleaning. Tenant shall be responsible for snow removal and cleaning on front sidewalk as needed. Tenant shall maintain the Premises in a neat and clean condition and upon the expiration of the term of

this Agreement surrender the entire premises in as good a state and condition as they were in at the commencement of the term, ordinary wear and tear excepted. If Tenant refuses or neglects to repair or replace the fixtures, equipment or personal property as required hereunder to the reasonable satisfaction of Landlord within a reasonable time following written demand to Tenant by Landlord, Landlord may make such repairs or replacements, and upon completion, Tenant shall pay Landlord's costs for making such repairs or replacements upon presentation of bills therefore, payable and collectible as additional rent.

Tenant shall be responsible and pay for all janitorial and cleaning services as may be required for the Premises. Tenant shall be responsible and pay for all pest/insect/rodent control services for the Premises.

Landlord agrees to keep and maintain in good order and repair the exterior, the roof and all structural parts of the Premises and the Property. Landlord shall maintain in good condition and repair the electrical, heating, cooling and plumbing systems which serve the Premises.

SECTION 7 ALTERATIONS

Tenant further covenants that it will not make any alterations, additions, or changes of any kind to the Premises, without first securing the written consent of Landlord, after submission of the plans therefor to Landlord for review and prior approval. Any alterations, additions, or changes as Landlord shall permit in writing shall be made at Tenant's expense. This shall not be construed to deny the Tenant the right to do usual and customary decorating of the Premises. Tenant agrees that all improvements to the Premises shall become the property of the Landlord at the time of installation.

SECTION 8 USE

The demised Premises shall be used by the Tenant solely for the purpose of conducting a retail arts and craft business and any related business activities incidental thereto. No other use may be made of the premises unless approved in writing by the Landlord.

Tenant shall at all times during the term hereof remain in good standing with the State of Maryland, maintain its trader's license, and all other applicable licenses and approvals current and valid. Failure to cure a violation of this provision within thirty (30) days of notice to do so shall constitute an event of default hereunder.

Tenant's agents, servants, employees, invitees, or other persons upon the Premises under the control and direction of the Tenant shall not engage in any criminal activity upon the Premises. Tenant, its agents, servants and employees shall not engage in any act intended to facilitate criminal activity upon the Premises or permit the Premises to be used for any such criminal activity. Any violation of this warranty shall be deemed an event of default hereunder.

SECTION 9
SIGNS

Tenant shall be not permitted to install the name of Tenant and/or its trade name, on any interior walls permanently. The Tenant may not erect or place any signs on the exterior of the Premises or Property or which are visible from the exterior of the building unless same are in compliance with all applicable regulations and have been approved in writing by the Landlord. Said approval shall not be unreasonably withheld.

SECTION 10
ASSIGNMENT AND SUBLEASE

Tenant shall not assign this Lease nor sublet all or any portion of the Premises to any person or entity without prior written approval from Landlord. Said approval shall be in the sole and absolute discretion of the Landlord.

SECTION 11
INDEMNITY AND LIABILITY INSURANCE

Tenant shall save and hold harmless and indemnify Landlord, its agents, servants, employees, officers and representatives from any and all claims of whatsoever nature or kind arising directly or indirectly from Tenant's use of the Premises including any suits, demands, claims or fines of whatsoever nature or kind including personal injuries and property damage arising directly or indirectly under any circumstances by the exercise of the Tenant in the use of the premises.

Tenant agrees to maintain general liability, fire and casualty and property damage insurance with an insurance company acceptable to Landlord and to protect Landlord as an additional insured in the minimum amount of \$1,000,000.00 per occurrence and \$2,000,000 in the aggregate. The insurer must be approved or acceptable to the Landlord. Such policy shall cover the demised Premises only. Said policies shall provide for at least 30 days' notice to the Landlord before cancellation and an endorsement shall be delivered to Landlord. A certificate of insurance shall be furnished to Landlord upon the execution of this Lease, and annually thereafter.

SECTION 12
QUIET ENJOYMENT; SUBORDINATION TO MORTGAGES

Provided Tenant is not in default hereunder, Landlord agrees to permit Tenant quiet enjoyment of the Premises. Tenant agrees that this Lease is and shall be subordinate to any existing or future liens or encumbrances of the Premises either by Landlord or its successors or assigns.

SECTION 13
INSPECTION OF PREMISES

Tenant agrees that Landlord shall have the right to inspect the Premises at all reasonable times during business hours, and to place upon the Premises or Property, where Landlord shall choose, "For Sale" or "For Rent" signs at any time during the term of this agreement.

SECTION 14
FIRE DAMAGE/CONDEMNATION

In the event the Premises is damaged by fire, storm, the elements, act of God, unavoidable accident and/or the public enemy, to such an extent as to render it partially untenable, Landlord shall restore such portion of the Premises so injured or damaged as speedily as possible. The rent shall abate proportionately on such part of the Premises as may have been rendered untenable until such time as such part shall be fit for use, and after which time, the full amount of rent reserved in this Lease shall be payable as hereinabove set forth. If the Premises is injured or damaged by any of the aforesaid causes to such an extent as to render the same wholly untenable, then this Lease shall thereupon become null and void, and all liability of Tenant shall terminate upon payment of all rent and additional rent or other charges due and payable to the date of such happening.

Should the Premises or any part thereof be condemned, appropriated and/or required for public use, then this Lease Agreement at the option of Landlord, shall terminate upon the date when the Premises or any part thereof shall be taken. Rent shall be apportioned as of the date of such termination. Tenant shall not be entitled to any portion of a damage award.

In the event of partial or entire untenability or condemnation, Landlord shall not be responsible for relocation costs and/or loss of business or income to Tenant. The term untenable shall be defined as meaning the premises are unable to be used for a commercial business.

SECTION 15
DEFAULT OF TENANT; REMEDIES OF LANDLORD

In addition to, and not in contravention of any other provision hereof, it is further agreed and understood that if any default is made in the payment of the rental or any other provisions as herein agreed by the Tenant, then the relationship of Landlord and Tenant at the option of the Landlord shall wholly cease and terminate, and the Landlord, its agents or attorneys, shall have the absolute right to re-enter said premises and assume and take possession of the same and the said Tenant waives service of any Notice of Intention to Re-enter, Notice to Terminate Tenancy, or Notice to quit or Demand for Possession.

SECTION 16
TENANT HOLDING OVER

This agreement shall terminate automatically upon the expiration of the initial term or any validly exercised renewal thereof. However, if Tenant does not immediately surrender possession of the Premises upon the termination, and there is a holding over by Tenant, then and in said event,

the tenancy of this lease shall be considered at will, and Landlord shall be entitled to retake possession of the Premises without any prior notice to Tenant. Tenant hereby waives Demand for Possession and Service of Notice to Re-enter and Notice of any kind in connection with Landlord's right to re-enter and take possession of the Premises upon expiration of the term. If, despite the intent of the Parties, a Court of competent jurisdiction shall hold that a periodic tenancy exists upon the expiration of the initial term or any renewal hereof, the Parties hereto agree that said periodic tenancy shall be month-to-month.

SECTION 17
CONTINGENCY

It is recognized by and between the parties that it is necessary for the Landlord to pass a resolution approving the execution of this Lease and the provisions hereof. In the event that said resolution should not become effective for any reason, then in said event, this agreement is null and void of no effect. It is agreed that the necessary resolution required by the Landlord shall be introduced as expeditiously as possible.

SECTION 18
SMOKING

No smoking will be permitted on the Premises by the public or the guests, invitees, agents, servants or employees of Tenant. No candle, incense or open flame shall be permitted on the Premises.

SECTION 19
NOTICES

Any notice required or permitted by this Lease to be given by either party may be personally delivered or sent by certified mail, properly addressed and prepaid, to the addresses of the parties herein given, unless another address shall have been substituted for such address by notice in writing. The date of delivery, being taken as the date of the receipt of such notice.

City of Hagerstown:	City Clerk City of Hagerstown City Hall 1 E. Franklin Street Hagerstown, MD 21740
With a courtesy copy to:	Jason Morton, Esquire Salvatore & Morton, LLC 82 West Washington Street, Suite 100 Hagerstown, Maryland 21740
Tenant:	Melissa Noel 12318 Harvey Road Clear Spring, Maryland 21722

SECTION 20
ADDITIONAL DOCUMENTS

The parties agree to execute, acknowledge and deliver, any and all further documents and instruments that may be required or necessary to carry out and effectuate the purpose of this Agreement or any provisions contained herein.

SECTION 21
PARTIAL INVALIDITY

If any term, covenant or condition of this Agreement shall be deemed invalid or unenforceable, then the remainder of this Agreement shall not be affected and same shall remain in full force and effect.

SECTION 22
GOVERNING LAW

This Agreement shall be construed, interpreted and enforced according to the Laws of the State of Maryland, without regard to principles of conflicts of law. The parties hereto agree to the exclusive jurisdiction and venue of the State Courts of Maryland located in Washington County. THE PARTIES HEREBY WAIVE THE RIGHT TO TRIAL BY JURY.

SECTION 23
PERMITS

In the event that it becomes necessary for any special permits, licenses or anything that may be requisite for the Tenant to occupy and use the Premises for the purposes set forth herein or as hereinafter may be agreed upon, then in said event, Tenant shall be responsible for the application and payment of any such permit or license fee if required.

SECTION 24
SECURITY DEPOSIT

N/A

SECTION 26
PERSONAL GUARANTEE

The Tenant hereby acknowledges that the Landlord has agreed to enter into the Lease based in part on the assurances of and receipt of a personal guarantee from Melissa Noel, managing member of Williamsport Yarn Closet, LLC. The Personal Guarantee is the form attached hereto as Exhibit B and is incorporated herein by reference as an integral and material requirement of this Lease Agreement.

SECTION 27
MISCELLANEOUS

The headings in the Agreement are solely for convenience and reference only and are not intended to define or limit the scope of any provisions of this Agreement, nor affect the interpretation thereof.

All references made, and nouns and pronouns used herein, shall be construed in the singular or plural, and in such gender as the sense and circumstances require.

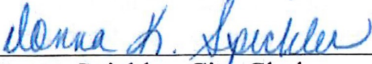
This Agreement shall inure to the benefit of and be binding upon the parties hereto, their grantees, successors and assigns, if applicable.

This Agreement is subject to and contingent on the passage of any ordinances or resolutions required as indicated, and upon the adoption of this Agreement by formal action of the Mayor and Council.

This Agreement contains the final and entire Agreement between the parties and they shall not be bound by any terms, conditions, statements, or representations, oral or written, not herein contained. Any subsequent amendment to the Agreement shall be valid only if executed in writing by the parties or their grantees, successors or assigns, if applicable.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the date and year first above written.

**WITNESS AND ATTEST
AS TO CORPORATE SEAL**



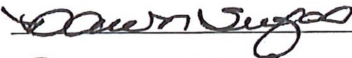
Donna Spickler, City Clerk

CITY OF HAGERSTOWN

By: 

Emily Keller, Mayor

ATTEST



Dawn Surface

TENANT

Williamsport Yarn Closet, LLC

By: 

Melissa Noel, Managing Member

EXHIBIT B
GUARANTEE OF LEASE

As a material inducement of Landlord to execute the foregoing Lease Agreement (the "Lease") by and between The City of Hagerstown, a Maryland Municipal Corporation ("Landlord"), and Williamsport Yarn Closet, LLC, a Maryland Corporation ("Tenant"), for Premises located at 36 North Potomac Street, Hagerstown, Maryland, the undersigned Melissa Noel ("Guarantor") hereby unconditionally and absolutely guarantees unto Landlord, its successors and assigns, the full, prompt and complete payment by Tenant of all Rent, additional rent, utility charges, fees, and any other sums due provided for in the Lease, and the prompt, faithful and complete performance and observance by Tenant of all of the terms, covenants and conditions of the Lease to be performed or observed by Tenant (the "Guarantee").

Guarantor hereby waives (i) notice of any and all defaults by Tenant, (ii) all demands for payment and/or performance, and (iii) all rights of indemnification, recourse or reimbursement for any liability under this Guarantee. Guarantor agrees that no delay by Landlord in enforcing any of its rights or remedies, nor any extension of time, nor any modification to the Lease, shall limit, affect, or impair the liability of Guarantor, and Guarantor expressly consents to any such delays, extensions, and modifications with the same force and effect as though its consent had been given to each of them. The assignment of the Lease or subletting of all or any portion of the Premises shall not affect the Guarantor's liability hereunder, unless specifically released herefrom by Landlord.

This Guarantee is independent of and in addition to any security or other remedies which Landlord may have for the performance or satisfaction of any of the Tenant's obligations under the Lease. Landlord shall not be required to resort to any other security or other remedies before proceeding upon this Guarantee. Landlord may proceed against Guarantor at any time it sees fit, independently of or concurrently with any other remedies.

Guarantor agrees to pay Landlord, on Landlord's request, any costs (including, but not limited to, reasonable attorney's fees of twenty percent (20%)) incurred by Landlord to enforce this Guarantee. In addition, Guarantor agrees to promptly acknowledge and confirm, in such form as Landlord may request from time to time, Guarantor's obligations under this Guarantee.

This Guarantee shall be binding upon the undersigned, his heirs and personal representatives, and shall inure to the benefit of Landlord, its successors and assigns.

IN WITNESS WHEREOF, the undersigned has executed this Guarantee on the 5 day of February, 2021, intending it to be both legally binding and an instrument under seal.

WITNESS:

Dawn Sifface
Dawn Sifface

GUARANTOR:

M. Noel (SEAL)
Melissa Noel

0-21-06

STATE OF Maryland, COUNTY OF Washington)

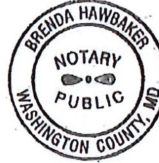
I hereby certify that on February 5, 2021, before me, a Notary Public of the above-referenced jurisdiction, personally appeared Melissa Noel, known to me or satisfactorily proven to me to be the person whose name is subscribed to the within instrument, who acknowledged the he/she executed the same for the purposes contained herein.

WITNESS my hand and Notarial Seal.

My Commission Expires:

June 4, 2021

Brenda Hawbaker
_____, Notary Public



Brenda Hawbaker
NOTARY PUBLIC
Washington County
State of Maryland
My Commission Expires
June 4, 2021