

Mayor and Council Work Session March 15, 2016 Agenda

*"A diverse, business-friendly, and sustainable community with clean, safe and strong neighborhoods."
"Providing the most efficient and highest-quality services as the municipal location of choice for all customers."*

"Autumn arrives in early morning, but spring at the close of a winter day." - Elizabeth Bowen

4:00 PM WORK SESSION

- 4:00 PM** 1. Preliminary Agenda Review
- 4:10 PM** 2. Offer of Long Term Loan for Display of City Hall Bell - *Linda Irvin-Craig, Washington County Historical Society, and Stephen Bockmiller, Development Review Planner/Zoning Administrator*
- 4:25 PM** 3. Appalachian Regional Commission Funding Requests for FY 2017 - *Alex Rohrbaugh, Planner*
- 4:35 PM** 4. Consulting Services with GDS Associates, LLC for Wholesale Power Procurement - *Michael Spiker, Director of Utilities and Nathan Fridinger, Electric Operations Manager*
- 4:50 PM** 5. Update on City Center Broadband Initiative - *Scott Nicewarner, Director of Information Technology and Support Services*
- 5:00 PM** 6. Sale of 278 S. Prospect Street for Homeownership - *Jonathan Kerns, Community Development Manager*
- 5:10 PM** 7. New Residential Leases for 36-40 N. Potomac Street - Unit 2 and Unit 3 - *Jonathan Kerns, Community Development Manager*
- 5:25 PM** 8. Housing Summit Update - *Jonathan Kerns, Community Development Manager (Verbal Update - No Packet Material)*

CITY ADMINISTRATOR'S COMMENTS

MAYOR AND COUNCIL COMMENTS

ADJOURN

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

Preliminary Agenda Review

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

Offer of Long Term Loan for Display of City Hall Bell - *Linda Irvin-Craig, Washington County Historical Society, and Stephen Bockmiller, Development Review Planner/Zoning Administrator*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

City_Hall_Bell.pdf

Description

Memo



CITY OF HAGERSTOWN, MARYLAND

Planning and Code Administration Department

MEMORANDUM

TO: Valerie A. Means, City Administrator

FROM: *SB* Stephen R. Bockmiller, AICP
Development Review Planner/Zoning Administrator

DATE: March 1, 2016

SUBJECT: City Hall Bell – 1830s-1890s
Offer of Long Term Loan For Display in City Hall

The Washington County Historical Society owns the bell that was present in the City Hall bell tower from the 1830s until it was replaced with the bell that is currently in City Hall's tower in the late 1800s. The historical society has offered to place the bell on long term loan to the city allowing for its display, public education and enjoyment. It is approximately 34 inches in diameter at the rim, and we estimate it weighs about 750 pounds.

If the Mayor and Council are interested in accepting the loan of the bell, staff have identified two places in the second floor hallway in City Hall that it could be effectively displayed. One is in the corner to the right of the door into the City Clerk's public service counter area. The other is in one of the recessed areas along the south wall between the elevator and the broadcast control room. In my conversations with Historical Society staff, the duration of the loan would be measured in years - essentially indefinitely - but it would remain the property of the Historical Society.

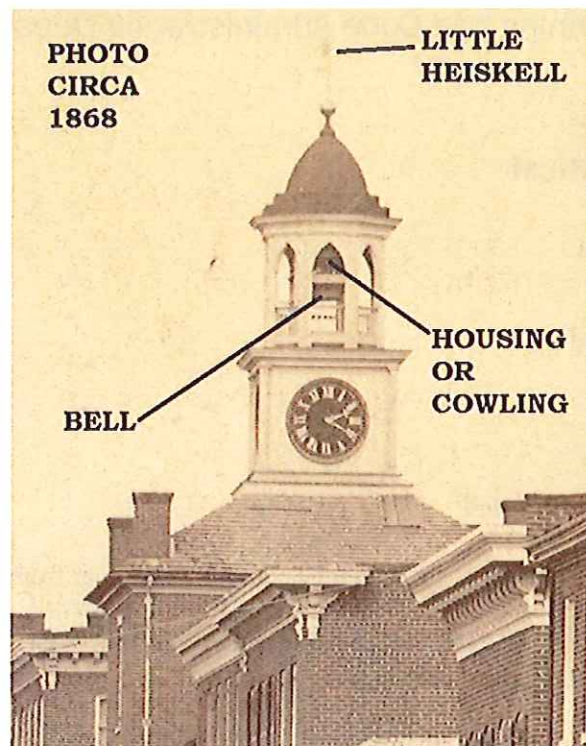
A base of sufficient strength and attractiveness would need to be constructed in order to display the bell safely and securely. Based on rough drawings I provided, Eric Deike has estimated that constructing such a base would cost "less than \$1,000". We have checked with Rodney Tissue and he believes there should be no issue of weight load or distribution in the second floor hallway.

Unless heavy duty wheels are part of the base design, a location for display should be selected with the understanding that once it is installed it will rarely be moved. The bell and the required base, together, will take considerable effort to move. It could be displayed as-is, but it has been stored in a basement for years so I sought and received instructions from the Maryland Historical Trust regarding a safe and nearly cost-free method of cleaning it before mounting it for display.

If the City accepts the bell for display, I will prepare interpretive material explaining the bell, including the attached photograph. This would be mounted in a commercially-available frame for marginal cost.

Please let me know how we should proceed on this offer. If you have any questions, please contact me at your convenience.

Copy: R. Tissue, City Engineer
K. Maher, Director, PCAD
E. Deike, Director, Public Works
L. Irvin-Craig, Executive Director, WCHS



**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

Appalachian Regional Commission Funding Requests for FY 2017 - *Alex Rohrbaugh, Planner*

Mayor and City Council Action Required:

Review of staff recommendations for FY 2017 project funding request for the City of Hagerstown to the Appalachian Regional Commission and authorization to submit request for review by the County Commissioners. The Mayor & Council can elect to send both proposals to the County or only the proposal they see fit.

Discussion:

Financial Impact:

If awarded, the ARC grant would ease financial burden on the City to fund project(s).

Recommendation:

Motion:

March 22 – Vote to Authorize Submission of ARC grant requests to County

Action Dates:

ATTACHMENTS:

File Name

MCC_Memo_3-10-16.pdf

ARC_Preliminary_Project_Form_-_First-Third.pdf

ARC_Preliminary_Project_Form_-_Phase_II_Trail.pdf

Description

Cover Memo

ARC Project Description -
First-Third Grant

ARC Project Description -
Phase II Trail



CITY OF HAGERSTOWN, MARYLAND

Planning and Code Administration Department

MEMORANDUM

TO: Valerie Means, City Administrator

FROM: Alex W. Rohrbaugh, AICP, Planner

DATE: March 10, 2016

SUBJECT: Appalachian Regional Commission Funding Requests for FY 2017

Mayor and City Council Action Requested

Review of staff recommendations for FY 2017 project funding request for the City of Hagerstown to the Appalachian Regional Commission and authorization to submit request for review by the County Commissioners. The Mayor & Council can elect to send both proposals to the County or only the proposal they see fit.

Discussion

The Tri-County Council of Western Maryland is seeking local project funding requests to the Appalachian Regional Commission (ARC) for FY 2017. The deadline for submittal of Preliminary Project Descriptions to Washington County is April 6th. The County Commissioners will prioritize all requests submitted within the county and will forward the requests with their recommendations to the Tri-County Council for review and action. This year the matching requirement is up to 50%. Federal funds cannot be used to match the ARC request and the maximum funding amount per request is \$500,000. Projects must meet one or more ARC program goals and State objectives.

Staff recommends that the City rank and submit two projects for consideration for ARC funding in FY 2017:

Project	Cost of Project	ARC Request	Local Match
Replenishment of First-Third Grant Program	\$500,000	\$250,000	\$250,000 (City)
Phase II Hagerstown Cultural Trail	\$420,000	\$210,000	\$210,000 (City)

Financial Impact

If awarded, the ARC grant would ease financial burden on the City to fund project(s).

Action Dates

March 22 – Vote to Authorize Submission of ARC grant requests to County

Attached are the ARC Preliminary Project Forms for the two projects.

c: Kathleen Maher, Director of PCAD
Jill Frick, Director of DCED
Rodney Tissue, City Engineer
Michelle Hepburn, Director of Finance
Jonathan Kerns, Community Development Manager

ARC Preliminary Project Form

Project Name: Replenishment of City First-Third Grant Program

Applicant: City of Hagerstown

County: Washington

Contact Person: Jill Frick

Phone #: 301-739-8577 x195

Email: jfrick@hagerstownmd.org

Project Description:

Hagerstown's First-Third Program contributes to downtown revitalization by providing funding to offset the gap between cost to rehabilitate large downtown buildings and offset the expected lease income in this depressed market. The goals of the Program are to 1) Partner with private developers and investors; 2) Facilitate securing private financing for construction, 3) Inspire and enable significant redevelopment, both city-wide and in the urban core, reusing and re-purposing existing vacant and under-utilized properties, 4) Create the opportunity for new jobs throughout the City of Hagerstown and Washington County, and 5) Increase the value of Hagerstown's commercial and mixed use properties. The program, which was started in 2014, has seen great success – two of the largest downtown projects that resulted in an expected assessed value increase of nearly \$600,000, 8 new residents, 12 new commercial and office tenants, and 80 new employees in the downtown. Due to the success of this program as well as budget constraints, the First-Third Program needs funding replenishment to help keep the momentum of downtown revitalization going forward.

Goal 1: Economic Opportunities – Invest in entrepreneurial and business development strategies that strengthen Appalachia's economy

Objective 1.5: Continue to support business expansions, start-ups and entrepreneurship.

Strategy 1.5.4: Support programs that do not duplicate existing services but that fill gaps in the existing entrepreneur network.

Proposed Funding Sources and Amounts:

\$250,000 ARC Grant
<u>+ \$250,000 City Funds</u>
\$500,000 Total

ARC Preliminary Project Form

Project Name: Construction of Phase II of Hagerstown Cultural Trail

Applicant: City of Hagerstown

County: Washington

Contact Person: Rodney Tissue

Phone #: 301-739-8577 x128

Email: rtissue@hagerstownmd.org

Project Description:

Development of a trail that will eventually connect the city center Arts & Entertainment District/Farmers Market to City Park (Fine Arts Museum) and other cultural destinations has been identified as a catalyst project in the Hagerstown Community's City Center Plan. The ultimate goals are to increase economic activity in the downtown and attract market-rate housing along the trail. Construction of Phase I of the Trail is underway and is expected to be complete in fall 2016, which will connect City Park to West Antietam Street. Phase II proposes to continue the Trail from West Antietam Street through the center of 43-53 West Washington Street where it will connect to an existing trail that continues on to the Farmer's Market.

Goal 1: Economic Opportunities – Invest in entrepreneurial and business development strategies that strengthen Appalachia's economy

Objective 1.4: Stimulate development of the central business districts of the region's municipalities and support projects, which will enhance the long-term development of the CBD areas.

Strategy 1.4.2: Provide the necessary infrastructure for reuse and/or redirect the use of downtown areas.

Proposed Funding Sources and Amounts:

\$210,000 ARC Grant
+ \$210,000 City Funds
\$420,000 Total

REQUIRED MOTION MAYOR AND CITY COUNCIL HAGERSTOWN, MARYLAND

Topic:

Consulting Services with GDS Associates, LLC for Wholesale Power Procurement - *Michael Spiker, Director of Utilities and Nathan Fridinger, Electric Operations Manager*

Mayor and City Council Action Required:

Discussion regarding Consulting Services with GDS Associates, LLC for Wholesale Power Procurement

Discussion:

The Power Services Agreement between Allegheny Energy Supply Company, LLC and the City will conclude with an expiration date of May 31, 2017. The current contract was consummated in 2005 and effective July 1, 2006. Since this time, much of the language has become obsolete with the constantly evolving PJM Interconnection tariffs, business practices and specifically, the capacity markets.

To meet our goal and have a new Wholesale Power Supply Contract completed before November 2016, the Hagerstown Light Department will compose and advertise a RFP, review price comparisons, and negotiate a new contract for wholesale power. The City recently advertised P1603.16 to seek consulting services specific to power procurement. With their current experiences in wholesale power procurement RFP development and the PJM Market & Operation within the Allegheny Power Zone, GDS Associates, Inc is recommended to assist us in obtaining the lowest purchase power cost we can obtain for the citizens of Hagerstown.

Staff had requested a review of pricing for an additional contract extension and was informed that changes in the operating market would not allow for a decrease in our existing MWH charges. Even though out year pricing for energy has decreased, charges for capacity have increased to the point that they offset any energy price savings. The difference between energy and capacity involves power plants and how they are compensated because both are important to maintaining the electrical system in different ways. Historically, a power plant generated electricity that we purchased at wholesale rates and resold to HLD consumers at retail prices. PJM developed a capacity market, or "forward market," which directs investment a few years ahead of when electricity needs to be delivered. In theory since power plants are expensive and take time to construct, the additional risk that they may not be utilized fully could discourage investment. Once again, in theory the capacity market will create long-term price signal for all users.

The basic idea is that power plants receive compensation for capacity (the power that they will provide at some point in the future). In PJM, there is an auction every year that has a defined delivery date three years in the future. This auction is called the Base Residual Auction and there are smaller balancing auctions every year leading up to the delivery date where bidders can buy or sell their commitments. These are called "Incremental Auctions," and occur just in case a power

plant cannot meet its commitment and needs to purchase replacement capacity from another power plant. The capacity market is designed to directly encourage financial investments in different kinds of assets (clean energy, fossil fuels, or demand side resources).

Since all of these market changes have occurred, some of the risk that was assumed by our supplier may now fall to the HLD to assume. Our contract will more than likely contain fixed charges for energy and monthly pass through charges for Capacity, Network Integration Transmission Services, Ancillary Charges, etc. These charges will be captured in the monthly Purchase Power Adjustment and included in the monthly bills. The RFP will contain requests for mid-term and long term pricing provisions and we will more than likely request an initial agreement for a five year term. Currently, even when factoring in all of the extraneous charges discussed above, it does not appear as though the total price package for services will see a drastic increase in our customer charges.

Upon the requested approval of GDS Associates, Staff will work with Garrett Cole and Erin Shealy of GDS in addition to our FERC legal counsel Tom Rudebusch and Mark Boyer in the development of the RFP. The timeline is as follows:

- RFP development March/April
- RFP offering May 1
- RFP reviews June
- RFP short list development June
- Negotiations with bidders July/August
- Award WPS Contract September

Once the negotiations with the short list are nearing completion, I will make a formal request of the Mayor and Council, as I have done in the past, to allow for the opportunity to lock in on pricing when it is most advantageous. Staff will be available at the March 15 Work Session to discuss.

Financial Impact:

Discussion

Recommendation:

Discussion

Motion:

Action Dates:

Work Session 031516

ATTACHMENTS:

File Name

Description

Consulting
Services
with GDS

City of Hagerstown



Department of Utilities

425 East Baltimore Street
Hagerstown, MD 21740-6105

1 Clean Water Circle
Hagerstown, MD 21740-6848

March 15, 2016

TO: Valerie Means, City Administrator

FROM: Michael S. Spiker, Director of Utilities *MSSpiker*
Nathan Fridinger, Electric Operations Manager *Nathan Fridinger*

SUBJECT: Consulting Services with GDS Associates, LLC for Wholesale Power Procurement

ACTION: Discussion and March 22 Approval

The Power Services Agreement between Allegheny Energy Supply Company, LLC and the City will conclude with an expiration date of May 31, 2017. The current contract was consummated in 2005 and effective July 1, 2006. Since this time, much of the language has become obsolete with the constantly evolving PJM Interconnection tariffs, business practices and specifically, the capacity markets.

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**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

Update on City Center Broadband Initiative - *Scott Nicewarner, Director of Information Technology and Support Services*

Mayor and City Council Action Required:

None.

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

MC_Memo_-_Broadband_Status_31516.doc

Description

Cover Memo



CITY OF HAGERSTOWN, MARYLAND

Information Technology & Support Services – Scott Nicewarner, Director

301-766-4071 (Direct)

301-739-8577, Ext 161

March 15, 2016

TO: Valerie Means, City Administrator

FROM: Scott Nicewarner, Director, IT & Support Services *Scott A. Nicewarner*

RE: Mayor & Council Update on City Center Broadband Initiative

I appreciate the opportunity to provide Mayor and Council with a brief update on the initiative by Antietam Cable to bring affordable high-speed broadband to the City Center area for both commercial and residential customers.

This update will include the current status of the fiber build-out both at the head-end location on Willow Circle and the fiber run progress into City Center. I will also provide an update on opportunities to provide education to our local businesses and residents on the benefits of high-speed broadband through our Communications group.

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

Sale of 278 S. Prospect Street for Homeownership - *Jonathan Kerns, Community Development Manager*

Mayor and City Council Action Required:

Staff request Mayor & Council authorization to enter into a contract of sale for disposition of 278 South Prospect Street.

Discussion:

Background

In May of 2015, the Mayor & Council approved an ordinance to acquire the property located at 278 S Prospect Street for the City's Homeownership Program (Catalytic Project #8). The property was purchased from the Maryland Department of Housing and Community Development for \$72,000 and the purchase was fully funded by State Community Legacy Grant funds.

The City took ownership of the property in July of 2015 and the property was advertised for sale through the Competitive Negotiated Sale (CNS) process. As a Homeownership Program property, it must be resold to an owner occupant who will utilize the property as their principal residence for five (5) years.

Since the property purchase was funded with State Community Legacy funds, no income restrictions are required for the subsequent homeowner. The property has been offered for sale in as is condition.

Selection Process

Applications for CNS properties are accepted and reviewed on a monthly or as needed basis by a staff review committee. Two applications to purchase 278 S Prospect Street (both offering an identical purchase price of \$75,000) were received and reviewed by the staff committee.

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

Description

Sale_of_278_S.Prospect_Street_Homeownership_03102016.pdf

Sale of 278 S Prospect
Street



CITY OF HAGERSTOWN, MARYLAND

Department of Community and Economic Development
Business and Community Relations Division

To: Valerie Means, City Administrator
From: Jonathan Kerns, Community Development Manager J.K.
Date: March 10, 2016
RE: Sale of 278 South Prospect Street for Homeownership

Staff request Mayor & Council authorization to enter into a contract of sale for disposition of 278 South Prospect Street.

Background

In May of 2015, the Mayor & Council approved an ordinance to acquire the property located at 278 S Prospect Street for the City's Homeownership Program (Catalytic Project #8). The property was purchased from the Maryland Department of Housing and Community Development for \$72,000 and the purchase was fully funded by State Community Legacy Grant funds.

The City took ownership of the property in July of 2015 and the property was advertised for sale through the Competitive Negotiated Sale (CNS) process. As a Homeownership Program property, it must be resold to an owner occupant who will utilize the property as their principal residence for five (5) years.

Since the property purchase was funded with State Community Legacy funds, no income restrictions are required for the subsequent homeowner. The property has been offered for sale in as is condition.

Selection Process

Applications for CNS properties are accepted and reviewed on a monthly or as needed basis by a staff review committee. Two applications to purchase 278 S Prospect Street (both offering an identical purchase price of \$75,000) were received and reviewed by the staff committee.

Applicant 1 – Zielinski

- The first application to buy 278 S Prospect Street was received in the spring of 2015 (prior to the City's ownership) and ultimately resubmitted in October of 2015. After CNS staff review meetings and follow up, this application was to be recommended for Mayor & Council approval in January of 2016.

Applicant 2

- Prior to submitting the first application for Mayor & Council approval, a second application to purchase the property was received in January of 2016. The CNS staff review committee postponed submission of the first application to Mayor & Council in order to review the second application.

Each applicant has proposed an identical purchase price and the required property use as a principal residence is the same for all applicants. The staff committee recommends moving forward with applicant 1 (Zielinski) as they submitted the first application and had already obtained staff committee approval prior to the receipt of the second application.

Proposal	1 (Zielinski)	2
Application Date	April 2015 (resubmitted in October 2015)	January 2016
Offer Price	\$75,000	\$75,000
Proposed Purchase Financing	Property sale proceeds (Contingent upon sale of current residence)	Credit Union
Estimated Time for Occupancy	Occupancy as soon as possible once safety related code items corrected	Plan to renovate/occupy within 6 months

Mayor & Council Action Requested

Staff request Mayor & Council approval to enter into a contract of sale with applicant 1 (Zielinski) to sell the property at 278 S Prospect Street.

Staff will be available to discuss the above in detail.

- c. Jill Frick, Director DCED
Michelle Hepburn, Director of Finance
Kathy Maher, Director of Planning and Code Administration

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

New Residential Leases for 36-40 N. Potomac Street - Unit 2 and Unit 3 - *Jonathan Kerns, Community Development Manager*

Mayor and City Council Action Required:

Staff request Mayor & Council approval of two proposed lease agreements for new artist tenants Clayton Layman and Ian Jobe at 36-40 N Potomac Street.

Discussion:

With approval of the lease agreements, the Studios on NoPo Artists Apartments will be fully occupied. Key terms and conditions of the proposed leases are listed below. Each prospective tenant's artwork and experience was reviewed by the Artist Review and Selection Advisory Group. Staff have worked with each prospective tenant and City Attorney Mark Boyer to review all aspects of the proposed leases. Copies of the proposed lease agreements are attached.

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

NoPo_lease_memo_031516.pdf
NoPo_Lease_Layman_Apt_2_031016.pdf
NoPo_Lease_Jobe_Apt_3_031016.pdf

Description

NoPo Lease Cover Memo
NoPo Lease Apartment 2 -
Clayton Layman
NoPo Lease Apartment 3 -
Ian Jobe



CITY OF HAGERSTOWN, MARYLAND

Department of Community and Economic Development

To: Valerie Means, City Administrator

From: Jonathan Kerns, Community Development Manager J.K.

Date: March 10, 2016

RE: Approval of New Residential Leases for 36-40 N Potomac Street Unit 2 and Unit 3

Staff request Mayor & Council approval of two proposed lease agreements for new artist tenants Clayton Layman and Ian Jobe at 36-40 N Potomac Street. With approval of the lease agreements, the Studios on NoPo Artists Apartments will be fully occupied. Key terms and conditions of the proposed leases are listed below.

Key terms and conditions of the proposed leases include:

Unit 2:

- Recommended Artist – Clayton Layman
- One year term
- Lease is for \$6,000 annually (\$500 monthly) for approximately 800 square feet
- Tenant shall contribute at least 5 hours of time weekly assisting in the operation of the Engine Room Art Gallery

Unit 3:

- Recommended Artist – Ian Jobe
- One year term
- Lease is for \$5,400 annually (\$450 monthly) for approximately 600 square feet
- Tenant shall contribute at least 5 hours of time weekly assisting in the operation of the Engine Room Art Gallery

Each prospective tenant's artwork and experience was reviewed by the Artist Review and Selection Advisory Group. Staff have worked with each prospective tenant and City Attorney Mark Boyer to review all aspects of the proposed leases. Copies of the proposed lease agreements are attached.

Attachments: Draft lease for Clayton Layman
Draft lease for Ian Jobe

- c. Jill Frick, Director of DCED
Eric Deike, Director of Public Works
Michelle Hepburn, Director of Finance

Residential Lease

THIS LEASE made on the 22nd day of March, 2016, between City of Hagerstown, Landlord, and Clayton Layman, 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 #2, Hagerstown, Maryland 21740.

1. **TERM.** This Lease shall be for a term of one year, beginning on the 1st day of April 2016 and ending on the 31st day of March, 2017. Thereafter, the Tenant shall be considered a month to month, periodic tenant.

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 in the amount required by State law, currently three percent (3%) per annum, from the receipt of the Security by Landlord. Landlord shall, upon written request of Tenant, made within fifteen (15) days of the occupancy of the premises by Tenant, promptly provide Tenant with a written list of all existing damages, if any, on the premises. 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:

• Clayton Layman (Tenant)

• _____ (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 at 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: Clayton Layman

Signed: _____

Print: David S. Gysberts

Title: Mayor of the City of Hagerstown

Witness:

Witness:

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):

(☒) 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)

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

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

_____ (e.) Tenant has received a copy of the lead inspection certificate from Landlord (to be delivered to the Tenant upon receipt in November 2011).

_____ (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

TENANT: Clayton Layman

By: _____

Title: _____

Date

Witness:

Date

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

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

Date

City of Hagerstown

Date

Residential Lease

THIS LEASE made on the 22nd day of March, 2016, between City of Hagerstown, Landlord, and Ian Jobe, 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 April 2016 and ending on the 31st day of March, 2017. 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. Landlord shall, upon written request of Tenant, made within fifteen (15) days of the occupancy of the premises by Tenant, promptly provide Tenant with a written list of all existing damages, if any, on the premises. 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:

• Ian Jobe (Tenant)

• _____ (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 at 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: Ian Jobe

Signed: _____

Print: David S. Gysberts

Title: Mayor of the City of Hagerstown

Witness:

Witness:

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):

(☒) 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)

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

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

_____ (e.) Tenant has received a copy of the lead inspection certificate from Landlord (to be delivered to the Tenant upon receipt in November 2011).

_____ (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

TENANT: Ian Jobe

By: _____

Title: _____

Date

Witness:

Date

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

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

Date

City of Hagerstown

Date

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

Housing Summit Update - *Jonathan Kerns, Community Development Manager (Verbal Update
- No Packet Material)*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates: