



**BERLIN MAYOR AND COUNCIL
MEETING AGENDA
Monday, April 25, 2016**

6:00 PM EXECUTIVE SESSION – BERLIN TOWN HALL

- a. Pursuant to Section §3-305(b)(1) To discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, or officials over whom this public body has jurisdiction or any other personnel matter that affects one or more specific individuals.
- b. Pursuant to Section §3-305(b)(7) To consult with counsel to obtain legal advice on a legal matter

7:00 PM REGULAR SESSION – Berlin Town Hall Council Chambers

1. Approval of the Minutes for:
 - a. Regular Session of 4/11/16
 - b. General Fund Budget Work Session 4/18/16
2. Presentations
 - a. Atlantic General Hospital – Michael Franklin
 - b. Cricket Center – Wendy Myers
3. Berlin Fire Company Requests
 - a. Budget Request
 - b. Special One Day Permit – Berlin Fire Company (Event 5/14/16)
4. Berlin Falls Park Lease agreement, Jeep Jam event – Laura Allen
5. Departmental Reports:
 - a. Finance Director – Natalie Saleh
 - b. Water Resources/Public Works – Jane Kreiter
 - c. Administrative Services Director – Mary Bohlen
 - d. Electric – Tim Lawrence
 - e. Police – Arnold Downing
 - f. Planning – Dave Engelhart
 - g. Managing Director – Jeff Fleetwood
 - h. Economic and Community Development – Ivy Wells
6. Town Administrator's Report
7. Comments from the Mayor

8. Comments from the Council

9. Comments from the Public

10. Comments from the Press

11. Adjournment



BERLIN MAYOR AND COUNCIL
Meeting Minutes
Monday, April 11, 2016

7:00 PM REGULAR SESSION – Berlin Town Hall Council Chambers

Present: Mayor Gee Williams, Councilmembers Thom Gulyas, Dean Burrell, Troy Purnell, Town Attorney Dave Gaskill

Absent – Council Vice President, Elroy Brittingham, Sr., Councilmember Lisa Hall

The Mayor presented and noted that a qualifying Council attendance had been met for a quorum

Staff Present: Town Administrator Laura Allen, Managing Director Jeff Fleetwood, Planning Director Dave Engelhart, Water Resources and Public Works Director Jane Kreiter, Finance Director Natalie Saleh, Economic and Community Development Director Ivy Wells

Staff Absent – Director of Electric Utility, Tim Lawrence; Administrative Services Director, Mary Bohlen; Chief of Police – Arnold Downing

1. Approval of the Minutes for:
 - a. Executive Session of 3/28/16

On the motion of Councilmember Gulyas, the Executive Session minutes of March 28, 2016 were approved by the following vote:

Name	Counted toward Quorum			Present but recused	Absent
	Aye	No	Abstain		
Elroy Brittingham, VP					X
Dean Burrell	X				
Lisa Hall					X
Troy Purnell	X				
Thom Gulyas	X				
<i>Voting Tally</i>	4	0			2

- b. The Mayor read statement of Closure for 3/28/16

2.

a. Regular Session of 3/28/16

On the motion of Councilmember Gulyas, the Regular Session minutes of March 28, 2016 were approved by the following vote:

Name	Counted toward Quorum			Present but recused	Absent
	Aye	No	Abstain		
Elroy Brittingham, VP					X
Dean Burrell	X				
Lisa Hall					X
Troy Purnell	X				
Thom Gulyas	X				
<i>Voting Tally</i>	3	0			2

3. Swearing in of Board and Commission Members – Mayor Williams

4. Approval of Special Events:

a. Touch-A-Truck Day , May 7, 2016 – Laura Allen, Town Administrator

In addition to Town of Berlin vehicles, Perdue Farms would like to participate and SonRise Church would like to provide food. The location will be the same as last year, Stephen Decatur Park from 10AM-2PM.

On the motion of Councilmember Purnell, the Touch-A-Truck Day event was approved by the following vote:

Name	Counted toward Quorum			Present but recused	Absent
	Aye	No	Abstain		
Elroy Brittingham, VP					X
Dean Burrell	X				
Lisa Hall					X
Troy Purnell	X				
Thom Gulyas	X				
<i>Voting Tally</i>	3	0			2

b. Summer Movie Series (Stephen Decatur Park , Henry Park and Downtown) Mikey Wiley, Parks Commission and Ivy Wells, Economic and Community Development.

Six (6) movie events on alternating Saturdays starting June 18, 2016 and ending August 27, 2016. There was overwhelming support offered for this event. The Mayor did suggest that moviegoers bring their own chairs, as there will be a limited amount of seating provided.

On the motion of Councilmember Burrell, the Summer Movie Series events were approved by the following vote:

Name	Counted toward Quorum			Present but recused	Absent
	Aye	No	Abstain		
Elroy Brittingham, VP					X
Dean Burrell	X				
Lisa Hall					X
Troy Purnell	X				
Thom Gulyas	X				
<i>Voting Tally</i>	3	0			2

5. Presentations:

a. Diakonia - Claudia Nagle

Ms. Nagle and Mr. Jack Burbage gave their annual budget presentation. In the audience were several supporting members of the non-profit organization. The amount requested for FY17 contributions is \$10,000, this is a request increase from \$7500.00 in past years. Mayor William noted that this was a modest increase and would be considered along with multiple other agency requests. According to the presentation, \$150,000 was given in aid to those with a 21811 zip code. The program has a 90% discount rate. Brief discussion followed the presentation.

b. Worcester County Developmental Center - Jack Ferry

Mr. Jack Ferry came before the Council with a verbal presentation. Mr. Ferry described the goals of the Worcester County Developmental Center and their goals to help adults with intellectual disabilities. The goal of this non-profit agency is to help establish employment for their clients, which in turn puts money back into the local community. Mr. Ferry said the organization would be grateful for whatever the Town could afford as a charitable donation, but in past years, it has been \$7,500.00

c. Worcester Youth and Family Services (Berlin Youth Club) – Steve Taylor and Amanda Chaffee

Mr. Steve Taylor and Ms. Chaffee gave their quarterly funding presentation of The Berlin Youth Club. The PowerPoint presentation included highlights of activities the children have done and plans for future activities. Quotes from the participating children talked about what they like about the Berlin Youth Club, were an addition this year. The contract with Worcester Youth and Family is budgeted to remain the same as last year.

6. Public Hearings:

a. Ordinance No. 2016-01, Town Code Text Amendment

Permits churches as a principal use in a B-2 shopping district - Dave Engelhart, Planning Director

Mayor Williams opened the public hearing at 7:45pm. Representatives from SonRise church approached the Council, and discussion followed about the plans for the Merial Select property if zoning regulations are changed. Pastor McCready stated that, "we want to set up a permanent home." The congregation of the church is approximately 800, there were several members of the church in the audience to voice their support for the Text Amendment 2016-01. The public hearing was closed at 8:01pm.

On the motion of Councilmember Burrell, the Text Amendment permitting churches as principal use in a B-2 shopping district was approved by the following vote:

Name	Counted toward Quorum			Present but recused	Absent
	Aye	No	Abstain		
Elroy Brittingham, VP					X
Dean Burrell	X				
Lisa Hall					X
Troy Purnell	X				
Thom Gulyas	X				
<i>Voting Tally</i>	3	0			2

b. Ordinance No. 2016-02

Rezones Tax Map 25, Parcel, 50 (the Merial Select property) from M-1 light industrial district to B-2 shopping district - Dave Engelhart, Planning Director

Mayor Williams opened the public hearing at 8:10pm; the hearing included several public comments. The final verdict is that Tax Map 25; Parcel 50 (the Merial Select property) has been out outdated as its original pharmaceutical usage. Exhibits one through four were presented during the public hearing along with the adopted proposed finding of fact. The public hearing was closed at 8:20pm with exhibits five through eight being presented after the hearing was closed.

On the motion of Councilmember Burrell, the Text Amendment permitting churches as principal use in a B-2 shopping district was approved by the following vote:

Name	Counted toward Quorum			Present but recused	Absent
	Aye	No	Abstain		
Elroy Brittingham, VP					X
Dean Burrell	X				
Lisa Hall					X
Troy Purnell	X				
Thom Gulyas	X				
<i>Voting Tally</i>	3	0			2

7. Introduction of Annexation Resolution 2016-07:
Annexing the remaining portion of Berlin Falls Park, Tax Map Number 25, Parcel 52, parcel 410 and the northern portion of Parcel 57 – Dave Engelhart, Planning Director

Mr. Engelhart spoke that this endeavor had complete support of the County Commissioners. This would be advertised four separate weeks, with a public hearing possible in approximately sixty-days.

8. Motion of the Mayor and Council 2016-16:
Restating PJM Risk Management Policy – Laura Allen, Town Administrator

The is an annual procedure that has been in affect many years. This allows the Town Administrator to act on behalf of the Town in these matters.

On the motion of Councilmember Purnell, the motion was approved by the following vote:

Name	Counted toward Quorum			Present but recused	Absent
	Aye	No	Abstain		
Elroy Brittingham, VP					X
Dean Burrell	X				
Lisa Hall					X
Troy Purnell	X				
Thom Gulyas	X				
<i>Voting Tally</i>	3	0			2

9. Departmental Reports:
a. Finance Director – Natalie Saieh

The departments are working on the FY17 budgets, Ms. Saieh is entering everything from the budgets into an excel worksheet. The Tyler implementation is moving along. Logics is frozen. Hopefully, by the end of next week staff will be able to begin logging in the system. By the end of July, the conversion is scheduled to be complete.

- b. Water Resources/Public Works – Jane Kreiter

The East Branch Street sidewalk project should begin this week and take approximately four weeks. The department has started installing meters at Cannery Village. Work on draft budgets has begun. Staff are taking a conflict resolution class at Wor-Wic Community College. Some staff will be attending MRPA (Maryland Recreation and Parks Association) conference in Ocean City this week. Lastly, but certainly not least – the departments have been spending extra time at Berlin Falls Park doing clean up.

- c. Planning – Dave Engelhart

Arby's and Royal Farms are close to approval. The Arby's has closed now for demolition. In downtown, Sea la Vie is opening another store and we are looking forward to Bike Racks being installed.

d. Managing Director – Jeff Fleetwood

Mr. Fleetwood showed several before and after pictures of Berlin Falls Park, including a spectacular sunrise photo that was later used as a front-page cover for a local paper. Wednesday the vendor should be in to secure the fence. To prevent current entry into the Jeep Jam course, removable bollards have been installed. Public Works has had their hands full mowing all the grass. Dave Wheaton has spent much of his time walking the lagoon and marking obstacles so mowers can be aware. Insurance update: There was a sizable increase in workers compensation, the rest are nominal, and there is no increase in Maryland State Retirement. Mr. Fleetwood also called the dais to the attention of the Council, that it has been stained to match the new conference tables

e. Economic and Community Development– Ivy Wells

Ms. Wells was pleased to announce that the three new bike racks had arrived and will be installed across from the Visitors Center, near the vacuum shop. They will be easily visible from the street. On the 12th of April, Ms. Wells will be attending TADD (Tourism and Downtown Development). All new businesses in Town have agreed with applying for the façade grant. Ms. Wells placed a rural photo on social media with a very uncrowded road, nothing that it was our 'rush-hour', and it alone reached 11,000 people. Councilmember Purnell complimented Ms. Wells and the Town about its social media content. It is clear, concise and easy to navigate.

10. Town Administrator's Report

There were no purchase orders to approve. The Flower Street Culvert work is set to begin by the end of June.

11. Comments from the Mayor - none

12. Comments from the Council

Gulyas – none

Burrell – none

Purnell – none

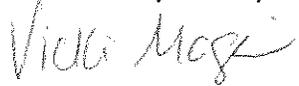
13. Comments from the Public - none

14. Comments from the Press - none

15. On the motion of Councilmember Burrell, Council meeting was adjourned at 8:45pm.

Name	Counted toward Quorum			Present but recused	Absent
	Aye	No	Abstain		
Elroy Brittingham, VP					X
Dean Burrell	X				
Lisa Hall					X
Troy Purnell	X				
Thom Gulyas	X				
<i>Voting Tally</i>	3	0			2

Minutes Respectfully Submitted,



Vicki Magin



BERLIN MAYOR AND COUNCIL
GENERAL FUND BUDGET WORK SESSION
MINUTES
Monday, April 18, 2016

5:30 PM **WORK SESSION – General Fund Budget Work Session**
Berlin Town Hall Council Chambers

Mayor Williams called the General Fund Work Session of the Town of Berlin to order at 5:35 PM.

Council Present: Councilmembers Thom Gulyas, Elroy Brittingham Sr, Dean Burrell and Troy Purnell
Council Absent: Councilmember Lisa Hall

Staff Present: Laura Allen Town Administrator, Natalie Saleh Finance Director, Jeff Fleetwood Managing Director, Jane Kreiter Water Resources and Public Works Director Wendell Purnell Public Works Superintendent , Ivy Well Economic and Community Development, Dave Engelhart Planning, Arnold Downing, Chief of Police

Staff Absent: Tim Lawrence, Electric Utility Director, Mary Bohlen, Administrative Services Director

1. Jeff Fleetwood/Chris Carroll, Atlantic/Smith, Cropper, Deeley
 - a. Health Care renewal

Jeff Fleetwood gave a basic overview of the proposed Health care costs for FY17. ASCD (Atlantic/Smith, Cropper, Deehley) continues as the primary broker for the Town of Berlin. Mr. Fleetwood shared that there is scheduled to be a substantial increase for the cost of coverage; at the time of this presentation, the increase was tentatively at 5.48%. There is no planned increase in vision and the numbers for dental are not available yet.

Mr. Carroll gave his PowerPoint presentation (summarizing Mr. Fleetwood’s explanation of benefits) – brief discussion followed.

2. Department budget requests
 - a. Police – Arnold Downing

Chief Downing started his budget presentation by noting that Presidential candidate Donald Trump would be visiting Stephen Decatur High School on Wednesday, April 20, 2016. Cell phone expenses will go up in the new Fiscal Year. Currently, only supervisors are being reimbursed for cell phone usage. FY17, all staff will be reimbursed at the calculated and approved rate. Telephone expenses will increase due to switching to a hybrid phone system that is built specifically for Police Departments. Discussion followed about vehicles, the life of the current ones and new Interceptors that are being requested. Councilmember Gulyas asked the status of ordering Tahoe’s and Chief noted that there is a one-year wait for Tahoe’s, and they are much more expensive.

b. Administration – Laura Allen

Professional Services has been budgeted for an increase. This money is largely to cover a 'part-time, contractual' park consultant to work with the Berlin Falls Project. Ms. Allen and Mr. Fleetwood are in the process of working on a job description. Ms. Allen noted that the charitable donations were as follows: \$10,000 to Atlantic General Hospital, \$7,500 to Diakonia, and \$5,000 to The Cricket Center. There is a small cushion for local donations that come up during the year. Ms. Allen also noted the increase to the Fire Department of \$50,000. On an ending note, Ms. Allen stated that there would be no contingency this year.

c. Economic and Community Development– Ivy Wells

Ms. Wells noted that she adjusted numbers very closely as to not increase the department's budget. (It was noted that there was a wrong formula in the column of \$94,969). The actual increase requested is 4%. This includes replacing a current vehicle (via trade in). Cannery Village is also vacating their office in the Visitors Center, thus creating another office for rent.

d. Finance and Customer Accounts Department – Natalie Saleh

Ms. Saleh presented a brief budget update for the Finance Department. There were no changes in Professional Services, which covers our audit services. In the Customer Service Department, the line item for rental office equipment has changed due to the projected new lease of the postage machine. Contracted Services will increase according to ongoing Tyler Technologies support. Discussion followed regarding convenience fees and credit card fees and what should be passed along to the customer and what should be absorbed. Councilmember Burrell asked that in the future could he please be sent this information in Excel vs. a PDF.

e. Public Works – Jane Kreiter and Wendell Purnell

The Streets Fund has some increases partially due to seasonal workers – there has been more work than in past years, thus keeping crews on longer. There is a new mixture/procedure called micro sealant, it is not a mill and overlay and will not work on large potholes. In capital outlay, a truck has been put in the budget. Sidewalk discussion followed,

f. Building and Grounds – Jeff Fleetwood

Mr. Fleetwood presented Building and Grounds budget. The changes Mr. Fleetwood proposed included wallpaper, stripping the walls – there are several options to redo the walls. There is \$36,000 budgeted for commercial cleaners. The Welcome Center has had several updates. \$10,000 has been marked for the new public access channel – it will be web based. The staff is looking at replacing AV equipment and laptop for the Council Chambers. New equipment would have features that are currently unavailable to us.

g. Planning – Dave Engelhart

Mr. Engelhart noted that legal expenses were the largest increase in Planning budget that is largely due to inspections.

h. Parks and Recreation – Mary Bohlen

Ms. Laura Allen, Town Administrator presented on behalf of Mary Bohlen Administrative Services Director. The biggest change is in Tennis Courts, this will be completed in FY17.

Discussion followed from the Mayor and Council about the constraints of monies and where the needs are most critical; the needs noted were as follows. Insurance, Liability, professional services and the Berlin Fire Department along with operational expenses. The discussion was started regarding the potential for any large expenses in the upcoming year or two. The topics that were

listed were vehicles, streets and a remodel of the downstairs area when the Police Department moves out.

Ms. Allen, Town Administrator noted that this is a budget with constraints as well as a planning guide. The Mayor and Council thanked Natalie, Laura and their teams for a job well done.

The meeting ended at 8:00PM.

Minutes respectfully submitted,

A handwritten signature in cursive script that reads "Vicki Magin".

Vicki Magin

PRESENTATION

ATLANTIC GENERAL HOSPITAL

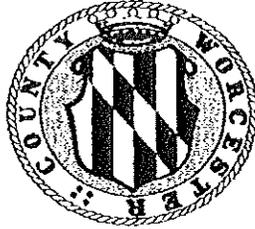
MICHAEL FRANKLIN

PRESENTATION

CRICKET CENTER

WENDY MYERS

FIRE COMPANY
BUDGET REQUEST



APR 20 '16 AM 10:45

BOARD OF LICENSE COMMISSIONERS
FOR WORCESTER COUNTY

ATTN: APRIL PAYNE, LIQUOR LICENSE ADMINISTRATOR
WORCESTER COUNTY GOVERNMENT CENTER
ONE WEST MARKET STREET - ROOM 1201
SNOW HILL, MARYLAND 21863
PHONE: 410-632-1908, EXTENSION 1120
e-mail: apayne@co.worcester.md.us

APPLICATION FOR SPECIAL ONE DAY PERMIT

TO BONA FIDE CONVENTIONS AND SUCH OTHER SPECIAL GROUPS
UNDER THE PROVISIONS OF THE ACTS OF THE GENERAL ASSEMBLY OF
MARYLAND AT ITS 1967 SESSION

Date of Application: 4/15/2016

Name of Applicant: Berlin Fire Co. Inc
Address of Applicant: 214 North Main Street Berk MD 21811
Telephone: 410-641-1977 E-Mail: _____
Location for which Permit is sought: SAME AS ABOVE

Hours requested: 4 pm - 10 pm.
Election District No.: City - 3rd STATE - 38C U.S. - 1st Congressional Town - Dist 1
Convention or Group for which Permit sought: Berlin Fire Co. Inc.
Fundraiser Pig Pickin - CASH BAKE
Date for which Permit sought: 05/14/2016

If within incorporated town, has Mayor & Council approved issuance of Permit? _____

() Beer: \$100 per day () Beer-Wine: \$100 per day (X) Beer-Wine-Liquor: \$100 per day

APPROVAL MAYOR & CITY COUNCIL

SIGNATURE OF APPLICANT
David A. Fitzgerald, President



MOTION OF THE MAYOR AND COUNCIL 2016-20

A MOTION OF THE MAYOR AND COUNCIL OF THE TOWN OF BERLIN TO APPROVE A COMMERCIAL LEASE AGREEMENT WITH OCEAN CITY 4 X 4, LLC FOR THE USE OF 10009 OLD OCEAN CITY BLVD, BERLIN, MD FOR THE BERLIN JEEP WEEK – JEEP JAM EVENT SCHEDULED FOR THE PERIOD OF AUGUST 25, 2016 TO AUGUST 28, 2016.

APPROVED THIS ____ DAY OF _____, 2016 BY THE MAYOR AND COUNCIL OF THE TOWN OF BERLIN, MARYLAND BY AFFIRMATIVE VOTE OF _____ TO _____ OPPOSED, WITH _____ ABSTAINING.

Elroy Brittingham, Sr. Vice President

Approved this ____ day of _____, 2016 by the Mayor of the Town of Berlin.

Wm. Gee Williams, III, Mayor

ATTEST: _____

Laura Allen
Town Administrator

COMMERCIAL LEASE AGREEMENT

THIS COMMERCIAL LEASE AGREEMENT (the "Lease") is made this 8 day of April, 2016 (the "Effective Date"), by and between **MAYOR AND COUNCIL OF THE TOWN OF BERLIN**, (hereinafter referred to as "Landlord"), whose business and mailing address is 10 William Street, Berlin, Maryland 21811 and **OCEAN CITY 4 X 4, LLC**, (hereinafter referred to as "Tenant"), whose business and mailing address is 9919 Stephen Decatur Highway, Suite 4, Ocean City, Maryland 21842.

WHEREAS, Landlord is the sole owner of that certain property located at **10009 Old Ocean City Blvd., Berlin, Maryland 21811 - Old Tyson Plant & Adjacent Land** (the "Property");

WHEREAS, Tenant desires to lease the Property for the purpose of hosting the Berlin Jeep Week - Jeep Jam event, as more particularly described in Article III below.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereby agree as follows:

ARTICLE I THE PREMISES

Landlord, for and in consideration of the Rent and the other conditions and covenants to be observed, satisfied, fulfilled and performed by Tenant, and subject to the conditions hereinafter set forth demises and leases to Tenant, and Tenant leases and takes from Landlord, the Property (the "Premises"). By taking possession of the Premises, Tenant acknowledges that it has: (i) inspected the Premises and found such Premises to be satisfactory; (ii) accepted the Premises, and all improvements, betterments and equipment "AS IS," with no representation or warranty by Landlord as to the condition or suitability of the Premises for Tenant's purpose; and (iii) agreed that Landlord has no obligation to improve or repair the Premises, unless said obligation is specifically set forth in this Lease. THIS LEASE AGREEMENT IS CONTINGENT ON LANDLORD RECEIVING CLEARANCE TO USE THE PROPERTY FOR RECREATIONAL USE FROM THE MARYLAND DEPARTMENT OF THE ENVIRONMENT.

ARTICLE II TERM

Tenant agrees to lease the above described Premises for a period of three (3) days commencing on the 25th of August, 2016 and ending on August 28, 2016. Beginning August 1, 2016, Tenant shall have access to the property to prepare the course for use during regular park hours.

**ARTICLE III
USE AND OPERATION OF THE PREMISES**

Tenant shall use its best efforts to keep the Premises open for business throughout the Term and to conduct its business in the Premises in a first-class manner and consistent with reputable business standards and practices. Tenant shall use the Premises solely for the hosting of the Berlin Jeep Jam Event, including obstacle courses, trail rides, mud pits, vendors, live music, bonfire, kids' play area, and a fireworks display, and for no other purpose without the prior written consent of Landlord, which shall be exercised in its sole and absolute discretion. Tenant shall, at its expense, procure any all governmental licenses and permits required for the conduct of Tenant's business at the Premises and shall, at all times, comply with the requirements of each such license and permit. Tenant shall name its event the Berlin Jeep Jam and shall provide Landlord with full sponsorship benefits in all advertising and promoted materials. Tenant shall meet with the Berlin Chief of Police 45 days prior to the event to review potential vendors and the number of participants. Tenant shall be responsible for providing portable bathroom accommodations for visitors and shall be responsible for trash collection and removal. Tenant shall choose a non-profit vendor to provide food. No alcoholic beverages shall be available for sale.

Tenant covenants and agrees that (i) Tenant shall not commit or suffer to be committed any nuisance or other act or thing to be done in or about the Premises which will in any manner whatsoever unreasonably obstruct or interfere with the rights of other tenants or patrons of the Property or injure or annoy them; nor shall Tenant allow the Premises to be used for any improper, immoral, unlawful or other objectionable purposes; (ii) Tenant shall not abandon or leave vacant any part of the Premises; (iii) and Tenant shall not subject fixtures, furnishings or equipment (other than trade fixture or trade equipment) which are affixed to the realty to any mortgage, lien, conditional sales agreement, security interest or other encumbrance. Tenant further covenants and agrees that (i) the Premises shall be kept neat, clean and in good order by Tenant at Tenant's expense, including necessary and periodic cleaning as shall be reasonably necessary to maintain such Premises in first-class condition and in keeping with the general standards of maintenance and good appearance of the building; (ii) Tenant will maintain the Premises at its own expense in a clean, orderly and sanitary condition and free of insects, rodents, vermin, and other pests, will not burn or permit accumulations of garbage, trash, rubbish and other refuse (collectively "trash"); and (iii) Tenant shall, at Tenant's sole cost and expense, maintain all plumbing within the Premises in a good and proper working order. The Landlord will provide for the sweeping of streets at Landlord's expense. Tenant shall restore the property to its original condition upon the termination of this Lease Agreement.

**ARTICLE IV
RENT**

Tenant shall pay Rent to Landlord, upon the signing of this Lease, in the sum of \$4,000.00.

**ARTICLE V
UTILITIES**

During the Term of this Lease, Tenant shall be responsible for all utilities serving the Premises, including, but not limited to, electricity, water, sewer, telephone, cable/satellite TV, etc...., if any.

**ARTICLE VI
INDEMNITY**

Tenant shall indemnify, defend and hold Landlord, Landlord's lessors, its partners, officers, members, shareholders, trustees, principals, agents, managers, employees and any Mortgagee(s) (collectively, the "Indemnitees") harmless from and against all liabilities, obligations, damages, penalties, claims, costs, charges and expenses, including, without limitation, reasonable architects' and attorneys' fees, which may be imposed upon, incurred by, or asserted against any of the Indemnitees and arising, directly or indirectly, out of or in connection with (i) the use or occupancy of the Premises by Tenant, its agents, servants, employees, invitees, and/or contractors; (ii) Tenant's breach of its obligations under this Lease; and (iii) any act, omission or negligence of Tenant, its agents, servants, employees, invitees and/or contractors. In case any action or proceeding is brought against any of the Indemnitees by reason of any of the foregoing, Tenant shall, at Tenant's sole cost and expense, resist or defend such action or proceeding by counsel approved by Landlord.

**ARTICLE VII
INSURANCE**

Tenant shall adequately insure the Property and all public or common areas from liability. Commencing on the date of delivery of the Premises from Landlord to Tenant and at all times thereafter, Tenant shall carry and maintain, at its sole cost and expense comprehensive general liability insurance, with a broad form comprehensive general liability endorsement applicable to the Premises and its appurtenances, providing coverage which will pay all sums which any named and/or additional named insureds shall be legally liable to pay as damages due to bodily injury (including death) or property damage, in the broadest form of such comprehensive general liability

coverage, as endorsed with Broad Form Comprehensive General Liability, from time to time available in the jurisdiction in which the Premises are located. Landlord shall be listed as an additional insured and the policy shall provide coverage in the amount of Three Million Dollars.

ARTICLE VIII ASSIGNMENT AND SUBLEASE

This Lease may not be assigned or transferred, and the Premises may not be sublet, either in whole or in part, by Tenant without Landlord's prior written consent, which may be withheld in its sole and absolute discretion.

ARTICLE IX ALTERATIONS/REPAIRS

Tenant shall not make or cause to be made any alterations, renovations, improvements or other installations in and to the Premises or any part thereof without Landlord's prior written consent, which consent Landlord may withhold in its sole and absolute discretion. All work performed by Tenant in the Premises shall be performed (i) promptly, at Tenant's sole cost and expense, and in a workmanlike manner with first-class materials; (ii) by duly qualified or licensed persons; (iii) without interference with, or disruption to, the operations of Landlord or other tenants or occupants of the Property; and (iv) in accordance with plans/specifications approved in writing in advance by Landlord (as to both design and materials) which approval maybe withheld in Landlord's sole and absolute discretion.

No mechanic's or other lien shall be allowed against the Property as a result of Tenant's Work or improvements to the Premises. Tenant shall promptly pay all persons furnishing labor, materials or services with respect to any work performed by Tenant on the Premises. If any mechanic's or other lien shall be filed against the Premises or the Property by reason of work, labor, services or materials performed or furnished, or alleged to have been performed or furnished, to or for the benefit of Tenant, Tenant shall cause the same to be discharged of record or bonded to the satisfaction of Landlord within five (5) days subsequent to the filing thereof. If Tenant fails to discharge or bond any such lien, Landlord, in addition to all other rights or remedies provided in this Lease, may bond said lien or claim (or pay off said lien or claim if it cannot with reasonable effort be bonded) without inquiring into the validity thereof and all expenses incurred by Landlord in so discharging said lien, including reasonable attorney's fees, shall be paid by Tenant to Landlord as additional Rent on five (5) days' demand.

ARTICLE X CASUALTY

If during the Term of this Lease, the Premises are damaged by fire, flood, windstorm, earthquake, explosion, hurricane, tornadoes, acts of God, or the like, so that the same are rendered wholly untenable, and if the Premises cannot be repaired within ninety (90) days of said the time of said damage, then this Lease shall terminate as of the date of such damage. In such case, Tenant shall pay the rent apportioned to the time of damage and shall immediately surrender the Premises to Landlord who may enter upon and repossess the same and Tenant shall be relieved from further liability hereunder. If any damage by an of the above casualties, rendering the Premises untenable, can be repaired within ninety (90) days thereafter, Landlord agrees to repair such damage promptly and this Lease shall not be affected in any manner except that Rent shall be suspended and shall not accrue from the date of such damage until such repairs have been completed.

If said Premises shall be partially damaged by any of the above casualties as to be partially unfit for occupancy, Landlord shall repair the Premises promptly and during the period from the date of such damage until the repairs are completed, Rent shall be apportioned so that Tenant shall pay as Rent an amount which bears the same ratio to the entire monthly Rent as the portion of the Premises which Tenant is able to occupy during such period bears to the entire Premises. If the damage by any one of the above casualties is so slight that Tenant is not disturbed in his possession and enjoyment of the Premises, then Landlord shall repair the same promptly and in that case the Rent accrued or accruing shall not abate.

No compensation or claim or diminution of Rent will be allowed or paid by Landlord by reason of inconvenience, annoyance, or injury to business arising from the necessity of repairing the Premises or any portion of the Property of which the Premises are a part, however the necessity may occur. Tenant understands and agrees that for this reason it will have adequate insurance available to protect its interest in the event of such a casualty. Notwithstanding any provision of this Lease to the contrary, in the event the holder of any indebtedness secured by a mortgage or deed of trust convey the Premises requires that insurance proceeds be applied to such indebtedness, then Landlord shall have the right to terminate this Lease by delivering written notice of termination to the Tenant within ten (10) business days after such requirement is made by Landlord's lender, whereupon this Lease and all of the rights and obligations arising out of this Lease shall terminate.

ARTICLE XI
SUBORDINATION AND ATTORNMENT; QUIET ENJOYMENT

Tenant's rights under this Lease are subordinate to any easement, license, mortgage, deed of trust or other security instrument now or hereafter affecting the Property; (those documents referred above hereinafter referred to as a "Mortgage" and the person or persons having the benefit of same being referred to as a "Mortgagee"). Tenant's subordination provided herein is self-operative and no further instrument of subordination shall be required, but Tenant shall execute and deliver within fifteen (15) days of written request, a subordination agreement and whatever other instruments as may be requested by a Mortgagee from time to time. If any person shall succeed to all or part of Landlord's interest in the Premises, whether by purchase, foreclosure, deed in lieu of foreclosure, power of sale, termination of lease or otherwise, Tenant shall, without charge, attorn to such successor-in-interest upon written request.

Landlord covenants that Tenant, upon performing all of Tenant's obligations under this Lease, shall peaceably and quietly have, hold and enjoy the Premises during the Term without hindrance, ejection or molestation by any person lawfully claiming by, through or under Landlord, subject, however, to the terms and conditions of this Lease and all Mortgages, encumbrances, easements, and matters of record to which this Lease is or may become subject.

ARTICLE XII DEFAULT

If any monthly installment of Rent as herein called for remains overdue and unpaid for five (5) Days, Landlords shall impose a penalty of \$100 of the monthly amount for each month overdue. Any payment not received within 15 days of the due date shall bear interest at the rate of twelve percent (12%). If any monthly installment of Rent remains overdue and unpaid for thirty (30) days or if any other default hereunder is not cured by Tenant within fifteen (15) days of the provision of written notice by Landlord to Tenant of such default hereunder, Landlord may, at its sole option, at any time during such default, declare this Lease terminated and take possession of the Premises following five (5) days' written notice to the Tenant of Landlord's election to do so. At such time, all outstanding amounts due under the Lease for the remainder of the Term shall become accelerated and due immediately to Landlord from Tenant, including, but not limited to, all Rents due until the termination date hereunder.

ARTICLE XIII MISCELLANEOUS PROVISIONS

Notice

Whenever any demand, request, approval, consent or notice shall or may be given by one party to the other, notice shall be addressed to the parties at their respective addresses as set forth herein and delivered by (i) hand, (ii) a nationally recognized overnight express courier, or (iii) registered or certified mail, return receipt requested. The date of actual receipt shall be deemed the date of service of notice. In the event an addressee refuses to or does not accept delivery, however, then notice shall be deemed to have been served on either (i) the date hand delivery was attempted, (ii) the next business day in the case of delivery by overnight courier, or (iii) three (3) business days after mailing the notice in the case of registered or certified mail. Either party may, at any time, change its notice address by giving the other party notice, in accordance with the above, stating the change and setting forth the new address.

Recordation

Neither this Lease nor a memorandum thereof shall be recorded by Tenant without the written consent of Landlord in its sole and absolute discretion.

Attorneys' Fees

If Landlord brings an action to enforce the terms hereof or declare rights hereunder and prevail in such proceeding, whether by default or otherwise, the Landlord shall be entitled to its reasonable attorneys' fees and court costs to be paid by the Tenant. The attorneys' fee award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees and court costs reasonably incurred in good faith. Landlord shall be entitled to reasonable attorneys' fees and all other costs and expenses incurred in the preparation and service of notices of default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such default.

Successors and Assigns

This Lease and the covenants and conditions herein contained shall inure to the benefit of and be binding upon Landlord and Tenant, and their respective permitted successors and assigns. Upon any sale or other transfer by Landlord of its interest in the Premises, Landlord shall be relieved of any obligations under this Lease occurring subsequent to such sale or other transfer.

Limitation of Recovery

It is specifically understood and agreed that there shall be no personal liability of any shareholder, partner, member, director, trustee, officer, employee, representative, or agent of Landlord or Tenant, in respect to any of the covenants, conditions or provisions of this Lease. In the

event of a breach or default by Landlord of any of its obligations under this Lease, Tenant shall look solely to the equity of the Landlord in the Property for the satisfaction of Tenant's remedies. Accordingly Tenant hereby agrees to look solely to Landlord's equity in the Property for the satisfaction of any claim arising from this Lease and shall not seek to impose personal liability on any shareholder, trustee, partner, member, officer, employee, representative or agent of Landlord. A similar limitation on liability shall be inserted in each document executed by Landlord pursuant to this Lease.

Severability

If any term or provision of this Lease, or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

Brokers' Commission

Landlord and Tenant warrant and represent to each other that no broker, finder or agent has acted for or on their behalf in connection with the negotiation, execution or procurement of this Lease. Tenant agrees to indemnify and hold Landlord harmless from and against all liabilities, obligations, and damages arising, directly or indirectly, out of or in connection with a claim from any other broker, finder or agent with respect to this Lease or the negotiation thereof, including costs and attorneys' fees incurred in the defense of any claim for compensation.

Lease Effectiveness

Although Tenant's execution of this Lease shall be deemed an offer irrevocable by Tenant, the submission of this Lease by Landlord to Tenant for examination shall not constitute a reservation of or option for the Premises. This Lease shall become effective only upon execution thereof by both parties and delivery thereof to Tenant.

Survival

Notwithstanding anything to the contrary contained in this Lease, the expiration of the Term of this Lease, whether by lapse of time or otherwise, shall not relieve Tenant from its obligations accruing prior to the expiration of the Term.

Business Entity Covenants

Tenant hereby represents and warrants that (i) Tenant is in good standing as of the date hereof, (ii) Tenant is duly-qualified, and all steps have been taken prior to the date hereof to qualify Tenant to do business in Maryland, (iii) all franchise, corporate and other taxes have been paid to date, (iv) all prior and future forms, reports, and/or other documents or fees necessary to comply with all laws applicable to Tenant's legal status have been filed and paid or will be filed or paid when due; (v) each of the undersigned executing this Lease on behalf of the Tenant are duly elected and qualified officers of Tenant (or partners in the case of partnerships and such other appropriate roles in the case of other entities), and no other signatures are required to legally bind the entity, and (vi) Tenant is authorized to enter into this Lease pursuant to a duly adopted resolution of the Board of Directors of Tenant (or such other appropriate action in the case of non-corporate entities).

Time Is Of The Essence

With respect to the payment of Rent and the performance by Tenant of all of its obligations and covenants under this Lease, time is and shall be of the essence.

Merger

Tenant expressly waives any right or defense which it may have to claim a merger, and neither the commencement of any action or proceeding nor the settlement thereof or entering of judgment therein shall bar Landlord from bringing subsequent actions or proceedings from time to time.

Waiver

No agreement to accept a surrender of the Premises prior to the expiration of the Term shall be valid unless in writing and signed by an authorized representative of Landlord. The delivery of keys by or on behalf of Tenant for any part of the Premises to any employee or partner of Landlord or to Landlord's agent or any employee of such agent shall not operate as a termination of this Lease or as a surrender of the Premises. The failure of Landlord to seek redress for violation of, or to insist on the strict performance of, any covenant of this Lease or any of the rules and regulations in effect from time to time, whether by express waiver or otherwise, shall not prevent a subsequent action which would have originally constituted a violation, from having all the force and effect of any original violation. The receipt by Landlord of Rent with knowledge of the breach of any covenant of this Lease shall not be deemed a waiver of such breach. The failure of Landlord to enforce any of the rules and regulations against Tenant or any other tenant in the Property shall not be deemed a waiver of any such rule or regulation. No payment by Tenant or receipt by Landlord of a lesser amount than the Rent herein stipulated shall be deemed to be other than on account of the stipulated Rent nor shall any endorsement or statement on any check or any letter accompanying

any check or payment of Rent be deemed a settlement of a legal dispute or an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy. Landlord's consent to, or approval of, or failure to take action on any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent similar act by Tenant.

Applicable Law

This Lease shall be governed by and construed in accordance with the laws of the State of Maryland and shall not be construed either for or against Landlord or Tenant, but shall be interpreted as a whole according to its fair meaning. If either party institutes legal suit or action for enforcement of any obligation contained herein, it is agreed that Landlord may determine the venue of such suit or action.

Counterparts

This Lease may be executed in one or more counterparts, any one of which, if originally executed, shall be binding upon each of the parties signing thereon and all of which taken together shall constitute one and the same instrument.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties hereto intending to be legally bound hereby have executed this Commercial Lease Agreement under their respective hands and seals as of the day and year first above written.

TENANT:

OCEAN CITY 4 X 4, LLC

By: OCEAN CITY 4X4, LLC
Name: [Signature]
Title: CO-OWNER

LANDLORD:

MAYOR AND COUNCIL OF THE TOWN OF BERLIN

By: _____
Name: _____
Title: _____