RESOLUTION NO. 3204

A RESOLUTION OF THE COUNCIL OF THE CITY OF SALISBURY TO AUTHORIZE THE MAYOR TO EXECUTE, ON BEHALF OF THE CITY OF SALISBURY, A LEASE AGREEMENT BETWEEN THE FIRST BAPTIST CHURCH OF SALISBURY, MARYLAND AND THE CITY OF SALISBURY.

WHEREAS, the City of Salisbury ("City") had a prior lease agreement with the First Baptist Church of Salisbury, Maryland for property located on the southerly side of Booth Street and the northerly side of Douglas Place ("the Property") which expired on or about May 13, 2021; and

WHEREAS, the City desires to enter into another lease agreement with the First Baptist Church of Salisbury, Maryland for the Property in order to provide parking for the nearby playground and City amenities; and

WHEREAS, in accordance with the foregoing, it is in the best interest of the citizens of the City to enter into the Lease Agreement attached hereto as Exhibit 1; and

WHEREAS, by this Resolution, the Council (i) hereby approves the Lease Agreement (attached hereto and incorporated herein as Exhibit 1) and (ii) hereby authorizes the Mayor's execution thereof on behalf of the City; and,

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, as follows:

<u>Section 1</u>. The Mayor is hereby authorized to execute, on behalf of the City of Salisbury, that certain Lease Agreement, by and between the City of Salisbury and First Baptist Church of Salisbury, Maryland attached hereto and incorporated herein as **Exhibit 1**.

<u>Section 2</u>. It is the intention of the Mayor and Council of the City of Salisbury that each provision of this Resolution shall be deemed independent of all other provisions herein.

Section 3. It is further the intention of the Mayor and Council of the City of Salisbury that if any section, paragraph, subsection, clause or provision of this Resolution shall be adjudged invalid, unconstitutional or otherwise unenforceable under applicable Maryland or federal law, such adjudication shall apply only to the section, paragraph, subsection, clause or provision so adjudged and all other provisions of this Resolution shall remain and shall be deemed valid and enforceable.

<u>Section 4.</u> The recitals set forth hereinabove and **Exhibit 1** attached hereto, are incorporated into this section of the Resolution as if such recitals and **Exhibit 1** were specifically set forth at length in this Section 4.

THE ABOVE RESOLUTION was introduced and read and passed at the regular meeting of the Council of the City of Salisbury held on this 9th day of January, 2023 and is to become effective immediately upon adoption.

ATTEST:

Kimberly R. Nichols, City Clerk

John R. Heath, City Council President

Approved by me, this 17 day of JAWWRY	, 2023.
Jacob B Down House of	
Jacob Ř. Dáy, Mayor	

EXHIBIT 1

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Agreement"), made this 17th day of 2023 (the "Effective Date"), by and between FIRST BAPTIST CHURCH OF SALISBURY, MARYLAND, a religious corporation of the State of Maryland ("Landlord"), and the CITY OF SALISBURY, a municipal corporation of the State of Maryland ("Tenant"); (the Landlord and the Tenant hereinafter referred to from time to time collectively as the "Parties", and each, a "Party").

THAT FOR AND IN CONSIDERATION of the rents as hereinafter specified and the covenants, conditions and agreements herein contained, the parties named above hereby covenant and agree, as follows:

- 1. DESCRIPTION OF PREMISES. In consideration of the premises and payment of rents, construction of improvements and other considerations and the mutual terms and conditions hereof, Landlord does hereby lease, transfer and demise unto Tenant, and Tenant does hereby lease and take over from Landlord, the real property situate, lying and being in Salisbury, Wicomico County, Maryland, located on the Southerly side of Booth Street and the Northerly side of Douglas Place, all as more particularly shown on a plat entitled "Lease from First Baptist Church" dated October 20, 1994, showing a hatched area and "Leased Area 41,548 square feet", all as more particularly shown on "Exhibit A" attached hereto, the foregoing referred to hereinafter as the "Leased Premises". The Tenant shall have the right of ingress and egress to and from the Leased Premises by means of the right-of-way schematic as shown on "Exhibit B".
- 2. TERM. The said Tenant is to have and to hold the leased premises for a term beginning on the execution hereof by all parties and ending on a date five (5) years thereafter (the "Initial Term"); provided, however, that the Lease shall automatically renew at the end of the Initial Term for three (3) additional terms of five (5) years each (each, an "Extension Term"), unless either Party gives the other Party written notice of its intention to terminate this Lease on or before the date that is ninety (90) days prior to the commencement of the applicable Extension Term. Each Extension Term shall commence upon the expiration of the immediately preceding Term and shall be on the same provisions as are set forth in this Lease. All references to the "Term" of this Lease shall, unless the context shall clearly indicate a different meaning, be deemed to include a reference to the Initial Term and any Extension Term that becomes part of the Term as provided above.

3. RENT. Tenant shall pay rent in the amount of One Dollar (\$1.00) per year, all of which such rent for the Term being paid upon the execution hereof by all parties.

4. [RESERVED].

5. USE.

- Tenant agrees to maintain and use the Leased Premises as a parking lot for use by (a) the general public. Such parking lot and the allotted parking spaces shall be maintained in the configuration shown on the attached "Exhibit B". The use of the parking lot located upon the Leased Premises (the "Parking Lot") is intended to be controlled by the Tenant, whether such use relates to the general public's use of the Parking Lot or use of the Parking Lot for an event sanctioned or sponsored by the Tenant or by the Wicomico County Department of Recreation and Parks, all in a manner Tenant deems appropriate in its reasonable discretion (such Tenant activities together with other usage by Tenant of the Leased Premises permitted pursuant to this Agreement hereinafter referred to as, the "Tenant's Use"), and subject to the Landlord's Reserved Use (as hereinafter defined). Notwithstanding anything to the contrary herein, the Landlord may use the Leased Premises as needed for parking rent free (such Landlord activities together with other usage by Landlord of the Lease Premises permitted pursuant to this Agreement hereinafter referred to as, the "Landlord's Reserved Use"); provided, however, that this use is non-exclusive, and the Tenant and the general public retain full rights to use the Leased Premises consistent with the Tenant's Use and otherwise in accordance with the terms of this Agreement. For the purposes of clarification, the Tenant's Use shall not prohibit Landlord's Reserved Use of the Leased Premises as provided for herein, and the Landlord's Reserved Use shall not prohibit the Tenant's Use. Tenant will close the Parking Lot to the general public from dusk to dawn, except to the extent that Tenant's Use or Landlord's Reserved Use at a given time requires access to the Parking Lot beyond dusk. Landlord prohibits Tenant from fencing the Leased Premises, unless Landlord's consent in writing is obtained. Landlord may require signage to contain language that Tenant may utilize the Leased Premises at times that are restricted to the public.
- (b) To facilitate the Tenant's Use and Landlord's Reserved Use, the Parties hereby agree to adhere to the following practices in good faith:

- (i) at the beginning of each calendar month, Tenant shall share via email to the Landlord's Board of Managers a schedule of Tenant's planned activities for the following three (3) months; initially, the contact and email information for these purposes is as follows: Mr. David Jones; djlincolnu23@yahoo.com. The following events shall be given first priority with respect to determining and managing joint usage of the Parking Lot: (A) up to five (5) designated Landlord events per year, so long as Landlord provides Tenant with at least thirty (30) days' notice of each such event, and (B) Landlord shall have first priority to the extent possible with respect to any times during which the Landlord is conducting a funeral service for a member of its congregation (any such event, a "Funeral Event"), as follows: (1) as soon as possible after Landlord becomes aware of a Funeral Event, it shall give Tenant notice of such event, and (2) to the extent Tenant has a scheduled event during the same time as the Funeral Event, Tenant agrees that Landlord may direct traffic and parking such that members of Landlord's congregation may park as near as possible to the Landlord's main building, and Landlord may direct anyone using the Parking Lot for a Tenant event or for public usage generally, to the side of the Parking Lot that is nearest to Lake Street.
- (ii) for up to two (2) events per year and only to the extent the Landlord's Use of the Leased Premises does not conflict with the Tenant's Use of the Leased Premises and/or the Tenant's use of the neighboring Lake Street Park, the Tenant shall grant the Landlord access to the property formerly used as a concession stand located on the Lake Street Park premises (the "Stand"). Landlord acknowledges that the Stand is provided on an as-is basis and that it is not equipped for use as a concession stand. Landlord will provide any equipment and obtain any required permits for Landlord's use of the Stand.
- (iii) Tenant, through signage approved by Landlord and through communication with the general public, to the extent the general public is utilizing the Leased Premises for a scheduled event, shall direct all parties to access the Leased Premises from the Lake Street entrance.
- 6. CONTROLLED ACCESS; INGRESS AND EGRESS. Within ninety (90) days of the Effective Date, Tenant shall install signage in accordance with Section 5(b)(iii) at the Booth Street entrance to the Leased Premises indicating that the Leased Premises should be accessed via Lake Street. The Landlord may elect in its discretion to prohibit access to the Leased Premises via the Booth Street access (the "Booth Street Access"), whether by roping off the Booth Street

Access, installing a gate, or otherwise. Notwithstanding the foregoing, Landlord may at any time allow access through the Booth Street Access in connection with the Landlord's Reserved Use.

7. STORMWATER MANAGEMENT. Landlord has granted Tenant the right to use the stormwater management pond build on other properties of the Landlord and has executed an easement providing for Tenant's use of the stormwater management pond.

8. [RESERVED].

- 9. REPAIRS AND MAINTENANCE. Tenant will be obligated to maintain the Leased Premises, including the Parking Lot, in good repair during the Term, including without limitation, with respect to the following:
- trash removal for the Parking Lot (i) every two (2) weeks, and (ii) upon the conclusion of any Tenant-sponsored event. For any future event in which Tenant permits a third-party to use the Parking Lot, Tenant shall require the third-party to provide post event trash removal and cleanup immediately upon conclusion of the event. Tenant may install and maintain, at Tenant's cost, a reasonable number of trash cans on the Parking Lot to facilitate its obligations under this provision. For the avoidance of confusion, Tenant acknowledges that the cleanup requirements in this provision are a material covenant of this Agreement and that any failure, whether by Tenant or any third party permitted to use the Parking Lot by Tenant, to reasonably clean the Parking Lot after any event shall be a breach of this Agreement.
- (b) Tenant shall spray each parking lot island on the Leased Premises (the "Islands") for weed control purposes on an as-needed basis for the months of March through September of each year during the Term.
- (c) The Tenant shall replace mulch on the Islands on an annual basis each Spring of each year during the Term.
- (d) The Tenant acknowledges the Landlord's intent to scrape and repave the Parking Lot during the Term (the "Repaving Project"). The Tenant agrees to pay the Landlord an annual maintenance fee of two thousand dollars (\$2,000) per year in immediately available funds on each anniversary of the Effective Date during the Initial Term and any Extension Term (for a total of

forty thousand dollars (\$40,000) if all Extension Terms are utilized over the period of the Initial Term and all Extension Terms), which such amounts are intended offset roughly half of the Landlord's expenses in connection with the Repaving Project. The Landlord shall provide the Tenant with sixty (60) days' advance notice of the intended scheduling of the Repaving Project, together with the estimate received from the third-party the Landlord chooses to engage to perform the Repaving Project. Regardless of whether the actual cost of the Repaving Project is greater or less than the anticipated costs, Tenant shall have no obligation to make additional payments, nor recourse to reduce payments, with regard to the Repaving Project, and Tenant's sole obligation with respect to the Repaving Project shall be limited to the payment of two thousand dollars (\$2,000) per year as identified above. Tenant shall have no obligation to pave or otherwise patch/repair defects in the parking lot surface.

- 10. INSURANCE. Tenant, at its sole cost and expense, shall maintain in full force and effect during the Term of this Agreement, through its self-insurance program or with the Local Government Insurance Trust, such coverages as are necessary to insure against claims that may arise from or in connection with Tenant's operation and use of the Leased Premises.
- Agreement, or if the Leased Premises become vacated or deserted, Landlord may immediately terminate this Agreement as fully and completely as if it were the day the Term expired, and Tenant will then quit and surrender the Leased Premises to Landlord (any such termination, a "Default Termination"). If the Term expires due to a Default Termination, or upon the breach of any other term or provision herein, then in any of such events, Landlord may, without notice, re-enter the Leased Premises either by force or otherwise, and dispossess Tenant by summary proceedings or otherwise, and Tenant hereby waives the service of notice of intention to re-enter to institute legal proceedings to that end. The foregoing shall be in addition to and not in limitation of any other remedy permitted by law or by this Agreement. If the Term expires due to a Default Termination, Tenant shall have no further obligation to pay rent or funds towards the Repaying Project.
- 12. INDEMNIFICATION. Except for claims resulting from Landlord's own negligence, Tenant will defend, indemnify and hold harmless the Landlord from and against all claims, actions, damages, and expense (including but not limited to attorneys' fees) in connection with the loss of life, personal injury, or damage to property or business arising from, related to, or in connection

with the occupancy or use by Tenant, its licensees, contractors, subcontractors, agents or employees (collectively, the "Tenant Parties"), of the Leased Premises.

Tenant shall pay all costs, expenses and reasonable attorneys' fees that may be expended or incurred by Landlord in enforcing the covenants and agreements of this Agreement. Likewise, Landlord shall pay all costs, expenses and reasonable attorneys' fees that may be expended or incurred by Tenant in enforcing the covenants and agreements of this Agreement. The provisions of this Section shall survive the termination or earlier expiration of this Agreement.

Except for claims resulting from Landlord's own negligence, Landlord shall not be liable for, and Tenant, in consideration of Landlord's execution of this Agreement, hereby releases all claims against Landlord for loss or damage that may be occasioned by or through the acts or omissions of the Tenant Parties or for loss of life, personal injury, or damage to the property or business sustained by Tenant or any person claiming through Tenant or on the Premises resulting from any fire, accident, occurrence, or any other condition in or upon the Property or any part thereof, including but not limited to, such claims for loss of life, bodily injury, or damage resulting from (a) water, snow or ice being upon or coming through the Leased Premises, (b) broken glass, (c) any act or omission of the Landlord or its licensees, contractors, subcontractors, agents, employees or invitees whether occurring on, prior to, or subsequent to the date of this Agreement. The foregoing waiver and release is intended by Landlord and Tenant to be absolute, unconditional and without exception and to supersede any specific repair or maintenance obligation, if any, imposed upon Landlord hereunder; provided that such waiver and release shall not apply to the omission, fault, negligence or other misconduct of Landlord, except to the extent such omission, fault, negligence or other misconduct is waived by Tenant after the occurrence.

Notwithstanding anything to the contrary herein contained, Landlord and Tenant do mutually each release and discharge the other, and all persons against whom their insurance company or companies would have a right or claim by virtue of subrogation, of and from all suits, claims and demands whatsoever, for loss or damage to the property of the other, even if caused by or occurring through or as a result of any negligent act or omission of the party released hereby or its contractors, subcontractors, agents or employees, so long as and to the extent that such loose or damage is covered by insurance benefitting the party suffering such loss or damage or was required to be so covered under this Agreement.

The provisions of this Section shall survive the termination or earlier expiration of the Term of this Agreement with respect to any damage, injury or death occurring prior to such termination.

- 13. QUIET ENJOYMENT. Landlord agrees to permit Tenant quiet enjoyment of the Leased Premises during the term of the Agreement, subject to Landlord's Reserved Use; provided, however, that it is understood that the Landlord's Reserved Use cannot be such that it effectively excludes the general public from the Leased Premises or unduly interferes with the Tenant's Use in accordance with the terms of this Agreement.
- 14. PARKING USE; COMPLIANCE WITH LAW. Tenant covenants and agrees to use the Leased Premises for parking and shall not use the Leased Premises for any significantly different purpose without the written consent of the Landlord. Tenant shall not use or permit the Leased Premises, or any part thereof, to be used for any purposes other than those permitted by the terms of this Agreement. Furthermore, no use of the Leased Premises shall be made or permitted to be made that result in: (a) waste of the Leased Premises or any part thereof, (b) a public or private nuisance that may disturb the quiet enjoyment of Landlord or its invitees, (c) improper, unlawful or objectionable use including sale, storage or preparation of food, alcoholic beverages, or materials generating an odor on the Leased Premises, or (d) noises or vibration that may disturb the Landlord or its invitees. Tenant, at Tenant's expense, shall comply with all laws, ordinances and regulations of federal, state and local authorities pertaining to Tenant's use of the Leased Premises.
- 15. ASSIGNMENT. Tenant covenants and agrees not to assign or sublet the Leased Premises to any person, firm or corporation without prior written approval of Landlord. This paragraph does not preclude the Tenant from having the Leased Premises operated by any governmental entity, including, but not limited to, a Recreation and Parks Department for the City, County, or State.
- 16. END OF TERM; HOLDOVER FEES. Upon the termination of this Agreement, Tenant shall quit and surrender to the Landlord the Leased Premises, in good order and condition, ordinary wear and tear excepted. Tenant shall remove all vehicles, trash or debris or other materials from the Leased Premises. Tenant shall be solely responsible for the costs to remove the aforesaid items and materials. In the event Tenant fails to quit and surrender to Landlord the Leased Premises on the date required pursuant to the terms of this Agreement, Tenant shall pay to Landlord the sum

of ONE HUNDRED DOLLARS (\$100.00) per day for each day that Tenant holds over and remains on the Leased Premises. Any and all hold over fees shall constitute rent due under this Agreement.

17. ESTOPPEL; SUBORDINATION AND ATTORNMENT. At any time and from time to time upon the written request of the Landlord or its mortgagee, Tenant, within twenty (20) days of the date of such written request, agrees to execute and deliver to Landlord, without charge, a written statement: (a) ratifying this Agreement; (b) confirming the commencement and expiration dates of the Term of this Agreement; (c) certifying that Tenant is in occupancy of the Leased Premises and that this Agreement is in full force and effect and has not been modified, assigned, subleased, supplemented or amended except by such writings as shall be stated; (d) certifying that all conditions and agreements under this Agreement to be satisfied or performed by Landlord, if any, have been satisfied and performed except as shall be stated; (e) certifying that Landlord is not in default under this Agreement and there are no defenses, set-offs, recoupments or counterclaims against the enforcement of this Agreement by the Landlord, or so stating if otherwise; and (f) containing any other information that Landlord or its mortgagee shall reasonably require.

This Agreement is and shall be expressly subject and subordinate at all times to the lien of any present or future mortgage or deed of trust encumbering fee title to the Leased Premises. If any such mortgage or deed of trust be foreclosed, upon request of the mortgagee or beneficiary, as the case may be, Tenant will attorn to the purchaser at the foreclosure sale. The foregoing provisions are subject to any such mortgagee, beneficiary or purchaser at foreclosure, as the case may be, to execute a commercially reasonable subordination and/or attornment instruments with Tenant. Notwithstanding the foregoing to the contrary, any such mortgagee or beneficiary may elect to give the rights and interests of Tenant under this Agreement (excluding rights in and to insurance proceeds and condemnation awards) priority over the lien of its mortgage or deed of trust, as the case may be. In the event of such election and upon the mortgagee or beneficiary notifying Tenant of such election, the rights and interests of Tenant shall be deemed superior to and to have priority over the lien of said mortgage or deed of trust or the estate of such lease, as the case may be, whether this Agreement is dated prior to or subsequent to the date of such mortgage or deed of trust. In such event, Tenant shall execute and deliver whatever instruments

may be required by such mortgagee or beneficiary to confirm such superiority on a commercially reasonable form. Landlord shall use its commercially reasonable efforts to have its existing mortgagee execute a subordination, non-disturbance and attornment agreement in a form reasonably acceptable to Tenant.

- 18. BINDING EFFECT. The conditions contained in this Agreement shall be binding upon and shall insure to the benefit of the respective successors and assigns of Landlord and Tenant to the same extent as if each such successor and/or assign, in each case, was named a party to this Agreement.
- 19. CONDEMNATION. The parties agree that this Agreement shall not preclude Tenant from exercising its rights of condemnation. Nothing herein shall be deemed to prevent Landlord from claiming and receiving from Tenant, the condemning authority, fair market value compensation, except that the parties agree that, in the event Tenant condemns the property, any improvements constructed by Tenant on the Leased Premises, whether prior to the date of this Agreement or during the Term, shall be taken into account as part of the purchase price.
- 20. HEADINGS. The headings above each paragraph in the Agreement have been inserted for convenience and reference only shall not, to any extent, have the effect of modifying, amending, or changing the expressed terms and provisions of this Agreement.
- 21. INTERPRETATION. Terms and conditions of this Agreement shall be governed by, and construed in accordance with, the laws of the State of Maryland.
- 22. WRITTEN AGREEMENT. This Agreement contains the entire agreement between the parties hereto and supersedes all previous negotiations leadings hereto and it may be modified hereafter only by an agreement in writing, signed and sealed by Landlord and Tenant.
- 23. NOTICES. Except as otherwise expressly provided for herein, all notices and demands which may or are to be required or permitted to be given by either Party to the other hereunder shall be (a) in writing, and (b) deemed to have been given (i) when personally delivered, (b) the day following the day (except if not a business day, then the next business day) on which the same has been delivered prepaid to a reputable national overnight courier service, or (ii) the third business day following the day on which the same is sent by certified or registered mail,

postage prepaid, in each case to the address set forth below, or at such other address as such party may specify by written notice to the other party hereto

Notices to Tenant:

City of Salisbury

P.O. Box 4118

Salisbury, Maryland 21803-4118

Attention: Andy Kitzrow, Deputy City Administrator

With a copy to

Cockey, Brennan & Maloney, PC

313 Lemmon Hill Lane

Salisbury, MD 21801

Attn: Laura E. Hay, Esquire

Notices to Landlord:

First Baptist Church of Salisbury

P.O. Box 1738

Salisbury, Maryland 21802

Attention: Mr. David Jones

With a copy to:

McAllister, DeTar, Showalter & Walker LLC

100 N. West Street

Easton, Maryland 21601

Attn: Vincent A. Dongarra, Esquire

[Signatures Appear on Following Page]

IN WITNESS WHEREOF, Landlord has executed this Agreement as of the Effective Date.

FIRST BAPTIST CHURCH OF SALISBURY, MARYLAND

By: Cont wome (SEAL)
Name: David W. Jones
Title: Chairman Trustee Brand

STATE OF MARYLAND, COUNTY OF WICOMICO:

I HEREBY CERTIFY that on this day of the State and County aforesaid, personally appeared who acknowledged [himself][herself] to be the [Chairman of the Board of Trustees] of First Baptist Church of Salisbury, Maryland, and, being authorized so to do, executed the foregoing document for the purposes therein contained, same being it's act and deed.

WITNESS my hand and Notarial Seal

Comanula Boole
Notary Public

My commission expires: 50024, 2024

CAMARRYN BEALE Notary Public-Maryland Wicomico County My Commission Expires June 24, 2024 **IN WITNESS WHEREOF,** Tenant has executed this Agreement as of the Effective Date.

CITY OF SALISBURY
By: (SEAL) Name: Jacob R. Day Title: Mayor
STATE OF MARYLAND, COUNTY OF WICOMICO:
2023
I HEREBY CERTIFY that on this 17th day of January, 2022, before
me, the subscriber, a Notary Public in and for the State and County aforesaid, personally
appeared Jacob R Day who acknowledged himself to be the [Mayor] of the City of
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Salisbury and, being authorized so to do, executed the foregoing document for the purposes
therein contained, same being it's act and deed.
WITNESS my hand and Notarial Seal
Kimperly R. Nichals S. NOTAA, P. Notary Public
My commission expires: 3 5 26
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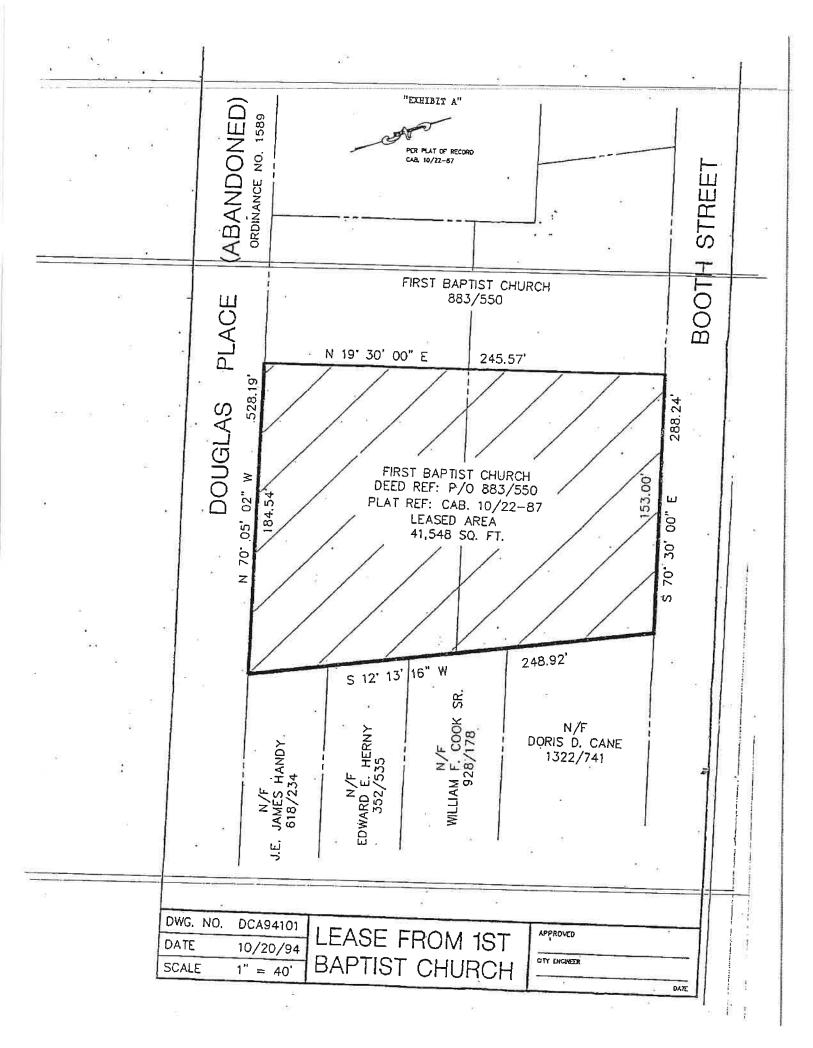


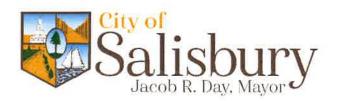
Exhibit B

BLUE CIRCLES = ENTRANCES.



PINK AF

PINK ARROW = LAKE STREET ENTRANCE TO BE USED FOR ENTRY INTO LEASED PREMISES; AND EGRESS ONLY FROM THE OTHER LAKE STREET ENTRANCES.



MEMORANDUM

To:

Julia Glanz

From:

Andy Kitzrow, Deputy City Administrator

Subject:

Faith Baptist Parking Lot Agreement

Date:

December 15, 2022

The City of Salisbury had a prior lease agreement with the First Baptist Church for a portion of their parking lot which expired on or about May 13, 2021.

Included is the updated lease agreement with the First Baptist Church. The City would like to continue the relationship with the church because this portion of their parking lot serves as the primary parking location for the Lake Street Playground and is highly utilized during the summer months and during park rentals.