

**COUNTY COUNCIL**  
**OF**  
**TALBOT COUNTY, MARYLAND**

2007 Legislative Session, Legislative Day No.     July 10, 2007

Resolution No.                     145

Introduced by: Mr. Bartlett, Mr. Carroll, Mr. Duncan, Mr. Foster, Mr. Harrison

**A RESOLUTION TO APPROVE A LONG-TERM LEASE OF UNIMPROVED LAND AT THE EASTON AIRPORT ON WHICH THE TENANT IS TO CONSTRUCT AN AIRPORT HANGAR THAT IS TO BECOME THE PROPERTY OF THE AIRPORT UPON EXPIRATION OR EARLIER TERMINATION OF THE LEASE**

By the Council: July 10, 2007

Introduced, read the first time, and ordered posted, with Public Hearing scheduled on Tuesday, August 14, 2007 at 2:00 p.m. in the Bradley Meeting Room, South Wing, Talbot County Courthouse, 11 N. Washington St, Easton, Maryland 21601.

By order: \_\_\_\_\_

  
Secretary

**A RESOLUTION TO APPROVE A LONG-TERM LEASE OF UNIMPROVED LAND AT THE EASTON AIRPORT ON WHICH THE TENANT IS TO CONSTRUCT AN AIRPORT HANGAR THAT IS TO BECOME THE PROPERTY OF THE AIRPORT UPON EXPIRATION OR EARLIER TERMINATION OF THE LEASE**

WHEREAS, Article 25A § 5 (B) Md. Ann. Code requires a public hearing to consider proposed leases of real property owned by Talbot County to provide the public an opportunity to comment on the proposed lease; and,

WHEREAS, Talbot County desires to enter into a long-term lease and has properly advertised the proposed transaction for a public hearing so that the County Council may receive and consider public comment to determine whether to enter into the proposed transaction on the following terms:

The proposal is to lease approximately 41,800 square feet of unimproved land at the Easton Airport for a term of 30 years with an option for a single 5-year renewal, with annual rent commencing at \$23,832 subject to an annual 5% escalation clause, with a requirement that the tenant construct an aircraft hangar approximately 140' x 85' that is to become the property of the Airport at the expiration or earlier termination of the lease.

NOW, THEREFORE, BE IT RESOLVED, by the County Council of Talbot County, Maryland, that:

1. The above recitals are hereby incorporated by reference herein.
2. The proposed long-term lease attached hereto as "Exhibit A", which is incorporated by reference herein, shall be and is hereby APPROVED; and,
3. The County Manager is authorized to execute the same according to its terms on behalf of Talbot County, Maryland.

PUBLIC HEARING

Having been posted and Notice of time and place of hearing and Title of Resolution No. 145 having been published, a public hearing was held on Tuesday, August 14, 2007, at 2:00 p.m. in the Bradley Meeting Room, South Wing, Talbot County Courthouse, 11 N. Washington St., Easton, Maryland.

BY THE COUNCIL

Read second time.

ENACTED: \_\_\_\_\_

By Order \_\_\_\_\_  
Secretary

Duncan -  
Bartlett -  
Foster -  
Harrison -  
Carroll -

## LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease"), made this \_\_\_\_\_ day of \_\_\_\_\_, 2007 (the "Effective Date"), by and between Talbot County, Maryland, a charter county and political subdivision of the State of Maryland, hereinafter called "Lessor" and Clark Services Consulting Corporation, a Delaware corporation with its principal place of business at c/o Clark Enterprises, Inc., 7500 Old Georgetown Road, Bethesda, Maryland 20814 hereinafter called "Lessee."

WHEREAS, Lessor owns certain real property located at 9375 Jet Lane, Easton, Maryland, known generally as the Easton Airport, a part of which it desires to lease to Lessee, as set forth herein, for the construction thereon by Lessee of certain improvements and the uses permitted herein.

NOW, THEREFORE, the parties agree, that in consideration of the premises, the monthly rental and the covenants and conditions herein set forth, the said Lessor does hereby lease unto the said Lessee, property situated at Easton Airport, Town of Easton, Talbot County, Maryland, being more particularly described as a parcel of 41,800 square feet, more or less, whose dimensions and location are depicted on Schedule "A" attached hereto and incorporated by reference herein, known as Parcel #33 (the "Demised Premises"). Lessor also grants Lessee the right to use all runways, taxiways, aprons, access ways, roads and other ingress and egress rights reasonably necessary for Lessee's access to and use of the Demised Premises for the purposes permitted herein and the operation of its aircraft in connection therewith.

1. Rent. From and after the date Lessee commences construction of the Improvements (the "Rent Commencement Date"), Lessee shall pay rent ("Rent") for the Demised Premises, in advance, on the first day of each month throughout the Term. The annual Rent shall be in accordance with the following schedule:

<u>Year</u>	<u>Monthly Rent</u>	<u>Annual Rent</u>
1	\$1,986	\$23,832
2	\$2,085	\$25,020
3	\$2,189	\$26,268
4	\$2,298	\$27,576
5	\$2,413	\$28,956
6	\$2,534	\$30,408
7	\$2,661	\$31,932
8	\$2,794	\$33,528
9	\$2,934	\$35,208
10	\$3,081	\$36,972
11	\$3,235	\$38,820
12	\$3,397	\$40,764

13	\$3,567	\$42,804
14	\$3,745	\$44,940
15	\$3,932	\$47,184
16	\$4,129	\$49,548
17	\$4,335	\$52,020
18	\$4,552	\$54,624
19	\$4,780	\$57,360
20	\$5,019	\$60,228
21	\$5,270	\$63,240
22	\$5,534	\$66,408
23	\$5,811	\$69,732
24	\$6,102	\$73,224
25	\$6,407	\$76,884
26	\$6,727	\$80,724
27	\$7,063	\$84,756
28	\$7,416	\$88,992
29	\$7,787	\$93,444
30	\$8,176	\$98,112

2. Interim option. Commencing on the date hereof, Lessee will pay Lessor monthly payments in the amount of \$1,000.00, which monthly payments shall continue until the Rent Commencement Date occurs. These payments shall be prorated on a per diem basis for any partial months. At any time, and for any reason, prior to the Rent Commencement Date, Lessee may elect to terminate this Lease by written notice delivered to Lessor, and in that event this Lease shall terminate and be of no further force and effect.
  
3. Term. The term of this Lease (the "Term") shall be thirty (30) years, commencing on the Rent Commencement Date and terminating on the last day of the month that is thirty (30) years thereafter. After the Rent Commencement Date is determined, Lessor and Lessee shall confirm such date in writing. The Term shall include any renewal or extension of this Lease, pursuant to Section 26 below. "Lease Year" shall mean a period of twelve (12) consecutive months commencing on the Rent Commencement Date, and each successive twelve (12) month period thereafter; provided, however, that if the Rent Commencement Date is not the first day of a month, then the second Lease Year shall commence on the first day of the month in which the first anniversary of the Rent Commencement Date occurs.
  
4. Construction of Improvements. Lessee shall construct on the Demised Premises, at its sole expense, an aircraft hangar and related improvements according to the design, plans, and specifications to be approved in writing, in advance by Lessor, which approval shall not be unreasonably withheld, conditioned or delayed. The improvements shall include, without limitation, an apron, water and sewer facilities, and parking areas, as required by applicable Laws. Said

construction shall be subject to ongoing monitoring, inspection, and approval by Lessor in its reasonable discretion.

Lessee agrees to retain qualified professional architects/engineers, contractors and/or subcontractors, inspectors or others, as necessary, to design, engineer, and construct a commercial hangar, measuring approximately 140 ft. by 85 ft. with a lean-to 25 ft. by 120 ft. on the rear of the hangar (the "Improvements") in accordance with plans and specifications to be prepared by Lessee, and submitted to, and approved by, Lessor, which approval shall not be unreasonably withheld, conditioned or delayed. All costs incurred by Lessee to plan, design, engineer, create, erect, construct, and complete the Improvements shall be borne exclusively by Lessee. All materials, workmanship, systems, and component parts shall be constructed in compliance with the approved plans and specifications, unless waived or modifications thereto are approved by Lessor. No payment or fee of any kind shall be payable to Lessor in connection with the design and construction of the Improvements or operation from the Demised Premises, except as specifically provided in this Lease.

5. Quiet Enjoyment. Upon the execution of this Lease Agreement, Lessor shall provide Lessee with possession of, and full access to, the Demised Premises and the use and quiet enjoyment thereof, without hindrance by Lessor or any party claiming through or under Lessor.
6. Insurance. Lessee agrees to carry and maintain appropriate property, liability, fire, contents, and casualty insurance together with such endorsements in such form and amounts, and with companies, approved in writing in advance by Lessor, which approval shall not be unreasonably withheld, conditioned or delayed. Lessee hereby approves insurance in types and amounts as specified on the insurance certificate attached hereto as Schedule "B". In all events, Lessor shall maintain such insurance as is required by applicable Law. Lessee shall cause its insurance carriers to name Lessor as an additional insured party on Lessee's property insurance policy. Lessor shall not be responsible for any damage, loss, or injury to Lessee's property, goods, aircraft, and equipment, tools, records, data, or other items stored or kept on the premises, including loss of use or profits and including property or items placed, kept, or stored on the Demised Premises by third persons. Notwithstanding anything herein to the contrary, Lessor shall reimburse Lessee, up to the amount of Lessee's reasonable deductible, for damage to the Improvements or Lessee's property caused by the gross negligence or willful misconduct of Lessor's agents, employees or contractors.
7. Utilities. Lessee shall be responsible for supplying all utilities for the Demised Premises and shall pay all fees and charges for the same charged by the applicable utility company, including maintenance, upkeep or upgrade, and/or construction of new or existing pipes, transmission lines, sanitary sewer systems. Lessor represents that, to the best of its knowledge, all utilities are

available at the Demised Premises from the public utility in sufficient capacity to service the Improvements and Lessee's operations therein. If necessary to bring sufficient utilities to service the Demised Premises, Lessor shall grant the appropriate utility companies access and other easements over Lessor's property, and otherwise cooperate in such efforts at no cost to Lessor.

8. Maintenance. Lessee shall be solely responsible for, and agrees to perform, upon written request by Lessor, all reasonable and customary maintenance to the improvements erected on the Demised Premises, including, without limitation, all structures and all mechanical, electrical, heating, ventilating, air-conditioning, plumbing, septic, and other systems, parking areas, and covenants, and agrees to maintain and keep the Demised Premises in a good operating condition. If Lessee fails to maintain the structural components of the Improvements as required hereunder, and if such failure continues for more than 30 days after Lessor notifies Lessee in writing of Lessee's specific failures (or if Lessee requires more time to cure such failure, then such longer period as is reasonably necessary provided Lessee diligently pursues the cure), then Lessor may upon 30 days' written notice to Lessee, perform any such maintenance itself and bill Lessee for any reasonable, third party expense incurred. All such amounts shall be deemed to be additional rent and shall be collectible as such.

Lessor shall be solely responsible, at Lessor's cost, for operating, maintaining and repairing all common areas outside the Demised Premises in good operating condition and otherwise in accordance with all applicable Laws, including without limitation, all landscaping, mowing of grass, prompt plowing of all snow and clearing of all ice from all runways and common areas.

9. Use. The parties agree that the Demised Premises shall be used by Lessee or its designated affiliate or Permitted Transferee, (i) as a base for housing, operating and maintaining corporate aircraft owned or operated by it or those with whom it does business, or those who are related to, or affiliated with, Lessee, or its principals, members or shareholders (and uses ancillary thereto for operation of such aircraft); and (ii) at Lessee's option, for hangar rental to the public. To the extent applicable to Lessee's then-current use of the Demised Premises, Lessee agrees to abide by the Minimum Standards for Fixed Base Operators and Specialized Aviation Service Operations at Easton Airport and Easton Airport Rules and Regulations (the "Standards") currently in effect, and as the same may be amended from time to time. Lessor shall not discriminate against Lessee in the application of such Standards; provided, however, that Lessee's liability shall be those limits as stated in the Standards. Lessee shall obtain all required permits, licenses, certificates, or other approvals as may be necessary from time to time to conduct or engage in any business operation, or sale on or at the Demised Premises. All such activities (other than those specifically permitted herein) shall be subject to the prior written consent by Lessor, which consent shall not be unreasonably withheld, conditioned or delayed. Lessor represents that, to the best of its knowledge, the use specified herein is permitted by

applicable Law, and that there are no title encumbrances or other restrictions that would restrict Lessee's use of the Demised Premises for such purposes in a commercially reasonable manner.

10. Expiration of Term. Upon the expiration of the term hereinabove set forth or upon this Lease's earlier termination for breach of any covenants or conditions, including the covenant to pay rent as hereinabove set forth after expiration of the grace and cure periods set forth in Section 21 hereof, the Improvements and fixtures constructed on the Demised Premises shall become the sole property of Lessor and upon the expiration of the term herein set forth or the sooner termination of this Lease Agreement, Lessee agrees to vacate the premises and remove therefrom all equipment, supplies, and other property of Lessee. Lessor shall accept the Demised Premises and all Improvements thereon in their then-current "as-is" condition with no warranties, express or implied, including, but not limited to, warranties of merchantability, occupancy or fitness for a particular purpose.
11. Loss or Damage. Lessor will not be responsible for any loss or damage to any aircraft or other tangible or intangible personal property in or on the Demised Premises. If the facilities constructed on the Demised Premises shall be damaged or destroyed by fire, flood, wind or other casualty, Lessee shall replace or restore such facilities to a condition at least equal to that which existed prior to such casualty. The insurance obtained by Lessee pursuant to Section 5 hereof shall be sufficient to protect any and all property belonging to Lessee. Lessee, for itself and its successors and assigns, agrees to indemnify and save harmless the Lessor from any claims, suits, demands, actions, or causes of action, or liability of any kind for injury, damage, or loss, including reasonable attorneys' fees and litigation costs, claimed, suffered, or incurred by any one, including death, personal injury, and property damage of any kind, nature, or description arising out of or related to Lessee's negligence or willful misconduct or breach of its obligations under this Lease; provided such indemnification shall not apply to negligence or willful acts of Lessor or its contractors or subcontractors or its present and future employees and agents.
12. Compliance with Laws. Lessee shall comply fully with all applicable federal, State, and local laws, legal requirements, ordinances, codes, FAA guidance and regulations (collectively, "Laws") throughout the term of this Lease Agreement to the extent applicable to the construction of the Improvements and Lessee's operations at the Demised Premises. Continued non-compliance therewith, for a period of 30 days after Lessee's receipt of written notice from Lessor, shall constitute grounds for termination of this Lease; provided, however, Lessor shall not terminate this Lease if, after notice, Lessee is diligently pursuing such compliance.

The parties acknowledge that a May 8, 2007 Phase I Environmental Assessment of the Demised Premises has been completed by John D. Hynes & Associates,



Inc. and provided to Lessee and that it indicates no apparent presence of any Hazardous Materials on the Demised Premises at the inception of this Lease. If Hazardous Materials (as defined below) are subsequently found to be present at the Demised Premises and if the same were introduced, used, stored, generated or released by Lessor, Lessor shall, at Lessor's sole cost, remove and/or remediate the same as required by applicable Law. However, in no event shall Lessor's liability be predicated merely upon Lessor's sale of jet fuel, aviation fuel, gasoline, or other petroleum products for refueling or re-sale at the Airport. If Hazardous Materials are subsequently found to be present at the Demised Premises and if the same were introduced, used, stored, generated or released by Lessee, Lessee shall be responsible, at Lessee's sole cost, to remove and/or remediate the same as required by applicable Law. "Hazardous Materials" shall mean any substance that is defined or listed in, or otherwise classified pursuant to any environmental law as a "hazardous substance" "hazardous material", "hazardous waste", "toxic substance" or any other formulation intended to define, list or classify substances by reason of deleterious properties, any petroleum or petroleum products, and other wastes associated therewith.

13. Alterations and Modifications. The Lessee agrees not to make any material modification, additions, and/or other changes to the Improvements (i.e., those costing in excess of \$20,000) to be constructed on the Demised Premises, including any material modifications to any electrical, mechanical, heating, ventilating, air conditioning or any other system, or to use other than installed heating devices, without first obtaining written permission from the Lessor, which permission shall not be unreasonably withheld, conditioned or delayed. Lessor shall have the right to inspect the premises at any time upon reasonable advance written notice for the purposes of compliance with this Section and further provided that Lessor complies with Lessee's reasonable security requirements. Upon 30 days written notice from Lessor, Lessee, at Lessee's sole expense, agrees to promptly remove any material modification, additions, and/or other changes for which written permission was not obtained from Lessor. Notwithstanding the foregoing, Lessee shall perform all alterations in a good and workmanlike manner in compliance with all applicable Laws.
14. Signs. Lessee shall have the right to construct signage on the Demised Premises and/or the Improvements to the extent permitted by applicable Laws.
15. Waivers. Failure of either party to insist, in one or more instances, upon strict performance of any obligation of this Lease Agreement, or to exercise any right or option herein appearing, shall not be construed as a waiver or relinquishment of such obligation, right or option, but the same shall continue and remain in full force and effect. No waiver by either party of any part of this Lease Agreement shall be deemed to have been made unless it has been expressed in writing and delivered to the other party.

16. National Emergency. During time of war or any national, State, or local emergency, Lessor retains the right to permit use of the Airport, or any part thereof, including the Demised Premises, by the United States Government, any State agency, Talbot County, or any agent thereof. If any such use impinges upon the provisions of this Lease Agreement, this Lease shall be suspended for the duration of such use and not later than the sixtieth (60th) day after such use is restored, Lessee may (by written notice to Lessor) elect to either terminate this Lease, or to reinstate this Lease upon the same terms and conditions with a pro-rata abatement of rent.
17. Subordination of Agreement. This Agreement shall be subordinate to the provisions of any present or future agreement between Lessor and the United States or the State of Maryland relative to the development, maintenance, or operation of the Airport, the execution of which has been or may be required as a condition precedent to obtaining or continuing federal or State funding. Lessor represents to Lessee that (a) the Assurances Airport Sponsors attached hereto as Exhibit \_\_ (the "Assurances") is the only such agreement that affects Lessee's use of the Demised Premises for the purposes permitted hereunder, including the construction of the Improvements, and (b) to the best of Lessor's knowledge, neither the Assurances nor any other agreements exist that prohibit or unreasonably restrict Lessee's use of the property for the permitted use, nor shall Lessor in the future agree to any such prohibitions or restrictions. Lessee agrees to execute and deliver such other and additional documents, upon such terms and conditions and in form reasonably satisfactory to Lessor and Lessee, as Lessor may reasonably deem necessary or desirable from time to time to confirm the provisions of this Section.
18. Assignment and Sale. Lessee agrees that it will not assign, re-lease, sublet, or transfer the whole or any part of the Demised Premises or Improvements constructed thereon, except to an affiliate or a Permitted Transferee without first obtaining the written consent of Lessor, which consent shall not be unreasonably withheld, conditioned or delayed. Any such transfer shall be embodied in a written agreement under which the transferee shall assume all obligations of Lessee arising from and after the date of the transfer and provided, further, that any such transfer shall not release Lessee or any guarantor or surety from any of its obligations hereunder unless the assignment, re-lease, sublet, or transfer so provides, as approved by Lessor (and Lessor shall not unreasonably withhold any transferor request for a release, provided the then-current Lessee hereunder shall be of equal or greater net worth as that of the transferor as of the date of the transfer). Lessee shall have the right, after notice to, but without obtaining the prior consent of Lessor, to assign this Lease to a Permitted Transferee. For purposes of this paragraph, a "Permitted Transferee" shall mean any person or entity into or with which Lessee shall be merged or consolidated, or to which substantially all of the assets or ownership interests of Lessee may be transferred, or a person or entity which shall control, be controlled by, or be under common control with Lessee. Notwithstanding

the foregoing, if the Permitted Transferee is not related to or otherwise affiliated with the initial Lessee hereunder, then such Permitted Transferee shall be required to meet the financial requirements set forth in the Standards, if and to the extent applicable to the Permitted Transferee's use of the Demised Premises.

19. Right of First Offer. Should Lessee seek to sell, assign, transfer, or sublet its hangar or related improvements to any party other than an affiliate of Lessee or other Permitted Transferee, or in any other way divest itself of control over same other than to an affiliate of Lessee or other Permitted Transferee, Lessor shall have the right of first offer for a period of sixty days to enter into a written agreement upon the same terms that Lessee intends to offer to other third parties. Lessee shall give Lessor written notice of its offer to sell, assign, transfer, or sublease (to other than an affiliate or other Permitted Transferee). Lessor's sixty-day acceptance period begins to run from the date Lessee provides Lessor with written notice of the terms upon which Lessee intends to offer to third parties. If Lessor fails to accept such terms in writing within such sixty-day period, then Lessor's rights under this paragraph shall lapse and Lessee shall be free to sell, assign, transfer or sublease this Lease to a third party (subject to the provisions of paragraph 18 of this Lease); provided, however, that if the economic terms under which the sale, transfer, assignment or sublease is offered to any such third party are more than seven and one-half percent (7.5%) less than the economic terms offered to Lessor, then Lessor shall have the right to accept the assignment on such terms by written notice to Lessee within thirty (30) days after Lessee's notice to Lessor setting forth such economic terms (and if Lessor fails to elect to accept such assignment on the revised economic terms, then Lessor's rights under this Section shall lapse with respect to such assignment). If Lessor elects to accept an assignment of this Lease pursuant to this Section, then from and after the date of such assignment, Lessee shall be released from any future liability under this Lease.
20. Non-discrimination. Lessee, for itself, its successors in interest, or assigns, as a part of the consideration hereof, does hereby covenant and agree that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Demised Premises or the improvements or equipment located thereon; (2) that, in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and (3) that Lessee shall use the Demised Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulation, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended. In the event of breach of any of the above non-discrimination covenants, if Lessee fails immediately to cease the offending

activity after receipt of notice thereof from Lessor, Lessor shall have the right to terminate the Lease and re-enter and repossess the Demised Premises and hold the same as if said Lease had never been made or issued.

21. Successors and Assigns. The covenants, conditions and agreements contained herein shall bind and inure to the benefit of the parties and their respective successors and assigns; provided, however, that Lessee may not assign or transfer its rights hereunder without the prior written consent of Lessor, pursuant to Section 18 above, except as otherwise permitted pursuant to Section 18.
22. Bankruptcy. Should Lessee file any petition or institute any voluntary proceedings, or be named in any involuntary proceedings under the Bankruptcy Act, either as such Act now exists or under any amendment thereof which may hereafter be enacted, or under any other Act or Acts, either as a bankrupt or as an insolvent, wherein or whereby Lessee seeks to be adjudicated a bankrupt or to be discharged from any or all of its debts, or to effect a plan of reorganization, or for any other similar relief, or if any such petition or proceedings of the same, or similar kind, or character shall be filed or taken against Lessee, or if any receiver for all, or a substantial part, of the business of Lessee shall be appointed by any court, and such petition or proceeding shall not be set aside or dismissed or the appointment of said receiver revoked within ninety (90) days, then, in any of such events, Lessor may, at Lessor's option, cancel and terminate this Lease Agreement on the giving to Lessee of a thirty (30) day notice in writing.
23. Right of re-entry. It is further agreed that, if the rent shall be in arrears more than ten (10) business days after Lessor notifies Lessee in writing thereof, Lessor shall have the right to distrain for the same, and to re-enter and take possession; and if Lessee shall violate any of the material covenants of this Lease, the Lessor shall have the right to re-enter and take possession; provided, however, that except for the non-payment of rent (for which the ten (10) business day cure period provided above applies), in no event shall Lessor exercise its remedies for default hereunder unless and until Lessor shall have given Lessee written notice of such default, and the default shall remain uncured for a period of thirty (30) days after receipt by Lessee of such written notice (or, if the default is of such a character as to require more than thirty (30) days to cure, within such longer period as is reasonable under the circumstances).
24. Lessee's covenants. Lessee hereby covenants with Lessor to pay the rent as aforesaid, to keep and maintain the premises in good order, and to surrender the peaceful and quiet possession of the same at the end of the said term, in the condition specified herein. Lessee represents and warrants, that it is, and will throughout the term, remain duly organized as a legal entity under the laws of the state of its organization, that it is authorized according to its organizational documents and agreements to enter into this Lease Agreement, that all

conditions, approvals, and consents required for Lessee's execution hereof have been validly provided and obtained.

25. Default. It is mutually agreed that if Lessee shall be in default in performing any of the terms or provisions of this Lease Agreement other than the provisions requiring the payment of rent, Lessor shall give to Lessee notice in writing of such default, and if Lessee shall fail to cure such default within thirty (30) days after the date of receipt of such notice, or, if the default is of such a character as to require more than thirty (30) days to cure, and Lessee shall fail to use reasonable diligence to cure such default within such longer period as is reasonable under the circumstances, then, and in any such events, Lessor may cure such default for the account of, and at the cost and expense of Lessee, and the reasonable, out-of-pocket sum so expended by Lessor (as evidenced by invoices paid by Lessor) shall be deemed to be additional rent and on demand shall be paid in full by the Lessee on the day when rent shall next become due and payable. Lessor waives any lien or claim of lien, whether statutory or otherwise, on Lessee's aircraft, equipment and other property located in, or used in connection with, the Demised Premises.
  
26. Option to Renew. Provided that Lessee shall not be in default of any of the material covenants on its part herein made (which default has continued past the expiration of applicable notice and cure periods), including the covenant to pay rent as aforesaid, Lessor does hereby grant unto Lessee an option to renew for one (1) additional period of five (5) years upon the same terms and conditions as herein above set forth, except that Rent payable hereunder during the first Lease Year of the renewal period would be equal to the greater of (a) One Hundred Five percent (105%) of the then-current Rent, or (b) "Fair Market Value" of the Demised Premises (without taking into account any improvements constructed at Lessee's expense thereon), as hereinafter defined (and thereafter Rent would increase as provided in Section 1 above). Fair Market Value shall be as mutually agreed by Lessor and Lessee. If Lessor and Lessee are unable so to agree, Lessor and Lessee shall each, at its own expense, appoint a qualified independent party to appraise the Demised Premises for fair market rental value. Fair Market Value shall be as agreed by such appraisers, or if they are unable so to agree, as determined by a third appraiser designated by their mutual agreement. The cost of any such third party appraisal shall be borne equally by Lessor and Lessee.
  
27. Notices. All notices to be given by either party to the other hereunder shall be in writing and shall be delivered in person or given by United States registered or certified mail, postage prepaid, return receipt requested, addressed as follows, or to such other address as the party in question may specify in a written notice to the party giving notice:

TO LESSOR: Easton Airport Manager  
29137 Newman Road, Unit 1  
Easton, Maryland 21601  
TO LESSEE: c/o Clark Enterprises, Inc.  
7500 Old Georgetown Road  
Bethesda, Maryland 20814  
Attention: Rebecca L. Owen, Esq.

All notices shall be deemed given on the third business day after the date said notice is deposited in the U.S. Mail or the date such notice is hand-delivered. The parties' respective attorneys may give notices on their behalf.

28. Taxes. Lessee understands that its hangar and related improvements located on the Demised Premises will be subject to State and local real estate taxes. Lessee covenants and agrees that it will pay all such real estate taxes imposed by the State, the Town of Easton or Talbot County.
29. Compliance with Art. 25A § 5 (B), Md. Ann. Code. Lessee acknowledges that Lessor's ability to lease public property is governed by Article 25 A. § 5 (B) Md. Ann. Code and that section requires advertisement and an opportunity for the general public to comment on the subject lease prior to Lessor's decision to enter into this Lease Agreement. Lessee acknowledges that by exercising any Option associated with this Lease Agreement, or by executing and delivering a copy of this Lease Agreement, the procedure required by the foregoing section of the Maryland Annotated Code will be implemented. Lessee acknowledges that Lessor's ultimate decision to enter into the attached Lease Agreement will include consideration of public comment, if any, and that Lessor has no obligation and no power to accept this Lease Agreement prior to or absent fulfillment of the advertisement and public hearing required by the foregoing statute. In the event Lessor declines or fails to accept this Lease Agreement for any reason, Lessee shall have no claim or other recourse against Lessor. Lessor represents that at the time of execution, it is duly authorized to enter into this Lease and that all conditions, approvals and consents, except as noted above in this paragraph, have been validly provided and obtained.
30. Entire agreement. This Lease Agreement contains the entire understanding between the parties concerning the subject matter. There are no other promises, covenants, warranties, undertakings, or understandings other than as set forth herein. All prior or contemporaneous discussions, negotiations, or representations are merged herein.
31. Governing law. This Lease Agreement shall be construed and governed according to the laws of the State of Maryland.

32. Additional documents. Lessee and Lessor agree to execute such other, additional documents as the requesting party may reasonably request from time to time, if such party, in the exercise of its discretion, determines that the execution of the same is necessary or desirable to effect, enforce, or ratify any term, covenant, condition, promise, or undertaking of this Lease Agreement.
33. Recording. Either party shall have the right to record this Lease Agreement or a short form memorandum of the Lease setting forth the pertinent information regarding the Lease Agreement. Lessee shall bear all costs in connection with the aforesaid recordation.
34. Eminent Domain. If the Demised Premises or any substantial part thereof, are lawfully taken by a governmental entity, this Agreement may be terminated at the election of either party and the rent shall cease as of the date of such termination. In the event any such taking is temporary, then only Lessee shall have the right to so terminate this Lease. In the event of any such termination, Lessee shall have the right to make a claim to said taking entity for injury to its business, if otherwise provided by applicable law, and costs and expenses of relocation and the fair market value for the remainder of the term of this Lease of the improvements constructed by Lessee, and the fair market value of this Lease, if any.
35. Fuel. Lessee shall have the right to purchase fuel from Lessor (or its suppliers) on the most favorable terms and conditions as offered to other hangar owners or operators or fixed base operators at the Airport.

IN WITNESS WHEREOF, Lessor and Lessee have duly executed and affixed their respective seals to this Lease Agreement on the day and year indicated.

ATTEST:

\_\_\_\_\_

LESSOR:  
TALBOT COUNTY, MARYLAND

\_\_\_\_\_  
(SEAL)

By:

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_

LESSEE:  
CLARK SERVICES CONSULTING  
CORPORATION

\_\_\_\_\_  
(SEAL)

By:

Date: \_\_\_\_\_

State of Maryland  
County of Talbot

Before me, a Notary Public in and for the State and County aforesaid, this \_\_\_\_\_ day of \_\_\_\_\_, 200\_, personally appeared \_\_\_\_\_, known to me, or satisfactorily proven to be the person whose name is affixed hereto, and, being authorized to do so on behalf of Talbot County, Maryland, made oath in due form of law that he executed the same for the purposes therein contained.

My commission expires:

\_\_\_\_\_  
Notary Public

State of Maryland  
County of \_\_\_\_\_

Before me, a Notary Public in and for the State and County aforesaid, this \_\_\_\_\_ day of \_\_\_\_\_, 200\_, personally appeared \_\_\_\_\_, known to me, or satisfactorily proven to be the person whose name is affixed hereto, and, being authorized to do so on behalf of \_\_\_\_\_, made oath in due form of law that he executed the same for the purposes therein contained.

My commission expires:

\_\_\_\_\_  
Notary Public

Schedule A – Diagram of Demised Premises  
Schedule B – Lessee’s Insurance Certificate