COUNTY COUNCIL

OF

TALBOT COUNTY

2019 Legislative Session, Legislative Day No.: May 14, 2019

Resolution No.: 275

Introduced by: Mr. Callahan, Mr. Divilio, Mr. Lesher, Mr. Pack, Ms. Price

A RESOLUTION TO APPROVE EXECUTION OF A LEASE OF APPROXIMATELY ONE HUNDRED (100) SQUARE FEET OF SPACE INSIDE THE TERMINAL AT THE EASTON AIRPORT, 29137 NEWNAM ROAD, EASTON, MARYLAND 21601, TO EASTON JET SERVICE, LLC, FOR A TERM OF ONE (1) YEAR WITH BASE RENT OF THREE HUNDRED TWENTY-TWO DOLLARS AND NINETY-ONE CENTS ($322.91) PER MONTH WITH THE RIGHT TO RENEW FOR UP TO FIVE (5) ADDITIONAL ONE (1) YEAR TERMS

By the Council: May 14, 2019

Introduced, read the first time, and ordered posted, with Public Hearing scheduled on Tuesday, June 11, 2019 at 6:30 p.m. in the Council Meeting Room, 11 North Washington Street, Easton, Maryland 21601.

By order: Susan W. Moran

Susan W. Moran, Secretary

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WHEREAS, Local Government Article ("LG") § 10-312, Md. Code Ann., states that the County may dispose of any real or leasehold county property provided that "before the county makes any disposition, grant, or lease of county property, the county shall publish notice of the disposition, grant, or lease once a week for 3 successive weeks in at least one newspaper of general circulation in the county and shall include the terms of compensation to be received and give opportunity for objections."

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

1. The County Council finds that:

   (a) The County has duly advertised the proposed transfer and given opportunity for public comment pursuant to LG § 10-312;

   (b) The requirements of LG § 10-312 have been fulfilled; and,

   (c) The subject space is not currently needed for public use and the County is lawfully authorized to lease the space on the terms and conditions set forth herein.

2. The terms of the proposed lease are attached hereto as Exhibit "A", which is incorporated by reference herein, shall be and are hereby APPROVED.

3. The Council President is hereby authorized and directed to execute the same on behalf of Talbot County, Maryland.

BE IT FURTHER RESOLVED, that this Resolution shall take effect immediately upon its date of passage.

PUBLIC HEARING

Having been posted and Notice, Time and Place of Hearing, and Title of Resolution No. _____having been published, a public hearing was held on _____, 2019, in the Bradley Meeting Room, South Wing, Talbot County Courthouse, 11 North Washington Street, Easton, Maryland 21601.

BY THE COUNCIL

Read the second time:

Enacted: _____

By Order: _____
Susan W. Moran, Secretary

Pack -

Divilio -

Callahan -

Price -

Lesher -

EFFECTIVE: _____

EXHIBIT "A"

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Agreement"), is made this _____ day of _____, 2019, by and between **TALBOT COUNTY, MARYLAND**, a charter county and political subdivision of the State of Maryland (the "County"), and **EASTON JET SERVICE, INC**, a Delaware corporation with its principal office at 9415 Jet Lane, Unit #7, Easton, Maryland 21601 ("Easton Jet").

WHEREAS, the County owns and operates the Easton Airport located at 29137 Newnam Rd., Easton, Maryland 21601 (the "Airport"); and,

WHEREAS, Easton Jet is a fixed-based operator ("FBO") located at the Airport offering aviation services, including hangar space and fuel; and,

WHEREAS, Easton Jet desires to lease additional space in the Airport terminal from the County on the terms and conditions herein.

NOW, THEREFORE, WITNESSETH, that for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the County hereby agrees to lease to Easton Jet certain property described further below on the terms and conditions herein:

1. Recitals. The above recitals are hereby incorporated as if fully set forth herein.

2. Property. The County agrees to lease the following property to Easton Jet:

> One hundred (100) square feet of floor space located on the north side of the lobby of the Easton Airport Terminal Building described as "EASTON JET LEASE 100 SQ. FT." on a drawing titled "EASTON AIRPORT TERMINAL BUIDLING" attached hereto as Exhibit "A" and incorporated by reference herein along with the counter space located therein (the "Demised Premises").

3. Placement of Furniture and Decorations. Easton Jet may place furniture and other decorations in the Demised Premises in a manner subject to approval by the Airport Manager.

4. Use. The Parties agree that the Demised Premises shall be used by Easton Jet solely for the purpose of marketing its FBO aviation services, providing concierge services, and offering goods and services reasonably related thereto.

5. Term. The term of the Agreement shall be for one (1) year beginning on the date this Agreement is executed by both Parties (the "Effective Date") and ending one year thereafter (the "Expiration Date") unless earlier terminated.

6. Rent. Through June 30, 2020, the rental for the Demised Premises shall be Three Hundred Twenty Two Dollars and Ninety-One Cents ($322.91) per month. Beginning on July 1, 2020 and each July 1st thereafter, the monthly rental shall be adjusted by multiplying the then current monthly rental rate by one hundred percent of the annual (12 months proceeding the July 1st anniversary date) percentage increase in the Consumer Price Index (CPI) for all Urban Consumers and for Urban Wage Earners and Clerical Workers: U.S. City average, all items, as published on the internet or in the most recent Bureau of Labor Statistics publication The Monthly Labor Review. If such index is discontinued its successor or, if no successor is designated, any other index acceptable to the County and Easton Jet shall be used. In any case the rent computed in accordance with the proceeding guidelines shall not be less than the current rent then being charged nor shall any increase exceed fiver percent (5%) per year. Rent for any partial month shall be prorated on a daily basis.

7. Renewal. Provided Easton Jet is not in default under this Agreement, Easton Jet shall have the right to renew this Agreement for five (5) additional one (1) year terms. To exercise this right, Easton Jet must provide the County written notice of its intent to renew at least sixty (60) days in advance of the Expiration Date and thereafter at least sixty (60) days in advance of the last day of the then expiring renewal term.

8. Utilities and Taxes. Through February 28, 2020, Lessee shall pay a fixed rate of Thirty-Three Dollars and Forty-One Cents ($33.41) per month for its share of the Airport terminal water, heat and air conditioning utility bills. On March 1, 2020, and each March 1st thereafter, the monthly fixed utility rate shall increase by two percent (2 %) over the prior year's monthly rate. Easton Jet shall be solely responsible for any real estate or other taxes assessed as a result of its occupancy and use of the Demised Premises.

9. Quiet Enjoyment. Easton Jet shall have exclusive possession of the Demised Premises and the use and quiet enjoyment thereof, provided, however, that its use of the Premises shall not unreasonably interfere with Airport operations or other tenants' quiet enjoyment of their space in the terminal.

10. Signage. Easton Jet may locate its logo and/or sign as mutually agreed between Easton Jet and the Airport Manager, it being understood and agreed that such logo and/or sign must be compatible with other signs in the terminal building lobby and subject to approval by the Airport Manager. Subject to the above, it is agreed that the terminal wall space closest to and directly behind the Demised Premises shall be for the exclusive use of Easton Jet.

11. Maintenance. Easton Jet shall maintain the Demised Premises free of trash and debris in clean, tenantable and serviceable condition, subject to normal wear and tear.

12. Alterations and Improvements. Easton Jet shall make no alteration to the Demised Premises nor erect any signs in addition to those referred to in Paragraph 10 above without the express written permission of the Airport Manager who, as outlined in

Paragraph 3 above, shall approve all furniture arrangements, decorations and treatments within the Demised Premises.

13. Insurance. Easton Jet shall maintain insurance covering its FBO operations in accordance with *Minimum Standards and Requirements for the Conduct of Commercial Services and Activities at the Easton Airport*, as amended from time to time. Easton Jet shall take all necessary and appropriate steps to extend such insurance coverage to include operations at the Demised Premises. Easton Jet shall name Talbot County, Maryland as an additional insured on such updated insurance policies and shall deliver a certificate demonstrating the same to the Airport Manager promptly following the Effective Date.

14. Indemnification. Easton Jet, on behalf of itself, its heirs, successors and assigns, shall indemnify and hold harmless the County, its departments (including the Airport), boards, commissions, officials, employees, volunteers, agents, and contractors from and against any and all claims, demands, charges, costs, suits, liabilities, damages, or judgments (including attorney's fees) of any kind or nature whatsoever arising out of or related to any breach of this Agreement by Easton Jet or Easton Jet's use of the Demised Premises, including bodily injury or property damage caused or sustained from the operations of Easton Jet on the Demised Premises or elsewhere on the Airport, where such claims result from acts or omissions of Easton Jet, its employees, agents, customers, or invitees, except to the extent caused by the County's gross negligence or willful misconduct.

15. Casualty Damage. If the Demised Premises shall be damaged by fire, flood or other casualty to the extent that, in the County's sole judgment, they cannot be restored to their usual business use within sixty (60) days thereafter at reasonable expense, the County may, at its option, terminate or suspend this Agreement.

16. Compliance with Laws. Easton Jet shall comply fully with all applicable Federal, State and Local laws, ordinances, codes, and regulations, including the *Minimum Standards and Requirements for the Conduct of Commercial Services and Activities at the Easton Airport*, as amended from time to time.

17. Vacating Premises. Easton Jet shall, at the expiration or earlier termination of this Agreement, vacate and surrender the premises in a safe, secure and broom-clean condition, subject to normal wear and tear.

18. Waivers. Failure of either Party to insist, in one or more instances, upon strict performance of any obligation of this Agreement or to exercise any right or option herein appearing, shall not be construed as a waiver or a relinquishment in the future from such obligation, right or option but the same shall continue and remain in full force and effect.

19. National Emergency. During time of war or any national emergency, the County shall have the right to lease the Airport, or any part thereof, to the United States Government and, if such lease is executed, the provisions of this Agreement, insofar as

they are inconsistent with the provisions of the lease to the Government, shall be suspended.

20. Subordination of Agreement. This Agreement shall be subordinate to the provisions of any existing or future agreement between the County and the United States or the State of Maryland relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal or State funds for the development of the Airport.

21. Assignment. Easton Jet will not assign this Agreement or any aspect thereof, nor sublet the whole or any part of the Demised Premises, without first obtaining the written consent of the Airport, which consent shall not be unreasonably withheld. Under no circumstances shall Easton Jet pledge the Demised Premises as security for any loan or allow any lien to be placed thereon.

22. Nondiscrimination. Easton Jet, for itself, its successors and assigns, hereby covenants and agrees 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 said facilities; (2) that, in the construction of any improvements on, over, or under such premises 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 Easton Jet shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination 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 from time to time. Breach of any of the above non-discrimination covenants is deemed material and, in that event, the County shall have the right to terminate this Agreement and to re-enter and repossess said premises and the facilities located therein.

23. 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.

24. Termination.

a. Default. In the event of a material breach of this Agreement, the non-breaching Party may terminate this Agreement, provided that the non-breaching Party first provides the breaching Party written notice of its intent to terminate and no fewer than fifteen (15) days to cure the breach. Except for the payment of rent and utilities, if the breaching Party is diligently pursuing a cure, a reasonable amount of additional time beyond the 15 days shall be granted to allow completion of all cure activities. In addition to the foregoing, the Parties reserve to themselves all other legal

and equitable rights and remedies available under the law with respect to any breach of this Agreement, whether material or not.

b. Without Cause. Easton Jet shall be authorized to terminate this Agreement at will and without cause at any time upon providing the County written notice at least thirty (30) days in advance of the termination date.

25. Entirety of Agreement. This Agreement comprises the entire agreement between the parties relating to its subject matter and no other agreement, representations, understandings or inducements concerning the same, oral and written, shall affect its terms.

26. Terms. The term "including" as used herein shall be interpreted as non-exhaustive, meaning "including without limitation."

27. Law and Waiver of Jury Trial. This Agreement shall be governed by the laws of the State of Maryland. The Parties hereby waive their right to a jury trial in any proceeding arising from or related to the enforcement of this Agreement.

28. Recording. Either Party may record a Memorandum of this Agreement in the Land Records of Talbot County at the recording Party's sole cost and expense. If such Memorandum is recorded, then, following the expiration or earlier termination of this Agreement, Easton Jet agrees to execute such other and further recordable instruments as required by the County in its sole discretion as are necessary to demonstrate that the Demised Premises are no longer subject to a lease.

IN WITNESS WHEREOF, the parties do sign, seal and execute this agreement as of the date first above written.

ATTEST:

COUNTY

_____

_____
By: Corey W. Pack, President
Talbot County Council

ATTEST:

EASTON JET

_____

_____
By: Wayne J. Hilmer Jr., President
Easton Jet Services, Inc
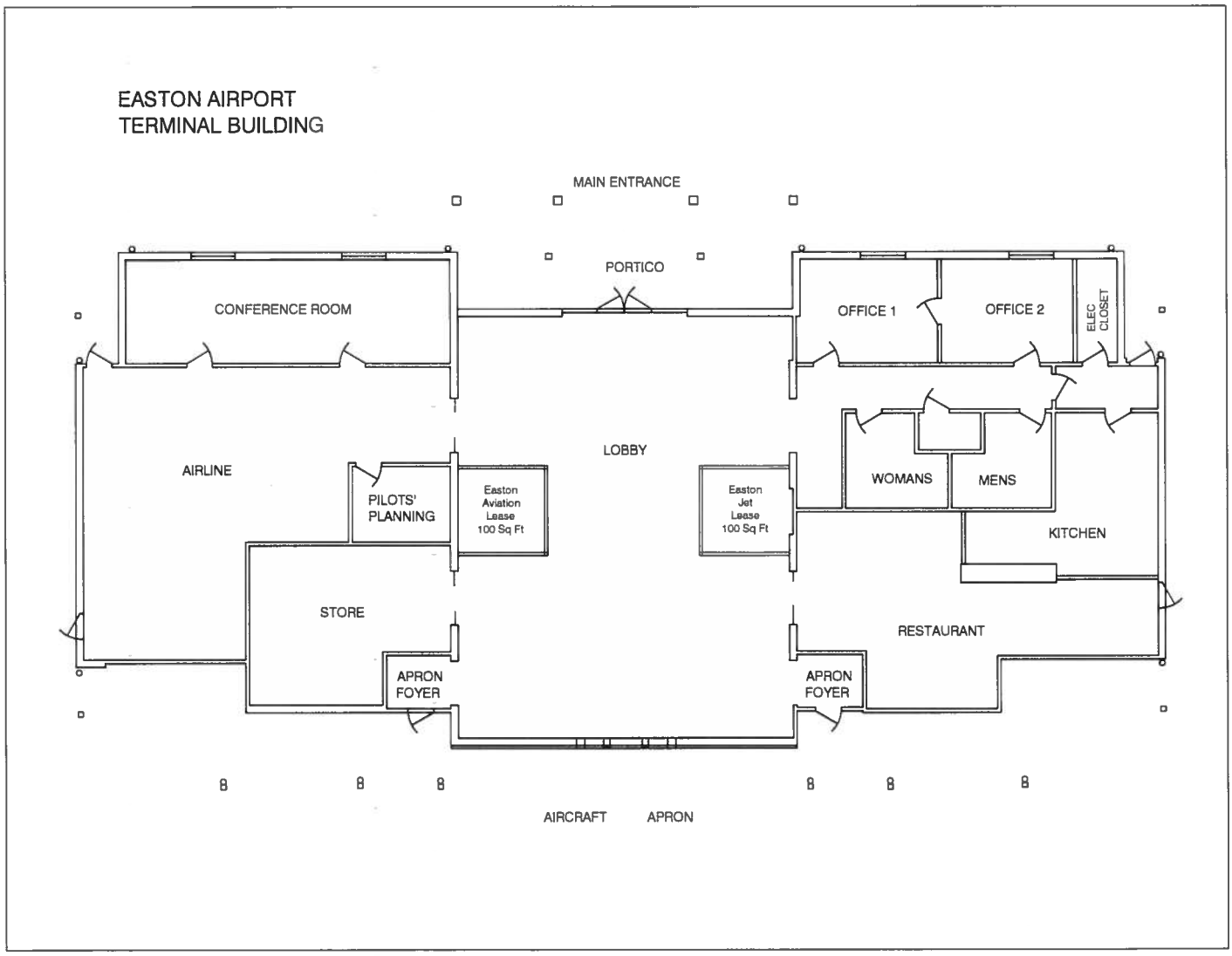
EXHIBIT "A" to LEASE AGREEMENT