**COUNTY COUNCIL**

**OF**

**TALBOT COUNTY**

2025 Legislative Session, Legislative Day No.: February 11, 2025

Resolution No.: 370

Introduced by: Mr. Callahan, Ms. Haythe, Mr. Lesher, Ms. Mielke, Mr. Stepp

**A RESOLUTION TO APPROVE EXECUTION OF A LEASE OF CERTAIN REAL PROPERTY AT THE EASTON AIRPORT CONSISTING OF 9,424 SQUARE FEET, MORE OR LESS, TO TRI GAS & OIL CO., INC., FOR A TERM OF TEN YEARS WITH THE RIGHT TO RENEW FOR UP TO TWO ADDITIONAL FIVE YEAR TERMS, WITH RENT OF ONE THOUSAND ONE HUNDRED NINETEEN DOLLARS AND FORTY-NINE CENTS ($1,119.49) PER MONTH, SUBJECT TO AN ANNUAL ESCALATION OF TWO PERCENT (2%) PER YEAR OVER THE RENT FOR THE PRECEDING YEAR**

By the Council: March 11, 2025

Introduced, read the first time, and ordered posted, with Public Hearing scheduled on Tuesday, May 13, 2025, at 5:30 p.m. in the Bradley Meeting Room, South Wing, Talbot County Courthouse, 11 North Washington Street, Easton, Maryland 21601.

By order: Susan W. Moran

Susan W. Moran, Secretary

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**WHEREAS**, pursuant to Md. Code Ann., Local Gov't § 10-312, before the County Council of Talbot County, Maryland (the "County Council") may lease any real or leasehold property of Talbot County, Maryland (the "County"), it shall first publish notice thereof once a week for three successive weeks in a newspaper of general circulation in the County, which notice shall include the terms of compensation to be received, and provide an opportunity for public comment regarding the proposed disposition, grant, or lease at a public hearing; and

**WHEREAS**, the County Council is desirous of leasing a portion of real property at the Easton Airport consisting of 9,424± square feet of land (the "Property") to Tri Gas Oil & Co., Inc. ("Tri Gas") as more fully set forth in the Lease Agreement attached hereto as Exhibit A and incorporated herein by reference as if fully set forth (the "Lease Agreement").

**NOW, THEREFORE, BE IT RESOLVED** by the County Council of Talbot County, Maryland as follows:

**Section 1.** The foregoing recitals are incorporated herein by reference as if fully set forth.

**Section 2.** The County Council finds that:

(a) The County has duly advertised the proposed lease of the Property to Tri Gas pursuant to the Lease Agreement and provided an opportunity for public comment in accordance with Md. Code Ann., Local Gov't § 10-312;

(b) The requirements of Md. Code Ann., Local Gov't § 10-312 have otherwise been satisfied; and

(c) The Property is not currently needed for public use, and the County Council is lawfully authorized to lease the same upon the terms and conditions set forth herein.

**Section 3.** The terms of the Lease Agreement for the Property as set forth in Exhibit A hereto are hereby approved.

**Section 4.** The Council President is hereby authorized, on behalf of the County, to execute immediately the Lease Agreement for the Property.

**AND BE IT FURTHER RESOLVED** that this Resolution shall take effect immediately upon its adoption.

**EXHIBIT "A"**

**LEASE AGREEMENT**

**THIS LEASE AGREEMENT** (this "**Agreement**") is entered into this ___ day of _____, 2025, by and between **TALBOT COUNTY, MARYLAND**, a political subdivision of the State of Maryland and owner of the Easton Airport ("**Landlord**"), and **TRI GAS & OIL CO., INC.**, a Maryland corporation with its principal place of business at 3941 Federalsburg Hwy, PO Box 465, Federalsburg, MD 21632 ("**Tenant**").

1. Leased Premises. In consideration for the Rent (as hereinafter defined) to be paid by Tenant and its performance of other covenants set forth herein, Landlord hereby leases to Tenant all of the following described property at the Easton Airport, Easton, Talbot County, Maryland:

   Real property consisting of approximately Nine Thousand Four Hundred Twenty-Four (9,424) square feet, the dimensions and location of which are shown on Exhibit "A" attached hereto and incorporated herein by reference as if fully set forth (the "**Premises**").

2. Term. The term of this Agreement shall begin on _____, 2025, and end on June 30, 2035, unless earlier terminated in accordance with this Agreement (the "**Term**"). Provided that Tenant is not in default of this Agreement, Tenant shall have the option to renew this Agreement for up to two (2) additional five (5) year terms by providing written notice to Landlord sixty (60) days in advance of the expiration of the Term or the then-current renewal term, as the case may be.

3. Rent. Tenant shall pay rent ("**Rent**") for the Premises on or before the first day of each month. The monthly Rent shall be One Thousand One Hundred Nineteen Dollars and Forty-Nine Cents ($1,119.49). Rent shall be prorated daily for any partial month of occupancy. On July 1, 2025, and for each successive twelve (12) month period thereafter beginning July 1st and ending June 30th of the following year through the end of the Term, the monthly Rent shall be adjusted by two percent (2%) over the Rent for the preceding year. The new monthly Rent amount shall be calculated as follows:

   New Monthly Rent=Current Monthly Rent×1.02

   For example, if the base monthly Rent for the first year is $1,119.49, the monthly Rent for the second year will be $1,141.88, and the monthly Rent for the third year will be $1,164.72, and so on.

   Tenant shall pay the increased Rent amount without any further notice or demand required by Landlord.

4. Use. The parties agree that the Premises may be used by Tenant or its designated affiliates: (i) as a base for parking propane and other petroleum product fuel trucks owned or operated

by Tenant or those with whom it does business; (ii) as a base for a bulk tank containing propane and other petroleum products owned or operated by Tenant; or (iii) for the sale of propane or other petroleum products to the public. All activities in which Tenant engages shall be offered on a fair, equal, and non-discriminatory basis. Tenant also agrees to abide by the Minimum Requirements and Standards for Commercial Aeronautical Activities at the Easton Airport (the "**Standards**") and the Easton Airport Rules and Regulations (the "**Rules**"), currently in effect and as may be amended from time to time; provided, however, that Tenant's liability shall be limited to the terms of Section 11 hereof, notwithstanding any provision in the Standards and/or Rules to the contrary. The current Standards and Rules are attached hereto as Exhibits "B" and "C" and are incorporated herein by reference as if fully set forth.

5. Quiet Enjoyment. Upon the execution of this Agreement, Landlord shall provide Tenant promptly with the right to use and occupy the Premises and the quiet enjoyment thereof.

6. Utilities. Tenant shall be responsible for supplying all utilities for the Premises.

7. Maintenance. Tenant shall be solely responsible for and agrees to perform, upon written request by Landlord, all reasonable maintenance to the improvements erected on the Premises, if any, including without limitation all structures and all mechanical, electrical, parking areas, and agrees to maintain and keep the Premises and improvements in a good, neat, orderly, and safe condition, and in compliance with any applicable governmental laws, rules, or regulations. If Tenant fails to perform any maintenance after requested by Landlord, Landlord may perform any such maintenance itself without liability to Tenant and bill Tenant for any expense incurred. All such amounts shall be deemed to be additional Rent and shall be collectible as such.

8. Alterations and Improvements. The parties understand and agree that the decoration and maintenance of all airport facilities, including signs, must comply with Landlord's standards and subject to its approval. Accordingly, Tenant shall make no alterations to the Premises nor erect or alter any structures, including signs, without the prior express written permission of Landlord.

9. Insurance. Tenant, at its sole expense, 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 Landlord, which approval shall not be unreasonably withheld. Tenant shall cause its liability and casualty insurance carriers to name Landlord as an additional insured party on each such policy. The required documentation of insurance shall be furnished to Landlord upon execution of this Agreement. Tenant's obligation to maintain insurance shall include without limitation (i) commercial general liability insurance, including coverage for personal injury and property damage for all activities of Tenant in, on or about the Premises with policy limits of not less than one million dollars ($1,000,000) per occurrence; (ii) Workers' Compensation Insurance with statutory limits as required by the Maryland Code; and, (iii) fire insurance with standard extended coverage, including vandalism and

malicious mischief endorsements, covering all of Tenant's personal property, improvements and alterations in, on or about the Premises.

Landlord shall not be responsible for any damage, loss, or injury to Tenant's property, goods, 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 Premises by third persons.

Notwithstanding any provision of this Agreement to the contrary, if Tenant fails or refuses to procure or maintain insurance as required by this Agreement, or fails or refuses to furnish Landlord with required proof that the insurance has been procured and is in force and paid for, Landlord shall have the right, at the Airport Manager's election and without notice, to procure and maintain such insurance at Tenant's expense or to immediately terminate this Agreement. In the event the Airport Manager elects to terminate the Agreement pursuant to this paragraph and Tenant later obtains and provides evidence of the required insurance acceptable to the Airport Manager, this Agreement may be reinstated at the sole discretion of the Airport Manager.

10. Hazardous Materials. Except for reasonable quantities of fuel, solvents, lubricants, and similar products customarily used or required for the operation of Tenant's business, Tenant, its agents, employees, contractors, or invitees (for purposes of this Section 10, collectively, "**Tenant**") shall not cause or permit any Hazardous Materials (as hereinafter defined) to be brought upon, kept, or used in or about the Premises or the Airport without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned, or delayed as long as Tenant demonstrates to Landlord's satisfaction that such Hazardous Materials: (i) are necessary or useful to Tenant's business and will be used, kept, and stored in a manner that complies with all laws, statutes, ordinances, rules, regulations, orders, requirements, industry standards, and policies of any and all governmental agencies and authorities and any fire insurance underwriters applicable to any such Hazardous Materials ("Hazardous Materials Laws") and (ii) do not otherwise, due to the quantity, nature, or use of such Hazardous Materials, substantially increase the risk of fire or other casualty to the Premises or the Airport. Landlord acknowledges and agrees that Tenant's parking and storage of loaded petroleum product delivery vehicles on the Premises is in compliance with the foregoing provision, provided that Tenant operates such delivery vehicles in accordance with all applicable Hazardous Material Laws.

To the extent any Hazardous Materials are used, kept, or are present in or on the Premises after execution of this Agreement, Tenant shall ensure that all such Hazardous Materials, and all uses thereof, are in full compliance with all Hazardous Materials Laws.

Notwithstanding any other provision in this Agreement to the contrary, if Tenant breaches the obligations set forth above or if the presence or discharge of Hazardous Materials on the Premises after the execution of this Agreement results in contamination of the Premises or the Airport, or if Hazardous Materials are otherwise discharged or released from the Premises after execution of this Agreement, then Tenant, for itself, its successors and assigns shall indemnify, defend (with counsel approved by Landlord, which shall not be

unreasonably withheld), and hold Landlord, its officials, employees, agents, and contractors harmless from and against any and all claims, judgments, damages, penalties, fines, costs, liabilities, and losses (including, without limitation, diminution in value of the Airport, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Airport, damages arising from any adverse impact on marketing of space in the Airport, and sums paid in settlement of claims, reasonable attorneys' fees, consultant fees, and expert fees) which arise during or after the term of this Agreement as a result of such breach, contamination, discharge, or release. This indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal, or restoration work required by any federal, State, or local governmental agency or political subdivision because of Hazardous Materials present in, on, or under the Airport caused by Tenant's use of the Premises. Without limiting the foregoing, if the presence of any Hazardous Materials on the Premises caused by Tenant after execution of this Agreement results in any contamination of the Airport or the Premises, or otherwise results in the release or discharge on, under, or from the Premises of Hazardous Materials, Tenant shall promptly take all actions at its sole expense as are necessary to return the Airport and the Premises to the condition existing prior to the introduction by Tenant of any such Hazardous Materials to the Airport or Premises or to otherwise remove and/or abate the release of such discharged Hazardous Materials; provided that Landlord's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld, conditioned, or delayed so long as such actions would not potentially have any material adverse long-term or short-term effect on the Airport, will not unreasonably interfere with the use and enjoyment of other portions of the Airport, and will be performed in accordance with all Hazardous Materials Laws. Upon the termination of this Agreement, Tenant shall surrender the Premises to Landlord free of any and all Hazardous Materials introduced to the Premises by Tenant and in compliance with all Hazardous Materials Laws. This indemnification shall survive the termination or expiration of this Agreement.

For the purpose of this Section 10, the term "Hazardous Materials" includes, without limitation, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. §9601 et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. $1801 et seq.), the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. §6901 et seq.), Environment Article § 7-101, et seq. Md. Ann. Code, and in the regulations adopted and publications promulgated pursuant to them, or any other federal, State, or local environmental laws, ordinances, rules, or regulations concerning the environment, industrial hygiene, or public health or safety now in effect or enacted after this date.

Landlord warrants and represents that as of the date of the execution of this Agreement by both parties, there is no Hazardous Materials on or under the Premises.

11. Liability. Tenant, on behalf of itself, its successors and assigns, shall indemnify and hold harmless Landlord, its elected and appointed officials, departments, employees, board and

commission members, agents, servants, and contractors, from any and all claims for death, illness, bodily injury, or property damage caused by or sustained as a result of Tenant's operations at or on the Easton Airport, including the Premises. Tenant shall not be responsible for any such claims caused by the negligence of Landlord or its elected and appointed officials, departments, employees, board and commission members, agents, servants, and contractors.

12. Casualty Damage. Landlord shall not be responsible for any loss or damage to any trucks or other tangible or intangible personal property in or on the Premises. If the Premises shall be damaged by fire, flood, wind, or other casualty to the extent that it cannot be restored to its usual business condition within sixty (60) days thereafter, Tenant may, at its option, terminate this Agreement with respect to the portion of the Premises destroyed, and Tenant's obligation to pay Rent shall cease as of the date of casualty. If Tenant elects or is required to rebuild or replace any portion of the Premises destroyed as aforesaid, all insurance proceeds paid to Landlord because of such destruction will be paid to Tenant to defray cost of rebuilding and replacement of the Premises. In the event of casualty damage, Landlord shall repair and restore the Premises at its expense within a reasonable time, during which time Rent shall abate in proportion to the sustained damage. If, however, such damage is due to the fault or neglect of Tenant, then said damage shall be repaired at Tenant's expense (but only to the extent such damage is not covered by insurance), and Rent shall continue as though no such damage had occurred.

13. Compliance with Laws. Tenant shall comply fully with all applicable federal, State, and local laws, ordinances, codes, and regulations, including the holding and maintaining by its employees and aircraft of current certificates, licenses, and ratings required. Continued non-compliance herewith, shall, after written notice, constitute grounds for termination of this Agreement.

14. Vacating Premises. Upon termination of this Agreement, Tenant shall vacate and surrender the Premises in a safe, secure, and "broom-clean" condition, subject to normal wear and tear.

15. 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 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 provision of this Agreement shall be deemed to have been made unless expressed in writing and delivered to the other party.

16. National Emergency. During any time of war or national emergency, Landlord retains the right to lease the Airport, or any part thereof, including the Premises, to the United States Government or any agent thereof. If the execution of any such lease impinges upon the provisions of this Agreement, this Agreement shall be suspended, and Landlord may elect to reinstate this Agreement after the termination of the above-described emergency for the remainder of the Term.

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

18. Assignment. This Agreement and the Lease granted hereby are not assignable or transferrable and any attempted assignment or transfer is automatically null and void.

19. Nondiscrimination. Tenant, as a part of the consideration hereof, does hereby covenant and agree that: (1) no person on the grounds of race, color, national origin, gender, or age shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Premises or Tenant's equipment used 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, national origin, gender, or age shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and (3) that Tenant 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. In the event of breach of any of the above nondiscrimination covenants, Landlord shall have the right to terminate this Agreement and re-enter and repossess the Premises and hold the same as if said Agreement had never been made or issued.

20. Default and Remedies. The occurrence of any one or more of the following events shall constitute a default or breach of this Agreement by Tenant: (i) Tenant's vacating or abandonment of the Premises; (ii) failure by Tenant to make any payment of Rent or any other payment required to be made by Tenant hereunder; or (iii) failure of Tenant to observe or perform any of the covenants or obligations to be observed or performed by Tenant hereunder.

A default or breach of this Agreement shall not occur unless Landlord has provided Tenant written notice of such default or breach and provided Tenant thirty (30) days from Tenant's receipt of such written notice to either: (1) cure such default or breach; or (2) to commence to cure such default or breach, with Tenant diligently proceeding with such remediation to completion.

Provided Landlord has complied with the foregoing provisions, in the event of any such default or breach by Tenant, Landlord may, without limiting Landlord in the exercise of any right or remedy which Landlord may have by reason of such default or breach:

(a) Terminate Tenant's right to possession of the Premises by any lawful means, in which case this Agreement shall terminate, and Tenant shall immediately surrender possession of the Premises to Landlord. In such event Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default

(including without limitation the cost of recovering possession of the Premises; expenses of the re-letting, including necessary renovation and alteration of the Premises to return the same to the condition as existed at the commencement of the Term; Landlord's reasonable attorney's fees and brokerage commissions incurred in connection with such re-letting; the present worth, at the time of the award by the court, of the amount by which the unpaid Rent and other charges payable hereunder for the balance of the Term at the time of such award exceeds the amount of such rental loss for the same period which Tenant proves could be reasonably avoided; and interest on unpaid Rent or other sums payable by Tenant under the provisions of this Agreement from the date the same became due at the rate of fifteen percent (15%) per annum);

(b) Maintain Tenant's right to possession, in which case this Agreement shall continue in effect whether or not Tenant has abandoned the Premises. In such event, Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Agreement, including the right to recover all Rent and other charges as they become due hereunder; or

(c) Pursue any other remedy now or hereafter available to Landlord under the laws of the State of Maryland.

21. Taxes. Tenant understands and agrees that it will pay all federal, State, and local taxes lawfully imposed upon it.

22. 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 or written, shall affect its terms.

23. Governing Law. This Agreement shall be construed and governed according to the laws of the State of Maryland. All disputes arising from or relating to this Agreement shall be settled in the Courts of Talbot County, Maryland.

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

LANDLORD:

ATTEST: TALBOT COUNTY, MARYLAND

_____ _____(SEAL)

By: Clay B. Stamp, County Manager By: Chuck F. Callahan, President
Talbot County Council

Date: _____

State of Maryland, County of Talbot

Before me, a Notary Public in and for the State and the County aforesaid, this _____ day of _____, 2025, personally appeared **CHUCK F. CALLAHAN**, known to me or satisfactorily proven to be the President of the Talbot County Council, and made oath in due form of law that he, as such President, is authorized to execute the foregoing instrument on behalf of Talbot County, Maryland, a charter county and a political subdivision of the State of Maryland, and that he voluntarily executed the same for the purposes therein contained.

_____
Notary Public

My commission expires:

TENANT:

ATTEST: TRI GAS & OIL CO., INC.

_____ _____(SEAL)
By: Nash McMahan
President Tri Gas & Oil Co., Inc.

Date: _____

State of _____, County of _____

Before me, a Notary Public in and for the State and County aforesaid, this _____ day of _____, 2025, personally appeared **NASH MCMAHAN** known to me, or satisfactorily proven to be the President of Tri Gas & Oil Co., Inc., and made oath in due form of law that he, as such President, is authorized to execute the foregoing instrument on behalf of Tri Gas & Oil Co., Inc., a Maryland corporation, and that he voluntarily executed the same for the purposes therein contained.

_____
Notary Public

My commission expires:

# Leased Premises – Exhibit A to Lease Agreement

Easton Airport - Easton, MD

## 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 _____, 2025, at 5:30 p.m. in the Bradley Meeting Room, South Wing, Talbot County Courthouse, 11 N. Washington Street, Easton, Maryland.

## BY THE COUNCIL

Read the second time:

Adopted:

By Order: _____
Susan W. Moran, Secretary

Callahan -

Stepp -

Lesher -

Mielke -

Haythe -

Effective: