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Board of Commissioners
Richard T. Yates, President
W. Benjamin Brown, Vice President
Donald I. Dell, Secretary

LETTER OF UNDERSTANDING

This is a Letter of Intent dated July 16, 1998 between Hangar Corporation of America (HCA) and Commissioners of Carroll County, a body corporate and politic of the State of Maryland (County) for the development of 70,000 square feet of corporate hangar space and 10,500 square feet of office space at the Carroll County Regional Airport.

1. It is the intention of the parties that HCA will develop corporate hangar space under a "Wrap-Around Sublease Agreement", and County shall fund the construction project through an Agreement with Corporate Realty Investment Company, L.L.C. (CRIC).
2. The closing on the funding with CRIC requires HCA to prepare all site development plans, building plans, and to obtain all necessary permits for the development of the hangar facility.
3. The parties agree that, during period prior to closing with CRIC, HCA shall proceed with plans to develop the hangars.
4. County agrees that in the event an Agreement with CRIC is not executed, County will reimburse HCA for reasonable expenses incurred in preparing all site development plans, building plans, and in pursuit of required permits and all such plans and permits shall be the property of County. These expenses will include, engineering fees for the preparation of all site development plans and the acquisition of all necessary permits related thereto; engineering and/or architectural fees for the preparation of all engineering and design plans necessary for the obtaining or all required building plans; the costs of all fees required to be paid for any and all required building and site development plans; the cost of the performance of all site development and grading work, and any consulting fees required to be paid in conjunction with the above. These expenses shall not include legal fees incurred by CRIC.
5. HCA will proceed with all due diligence to complete all necessary plans and obtain all required permits under the agreement between County and CRIC.
6. County will, upon request, provide assurances to all lenders, contractors and or subcontractors engaged by HCA pursuant to paragraph 4 that, in the event funding is not received from CRIC, County will reimburse HCA for said expenditures.