

**TOWN OF ADDISON, TEXAS**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS APPROVING AN ASSIGNMENT OF GROUND LEASE BETWEEN KPI PROPERTIES, INC. AND PSR AIR SERVICES, LLC FOR COMMERCIAL AVIATION USE ON PROPERTY LOCATED AT 4554 CLAIRE CHENNAULT DRIVE, AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONSENT OF LANDLORD ATTACHED TO THE ASSIGNMENT AS REQUIRED BY THE GROUND LEASE, AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, KPI Properties, Inc. is the tenant under an Assignment of Ground Lease dated November 1, 1991, and subsequently amended on May 24, 2000 (“First Amendment”) for the property located at 4554 Claire Chennault Drive owned by the Town of Addison (collectively, the “Lease”); and

**WHEREAS**, KPI Properties, Inc. desires to assign all of its rights, duties and obligations under the Lease to PSR Air Services, LLC.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:**

**Section 1.** The Assignment of Ground Lease between KPI Properties, Inc. and PSR Air Services, LLC for commercial aviation use on property located at 4554 Claire Chennault Drive, a copy of which is attached to this Resolution as **Exhibit A**, is hereby approved and the City Manager is authorized to execute the Consent of Landlord attached to the Assignment of Ground Lease as required by the Ground Lease.

**Section 2.** This Resolution shall take effect from and after its date of adoption.

**PASSED AND APPROVED** by the City Council of the Town of Addison, Texas this the 22<sup>nd</sup> day of May, 2018.

---

Joe Chow, Mayor

ATTEST:

By: \_\_\_\_\_  
Christi Wilson, Interim City Secretary

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Brenda N. McDonald, City Attorney

## Exhibit “A”

STATE OF TEXAS           §  
  §                                   **ASSIGNMENT OF GROUND LEASE**  
COUNTY OF DALLAS     §

This Assignment of Ground Lease (the “Assignment”) is entered into and effective as of \_\_\_\_\_ 2018, at Addison, Texas, by and between **KPI Properties, Inc.**, a Texas corporation (herein referred to as “Assignor”) and **PSR Air Services, LLC**, a Texas limited liability company (herein referred to as “Assignee”).

**WHEREAS**, a Ground Lease was executed on December 28, 1982 between the City of Addison and Addison Airport of Texas, Inc., as Landlord, and Omega Industries, Inc., as tenant, publicly recorded in Volume 89046, Page 5093 of the Official Public Records of Dallas County, Texas (“OPR”), by the terms of which certain real property located at 4554 Claire Chennault Drive at Addison Airport within the Town of Addison, Texas (the “City”) owned by the City was leased to Omega Industries, Inc.; and

**WHEREAS**, the leasehold estate of the tenant was then assigned by that certain Omnibus Assignment, Conveyance and Bill of Sale with Assumption of Liabilities (“the Omnibus Assignment”) executed January 1, 1986, by Omega Industries, Inc. to Gayle Perry d.b.a. G.P. Investments, successor of interest to Omega Industries; and

**WHEREAS**, by that Assignment of Lease dated February 3, 1989, the Ground Lease was assigned from Gayle Peery, dba G.P. Investments, Inc. as Assignor, to RR Investments, Inc., as Assignee; and

**WHEREAS**, by that Assignment of Lease dated November 1, 1991, the Ground Lease was assigned from RR Investments, Inc., as Assignor, to KPI Properties, Inc., as Assignee, as recorded in Volume 92067, Page 1224 of the OPR; and

**WHEREAS**, the Ground Lease was modified by that Amendment to Ground Lease made and entered into May 24, 2000, that modified, among other things, the term of the Ground Lease by extending it an additional six (6) years and eight (8) months, so that the Ground Lease now ends on May 30, 2030; and

**WHEREAS**, the Ground Lease provides that, upon the expiration or termination of that certain agreement referred to and defined in the Ground Lease as the “Base Lease” (and being an Agreement for Operation of the Addison Airport between the City and Addison Airport of Texas, Inc.), the City is entitled to all of the rights, benefits and remedies, and will perform the duties, covenants and obligations, of the Landlord under the Ground Lease; and

**WHEREAS**, the said Base Lease expired, and the City is the sole Landlord under the Ground Lease; and

**WHEREAS**, all parties agree the Lease Tract Survey prepared by DAL-TECH Engineering, Inc. dated April 23, 2018, which therein describes a certain gross land area at Addison Airport in Addison, Texas containing 1.4945 acres of land attached hereto as **Exhibit "A"** and incorporated herein by reference, is the true and correct "Demised Premises"; and

**WHEREAS**, by virtue of such assignments, amendments and/or modifications made to the Ground Lease, Assignor is the Tenant under the Ground Lease (a true and correct copy of said Ground Lease in its entirety with all hereinabove said assignments, amendments and modifications made thereto are attached hereto and incorporated herein by reference as **Exhibit "B"**); and

**WHEREAS**, the Ground Lease provides in Section 9 thereof, without the prior written consent of the Landlord, the Tenant may not assign the Ground Lease or any rights of Tenant under the Ground Lease (except as provided therein), and that any assignment must be expressly subject to all the terms and provisions of the Ground Lease, and that any assignment must include a written agreement from the Assignee whereby the Assignee agrees to be bound by the terms and provisions of the Ground Lease; and

**WHEREAS**, Assignor desires to assign the Ground Lease to Assignee, and Assignee desires to accept the Assignment thereof in accordance with the terms and conditions of this Assignment.

**NOW, THEREFORE**, for and in consideration of the mutual promises, covenants, and conditions contained herein, the sufficiency of which is hereby acknowledged, the parties hereto each intend to be legally bound and agree as follows:

### **AGREEMENT**

1. Assignor hereby assigns, bargains, sells, and conveys to Assignee, effective as of the date above, all of Assignor's right, title, duties, responsibilities and interest in and to the Ground Lease, TO HAVE AND TO HOLD the same, for the remaining term thereof; and Assignor does hereby bind itself and its successors and assigns to warrant and forever defend the same unto Assignee against every person or persons lawfully claiming an part thereof through Assignor.

2. All parties agree the Lease Tract Survey prepared by DAL-TECH Engineering, Inc. dated April 23, 2018, which therein describes a certain gross land area at Addison Airport in Addison, Texas containing 1.4945 acres of land attached hereto as **Exhibit "A"** and incorporated herein by reference, is the true and correct Demised Premises; and

3. Prior to the effective date of this Assignment, Assignee agrees to pay an Assignment Fee in the amount of One Thousand and 00/100 Dollars (\$1,000.00) to Landlord.

4. Assignee hereby agrees to and shall be bound by and comply with all the terms, provisions, duties, conditions and obligations of Tenant under the Ground Lease. For purposes of notice under the Ground Lease, the address of Assignee is:

PSR Air Services, LLC  
Attn: David B. Elliott  
6621 Talmadge Lane  
Dallas, TX 75230

5. Nothing in this Assignment shall be construed or be deemed to modify, alter, amend or change any term or condition of the Ground Lease except as set forth herein.

6. The above and foregoing premises and recitals to this Assignment are incorporated herein and made part hereof, and Assignor and Assignee both warrant and represent that such premises and statements, and all other provisions of this Assignment, are true and correct and that in giving consent, Landlord (as defined in the Consent of Landlord attached hereto) is entitled to rely upon such representations and statements.

7. Assignor acknowledges that in addition to any other remedies provided in the Ground Lease or by law, Landlord may, at its own option, collect directly from the Assignee all rents becoming due under this Assignment and apply such rent against any sums due to Landlord. No such collection by Landlord from any such Assignee or subtenant shall release Assignor from the payment or performance of Assignor's obligations under the Ground Lease.

8. The undersigned representatives of the Assignor and Assignee have the necessary authority to execute this Assignment on behalf of each of the respective parties hereto, and Assignor and Assignee certify one to the other that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect.

*[Remainder of Page Intentionally Left Blank]*

**IN WITNESS WHEREOF**, Assignor and Assignee have executed and delivered this Assignment of Ground Lease on the day and the year first set forth above.

**ASSIGNOR:**

**KPI Properties, Inc., a Texas corporation**

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

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

and

**ASSIGNEE:**

**PSR Air Services, LLC**

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

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGMENT**

**STATE OF TEXAS       §**  
**§**  
**COUNTY OF DALLAS   §**

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_, \_\_\_\_\_ of KPI Properties, Inc., a Texas corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein stated.

GIVEN under my hand and seal of office this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

[SEAL]

\_\_\_\_\_  
Notary Public, State of Texas

**STATE OF TEXAS       §**  
**§**  
**COUNTY OF DALLAS   §**

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_, \_\_\_\_\_ of PSR Air Services, LLC, a Texas limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purposes and consideration therein stated.

GIVEN under my hand and seal of office this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

[SEAL]

\_\_\_\_\_  
Notary Public, State of Texas

**CONSENT OF LANDLORD**

The Town of Addison, Texas ("Landlord") is the Landlord in the Ground Lease described in the Assignment of Ground Lease (the "Assignment") entered into and effective as of \_\_\_\_\_ 2018, at Addison, Texas, by and between **KPI Properties, Inc.**, a Texas corporation (herein referred to as "Assignor") and **PSR Air Services, LLC**, a Texas limited liability company (herein referred to as "Assignee"). In executing this Consent of Landlord, Landlord is relying upon the warranty and representations made in the foregoing Assignment by both Assignor and Assignee and in relying upon the same Landlord hereby consents to the foregoing Assignment from Assignor to Assignee.

Notwithstanding this Consent, Landlord does not waive any of its rights under the Ground Lease as to the Assignor or the Assignee, and does not release Assignor from its covenants, obligations, duties, or responsibilities under or in connection with the Ground Lease, and Assignor shall remain liable and responsible for all such covenants obligations, duties, or responsibilities. In addition, notwithstanding any provisions of this Consent of Landlord or the above and foregoing Assignment to the contrary, this Consent shall not operate as a waiver of any prohibition against further assignment, transfer, conveyance, pledge, change of control, or subletting of the Ground Lease or the premises described therein without Landlord's prior written consent.

This consent is not intended and shall not be construed to waive any rights of the Landlord under the Ground Lease, to release or waive any claims of the Landlord against any tenant under or in connection with the Ground Lease or to release any tenant from any duties, obligations or liabilities under or in connection with the Ground Lease.

This Consent shall be and remain valid only if and provided that, by no later than 6:00 o'clock p.m. on **August 31, 2018**:

(i) the Assignment has been executed and notarized by both Assignor and Assignee;

(ii) all other matters in connection with the transfer, sale, and/or conveyance by Assignor to Assignee of the Assignor's interest in the Ground Lease have been fully consummated and completed and the transaction closed as reasonably determined by Landlord (such matters including, without limitation, the full execution and finalization of this Assignment and any other documentation so required by Landlord relating to this transaction) and delivered to Landlord c/o Mr. Bill Dyer, Addison Airport Real Estate Manager, at 16051 Addison Road, Suite 220, Addison, Texas 75001. Otherwise, and failing compliance with and satisfaction of each of paragraphs (i) and (ii) above, this Consent shall be null and void *ab initio* as if it had never been given and executed.

Signed this \_\_\_\_\_ day \_\_\_\_\_, 2018.

**LANDLORD:**

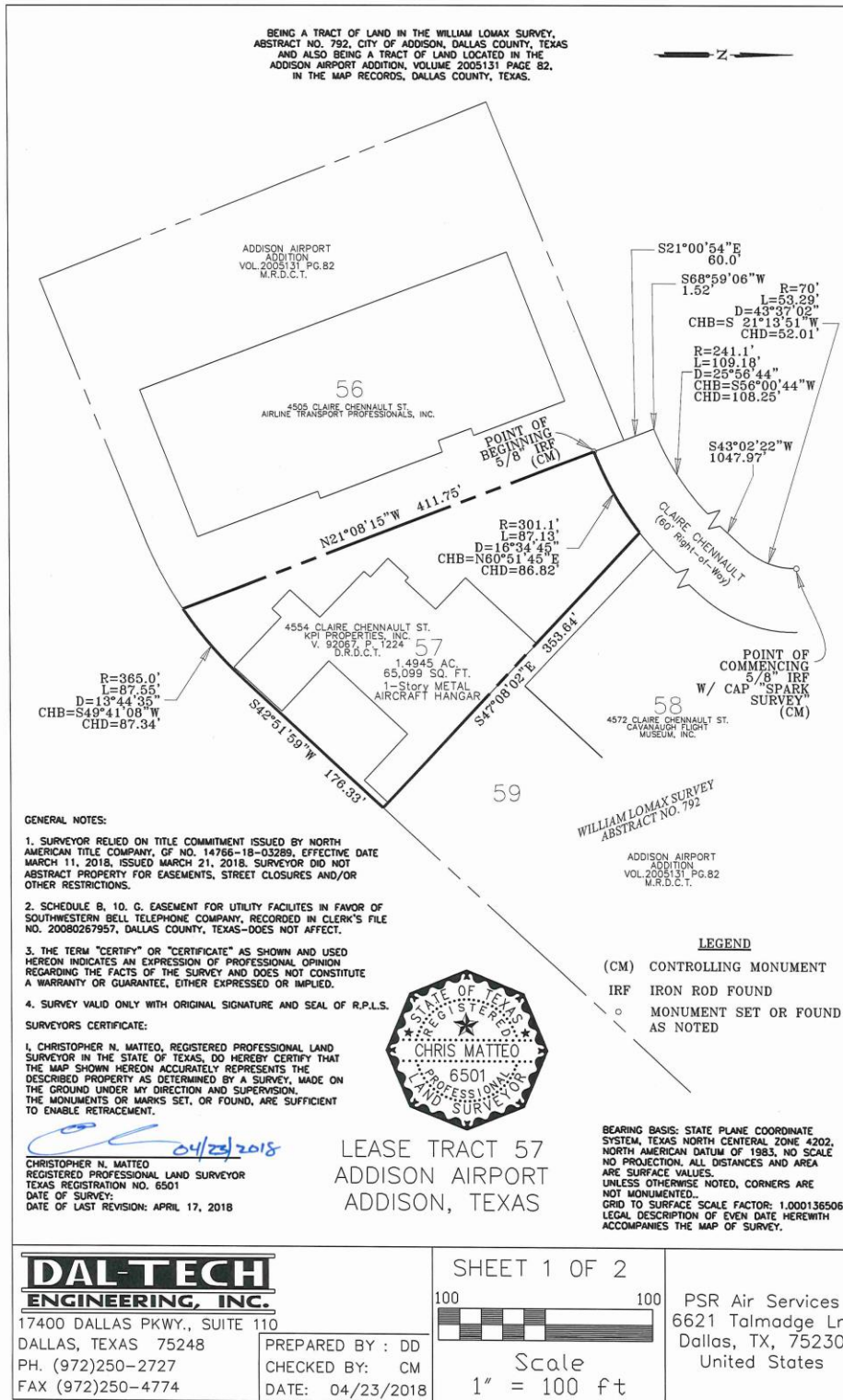
**TOWN OF ADDISON, TEXAS**

By: \_\_\_\_\_  
Wesley S. Pierson, City Manager



# EXHIBIT "A"

## Legal Description of Demised Premises



Lease Tract 57

Being a tract of land in the William Lomax Survey, Abstract No. 792, City of Addison, Dallas County, Texas and also being a tract of land in the Addison Airport Addition, Volume 2005131 Page 82, Map Records, Dallas County, Texas and being more particularly described as follows:

COMMENCING at a 5/8" iron rod found with cap stamped "SPARK SURVEY" in the northern right-of-way of Claire Chennault Street (a 60 foot right-of-way), same being the beginning of a curve to the right having a radius of 70.00 feet and a central angle of 43 degrees 37 minutes 02 seconds;

THENCE with said curve to the right and said northerly right-of-way line an arc length of 53.29 feet, being subtended by a chord of South 21 degrees 13 minutes 51 seconds West, a distance of 52.01 feet to a point for the end of said curve to the right;

THENCE South 43 degrees 02 minutes 22 seconds West with said northerly right-of-way line, a distance of 1047.97 feet to the beginning of a curve to the right having a radius of 241.1 feet and a central angle of 25 degrees 56 minutes 44 seconds;

THENCE with said curve to the right and said northerly right-of-way line an arc length of 109.18 feet, being subtended by a chord of South 56 degrees 00 minutes 44 seconds West, a distance of 108.25 feet to a point;

THENCE South 68 degrees 59 minutes 06 seconds West with said northerly right-of-way line for a distance of 1.52 feet to a corner in said right-of-way line;

THENCE South 21 degrees 00 minutes 54 seconds East a distance of 60.00 feet to a 5/8-inch iron rod found for the POINT OF BEGINNING of the herein described tract and the beginning of a curve to the left having a radius of 301.1 feet and a central angle of 16 degrees 34 minutes 45 seconds, same being the southerly right-of-way line of Claire Chenault Street;

THENCE with said curve to the left and said southerly right-of-way line an arc length of 87.13 feet, being subtended by a chord of North 60 degrees 51 minutes 45 seconds East, a distance of 86.82 feet to a point;

THENCE South 47 degrees 08 minutes 02 seconds East, departing said southerly right-of-way line, a distance of 353.64 feet to a point;

THENCE South 42 degrees 51 minutes 59 West for a distance of 176.33 feet to the beginning of a curve to the right having a radius of 365.0 feet and a central angle of 13 degrees 44 minutes 35 seconds;

THENCE with said curve to the right an arc length of 87.55 feet, being subtended by a chord of South 49 degrees 41 minutes 08 seconds West, a distance of 87.34 feet to a point;

THENCE North 21 degrees 08 minutes 15 seconds West, a distance of 411.75 feet to the POINT OF BEGINNING and CONTAINING 65,099 square feet or 1.4945 acres of land, more or less.

Schedule B of Title Commitment issued by North American Title Company, GF No. 14766-18-03289, 10. G. Easement for Utility Facilities in favor of Southwestern Bell Telephone Company, recorded in Clerk's file No. 20080267957, Dallas County, Texas-DOES NOT AFFECT.

LEASE TRACT 57  
ADDISON AIRPORT  
ADDISON, TEXAS

*CM*  
04/23/2018

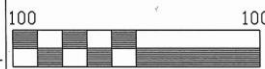


**DAL-TECH**  
**ENGINEERING, INC.**

17400 DALLAS PKWY., SUITE 110  
DALLAS, TEXAS 75248  
PH. (972)250-2727  
FAX (972)250-4774

PREPARED BY: DD  
CHECKED BY: CM  
DATE: 04/23/2018

SHEET 2 OF 2



Scale  
1" = 100 ft

PSR Air Services  
6621 Talmadge Ln.  
Dallas, TX, 75230  
United States

**EXHIBIT “B”**

**See Next Page**

(Additionally, a true and correct of the exhibits to the Assignment of Ground Lease are on file with the Addison City Secretary and/or Airport Management Office.)



THE STATE OF TEXAS  
COUNTY OF DALLAS

GROUND LEASE

This Ground Lease (hereinafter referred to as the "Lease" is made and entered into as of December 28, 1982, by and among the City of Addison, Texas, a municipal corporation (hereinafter sometimes referred to as the "City"), Addison Airport of Texas, Inc., a Texas Corporation (hereinafter sometimes referred to as "AATI") and OMEGA INDUSTRIES, INC. (hereinafter referred to as "Tenant").

WITNESSETH:

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4484

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35.00 DEED  
2 03/08/89

WHEREAS, AATI leases that certain real property (hereinafter referred to as the "demised premises") described in attached Exhibit A from the City pursuant to that certain instrument captioned Agreement for Operation of the Addison Airport (hereinafter referred to as the "Base Lease") between the City and Addison Airport, Inc. (predecessor of AATI); and

WHEREAS, the demised premises are situated at Addison Airport (hereinafter referred to as the "Airport") in Dallas County, Texas, the Airport being delineated in a plat attached hereto as Exhibit B; and

WHEREAS, the City and AATI hereby lease and demise the demised premises to Tenant, and Tenant hereby leases and takes the demised premises from the City and AATI, upon the terms and conditions set forth herein;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

1. **Base Lease:** All of the terms and conditions of the Base Lease are incorporated into this Lease by reference as if written verbatim herein, and Tenant by Tenant's execution hereof acknowledges that AATI has furnished Tenant with a copy of the Base Lease. Tenant agrees to fully comply at all times and in all respects with the terms and conditions of the Base Lease insofar as the same relate to the demised premises and/or the use and operation thereof, except that Tenant shall not be responsible for the payment of any rental due under the Base Lease which shall be paid by AATI.

2. **Definition of Landlord and Effect of Default under the Base Lease:** The term "Landlord" as hereinafter used in this Lease shall mean either AATI or the City. So long as the Base Lease is in effect, AATI shall be entitled to all of the rights, benefits and remedies of the Landlord under this Lease, and shall perform all of the duties, covenants and obligations of the Landlord under this Lease. Upon the expiration or termination of the Base Lease, the City shall be entitled to all of the rights, benefits and remedies of the Landlord under this Lease, and shall perform all of the duties, covenants and obligations of the Landlord under this Lease. The City agrees that (i) until such time as the City notifies Tenant to the contrary in writing, Tenant is fully authorized to make all payments due under this Lease to AATI, and (ii) that default by AATI under the Base Lease shall have no effect on this Lease so long as Tenant pays and performs its duties, covenants and obligations under this Lease.

3. **Term:** The term hereof shall commence on the earlier of September 30, 1983, or the first day of the first calendar month after Tenant completes the construction hereinbelow described and opens for business at the demised premises (the applicable date being hereinafter referred to as the "Commencement Date"), and shall end four hundred eighty (480) months thereafter; provided, however, that any entry upon the demised premises by Tenant prior to the Commencement Date shall be subject to all of the terms and conditions hereof except that rental shall not accrue

4. **Rental:** Subject to adjustment as hereinbelow provided, Tenant agrees to pay to Landlord, without offset or deduction, rent for the demised premises at the rate of ONE THOUSAND ONE HUNDRED THIRTY-THREE & 917/100 per month in advance. The first of such monthly installment shall be due and payable on or before the Commencement Date, and a like installment shall be due and payable on or before the first day of each calendar month thereafter during the term hereof.

5. **Adjustment of Rental:** Commencing on the second anniversary of the Commencement Date and on every bi-annual anniversary thereafter (hereinafter referred to as the "Adjustment Date"), the monthly rental due under paragraph 4 shall be adjusted as follows:

(i) A comparison shall be made between the Consumers' price index-All Items for the Dallas, Texas Metropolitan Area (hereinafter referred to as the "Price Index") as it existed on the Commencement Date and as it exists on the first day of the calendar month preceding the then applicable Adjustment Date.

(ii) The monthly rental for the two (2) year period beginning with and following the then applicable Adjustment Date shall be either increased or decreased, as the case may be, by the percentage of increase or decrease in the Price Index between the Commencement Date and the then applicable Adjustment Date, but in no event shall such monthly rental ever be decreased below the monthly rental set forth in paragraph 4.

(iii) In the event that the Price Index is unavailable for whatever reason for the computations set forth hereinabove, another index approximating the Price Index as closely as feasible shall be substituted therefor.

6. **Use of Demised Premises and Construction of Improvements.** The demised premises shall be used and occupied by Tenant only for the following purposes: sale of aircraft and aircraft parts, aircraft maintenance and repair, aircraft storage, aircraft training, aircraft charter, and aircraft rentals, and not otherwise without the prior written consent of Landlord.

In connection with such use and occupancy, Tenant intends to construct upon the demised premises the improvements depicted in the plans and specifications.

1 - Aircraft hangar with associated shop, office, aircraft ramp and vehicle parking. Also, possible separate one story office building. Addison Airport to approve construction drawings prior to start of construction.

All construction shall be strictly in accordance with such plans and specifications, and such construction shall be performed in a first class, workmanlike manner. Tenant agrees to promptly pay and discharge all costs, expenses, claims for damages, liens and any and all other liabilities and obligations which arise in connection with such construction.

7. **Acceptance of Demised Premises.** Tenant acknowledges that Tenant has fully inspected the demised premises and accepts the demised premises as suitable for the purpose for which the same are leased in their present condition.

8. **Securing Governmental Approvals and Compliance with Law.** Tenant at Tenant's sole cost and expense shall obtain any and all governmental licenses, permits and approvals necessary for the construction of improvements and for the use and occupancy of the demised premises. Tenant shall comply at all times with all governmental laws, ordinances and regulations applicable to the use of the demised premises, and shall promptly comply with all governmental orders and directives for the correction, prevention and abatement of nuisances in or upon, or connected with the demised premises, all at Tenant's sole cost and expense.

9. **Assignment, Subletting and Mortgaging of Leasehold Estate:**

A. Without the prior written consent of Landlord, Tenant may not assign this Lease or any rights of Tenant hereunder (except to a leasehold mortgagee as hereinbelow provided) or sublet the whole or any part of the demised premises. Any assignment or subletting shall be expressly subject to all the terms and provisions of this Lease, including the provisions of paragraph 6 pertaining to the use of the demised premises. In the event of any assignment or subletting, Tenant shall not assign Tenant's rights hereunder or sublet the demised premises without first obtaining a written agreement from each such assignee or sublessee whereby each such assignee or sublessee agrees to be bound by the terms and provisions of this Lease. No such assignment or subletting shall constitute a novation. In the event of the occurrence of an event of default while the demised premises are assigned or sublet, Landlord, in addition to any other remedies provided herein or by law, may at Landlord's option, collect directly from such assignee or subtenant all rents becoming due under such assignment or subletting and apply such rent against any sums due to Landlord hereunder. No direct collection by Landlord from any such assignee or subtenant shall release Tenant from the payment or performance of Tenant's obligations hereunder.

B. Tenant shall have the right to mortgage the leasehold estate of Tenant created hereby in order to secure a mortgage loan for the purpose of obtaining funds for the construction of the improvements described in paragraph 6 or for other construction upon the demised premises approved from time to time by Landlord in writing. In the event that Tenant pursuant to mortgages or deeds of trust mortgages the leasehold estate of Tenant created hereby, the leasehold mortgagee shall in no event become personally liable to perform the obligations of Tenant under this Lease unless and until said mortgagee become the owner of the leasehold estate pursuant to foreclosure, transfer in lieu of foreclosure or otherwise, and thereafter said leasehold mortgagee shall remain liable for such obligations only so long as such mortgagee remains the owner of the leasehold estate. Notwithstanding the foregoing, it is specifically understood and agreed that no such mortgaging by Tenant and/or any actions taken pursuant to the terms of such mortgage shall ever relieve Tenant of Tenant's obligation to pay the rental due hereunder and otherwise fully perform the terms and conditions of this Lease.



THE STATE OF TEXAS  
 COUNTY OF DALLAS

GROUND LEASE

This Ground Lease (hereinafter referred to as the "Lease" is made and entered into as of December 28, 1982, by and among the City of Addison, Texas, a municipal corporation (hereinafter sometimes referred to as the "City"), Addison Airport of Texas, Inc., a Texas Corporation (hereinafter sometimes referred to as "AATI") and OMEGA INDUSTRIES, INC. (hereinafter referred to as "Tenant").

WITNESSETH:

4484

2

35.00 DEED  
 2 03/08/89

WHEREAS, AATI leases that certain real property (hereinafter referred to as the "demised premises") described in attached Exhibit A from the City pursuant to that certain instrument captioned Agreement for Operation of the Addison Airport (hereinafter referred to as the "Base Lease") between the City and Addison Airport, Inc. (predecessor of AATI); and

WHEREAS, the demised premises are situated at Addison Airport (hereinafter referred to as the "Airport") in Dallas County, Texas, the Airport being delineated in a plat attached hereto as Exhibit B; and

WHEREAS, the City and AATI hereby lease and demise the demised premises to Tenant, and Tenant hereby leases and takes the demised premises from the City and AATI, upon the terms and conditions set forth herein;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

1. **Base Lease:** All of the terms and conditions of the Base Lease are incorporated into this Lease by reference as if written verbatim herein, and Tenant by Tenant's execution hereof acknowledges that AATI has furnished Tenant with a copy of the Base Lease. Tenant agrees to fully comply at all times and in all respects with the terms and conditions of the Base Lease insofar as the same relate to the demised premises and/or the use and operation thereof, except that Tenant shall not be responsible for the payment of any rental due under the Base Lease which shall be paid by AATI.

2. **Definition of Landlord and Effect of Default under the Base Lease:** The term "Landlord" as hereinafter used in this Lease shall mean either AATI or the City. So long as the Base Lease is in effect, AATI shall be entitled to all of the rights, benefits and remedies of the Landlord under this Lease, and shall perform all of the duties, covenants and obligations of the Landlord under this Lease. Upon the expiration or termination of the Base Lease, the City shall be entitled to all of the rights, benefits and remedies of the Landlord under this Lease, and shall perform all of the duties, covenants and obligations of the Landlord under this Lease. The City agrees that (i) until such time as the City notifies Tenant to the contrary in writing, Tenant is fully authorized to make all payments due under this Lease to AATI, and (ii) that default by AATI under the Base Lease shall have no effect on this Lease so long as Tenant pays and performs its duties, covenants and obligations under this Lease.

3. **Term:** The term hereof shall commence on the earlier of September 30, 1983, or the first day of the first calendar month after Tenant completes the construction hereinafter described and opens for business at the demised premises (the applicable date being hereinafter referred to as the "Commencement Date"), and shall end four hundred eighty (480) months thereafter; provided, however, that any entry upon the demised premises by Tenant prior to the Commencement Date shall be subject to all of the terms and conditions hereof except that rental shall not accrue.

4. **Rental:** Subject to adjustment as hereinbelow provided, Tenant agrees to pay to Landlord, without offset or deduction, rent for the demised premises at the rate of ONE THOUSAND ONE HUNDRED THIRTY-THREE & 91/100 per month in advance. The first of such monthly installment shall be due and payable on or before the Commencement Date, and a like installment shall be due and payable on or before the first day of each calendar month thereafter during the term hereof.

5. **Adjustment of Rental:** Commencing on the second anniversary of the Commencement Date and on every bi-annual anniversary thereafter (hereinafter referred to as the "Adjustment Date"), the monthly rental due under paragraph 4 shall be adjusted as follows:

(i) A comparison shall be made between the Consumers' price Index-All Items for the Dallas, Texas Metropolitan Area (hereinafter referred to as the "Price Index") as it existed on the Commencement Date and as it exists on the first day of the calendar month preceding the then applicable Adjustment Date.

(ii) The monthly rental for the two (2) year period beginning with and following the then applicable Adjustment Date shall be either increased or decreased, as the case may be, by the percentage of increase or decrease in the Price Index between the Commencement Date and the then applicable Adjustment Date, but in no event shall such monthly rental ever be decreased below the monthly rental set forth in paragraph 4.

(iii) In the event that the Price Index is unavailable for whatever reason for the computations set forth hereinabove, another index approximating the Price Index as closely as feasible shall be substituted therefor.

6. **Use of Demised Premises and Construction of Improvements.** The demised premises shall be used and occupied by Tenant only for the following purposes: sale of aircraft and aircraft parts, aircraft maintenance and repair, aircraft storage, aircraft training, aircraft charter, and aircraft rentals; and not otherwise without the prior written consent of Landlord.

In connection with such use and occupancy, Tenant intends to construct upon the demised premises the improvements depicted in the plans and specifications:

- 1 - Aircraft hangar with associated shop, office, aircraft ramp and vehicle parking. Also, possible separate one story office building. Addison Airport to approve construction drawings prior to start of construction.

All construction shall be strictly in accordance with such plans and specifications, and such construction shall be performed in a first class, workmanlike manner. Tenant agrees to promptly pay and discharge all costs, expenses, claims for damages, liens and any and all other liabilities and obligations which arise in connection with such construction.

7. **Acceptance of Demised Premises.** Tenant acknowledges that Tenant has fully inspected the demised premises and accepts the demised premises as suitable for the purpose for which the same are leased in their present condition.

8. **Securing Governmental Approvals and Compliance with Law.** Tenant at Tenant's sole cost and expense shall obtain any and all governmental licenses, permits and approvals necessary for the construction of improvements and for the use and occupancy of the demised premises. Tenant shall comply at all times with all governmental laws, ordinances and regulations applicable to the use of the demised premises, and shall promptly comply with all governmental orders and directives for the correction, prevention and abatement of nuisances in or upon or connected with the demised premises, all at Tenant's sole cost and expense.

9. **Assignment, Subletting and Mortgaging of Leasehold Estate:**

A. Without the prior written consent of Landlord, Tenant may not assign this Lease or any rights of Tenant hereunder (except to a leasehold mortgage as hereinbelow provided) or sublet the whole or any part of the demised premises. Any assignment or subletting shall be expressly subject to all the terms and provisions of this Lease, including the provisions of paragraph 6 pertaining to the use of the demised premises. In the event of any assignment or subletting, Tenant shall not assign Tenant's rights hereunder or sublet the demised premises without first obtaining a written agreement from each such assignee or sublessee whereby each such assignee or sublessee agrees to be bound by the terms and provisions of this Lease. No such assignment or subletting shall constitute a novation. In the event of the occurrence of an event of default while the demised premises are assigned or sublet Landlord, in addition to any other remedies provided herein or by law, may at Landlord's option, collect directly from such assignee or subtenant all rents becoming due under such assignment or subletting and apply such rent against any sums due to Landlord hereunder. No direct collection by Landlord from any such assignee or subtenant shall release Tenant from the payment or performance of Tenant's obligations hereunder.

B. Tenant shall have the right to mortgage the leasehold estate of Tenant created hereby in order to secure a mortgage loan for the purpose of obtaining funds for the construction of the improvements described in paragraph 6 or for other construction upon the demised premises approved from time to time by Landlord in writing. In the event that Tenant pursuant to mortgages or deeds of trust mortgages the leasehold estate of Tenant created hereby, the leasehold mortgage shall in no event become personally liable to perform the obligations of Tenant under this Lease unless and until said mortgagee become the owner of the leasehold estate pursuant to foreclosure, transfer in lieu of foreclosure or otherwise, and thereafter said leasehold mortgagee shall remain liable for such obligations only so long as such mortgagee remains the owner of the leasehold estate. Notwithstanding the foregoing, it is specifically understood and agreed that no such mortgaging by Tenant and/or any actions taken pursuant to the terms of such mortgage shall ever relieve Tenant of Tenant's obligation to pay the rental due hereunder and otherwise fully perform the terms and conditions of this Lease.





E. In the event that Tenant does not promptly commence Restoration, or after commencement Tenant does not diligently proceed to the completion of same, Landlord shall have the right to commence or complete Restoration after Landlord has given Tenant thirty (30) days prior written notice requesting the commencement of Restoration or that Tenant diligently proceeds to the completion of same if Tenant during such thirty (30) day period does not so commence or proceed to diligently complete Restoration. In such event, Landlord shall retain the insurance proceeds, and Tenant shall pay any deficiency if such proceeds are not sufficient for Restoration.

**15. Condemnation:**

A. If during the term hereof, any part of the demised premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, or are sold to a condemning authority under threat of condemnation, and after such taking by or sale to said condemning authority the remainder of the demised premises is not susceptible to efficient and economic occupation and operation by Tenant, this Lease shall automatically terminate as of the date that said condemning authority takes possession of the demised premises, and Landlord shall refund to Tenant any prepaid but unaccrued rental less any sum then owing by Tenant to Landlord.

B. If after such taking by or sale to said condemning authority the remainder of the demised premises is susceptible to efficient and economic occupation and operation by Tenant, this Lease shall not terminate but the rental due hereunder shall be adjusted so that Tenant shall be required to pay for the remainder of the term hereof the sum obtained by multiplying each monthly rental installment due hereunder, as adjusted from time to time pursuant to paragraph 5, by a fraction, the numerator of which shall be the number of square feet remaining in the demised premises after the taking by or sale to said condemning authority and denominator of which shall be the square footage originally contained in the demised premises. The rental adjustment called for herein shall not commence until said condemning authority actually takes possession of the condemned portion of the demised premises.

C. If this Lease is not terminated pursuant to Section A, Tenant shall promptly restore the improvements on the demised premises, and the condemnation proceeds to which Landlord and Tenant are entitled shall be awarded and paid first to cover the costs and expenses for restoring the remaining portion of the demised premises to a condition susceptible to efficient and economic occupation and operation by Tenant, and any remaining proceeds to which Landlord and Tenant are entitled shall be awarded and paid to Landlord and Tenant, as their interest may appear. If this Lease is terminated pursuant to Section A, condemnation proceeds to which Landlord and Tenant are entitled shall be awarded and paid to Landlord and Tenant as their interests may appear.

**16. Utilities.** Tenant shall be responsible at Tenant's sole cost and expense for obtaining all utility connections at or for the demised premises and Tenant shall pay all charges for water, electricity, gas, sewer, telephone or any other utility connections, tap-in fees and services furnished to the demised premises during the term hereof. Landlord shall in no event be liable or responsible for any cessation or interruption in any such utility services.

**17. Common Facilities.** Tenant and Tenant's employees, agents, servants, customers and other invitees shall have the non-exclusive right to use all common facilities, improvements, equipment and services which may now exist or which may hereafter be provided by Landlord for the accommodation and convenience of Landlord's customers and tenants, including loading and takeoff facilities, means of ingress and egress to the demised premises, other airport installations, and all other reasonable services which may be provided without charge from time to time by Landlord in operating the Airport. All such common facilities shall at all times be under the exclusive control and management of Landlord and may be rearranged, modified, changed or terminated from time to time at Landlord's sole discretion.

**18. Rules and Regulations.** Landlord has adopted Rules and Regulations (hereinafter referred to as the "Rules and Regulations") which shall govern Tenant in the use of the demised premises and all common facilities, a copy of which has been furnished to Tenant. The Rules and Regulations are incorporated by reference as if written verbatim hereon and Tenant agrees to comply fully at all times with the Rules and Regulations. Landlord shall have the right to amend, notify and alter the Rules and Regulations from time to time in a reasonable manner for the purpose of assuring the safety, welfare and convenience of Landlord, Tenant and all other Tenants and customers of the Airport.

**19. Signs and Equipment.** After first securing Landlord's approval which will not be unreasonably withheld, Tenant shall have the right from time to time to install and operate advertising signs and radio, communications, meteorological, aerial navigation and other equipment and facilities in or on the demised premises that may be reasonably necessary for the operation of Tenant's business.

**20. Landlord's Right of Entry.** Landlord and Landlord's authorized representatives shall have the right, during the normal business hours, to enter the demised premises (i) to inspect the general condition and state of repair thereof; (ii) to make repairs permitted under this Lease; (iii) to show the demised premises to any prospective tenant or purchaser or (iv) for any other reasonable and lawful purpose.

During the final one hundred eighty (180) days of the term hereof, Landlord and Landlord's authorized representatives shall have the right to erect and maintain on or about the demised premises customary signs advertising the demised premises for lease or for sale.

**21. Indemnity and Exculpation:**

A. Landlord shall not be liable to Tenant or to Tenant's employees, agents, servants, customers, invitees or to any other person whatsoever, for any injury to persons or damage to property in or about the demised premises or any adjacent area owned by Landlord caused by the negligence or misconduct of Tenant, Tenant's employees, servants, customers, invitees, subtenants, licensees or concessionaires or any other person entering the demised premises under express or implied invitation of Tenant, or arising out of the use of the demised premises or any other person and the conduct of Tenant's business thereon, or arising out of any breach or default by Tenant in the performance of Tenant's obligations hereunder, and Tenant hereby agrees to indemnify Landlord and hold Landlord harmless from any loss, expense or claims arising out of such damage or injury.

B. Landlord and Landlord's agents and employees shall not be liable to Tenant for any injury to persons or damage to property resulting from the demised premises becoming out of repair or by defect in or failure of equipment, pipes, or wiring or broken glass, or by the backing up of drains, or by gas, water, steam, air leaks or oil leaking, escaping or flowing into the demised premises, regardless of the source, or damage to or by fire, explosion, falling objects or other causes whatsoever. Landlord shall not be liable to Tenant for any loss or damage that may be caused by or through the negligence or commission of other tenants of Landlord or caused by operations or construction of any project, public or private, or by any other persons whatsoever, excepting only duly authorized agents and employees of Landlord.

**22. Default by Tenant.** The following events shall be deemed to be events of default by Tenant under this Lease:

A. Failure of Tenant to pay any installment of rent or any other sum payable to Landlord hereunder on the date that same is due and such failure shall continue for a period of ten (10) days.

B. Failure of Tenant to comply with any term, condition or covenant of this Lease other than the payment of rent or other sum of money, and such failure shall not be cured within thirty (30) days after written notice thereof to Tenant.

C. Insolvency, the making of a trust for creditors or the making of an assignment for the benefit of creditors by Tenant or any guarantor of Tenant's obligations.

D. Filing of a petition under any chapter of the United States Bankruptcy Code, or any amended or under any similar law or statute of the United States or any State, or under any similar law or statute of any State, or any guarantor of Tenant's obligations, or adjudication as a bankrupt or insolvent in proceedings lawfully commenced against Tenant or any guarantor.

E. Appointment of a receiver or trustee for the assets of Tenant or any guarantor of Tenant's obligations.

F. Assignment by Tenant of any part of the demised premises or usual use of any of the demised premises for the purpose of sale.

**23. Remedies of Landlord.** In the event of any default under paragraph 22, Landlord shall have the right to:

A. Terminate this Lease, and, in the event of termination, immediately reenter the demised premises to Landlord. If Tenant fails to so surrender the demised premises to Landlord, Landlord may, at its option, elect to exercise the remedies which Landlord may have for possession of the demised premises, and, in exercising such remedies, Landlord shall be deemed to have done so on behalf of Tenant and any other person who may be claiming the demised premises, and Landlord shall not be liable for prosecution or any claim for damages sustained by Tenant or any other person claiming the demised premises, or for any damages which Landlord may suffer by reason of such termination, whether the termination is by Landlord or otherwise.

B. Terminate this Lease, and, in the event of termination, surrender the demised premises to Landlord. If Tenant fails to so surrender the demised premises to Landlord, Landlord may, at its option, elect to exercise the remedies which Landlord may have for possession of the demised premises, and, in exercising such remedies, Landlord shall be deemed to have done so on behalf of Tenant and any other person who may be claiming the demised premises, and Landlord shall not be liable for prosecution or any claim for damages sustained by Tenant or any other person claiming the demised premises, or for any damages which Landlord may suffer by reason of such termination, whether the termination is by Landlord or otherwise. In the event of termination, Landlord shall be deemed to have done so on behalf of Tenant and any other person who may be claiming the demised premises, and Landlord shall not be liable for prosecution or any claim for damages sustained by Tenant or any other person claiming the demised premises, or for any damages which Landlord may suffer by reason of such termination, whether the termination is by Landlord or otherwise.

C. Enter upon and occupy the demised premises, and, in the event of terminating this Lease, or if without being liable for prosecution or for any claim for damages sustained by Tenant or any other person who may be claiming the demised premises or any part thereof, Landlord shall be deemed to have done so on behalf of Tenant and any other person who may be claiming the demised premises, and Landlord shall not be liable for prosecution or any claim for damages sustained by Tenant or any other person claiming the demised premises, or for any damages which Landlord may suffer by reason of such termination, whether the termination is by Landlord or otherwise. Tenant agrees to pay to Landlord monthly, or on



demand from time to time any deficiency that may arise by reason of any such letting. In determining the amount of such deficiency, brokerage commissions, attorneys' fees, advertising expenses and other costs of letting shall be subtracted from the amount of rent received under such letting.

D. Enter upon the demised premises without terminating this Lease and without being liable for prosecution or for any claim for damages therefor, and do whatever Tenant is obligated to do under the terms of this Lease. Tenant agrees to pay Landlord on demand for expenses which Landlord may incur in thus effecting compliance with Tenant's obligations under this Lease, together with interest thereon at the rate of ten percent (10%) per annum from the date expended until paid. Landlord shall not be liable for any damages resulting to Tenant from such action, whether caused by negligence of Landlord or otherwise.

Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to Landlord hereunder or of any damages accruing to Landlord by reason of the violation of any of the terms, conditions and covenants herein contained.

24. **Default by Landlord.** No default by Landlord hereunder shall constitute an eviction or disturbance of Tenant's use and possession of the demised premises or render Landlord liable for damages or entitle Tenant to be relieved from any of Tenant's obligations hereunder (including the obligation to pay rent) or grant Tenant any right of deduction, abatement, set-off or recoupment or entitle Tenant to take any action whatsoever with regard to the demised premises or Landlord until thirty (30) days after Tenant has given Landlord written notice specifically setting forth such default by Landlord, and Landlord has failed to cure such default within said thirty (30) day period, or in the event such default cannot be cured within said thirty (30) day period then within an additional reasonable period of time so long as Landlord has commenced curative action within said thirty (30) day period and thereafter is diligently attempting to cure such default. In the event that Landlord fails to cure such default within said thirty (30) day period, or within said additional reasonable period of time, Tenant shall have the right to:

(i) Proceed to cure such default and deduct the cost of curing same plus interest thereon at the rate of ten percent (10%) per annum from the next succeeding rental installment(s) due by Tenant to Landlord hereunder; or

(ii) Proceed to cure such default and bring suit against Landlord for the cost of curing same plus interest thereon at the rate of ten percent (10%) per annum.

If any mortgagee of Landlord has given Tenant its address for notices and specifically requests such notice, Tenant agrees to give the notice required hereinabove to such mortgagee at the time Tenant gives same to Landlord, and to accept curative action, if any, undertaken by such mortgagee as if such curative action had been taken by Landlord.

25. **Waiver of Subrogation.** Each party hereto waives any and every claim which arises or may arise in such party's favor against the other party hereto during the term of this Lease for any and all loss of, or damage to, any of such party's property located within or upon, or constituting a part of, the demised premises, which loss or damage is covered by valid and collectible fire and extended coverage insurance policies, to the extent that such loss or damage is recoverable under such insurance policies. Such mutual waivers shall be in addition to, and not in limitation or derogation of, any other waiver or release contained in this Lease with respect to any loss of, or damage to, property of the parties hereto. Inasmuch as such mutual waivers will preclude the assignment of any aforesaid claim by way of subrogation or otherwise to an insurance company (or any other person), each party hereby agrees immediately to give to each insurance company which has issued to such party policies of fire and extended coverage insurance, written notice of the terms of such mutual waivers, and to cause such insurance policies to be properly endorsed, if necessary, to prevent the invalidation of such insurance coverages by reason of such waivers.

26. **Title to Improvements.** Any and all improvements on the demised premises shall become the property of Landlord upon the expiration or termination of this Lease; provided, however: (i) if Tenant is not then in default hereunder, Tenant shall have the right to remove all personal property and trade fixtures owned by Tenant from the demised premises, but Tenant shall be required to repair any damage to the demised premises caused by such removal in a good and workmanlike manner and at Tenant's sole cost and expense; and (ii) Landlord may elect to require Tenant to remove all improvements from the demised premises and restore the demised premises to the condition in which the same existed on the date hereof, in which event Tenant shall promptly perform such removal and restoration in a good and workmanlike manner and at Tenant's sole cost and expense.

27. **Mechanics' and Materialmen's Liens.** Tenant agrees to indemnify and hold Landlord harmless of and from all liability arising out of the filing of any mechanics' or materialmen's liens against the demised premises by reason of any act or omission of Tenant or anyone claiming under Tenant, and Landlord, at Landlord's option, may satisfy such liens and collect the amount expended from Tenant together with interest thereon as provided in paragraph 37 as additional rent, provided however, that Landlord shall not so satisfy such liens until fifteen (15) days after written notification to Tenant of Landlord's intention to do so and Tenant's failure during such fifteen (15) day period to bond such liens or escrow funds with appropriate parties to protect Landlord's interest in the demised premises.

28. **Title.** Tenant accepts the demised premises subject to: (i) the Base Lease; (ii) the Rules and Regulations; (iii) easements and rights-of-way and engineering ordinances and other ordinances, laws, statutes or regulations now in effect or hereafter promulgated by any governmental authority having jurisdiction over the demised premises.

29. **Quiet Enjoyment and Subordination.** Landlord covenants, represents and warrants that Landlord has full right and power to execute and perform this Lease and to grant the estate demised herein and that Tenant upon payment of the rents herein reserved, and performance of the terms, conditions, covenants and agreements herein contained, shall peaceably and quietly have, hold and enjoy the demised premises during the full term of this Lease provided however that Tenant accepts this Lease subject and subordinate to any recorded mortgage, deed of trust or other lien presently existing upon the demised premises. Landlord further is hereby irrevocably vested with full power and authority by Tenant to subordinate Tenant's interest hereunder to any mortgage, deed of trust or other lien now existing or hereafter placed on the demised premises or to declare this Lease prior and superior to any mortgage, deed of trust or other lien now existing or hereafter placed on the demised premises, provided, however, any such subordination shall be upon the express conditions that: (i) this Lease shall be recognized by the mortgagee and that all of the rights of Tenant shall remain in full force and effect during the full term of this Lease on condition that Tenant affirm to the mortgagee, its successors and assigns, and perform all of the covenants and conditions imposed by the terms of this lease, and (ii) in the event of foreclosure or any enforcement of any such mortgage, the rights of Tenant hereunder shall expressly survive and this Lease shall in all respects continue in full force and effect so long as Tenant shall fully perform all Tenant's obligations hereunder and affirm to the purchaser. Tenant also agrees upon demand to execute further instruments declaring this Lease prior and superior to any mortgage, deed of trust or other lien and specifically providing that this Lease shall survive the foreclosure of such mortgage, deed of trust or other lien.

30. **Rent on Net Return Basis.** Except for the rental due under the Base Lease during the time that AATI is the Landlord hereunder, it is intended that the rent provided for in this Lease shall be an absolutely net return to Landlord for the term of this Lease, free of any loss, expenses or charges with respect to the demised premises, including, without limitation, maintenance, repairs, replacement, insurance, taxes and assessments, and this Lease shall be construed in accordance with and to effectuate such intention.

31. **Holding Over.** Should Tenant, or any of Tenant's successors or interest fail to surrender the demised premises, or any part thereof, on the expiration of the term of this lease, such holding over shall constitute a tenancy from month to month only terminable at any time by either Landlord or Tenant after thirty (30) days' notice in writing to the other, at a monthly rental equal to two hundred percent (200%) of the rent paid by the last month of the term of this lease.

32. **Waiver of Default.** No waiver by the parties hereto of any default or breach of any term, condition or covenant of this Lease shall be deemed to be a waiver of any subsequent default or breach of the same or any other term, condition or covenant contained herein.

33. **Release of Landlord Upon Transfer.** A Landlord's obligations and liability for the performance of the terms and provisions of this Lease shall terminate upon the date of any transfer of the demised premises by Landlord, provided that the obligations and liabilities of the transferee are not assumed by the transferee and shall be binding upon the transferee of Landlord's interest in the demised premises.

34. **Attorneys' Fees.** In the event of a default by Tenant of their respective obligations under this Lease, it shall be the responsibility of the other party to an attorney to set forth and defend all of such party's rights or remedies hereunder, and should the other party prevail, such party shall be entitled to the attorneys' fees incurred in such connection from the other party.

35. **Financial Information.** Tenant agrees that Tenant will furnish to Landlord, upon the written request of Landlord during the term of this lease, full and complete financial and operating information as Landlord may reasonably request.

36. **Estoppel Certificates.** Tenant agrees that from time to time upon request in writing by Landlord, Tenant will deliver to Landlord a statement, containing, among other things, that:

- A. This lease is in full force and effect and all of its terms and conditions have been complied with, that this lease is in full force and effect and stating the modifications;
- B. The dates that all rent and other charges have been paid;
- C. The date and time of default or default notice if any of this lease or the date of termination thereof in detail in accordance with an exhibit attached thereto;
- D. If requested by Landlord, Tenant will pay rent for more than one month in advance and that this lease will not be amended without notice to Landlord's mortgagee and that the same will not be terminated without the same notice being given by the Lease to be



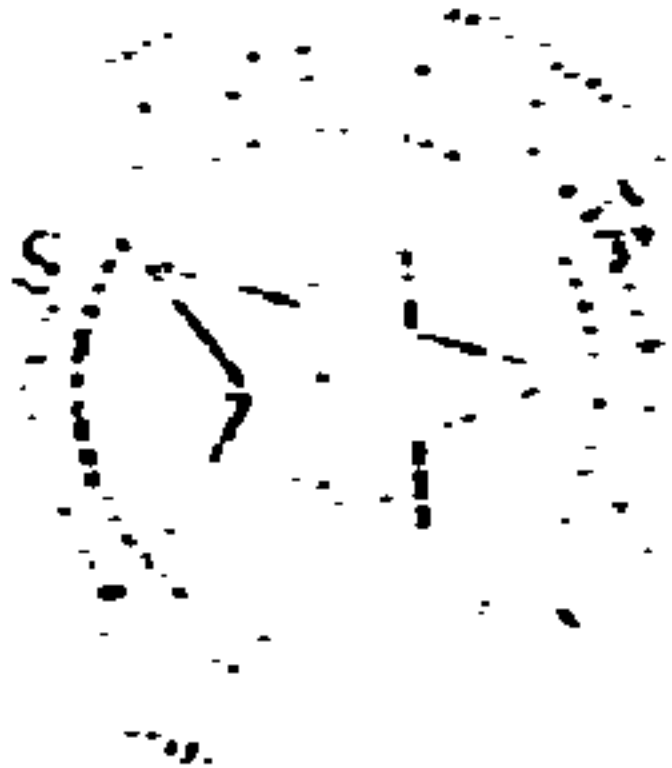
STATE OF TEXAS  
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared [Signature]  
known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same  
for the purposes and considerations therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_

[Signature]  
Notary Public

\_\_\_\_\_  
County, Texas



STATE OF TEXAS  
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared [Signature]  
known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same  
for the purpose and considerations therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 17 day of July, 1983

[Signature]  
Notary Public

\_\_\_\_\_  
County, Texas



STATE OF TEXAS  
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared [Signature]  
known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same  
for the purposes and considerations therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_

[Signature]  
Notary Public

\_\_\_\_\_  
County, Texas

LETA B. LEWIS



LEGAL DESCRIPTION

STATE OF TEXAS:  
COUNTY OF DALLAS:

BEING a tract of land situated in the WILLIAM LOMAX SURVEY, ABSTRACT NO. 792, Dallas County, Texas and located on Addison Municipal Airport, Addison, Texas, and being more fully described as follows:

COMMENCING at a point for the intersection of the west Right-of-Way line of Addison Road, a 60 foot street, and the South Right-of-way line of Westgrove Road a 60 foot street, and the south Right-of-Way line of Westgrove Road a 60 foot street;

THENCE South 39 degrees 54 minutes 46 seconds West along the South line of said Westgrove Road a distance of 730.0 feet to a point for the centerline of a proposed 60 foot street (Claire Chennault Road) (an undedicated street);

THENCE South 43 degrees 24 minutes 39 seconds West, in the R.O.W. of Claire Chennault Road, (an undedicated street) 1150.71 feet to an angle point;

THENCE South 69 degrees 24 minutes 39 seconds West, 62.50 feet in the R.O.W. of Claire Chennault Road, to an angle point in the center and the end of Claire Chennault Road, (an undedicated street);

THENCE South 20 degrees 38 minutes 30 seconds East along the Southwest end of Claire Chennault Road, 30 feet to the Place of Beginning;

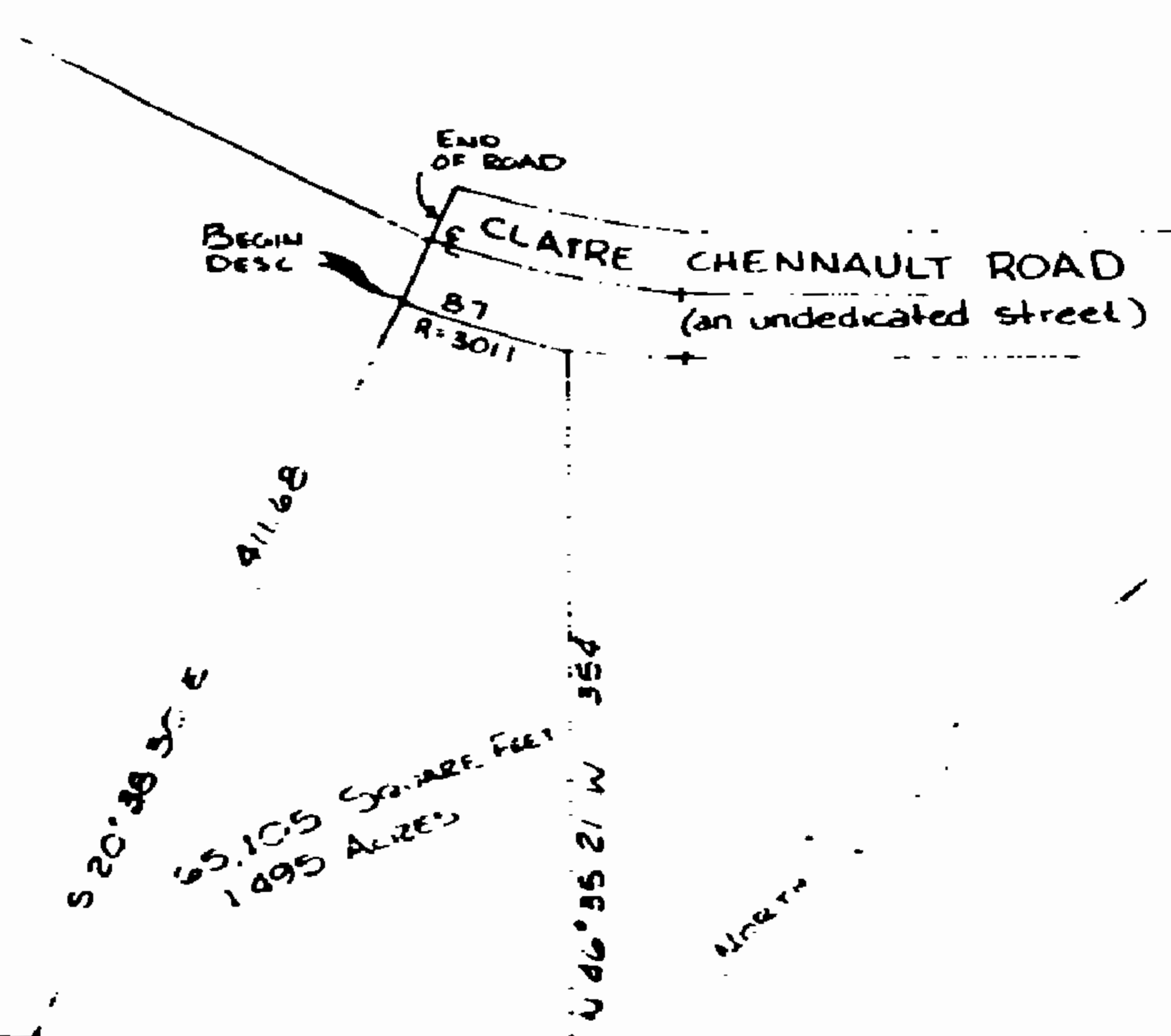
THENCE South 20 degrees 38 minutes 30 seconds East, 411.68 feet to a point in a curve to the left having a radius of 365 feet; said point also being in the Northwest R.O.W. line of an existing taxiway;

THENCE along said curve to the left and in a Northeasterly direction 97.55 feet;

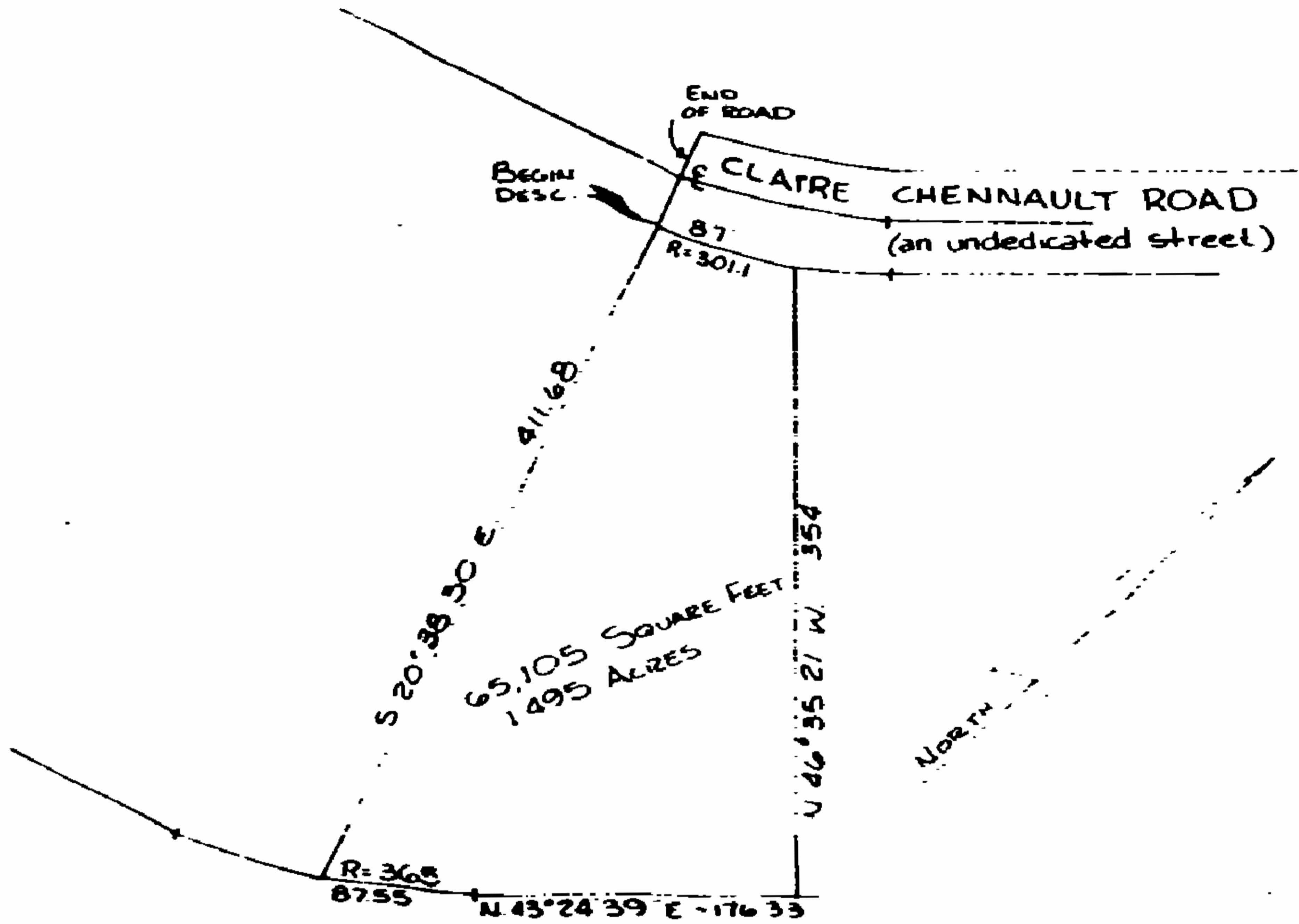
THENCE North 43 degrees 24 minutes 39 seconds East along the Northwest line of the existing taxiway, 176.33 feet;

THENCE North 46 degrees 35 minutes 21 seconds West, 354 feet to a point in the Southeast R.O.W. line of Claire Chennault Road (an undedicated street), said point being in a curve to the right having a radius of 301.1 feet;

THENCE in a southeasterly direction around said curve to the right, 97 feet to the PLACE OF BEGINNING, and containing 62,105 square feet or 1.425 acres of land.



6605 5099  
94068



**EXISTING TAXIWAY -**

The plat herein is a true, correct and accurate representation of the property as determined by survey, the lines and dimensions of said property being as indicated by the plat, the use, location and type of buildings and improvements are as shown, all improvements being within the boundaries of the property, set back from property lines the distances indicated, and the distance from the nearest intersecting street or road, is as shown on said plat.  
**THERE ARE NO ENCROACHMENTS, CONFLICTS OR DISCREPANCIES**

Scale 1" = 100'

Date MARCH 31, 1981

Asst. [Signature] [Signature]

Surveyor's Certificate  
 by [Signature]  
 [Signature]  
 [Signature]  
 [Signature]  
 [Signature]

  
 [Signature]

Registered Professional Surveyor

W/Is License No  
 Date Term 1/5/18

JOIC 34065

**AGREEMENT FOR  
OPERATION OF THE ADDISON AIRPORT  
BETWEEN  
THE CITY OF ADDISON, TEXAS  
AND  
ADDISON AIRPORT, INC.**



COUNTY OF DALLAS

THIS AGREEMENT, made and entered into the 30th day of December, 1976, by and between the CITY OF ADDISON, TEXAS, a municipal corporation acting by and through the City Council (hereinafter "City") and ADDISON AIRPORT, INC., a Texas corporation (hereinafter "Company"), with an address at P.O. Box 34067, Dallas, Texas 75234.

## WITNESSETH:

WHEREAS, the City has entered into a Contract of Sale whereby the City will acquire the principal portions of the existing Airport known as Addison Airport, in Dallas County, Texas, it being contemplated that the City will purchase approximately three hundred sixty-four (364) acres ("Property"), in part with federal funds available for such purpose, the Property being reflected and described on Exhibit "1" attached hereto.

WHEREAS, the City and the Company are desirous of having the Company operate and conduct all lawful, reasonable and appropriate activity at the Airport for the use of the general public and generally in accordance with the operations description set forth in Section 7 hereof, and

WHEREAS, in the exercise of its lawful authority, the City has entered into that certain Grant Agreement with the United States of America (acting through the Federal Aviation Administration (FAA), dated December 30, 1976, for the purpose of obtaining funds for the acquisition of the Property.

WHEREAS, the Company agrees to carry out the terms and conditions set forth in that certain Grant Agreement; and

WHEREAS, the City, during the term of this Agreement, agrees to consult with the FAA on the adjustment or modification of any term or condition in the Grant Agreement which because of the peculiar circumstances of the Airport operation the Company believes to be unworkable or impractical; and

WHEREAS, it has been found and determined by the City in accordance with its lawful duties, that it is essential, appropriate and necessary for its public purposes and for the public to acquire such adequate general aviation facilities; and

WHEREAS, the Mayor of the City of Addison has been duly authorized and empowered to execute the Agreement; and

WHEREAS, it is the intention of the parties that the Airport shall be operated in a manner as would be accomplished by a reasonably prudent airport operator and in accordance with sound business practices;

NOW, THEREFORE, for and in consideration of the mutual covenants, conditions and agreements herein set forth, the parties hereto hereby agree and contract as follows:

The City hereby leases to Company, and the Company hereby takes, upon the terms and conditions hereinafter specified, the following premises:

(i) the land described in Exhibit "1" as the Property and the improvements thereon owned by the City;

(ii) all easements, rights and appurtenances relating to the land (all property described in clauses (i) and (ii) above is herein sometimes collectively called the "Leased Premises"); and

(iii) City hereby assigns to Company all of its right, title and interest in and to the leases set forth in Exhibit "B" to the Contract of Sale.

As consideration for this Agreement, and in addition to the rents payable hereunder, the Company agrees to pay to the City the sum of Eight Hundred Thousand (\$800,000.00) Dollars, in cash, said payment to be made simultaneous with the release of this Agreement from escrow pursuant to that certain Escrow Agreement dated December 30, 1976, by and between the City, Company and Southwest Land and Title Company ("Escrow Agreement").

In the event this Agreement is not delivered out of escrow to the City and is returned to Company by reason of the Escrow Agreement, the Company shall have no liability for any payment to the City hereunder and this entire Agreement shall be null and void and of no force or effect as of the date this Agreement is executed.

## Section 1. Definitions

(a) "Airport" means the Addison Airport as shown on Exhibit "2" hereof;

(b) "Improvements" means all improvements that specifically serve the Airport, including, but not limited to, streets, roadways, parking areas, aprons, runways, sewers and waterlines, all buildings and structures and additions, substitutions, accessions, and replacements thereto on the Leased Premises.

(c) "Gross Receipts" means all monies paid to the Company for sales made and for services rendered or agreed to be rendered at or from the Airport regardless of the time or place of receipt of the order therefor, and for sales made and for services rendered or agreed to be rendered outside the Airport if the order therefor is received at the Airport, the charges, rentals, fees and other payments of whatever kind of nature paid to the Company under any lease, sublease, permit, license, or any other agreement, oral or written, relating to the Airport, all landing, parking and other fees and charges paid to the Company from any user of the Airport, revenues paid to the Company for the sale or delivery of aviation fuel, petroleum and other products, including any fuel flowage fees, any other revenues of any type arising out of or in connection with the Company's services and operations at the Airport, including its operations thereof. Any addition, change, modification or alteration in the Company's method of performing its Airport function or responsibility which would adversely affect the Gross Receipts shall first require the approval of the City.

## Section 2. Representations by City

The City is the duly and lawfully created, existing and recognized owner of the Leased Premises, having the power to enter into the transactions hereunder, and by proper action the City has been duly authorized to execute and deliver this Agreement.

## Section 3. Representations by Company

The Company is a corporation duly incorporated under the laws of the State of Texas, is in good standing under the laws of said State; is duly authorized to do business in the State of Texas; has the power to enter into this Agreement without violating the terms of any other agreement to which it may be a party; and by proper corporate action had been duly authorized to execute and deliver this Agreement.

It generally will occupy and possess the Leased Premises for the public purposes of the City as set forth in Section 7 hereof.

## Section 4. Term of Agreement

Subject to the terms, covenants, conditions and agreements contained in this Agreement, the Company shall have and hold the Leased Premises for a term commencing on the date of closing of the purchase of the Property in the Contract of Sale and ending 20 years thereafter.

The Company agrees to yield and deliver peaceably to the City possession of the Leased Premises together with all buildings, structures, improvements, additions and other installations therein or thereon, on the date of the expiration of this Agreement, promptly and in good operating condition, the intention being that when the Leased Premises are returned to the City they shall be in first-class condition giving due consideration to normal wear and tear and shall be free and clear of any and all liens, debts, contracts, leases or encumbrances of whatsoever kind, nature and description.

## Section 5. Rent

(a) Company shall pay the City, on demand, the sum of \$100,000.00, as a special assessment for public improvements to be made by the City of Addison. The Company shall not be assessed or otherwise be liable for any further such assessments made outside of the Leased Premises during the term of the Agreement.

(b) The Company agrees to pay the City \$6,250.00 per month, or 3% of the Company's monthly Gross Receipts, whichever amount is the greater. Such installment shall be payable to the City of Addison, Dallas County, Texas, commencing on the 20th day of the second month after the effective date of this Agreement for the first month hereof, and on the 20th day of each calendar month thereafter for the calendar month preceding. Payment of such amounts shall be reduced by any real property or personal property taxes assessed by the City of Addison on the Property or assessed by the City of Addison on the improvements or this Agreement, commencing with the effective date of this Agreement, such reduction to be credited against the next succeeding installments of rent hereunder from and after date of payment of such taxes by the Company. The Company shall render to the City, on the 20th day of each calendar month, a sworn statement showing its Gross Receipts for each preceding month.

## Section 6. Taxes and Assessments

The Company shall pay when due and before any fine, penalty, interest or cost may be added for non payment all levies, fees, water and sewer rents or other rents, rates and charges, permit fees, inspection fees and other charges, if any, in each case whether general and special, ordinary and extraordinary, which are lawfully imposed, whether or not the same were within the contemplation of the parties



herein, together with any interest and penalties thereon, which imposed or levied upon or assessed against or in respect to this Agreement, or which may be a lien upon the Leased Premises. The Company shall pay all of the personal property taxes assessed by the City for the year 1976.

#### Section 7. Uses of Leased Premises

(a) The Company shall have control of the operation of the Leased Premises and shall operate them on a nondiscriminatory and uniform basis consistent with the normal public use of airports of a similar kind, and in accordance with all applicable laws and regulations. The use of the areas thereof shall be for the following purposes only:

- (i) For the handling and accommodation of operators, crews and travelers arriving at or departing from the Leased Premises;
- (ii) For the storage, parking, maintenance and servicing of aircraft in covered and open areas;
- (iii) For the sale, maintenance, repair, servicing, overhaul, conversion and modification of aircraft, and aircraft engines, assemblies, accessories and component parts;
- (iv) For the storage of fuel and for the fueling of aircraft;
- (v) For the charter and leasing of aircraft;
- (vi) For schools for the training of aeronautical pilots, mechanics, repairmen, navigators and dispatchers, and other aeronautical personnel;
- (vii) For the storage, parking, maintenance, servicing and fueling of automotive vehicles, automotive equipment and other equipment owned or operated by the Company in connection with the operation of the Leased Premises or by other persons using the Leased Premises for other purposes authorized hereunder;
- (viii) For the operation of stores, concessions and other consumer service activities, reasonably required for the accommodation of operators, crews and travelers arriving at or departing from the Leased Premises by aircraft, and other persons doing business with or who are the guests of the Company or other users of the Leased Premises;
- (ix) For the fabrication, manufacture, testing or development of aeronautical materials which will be used or installed in aircraft at the Leased Premises; and
- (x) For all operational, administrative, office and other such related functions in connection with the activities authorized hereunder;

The provisions of this Section shall be inserted and enforced by the Company in the agreement(s) of any other future user of the Leased Premises.

(b) In the performance of the Uses of the Airport granted by the City hereunder, the Company agrees to operate the Airport for the use and benefit of the public; to make available all airport facilities and services to the public on fair and reasonable terms and without unjust discrimination and to provide space on the Airport, to the extent available, and to grant rights and privileges for use of the landing facilities of the Airport to all qualified persons, firms and corporations desiring to conduct aeronautical operations at the Airport.

(c) The Company shall perform the above-named Uses in a manner which shall be compatible with the latest FAA-approved Airport Layout Plan.

(d) Any clause or provision of this Agreement to the Company notwithstanding:

(i) The Company agrees to operate the Airport in accordance with the obligations of the City to the Federal Government under above-described Grant Agreement. In furtherance of this general covenant, but without limiting its general applicability, the Company specifically agrees to operate the Airport for the use and benefit of the public; to make available all airport facilities and services to the public on fair and reasonable terms and without discrimination and to provide space on the Airport, to the extent available, and to grant rights and privileges for use of the landing area facilities of the Airport to all qualified persons, firms and corporations desiring to conduct aeronautical operations on the Airport. In this connection, the Company may from time to time adopt standard rules and regulations concerning the use and operation of the Airport, provided such rules and regulations shall not constitute a violation of the Grant Agreement.

(ii) It is specifically understood and agreed that nothing herein contained shall be construed as granting or authorizing the granting of an exclusive right within the meaning of Section 308a of the Federal Aviation Act.

(iii) The City reserves the right to take any action it considers necessary to protect the aerial approaches to the Airport against obstruction, together with the right to prevent the Company from erecting, or permitting to be erected, any building or other structures on the Airport which, in the opinion of the City, would limit the usefulness of the Airport or constitute a hazard to aircraft.

(iv) This Agreement shall be subordinate to the provisions of any existing or future agreement entered into between the City and the United States to obtain federal aid for the improvement or operation and maintenance of the Airport.

#### Section 8. Orderly Conduct of Operations

The Company shall conduct its operations in a proper and orderly manner and will not annoy, disturb or be offensive to others. The Company shall take all reasonable measures to control the conduct, demeanor and appearance of its employees, agents, representatives, contractors, and the conduct and demeanor of its customers, invitees and those doing business with it in the Leased Premises.

The terms of this Section shall be inserted and enforced by the Company in the agreement(s) of any other user of the Airport.

#### Section 9. Standards of Operation

The Company shall not knowingly commit any nuisances on the Leased Premises, or do or permit to be done anything which may result in the creation or commission of a nuisance on the Leased Premises.

The terms of this Section shall be inserted and enforced by the Company in the agreement(s) of any other user of the Airport.

#### Section 10. Insurance

The Company will maintain at its expense insurance on the Leased Premises of the following character:

(a) Insurance against loss or damage to improvements by fire, lightning, other risks from time to time included under the standard extended coverage policies, and sprinkler and vandalism and malicious mischief, all in amounts sufficient to prevent City or Company from becoming co-insurers of any loss under the applicable policies but in any event in amounts not less than 80% of the full insurable value of the Leased Premises. The term "full insurable value" as used herein means actual replacement value at the time of such loss. Upon request, such replacement value shall be determined by a qualified appraiser, a copy of whose findings shall be submitted to City, and, thereafter, proper adjustment in the limits of insurance coverage shall be affected.

(b) General public liability insurance against claims for bodily injury, death or property damage occurring on, in or about the Leased Premises, such insurance to afford protection to City of not less than \$500,000.00 with respect to any one accident, and not less than \$200,000.00 with respect to property damage. Policies of such insurance shall be for the benefit of City and Company.

(c) Workmen's compensation insurance covering all persons employed by Company in connection with any work done on or about the Leased Premises with respect to which claims for death or bodily injury could be asserted against City, Company or the Leased Premises, or in lieu of such workmen's compensation insurance, a program of self-insurance complying with the rules, regulations and requirements of the appropriate state agency of the State of Texas.

(d) If applicable, boiler and pressure vessel insurance on all steam boilers, parts thereof and appurtenances attached or connected thereto which by reason of their use or existence are capable of bursting, erupting, collapsing, imploding or exploding, in the minimum amount of \$100,000.00 for damage to property resulting from such perils.

(e) Such other insurance on the improvements in such amounts and against such other insurable hazards which at the time are commonly obtained in the case of property similar to the improvements

(f) In addition to all other insurance required hereunder, the Company will maintain at its expense hangar keeper's liability insurance providing for coverage in the following limits: \$200,000.00 per aircraft and \$400,000.00 per occurrence on property damage to aircraft in the care, custody or control of the Company.

#### Section 11. Carriers, Insureds, etc.

The insurance referred to in Section 10 shall be effected under a valid and enforceable policy or policies or contract or contracts issued by (1) an insurer or insurers permitted to do business in the State of Texas approved by the City, which approval will not be unreasonably withheld. Such insurance shall name as the insured parties thereunder the City and the Company, as their respective interest may appear. The Company may prosecute any claim against, or contest any settlement proposed by, any insurer at its expense. In such event, the Company may bring such prosecution or contest any settlement in the name of the City, Company or both, and City will join therein at the Company's written request upon the City's receipt of an agreement by the Company to indemnify City against all costs, liabilities and expenses in connection with such prosecution or contest.

#### Section 12. Delivery of Evidence of Insurance

Company shall deliver to the City at the execution and delivery of this Agreement the original or duplicate policies or satisfactory

evidence of insurance or insurance certificates for insurance required in Section 10 hereof. The Company shall within ten days prior to the expiration of any such insurance, deliver in the place of expired policies other original or duplicate policies or other certificates of the insurers endorsed as in above provided. Section 10 hereof evidencing renewal of such insurance.

### Section 13. Casualty

If any Improvements or any part thereof owned by the City shall be damaged or destroyed by fire, theft or other casualty, the Company shall with reasonable promptness and diligence, rebuild, replace, and repair any damage or destruction to the Improvements, at its expense in conformity with the requirements of Section 14, in such manner as to restore the same to a unit of equal size, quality and condition to that which existed prior to such damage or destruction. Insurance proceeds payable with respect to such casualty shall belong to the Company to the extent necessary to make such repairs.

It is agreed that damage or destruction, whether partial or total, by any cause whatsoever, of the Improvements, except upon termination of this Agreement as is provided for herein, shall not release the Company from any obligation under this Agreement.

### Section 14. Maintenance and Repair

The Company agrees and acknowledges that it has received the Leased Premises in good order and condition, and further agrees to accept the premises as is. The Company further agrees that it will, at its expense, keep and maintain the Leased Premises, and the Improvements in good repair and appearance, and in good mechanical condition, except for ordinary wear and tear, and will with reasonable promptness make all, interior and exterior, structural and non-structural, foreseen and unforeseen, ordinary and extraordinary changes, repairs, substitutions and replacements (substantially equivalent to the original work) of any kind and nature which may be required to be made upon or in connection with the Leased Premises and Improvements or any part thereof, in order to keep and maintain the Leased Premises and Improvements in as good repair, mechanical condition and appearance as they were originally, except for ordinary wear and tear.

### Section 15. Failure to Commence and Complete Repairs

In the event the Company fails to commence or complete repairs, replacements or painting which is required hereunder within a period of thirty days after written notice from the City, or fails to continue and diligently complete any such repair, the City may at its option make such repairs, replacement or do such painting, the cost of which shall be paid by the Company upon written demand.

Subject to the right of existing sub-leases, the City, by its officers, employees, agents, representatives and contractors shall have the right at all reasonable times to enter upon the Airport for the purpose of inspecting the Leased Premises, for observing the performance by the Company of its obligations under this Agreement, and for the doing of any act or thing which the City may be obligated or have the right to do under this Agreement.

Nothing in this Section shall impose or shall be construed to impose upon the City any obligations to construct or maintain or to make repairs, replacements, alterations or additions, or shall create any liability for any failure to do so. The City shall not in any event be liable for any injury or damage to any property or to any person happening on or about the Leased Premises nor for any injury or damage to the Leased Premises nor to any property of the Company or of any other person located in or thereon other than those occasioned by the acts of the City.

### Section 16. Alterations, Construction by Company for Airport Purposes

Company may erect structures, make improvements, install fixtures, or do any other construction work on the Leased Premises, or alter, modify or make additions, improvements, repairs to, or replacement of any improvements or any structure now existing or hereafter built on the Leased Premises.

Any such alterations, additions, improvements, installations, repairs, substitutions or replacements shall be expeditiously completed, in compliance with all laws, ordinances, orders, rules, regulations and requirements applicable thereto. All work done in connection with each such alteration, addition, improvement, installation, repair, substitution or replacement shall comply with the requirement of any insurance policy required to be maintained by Company hereunder, with any applicable requirements of the Agreement.

Any improvement to or alteration of the Airport under this Section or under Section 17 shall be consistent with the latest FAA-approved version of the Airport Layout Plan.

### Section 17. Alteration, Construction by City

The City may erect structures, make improvements, install fixtures, or do any other construction work on the Airport, whether Airport-related or not; provided, however, the erection of such structures, the making of such improvements, the installation of such fixtures, or the doing of such construction work shall not unreasonably interfere with the operation or development of the Airport, including the maximization of revenues. The City shall give the Company reasonable advance written notice of any action taken hereunder.

Any such alterations, additions, improvements, installation, repairs, substitutions or replacements shall be completed in compliance with all laws, ordinances, orders, rules, regulations and requirements applicable thereto. All work done in connection with each alteration, addition, improvements, installation, repair, substitution or replacement shall be done at the City's expense and shall comply with the requirement of the insurance policy required to be maintained by the City or Company, hereunder. As to any construction, buildings or other structures constructed by the City which are not related to the Airport and its operations, Company shall not be required to furnish insurance.

### Section 18. Liens

The Company will not directly or indirectly create or permit to be created or to remain, and will promptly discharge, at its expense, any mortgage, lien, security interest, encumbrance or charge on, pledge of, or conditional sale or other title retention agreement with respect to:

- (a) The Leased Premises or any part thereof,
- (b) City's ownership interest, or
- (c) the Rent or other sums payable by Company under this Agreement.

The existence of any mechanic's, laborer's, materialmen's, supplier's, or vendor's lien, or any right in respect thereof shall not constitute a violation of this provision if payment is not yet due upon the contract or for goods or services, or the lien(s) are being contested in good faith by the Company.

This Section shall not apply to security interests or other liens with respect to buildings or improvements on, or which may later be constructed on, the Leased Premises which are not owned by the City.

### Section 19. Prices and Rates

The Company shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service. In furtherance of this objective, a list of charges will be maintained and available for inspection by the public for all services, materials, supplies and privileges provided by the Company and any Airport tenant. However, the Company, and any Airport tenant, may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

The Company shall, from time to time, as the need arises, make and publish changes in the prices being charged; provided, however, fifteen (15) days prior to any such changes, the Company shall provide to the City a list of such charges. If no objection is received by the City to such changes in prices within fifteen (15) days, the price changes shall become effective. The City may object to any changes in prices within the fifteen-day period; provided, however, the only basis for any such objection by the City will be on the ground that such pricing change would constitute a violation of a present or future Grant Agreement with the Federal Aviation Administration.

It is further understood and agreed that in the event others on the Airport undertake to sell or dispense fuels or lubricants for aircraft or other machinery being used on the Airport, the Company shall impose reasonable standards consistent with any grant agreements with respect to any fueling operations in order to assure adequate safety and efficient operations on or about the Airport. Further, any persons selling or dispensing fuel or lubricants for aircraft or other machinery shall pay to the Company a reasonable and non-discriminatory fuel flowage fee.

### Section 20. Subleases

(a) The Company shall have the right and is expressly hereby authorized to sublease such portions of the Leased Premises as it shall deem appropriate for the growth and development of the Airport and the maximization of revenues; provided any such sublease shall be for the purpose of carrying out one or more of the activities set forth in Section 7. During the existence of this Agreement, all revenues from any sublease shall belong to the Company, subject only to the rights of the City to a percentage of Gross Receipts as provided in Section 5 (b).

(b) The Company shall not enter into any sublease with any tenant which is owned or controlled, in whole or in part, by any of the officers, directors or stockholders of the Company without the prior written approval of the City, which approval shall not be unreasonably withheld.

(c) The Company shall not enter into any sublease unless the term of such sublease, including any renewal or option provisions, expires and terminates on or before twenty years after the effective date of this Agreement, without the prior written consent of the City.



(d) Upon request by the Company, from time to time, that a sublease is entered into by the Company, the City shall deliver to any such subtenant its estoppel certificate, certifying unto the subtenant that this Agreement is in full force and effect.

#### Section 21. Applicable Governmental Requirements

The Company agrees,

(a) at its expense, to procure from governmental authority, having jurisdiction, all licenses, certificates, permits or other authorization which may be necessary for the conduct of its operations or for any additional construction required pursuant to the terms of this Agreement.

(b) that it shall, at its expense, comply with and cause the Leased Premises and Company's operations to comply with all governmental statutes, laws, rules, orders, regulations and ordinances affecting the Leased Premises or any part thereof or the use or occupancy or any part thereof.

#### Section 22. Indemnification

Company covenants and agrees that it will defend, indemnify and save harmless the City, its council, officers, agents and employees from and against any and all actions, suits, claims, demands, liabilities, losses, damages, costs, expenses or judgements of any nature whatsoever, arising from:

(a) any injury to, any nuisance, or the death of any person or any damage to property on the Leased Premises, or any damage to property on the Leased Premises, or in any manner growing out of or connected with the use, non-use, condition or occupancy of the Leased Premises or any part thereof or resulting from the condition thereof,

(b) the ownership, use or non-use or condition of the improvements, or

(c) violation by Company of any agreement or condition of this Agreement, and of any contract or agreement to which Company is a party, or any restriction, statute, law, ordinance or regulation or otherwise, in each case affecting the Leased Premises or the ownership, occupancy or use thereof.

In case any action or proceeding be brought against the City by reason of any such claim, the Company covenants upon notice from the City to resist or defend such action, and the City will cooperate and assist in the defense of such action or proceeding, if reasonably requested so to do by the Company; provided, however, that the Company shall not be liable for damages not covered by insurance required to be carried pursuant to this Agreement and caused solely by the negligence or deliberate act of the City, or any of its council, officers, agents, servants or employees. This provision shall not operate to indemnify others when liability for damages arises due to the fault of such others, unless they are insured or indemnified parties under the insurance policies or contracts required by this Agreement.

#### Section 23. Federal Airport Aid

The City has made application to the Federal Aviation Administration for a grant(s) of federal funds to partially defray the cost of acquiring the Leased Premises. The Company, in its management, operation, maintenance and use of the Airport, shall be subject to and hereby assumes the terms, conditions and provisions of any and all grant agreements and project applications imposed on the City by the Federal Aviation Administration, and any other federal obligations or restrictions with respect thereto. The Company shall in its agreements with other users of the Airport insert in said agreements the appropriate provisions and requirements as required by any and all of the provisions of the grant agreement and the project applications, the assurances set forth therein and any other federal obligations or restrictions with respect thereto.

To the extent that the City considers it prudent, considering the requirements attached to the acceptance of such funds, the City shall continue to apply for and make maximum use of all available federal and state funds for the development of the Airport; provided nothing in this Section obligates or requires the City to apply for such funds, other than funds necessary to acquire Additional Purchases.

#### Section 24. Notice to Indemnified Parties

Notwithstanding the indemnification set forth in Section 22, the Company shall forward to the City a copy of every notice, summons, complaint, or other process received in any legal proceedings encompassed by such indemnification or in any way affecting the rights of the City, or any other indemnified party.

#### Section 25. Liability of Officials

No officers, agent or employee of the City or the Company shall be personally liable for any of their acts carrying out the provisions of the Agreement, in exercising any power or authority granted to them pursuant to the Agreement, it being understood that in such matters they act as agents and representatives of the City and the Company.

#### Section 26. Non-Discrimination

Company will, in its operations on the Airport, be bound by the Civil Rights obligations imposed on the City. Company will not deny any benefits to or otherwise discriminate against any person or group on the basis of race, color, sex, or national origin. Company will comply with applicable portions of, and will effect City's compliance with the Attachment 2 (including OST Regulations, Part 21) attached hereto and incorporated herein by reference for all purposes.

#### Section 27. OMBE: Advertisements, Bids, Concessions:

In addition to complying with the above and normal procedures required of the City by state/federal law and agreements, the Company will send a copy of all invitations for bids, advertised or negotiated, for concessions or other businesses at the Airport to the appropriate Office of Minority Business Enterprise (OMBE) representative as identified by the FAA Regional Civil Rights Office. The Company will disclose and make information about the contracts, contracting procedures and requirements available to the designated OMBE representative and minority firms on the same basis that such information is disclosed and made available to other organizations or firms. Responses by minority firms to invitations for bids shall be treated in the same manner as all other responses to the invitations for bids.

#### Section 28. Assignment

Except as explicitly set forth herein or contemplated by this Agreement, the Company shall not assign, sublet, sell, convey or transfer its rights under this Agreement or any part thereof without the prior written consent of the City, provided, however, that this Agreement may be assigned in its entirety without such consent for a period of one year from the effective date of this Agreement. The City hereby agrees that it will not unreasonably withhold its consent to such an assignment or sublease, sale, transfer, and shall not make any charge for any such assignment, sublease, sale or transfer made with its consent.

#### Section 29. Events of Default and Remedies

The following shall be "events of default" as to the Company under this Agreement and the term "event of default" as to the Company shall mean, whenever it is used this Agreement, any one or more of the following events:

(a) Failure by the Company to pay when due or cause to be paid when due the Rent required to be paid under Section 5 hereof.

(b) Failure by the Company to observe and perform any covenant, condition or agreement on its part to be observed or performed for a period of thirty days after written notice, specifying such failure and requesting that it be remedied, given to the Company by the City, unless the City shall agree in writing to an extension of such time prior to its expiration.

(c) The Leased Premises shall be abandoned, deserted or vacated by the Company or any lien shall be filed against the Leased Premises or any part thereof in violation of this Agreement and shall remain unreleased for a period of sixty days from the date of such filing unless within said period the Company is contesting in good faith the validity of such lien.

(d) The dissolution or liquidation of the Company or the filing by the Company or a voluntary petition in bankruptcy, or failure by the Company within sixty days to lift any execution, garnishment or attachment of such consequence as will impair its ability to carry on its operations at the Leased Premises, or the adjudication of the Company as a bankrupt, or general assignment by the Company for the benefit of its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Company in any proceeding for its reorganization instituted under the provisions of the general bankruptcy act, as amended, or under any similar act which may hereafter be enacted. The term "dissolution or liquidation of the Company", as used in this subsection, shall not be construed to include cessation of the corporate existence of the Company following a transfer of all or substantially all of its assets as an entirety, under the conditions permitting actions contained in Section 29 hereof, which such dissolution or liquidation it is acknowledged will occur.

#### Section 30 Remedies on Default

Whenever any event of default as to the Company referred to in Section 30 hereof shall have happened and be subsisting, the City may take any one or more of the following remedial steps as against the Company:

(a) The City may re-enter and take possession of the Leased Premises without terminating this Agreement and sublease (or operate as a sublessee) the Leased Premises for the account of the Company, holding the Company liable for the difference between the rents and other amounts payable by the Company hereunder and the rents and other amounts payable by such sublessee in such subleasing or, if operated by the City, the difference between the net revenues received from such operations and the rents and other amounts payable by the Company hereunder.

(b) The City may terminate this Agreement.



(c) The City may take whatever other action at law or in equity as may appear necessary or desirable to collect the rent then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Company under this Agreement.

**Section 31. No Remedy Exclusive**

No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or hereafter existing under law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City to exercise any remedy reserved to it in this Section, it shall not be necessary to give any notice, unless such notice is herein expressly required by law.

**Section 32. No Additional Waiver Implied**

In the event any covenant contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

**Section 33. Termination by Company**

The Company may terminate this Agreement upon the occurrence of any one or more of the following reasons:

(a) In the event the Airport shall be closed or its operations curtailed by more than fifty percent of its achieved operating level in terms of daily average departing and arriving flights, the Company in its reasonable discretion may cease or curtail its operations in the Leased Premises during the period that the Airport operations have ceased or have been so curtailed, and if such condition shall continue unabated for more than two years, the Company shall have the right and option to terminate the Agreement upon thirty days prior written notice to the City.

(b) The City shall fail to perform any of its obligations under this Agreement within sixty days after receipt of notice of default hereunder from the Company (except where fulfillment of its obligations require activity over a period of time and the City shall commence to perform whatever may be required for fulfillment within sixty days after the receipt of notice and continue such performance without interruption, except for causes beyond its control).

Upon the occurrence of any of the foregoing events, or at any time thereafter during the continuation of any such condition, the Company may, by sixty days written notice terminate this Agreement, such termination to be effective upon the date set forth in such notice and to have the same effect as if the terms hereof had expired on that date, subject, as aforesaid, to the provisions of this Section.

No waiver by the Company of any default on the part of the City, in the performance of any of the terms, covenants or conditions hereof to be performed, kept or observed by the City shall be or shall be construed to be a waiver by the Company of any other or subsequent default in the performance of any of said terms, covenants and conditions.

**Section 34. Access and Egress**

Except as set forth in this Agreement, the City hereby grants to the Company full and unrestricted access to and egress from the Leased Premises and between the Leased Premises and the public roadways for the Company, its employees, guests, patrons, invitees, contractors, suppliers of materials, furnishers of services, its or their equipment, vehicles, machinery and other property, without charge to Company or to said employees, guests, patrons, invitees, contractors, suppliers of materials and furnishers of services, or their said equipment, vehicles, machinery or other property.

**Section 35. Company's Right to Remove Property**

The Company shall have the right at any time during the term of this Agreement or any renewal or extension thereof, or at the expiration or earlier termination thereof, to remove any nonessential personal property which it may have on the Leased Premises, including, without limitation, furniture, equipment and machinery; provided the City will purchase from the Company, at its then fair market value, any personal property which the City deems essential.

**Section 36. Termination, Settlement**

In the event the City exercises its right to terminate the Agreement or any part thereof, the Company and the City shall endeavor in good faith to negotiate a sale by the Company to the City or its designee of the Company's personal property located on the Leased Premises. Upon termination of the Agreement, the City may, and the Company shall, remove any improvements on the Leased Premises belonging to the Company at the Company's expense if required by the City.

**Section 37. Settlement**

In the event that any sums due or to become due the Company upon termination of this Agreement are paid or payable to the City, the City shall not have any obligation to make such payment or settlement to the Company,

- (i) until receipt of payment due to City from Company in accordance with pertinent provisions of this Agreement under which termination is permitted and,
- (ii) until Company has paid all other sums due under this Agreement.

**Section 38. Quiet Enjoyment**

The City covenants that through the term hereof, the Company shall have, hold and enjoy peaceful and uninterrupted possession of all of the Leased Premises, subject to the performance of the covenants as herein provided.

**Section 39. No Third Party Beneficiary**

No provision contained in or incorporated by the Agreement shall create or give to any third party or parties any claim or right of action against the Company or the City, beyond such claims or rights of action which legally exist in the absence of any provision of said Agreement.

**Section 40. Severability**

Each and every covenant and agreement contained in this Agreement is and shall be construed to be a separate and independent covenant and agreement.

**Section 41. Binding Effect**

All of the covenants, conditions, and obligations contained in this Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the City and the Company, subject to the limitations contained herein restricting such assignment by the Company, to the same extent as if each such successor and assign were in each case named as a party to this Agreement. This Agreement may not be altered, modified, or discharged except by a writing signed by the City and the Company.

**Section 42. Governing Law**

This Agreement shall be governed by and interpreted under and in accordance with the laws of the State of Texas.

**Section 43. Venue**

The venue of any action drawn under this Agreement shall lie in Dallas County, in the State of Texas.

**Section 44. Force Majeure**

Neither the City or the Company shall be deemed in violation of this Agreement if it is prevented from performing any of the obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, floods, riots, rebellion, sabotage, or any other circumstances for which it is not responsible or which is not in its control, and the time for performance shall be automatically extended by the period the party is prevented from performing its obligations hereunder.

**Section 45. Issuance of Revenue Bonds for Future Improvements**

City and Company acknowledge that as the Airport develops such circumstances may require that additional improvements ("Future Improvements") will be needed in order to provide convenient and necessary services at the Airport. Subject to the approval of plans and specifications by the City as submitted by the Company, the City may make such acquisitions, additions, extensions, improvements and modifications to the Airport as shall be recommended by the Company. In order to obtain funds for such purposes, the City, in its discretion, may provide for the issuance of Airport revenue bonds.

**Section 46. Airport Boundaries**

The City will not grant any access, privilege, license, or permission of any kind to any person, firm or corporation using, owning or occupying any land outside the designated boundaries of the Airport as shown on Exhibit "2" hereof, to use or have access to the Airport.

**Section 47. Covenant by Company**

It is understood and agreed by the parties hereto, that the Company will not make any improvements, changes, alterations, modifications, or removals at the Airport, which will effectively destroy the ability of the Airport to render first-class service to its customers and for the maximization of revenues.

2010  
11/16/10



Section 48. Record Keeping

The Company shall maintain in accordance with accepted accounting practice and made available to an authorized representative of the City for consideration records, books and its annual audit prepared by an independent Certified Public Accountant. The Company shall permit such authorized representative of the City to inspect such books and records during ordinary business hours of the Company and at times reasonably convenient to the Company.

Section 49. Notices

Notices provided for in this Agreement shall be sufficient if sent by registered mail, postage prepaid, addressed if to the City — The City of Addison, P. O. Box 144, Addison, Texas, 75001, Attention: City Administrator, or to such other address and person it may direct in writing; and if to Company — Addison Airport, Inc., P. O. Box 34067, Dallas, Texas 75234, or to such other address and person as it may direct in writing. Notices shall be deemed completed when mailed unless otherwise herein required.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed and sealed as of the date first above written.

CITY OF ADDISON, TEXAS

ATTEST:

Joyce N. Devers  
SECRETARY

BY: Jerry Redding

APPROVED AS TO FORM:

Robert L. Wall  
CITY ATTORNEY

ADDISON AIRPORT, INC.

ATTEST:

Margaret E. Bunch  
SECRETARY

BY: [Signature]

FIELD NOTES

BEING a tract of land out of the E. Cook Survey, Abstract 326, the William Lomax Survey, Abstract 792, the George Syms Survey, Abstract 1344, the William Rowe Survey, Abstract 1257, and part of Lot 1, and Lot 2 of Block "A" of Carroll Estates Addition, Dallas County, Texas, and being more fully described as follows:

BEGINNING at a fence post found for the apparent intersection of the North right-of-way line of Keller Springs Road, a 50 foot street, and the East line of Dooley Road, a 60 foot street, said beginning point being S 89° 58' 54" E 30.00 feet, thence N 0° 05' 50" E 25.00 feet from the apparent northwest corner of the E. Cook Survey, Abstract 326;

THENCE N. 89° 58' 54" W. a distance of 106.72 feet with the North line of said Keller Springs Road to an angle point in the right-of-way;

THENCE N. 56° 19' 03" W. a distance of 90.20 feet with said angle in the right-of-way to a point in the East right-of-way line of Dooley Road;

THENCE N. 0° 03' 47" W. a distance of 1457.70 feet with the East line of said Dooley Road to a point;

THENCE N. 20° 38' 30" W. a distance of 170.87 feet to the apparent West right-of-way line of said Dooley Road;

THENCE S. 0° 03' 47" E. a distance of 313.49 feet with the apparent West line of said Dooley Road to a point;

THENCE N. 89° 23' 56" W. a distance of 208.00 feet to an iron pin;

THENCE N. 0° 14' 32" W. a distance of 161.00 feet to an iron pin;

THENCE N. 89° 56' 00" W. a distance of 203.65 feet to a point;

THENCE N. 20° 38' 30" W. a distance of 2156.07 feet to a point in the apparent East right-of-way line of New Dooley Road, a 100 foot street;

THENCE N. 0° 09' 30" E. a distance of 1189.87 feet with the East line of said New Dooley Road;

THENCE N. 89° 53' 26" E. a distance of 1165.44 feet to a point in the apparent West line of Dooley Road;

THENCE S. 0° 03' 47" E. with the apparent West line of Dooley Road, at 335.02 feet passing a concrete monument for a total distance of 1550.38 feet to an iron pin;

THENCE S. 20° 46' 10" E. a distance of 539.44 feet with the West line of said Dooley Road to an iron pin for the beginning point of a curve to the left;

THENCE in a southeasterly direction with the curved West line of said Dooley Road having a central angle of 69° 19' 04", a radius of 337.18 feet a distance of 407.93 feet to a point in the South right-of-way line of Keller Springs Road;

THENCE N. 89° 54' 46" E. a distance of 2135.61 feet with the South line of said Keller Springs Road to a point in the West right-of-way line of Addison Road;

THENCE S. 0° 14' 20" E. a distance of 307.44 feet with the West line of said Addison Road to an iron pin;

THENCE S. 89° 45' 40" W. a distance of 200.00 feet to a point;

THENCE S. 0° 14' 20" E. a distance of 210.72 feet to a point;

THENCE S. 43° 16' W. a distance of 1595.29 feet to an iron pin;

THENCE S. 46° 44' E. a distance of 202.51 feet to a point;

THENCE S. 20° 43' E. a distance of 350.85 feet to a point;

THENCE N. 69° 17' E. a distance of 30.00 feet to a point;

THENCE N. 71° 12' 51" E. a distance of 185.72 feet to a point;

THENCE N. 44° 44' 08" E. a distance of 7.05 feet to an iron pin found for the Southwest corner of a tract of land conveyed to O.J. Broughton and E.E. Ericson by deed recorded in Volume 4350, Page 491, Deed Records of Dallas County;

THENCE N. 89° 54' 40" E. a distance of 819.46 feet with the South line of the Broughton tract to an iron pin in the West line of said Addison Road;

THENCE S. 0° 14' 20" E. a distance of 490.82 feet with the West line of said Addison Road to a point in the apparent common survey line between the William Lomax Survey, Abstract 792, and the E. Cook Survey, Abstract 326;

THENCE S. 89° 37' 20" E. a distance of 58.08 feet with said common survey line to a point in the West line of said Addison Road and the beginning of a curve to the left;

THENCE Southerly with said curve, and the West line of Addison Road, having a central angle of 1° 53' 11", a radius of 746.30 feet, for a distance of 24.57 feet;

THENCE S. 26° 12' 50" E. 34.05 feet with the West line of Addison Road to the beginning of a curve to the right;

THENCE in a southeasterly direction with the curved West line of said Addison Road having a central angle of 25° 50", a radius of 686.30 feet for a distance of 309.44 feet;

THENCE S. 0° 27' 50" E. a distance of 2081.91 feet with the West line of said Addison Road to an angle point in the right-of-way;

THENCE N. 89° 37' 10" E. a distance of 10.00 feet with said angle in the right-of-way to a point in the West line of said Addison Road;

THENCE S. 0° 27' 50" E. a distance of 812.30 feet with the West line of Addison Road to a point;

THENCE S. 69° 37' W. a distance of 185.70 feet to a point;

THENCE S. 0° 27' 50" E. a distance of 263.11 feet to a point;

THENCE S. 66° 06' 26" W. a distance of 17.27 feet to a point;

THENCE S. 0° 27' 50" E. a distance of 211.04 feet to an iron pin in the North right-of-way line of the St. Louis and Southwestern Railroad;

THENCE S. 66° 06' 26" W. a distance of 759.90 feet with the North line of said St. Louis and Southwestern Railroad to an iron pin and the most easterly corner of Addison Airport Industrial District;

THENCE N. 67° 01' 55" W. a distance of 273.80 feet to an iron pin in the easterly line of said Addison Airport Industrial District;

THENCE N. 20° 38' 35" W. a distance of 572.78 feet with the easterly line of said Addison Airport Industrial District to an iron pin;

THENCE S. 75° 48' 25" W. a distance of 448.95 feet to a point;  
 THENCE N. 89° 56' 35" W. a distance of 65.36 feet to a point;  
 THENCE N. 0° 03' 25" E. a distance of 160.00 feet to a point;  
 THENCE N. 89° 56' 35" W. a distance of 160.00 feet to a point in the East right-of-way line of Dooley Road;  
 THENCE N. 0° 03' 25" E. a distance of 10.00 feet with the East line of Dooley Road to a point;  
 THENCE S. 89° 56' 35" E. a distance of 797.46 feet to a point;  
 THENCE N. 75° 48' 25" E. a distance of 408.36 feet to an iron pin in the easterly line of said Addison Airport Industrial District;  
 THENCE N. 20° 39' 35" W. a distance of 2386.20 feet with the easterly line of said Addison Airport Industrial District to an iron pin for the  
 northeast corner of Addison Airport Industrial District;  
 THENCE N. 20° 43' 53" W. a distance of 320.72 feet to an iron pin;  
 THENCE N. 89° 49' 30" E. a distance of 9.98 feet to an iron pin;  
 THENCE N. 20° 17' 10" W. a distance of 389.50 feet to an iron pin;  
 THENCE N. 89° 54' 10" W. a distance of 117.08 feet to an iron pin in the apparent East right-of-way line of said Dooley Road;  
 THENCE N. 0° 05' 50" E. a distance of 502.30 feet with the apparent East line of said Dooley Road to the place of beginning and containing  
 5.340 acres of land, more or less, save and except the following 1 acre tract;

beginning at a fence post found for the apparent intersection of the North right-of-way line of Keller Springs Road, a 50 foot street, and the  
 West line of Dooley Road, a 60 foot street, said point being S. 89° 58' 54" E. 30.00 feet, thence N. 0° 05' 50" E. 25.0 feet from the apparent  
 northwest corner of the E. Cook Survey, Abstract 326; Thence N. 89° 58' 54" W. 105.72 feet with the apparent North line of Keller Springs  
 Road; Thence N. 56° 19' 03" W. 90.20 feet to a point in the East line of Dooley Road; Thence N. 0° 03' 47" W. 1457.70 feet with the apparent  
 West line of Dooley Road; Thence N. 20° 38' 30" W. 170.87 feet to a point in the apparent West line of Dooley Road and the BEGINNING  
 POINT of this description;

THENCE S. 0° 03' 47" E. 209.0 feet with the West line of Dooley Road;  
 THENCE N. 89° 23' 56" W. 208.0 feet to an Iron pin;  
 THENCE N. 0° 14' 32" W. 209.0 feet to an iron pin;  
 THENCE S. 89° 23' 56" E. 208.0 feet to the place of beginning and containing 1.0 acres of land, more or less.

The plat hereon is a true and accurate representation of the property as determined by actual survey, the lines and dimensions of said  
 property being as indicated by the plat; all improvements being within the boundaries of the property.

Encumbrances of record that could be located are shown. This plat is subject to any easements of record not shown.

5 JAN 1977

Date

  
 W. J. Wischmeyer  
 Registered Professional Engineer



EXHIBIT "A"  
 PROPERTY MAP  
 ADDISON MUNICIPAL AIRPORT  
 ADDISON, TEXAS

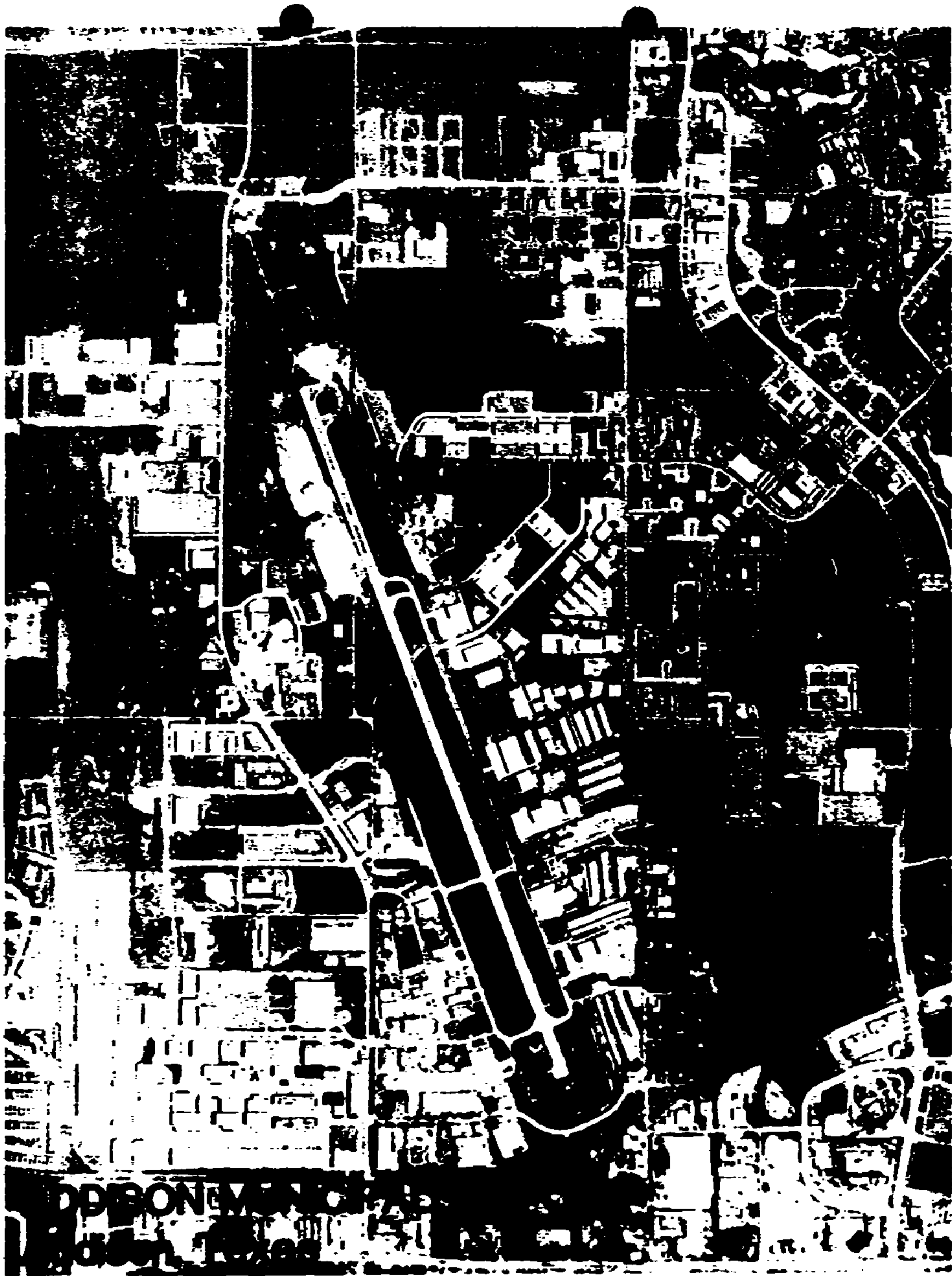
Riewe & Wischmeyer, Inc.

CONSULTING ENGINEERS

DALLAS TEXAS

DECEMBER 1976





ADDREONEMAN  
10001 1st St

19046 5110

12-28-82

CONFIDENTIAL  
*Confidential*  
1989 8 11  
[Faded stamp]

PLEASE RETURN TO:

SOUTHWEST LAND TITLE CO.  
503 N. Akard St.  
2900 Lincoln Plaza Building  
Lock Box 6  
Dallas, TX 75201

1989 MAR 8 PM 3 33

[Faded stamp]

39046 5111



(3) THAT, the Company hereby irrevocably constitutes and appoints Gayle Peery, his successors and assigns, its true and lawful attorney, with full power of substitution, and in its name and stead, (i) to demand and receive from time to time any and all of the Transferred Properties and to give receipts, releases and acquittances for and in respect of the same or any part thereof; (ii) to collect for the account of the Shareholder and/or the Company, their successors and assigns, all receivables of any character and all other items sold and transferred or intended to be sold and transferred to the Shareholder and to endorse with the name of either the Company or the Shareholder any checks or drafts received on account of any such receivables or other items; (iii) from time to time to institute and prosecute any and all proceedings at law, in equity or otherwise, which the Company or the Shareholder, shall deem proper in order to collect, assert or enforce any claim, right, title or interest of any kind in or to the Transferred Properties; (iv) to defend or compromise any and all actions, suits or proceedings in respect to the Transferred Properties and to do all such acts and things in relation thereto as the Shareholder, his successors and assigns, shall deem advisable or convenient; (v) to pay or provide for the payment of the Liabilities; and (vi) to take all action which the Shareholder or such attorney-in-fact shall deem proper or convenient in order to provide the Shareholder, his successors and assigns, the benefits under any claims, contracts, licenses, leases, commitments, sales orders or purchase orders assigned or to be assigned hereby; and the Company hereby declares that the appointment made and the powers granted hereby are coupled with an interest and are and shall be irrevocable by the Company, its successors and assigns.

(4) THAT, the Company for itself, its successors and assigns, further covenants and agrees that it shall do or cause to be done all such further acts and shall execute, acknowledge and deliver, or shall cause to be executed, acknowledged and







EXHIBIT A

All assets and liabilities set forth in the balance sheet of the Company as of the date hereof, including, without limitation, all right, title and interest of the Company in and to any promissory notes, royalty agreements, non-competition agreements, leases, and other documents, instruments or agreements related to the sale of assets to Nathan Milikowsky, Daniel Milikowsky, Michelle M. Harman and related entities and ASC Pacific, Inc. and related entities.

7045W

ASSIGNMENT OF LEASE

THIS AGREEMENT is made this the 3<sup>rd</sup> day of February, 1989, at Addison, Texas between GAYLE PEERY D/B/A G.P. INVESTMENTS, hereinafter called "Assignor," and RR INVESTMENTS, INC., hereinafter called "Assignee."

*Review*  
*GHS* WHEREAS, a Ground Lease (the "Lease") executed on December 28, 1982, between CITY OF ADDISON and ADDISON AIRPORT OF TEXAS, INC., as the Landlord, and OMEGA INDUSTRIES, INC., as Tenant, by the terms of which certain real property located on the Addison Airport described in Exhibit "A" attached hereto and made a part hereof was leased to the Assignor as Tenant upon the terms and conditions provided therein; and

WHEREAS, Assignor is the successor to Omega Industries, Inc., having acquired all of its assets upon liquidation, and is the owner of the interest of the Tenant under the Lease; and

WHEREAS, the Assignor now desires to assign the Lease to Assignee, and the Assignee desires to accept the assignment thereof;

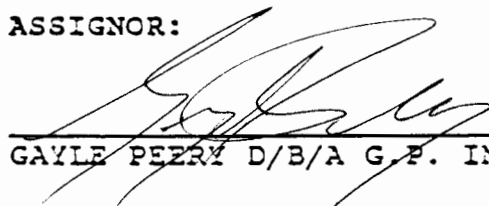
NOW, THEREFORE, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00), receipt of which is hereby acknowledged, and the agreement of the Assignee, hereinafter set forth, the Assignor hereby assigns and transfers to the Assignee, its successors and assigns, all of his right, title and interest in and to the Lease hereinabove described, a copy of which is attached hereto as Exhibit "B", and the Assignee hereby agrees to and does

accept the assignment, and in addition, expressly assumes and agrees to keep, perform and fulfill all the terms, covenants, conditions and obligations required to be kept, performed and fulfilled by the Assignor as the Tenant thereunder arising from and after the date hereof, including the making of all payments due to or payable on behalf of the Tenant under said Lease arising from and after the date hereof when due and payable.

This agreement shall be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest, and assigns.

EXECUTED the day and year first above written.

ASSIGNOR:

  
\_\_\_\_\_  
GAYLE PEERY D/B/A G.P. INVESTMENTS

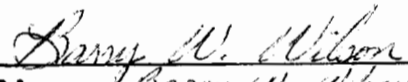
ASSIGNEE:

RR INVESTMENTS, INC.

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

  
Barry M. Wilson  
President

CONSENT OF LANDLORD

The undersigned is the Landlord in the Lease described in the foregoing Assignment and hereby consents to the assignment of the Lease to Assignee, waiving none of their rights thereunder as to the Tenant or the Assignee.

**LESSOR:**

CITY OF ADDISON

By: [Signature]  
Name: Lynn Spruill  
Title: Mayor

ADDISON AIRPORT OF TEXAS, INC.

By: [Signature]  
Name: SAM STUART  
Title: President

STATE OF TEXAS           §  
  §  
COUNTY OF DALLAS       §

BEFORE ME, the undersigned authority, on this day personally appeared Lynn Spruill, the Mayor of the City of Addison, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and considerations therein stated on behalf of the City of Addison.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 23 day of September, 1989.

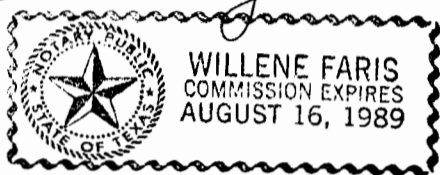
[Signature]  
Notary Public

Dallas County, Texas

STATE OF TEXAS           §  
                                  §  
COUNTY OF DALLAS       §

BEFORE ME, the undersigned authority, on this day personally appeared Sam Stuart, the President of Addison Airport of Texas, Inc., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and considerations therein stated on behalf of such corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 16 day of February, 1989.



Willene Faris  
Notary Public

WILLENE FARIS  
DALLAS County, Texas

STATE OF TEXAS           §  
                                  §  
COUNTY OF DALLAS       §

BEFORE ME, the undersigned authority, on this day personally appeared Gayle Peery, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and considerations therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 15<sup>th</sup> day of February, 1989.

Loise Southworth  
Notary Public

Dallas County, Texas

STATE OF TEXAS           §  
                                  §  
COUNTY OF DALLAS       §

BEFORE ME, the undersigned authority, on this day personally appeared Samuel Williams, the owner of RR Investments, Inc., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and considerations therein stated on behalf of such corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 3 day of February, 1943.

Patricia H. [Signature]  
Notary Public  
Patricia H. [Signature]  
Dallas County, Texas



EXHIBIT "A"

PREMISES

LEGAL DESCRIPTION

STATE OF TEXAS:  
COUNTY OF DALLAS:

BEING a tract of land situated in the WILLIAM LOMAX SURVEY, ABSTRACT NO. 792, Dallas County, Texas and located on Addison Municipal Airport, Addison, Texas, and being more fully described as follows:

COMMENCING at a point for the intersection of the west Right-of-Way line of Addison Road, a 60 foot street, and the South Right-of-way line of Westgrove Road a 60 foot street, and the south Right-of-Way line of Westgrove Road a 60 foot street;

THENCE South 39 degrees 54 minutes 46 seconds West along the South line of said Westgrove Road a distance of 733.0 feet to a point for the centerline of a promised 60 foot street (Claire Chennault Road) (an undedicated street);

THENCE South 43 degrees 24 minutes 39 seconds West, in the R.O.W. of Claire Chennault Road, (an undedicated street) 1150.71 feet to an angle point;

THENCE South 69 degrees 24 minutes 39 seconds West, 62.59 feet in the R.O.W. of Claire Chennault Road, to an angle point in the center and the end of Claire Chennault Road, (an undedicated street);

THENCE South 20 degrees 38 minutes 30 seconds East along the Southwest end of Claire Chennault Road, 30 feet to the Place of Beginning;

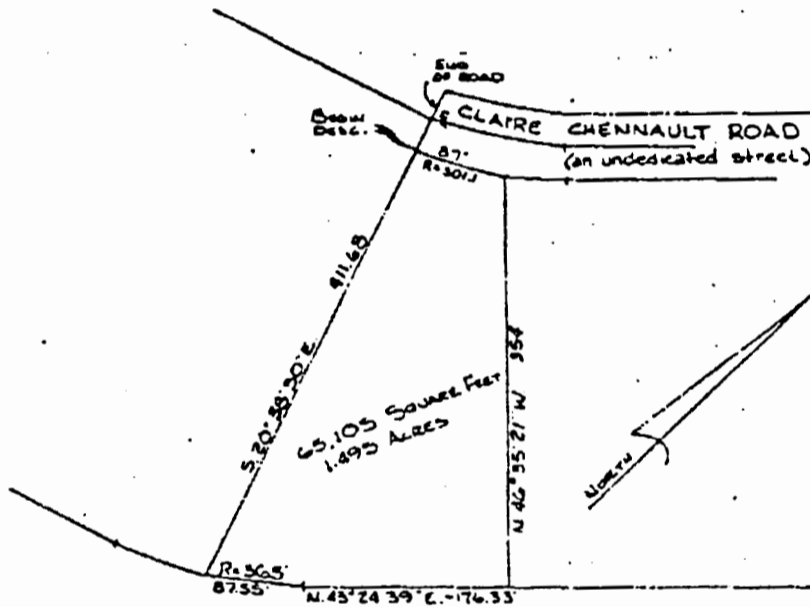
THENCE South 20 degrees 38 minutes 30 seconds East, 411.68 feet to a point in a curve to the left having a radius of 365 feet; said point also being in the Northwest R.O.W. line of an existing taxiway;

THENCE along said curve to the left and in a Northeasterly direction 87.55 feet;

THENCE North 43 degrees 24 minutes 39 seconds East along the Northwest line of the existing taxiway, 176.33 feet;

THENCE North 46 degrees 35 minutes 21 seconds West, 354 feet to a point in the Southeast R.O.W. line of Claire Chennault Road (an undedicated street), said point being in a curve to the right having a radius of 301.1 feet;

THENCE in a Southwesterly direction around said curve to the right, 87 feet to the PLACE OF BEGINNING and containing 65,105 square feet or 1.495 acres of land.



EXISTING TAXIWAY

The plat herein is a true correct, and accurate representation of the property as described by metes, the lines and dimensions of said property being as indicated by the plat, the use, location and type of buildings and improvements as shown, all improvements being within the boundaries of the property, all lots, other property lines, the distances indicated, and that the distance from the nearest intersecting street, or road, is as shown on said plat.

Scale 1" = 100'  
Date MAR 27 1969  
A.M. No. 43120

Surveyed and returned to the public by the Public Survey Commission of the State of Texas, Dallas, Texas

*J. W. [Signature]*

Registered Professional Surveyor # 1127  
10218 Garland Rd.  
Dallas, Texas 75218

THE STATE OF TEXAS  
 COUNTY OF DALLAS

**EXHIBIT B**  
**GROUND LEASE**

This Ground Lease (hereinafter referred to as the "Lease" is made and entered into as of December 28, 1982, by and among the City of Addison, Texas, a municipal corporation (hereinafter sometimes referred to as the "City"), Addison Airport of Texas, Inc., a Texas Corporation (hereinafter sometimes referred to as "AATI") and OMEGA INDUSTRIES, INC. (hereinafter referred to as "Tenant").

**WITNESSETH:**

WHEREAS, AATI leases that certain real property (hereinafter referred to as the "demised premises") described in attached Exhibit A from the City pursuant to that certain instrument captioned Agreement for Operation of the Addison Airport (hereinafter referred to as the "Base Lease") between the City and Addison Airport, Inc. (predecessor of AATI); and

WHEREAS, the demised premises are situated at Addison Airport (hereinafter referred to as the "Airport") in Dallas County, Texas, the Airport being delineated in a plat attached hereto as Exhibit B; and

WHEREAS, the City and AATI hereby lease and demise the demised premises to Tenant, and Tenant hereby leases and takes the demised premises from the City and AATI, upon the terms and conditions set forth herein;

**NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:**

1. **Base Lease:** All of the terms and conditions of the Base Lease are incorporated into this Lease by reference as if written verbatim herein, and Tenant by Tenant's execution hereof acknowledges that AATI has furnished Tenant with a copy of the Base Lease. Tenant agrees to fully comply at all times and in all respects with the terms and conditions of the Base Lease insofar as the same relate to the demised premises and/or the use and operation thereof, except that Tenant shall not be responsible for the payment of any rental due under the Base Lease which shall be paid by AATI.

2. **Definition of Landlord and Effect of Default under the Base Lease:** The term "Landlord" as hereinafter used in this Lease shall mean either AATI or the City. So long as the Base Lease is in effect, AATI shall be entitled to all of the rights, benefits and remedies of the Landlord under this Lease, and shall perform all of the duties, covenants and obligations of the Landlord under this Lease. Upon the expiration or termination of the Base Lease, the City shall be entitled to all of the rights, benefits and remedies of the Landlord under this Lease, and shall perform all of the duties, covenants and obligations of the Landlord under this Lease. The City agrees that (i) until such time as the City notifies Tenant to the contrary in writing, Tenant is fully authorized to make all payments due under this Lease to AATI, and (ii) that default by AATI under the Base Lease shall have no effect on this Lease so long as Tenant pays and performs its duties, covenants and obligations under this Lease.

3. **Term:** The term hereof shall commence on the earlier of September 30, 1983, or the first day of the first calendar month after Tenant completes the construction hereinafter described and opens for business at the demised premises (the applicable date being hereinafter referred to as the "Commencement Date"), and shall end four hundred eighty (480) months thereafter; provided, however, that any entry upon the demised premises by Tenant prior to the Commencement Date shall be subject to all of the terms and conditions hereof except that rental shall not accrue.

4. **Rental:** Subject to adjustment as hereinbelow provided, Tenant agrees to pay to Landlord, without <sup>917.00</sup> ~~gross~~ deduction, rent for the demised premises at the rate of ONE THOUSAND ONE HUNDRED THIRTY-THREE <sup>917.00</sup> ~~per~~ month in advance. The first of such monthly installment shall be due and payable on or before the Commencement Date, and a like installment shall be due and payable on or before the first day of each calendar month thereafter during the term hereof.

5. **Adjustment of Rental:** Commencing on the second anniversary of the Commencement Date and on every bi-annual anniversary thereafter (hereinafter referred to as the "Adjustment Date"), the monthly rental due under paragraph 4 shall be adjusted as follows:

(i) A comparison shall be made between the Consumers' price index-All Items for the Dallas, Texas Metropolitan Area (hereinafter referred to as the "Price Index") as it existed on the Commencement Date and as it exists on the first day of the calendar month preceding the then applicable Adjustment Date.

(ii) The monthly rental for the two (2) year period beginning with and following the then applicable Adjustment Date shall be either increased or decreased, as the case may be, by the percentage of increase or decrease in the Price Index between the Commencement Date and the then applicable Adjustment Date, but in no event shall such monthly rental ever be decreased below the monthly rental set forth in paragraph 4.

(iii) In the event that the Price Index is unavailable for whatever reason for the computations set forth hereinabove, another index approximating the Price Index as closely as feasible shall be substituted therefor.

6. **Use of Demised Premises and Construction of Improvements:** The demised premises shall be used and occupied by Tenant only for the following purposes: sale of aircraft and aircraft parts; aircraft maintenance and repair; aircraft storage; aircraft training; aircraft charter; and aircraft rentals; and not otherwise without the prior written consent of Landlord.

In connection with such use and occupancy, Tenant intends to construct upon the demised premises the improvements depicted in the plans and specifications.

- 1 - Aircraft hangar with associated shop, office, aircraft ramp and vehicle parking. Also, possible separate one story office building. Addison Airport to approve construction drawings prior to start of construction.

All construction shall be strictly in accordance with such plans and specifications, and such construction shall be performed in a first class, workmanlike manner. Tenant agrees to promptly pay and discharge all costs, expenses, claims for damages, liens and any and all other liabilities and obligations which arise in connection with such construction.

7. **Acceptance of Demised Premises:** Tenant acknowledges that Tenant has fully inspected the demised premises and accepts the demised premises as suitable for the purpose for which the same are leased in their present condition.

8. **Securing Governmental Approvals and Compliance with Law:** Tenant at Tenant's sole cost and expense shall obtain any and all governmental licenses, permits and approvals necessary for the construction of improvements and for the use and occupancy of the demised premises. Tenant shall comply at all times with all governmental laws, ordinances and regulations applicable to the use of the demised premises, and shall promptly comply with all governmental orders and directives for the correction, prevention and abatement of nuisances in or upon, or connected with the demised premises, all at Tenant's sole cost and expense.

**9. Assignment, Subletting and Mortgaging of Leasehold Estate:**

A. Without the prior written consent of Landlord, Tenant may not assign this Lease or any rights of Tenant hereunder (except to a leasehold mortgagee as hereinbelow provided) or sublet the whole or any part of the demised premises. Any assignment or subletting shall be expressly subject to all the terms and provisions of this Lease, including the provisions of paragraph 8 pertaining to the use of the demised premises. In the event of any assignment or subletting, Tenant shall not assign Tenant's rights hereunder or sublet the demised premises without first obtaining a written agreement from each such assignee or sublessee whereby each such assignee or sublessee agrees to be bound by the terms and provisions of this Lease. No such assignment or subletting shall constitute a novation. In the event of the occurrence of an event of default while the demised premises are assigned or sublet, Landlord, in addition to any other remedies provided herein or by law, may at Landlord's option, collect directly from such assignee or subtenant all rents becoming due under such assignment or subletting and apply such rent against any sums due to Landlord hereunder. No direct collection by Landlord from any such assignee or subtenant shall release Tenant from the payment or performance of Tenant's obligations hereunder.

B. Tenant shall have the right to mortgage the leasehold estate of Tenant created hereby in order to secure a mortgage loan for the purpose of obtaining funds for the construction of the improvements described in paragraph 6 or for other construction upon the demised premises approved from time to time by Landlord in writing. In the event that Tenant pursuant to mortgage or deeds of trust mortgages the leasehold estate of Tenant created hereby, the leasehold mortgages shall in no event become personally liable to perform the obligations of Tenant under this Lease unless and until said mortgagee become the owner of the leasehold estate pursuant to foreclosure, transfer in lieu of foreclosure, or otherwise, and thereafter said leasehold mortgages shall remain liable for such obligations only so long as such mortgagee remains the owner of the leasehold estate. Notwithstanding the foregoing, it is specifically understood and agreed that no such mortgaging by Tenant and/or any actions taken pursuant to the terms of such mortgage shall ever relieve Tenant of Tenant's obligation to pay the rental due hereunder and otherwise fully perform the terms and conditions of this Lease.

All mortgages or deeds of trust whereby Tenant mortgages the leasehold estate of Tenant created hereby shall contain provisions giving the leasehold mortgagee to give Landlord fifteen (15) days written notice prior to accelerating the debt of Tenant to such mortgagee and/or initiating foreclosure proceedings under said mortgages or deeds of trust, and (ii) allowing Landlord during such fifteen (15) day notice period to cure Tenant's default and prevent said acceleration and/or foreclosure proceedings, and thereafter at Landlord's option to assume Tenant's position under said mortgages or deeds of trust.

D. Landlord agrees, if and so long as the leasehold estate of Tenant is encumbered by a leasehold mortgage and written notice to such effect has been given to Landlord, to give the holder of such leasehold mortgage at such address or addresses as may be specified in such written notice to Landlord for the giving of notices to the leasehold mortgagee, or as otherwise may be specified by the leasehold mortgagee to Landlord in writing, written notice of any default hereunder by Tenant, simultaneously with the giving of such notice to Tenant, and the holder of any such leasehold mortgage shall have the right, for a period of fifteen (15) days after its receipt of such notice or within any longer period of time specified in such notice, to take such action or to make payment as may be necessary or appropriate to cure any such default so specified, it being the intention of the parties hereto that Landlord shall not exercise Landlord's right to terminate this Lease without first giving any such leasehold mortgagee the notice provided for herein and affording any such leasehold mortgagee the right to cure such default as provided for herein.

E. Landlord further agrees to execute and deliver to any proposed leasehold mortgagee of Tenant a "Non-Disturbance Agreement" wherein Landlord agrees that Landlord will (i) recognize such mortgagee and its successors and assigns after foreclosure, or transfer in lieu of foreclosure, as Tenant hereunder, and (ii) continue to perform all of Landlord's obligations hereunder so long as such mortgagee or its successors and assigns performs all of the obligations of Tenant hereunder. Landlord also agrees to execute and deliver to any proposed leasehold mortgagee any other documents which such proposed leasehold mortgagee may reasonably request concerning the mortgaging by Tenant of the leasehold estate created hereby; provided, however, that Landlord shall never be required to subordinate Landlord's interest in the demised premises to the mortgage of such proposed leasehold mortgagee.

10. **Property Taxes and Assessments:** Tenant shall pay any and all property taxes or assessments levied or assessed on the improvements on the demised premises, the personal property and fixtures on the demised premises, and, if applicable, upon the leasehold estate of Tenant created hereby. Upon the request of Landlord, Tenant shall from time to time furnish to Landlord's "paid receipts" or other written evidence that all such taxes have been paid by Tenant.

11. **Maintenance and Repair of Demised Premises:**

A. Tenant shall, throughout the term hereof, maintain in good repair and condition all the demised premises and all fixtures, equipment and personal property on the demised premises and keep them free from waste or nuisance and, at the expiration or termination of this Lease, deliver up the demised premises clean and free of trash and in good repair and condition, with all fixtures and equipment situated in the demised premises in working order, reasonable wear and tear excepted.

B. In the event Tenant shall fail to so maintain the demised premises and the fixtures, equipment and personal property situated thereon, Landlord shall have the right (but not the obligation) to cause all repairs or other maintenance to be made and the reasonable costs thereof expended by Landlord plus interest thereon as provided in paragraph 37 shall be paid by Tenant on demand.

12. **Alterations, Additions and Improvement.** After completion of the improvements described in paragraph 8, Tenant shall not create any openings in the roof or exterior walls, or make any alterations, additions or improvements to the demised premises without the prior written consent of Landlord. Consent for non-structural alterations, additions or improvements shall not be unreasonably withheld by Landlord. Tenant shall have the right to erect or install shelves, bins, machinery, air conditioning or heating equipment and trade fixtures, provided that Tenant complies with all applicable governmental laws, ordinances and regulations.

All alterations, additions and improvements in and to the demised premises shall be performed in a first class, workmanlike manner, and Tenant shall promptly pay and discharge all costs, expenses, claims for damages, liens and any and all other liabilities and obligations which arise in connection therewith.

13. **Insurance.** Tenant shall during the term hereof maintain at Tenant's sole cost and expense insurance relating to the demised premises as follows:

(i) Insurance against loss or damage to improvements by fire, lightning, and other risks from time to time included under standard extended coverage policies, and sprinkler, vandalism and malicious mischief, all in amounts sufficient to prevent Landlord or Tenant from becoming co-insurers of any loss under the applicable policies but in any event in amounts not less than eighty percent (80%) of the full insurable value of the demised premises. The term "full insurable value" as used herein means actual replacement value at the time of such loss. Upon request, such replacement value shall be determined by a qualified appraiser, a copy of whose findings shall be submitted to Landlord, and, therefore, proper adjustment in the limits of insurance coverage shall be effected.

(ii) General public liability insurance against claims for bodily injury, death or property damage occurring on, in or about the demised premises, such insurance to afford protection to Landlord of not less than \$500,000.00 with respect to any one person, \$1,000,000.00 with respect to any one accident and not less than \$200,000.00 with respect to property damage.

(iii) Workmen's compensation insurance covering all persons employed by Tenant in connection with any work done on or about the demised premises with respect to which claims for death or bodily injury could be asserted against Landlord or the demised premises, or in lieu of such workmen's compensation insurance, a program of self-insurance complying with the rules, regulations and requirements of the appropriate state agency of the State of Texas.

(iv) If applicable, boiler and pressure vessel insurance on all steam boilers, parts thereof and appurtenances attached or connected thereto which by reason of their use or existence are capable of bursting, erupting, collapsing, imploding or exploding, in the minimum amount of \$100,000.00 for damage to property resulting from such perils.

(v) Such other insurance on improvements in such amounts and against such other insurable hazard which at the time are commonly obtained in the case of property similar to such improvements.

(vi) Hangar keeper's liability insurance providing for coverage in the following limits: \$200,000.00 per aircraft and \$400,000.00 per occurrence on property damage to aircraft in the care, custody or control of Tenant.

(vii) During any period of construction, a Builder's Risk Completed Value policy with an all risks endorsement.

All such policies of insurance (i) shall be issued by insurance companies acceptable to Landlord, (ii) shall name Landlord as an additional insured or loss payee, as the case may be, and (iii) shall provide for at least ten (10) days written notice to Landlord prior to cancellation or modification. Tenant shall provide Landlord with duplicate originals of all insurance policies required by this paragraph.

14. **Casualty Damage or Destruction:**

A. In case of any damage to or destruction of the buildings, structures and equipment on the demised premises, or any part thereof, Tenant will promptly give written notice thereof to Landlord, generally describing the nature and extent of such damage and/or destruction.

B. In case of any damage to or destruction of the buildings, structures and equipment on the demised premises, or any part thereof, Tenant, whether or not the insurance proceeds, if any, payable on account of such damage and/or destruction shall be sufficient for such purpose, at Tenant's sole cost, risk and expense will promptly commence and complete the restoration, repair and replacement of said buildings, structures and equipment as nearly as possible to their value, condition and character immediately prior to such damage and/or destruction, with such alterations in and additions thereto as may be approved in writing by Landlord (hereinafter sometimes referred to as the "Restoration").

C. All insurance proceeds, if any, payable on account of such damage to or destruction of the buildings, structures and equipment on the demised premises shall be held by Landlord. Landlord shall be protected in acting upon any certificate believed by Landlord to be genuine and to have been executed by the proper party and shall receive such certificate as conclusive evidence of any fact or as to any matter therein set forth. Such certificate shall be full warranty, authority and protection to Landlord in acting thereon, and Landlord shall be under no duty to take any action other than as set forth in this paragraph 14.

D. Insurance proceeds received by Landlord on account of any damage to or destruction of the buildings, structures and equipment on the demised premises, or any part thereof (less the costs, fees and expenses incurred by Landlord and Tenant in the collection thereof, including, without limitation, adjuster's and attorney's fees and expenses) shall be applied as follows:

(i) Net insurance proceeds as above defined shall be paid to Tenant or as Tenant may direct from time to time as Restoration proceeds to pay (or reimburse Tenant for) the cost of Restoration, upon written request of Tenant to Landlord accompanied by (a) certificate of a supervising architect or engineer approved by Landlord, describing in reasonable detail the work and material in question and the cost thereof, stating that the same were necessary or appropriate to the Restoration and constitute a complete part thereof, and that no part of the cost thereof has theretofore been reimbursed, and specifying the additional amount, if any, necessary to complete the Restoration, and (b) an opinion of counsel satisfactory to Landlord that there exist no mechanics', materialmen's or similar liens for labor or materials except such, if any, as are discharged by the payment of the amount requested.

(ii) Upon receipt by Landlord of evidence of the character required by the foregoing clauses (i)(a) and (b) that Restoration has been completed and the cost thereof paid in full, and that there are no mechanics', materialmen's or similar liens for labor or materials supplied in connection therewith, the balance, if any, of such proceeds shall be paid to Tenant or as Tenant may direct.

6. In the event that Tenant does not promptly commence Restoration, or after commencement Tenant does not diligently proceed to the completion of same, Landlord shall have the right to commence or complete Restoration after Landlord has given Tenant thirty (30) days prior written notice requesting the commencement of Restoration or that Tenant diligently proceeds to the completion of same if Tenant during such thirty (30) day period does not so commence or proceed to diligently complete Restoration. In such event, Landlord shall retain the insurance proceeds, and Tenant shall pay any deficiency if such proceeds are not sufficient for Restoration.

**18. Condemnation:**

A. If during the term hereof, any part of the demised premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, or are sold to a condemning authority under threat of condemnation, and after such taking by or sale to said condemning authority the remainder of the demised premises is not susceptible to efficient and economic occupation and operation by Tenant, this Lease shall automatically terminate as of the date that said condemning authority takes possession of the demised premises, and Landlord shall refund to Tenant any prepaid but unaccrued rental less any sum then owing by Tenant to Landlord.

B. If after such taking by or sale to said condemning authority the remainder of the demised premises is susceptible to efficient and economic occupation and operation by Tenant, this Lease shall not terminate but the rental due hereunder shall be adjusted so that Tenant shall be required to pay for the remainder of the term hereof the sum obtained by multiplying each monthly rental installment due hereunder, as adjusted from time to time pursuant to paragraph 5, by a fraction, the numerator of which shall be the number of square feet remaining in the demised premises after the taking by or sale to said condemning authority and denominator of which shall be the square footage originally contained in the demised premises. The rental adjustment called for herein shall not commence until said condemning authority actually takes possession of the condemned portion of the demised premises.

C. If this Lease is not terminated pursuant to Section A, Tenant shall promptly restore the improvements on the demised premises, and the condemnation proceeds to which Landlord and Tenant are entitled shall be awarded and paid first to cover the costs and expenses for restoring the remaining portion of the demised premises to a condition susceptible to efficient and economic occupation and operation by Tenant, and any remaining proceeds to which Landlord and Tenant are entitled shall be awarded and paid to Landlord and Tenant, as their interest may appear. If this Lease is terminated pursuant to Section A, condemnation proceeds to which Landlord and Tenant are entitled shall be awarded and paid to Landlord and Tenant as their interests may appear.

18. Utilities. Tenant shall be responsible at Tenant's sole cost and expense for obtaining all utility connections et or for the demised premises and Tenant shall pay all charges for water, electricity, gas, sewer, telephone or any other utility connections, tap-in fees and services furnished to the demised premises during the term hereof. Landlord shall in no event be liable or responsible for any cessation or interruption in any such utility services.

17. Common Facilities. Tenant and Tenant's employees, agents, servants, customers and other invitees shall have the non-exclusive right to use all common facilities, improvements, equipment and services which may now exist or which may hereafter be provided by Landlord for the accommodation and convenience of Landlord's customers and tenants, including landing and takeoff facilities, means of ingress and egress to the demised premises, other airport installations, and all other reasonable services which may be provided without charge from time to time by Landlord in operating the Airport. All such common facilities shall at all times be under the exclusive control and management of Landlord and may be rearranged, modified, changed or terminated from time to time at Landlord's sole discretion.

18. Rules and Regulations. Landlord has adopted Rules and Regulations (hereinafter referred to as the "Rules and Regulations") which shall govern Tenant in the use of the demised premises and all common facilities, a copy of which has been furnished to Tenant. The Rules and Regulations are incorporated by reference as if written verbatim herein, and Tenant agrees to comply fully at all times with the Rules and Regulations. Landlord shall have the right to amend, notify and alter the Rules and Regulations from time to time in a reasonable manner for the purpose of assuring the safety, welfare and convenience of Landlord, Tenant and all other Tenants and customers of the Airport.

19. Signs and Equipment. After first securing Landlord's approval which will not be unreasonably withheld, Tenant shall have the right from time to time to install and operate advertising signs and radio, communications, meteorological, aerial navigation and other equipment and facilities in or on the demised premises that may be reasonably necessary for the operation of Tenant's business.

20. Landlord's Right of Entry. Landlord and Landlord's authorized representatives shall have the right, during the normal business hours, to enter the demised premises (i) to inspect the general condition and state of repair thereof, (ii) to make repairs permitted under this Lease, (iii) to show the demised premises to any prospective tenant or purchaser or (iv) for any other reasonable and lawful purpose.

During the final one hundred eighty (180) days of the term hereof, Landlord and Landlord's authorized representatives shall have the right to erect and maintain on or about the demised premises customary signs advertising the demised premises for lease or for sale.

**21. Indemnity and Exculpation:**

A. Landlord shall not be liable to Tenant or to Tenant's employees, agents, servants, customers, invitees, or to any other person whatsoever, for any injury to persons or damage to property on or about the demised premises or any adjacent area owned by Landlord caused by the negligence or misconduct of Tenant, Tenant's employees, servants, customers, invitees, subtenants, licensees or concessionaires or any other person entering the demised premises under express or implied invitation of Tenant, or arising out of the use of the demised premises by Tenant and the conduct of Tenant's business thereon, or arising out of any breach or default by Tenant in the performance of Tenant's obligations hereunder; and Tenant hereby agrees to indemnify Landlord and hold Landlord harmless from any loss, expense or claims arising out of such damage or injury.

B. Landlord and Landlord's agents and employees shall not be liable to Tenant for any injury to persons or damage to property resulting from the demised premises becoming out of repair or by defect in or failure of equipment, pipes, or wiring, or broken glass, or by the backing up of drains, or by gas, water, steam, electricity or oil leaking, escaping or flowing into the demised premises, regardless of the source, or dampness or by fire, explosion, falling plaster or ceiling or for any other reason whatsoever. Landlord shall not be liable to Tenant for any loss or damage that may be occasioned by or through the acts or omissions of other tenants of Landlord or caused by operations in construction of any private, public or quasi-public work, or of any other persons whatsoever, excepting only duly authorized agents and employees of Landlord.

**22. Default by Tenant. The following events shall be deemed to be events of default by Tenant under this Lease:**

A. Failure of Tenant to pay any installment of rent or any other sum payable to Landlord hereunder on the date that same is due and such failure shall continue for a period of ten (10) days.

B. Failure of Tenant to comply with any term, condition or covenant of this Lease, other than the payment of rent or other sum of money, and such failure shall not be cured within thirty (30) days after written notice thereof to Tenant.

C. Insolvency, the making of a transfer in fraud of creditors, or the making of an assignment for the benefit of creditors by Tenant or any guarantor of Tenant's obligations.

D. Filing of a petition under any section or chapter of the National Bankruptcy Act, as amended, or under any similar law or statute of the United States or any State thereof by Tenant or any guarantor of Tenant's obligations, or adjudication as a bankrupt or insolvent in proceedings filed against Tenant or such guarantor.

E. Appointment of a receiver or trustee for all or substantially all of the assets of Tenant or any guarantor of Tenant's obligations.

F. Abandonment by Tenant of any substantial portion of the demised premises or cessation of use of the demised premises for the purpose leased.

23. Remedies of Landlord. Upon the occurrence of any of the events of default listed in paragraph 22, Landlord shall have the option to pursue any one or more of the following remedies without the notice or demand whatsoever:

A. Terminate this Lease, in which event Tenant shall immediately surrender the demised premises to Landlord. If Tenant fails to so surrender the demised premises, Landlord may, without prejudice to any other remedy which Landlord may have for possession of the demised premises or arrearages in rent, enter upon and take possession of the demised premises and expel or remove Tenant and any other person who may be occupying the demised premises or any part thereof, without being liable for prosecution or any claim for damages therefor. Tenant shall pay to Landlord on demand the amount of all loss and damages which Landlord may suffer by reason of such termination, whether through inability to relet the demised premises on satisfactory terms or otherwise.

B. Terminate this Lease, in which event Tenant shall immediately surrender the demised premises to Landlord. If Tenant fails to so surrender the demised premises, Landlord may, without prejudice to any other remedy which Landlord may have for possession of the demised premises or arrearages in rent, enter upon and take possession of the demised premises and expel or remove Tenant and any other person who may be occupying the demised premises or any part thereof, without being liable for prosecution or any claim for damages therefor. Tenant shall pay to Landlord on the date of such termination damages in any amount equal to the excess, if any, of the total amount of all monthly rental and other amounts to be paid by Tenant to Landlord hereunder for the period which would otherwise have constituted the unexpired portion of the term of this Lease over the then fair market rental value of the demised premises for such unexpired portion of the term of this Lease.

C. Enter upon and take possession of the demised premises without terminating this Lease and without being liable for prosecution or for any claim for damages therefor, and expel or remove Tenant and any other person who may be occupying the demised premises or any part thereof. Landlord may relet the demised premises and receive the rent therefor. Tenant agrees to pay to Landlord monthly or on

from time to time any deficiency that may arise by reason of any such reletting. In determining the amount of such deficiency, brokerage commissions, attorneys' fees, remodeling expenses and other costs of reletting shall be subtracted from the amount of rent received under such reletting.

D. Enter upon the demised premises without terminating this Lease and without being liable for prosecution or for any claim for damages therefor, and do whatever Tenant is obligated to do under the terms of this Lease. Tenant agrees to pay Landlord on demand for expenses which Landlord may incur in thus effecting compliance with Tenant's obligations under this Lease, together with interest thereon at the rate of ten percent (10%) per annum from the date expended until paid. Landlord shall not be liable for any damages resulting to Tenant from such action, whether caused by negligence of Landlord or otherwise.

Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to Landlord hereunder or of any damages accruing to Landlord by reason of the violation of any of the terms, conditions and covenants herein contained.

24. **Default by Landlord.** No default by Landlord hereunder shall constitute an eviction or disturbance of Tenant's use and possession of the demised premises or render Landlord liable for damages or entitle Tenant to be relieved from any of Tenant's obligations hereunder (including the obligation to pay rent) or grant Tenant any right of deduction, abatement, set-off or recoupment or entitle Tenant to take any action whatsoever with regard to the demised premises or Landlord until thirty (30) days after Tenant has given Landlord written notice specifically setting forth such default by Landlord, and Landlord has failed to cure such default within said thirty (30) day period, or in the event such default cannot be cured within said thirty (30) day period then within an additional reasonable period of time so long as Landlord has commenced curative action within said thirty (30) day period and thereafter is diligently attempting to cure such default. In the event that Landlord fails to cure such default within said thirty (30) day period, or within said additional reasonable period of time, Tenant shall have the right to:

(i) Proceed to cure such default and deduct the cost of curing same plus interest thereon at the rate of ten percent (10%) per annum from the next succeeding rental installment(s) due by Tenant to Landlord hereunder; or

(ii) Proceed to cure such default and bring suit against Landlord for the cost of curing same plus interest thereon at the rate of ten percent (10%) per annum.

If any mortgagee of Landlord has given Tenant its address for notices and specifically requests such notice, Tenant agrees to give the notice required hereinabove to such mortgagee at the time Tenant gives same to Landlord, and to accept curative action, if any, undertaken by such mortgagee as if such curative action had been taken by Landlord.

25. **Waiver of Subrogation.** Each party hereto waives any and every claim which arises or may arise in such party's favor against the other party hereto during the term of this Lease for any and all loss of, or damage to, any of such party's property located within or upon, or constituting a part of, the demised premises, which loss or damage is covered by valid and collectible fire and extended coverage insurance policies, to the extent that such loss or damage is recoverable under such insurance policies. Such mutual waivers shall be in addition to, and not in limitation or derogation of, any other waiver or release contained in this Lease with respect to any loss of, or damage to, property of the parties hereto. Inasmuch as such mutual waivers will preclude the assignment of any aforesaid claim by way of subrogation or otherwise to an insurance company (or any other person), each party hereby agrees immediately to give to each insurance company which has issued to such party policies of fire and extended coverage insurance, written notice of the terms of such mutual waivers, and to cause such insurance policies to be properly endorsed, if necessary, to prevent the invalidation of such insurance coverages by reason of such waivers.

26. **Title to Improvements.** Any and all improvements on the demised premises shall become the property of Landlord upon the expiration or termination of this Lease; provided, however: (i) if Tenant is not then in default hereunder, Tenant shall have the right to remove all personal property and trade fixtures owned by Tenant from the demised premises, but Tenant shall be required to repair any damage to the demised premises caused by such removal in a good and workmanlike manner and at Tenant's sole cost and expense; and (ii) Landlord may elect to require Tenant to remove all improvements from the demised premises and restore the demised premises to the condition in which the same existed on the date hereof, in which event Tenant shall promptly perform such removal and restoration in a good and workmanlike manner and at Tenant's sole cost and expense.

27. **Mechanics' and Materialmen's Liens.** Tenant agrees to indemnify and hold Landlord harmless of and from all liability arising out of the filing of any mechanics' or materialmen's liens against the demised premises by reason of any act or omission of Tenant or anyone claiming under Tenant, and Landlord, at Landlord's option, may satisfy such liens and collect the amount expended from Tenant together with interest thereon as provided in paragraph 37 as additional rent; provided, however, that Landlord shall not so satisfy such liens until fifteen (15) days after written notification to Tenant of Landlord's intention to do so and Tenant's failure during such fifteen (15) day period to bond such liens or escrow funds with appropriate parties to protect Landlord's interest in the demised premises.

28. **Title.** Tenant accepts the demised premises subject to: (i) the Base Lease; (ii) the Rules and Regulations; (iii) easements and rights-of-way and (iv) zoning ordinances and other ordinances, laws, statutes or regulations now in effect or hereafter promulgated by any governmental authority having jurisdiction over the demised premises.

29. **Quiet Enjoyment and Subordination.** Landlord covenants, represents and warrants that Landlord has full right and power to execute and perform this Lease and to grant the estate demised herein, and that Tenant, upon payment of the rents herein reserved, and performance of the terms, conditions, covenants and agreements herein contained, shall peacefully and quietly have, hold and enjoy the demised premises during the full term of this Lease; provided, however, that Tenant accepts this Lease subject and subordinate to any recorded mortgage, deed of trust or other lien presently existing upon the demised premises. Landlord further is hereby irrevocably vested with full power and authority by Tenant to subordinate Tenant's interest hereunder to any mortgage, deed of trust or other lien now existing or hereafter placed on the demised premises or to declare this Lease prior and superior to any mortgage, deed of trust or other lien now existing or hereafter placed on the demised premises; provided, however, any such subordination shall be upon the express conditions that (i) this Lease shall be recognized by the mortgagee and that all of the rights of Tenant shall remain in full force and effect during the full term of this Lease on condition that Tenant attem to the mortgagee, its successors and assigns, and perform all of the covenants and conditions required by the terms of this lease, and (ii) in the event of foreclosure or any enforcement of any such mortgage, the rights of Tenant hereunder shall expressly survive and this Lease shall in all respects continue in full force and effect so long as Tenant shall fully perform all Tenant's obligations hereunder and attem to the purchaser. Tenant also agrees upon demand to execute further instruments declaring this Lease prior and superior to any mortgage, deed of trust or other lien and specifically providing that this Lease shall survive the foreclosure of such mortgage, deed of trust or other lien.

30. **Rent on Net Return Basis.** Except for the rental due under the Base Lease during the time that AAT is the Landlord hereunder, it is intended that the rent provided for in this Lease shall be an absolutely net return to Landlord for the term of this Lease, free of any loss, expenses or charges with respect to the demised premises, including, without limitation, maintenance, repairs, replacement, insurance, taxes and assessments, and this Lease shall be construed in accordance with and to effectuate such intention.

31. **Holding Over.** Should Tenant, or any of Tenant's successors in interest fail to surrender the demised premises, or any part thereof, on the expiration of the term of this Lease, such holding over shall constitute a tenancy from month to month only terminable at any time by either Landlord or Tenant after thirty (30) days prior written notice to the other, at a monthly rental equal to two hundred percent (200%) of the rent paid for the last month of the term of this Lease.

32. **Waiver of Default.** No waiver by the parties hereto of any default or breach of any term, condition or covenant of this Lease shall be deemed to be a waiver of any subsequent default or breach of the same or any other term, condition or covenant contained herein.

33. **Release of Landlord Upon Transfer.** All of Landlord's personal liability for the performance of the terms and provisions of this Lease (except for any liability accruing prior to such transfer) shall terminate upon a transfer of the demised premises by Landlord, provided that the obligations of Landlord under this Lease are covenants running with the land and shall be binding upon the transferee of Landlord's interest in this Lease and the demised premises.

34. **Attorneys' Fees.** If, on account of any breach or default by Landlord or Tenant of their respective obligations under this Lease, it shall become necessary for the other to employ an attorney to enforce or defend any of such party's rights or remedies hereunder, and should such party prevail, such party shall be entitled to collect reasonable attorneys' fees incurred in such connection from the other party.

35. **Financial Information.** Tenant agrees that Tenant will from time to time upon the written request of Landlord during the term of this Lease furnish to Landlord such credit and banking references as Landlord may reasonably request.

36. **Estoppel Certificates.** Tenant agrees that from time to time, upon not less than ten (10) days' prior written request by Landlord, Tenant will deliver to Landlord a statement in writing certifying that:

A. This Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease as modified is in full force and effect and stating the modifications).

B. The dates to which rent and other charges have been paid.

C. Landlord is not in default under any term or provision of this Lease or if in default the nature thereof in detail in accordance with an exhibit attached thereto.

D. If requested by Landlord, Tenant will not pay rent for more than one (1) month in advance and that this Lease will not be amended without notice to Landlord's mortgagee and that the same will not be terminated without the same notice required by the Lease to be

STATE OF TEXAS  
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared Henry Street  
known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same  
for the purposes and considerations therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 18 day of January, 19 83.

Elizabeth L. James  
Notary Public  
Dallas  
County, Texas

STATE OF TEXAS  
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared George Redding  
known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same  
for the purposes and considerations therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 17 day of July, 19 83.

Jaqueline Kwool  
Notary Public  
Dallas  
County, Texas

STATE OF TEXAS  
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared Walter Green  
known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same  
for the purposes and considerations therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 12 day of January, 19 83.

Leta B. Lewis  
Notary Public  
County, Texas

LETA B. LEWIS  
Notary Public State of Texas  
Commission Expires June 12, 1984



EXHIBIT "B"

(1) "Documents" shall mean any written, printed, typed, drawn, punched, taped, filed, recorded or graphic matter, including copies of originals with different markings thereon, which are in your possession, custody or control, including but not limited to, any account, record, book, pamphlet, brochure, catalogue, periodical, publication, advertisement, schedule, list, manual, letter, correspondence, telegram, telephone record, memorandum, contract, lease, loan, invoice, manifest, log, computer record, bulletin, study, survey, call report, sales letter, chart, graph, index, data sheet, inter or intra company communication, report, plan, work sheet, note, bill, check, bank statement, ledger, journal, travel record, desk calendar, minutes, transcript, accounting record, financial record, book keeping record, photograph, phono record, tape recording, video tape, annual report, shop drawing, delivery ticket, construction plan, construction specification, production report, contract, bill of lading, subcontract, payment request, payment voucher, application for payment, statement, estimate, as built drawings, option, deed, deed of trust, UCC filing, security agreement, or other form of data compilation.

2. "Ground Leases" means the Ground Leases between R.R. Investments, Inc. and Addison Airport of Texas, Inc. and the City of Addison, Texas dated as of April 6, 1983, which are identified as Exhibits "A", "B" and "C" to Plaintiff's First Amended Petition and Application for Injunctive Relief herein.

3. "You" shall mean Addison Airport of Texas, Inc. ("AATI") and its officers, directors, attorneys, agents, and employees.

DOCUMENTS TO BE PRODUCED

1. All documents evidencing or relating to R. R. Investments, Inc.'s payment history under the Ground Leases from their inception to the present.

2. All documents evidencing or relating to the efforts undertaken by you at any time to determine the existence of a leasehold mortgage on the leased premises under the Ground Leases.

3. All documents obtained from the Town of Addison relating in any way to the Ground Leases at any time.

4. All correspondence between you and R.R. Investments, Inc. at any time.

5. All documents relating in any way to R.R. Investments, Inc. d/b/a Million Air, and/or the Ground Leases.



February 3<sup>RD</sup>, 1989

Addison Airport of Texas, Inc.  
P.O. Box 34067  
Dallas, TX 75234

City of Addison, Texas  
P.O. Box 144  
Addison, TX 75001

Re: Ground Lease (the "Lease") dated December 28, 1982, by and among the City of Addison, Texas, a municipal corporation (the "City"), Addison Airport of Texas, Inc., a Texas corporation ("AATI") (City and AATI being hereinafter collectively referred to as the "Landlord"), and Omega Industries, Inc. (the "Tenant"), the interest of Tenant under the Lease now being held by Gayle Peery d/b/a G.P. Investments, successor to Tenant ("Assignor"), whereby Landlord leases to Assignor certain real property (the "Real Property") at the Addison Airport in Dallas County, Texas, specifically described in the Lease, on the terms and conditions set forth in such Lease

Gentlemen:

RR Investments, Inc. ("Assignee") intends to acquire by assignment the interest of Assignor under the Lease and the improvements located on the Real Property, which assignment will be financed by Assignor and will be secured by a deed of trust lien against the leasehold interest of Assignee in the Real Property to be created pursuant to a deed of trust, which deed of trust shall substantially be in the form of the Deed of Trust attached hereto as Exhibit A.

As a condition precedent to consummation of the assignment of the leasehold estate under the Lease and the financing thereof, Assignor and Assignee require the written acknowledgment and consent of Landlord to (i) such assignment of the Lease, and (ii) the execution by Assignee of the above-described Deed of Trust and the written acknowledgment and consent of the Landlord to the other representations, warranties and agreements set forth in this letter.

Therefore, by executing the enclosed copy of this letter and returning it to the undersigned, Landlord hereby specifically represents, warrants and consents as follows:

Addison Airport of Texas, Inc.  
City of Addison, Texas  
Page 2  
February 3<sup>RD</sup>, 1989

1. Landlord is the "Landlord" under the Lease and hereby consents to the assignment of the Lease to Assignee, waiving none of their rights thereunder as to Assignor and Assignee. Landlord acknowledges and agrees that Assignor is the "Tenant" under the Lease.

2. Landlord takes notice of the above-described Deed of Trust, and accepts and consents to the secondary liens provided for therein to be imposed against the leasehold interest of Assignee in the Real Property.

3. To the knowledge of Landlord, there presently exists no default by Assignor under the Lease, nor does any fact or circumstance exist which would, solely with the passage of time or giving of notice, constitute an event of default thereunder.

4. The Lease has not been modified, altered or amended; or if modified, altered or amended, copies of all such modifications, alterations and amendments are attached hereto.

5. Landlord has no actual knowledge of the existence of any lien against the Real Property.

6. Landlord shall give to Assignor, at the address of Assignor specified in this letter or at such other address as Assignor may hereafter designate in writing to the Landlord, prompt written notice of any default by Assignee under the Lease simultaneously with the giving of such notice to Assignee, and Assignor shall have the right, for a period of fifteen (15) days after its receipt of such notice or within any longer period of time specified in such notice, to take such action or to make such payment as may be necessary or appropriate to cure any such default so specified, the intent being that Landlord shall not exercise Landlord's right to terminate the Lease without first giving Assignor the notice provided for herein and affording Assignor the right to cure such default as provided for herein.

7. For the purposes of this letter, any notice to Assignor may be delivered in person or shall be deemed to be delivered, whether actually received or not, when deposited in United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed to Assignor at the above-described address.

8. In the event Assignor succeeds to the interest of Assignee in and to the Lease and the Real Property by means of foreclosure under the Deed of Trust, by means of a transfer in lieu of such foreclosure, or any other means due to the failure or inability of Assignee to pay the indebtedness secured by the Deed

Addison Airport of Texas, Inc.  
City of Addison, Texas  
Page 3  
February 3<sup>rd</sup>, 1989

of Trust, Landlord shall hereafter accept, recognize and treat Assignor as the tenant under the Lease and Landlord shall continue to perform all of its obligations under the Lease. Assignor may thereafter, with the consent of the Landlord, which consent shall not be unreasonably withheld, sell, convey, assign, transfer or sublet, in whole or in part, its right, title and interest in and to the Lease and the Real Property.

Very truly yours,

G.P. INVESTMENTS

By: 

Its: \_\_\_\_\_

ACKNOWLEDGED AND CONSENTED TO  
the 16 day of February, 1989:

ADDISON AIRPORT OF TEXAS, INC.

By: 

Its: President

ACKNOWLEDGED AND CONSENTED TO  
the 28<sup>th</sup> day of February, 1989:

CITY OF ADDISON, TEXAS

By: 

Its: MAYOR

EXHIBIT A

2402

Prepared by the State Bar of Texas for use by lawyers only.

Revised 10/85; 12/87.

© 1987 by the State Bar of Texas

**DEED OF TRUST**

Date: February 3<sup>rd</sup>, 1989

Grantor: RR INVESTMENTS, INC.

Grantor's Mailing Address (including county):

4300 Westgrove  
Dallas, Dallas County, Texas 75248

Trustee: William Moise

Trustee's Mailing Address (including county):

500 North Akard, Suite 2900  
Dallas, Dallas County, Texas 75201

Beneficiary: GAYLE PEERY D/B/A G.P. INVESTMENTS

Beneficiary's Mailing Address (including county):

Route 7, Box 490  
Waco, McLennan County, Texas 76705

Note(s)

Date: February \_\_, 1989

Amount: \$300,000.00

Maker: Grantor

Payee: Beneficiary

Final Maturity Date: February 1, 1999

Terms of Payment (optional):

Property (including any improvements):

The leasehold estate of Grantor in and to the real property described in Exhibit "A" attached hereto.

Prior Liens (including recording information):

Other Exceptions to Conveyance and Warranty:

The matters set forth on Exhibit "B" attached hereto and made a part hereof.

For value received and to secure payment of the note, Grantor conveys the property to Trustee in trust. Grantor warrants and agrees to defend the title to the property. If Grantor performs all the covenants and pays the note according to its terms, this deed of trust shall have no further effect, and Beneficiary shall release it at Grantor's expense.

**Grantor's Obligations**

Grantor agrees to:

1. keep the property in good repair and condition;
2. pay all taxes and assessments on the property ~~when due~~ prior to delinquency;
3. preserve the lien's priority as it is established in this deed of trust;
4. maintain, in a form acceptable to Beneficiary, an insurance policy that:
  - a. covers all improvements for their full insurable value as determined when the policy is issued and renewed, unless Beneficiary approves a smaller amount in writing;
  - b. contains an 80% coinsurance clause;
  - c. provides fire and extended coverage, including windstorm coverage;
  - d. protects Beneficiary with a standard mortgage clause;
  - e. provides flood insurance at any time the property is in a flood hazard area; and
  - f. contains such other coverage as Beneficiary may reasonably require;
5. comply at all times with the requirements of the 80% coinsurance clause;
6. deliver the insurance policy to Beneficiary and deliver renewals to Beneficiary at least ten days before expiration;
7. keep any buildings occupied as required by the insurance policy; and
8. if this is not a first lien, pay all prior lien notes that Grantor is personally liable to pay and abide by all prior lien instruments.

**Beneficiary's Rights**

1. Beneficiary may appoint in writing a substitute or successor trustee, succeeding to all rights and responsibilities of Trustee.
2. If the proceeds of the note are used to pay any debt secured by prior liens, Beneficiary is subrogated to all of the rights and liens of the holders of any debt so paid.
3. Beneficiary may apply any proceeds received under the insurance policy either to reduce the note or to repair or replace damaged or destroyed improvements covered by the policy.
4. If Grantor fails to perform any of Grantor's obligations, Beneficiary may perform those obligations and be reimbursed by Grantor on demand at the place where the note is payable for any sums so paid, including attorney's fees, plus interest on those sums from the dates of payment at the rate stated in the note for matured, unpaid amounts. The sum to be reimbursed shall be secured by this deed of trust.
5. If Grantor defaults on the note or fails to perform any of Grantor's obligations or if default occurs on a prior lien note or other instrument, and the default continues after Beneficiary gives Grantor notice of the default and the time within which it must be cured, as may be required by law or by written agreement, then Beneficiary may:
  - a. declare the unpaid principal balance and earned interest on the note immediately due;
  - b. request Trustee to foreclose this lien, in which case Beneficiary or Beneficiary's agent shall give notice of the foreclosure sale as provided by the Texas Property Code as then amended; and
  - c. purchase the property at any foreclosure sale by offering the highest bid and then have the bid credited on the note.

**Trustee's Duties**

If requested by Beneficiary to foreclose this lien, Trustee shall:

1. either personally or by agent give notice of the foreclosure sale as required by the Texas Property Code as then amended;
2. sell and convey all or part of the property to the highest bidder for cash with a general warranty binding Grantor, subject to prior liens and to other exceptions to conveyance and warranty; and
3. from the proceeds of the sale, pay, in this order:
  - a. expenses of foreclosure, including a commission to Trustee of 5% of the bid;
  - b. to Beneficiary, the full amount of principal, interest, attorney's fees, and other charges due and unpaid;
  - c. any amounts required by law to be paid before payment to Grantor; and
  - d. to Grantor, any balance.

### General Provisions

1. If any of the property is sold under this deed of trust, Grantor shall immediately surrender possession to the purchaser. If Grantor fails to do so, Grantor shall become a tenant at sufferance of the purchaser, subject to an action for forcible detainer.
2. Recitals in any Trustee's deed conveying the property will be presumed to be true.
3. Proceeding under this deed of trust, filing suit for foreclosure, or pursuing any other remedy will not constitute an election of remedies.
4. This lien shall remain superior to liens later created even if the time of payment of all or part of the note is extended or part of the property is released.
5. If any portion of the note cannot be lawfully secured by this deed of trust, payments shall be applied first to discharge that portion.
6. Grantor assigns to Beneficiary all sums payable to or received by Grantor from condemnation of all or part of the property, from private sale in lieu of condemnation, and from damages caused by public works or construction on or near the property. After deducting any expenses incurred, including attorney's fees, Beneficiary may release any remaining sums to Grantor or apply such sums to reduce the note. Beneficiary shall not be liable for failure to collect or to exercise diligence in collecting any such sums.
7. Grantor assigns to Beneficiary absolutely, not only as collateral, all present and future rent and other income and receipts from the property. Leases are not assigned. Grantor warrants the validity and enforceability of the assignment. Grantor may as Beneficiary's licensee collect rent and other income and receipts as long as Grantor is not in default under the note or this deed of trust. Grantor will apply all rent and other income and receipts to payment of the note and performance of this deed of trust, but if the rent and other income and receipts exceed the amount due under the note and deed of trust, Grantor may retain the excess. If Grantor defaults in payment of the note or performance of this deed of trust, Beneficiary may terminate Grantor's license to collect and then as Grantor's agent may rent the property if it is vacant and collect all rent and other income and receipts. Beneficiary neither has nor assumes any obligations as lessor or landlord with respect to any occupant of the property. Beneficiary may exercise Beneficiary's rights and remedies under this paragraph without taking possession of the property. Beneficiary shall apply all rent and other income and receipts collected under this paragraph first to expenses incurred in exercising Beneficiary's rights and remedies and then to Grantor's obligations under the note and this deed of trust in the order determined by Beneficiary. Beneficiary is not required to act under this paragraph, and acting under this paragraph does not waive any of Beneficiary's other rights or remedies. If Grantor becomes a voluntary or involuntary bankrupt, Beneficiary's filing a proof of claim in bankruptcy will be tantamount to the appointment of a receiver under Texas law.
8. Interest on the debt secured by this deed of trust shall not exceed the maximum amount of nonusurious interest that may be contracted for, taken, reserved, charged, or received under law; any interest in excess of that maximum amount shall be credited on the principal of the debt or, if that has been paid, refunded. On any acceleration or required or permitted prepayment, any such excess shall be canceled automatically as of the acceleration or prepayment or, if already paid, credited on the principal of the debt or, if the principal of the debt has been paid, refunded. This provision overrides other provisions in this and all other instruments concerning the debt.
9. When the context requires, singular nouns and pronouns include the plural.
10. The term *note* includes all sums secured by this deed of trust.
11. This deed of trust shall bind, inure to the benefit of, and be exercised by successors in interest of all parties.
12. If Grantor and Maker are not the same person, the term *Grantor* shall include Maker.
13. Grantor represents that this deed of trust and the note are given for the following purposes:
  14. Compliance by Grantor with the terms of the Ground Lease dated December 28, 1982, by and among the City of Addison, Addison Airport of Texas, Inc., and Omega Industries, Inc., and assigned to Grantor, shall be deemed compliance with the terms of this Deed of Trust.
15. Grantor shall not be in default hereunder unless Beneficiary has given Grantor thirty (30) days' written notice of the default.

RR INVESTMENTS, INC.

By: Barry W. Wilson  
Name: BARRY W. WILSON  
Title: President

(Acknowledgment)

STATE OF TEXAS  
COUNTY OF

This instrument was acknowledged before me on the 15<sup>th</sup> day of February, 1989  
by

[Signature]

Notary Public, State of Texas  
Notary's name (printed): Leuse Gouthroff

Notary's commission expires: 4/15/90

(Corporate Acknowledgment)

STATE OF TEXAS  
COUNTY OF DALLAS

This instrument was acknowledged before me on the 3 day of February, 1989  
by  
of RR INVESTMENTS, INC.,  
a Texas corporation, on behalf of said corporation.

[Signature]

Notary Public, State of Texas  
Notary's name (printed): Patricia H. Bass

Notary's commission expires: 5-5-89

AFTER RECORDING RETURN TO:

PREPARED IN THE LAW OFFICE OF:

COUNTY CLERK'S MEMO  
PORTIONS OF THIS  
DOCUMENT NOT  
REPRODUCIBLE  
WHEN RECORDED

ASSIGNMENT OF LEASE

THIS AGREEMENT is made this the 1<sup>st</sup> day of November, 1991,  
at Addison, Texas, between RR INVESTMENTS, INC., hereinafter called  
"Assignor," and KPI PROPERTIES, INC., hereinafter called  
"Assignee."

DEED 46.00  
TOTAL 46.00  
ADD1 8901 0000000 4607 8:12AM 4/06/92

WHEREAS, a Ground Lease (the "Lease") executed on December 28,  
1989, between CITY OF ADDISON and ADDISON AIRPORT OF TEXAS, INC.,  
as the Landlord, and OMEGA INDUSTRIES, INC., as Tenant, by the  
terms of which certain real property located on the Addison Airport  
described in Exhibit "A" attached hereto and made a part hereof was  
leased to the Assignor as Tenant upon the terms and conditions  
provided therein; and

WHEREAS, Assignor is the owner of the interest of the Tenant  
under the Lease; and

WHEREAS, the Assignor now desires to assign the Lease to  
Assignee, and the Assignee desires to accept the assignment  
thereof;

NOW, THEREFORE, for and in consideration of the sum of Ten and  
No/100 Dollars (\$10.00), receipt of which is hereby acknowledged,  
and the agreement of the Assignee, hereinafter set forth, the  
Assignor hereby assigns and transfers to the Assignee, its suc-  
cessors and assigns, all of his right, title and interest in and to  
the Lease hereinabove described, a copy of which is attached hereto  
as Exhibit "B", and the Assignee hereby agrees to and does accept  
the assignment, and in addition, expressly assumes and agrees to  
keep, perform and fulfill all the terms, covenants, conditions and  
obligations required to be kept, performed and fulfilled by the



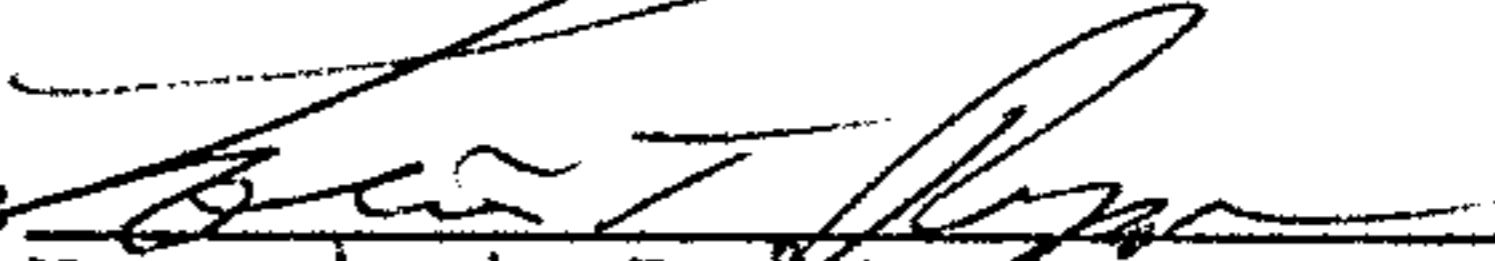
Assignor as the Tenant thereunder arising from and after the date hereof, including the making of all payments due to or payable on behalf of the Tenant under said Lease arising from and after the date hereof when due and payable.

This agreement shall be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest, and assigns.

EXECUTED the day and year first above written.


ASSIGNOR:

RR INVESTMENTS, INC.

By:   
Name: Louis J. Pepper  
Title: President

ASSIGNEE:

KPI PROPERTIES, INC.

By:   
Name: TOM C. DOELL  
Title: VICE-PRESIDENT

CONSENT OF LANDLORD

The undersigned is the Landlord in the Lease described in the foregoing Assignment and hereby consents to the assignment of the Lease to Assignee, waiving none of their rights thereunder as to the Tenant or the Assignee.

LESSOR:

CITY OF ADDISON

By: John Baumgartner  
Name: John Baumgartner  
Title: City Manager

ADDISON AIRPORT OF TEXAS, INC.

By: Sam Stuart  
Name: SAM STUART  
Title: President

STATE OF TEXAS           §  
  §  
COUNTY OF DALLAS       §

BEFORE ME, the undersigned authority, on this day personally appeared John Baumgartner, the City Manager of the CITY OF ADDISON, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and considerations therein stated on behalf of the City of Addison.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 13<sup>th</sup> day of March, 1991.

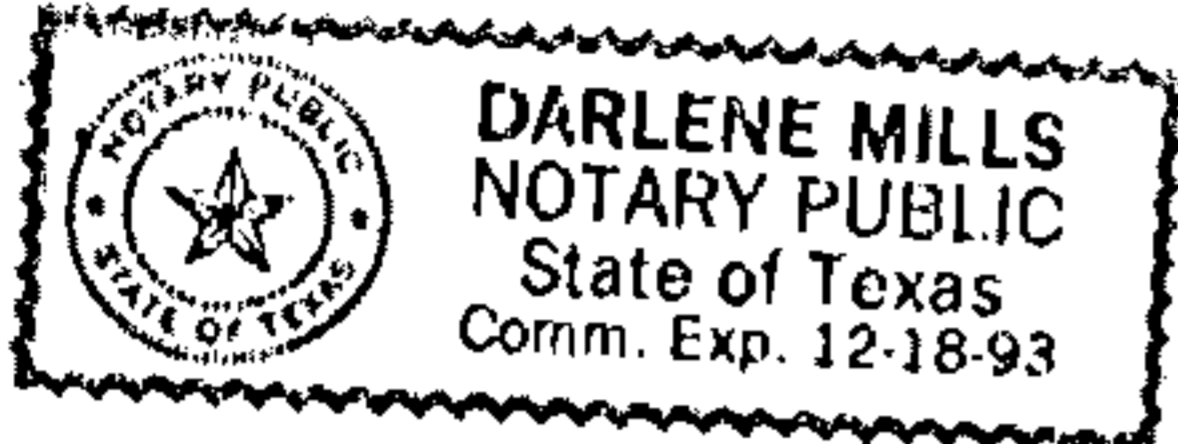


Michele L. Covino  
Notary Public, State of Texas

STATE OF TEXAS           §  
                                  §  
COUNTY OF DALLAS       §

BEFORE ME, the undersigned authority, on this day personally appeared SAM STUART, the President of ADDISON AIRPORT OF TEXAS, INC., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and considerations therein stated on behalf of such corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 2<sup>th</sup> day of February, 1991.



Darlene Mills  
Notary Public, State of Texas

STATE OF TEXAS           §  
                                  §  
COUNTY OF DALLAS       §

BEFORE ME, the undersigned authority, on this day personally appeared Tom C. Doell, the Vice-President of KPI PROPERTIES, INC., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and considerations therein stated on behalf of such corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 18<sup>th</sup> day of December, 1991.

Karen Sayles  
Notary Public, State of Texas

STATE OF TEXAS           §  
                                  §  
COUNTY OF DALLAS       §

BEFORE ME, the undersigned authority, on this day personally appeared Louis T. Pepper, the President of RR INVESTMENTS, INC., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and considerations therein stated on behalf of such corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 3rd day of January, 1991. 1992

Veronica L. Culver  
Notary Public, State of Texas

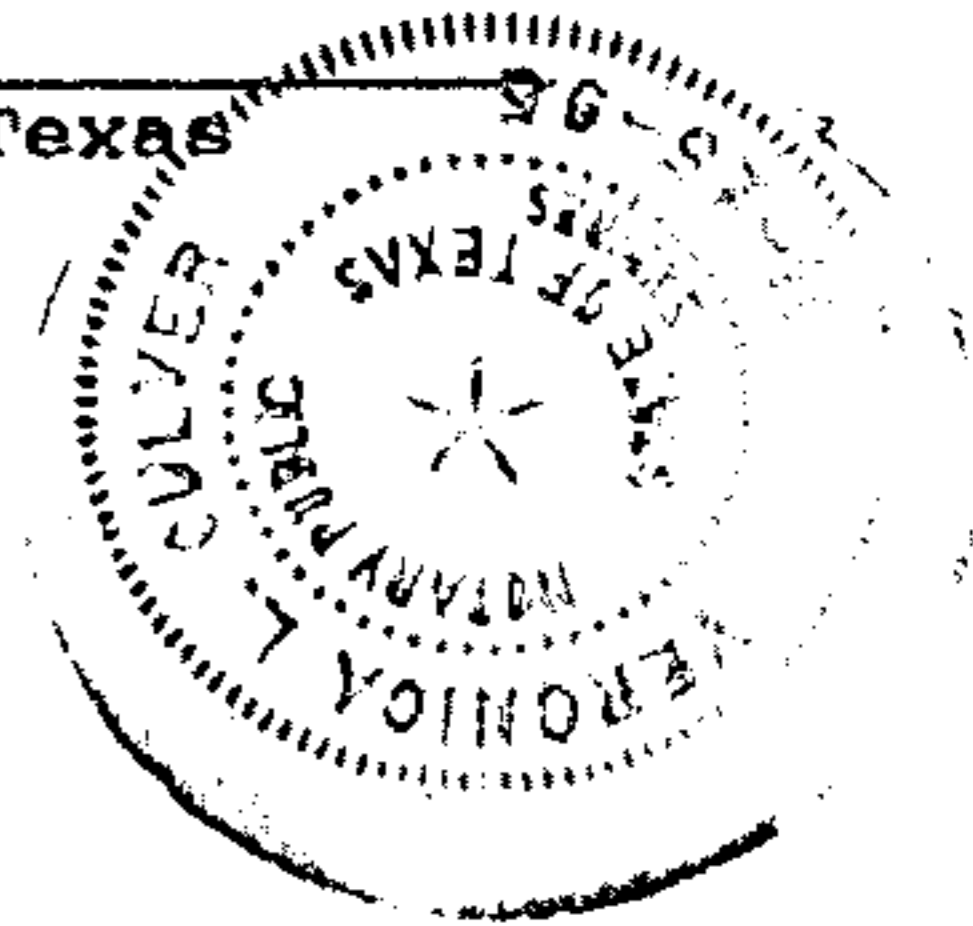


EXHIBIT "A"

PREMISES

Being a tract of land situated in the William Lomax Survey, Abstract No. 792, City of Addison, Dallas County, Texas, and being part of the Addison Municipal Airport, and being more particularly described as follows:

COMMENCING at the intersection of the West line of Addison Road (a 60 foot right-of-way) and the South line of Westgrove Road (a 60 foot right-of-way);

THENCE South 89°54'46" West, 730.00 feet, with the said South line of Westgrove Road to the centerline of Claire Chennault (an undedicated road);

THENCE South 00°03'37" East, 296.55 feet, with said Claire Chennault Road;

THENCE South 43°24'39" West, 1150.71 feet, with said Claire Chennault Road;

THENCE South 69°24'39" West, 62.59 feet, with said Claire Chennault Road, to the end of said Road;

THENCE South 20°38'30" East, 30.00 feet to a 1/2" diameter iron rod set at the PLACE OF BEGINNING, said iron rod also being in the Southeast line of said Claire Chennault Road;

THENCE South 20°38'30" East, 411.68 feet to a 1/2" diameter iron rod set in the Northwest line of an Existing Taxiway, said iron rod also being at the beginning of a curve to the left having a central angle of 13°44'35", a radius of 365.00 feet and a tangent bearing North 57°09'14" East;

THENCE with said curve in a Northeasterly direction and with the said Northwest line of Existing Taxiway, an arc distance of 87.55 feet to a 1/2" diameter iron rod set at the end of said curve;

THENCE North 43°24'39" East, 176.33 feet, with the said Northwest line of Existing Taxiway, to an "X" found in concrete;

THENCE North 46°35'21" West, 354.00 feet to an 1/2" diameter iron rod set in the said Southeast line of Claire Chennault Road, said iron rod also being at the beginning of a curve to the right having a central angle of 16°37'46", a radius of 301.10 feet and a tangent bearing South 52°54'08" West;

THENCE with said curve in a Southwesterly direction and with the said Southeast line of Claire Chennault Road, an arc distance of 87.39 feet to the PLACE OF BEGINNING and containing 65,193 square feet (1.4966 acres) of land, more or less.



This Ground Lease (hereinafter referred to as the "Lease") is made and entered into as of December 28, 1982, by and among the City of Addison, Texas, a municipal corporation (hereinafter sometimes referred to as the "City"), Addison Airport of Texas, Inc., a Texas Corporation (hereinafter sometimes referred to as "AATI") and OMEGA INDUSTRIES, INC. (hereinafter referred to as "Tenant").

WITNESSETH:

WHEREAS, AATI leases that certain real property (hereinafter referred to as the "demised premises") described in attached Exhibit A from the City pursuant to that certain instrument captioned Agreement for Operation of the Addison Airport (hereinafter referred to as the "Base Lease") between the City and Addison Airport, Inc. (predecessor of AATI); and

WHEREAS, the demised premises are situated at Addison Airport (hereinafter referred to as the "Airport") in Dallas County, Texas, the Airport being delineated in a plat attached hereto as Exhibit B; and

WHEREAS, the City and AATI hereby lease and demise the demised premises to Tenant, and Tenant hereby leases and takes the demised premises from the City and AATI, upon the terms and conditions set forth herein;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

1. **Base Lease:** All of the terms and conditions of the Base Lease are incorporated into this Lease by reference as if written verbatim herein, and Tenant by Tenant's execution hereof acknowledges that AATI has furnished Tenant with a copy of the Base Lease. Tenant agrees to fully comply at all times and in all respects with the terms and conditions of the Base Lease insofar as the same relate to the demised premises and/or the use and operation thereof, except that Tenant shall not be responsible for the payment of any rental due under the Base Lease which shall be paid by AATI.

2. **Definition of Landlord and Effect of Default under the Base Lease:** The term "Landlord" as hereinafter used in this Lease shall mean either AATI or the City. So long as the Base Lease is in effect, AATI shall be entitled to all of the rights, benefits and remedies of the Landlord under this Lease, and shall perform all of the duties, covenants and obligations of the Landlord under this Lease. Upon the expiration or termination of the Base Lease, the City shall be entitled to all of the rights, benefits and remedies of the Landlord under this Lease, and shall perform all of the duties, covenants and obligations of the Landlord under this Lease. The City agrees that (i) until such time as the City notifies Tenant to the contrary in writing, Tenant is fully authorized to make all payments due under this Lease to AATI, and (ii) that default by AATI under the Base Lease shall have no effect on this Lease so long as Tenant pays and performs its duties, covenants and obligations under this Lease.

3. **Term:** The term hereof shall commence on the earlier of September 30, 1983, or the first day of the first calendar month after Tenant completes the construction hereinbelow described and opens for business at the demised premises (the applicable date being hereinafter referred to as the "Commencement Date"), and shall end four hundred eighty (480) months thereafter; provided, however, that any entry upon the demised premises by Tenant prior to the Commencement Date shall be subject to all of the terms and conditions hereof except that rental shall not accrue.

4. **Rental:** Subject to adjustment as hereinbelow provided, Tenant agrees to pay to Landlord, without offset or deduction, rent for the demised premises at the rate of ONE THOUSAND ONE HUNDRED THIRTY-THREE & 91/100 per month in advance. The first of such monthly installment shall be due and payable on or before the Commencement Date, and a like installment shall be due and payable on or before the first day of each calendar month thereafter during the term hereof.

5. **Adjustment of Rental:** Commencing on the second anniversary of the Commencement Date and on every bi-annual anniversary thereafter (hereinafter referred to as the "Adjustment Date"), the monthly rental due under paragraph 4 shall be adjusted as follows:

(i) A comparison shall be made between the Consumers' price index-All Items for the Dallas, Texas Metropolitan Area (hereinafter referred to as the "Price Index") as it existed on the Commencement Date and as it exists on the first day of the calendar month preceding the then applicable Adjustment Date.

(ii) The monthly rental for the two (2) year period beginning with and following the then applicable Adjustment Date shall be either increased or decreased, as the case may be, by the percentage of increase or decrease in the Price Index between the Commencement Date and the then applicable Adjustment Date, but in no event shall such monthly rental ever be decreased below the monthly rental set forth in paragraph 4.

(iii) In the event that the Price Index is unavailable for whatever reason for the computations set forth hereinabove, another index approximating the Price Index as closely as possible shall be substituted therefor.

6. **Use of Demised Premises and Construction of Improvements.** The demised premises shall be used and occupied by Tenant only for the following purposes: sale of aircraft and aircraft parts; aircraft maintenance and repair; aircraft storage; aircraft training; aircraft charter; and aircraft rentals; and not otherwise without the prior written consent of Landlord.

In connection with such use and occupancy, Tenant intends to construct upon the demised premises the improvements depicted in the plans and specifications.

1 - Aircraft hangar with associated shop, office, aircraft ramp and vehicle parking. Also, possible separate one story office building. Addison Airport to approve construction drawings prior to start of construction.

All construction shall be strictly in accordance with such plans and specifications, and such construction shall be performed in a first class, workmanlike manner. Tenant agrees to promptly pay and discharge all costs, expenses, claims for damages, liens and any and all other liabilities and obligations which arise in connection with such construction.

7. **Acceptance of Demised Premises.** Tenant acknowledges that Tenant has fully inspected the demised premises and accepts the demised premises as suitable for the purpose for which the same are leased in their present condition.

8. **Securing Governmental Approvals and Compliance with Law.** Tenant at Tenant's sole cost and expense shall obtain any and all governmental licenses, permits and approvals necessary for the construction of improvements and for the use and occupancy of the demised premises. Tenant shall comply at all times with all governmental laws, ordinances and regulations applicable to the use of the demised premises, and shall promptly comply with all governmental orders and directives for the correction, prevention and abatement of nuisances in or upon, or connected with the demised premises, all at Tenant's sole cost and expense.

9. **Assignment, Subletting and Mortgaging of Leasehold Estate:**

A. Without the prior written consent of Landlord, Tenant may not assign this Lease or any rights of Tenant hereunder (except to a leasehold mortgagee as hereinbelow provided) or sublet the whole or any part of the demised premises. Any assignment or subletting shall be expressly subject to all the terms and provisions of this Lease, including the provisions of paragraph 6 pertaining to the use of the demised premises. In the event of any assignment or subletting, Tenant shall not assign Tenant's rights hereunder or sublet the demised premises without first obtaining a written agreement from each such assignee or sublessee whereby each such assignee or sublessee agrees to be bound by the terms and provisions of this Lease. No such assignment or subletting shall constitute a novation. In the event of the occurrence of an event of default while the demised premises are assigned or sublet, Landlord, in addition to any other remedies provided herein or by law, may at Landlord's option, collect directly from such assignee or subtenant all rents becoming due under such assignment or subletting and apply such rent against any sums due to Landlord hereunder. No direct collection by Landlord from any such assignee or subtenant shall release Tenant from the payment or performance of Tenant's obligations hereunder.

B. Tenant shall have the right to mortgage the leasehold estate of Tenant created hereby in order to secure a mortgage loan for the purpose of obtaining funds for the construction of the improvements described in paragraph 6 or for other construction upon the demised premises approved from time to time by Landlord in writing. In the event that Tenant pursuant to mortgages or deeds of trust mortgages the leasehold estate of Tenant created hereby, the leasehold mortgagee shall in no event become personally liable to perform the obligations of Tenant under this Lease unless and until said mortgagee become the owner of the leasehold estate pursuant to foreclosure, transfer in lieu of foreclosure, or otherwise, and thereafter said leasehold mortgagee shall remain liable for such obligations only so long as such mortgagee remains the owner of the leasehold estate. Notwithstanding the foregoing, it is specifically understood and agreed that no such mortgaging by Tenant and/or any actions taken pursuant to the terms of such mortgage shall ever relieve Tenant of Tenant's obligation to pay the rental due hereunder and otherwise fully perform the terms and conditions of this Lease.



E. In the event that Tenant does not promptly commence Restoration, or after commencement Tenant does not diligently proceed to the completion of same, Landlord shall have the right to commence or complete Restoration after Landlord has given Tenant thirty (30) days prior written notice requesting the commencement of Restoration or that Tenant diligently proceeds to the completion of same if Tenant during such thirty (30) day period does not so commence or proceed to diligently complete Restoration. In such event, Landlord shall retain the insurance proceeds, and Tenant shall pay any deficiency if such proceeds are not sufficient for Restoration.

**15. Condemnation:**

A. If during the term hereof, any part of the demised premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, or are sold to a condemning authority under threat of condemnation, and after such taking by or sale to said condemning authority the remainder of the demised premises is not susceptible to efficient and economic occupation and operation by Tenant, this Lease shall automatically terminate as of the date that said condemning authority takes possession of the demised premises, and Landlord shall refund to Tenant any prepaidd but unaccrued rental less any sum then owing by Tenant to Landlord.

B. If after such taking by or sale to said condemning authority the remainder of the demised premises is susceptible to efficient and economic occupation and operation by Tenant, this Lease shall not terminate but the rental due hereunder shall be adjusted so that Tenant shall be required to pay for the remainder of the term hereof the sum obtained by multiplying each monthly rental installment due hereunder, as adjusted from time to time pursuant to paragraph 5, by a fraction, the numerator of which shall be the number of square feet remaining in the demised premises after the taking by or sale to said condemning authority and denominator of which shall be the square footage originally contained in the demised premises. The rental adjustment called for herein shall not commence until said condemning authority actually takes possession of the condemned portion of the demised premises.

C. If this Lease is not terminated pursuant to Section A, Tenant shall promptly restore the Improvements on the demised premises, and the condemnation proceeds to which Landlord and Tenant are entitled shall be awarded and paid first to cover the costs and expenses for restoring the remaining portion of the demised premises to a condition susceptible to efficient and economic occupation and operation by Tenant, and any remaining proceeds to which Landlord and Tenant are entitled shall be awarded and paid to Landlord and Tenant, as their interest may appear. If this Lease is terminated pursuant to Section A, condemnation proceeds to which Landlord and Tenant are entitled shall be awarded and paid to Landlord and Tenant as their interests may appear.

16. Utilities. Tenant shall be responsible at Tenant's sole cost and expense for obtaining all utility connections at or for the demised premises and Tenant shall pay all charges for water, electricity, gas, sewer, telephone or any other utility connections, tap-in fees and services furnished to the demised premises during the term hereof. Landlord shall in no event be liable or responsible for any cessation or interruption in any such utility services.

17. Common Facilities. Tenant and Tenant's employees, agents, servants, customers and other invitees shall have the non-exclusive right to use all common facilities, improvements, equipment and services which may now exist or which may hereafter be provided by Landlord for the accommodation and convenience of Landlord's customers and tenants, including landing and takeoff facilities, means of ingress and egress to the demised premises, other airport installations, and all other reasonable services which may be provided without charge from time to time by Landlord in operating the Airport. All such common facilities shall at all times be under the exclusive control and management of Landlord and may be rearranged, modified, changed or terminated from time to time at Landlord's sole discretion.

18. Rules and Regulations. Landlord has adopted Rules and Regulations (hereinafter referred to as the "Rules and Regulations") which shall govern Tenant in the use of the demised premises and all common facilities, a copy of which has been furnished to Tenant. The Rules and Regulations are incorporated by reference as if written verbatim herein, and Tenant agrees to comply fully at all times with the Rules and Regulations. Landlord shall have the right to amend, notify and alter the Rules and Regulations from time to time in a reasonable manner for the purpose of assuring the safety, welfare and convenience of Landlord, Tenant and all other Tenants and customers of the Airport.

19. Signs and Equipment. After first securing Landlord's approval which will not be unreasonably withheld, Tenant shall have the right from time to time to install and operate advertising signs and radio, communications, meteorological, aerial navigation and other equipment and facilities in or on the demised premises that may be reasonably necessary for the operation of Tenant's business.

20. Landlord's Right of Entry. Landlord and Landlord's authorized representatives shall have the right, during the normal business hours, to enter the demised premises (i) to inspect the general condition and state of repair thereof, (ii) to make repairs permitted under this Lease, (iii) to show the demised premises to any prospective tenant or purchaser or (iv) for any other reasonable and lawful purpose.

During the final one hundred eighty (180) days of the term hereof, Landlord and Landlord's authorized representatives shall have the right to erect and maintain on or about the demised premises customary signs advertising the demised premises for lease or for sale.

**21. Indemnity and Exculpation:**

A. Landlord shall not be liable to Tenant or to Tenant's employees, agents, servants, customers, invitees, or to any other person whomsoever, for any injury to persons or damage to property on or about the demised premises or any adjacent area owned by Landlord caused by the negligence or misconduct of Tenant, Tenant's employees, servants, customers, invitees, subtenants, licensees or concessionaires or any other person entering the demised premises under express or implied invitation of Tenant, or arising out of the use of the demised premises by Tenant and the conduct of Tenant's business thereon, or arising out of any breach or default by Tenant in the performance of Tenant's obligations hereunder; and Tenant hereby agrees to indemnify Landlord and hold Landlord harmless from any loss, expense or claims arising out of such damage or injury.

B. Landlord and Landlord's agents and employees shall not be liable to Tenant for any injury to persons or damage to property resulting from the demised premises becoming out of repair or by defect in or failure of equipment, pipes, or wiring, or broken glass, or by the backing up of drains, or by gas, water, steam, electricity or oil leaking, escaping or flowing into the demised premises, regardless of the source, or dampness or by fire, explosion, falling plaster or falling or for any other reason whatsoever. Landlord shall not be liable to Tenant for any loss or damage that may be occasioned by or through the acts or omissions of other tenants of Landlord or caused by operations in construction of any private, public or quasi-public work, or of any other persons whomsoever, excepting only duly authorized agents and employees of Landlord.

**22. Default by Tenant. The following events shall be deemed to be events of default by Tenant under this Lease:**

A. Failure of Tenant to pay any installment of rent or any other sum payable to Landlord hereunder on the date that same is due and such failure shall continue for a period of ten (10) days.

B. Failure of Tenant to comply with any term, condition or covenant of this Lease, other than the payment of rent or other sum of money, and such failure shall not be cured within thirty (30) days after written notice thereof to Tenant.

C. Insolvency, the making of a transfer in fraud of creditors, or the making of an assignment for the benefit of creditors by Tenant or any guarantor of Tenant's obligations.

D. Filing of a petition under any section or chapter of the National Bankruptcy Act, as amended, or under any similar law or statute of the United States or any State thereof by Tenant or any guarantor of Tenant's obligations, or adjudication as a bankrupt or insolvent in proceedings filed against Tenant or such guarantor.

E. Appointment of a receiver or trustee for all or substantially all of the assets of Tenant or any guarantor of Tenant's obligations.

F. Abandonment by Tenant of any substantial portion of the demised premises or cessation of use of the demised premises for the purpose leased.

23. Remedies of Landlord. Upon the occurrence of any of the events of default listed in paragraph 22, Landlord shall have the option to pursue any one or more of the following remedies without the notice or demand whatsoever:

A. Terminate this Lease, in which event Tenant shall immediately surrender the demised premises to Landlord. If Tenant fails to so surrender the demised premises, Landlord may, without prejudice to any other remedy which Landlord may have for possession of the demised premises or arrearages in rent, enter upon and take possession of the demised premises and expel or remove Tenant and any other person who may be occupying the demised premises or any part thereof, without being liable for prosecution or any claim for damages therefor. Tenant shall pay to Landlord on demand the amount of all loss and damages which Landlord may suffer by reason of such termination, whether through inability to relet the demised premises on satisfactory terms or otherwise.

B. Terminate this Lease, in which event Tenant shall immediately surrender the demised premises to Landlord. If Tenant fails to so surrender the demised premises, Landlord may, without prejudice to any other remedy which Landlord may have for possession of the demised premises or arrearages in rent, enter upon and take possession of the demised premises and expel or remove Tenant and any other person who may be occupying the demised premises or any part thereof, without being liable for prosecution or any claim for damages therefor. Tenant shall pay to Landlord on the date of such termination damages in any amount equal to the excess, if any, of the total amount of all monthly rental and other amounts to be paid by Tenant to Landlord hereunder for the period which would otherwise have constituted the unexpired portion of the term of this Lease over the then fair market rental value of the demised premises for such unexpired portion of the term of this Lease.

C. Enter upon and take possession of the demised premises without terminating this Lease and without being liable for prosecution or for any claim for damages therefor, and expel or remove Tenant and any other person who may be occupying the demised premises or any part thereof. Landlord may relet the demised premises and receive the rent therefor. Tenant agrees to pay to Landlord monthly or on



furnished to Landlord also being furnished to Landlord's mortgagee and Landlord's mortgagee falls to cure such default within the curative period allowed Landlord under this Lease.

Landlord agrees that from time to time, upon not less than ten (10) days' prior written request by Tenant, Landlord will deliver to Tenant a statement in writing certifying that:

A. This Lease is unmodified and in full force and effect (or if there have been modifications, that the Lease as modified is in full force and effect and stating the modifications).

B. The dates to which rent and other charges have been paid.

C. Tenant is not in default under any term or provision of this Lease or if in default the nature thereof in detail in accordance with an exhibit attached thereto.

37. Interest on Tenant's Obligations and Manner of Payment. All monetary obligations of Tenant to Landlord under this Lease remaining unpaid ten (10) days after the due date of the same (if no due date has been established under other provisions hereof, the "due date" shall be the date upon which Landlord demands payment from Tenant in writing) shall bear interest at the rate of ten percent (10%) per annum from and after said tenth (10th) day until paid. If more than twice during the term of the Lease Tenant's personal or corporate check is not paid by the bank on which it is drawn for whatever reason, Landlord may require by giving written notice to Tenant that the payment of all future monetary obligations of Tenant under this Lease are to be made on or before the due date by cash, cashier's check, certified check or money order, and the delivery of Tenant's personal or corporate check will no longer constitute payment of such monetary obligations. Any acceptance by Landlord of a personal or corporate check after such notice shall not be deemed or construed as a waiver or estoppel of Landlord to require other payments as required by said notice.

38. Independent Contractor. It is understood and agreed that in leasing and operating the demised premises, Tenant is acting as an independent contractor and is not acting as agent, partner, joint venturer or employee of Landlord.

39. Force Majeure. In the event performance by Landlord of any term, condition or covenant in this Lease is delayed or prevented by any Act of God, strike, lockout, shortage of material or labor, restriction by any governmental authority, civil riot, flood, or any other cause not within the control of Landlord, the period for performance of such term, condition or covenant shall be extended for a period equal to the period Landlord is so delayed or hindered.

40. Exhibits. All exhibits, attachments, annexed instruments and addenda referred to herein shall be considered a part hereof for all purposes with the same force and effect as if copied verbatim herein.

41. Use of Language. Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular shall be held to include the plural, unless the context otherwise requires.

42. Captions. The captions or headings or paragraphs in this Lease are inserted for convenience only, and shall not be considered in construing the provisions hereof if any question of intent should arise.

43. Successors. The terms, conditions and covenants contained in this Lease shall apply to, inure to the benefit of, and be binding upon the parties hereto and their respective successors in interest and legal representatives except as otherwise herein expressly provided. All rights, powers, privileges, immunities and duties of Landlord under this Lease, including, but not limited to, any notices required or permitted to be delivered by Landlord to Tenant hereunder, may, at Landlord's option, be exercised or performed by Landlord's agent or attorney.

44. Severability. If any provision in this Lease should be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Lease shall not be affected thereby.

45. Notices. Any notice or document required or permitted to be delivered hereunder may be delivered in person or shall be deemed to be delivered, whether actually received or not, when deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed to the parties at the addresses indicated below, or at such other addresses as may have theretofore been specified by written notice delivered in accordance herewith.

LANDLORD:

Addison Airport of Texas, Inc.  
P. O. Box 34067  
Dallas, Texas 75234

City of Addison, Texas

P. O. Box 144

Addison, Texas 75001

TENANT:

Omega Industries, Inc.  
106 Decker Drive, Suite 260  
Irving, Texas 75062

Gayle Peery

(214) 256-7525

46. Fees or Commissions. Each party hereto hereby covenants and agrees with the other that such party shall be solely responsible for the payment of any brokers', agents' or finders' fees or commissions agreed to by such party arising from the execution of this Lease or the performance of the terms and provisions contained herein, and such party agrees to indemnify and hold the other party harmless from the payment of any such fees or commissions.

47. Counterparts. This Lease may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

48. Governing Law and Venue. This Lease and all of the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Texas, and Landlord and Tenant both irrevocably agree that venue for any dispute concerning this Lease or any of the transactions contemplated herein shall be in any court of competent jurisdiction in Dallas County, Texas.

49. Entire Agreement and Amendments. This Lease, consisting of forty-nine (49) paragraphs and Exhibits A through B attached hereto, embodies the entire agreement between Landlord and Tenant and supersedes all prior agreements and understandings, whether written or oral, and all contemporaneous oral agreements and understandings relating to the subject matter hereof. Except as otherwise specifically provided herein, no agreement hereafter made shall be effective to change, modify, discharge or effect an abandonment of this Lease, in whole or in part, unless such agreement is in writing and signed by or in behalf of the party against whom enforcement of the change, modification, discharge or abandonment is sought.

EXECUTED as of the day month and year first above written.

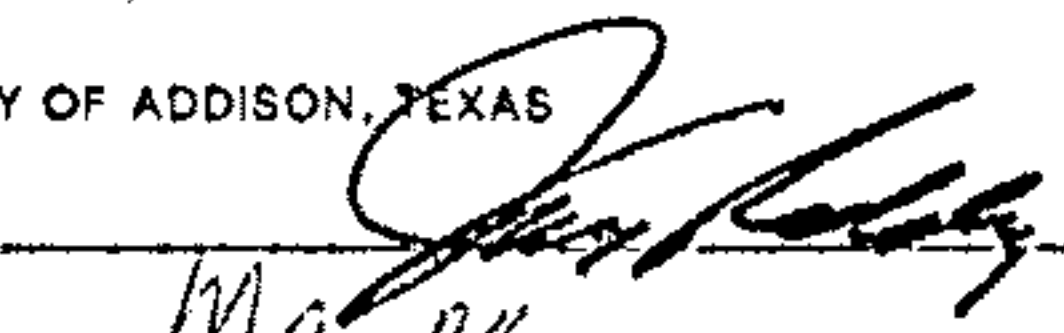
LANDLORD:

ADDISON AIRPORT OF TEXAS, INC.

By: 

Its: 

CITY OF ADDISON, TEXAS

By: 

Its: 

TENANT:

By: 

Its: 

5

92067 1232

STATE OF TEXAS }  
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared Henry Stewart  
known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same  
for the purposes and considerations therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 18 day of January, 19 83.

Robert L. Jones  
Notary Public  
Dallas  
County, Texas

STATE OF TEXAS }  
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared James Redden  
known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same  
for the purposes and considerations therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 17 day of Feb., 19 83.

James Reese  
Notary Public  
County, Texas

STATE OF TEXAS }  
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared Alfred Perry  
known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same  
for the purposes and considerations therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 21st day of January, 19 83.

Leta B. Lewis  
Notary Public  
County, Texas

LETA B. LEWIS  
Notary Public State of Texas  
Commission Expires June 12, 1984



LEGAL DESCRIPTION

STATE OF TEXAS:  
 COUNTY OF DALLAS:

BEING a tract of land situated in the WILLIAM LOMAX SURVEY, ABSTRACT NO. 792, Dallas County, Texas and located on Addison Municipal Airport, Addison, Texas, and being more fully described as follows;

COMMENCING at a point for the intersection of the west Right-of-Way line of Addison Road, a 60 foot street, and the South Right-of-way line of Westgrove Road a 60 foot street, and the south Right-of-Way line of Westgrove Road a 60 foot street;

THENCE South 39 degrees 54 minutes 46 seconds West along the South line of said Westgrove Road a distance of 730.0 feet to a point for the centerline of a proposed 60 foot street (Claire Chennault Road) (an undedicated street);

THENCE South 43 degrees 24 minutes 39 seconds West, in the R.O.W. of Claire Chennault Road, (an undedicated street) 1150.71 feet to an angle point;

THENCE South 69 degrees 24 minutes 39 seconds West, 62.59 feet in the R.O.W. of Claire Chennault Road, to an angle point in the center and the end of Claire Chennault Road, (an undedicated street);

THENCE South 20 degrees 38 minutes 30 seconds East along the Southwest end of Claire Chennault Road, 30 feet to the Place of Beginning;

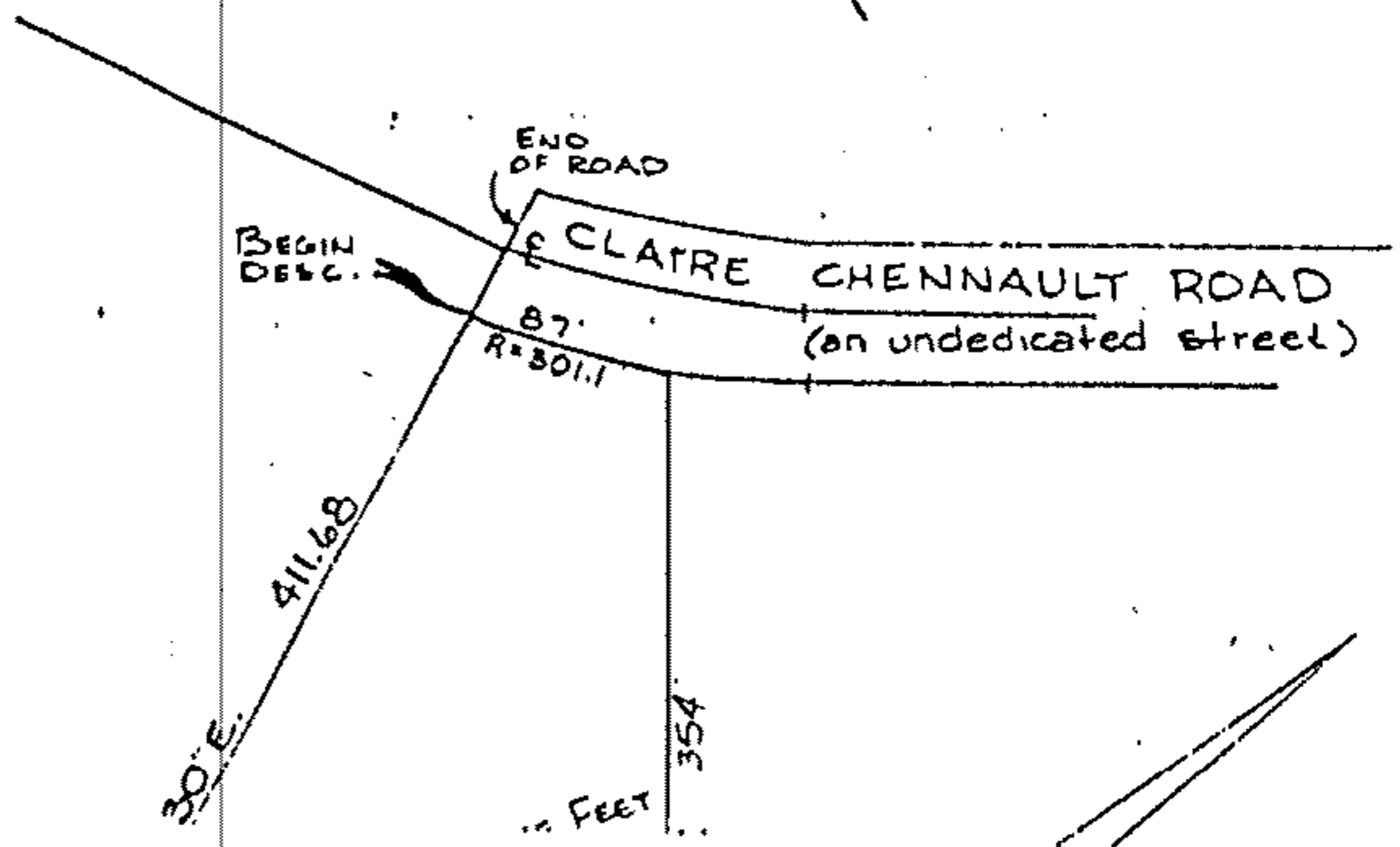
THENCE South 20 degrees 38 minutes 30 seconds East, 411.68 feet to a point in a curve to the left having a radius of 365 feet; said point also being in the Northwest R.O.W. line of an existing taxiway;

THENCE along said curve to the left and in a Northeasterly direction 87.55 feet;

THENCE North 43 degrees 24 minutes 39 seconds East along the Northwest line of the existing taxiway, 176.33 feet;

THENCE North 46 degrees 35 minutes 21 seconds West, 354 feet to a point in the Southeast R.O.W. line of Claire Chennault Road (an undedicated street), said point being in a curve to the right having a radius of 301.1 feet;

THENCE in a Southwesterly direction around said curve to the right, 87 feet to the PLACE OF BEGINNING and containing 65,105 square feet or 1.495 acres of land.



AGREEMENT FOR  
OPERATION OF THE ADDISON AIRPORT  
BETWEEN  
THE CITY OF ADDISON, TEXAS  
AND  
ADDISON AIRPORT, INC.



THIS AGREEMENT, made and entered into the 30th day of December, 1976, by and between the CITY OF ADDISON, TEXAS, a municipal corporation acting by and through the City Council (hereinafter "City") and ADDISON AIRPORT, INC., a Texas corporation (hereinafter "Company"), with an address at P.O. Box 34067, Dallas, Texas 75234.

## WITNESSETH:

WHEREAS, the City has entered into a Contract of Sale whereby the City will acquire the principal portions of the existing Airport known as Addison Airport, in Dallas County, Texas, it being contemplated that the City will purchase approximately three hundred sixty-four (364) acres ("Property"), in part with federal funds available for such purpose, the Property being reflected and described on Exhibit "1" attached hereto.

WHEREAS, the City and the Company are desirous of having the Company operate and conduct all lawful, reasonable and appropriate activity at the Airport for the use of the general public and generally in accordance with the operations description set forth in Section 7 hereof, and

WHEREAS, in the exercise of its lawful authority, the City has entered into that certain Grant Agreement with the United States of America (acting through the Federal Aviation Administration (FAA), dated December 30, 1976, for the purpose of obtaining funds for the acquisition of the Property.

WHEREAS, the Company agrees to carry out the terms and conditions set forth in that certain Grant Agreement; and

WHEREAS, the City, during the term of this Agreement, agrees to consult with the FAA on the adjustment or modification of any term or condition in the Grant Agreement which because of the peculiar circumstances of the Airport operation the Company believes to be unworkable or impractical; and

WHEREAS, it has been found and determined by the City in accordance with its lawful duties, that it is essential, appropriate and necessary for its public purposes and for the public to acquire such adequate general aviation facilities; and

WHEREAS, the Mayor of the City of Addison has been duly authorized and empowered to execute the Agreement; and

WHEREAS, it is the intention of the parties that the Airport shall be operated in a manner as would be accomplished by a reasonably prudent airport operator and in accordance with sound business practices;

NOW, THEREFORE, for and in consideration of the mutual covenants, conditions and agreements herein set forth, the parties hereto hereby agree and contract as follows:

The City hereby leases to Company, and the Company hereby takes, upon the terms and conditions hereinafter specified, the following premises:

- (i) the land described in Exhibit "1" as the Property and the improvements thereon owned by the City;
- (ii) all easements, rights and appurtenances relating to the land (all property described in clauses (i) and (ii) above is herein sometimes collectively called the "Leased Premises"); and
- (iii) City hereby assigns to Company all of its right, title and interest in and to the leases set forth in Exhibit "B" to the Contract of Sale.

As consideration for this Agreement, and in addition to the rents payable hereunder, the Company agrees to pay to the City the sum of Eight Hundred Thousand (\$800,000.00) Dollars, in cash, said payment to be made simultaneous with the release of this Agreement from escrow pursuant to that certain Escrow Agreement dated December 30, 1976, by and between the City, Company and Southwest Land and Title Company ("Escrow Agreement").

In the event this Agreement is not delivered out of escrow to the City and is returned to Company by reason of the Escrow Agreement, the Company shall have no liability for any payment to the City hereunder and this entire Agreement shall be null and void and of no force or effect as of the date this Agreement is executed.

## Section 1. Definitions

- (a) "Airport" means the Addison Airport as shown on Exhibit "2" hereof;
- (b) "Improvements" means all improvements that specifically serve the Airport, including, but not limited to, streets, roadways, parking areas, aprons, runways, sewers and waterlines, all buildings and structures and additions, substitutions, accessions, and replacements thereto on the Leased Premises.
- (c) "Gross Receipts" means all monies paid to the Company for sales made and for services rendered or agreed to be rendered at or from the Airport regardless of the time or place of receipt of the order therefor, and for sales made and for services rendered or agreed to be rendered outside the Airport if the order therefor is received at the Airport, the charges, rentals, fees and other payments of whatever kind of nature paid to the Company under any lease, sublease, permit, license, or any other agreement, oral or written, relating to the Airport, all landing, parking and other fees and charges paid to the Company from any user of the Airport, revenues paid to the Company for the sale or delivery of aviation fuel, petroleum and other products, including any fuel flowage fees, any other revenues of any type arising out of or in connection with the Company's services and operations at the Airport, including its operations thereof. Any addition, change, modification or alteration in the Company's method of performing its Airport function or responsibility which would adversely affect the Gross Receipts shall first require the approval of the City.

## Section 2. Representations by City

The City is the duly and lawfully created, existing and recognized owner of the Leased Premises, having the power to enter into the transactions hereunder, and by proper action the City has been duly authorized to execute and deliver this Agreement.

## Section 3. Representations by Company

The Company is a corporation duly incorporated under the laws of the State of Texas, is in good standing under the laws of said State; is duly authorized to do business in the State of Texas; has the power to enter into this Agreement without violating the terms of any other agreement to which it may be a party; and by proper corporate action had been duly authorized to execute and deliver this Agreement.

It generally will occupy and possess the Leased Premises for the public purposes of the City as set forth in Section 7 hereof.

## Section 4. Term of Agreement

Subject to the terms, covenants, conditions and agreements contained in this Agreement, the Company shall have and hold the Leased Premises for a term commencing on the date of closing of the purchase of the Property in the Contract of Sale and ending 20 years thereafter.

The Company agrees to yield and deliver peacefully to the City possession of the Leased Premises together with all buildings, structures, improvements, additions and other installations therein or thereon, on the date of the expiration of this Agreement, promptly and in good operating condition, the intention being that when the Leased Premises are returned to the City they shall be in first-class condition giving due consideration to normal wear and tear and shall be free and clear of any and all liens, debts, contracts, leases or encumbrances of whatsoever kind, nature and description.

## Section 5. Rent

(a) Company shall pay the City, on demand, the sum of \$100,000.00, as a special assessment for public improvements to be made by the City of Addison. The Company shall not be assessed or otherwise be liable for any further such assessments made outside of the Leased Premises during the term of the Agreement.

(b) The Company agrees to pay the City \$6,250.00 per month, or 3% of the Company's monthly Gross Receipts, whichever amount is the greater. Such installment shall be payable to the City of Addison, Dallas County, Texas, commencing on the 20th day of the second month after the effective date of this Agreement for the first month hereof, and on the 20th day of each calendar month thereafter for the calendar month preceding. Payment of such amounts shall be reduced by any real property or personal property taxes assessed by the City of Addison on the Property or assessed by the City of Addison on the improvements or this Agreement, commencing with the effective date of this Agreement, such reduction to be credited against the next succeeding installments of rent hereunder from and after date of payment of such taxes by the Company. The Company shall render to the City, on the 20th day of each calendar month, a sworn statement showing its Gross Receipts for each preceding month.

## Section 6. Taxes and Assessments

The Company shall pay when due and before any fine, penalty, interest or cost may be added for non-payment: all levies, fees, water and sewer rents or other rents, rates and charges, permit fees, inspection fees and other charges, if any, in each case whether general and special, ordinary and extraordinary, which are lawfully imposed, whether or not the same were within the contemplation of the parties



**Section 7. Uses of Leased Premises**

(a) The Company shall have control of the operation of the Leased Premises and shall operate them on a nondiscriminatory and uniform basis consistent with the normal public use of airports of a similar kind, and in accordance with all applicable laws and regulations. The use of the areas thereof shall be for the following purposes only:

- (i) For the handling and accommodation of operators, crews and travelers arriving at or departing from the Leased Premises;
- (ii) For the storage, parking, maintenance and servicing of aircraft in covered and open areas;
- (iii) For the sale, maintenance, repair, servicing, overhaul, conversion and modification of aircraft, and aircraft engines, assemblies, accessories and component parts;
- (iv) For the storage of fuel and for the fueling of aircraft;
- (v) For the charter and leasing of aircraft;
- (vi) For schools for the training of aeronautical pilots, mechanics, repairmen, navigators and dispatchers, and other aeronautical personnel;
- (vii) For the storage, parking, maintenance, servicing and fueling of automotive vehicles, automotive equipment and other equipment owned or operated by the Company in connection with the operation of the Leased Premises or by other persons using the Leased Premises for other purposes authorized hereunder;
- (viii) For the operation of stores, concessions and other consumer service activities, reasonably required for the accommodation of operators, crews and travelers arriving at or departing from the Leased Premises by aircraft, and other persons doing business with or who are the guests of the Company or other users of the Leased Premises;
- (ix) For the fabrication, manufacture, testing or development of aeronautical materials which will be used or installed in aircraft at the Leased Premises; and
- (x) For all operational, administrative, office and other such related functions in connection with the activities authorized hereunder;

The provisions of this Section shall be inserted and enforced by the Company in the agreement(s) of any other future user of the Leased Premises.

(b) In the performance of the Uses of the Airport granted by the City hereunder, the Company agrees to operate the Airport for the use and benefit of the public; to make available all airport facilities and services to the public on fair and reasonable terms and without unjust discrimination and to provide space on the Airport, to the extent available, and to grant rights and privileges for use of the landing facilities of the Airport to all qualified persons, firms and corporations desiring to conduct aeronautical operations at the Airport.

(c) The Company shall perform the above-named Uses in a manner which shall be compatible with the latest FAA-approved Airport Layout Plan.

(d) Any clause or provision of this Agreement to the Company notwithstanding:

(i) The Company agrees to operate the Airport in accordance with the obligations of the City to the Federal Government under above-described Grant Agreement. In furtherance of this general covenant, but without limiting its general applicability, the Company specifically agrees to operate the Airport for the use and benefit of the public; to make available all airport facilities and services to the public on fair and reasonable terms and without discrimination and to provide space on the Airport, to the extent available, and to grant rights and privileges for use of the landing area facilities of the Airport to all qualified persons, firms and corporations desiring to conduct aeronautical operations on the Airport. In this connection, the Company may from time to time adopt standard rules and regulations concerning the use and operation of the Airport, provided such rules and regulations shall not constitute a violation of the Grant Agreement.

(ii) It is specifically understood and agreed that nothing herein contained shall be construed as granting or authorizing the granting of an exclusive right within the meaning of Section 303a of the Federal Aviation Act.

(iii) The City reserves the right to take any action it considers necessary to protect the aerial approaches to the Airport against obstruction, together with the right to prevent the Company from erecting, or permitting to be erected, any building or other structures on the Airport which, in the opinion of the City, would limit the usefulness of the Airport or constitute a hazard to aircraft.

(iv) This Agreement shall be subordinate to the provisions of any existing or future agreement entered into between the City and the United States to obtain federal aid for the improvement or operation and maintenance of the Airport.

**Section 8. Orderly Conduct of Operations**

The Company shall conduct its operations in a proper and orderly manner and will not annoy, disturb or be offensive to others. The Company shall take all reasonable measures to control the conduct, demeanor and appearance of its employees, agents, representatives, contractors, and the conduct and demeanor of its customers, invitees and those doing business with it in the Leased Premises.

The terms of this Section shall be inserted and enforced by the Company in the agreement(s) of any other user of the Airport.

**Section 9. Standards of Operation**

The Company shall not knowingly commit any nuisances on the Leased Premises, or do or permit to be done anything which may result in the creation or commission of a nuisance on the Leased Premises.

The terms of this Section shall be inserted and enforced by the Company in the agreement(s) of any other user of the Airport.

**Section 10. Insurance**

The Company will maintain at its expense insurance on the Leased Premises of the following character:

(a) Insurance against loss or damage to improvements by fire, lightning, other risks from time to time included under the standard extended coverage policies, and sprinkler and vandalism and malicious mischief, all in amounts sufficient to prevent City or Company from becoming co-insurers of any loss under the applicable policies but in any event in amounts not less than 80% of the full insurable value of the Leased Premises. The term "full insurable value" as used herein means actual replacement value at the time of such loss. Upon request, such replacement value shall be determined by a qualified appraiser, a copy of whose findings shall be submitted to City, and, thereafter, proper adjustment in the limits of insurance coverage shall be affected.

(b) General public liability insurance against claims for bodily injury, death or property damage occurring on, in or about the Leased Premises, such insurance to afford protection to City of not less than \$500,000.00 with respect to any one accident, and not less than \$200,000.00 with respect to property damage. Policies of such insurance shall be for the benefit of City and Company.

(c) Workmen's compensation insurance covering all persons employed by Company in connection with any work done on or about the Leased Premises with respect to which claims for death or bodily injury could be asserted against City, Company or the Leased Premises, or in lieu of such workmen's compensation insurance, a program of self-insurance complying with the rules, regulations and requirements of the appropriate state agency of the State of Texas.

(d) If applicable, boiler and pressure vessel insurance on all steam boilers, parts thereof and appurtenances attached or connected thereto which by reason of their use or existence are capable of bursting, erupting, collapsing, imploding or exploding, in the minimum amount of \$100,000.00 for damage to property resulting from such perils.

(e) Such other insurance on the improvements in such amounts and against such other insurable hazards which at the time are commonly obtained in the case of property similar to the improvements.

(f) In addition to all other insurance required hereunder, the Company will maintain at its expense hangar keeper's liability insurance providing for coverage in the following limits: \$200,000.00 per aircraft and \$400,000.00 per occurrence on property damage to aircraft in the care, custody or control of the Company.

**Section 11. Carriers, Insureds, etc.**

The insurance referred to in Section 10 shall be effected under a valid and enforceable policy or policies or contract or contracts issued by (i) an insurer or insurers permitted to do business in the State of Texas approved by the City, which approval will not be unreasonably withheld. Such insurance shall name as the insured parties thereunder the City and the Company, as their respective interest may appear. The Company may prosecute any claim against, or contest any settlement proposed by, any insurer at its expense. In such event, the Company may bring such prosecution or contest any settlement in the name of the City, Company or both, and City will join therein at the Company's written request upon the City's receipt of an agreement by the Company to indemnify City against all costs, liabilities and expenses in connection with such prosecution or contest.

**Section 12. Delivery of Evidence of Insurance**

Company shall deliver to the City at the execution and delivery of this Agreement the original or duplicate policies or satisfactory



expiration of any such insurance, deliver in the place of expired policies other original or duplicate policies or other certificates of insurance endorsed as in above provided section 10 hereof evidencing renewal of such insurance.

#### Section 13. Casualty.

If any improvements or any part thereof owned by the City shall be damaged or destroyed by fire, theft or other casualty, the Company shall with reasonable promptness and diligence, rebuild, replace, and repair any damage or destruction to the improvements, at its expense in conformity with the requirements of Section 14, in such manner as to restore the same to a unit of equal size, quality and condition to that which existed prior to such damage or destruction. Insurance proceeds payable with respect to such casualty shall belong to the Company to the extent necessary to make such repairs.

It is agreed that damage or destruction, whether partial or total, by any cause whatsoever, of the improvements, except upon termination of this Agreement as is provided for herein, shall not release the Company from any obligation under this Agreement.

#### Section 14. Maintenance and Repair

The Company agrees and acknowledges that it has received the Leased Premises in good order and condition, and further agrees to accept the premises as is. The Company further agrees that it will, at its expense, keep and maintain the Leased Premises, and the improvements in good repair and appearance, and in good mechanical condition, except for ordinary wear and tear, and will with reasonable promptness make all, interior and exterior, structural and non-structural, foreseen and unforeseen, ordinary and extraordinary changes, repairs, substitutions and replacements (substantially equivalent to the original work) of any kind and nature which may be required to be made upon or in connection with the Leased Premises and improvements or any part thereof, in order to keep and maintain the Leased Premises and improvements in as good repair, mechanical condition and appearance as they were originally, except for ordinary wear and tear.

#### Section 15. Failure to Commence and Complete Repairs

In the event the Company fails to commence or complete repairs, replacements or painting which is required hereunder within a period of thirty days after written notice from the City, or fails to continue and diligently complete any such repair, the City may at its option make such repairs, replacement or do such painting, the cost of which shall be paid by the Company upon written demand.

Subject to the right of existing sub-leases, the City, by its officers, employees, agents, representatives and contractors shall have the right at all reasonable times to enter upon the Airport for the purpose of inspecting the Leased Premises, for observing the performance by the Company of its obligations under this Agreement, and for the doing of any act or thing which the City may be obligated or have the right to do under this Agreement.

Nothing in this Section shall impose or shall be construed to impose upon the City any obligations to construct or maintain or to make repairs, replacements, alterations or additions, or shall create any liability for any failure to do so. The City shall not in any event be liable for any injury or damage to any property or to any person happening on or about the Leased Premises nor for any injury or damage to the Leased Premises nor to any property of the Company or of any other person located in or thereon other than those occasioned by the acts of the City.

#### Section 16. Alterations, Construction by Company for Airport Purposes

Company may erect structures, make improvements, install fixtures, or do any other construction work on the Leased Premises, or alter, modify or make additions, improvements, repairs to, or replacement of any improvements or any structure now existing or hereafter built on the Leased Premises.

Any such alterations, additions, improvements, installations, repairs, substitutions or replacements shall be expeditiously completed, in compliance with all laws, ordinances, orders, rules, regulations and requirements applicable thereto. All work done in connection with each such alteration, addition, improvement, installation, repair, substitution or replacement shall comply with the requirement of any insurance policy required to be maintained by Company hereunder, with any applicable requirements of the Agreement.

Any improvement to or alteration of the Airport under this Section or under Section 17 shall be consistent with the latest FAA-approved version of the Airport Layout Plan.

#### Section 17. Alteration, Construction by City

The City may erect structures, make improvements, install fixtures, or do any other construction work on the Airport, whether Airport-related or not; provided, however, the erection of such structures, the making of such improvements, the installation of such fixtures, or the doing of such construction work shall not unreasonably interfere with the operation or development of the Airport, including the maximization of revenues. The City shall give the Company reasonable advance written notice of any action taken hereunder.

Any such alterations, additions, improvements, installation, repairs, substitutions or replacements shall be completed in compliance with all laws, ordinances, orders, rules, regulations and requirements applicable thereto. All work done in connection with each alteration, addition, improvements, installation, repair, substitution or replacement shall be done at the City's expense and shall comply with the requirement of the insurance policy required to be maintained by the City or Company, hereunder. As to any construction, buildings or other structures constructed by the City which are not related to the Airport and its operations, Company shall not be required to furnish insurance.

#### Section 18. Liens

The Company will not directly or indirectly create or permit to be created or to remain, and will promptly discharge, at its expense, any mortgage, lien, security interest, encumbrance or charge on, pledge of, or conditional sale or other title retention agreement with respect to:

- (a) The Leased Premises or any part thereof,
- (b) City's ownership interest, or
- (c) the Rent or other sums payable by Company under this Agreement.

The existence of any mechanic's, laborer's, materialmen's, supplier's, or vendor's lien, or any right in respect thereof shall not constitute a violation of this provision if payment is not yet due upon the contract or for goods or services, or the lien(s) are being contested in good faith by the Company.

This Section shall not apply to security interests or other liens with respect to buildings or improvements on, or which may later be constructed on, the Leased Premises which are not owned by the City.

#### Section 19. Prices and Rates

The Company shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service. In furtherance of this objective, a list of charges will be maintained and available for inspection by the public for all services, materials, supplies and privileges provided by the Company and any Airport tenant. However, the Company, and any Airport tenant, may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

The Company shall, from time to time, as the need arises, make and publish changes in the prices being charged; provided, however, fifteen (15) days prior to any such changes, the Company shall provide to the City a list of such charges. If no objection is received by the City to such changes in prices within fifteen (15) days, the price changes shall become effective. The City may object to any changes in prices within the fifteen-day period; provided, however, the only basis for any such objection by the City will be on the ground that such pricing change would constitute a violation of a present or future Grant Agreement with the Federal Aviation Administration.

It is further understood and agreed that in the event others on the Airport undertake to sell or dispense fuels or lubricants for aircraft or other machinery being used on the Airport, the Company shall impose reasonable standards consistent with any grant agreements with respect to any fueling operations in order to assure adequate safety and efficient operations on or about the Airport. Further, any persons selling or dispensing fuel or lubricants for aircraft or other machinery shall pay to the Company a reasonable and non-discriminatory fuel flowage fee.

#### Section 20. Subleases

(a) The Company shall have the right and is expressly hereby authorized to sublease such portions of the Leased Premises as it shall deem appropriate for the growth and development of the Airport and the maximization of revenues; provided any such sublease shall be for the purpose of carrying out one or more of the activities set forth in Section 7. During the existence of this Agreement, all revenues from any sublease shall belong to the Company, subject only to the rights of the City to a percentage of Gross Receipts as provided in Section 5 (b).

(b) The Company shall not enter into any sublease with any tenant which is owned or controlled, in whole or in part, by any of the officers, directors or stockholders of the Company without the prior written approval of the City, which approval shall not be unreasonably withheld.

(c) The Company shall not enter into any sublease unless the term of such sublease, including any renewal or option provisions, expires and terminates on or before twenty years after the effective date of this Agreement, without the prior written consent of the City.



any such subtenant its estoppel certificate certifying unto the subtenant that this Agreement is in full force and effect.

#### Section 21. Applicable Governmental Requirements

The Company agrees,

(a) at its expense, to procure from governmental authority, having jurisdiction, all licenses, certificates, permits or other authorization which may be necessary for the conduct of its operations or for any additional construction required pursuant to the terms of this Agreement.

(b) that it shall, at its expense, comply with and cause the Leased Premises and Company's operations to comply with all governmental statutes, laws, rules, orders, regulations and ordinances affecting the Leased Premises or any part thereof or the use or occupancy of any part thereof.

#### Section 22. Indemnification

Company covenants and agrees that it will defend, indemnify and save harmless the City, its council, officers, agents and employees from and against any and all actions, suits, claims, demands, liabilities, losses, damages, costs, expenses or judgments of any nature whatsoever, arising from:

(a) any injury to, any nuisance, or the death of any person or any damage to property on the Leased Premises, or any damage to property on the Leased Premises, or in any manner growing out of or connected with the use, non-use, condition or occupancy of the Leased Premises or any part thereof or resulting from the condition thereof,

(b) the ownership, use or non-use or condition of the Improvements, or

(c) violation by Company of any agreement or condition of this Agreement, and of any contract or agreement to which Company is a party, or any restriction, statute, law, ordinance or regulation or otherwise, in each case affecting the Leased Premises or the ownership, occupancy or use thereof.

In case any action or proceeding be brought against the City by reason of any such claim, the Company covenants upon notice from the City to resist or defend such action, and the City will cooperate and assist in the defense of such action or proceeding, if reasonably requested so to do by the Company; provided, however, that the Company shall not be liable for damages not covered by insurance required to be carried pursuant to this Agreement and caused solely by the negligence or deliberate act of the City, or any of its council, officers, agents, servants or employees. This provision shall not operate to indemnify others when liability for damages arises due to the fault of such others, unless they are insured or indemnified parties under the insurance policies or contracts required by this Agreement.

#### Section 23. Federal Airport Aid

The City has made application to the Federal Aviation Administration for a grant(s) of federal funds to partially defray the cost of acquiring the Leased Premises. The Company, in its management, operation, maintenance and use of the Airport, shall be subject to and hereby assumes the terms, conditions and provisions of any and all grant agreements and project applications imposed on the City by the Federal Aviation Administration, and any other federal obligations or restrictions with respect thereto. The Company shall in its agreements with other users of the Airport insert in said agreements the appropriate provisions and requirements as required by any and all of the provisions of the grant agreement and the project applications, the assurances set forth therein and any other federal obligations or restrictions with respect thereto.

To the extent that the City considers it prudent, considering the requirements attached to the acceptance of such funds, the City shall continue to apply for and make maximum use of all available federal and state funds for the development of the Airport; provided nothing in this Section obligates or requires the City to apply for such funds, other than funds necessary to acquire Additional Purchases.

#### Section 24. Notice to Indemnified Parties

Notwithstanding the indemnification set forth in Section 22, the Company shall forward to the City a copy of every notice, summons, complaint, or other process received in any legal proceedings encompassed by such indemnification or in any way affecting the rights of the City, or any other indemnified party.

#### Section 25. Liability of Officials

No officers, agent or employee of the City or the Company shall be personally liable for any of their acts carrying out the provisions of the Agreement, in exercising any power or authority granted to them pursuant to the Agreement, it being understood that in such matters they act as agents and representatives of the City and the Company.

#### Section 26. Non-Discrimination

Company will, in its operations on the Airport, be bound by the Civil Rights obligations imposed on the City. Company will not deny any benefits to or otherwise discriminate against any person or group on the basis of race, color, sex, or national origin. Company will comply with applicable portions of, and will effect City's compliance with the Attachment 2 (including OST Regulations, Part 21) attached hereto and incorporated herein by reference for all purposes.

#### Section 27. OMBE: Advertisements, Bids, Concessions:

In addition to complying with the above and normal procedures required of the City by state/federal law and agreements, the Company will send a copy of all invitations for bids, advertised or negotiated, for concessions or other businesses at the Airport to the appropriate Office of Minority Business Enterprise (OMBE) representative as identified by the FAA Regional Civil Rights Office. The Company will disclose and make information about the contracts, contracting procedures and requirements available to the designated OMBE representative and minority firms on the same basis that such information is disclosed and made available to other organizations or firms. Responses by minority firms to invitations for bids shall be treated in the same manner as all other responses to the invitations for bids.

#### Section 28. Assignment

Except as explicitly set forth herein or contemplated by this Agreement, the Company shall not assign, sublet, sell, convey or transfer its rights under this Agreement or any part thereof without the prior written consent of the City, provided, however, that this Agreement may be assigned in its entirety without such consent for a period of one year from the effective date of this Agreement. The City hereby agrees that it will not unreasonably withhold its consent to such an assignment or sublease, sale, transfer, and shall not make any charge for any such assignment, sublease, sale or transfer made with its consent.

#### Section 29. Events of Default and Remedies

The following shall be "events of default" as to the Company under this Agreement and the term "event of default" as to the Company shall mean, whenever it is used in this Agreement, any one or more of the following events:

(a) Failure by the Company to pay when due or cause to be paid when due the Rent required to be paid under Section 5 hereof.

(b) Failure by the Company to observe and perform any covenant, condition or agreement on its part to be observed or performed for a period of thirty days after written notice, specifying such failure and requesting that it be remedied, given to the Company by the City, unless the City shall agree in writing to an extension of such time prior to its expiration.

(c) The Leased Premises shall be abandoned, deserted or vacated by the Company or any lien shall be filed against the Leased Premises or any part thereof in violation of this Agreement and shall remain unreleased for a period of sixty days from the date of such filing unless within said period the Company is contesting in good faith the validity of such lien.

(d) The dissolution or liquidation of the Company or the filing by the Company or a voluntary petition in bankruptcy, or failure by the Company within sixty days to lift any execution, garnishment or attachment of such consequence as will impair its ability to carry on its operations at the Leased Premises, or the adjudication of the Company as a bankrupt, or general assignment by the Company for the benefit of its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Company in any proceeding for its reorganization instituted under the provisions of the general bankruptcy act, as amended, or under any similar act which may hereafter be enacted. The term "dissolution or liquidation of the Company", as used in this subsection, shall not be construed to include cessation of the corporate existence of the Company following a transfer of all or substantially all of its assets as an entirety, under the conditions permitting actions contained in Section 20 hereof, which such dissolution or liquidation it is acknowledged will occur.

#### Section 30. Remedies on Default

Whenever any event of default as to the Company referred to in Section 30 hereof shall have happened and be subsisting, the City may take any one or more of the following remedial steps as against the Company:

(a) The City may re-enter and take possession of the Leased Premises without terminating this Agreement and sublease (or operate as a sublessee) the Leased Premises for the account of the Company, holding the Company liable for the difference between the rents and other amounts payable by the Company hereunder and the rents and other amounts payable by such sublessee in such subleasing or, if operated by the City, the difference between the net revenues received from such operations and the rents and other amounts payable by the Company hereunder.

(b) The City may terminate this Agreement.



...agreement or covenant of the Company and this Agreement.

#### Section 31. No Remedy Exclusive

No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or hereafter existing under law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City to exercise any remedy reserved to it in this Section, it shall not be necessary to give any notice, unless such notice is herein expressly required by law.

#### Section 32. No Additional Waiver Implied

In the event any covenant contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

#### Section 33. Termination by Company

The Company may terminate this Agreement upon the occurrence of any one or more of the following reasons:

(a) In the event the Airport shall be closed or its operations curtailed by more than fifty percent of its achieved operating level in terms of daily average departing and arriving flights, the Company in its reasonable discretion may cease or curtail its operations in the Leased Premises during the period that the Airport operations have ceased or have been so curtailed, and if such condition shall continue unabated for more than two years, the Company shall have the right and option to terminate the Agreement upon thirty days prior written notice to the City.

(b) The City shall fail to perform any of its obligations under this Agreement within sixty days after receipt of notice of default hereunder from the Company (except where fulfillment of its obligations require activity over a period of time and the City shall commence to perform whatever may be required for fulfillment within sixty days after the receipt of notice and continue such performance without interruption, except for causes beyond its control).

Upon the occurrence of any of the foregoing events, or at any time thereafter during the continuation of any such condition, the Company may, by sixty days written notice terminate this Agreement, such termination to be effective upon the date set forth in such notice and to have the same effect as if the terms hereof had expired on that date, subject, as aforesaid, to the provisions of this Section.

No waiver by the Company of any default on the part of the City, in the performance of any of the terms, covenants or conditions hereof to be performed, kept or observed by the City shall be or shall be construed to be a waiver by the Company of any other or subsequent default in the performance of any of said terms, covenants and conditions.

#### Section 34. Access and Egress

Except as set forth in this Agreement, the City hereby grants to the Company full and unrestricted access to and egress from the Leased Premises and between the Leased Premises and the public roadways for the Company, its employees, guests, patrons, invitees, contractors, suppliers of materials, furnishers of services, its or their equipment, vehicles, machinery and other property, without charge to Company or to said employees, guests, patrons, invitees, contractors, suppliers of materials and furnishers of services, or their said equipment, vehicles, machinery or other property.

#### Section 35. Company's Right to Remove Property

The Company shall have the right at any time during the term of this Agreement or any renewal or extension thereof, or at the expiration or earlier termination thereof, to remove any nonessential personal property which it may have on the Leased Premises, including, without limitation, furniture, equipment and machinery; provided the City will purchase from the Company, at its then fair market value, any personal property which the City deems essential.

#### Section 36. Termination, Settlement

In the event the City exercises its right to terminate the Agreement or any part thereof, the Company and the City shall endeavor in good faith to negotiate a sale by the Company to the City or its designee of the Company's personal property located on the Leased Premises. Upon termination of the Agreement, the City may, and the Company shall, remove any improvements on the Leased Premises belonging to the Company at the Company's expense if required by the City.

#### Section 37. Settlement

In the event that any sums due or to become due the Company upon termination of this Agreement are paid or payable to the City, the City shall not have any obligation to make such payment or settlement to the Company,

(i) until receipt of payment due to City from Company in accordance with pertinent provisions of this Agreement under which termination is permitted and,

(ii) until Company has paid all other sums due under this Agreement.

#### Section 38. Quiet Enjoyment

The City covenants that through the term hereof, the Company shall have, hold and enjoy peaceful and uninterrupted possession of all of the Leased Premises, subject to the performance of the covenants as herein provided.

#### Section 39. No Third Party Beneficiary

No provision contained in or incorporated by the Agreement shall create or give to any third party or parties any claim or right of action against the Company or the City, beyond such claims or rights of action which legally exist in the absence of any provision of said Agreement.

#### Section 40. Severability

Each and every covenant and agreement contained in this Agreement is and shall be construed to be a separate and independent covenant and agreement.

#### Section 41. Binding Effect

All of the covenants, conditions, and obligations contained in this Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the City and the Company, subject to the limitations contained herein restricting such assignment by the Company, to the same extent as if each such successor and assign were in each case named as a party to this Agreement. This Agreement may not be altered, modified, or discharged except by a writing signed by the City and the Company.

#### Section 42. Governing Law

This Agreement shall be governed by and interpreted under and in accordance with the laws of the State of Texas.

#### Section 43. Venue

The venue of any action drawn under this Agreement shall lie in Dallas County, in the State of Texas.

#### Section 44. Force Majeure

Neither the City or the Company shall be deemed in violation of this Agreement if it is prevented from performing any of the obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, floods, riots, rebellion, sabotage, or any other circumstances for which it is not responsible or which is not in its control, and the time for performance shall be automatically extended by the period the party is prevented from performing its obligations hereunder.

#### Section 45. Issuance of Revenue Bonds for Future Improvements

City and Company acknowledge that as the Airport develops such circumstances may require that additional improvements ("Future Improvements") will be needed in order to provide convenient and necessary services at the Airport. Subject to the approval of plans and specifications by the City as submitted by the Company, the City may make such acquisitions, additions, extensions, improvements and modifications to the Airport as shall be recommended by the Company. In order to obtain funds for such purposes, the City, in its discretion, may provide for the issuance of Airport revenue bonds.

#### Section 46. Airport Boundaries

The City will not grant any access, privilege, license, or permission of any kind to any person, firm or corporation using, owning or occupying any land outside the designated boundaries of the Airport as shown on Exhibit "2" hereof, to use or have access to the Airport.

#### Section 47. Covenant by Company

It is understood and agreed by the parties hereto, that the Company will not make any improvements, changes, alterations, modifications, or removals at the Airport, which will effectively destroy the ability of the Airport to render firstclass service to its customers and for the maximization of revenues.

The Company shall maintain in accordance with accepted accounting practice and make the same available to an authorized representative of the City for consideration records, books, and accounts. An annual audit prepared by an independent Certified Public Accountant. The Company shall permit such authorized representative of the City to inspect such books and records during ordinary business hours of the Company and at times reasonably convenient to the Company.

Section 40. Notices

Notices provided for in this Agreement shall be sufficient if sent by registered mail, postage prepaid, addressed if to the City — The City of Addison, P. O. Box 144, Addison, Texas, 75001, Attention: City Administrator, or to such other address and person it may direct in writing; and if to Company — Addison Airport, Inc., P. O. Box 34067, Dallas, Texas 75234, or to such other address and person as it may direct in writing. Notices shall be deemed completed when mailed unless otherwise herein required.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed and sealed as of the date first above written.

ATTEST:

Joyce H. Stevens  
SECRETARY

CITY OF ADDISON, TEXAS

BY: Jerry Redding

APPROVED AS TO FORM:

Robert L. McCall  
CITY ATTORNEY

ATTEST:

Margaret E. Bunch  
SECRETARY

ADDISON AIRPORT, INC.

BY: [Signature]



## FIELD NOTES

BEING a tract of land out of the E. Cook Survey, Abstract 326, the William Lomax Survey, Abstract 792, the George Syms Survey, Abstract 1344, the William Rowe Survey, Abstract 1257, and part of Lot 1, and Lot 2 of Block "A" of Carroll Estates Addition, Dallas County, Texas, and being more fully described as follows:

BEGINNING at a fence post found for the apparent intersection of the North right-of-way line of Keller Springs Road, a 50 foot street, and the East line of Dooley Road, a 60 foot street, said beginning point being S 89° 58' 54" E 30.00 feet, thence N 0° 05' 50" E 25.00 feet from the apparent northwest corner of the E. Cook Survey, Abstract 326;

THENCE N. 89° 58' 54" W. a distance of 105.72 feet with the North line of said Keller Springs Road to an angle point in the right-of-way;

THENCE N. 56° 18' 03" W. a distance of 80.20 feet with said angle in the right-of-way to a point in the East right-of-way line of Dooley Road;

THENCE N. 0° 03' 47" W. a distance of 1457.70 feet with the East line of said Dooley Road to a point;

THENCE N. 20° 38' 30" W. a distance of 170.87 feet to the apparent West right-of-way line of said Dooley Road;

THENCE S. 0° 03' 47" E. a distance of 313.49 feet with the apparent West line of said Dooley Road to a point;

THENCE N. 89° 23' 56" W. a distance of 208.00 feet to an iron pin;

THENCE N. 0° 14' 32" W. a distance of 161.00 feet to an iron pin;

THENCE N. 89° 56' 00" W. a distance of 203.65 feet to a point;

THENCE N. 20° 38' 30" W. a distance of 2156.07 feet to a point in the apparent East right-of-way line of New Dooley Road, a 100 foot street;

THENCE N. 0° 09' 30" E. a distance of 1189.07 feet with the East line of said New Dooley Road;

THENCE N. 89° 53' 26" E. a distance of 1165.44 feet to a point in the apparent West line of Dooley Road;

THENCE S. 0° 03' 47" E. with the apparent West line of Dooley Road, at 335.02 feet passing a concrete monument for a total distance of 1550.98 feet to an iron pin;

THENCE S. 20° 46' 10" E. a distance of 539.44 feet with the West line of said Dooley Road to an iron pin for the beginning point of a curve to the left;

THENCE in a southeasterly direction with the curved West line of said Dooley Road having a central angle of 69° 18' 04", a radius of 337.18 feet a distance of 407.93 feet to a point in the South right-of-way line of Keller Springs Road;

THENCE N. 89° 54' 45" E. a distance of 2135.61 feet with the South line of said Keller Springs Road to a point in the West right-of-way line of Addison Road;

THENCE S. 0° 14' 20" E. a distance of 307.44 feet with the West line of said Addison Road to an iron pin;

THENCE S. 89° 45' 40" W. a distance of 200.00 feet to a point;

THENCE S. 0° 14' 20" E. a distance of 210.72 feet to a point;

THENCE S. 43° 16' W. a distance of 1595.20 feet to an iron pin;

THENCE S. 46° 44' E. a distance of 202.51 feet to a point;

THENCE S. 20° 43' E. a distance of 350.85 feet to a point;

THENCE N. 69° 17' E. a distance of 30.00 feet to a point;

THENCE N. 71° 12' 51" E. a distance of 185.72 feet to a point;

THENCE N. 44° 44' 08" E. a distance of 7.05 feet to an iron pin found for the Southwest corner of a tract of land conveyed to O.J. Broughton and E.E. Ericson by deed recorded in Volume 4350, Page 491, Deed Records of Dallas County;

THENCE N. 89° 54' 40" E. a distance of 819.46 feet with the South line of the Broughton tract to an iron pin in the West line of said Addison Road;

THENCE S. 0° 14' 20" E. a distance of 490.82 feet with the West line of said Addison Road to a point in the apparent common survey line between the William Lomax Survey, Abstract 792, and the E. Cook Survey, Abstract 326;

THENCE S. 89° 37' 20" E. a distance of 58.08 feet with said common survey line to a point in the West line of said Addison Road and the beginning of a curve to the left;

THENCE Southerly with said curve, and the West line of Addison Road, having a central angle of 1° 53' 11", a radius of 745.30 feet, for a distance of 24.67 feet;

THENCE S. 26° 12' 50" E. 34.05 feet with the West line of Addison Road to the beginning of a curve to the right;

THENCE in a southeasterly direction with the curved West line of said Addison Road having a central angle of 25° 50", a radius of 585.30 feet for a distance of 309.44 feet;

THENCE S. 0° 22' 50" E. a distance of 2081.01 feet with the West line of said Addison Road to an angle point in the right-of-way;

THENCE N. 89° 37' 10" E. a distance of 10.00 feet with said angle in the right-of-way to a point in the West line of said Addison Road;

THENCE S. 0° 22' 50" E. a distance of 812.30 feet with the West line of Addison Road to a point;

THENCE S. 69° 37' W. a distance of 185.70 feet to a point;

THENCE S. 0° 22' 50" E. a distance of 263.11 feet to a point;

THENCE S. 66° 06' 26" W. a distance of 17.27 feet to a point;

THENCE S. 0° 22' 50" E. a distance of 211.04 feet to an iron pin in the North right-of-way line of the St. Louis and Southwestern Railroad;

THENCE S. 66° 06' 26" W. a distance of 759.00 feet with the North line of said St. Louis and Southwestern Railroad to an iron pin and the most easterly corner of Addison Airport Industrial District;

THENCE N. 67° 01' 55" W. a distance of 273.60 feet to an iron pin in the easterly line of said Addison Airport Industrial District;

THENCE N. 20° 39' 35" W. a distance of 572.28 feet with the easterly line of said Addison Airport Industrial District to an iron pin;

HENCE N. 89° 56' 35" W. a distance of 65 feet to a point;  
 HENCE N. 0° 03' 25" E. a distance of 160.00 feet to a point;  
 HENCE N. 89° 56' 35" W. a distance of 160.00 feet to a point in the East right-of-way line of Dooley Road;  
 HENCE N. 0° 03' 25" E. a distance of 10.00 feet with the East line of Dooley Road to a point;  
 HENCE S. 89° 56' 35" E. a distance of 797.46 feet to a point;  
 HENCE N. 75° 48' 25" E. a distance of 408.35 feet to an iron pin in the easterly line of said Addison Airport Industrial District;  
 HENCE N. 20° 39' 35" W. a distance of 2386.20 feet with the easterly line of said Addison Airport Industrial District to an iron pin for the northeast corner of Addison Airport Industrial District;  
 HENCE N. 20° 43' 53" W. a distance of 320.72 feet to an iron pin;  
 HENCE N. 89° 49' 30" E. a distance of 9.00 feet to an iron pin;  
 HENCE N. 20° 17' 10" W. a distance of 309.50 feet to an iron pin;  
 HENCE N. 89° 54' 10" W. a distance of 117.08 feet to an iron pin in the apparent East right-of-way line of said Dooley Road;  
 HENCE N. 0° 05' 50" E. a distance of 502.30 feet with the apparent East line of said Dooley Road to the place of beginning and containing 65.340 acres of land, more or less, save and except the following 1 acre tract:  
 beginning at a fence post found for the apparent intersection of the North right-of-way line of Keller Springs Road, a 50 foot street, and the East line of Dooley Road, a 60 foot street, said point being S. 89° 58' 54" E. 30.00 feet, thence N. 0° 05' 50" E. 25.0 feet from the apparent northwest corner of the E. Cook Survey, Abstract 326; Thence N. 89° 50' 54" W. 105.72 feet with the apparent North line of Keller Springs Road; Thence N. 86° 19' 03" W. 90.20 feet to a point in the East line of Dooley Road; Thence N. 0° 03' 47" W. 1457.70 feet with the apparent East line of Dooley Road; Thence N. 20° 38' 30" W. 170.87 feet to a point in the apparent West line of Dooley Road and the BEGINNING POINT of this description;  
 HENCE S. 0° 03' 47" E. 209.0 feet with the West line of Dooley Road;  
 HENCE N. 89° 23' 56" W. 208.0 feet to an iron pin;  
 HENCE N. 0° 14' 32" W. 209.0 feet to an iron pin;  
 HENCE S. 89° 23' 56" E. 208.0 feet to the place of beginning and containing 1.0 acres of land, more or less.  
 The plat hereon is a true and accurate representation of the property as determined by actual survey, the lines and dimensions of said property being as indicated by the plat; all improvements being within the boundaries of the property.  
 Easements of record that could be located are shown. This plat is subject to any easements of record not shown.

5 JAN 1977  
 Date

*W. J. Wischmeyer*  
 W. J. Wischmeyer  
 Registered Professional Engineer



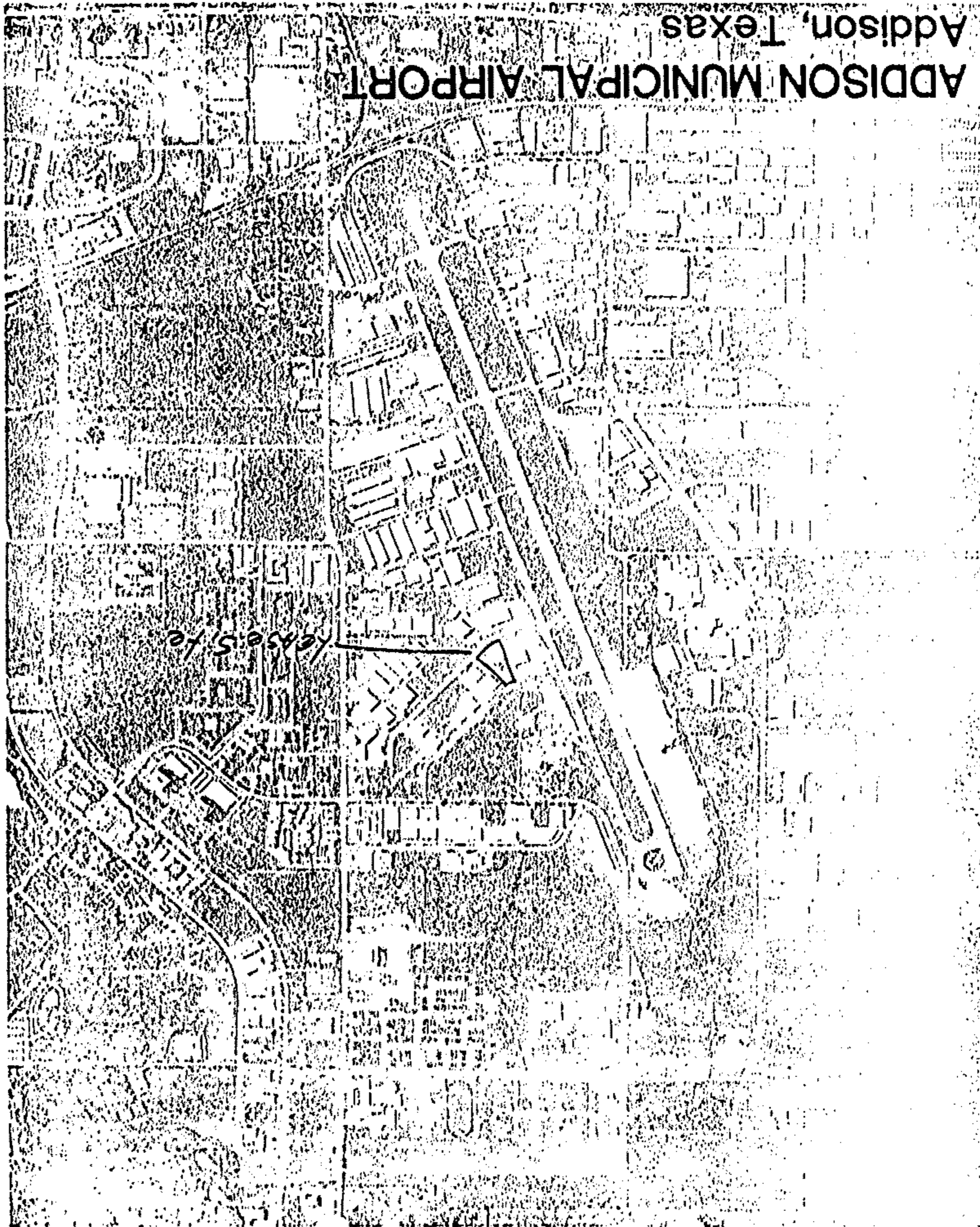
EXHIBIT "A"  
 PROPERTY MAP  
 ADDISON MUNICIPAL AIRPORT  
 ADDISON, TEXAS

Riewe & Wischmeyer, Inc.  
 CONSULTING ENGINEERS  
 DALLAS TEXAS

DECEMBER 1976



12-28-82



92067 1244

92067 1245

FILED  
92 APR -3 PM 2:43

EARL BULLOCK  
COUNTY CLERK  
DALLAS COUNTY

Any provision herein which restricts the sale, rental, or use of the described real property because of color or race is invalid and unenforceable under federal law.  
STATE OF TEXAS  
I hereby certify this instrument was filed on the date and time stamped hereon by me and was duly recorded in the volume and page of the named records of Dallas County, Texas as stamped hereon by me.

APR 8 1992

COUNTY OF DALLAS

Earl Bullock  
COUNTY CLERK, Dallas County, Texas



AFTER RECORDING, RETURN TO:  
Mr. Tom Doell  
KPI Properties, Inc.  
4554 Claire Chennault  
Dallas, TX 75248



STATE OF TEXAS           §  
  §  
COUNTY OF DALLAS       §

**AMENDMENT TO GROUND LEASE**

This Amendment to Ground Lease (hereinafter referred to as the "Amendment") is entered into and effective as of May 24, 2000 between the Town of Addison, Texas (the "City"), a municipal corporation, Addison Airport of Texas, Inc. ("AATI"), a Texas corporation (the City and AATI being hereinafter referred to together as "Landlord"), and KPI Properties, Inc. (hereinafter referred to as "Tenant").

**WHEREAS**, Landlord and Omega Industries, Inc. entered into that certain Ground Lease dated December 28, 1982 (hereinafter referred to as the "Ground Lease"), a true and correct copy of which is attached hereto as Exhibit A, which leased to Omega Industries, Inc. a tract of land approximately 1.495 acres in size (the "Demised Premises") located within the Addison Airport; and

**WHEREAS**, the Ground Lease was thereafter assigned to RR Investments, Inc., and later assigned by RR Investments, Inc. to Tenant by that Assignment of Lease dated November 1, 1991 (see Exhibit B); and

**WHEREAS**, Tenant has proposed to construct certain additional improvements on the Demised Premises, and the Landlord and Tenant desire to amend the Ground Lease in the manner set forth below contingent upon the final completion of such additional improvements and the approval thereof by Landlord.

**NOW, THEREFORE**, for an in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

**AGREEMENT**

**Section 1. Amendment to Paragraph 3.** Paragraph 3 of the Ground Lease is hereby amended so that it shall hereafter read as follows:

**"3. Term:**

A. The term hereof shall commence on the earlier of September 30, 1983, or the first day of the first calendar month after Tenant completes the construction hereinbelow described and opens for business at the demised premises (the applicable date being hereinafter referred to as the "Commencement Date"), and shall end four hundred eighty (480) months thereafter; provided, however, that any entry upon the demised premises by Tenant prior to the Commencement Date shall be subject to all of the terms and conditions hereof except that rental shall not accrue."

B. Notwithstanding subparagraph A of this paragraph 3, this Lease shall be extended for an additional six (6) years, eight (8) months from May 30, 2000 so that this Lease shall end on May 30, 2030 (the "Lease Extension Period"); provided, however, that before the Lease Extension Period shall become effective, Tenant shall first fully comply with each of the following terms and conditions:

- (i) On or before June 1, 2001, Tenant shall have completed upon the Demised Premises at least 1,200 square feet of additional shop space, 3,800 square feet of additional office space, and 1,300 square feet of additional storage space; and
- (ii) Tenant shall present evidence to AATI (in the event the Base Lease is still in effect at the time of such presentation) and to the City that the construction value of the said hangar facilities and the office/shop facilities exceeds \$500,000.00. Such evidence shall include true and correct copies of all receipts or other documents or records indicating the nature of the construction work performed, the cost thereof and the amount paid for such construction work; and
- (iii) Tenant shall not, at the time of the issuance of the letter described in subparagraph E of this paragraph 3, then be in default of any provision of this Lease beyond any applicable cure period.

C. For purposes of subparagraph B of this paragraph 3, the Improvements shall be deemed completed upon the issuance by the City of a certificate of occupancy for such facilities.

D. Tenant shall, prior to the construction of the Improvements or any other facilities or improvements on the Demised Premises, present to AATI (in the event the Base Lease is still in effect at the time of such presentation) and to the City for their review and approval the plans and specifications for the construction of the Improvements or any other improvements or facilities. For purposes of this subparagraph D, plans and specifications shall be approved by the City if such plans and specifications are approved by the City Manager or his designee. All construction of the Improvements and any other facilities or improvements shall be strictly in accordance with the approved plans and specifications, and such construction shall be in a first class, workmanlike manner. Tenant shall promptly pay and discharge all costs, expenses, claims for damages, liens and any and all other liabilities and obligations which arise in connection with any such construction.

E. Upon the completion of the Improvements and the presentation of evidence satisfactory to AATI (if necessary) and the City of the value of the completed facilities, AATI and the City shall promptly issue a letter to Tenant that the terms and conditions precedent to the Lease Extension Period as stated above have been fulfilled, and the Lease Extension Period shall thereafter be in effect. Such letter or letters shall be attached to and shall be made a part of this Lease. In the event the

Improvements are not completed in accordance herewith, this Lease shall not be extended for the Lease Extension Period.”

**Section 2. No Other Amendments.** Except to the extent modified or amended herein, all other terms and obligations of the Ground Lease shall remain unchanged and in full force and effect.

**Section 3. Applicable Law; Venue.** This Amendment shall be construed under, and in accordance with, the laws of the State of Texas, and all obligations of the parties created by this Amendment are performable in Dallas County, Texas. Venue for any action under this Amendment shall be in Dallas County, Texas.

**Section 4. Authority to Execute.** The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Amendment on behalf of the parties hereto, and each party hereby certifies to the other that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect.

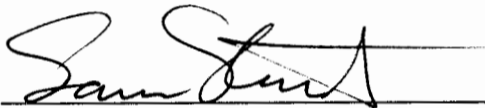
IN WITNESS WHEREOF, the undersigned parties execute this Agreement this 28<sup>th</sup> day of July, 2000.

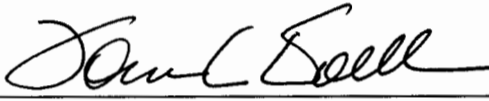
**LANDLORD:**

**TENANT:**

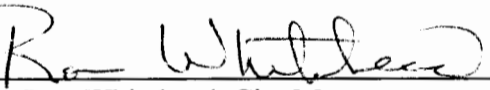
ADDISON AIRPORT OF TEXAS, INC.

KPI PROPERTIES, INC.

By:   
Sam Stuart, President

By:   
Its: VICE PRESIDENT

TOWN OF ADDISON, TEXAS

By:   
Ron Whitehead, City Manager





April 9, 2001

Mr. Tom C. Doell  
Keith Products, Inc.  
4554 Claire Chennault  
Addison, TX 75001

**FILE**

Re: Ground Lease Extension  
To May 30, 2030

Dear Mr. Doell:

KPI Properties is the tenant by assignment under a ground lease dated December 28, 1982. The ground lease covers a tract of land located at Addison Airport approximately 1.495 acres in size and runs for a term of 480 months. By that document entitled "Amendment to Ground Lease" dated May 24, 2000, the term of the ground lease was extended so that it would end on May 30, 2030 provided the following conditions were satisfied:

1. By June 1, 2001, KPI must have completed construction (as evidenced by a certificate of occupancy issued by the City) of at least 1,200 square feet of additional shop space, 3,800 square feet of additional office space, and 1,300 square feet of additional storage space (total of 6,300 additional square feet of space);
2. The construction value of the additional facilities must have exceeded \$500,000.00 (as evidenced by true and correct copies of receipts, etc.);
3. At the time of issuance of a letter by the City that the conditions to receiving the extension of the term of the lease have been satisfied, KPI must not be in default of any provision of the Lease beyond any applicable cure period.
4. All costs, expenses, liens, etc. in connection with the construction of the improvements must have been paid and discharged.

The Amendment to Ground Lease provides that, upon the above conditions being met, the City would issue a letter confirming the same, and that thereafter the Lease Extension Period (as defined in the Amendment to Ground Lease) would be in effect. Our review of this matter indicates that these conditions have been satisfied. In accordance with the

Amendment to Ground Lease, this letter shall serve as the letter confirming the fulfillment and satisfaction of the conditions to the Lease Extension Period taking effect.

Should you have any questions please contact me at 972-392-4856.

Sincerely,

A handwritten signature in black ink, appearing to be 'RK' with a long, sweeping underline that extends to the right.

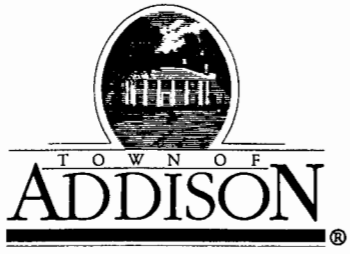
Robert Katzen  
Real Estate Operations Manager

Cc: Mr. Chris Terry, Town of Addison  
Mr. Mark Acevedo, Town of Addison  
Mr. John Hill  
Mr. David Pearce

# Certificate of Occupancy

## Town of Addison

### Building Inspection Department



*This certificate issued pursuant to the requirements of Section 109 of the Uniform Building Code certifying that at the time of issuance this structure was in compliance with the various ordinances of the City regulating building construction or use. For the Following:*

**Name of Business** Keith Products, Inc. **C. O.** 00128041

**Building Address** 4554 Claire Chennault Drive

**Group** S-5 **Type Construction** IIN **Use Zone** I-3 **Business Type** AirConditioning

**Owner of Business** Tom C. Doell, James T. Doell, Pat DePole

**Building Official** *Lynda O. Chandler*

**Date** March 30, 2001

**POST IN A CONSPICUOUS PLACE**





FILE

Bobs Copy

4651 Airport Parkway • Addison, Texas 75001 • 972-392-4850 • 972-788-9334 Fax

March 26, 2001

Mr. Tom C. Doell  
Keith Products, Inc.  
4554 Claire Chennault  
Addison, TX 75001

Re: Ground Lease Extension  
To May 30, 2030

Dear Mr. Doell:

Your letter request of December 5, 2000 to Mr. Chris Terry has been forwarded to me for handling. As you know, Washington Staubach Addison Airport Venture has only recently taken over the management of the Addison Airport on behalf of the Town of Addison. Due to our recent involvement in this matter, we do not have a complete knowledge of the proposed expansion to your facilities. It is because of this that I have to refer back to your Amendment to Ground Lease effective May 24, 2000. Before we recommend the extension letter to be issued, I request that you provide me with a copy of the proposed improvements (documents indicating the nature of the construction work performed), and lien waivers from all contractors and sub-contractors. Upon receipt and review of the requested material and a walking inspection of the facility improvements, I will be able to recommend the extension letter to be issued.

Should you have any questions please contact me at 972-392-4856.

Sincerely,

Robert Katzen  
Real Estate Operations Manager

Cc: Mr. Chris Terry, Town of Addison  
Mr. Mark Acevedo, Town of Addison  
Mr. John Hill,  
Mr. David Pearce



Environmental Systems

Keith Products, Inc.  
155 Claire Chennault  
Dallas, Texas 75248  
Phone (972) 407-1234  
Fax (972) 407-1571

Keith Products  
RECEIVED

DEC 07 2000

Assn:

RECEIVED

DEC 07 2000

Assistant City Manager's Office

December 5, 2000

Mr. Chris Terry  
Assistant City Manager  
Town of Addison  
P.O. Box 9010  
Addison, TX 75001

*David -  
Please check @  
engine we have  
done this - then  
have key fall  
through. On*

Dear Chris,

We have completed the expansion of our facilities on Addison Airport. We expended \$518,119.48 on this project and I have enclosed a copy of the final certificate of payment for your records.

In accordance with our agreement, the Town is now obligated to extend our ground lease expiration date to May 30, 2030.

Please send me the appropriate paperwork to evidence the extension. If it would be more convenient for the Town to wait until after January 1, 2001, I will understand the delay.

Yours truly,

Tom C. Doell

*gave to Bob  
1-31-01*

**APPLICATION AND CERTIFICATE FOR PAYMENT** AIA DOCUMENT G702 (Instructions on reverse side) PAGE ONE OF \_\_\_\_\_ PAGES

TO OWNER: **Keith Products, Inc.**  
**4554 Claire Chennault**  
**Addison, TX**

PROJECT: **Building Addition**  
**4554 Claire Chennault**  
**Addison, TX**

APPLICATION NO.: **5**  
 PERIOD TO: **11/31/2000**  
 PROJECT NOS.:

Distribution to:  
 OWNER  
 ARCHITECT  
 CONTRACTOR

FROM CONTRACTOR: **Bandy Contractors, Inc.**  
**P.O. Box 728**  
**Forney, TX 75126**

VIA ARCHITECT:

CONTRACT DATE: **4/13/2000**

CONTRACT FOR:

**CONTRACTOR'S APPLICATION FOR PAYMENT**

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

- 1. ORIGINAL CONTRACT SUM ..... \$ 468,702.00
- 2. Net change by Change Orders ..... \$ 49,417.49
- 3. CONTRACT SUM TO DATE (Line 1 + 2) ..... \$ 518,119.49
- 4. TOTAL COMPLETED & STORED TO DATE ..... \$ 518,119.49  
 (Column G on G703)
- 5. RETAINAGE:
  - a. \_\_\_\_\_% of Completed Work ..... \$ \_\_\_\_\_  
 (Columns D + E on G703)
  - b. \_\_\_\_\_% of Stored Material ..... \$ \_\_\_\_\_  
 (Column F on G703)
  - Total Retainage (Line 5a + 5b or  
 Total in Column I of G703) ..... \$ \_\_\_\_\_
- 6. TOTAL EARNED LESS RETAINAGE ..... \$ 518,119.49  
 (Line 4 less Line 5 Total)
- 7. LESS PREVIOUS CERTIFICATES FOR PAYMENT  
 (Line 6 from prior Certificate) ..... \$ 392,351.93
- 8. CURRENT PAYMENT DUE ..... \$ 125,767.56
- 9. BALANCE TO FINISH, INCLUDING RETAINAGE  
 (Line 3 less Line 6) ..... \$ -0-

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	<b>13,528.93</b>	
Total approved this Month	<b>35,888.56</b>	
TOTALS	<b>49,417.49</b>	
NET CHANGES by Change Order	<b>49,417.49</b>	

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: **Bandy Contractors, Inc.**

By: Charlie Bandy Date: 12-3-2000

State of:  
 County of:  
 Subscribed and sworn to before  
 me this \_\_\_\_\_ day of \_\_\_\_\_

Notary Public:  
 My Commission expires: \_\_\_\_\_

**ARCHITECT'S CERTIFICATE FOR PAYMENT**

In accordance with the Contract Documents, based on on-site observations and the data comprising this application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED ..... \$ \_\_\_\_\_

(Attach explanation if amount certified differs from the amount applied for. Initial all figures on this Application and on the Continuation Sheet that are changed to conform to the amount certified.)

ARCHITECT:  
 By: \_\_\_\_\_ Date: \_\_\_\_\_

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.





Item #21 - Motion made and unanimously carried to pass Resolution No. R00-043 authorizing the City manager to enter into an agreement with Dell Corporation in the amount of \$32,157.

Item #R3 - Motion made and unanimously carried to appoint Diane Mallory as Mayor Pro Tempore and Glynda Turner as Deputy Mayor Pro Tempore.

Item #R4 - Motion made and unanimously carried to reappoint William Griggs to a third term on the Board of Zoning Adjustment and to appoint Don Harvey to the Board of Zoning Adjustment.

Item #R5 - Motion made and unanimously carried to appoint Bob Gordon to the Architect Selection Committee.

Item #R6 - Motion made and unanimously carried to pass Ordinance No. 000-017 in the amount of \$9,905,000 providing for the issuance, sale and delivery of General Obligation Bonds, Series 2000.

Item #R7 - Motion made and unanimously carried to approve aviation development expansion and ground lease extension to expire on May 30, 2030, from Keith Products, Inc.

Item #R8 - Consideration of an ordinance approving a meritorious exception to Chapter 62, Signs, Section 62-163, Area for Hallmark located at Brookhaven Village Shopping Center. Item was tabled.

Item #R9 - Motion made and unanimously carried to pass Ordinance No. 000-018 approving a meritorious exception to Chapter 62, Section 62-186, Monument Signs, located at 4949 Keller Springs.

Item #R10 - Motion made to deny a meritorious exception to Ordinance No. 096-022 to increase letter height and square footage on signs at Village on the Parkway, 5100 Belt Line Road on application from 24-Hour Fitness. Motion seconded and unanimously carried.

Item #R11 - Motion made and unanimously carried to pass Resolution No. R00-044 authorizing the City Manager to enter into an agreement with JCW Electronics for an Inmate Telecommunications System for the Addison Jail.

Item #R12 - Motion made and unanimously carried to pass Resolution No. R00-045 adopting the Town of Addison Purchasing Manual, as amended.

Item #R13 - Motion made and unanimously carried to pass Ordinance No. 000-019 amending Chapter 2, Article VI of the Town of Addison Code of Ordinances -Disposal of Unclaimed or Surplus Property.

Item #R14 - Motion made and unanimously carried to pass Resolution No. R00-046 rejecting TXU Electric's request to close or delete certain tariffs.

Item #R15 - Motion made and unanimously carried to approve a new full time position for Conference Coordinator at the Addison Conference & Theatre Centre.

There being no further business before the Council, the meeting was adjourned.

Sincerely yours,



Robert L. McCallum