

Post Office Box 9010 Addison, Texas 75001-9010 5300 Belt Line Road (972) 450-7000
FAX (972) 450-7043

AGENDA

JULY 11, 2006

**WORK SESSION OF THE CITY COUNCIL
6:00 P.M.**

AND

**REGULAR MEETING OF THE CITY COUNCIL
7:30 P.M.**

TOWN HALL

5300 BELT LINE ROAD

WORK SESSION

Item #WS1 - Utility Fund Long Term updates.

Item #WS2 - Citizen Advisory Committees

Item #WS3 - Discussion of nomination of an Addison resident for participation in the Leadership Metrocrest program.

REGULAR SESSION

Item #R1 - Consideration of Old Business.

Item #R2 - Consent Agenda.

CONSENT AGENDA

#2a - Approval of the Minutes for the June 27, 2006, Council Meeting.

#2b - Consideration and approval of a resolution to award of bid to Smith Pump Company in the amount of \$34,979.00 for the replacement of recirculation pumps at Winnwood Park.

Item #R3 -

PUBLIC HEARING, regarding, and consideration of approval of, an ordinance amending the Town's zoning from C-2 (Commercial-2) to PD (Planned Development) in order to provide for a multi-family residential development of approximately 300 units, and local retail uses, and approval of development plans, located on 7.37 acres at the southeast corner of the intersection of Addison Road and Keller Springs Road, on application from Woodmont Development, represented by Mr. Erik Earnshaw.

Attachments:

1. Docket Map
2. Staff Report
3. Plans

The Planning and Zoning Commission Findings:

The Addison Planning and Zoning Commission, meeting in regular session on June 22, 2006, voted to recommend approval of the request on application from Woodmont Development, subject to the following conditions:

-The drawings shall be revised in accordance with the drawings presented to the Commission at the hearing on June 22, 2006, and refiled with the staff prior to the case going to City Council.

-Developer needs to provide complete engineering plans with plat submittal and include the following:

- a. Plat with surveying data (include necessary street, drainage, water and sewer easements and dedications)
- b. Site Dimensioning Plan
- c. Paving plan (on site and offsite improvements)
- d. Drainage Plans (see Note 2)
- e. Water and Sanitary Sewer

-Significant open ditches exists on subject property along the west side (Addison Road) and the north side(Keller Springs Road). The downstream drainage conditions may cause significant detention to be constructed on site.

-Provide dedication of right-of-way along Addison Road and Keller Springs Road in accordance with the Town of Addison Street Plan and proposed engineering for the subject streets.

Construct road widening improvements for turn lanes at intersection.

-Verify whether height restrictions of buildings are required due to proximity to Addison Airport.

-Plans provided show 24 ft drives and minimal turning radii. Please overlay fire truck turning templates on the fire lanes and public streets to verify that pavement provided is adequate and no parking is specified where fire trucks require turning room.

-Dedication of improvements to the Town requires that design and construction meet all City Standards.

Voting Aye: Bernstein, Chafin, Daseke, Gaines, Jandura,
Meier, Wood

Voting Nay: None

Absent: None

Administrative Recommendation:

Administration recommends approval.

Item #R4 -

PUBLIC HEARING, regarding, and consideration of approval of, a Special Use Permit for a restaurant and a Special Use Permit for the sale of alcoholic beverages for on-premises consumption, located at 4816 Belt Line Road, on application from Ms. Selim Cevirgen.

Attachments:

1. Docket Map
2. Staff Report
3. Plans

The Planning and Zoning Commission Findings:

The Addison Planning and Zoning Commission, meeting in regular session on June 22, 2006, voted to recommend approval of the request on application from Selim's Doener Kebap House, subject to the following conditions:

-All missing plant material shown on the most recent landscape plan that the staff has on file will need to be replaced prior to the issuance of a Certificate of Occupancy for the space. In

addition, a freeze and rain sensor must be installed on the irrigation system, if it is not already installed.

-all signs for the restaurant must comply with the requirements of the Addison Sign Ordinance. In addition, the applicant shall not use any terms or graphic depictions that relate to alcoholic beverages in exterior signs.

Voting Aye: Bernstein, Chafin, Daseke, Gaines, Jandura,
Meier, Wood

Voting Nay: None

Absent: None

Administrative Recommendation:

Administration recommends approval.

Item #R5 - Consideration and approval of an Ordinance granting meritorious exception to Sec. 62-163, Area of Signs, for Majestic Fine Wines & Spirits located at 14733 Inwood Road.

Attachments:

1. Staff Report
2. Application
3. Memorandum from Lynn Chandler
4. Plans

Administrative Recommendation:

Administration recommends denial.

Item #R6 - Consideration and approval of an Ordinance granting meritorious exception to Sec. 62-186, Monument Signs, for Majestic Fine Wines & Spirits located at 14733 Inwood Road.

Attachments:

1. Staff Report
2. Application
3. Memorandum from Lynn Chandler
4. Plans

Administrative Recommendation:

Administration recommends denial.

Item #R7 - Consideration of a resolution regarding certain matters pertaining to a Ground Lease at 15809 Addison Road on Addison Airport between the Town of Addison, as Landlord, and Omniflight Helicopters, Inc., as Tenant, as follows: i) consent to an assignment of ground lease, ii) consent to a sublease agreement, iii) grant a perpetual and permanent right-of-way easement to the Town.

Attachments:

1. Council Agenda Item Overview
2. Memorandum from Lisa Pyles
3. Exhibit 1: Aerial View of Subjet Property
4. Exhibit 2: Proposed Assignment of Ground Lease
5. Exhibit 3: Proposed Sublease Agreement
6. Exhibit 4: Proposed Easement Agreement

Administrative Recommendation:

Administration recommends approval.

Item #R8 - Consideration and approval authorizing the City Manager to expend funds for the rescheduling of the Kaboom Town fireworks show.

Adjourn Meeting

Posted 5:00 p.m.
July 6, 2006
Carmen Moran
City Secretary

**THE TOWN OF ADDISON IS ACCESSIBLE TO PERSONS
WITH DISABILITIES. PLEASE CALL (972) 450-2819 AT LEAST
48 HOURS IN ADVANCE IF YOU NEED ASSISTANCE.**

Council Agenda Item: #WS1

There are no attachments for this item.

Council Agenda Item: #WS2

There are no attachments for this item.

Council Agenda Item: #WS3

There are no attachments for this item.

OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL

June 27, 2006
6:00 p.m. – Town Hall
5300 Belt Line Road

Present: Mayor Chow, Councilmembers Braun, Hirsch, Kraft, Mallory, Mellow,
Niemann

Absent: None

Item #WS1 – Discussion of Hotel Fund and Airport Fund Long Term Update.

No action taken.

Item #WS2 – Discussion of Water Conservation and Drought Contingency.

No action taken.

Item #WS3 – Discussion of proposed Landbanking Resolution to go to the North Central Texas Council of Governments (NCTCOG).

No action taken.

Item #R1 - Consideration of Old Business.

The following employees were introduced to the Council: Rebecca Coronado (AAC), William Owens (Public Works), and Paul Spencer (Police).

Item #R2 - Consent Agenda.

All items were considered separately.

#2a – Approval of the Minutes for the June 8, 2006 and June 13, 2006, Council Meeting.

Councilmember Mallory moved to duly approve the Minutes for the June 8, 2006 and June 13, 2006, Council Meeting subject to one correction. Councilmember Braun seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow, Niemann
Voting Nay: None
Absent: None

#2b – Consideration and approval of a 9-1-1 billing agreement with Time Warner Cable Information Services (Texas), L.P. which has received a Service Provider Certificate of Operating Authority (SPCOA) from the Texas Public Utilities Commission.

Councilmember Niemann moved to duly approve a 9-1-1 billing agreement with Time Warner Cable Information Services (Texas), L.P. which has received a Service Provider Certificate of Operating Authority (SPCOA) from the Texas Public Utilities Commission. Councilmember Kraft seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow, Niemann
Voting Nay: None
Absent: None

#2c – Consideration and approval of a resolution supporting the North Central Texas Council of Governments' Regional Policy Position regarding the proposed Trans-Texas Corridor 35.

Councilmember Niemann moved to duly approved Resolution No. R06-054 supporting the North Central Texas Council of Governments' Regional Policy Position regarding the proposed Trans-Texas Corridor 35 subject to corrections. Councilmember Mallory seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow, Niemann
Voting Nay: None
Absent: None

#2d – Consideration and approval of a resolution authorizing the City Manager to enter into a Sponsorship Agreement with Anheuser-Busch in the amount of \$70,000 for Bud Light to be the Addison Circle Park Main Stage sponsor during the 2006-2008 event seasons.

Mayor Chow moved to duly approve Resolution No. R06-055 authorizing the City Manager to enter into a Sponsorship Agreement with Anheuser-Busch in the amount of \$70,000 for Bud Light to be the Addison Circle Park Main Stage sponsor during the 2006-2008 event seasons subject to revisions. Councilmember Braun seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow, Niemann
Voting Nay: None
Absent: None

Item #R3 – Presentation of the Government Finance Officers Association (GFOA) "Distinguished Budget Presentation Award" for the fiscal year beginning October 1, 2005.

No action taken.

Councilmember Kraft recused himself and left the Council Chambers.

Item #R4 – PUBLIC HEARING regarding, and consideration of approval of an ordinance amending an existing Planned Development district (085-047), in order to provide for residential (townhome) as an allowed use, and provide for revised development plans, located on 2.37 acres at the southeast corner of Montfort Road and Celestial Road, on application from Zachary Custom Builders, represented by Jones and Boyd, Inc.

Mayor Chow opened the meeting as a public hearing.

The following spoke in opposition of the proposed ordinance:

Denise Hunse, 14784 Winnwood
Ralph Matthews, 14804 Bellbrook
Tom Hunse, 14784 Winnwood
Mike Emmett, 14530 Winnwood
Nupe Singhall, 14678 Winnwood
T.R. Viswathan, 14725 Celestial Place
Al Angel, 14540 Winnwood
Roslyn McIlvane, 14828 Bellbrook Drive
Blake Clemens, 14754 Celestial Place
Howard Freed, 14932 Winnwood
Richard Lane, 14516 Winnwood
Dorothy Singhall, 14678 Winnwood
Dick Pinn, 14811 Bellbrook

The following spoke in favor of the proposed ordinance:

Steve Rosenthal, 14730 Celestial Place
Dick Wright, 14761 Bedivere
Jeannette Jones, 14750 Celestial Place
Chick Martin, 14810 Lochinvar

Mayor Chow closed the meeting as a public hearing.

The Council acknowledged that the present plan for the development of the Walden School site was substantially different than the plan the Council had not approved at the April 25, 2006 hearing. Therefore, the one year waiting period for re-filing a denied application was waived.

Councilmember Niemann moved to approve Ordinance No. 006-025 amending an existing Planned Development district (085-047), in order to provide for residential (townhome) as an allowed use, and provide for revised development

plans, located on 2.37 acres at the southeast corner of Montfort Road and Celestial Road, on application from Zachary Custom Builders, represented by Jones and Boyd, Inc., subject to the following conditions:

-the property shall be developed in accordance with all conditions specified in Exhibit B, Planned Development Regulations, which are as follows:

**Exhibit B
Planned Development Regulations**

Development shall take place in general accordance with the attached Comprehensive Site Plan (Exhibit C), as well as in accordance with the regulations established below.

Permitted Uses

1. Townhouses.

Yard Requirements

1. Minimum Front Yard: 10'. Where a garage door faces the street, the minimum front yard for that portion of the building shall be 20'.
2. Minimum Side Yard: 0' for an interior townhome. 5' for an exterior townhome. The uniform building code will regulate construction requirements where side property lines intersect with buildings.
3. Minimum Rear Yard: 5'
4. Every part of a required yard or court shall be maintained as open space; provide that ordinary projections may extend into a minimum side yard not more than 24 inches.

Density

1. Maximum Allowable Density: 8 homes/acre and a maximum lot count of 19.
2. Maximum Lot Coverage: 67%
3. Building; Lot Ratio: There shall be at least 2,250 square feet of lot area for each dwelling unit built on any lot.

4. Minimum Dwelling Size: Every dwelling unit, hereafter erected, shall have a floor area exclusive of breezeways, basements, open and screened porches and garages of not less than 1,800 air conditioned square feet.
5. Maximum Height: 2 stories, not to exceed 35' to the ridge line.
6. Minimum Lot Width: 25'. (Measured at the front building line.)
7. Minimum Lot Depth: 90'.

Parking

1. Two parking spaces shall be provided for each dwelling unit.
2. Additional off-street parking spaces, as identified on the Comprehensive Site Plan (Exhibit C), shall be provided.
3. Fire lanes, as required by the fire code, shall be provided and clearly marked.
4. Security lighting must be provided to illuminate parking and public areas; placed so as to reflect the lighting away from adjacent dwelling units.

Streets, Alleys, and Accessways

1. All areas for locating dwelling units shall be platted property and located on private streets. The streets and open spaces located within the development shall be controlled and maintained by a homeowner association.
2. The private streets shall have a minimum paving width of 27' (back-to-back), a minimum parkway width of 1.5', and shall be constructed in accordance with the Town of Addison's paving standards.

Open Space

1. Landscaping shall be provided in general accordance with the Landscape Plan (Exhibit D).
2. In addition to paved parking and driving areas, at least 10% of the lot shall be maintained in landscaped open area. All landscaped areas shall have adequate and inconspicuous

irrigation systems. All parking areas shall be designed and constructed in a manner to include landscaping.

3. A minimum 10' wide landscape buffer shall be provided adjacent to all perimeter property lines for the development. For those areas adjacent to public right-of-way, the buffer shall be located "outside" of the development. For those areas adjacent to private property, the buffer shall be located "interior" to the development. The buffer shall be landscaped. Included in said landscaping shall be minimum 4" caliper trees, planted 35' on center. The landscape buffer along the east property line shall be planted with a combination of large shrubs and trees that will provide immediate screening. The final planting plan for the buffer shall be reviewed and approved by the staff prior to the issuance of the first construction permit. Said landscaping shall be maintained by the homeowner association.
4. A minimum 8' tall masonry wall shall be provided as part of the landscape buffer when the buffer is adjacent to public right-of-way. The wall may be constructed of a combination of masonry and tubular steel (wrought iron). In no instance shall the tubular steel comprise more than 25% of the wall's surface area.
5. An eight (8) foot fence and retaining wall, which shall maintain a finished height of 14 feet above existing grade, shall be constructed on the east property line of this tract, between this tract and the home at 14757 Celestial Place. Final design for retaining wall/fence along the entire east property line shall be reviewed and approved by the staff prior to the issuance of the first construction permit.
6. Sidewalks along Montfort and Celestial Roads shall be adjacent to the screening wall.

Architectural Controls

1. The townhomes shall generally be constructed in accordance with the elevations depicted on Exhibit E.
2. All residences must conform to the Mediterranean style and character. No modern or contemporary architecture will be allowed.
3. Exterior materials shall be 100% hard coat (concrete) stucco on all walls. Combinations of natural or synthetic stone and/or cast stone accents may also be used. No EIFS products (other than

architectural foam shapes such as window sills, window surrounds, etc.) will be allowed on any elevations.

4. No second story windows shall be allowed on the south side of Building W-2 (delineated on page 2 of 5 in the Stanford Court Villas handout) which is adjacent to the rear of 14725 Celestial Place. Second story windows on the front of Building E-1 shall be located so as to restrict views into the adjacent Celestial Place homes (14757 Celestial Place, 14753 Celestial Place, 14749 Celestial Place, 14745 Celestial Place as reasonably possible. Second story windows in these areas shall be limited to windows of 10 square feet or less with bottom sill heights placed no lower than 7' A.F.F. so as to restrict any direct line of sight.
5. The homes will have uniform cast stone house numbers and house number location.
6. The homes will have a uniform wrought iron mailbox and mailbox location.
7. All roofs shall have a minimum slope 6:12 Roof Pitch. Vent stacks and other roof penetrations shall be placed on roof planes other than those visible from the front street must be painted to blend with the roof color. Satellite Dishes shall not be installed in locations directly visible from the front street. Solar Collectors, if used, must be integrated into the building design and constructed of materials that minimize their visual impact. Cornice, eave and architectural details may project up to two feet.
8. Roof material shall be concrete or clay barrel tile.
9. Walls and screens visible from streets or common areas shall be constructed of masonry to match the residence, masonry and wrought iron, or wrought iron. Walls and screens not visible from streets or common areas may be constructed of smooth finish redwood or #1 grade cedar. All fence posts shall be steel set on concrete and shall not be visible from another dwelling. All fence tops shall be level with grade changes stepped up or down as the grade changes.
10. All garage doors shall be equipped with automatic remote controlled door openers and shall remain closed when not in use. Garage doors must be constructed of cedar or like material and offer some type of architectural styling with metal accents.

11. All driveways fronting on a street shall be constructed of the following materials: brick pavers, stone, interlocking pavers, stamped concrete, or exposed aggregate with brick, stone, or smooth finish concrete borders. All front entry surfaces (including driveways, approaches, leadwalks, patios, and porches) must be constructed in brick, stone, slate, flagstone, stamped concrete, exposed aggregate, stained concrete, or pavers (concrete or travertine). All steps from the street to the front entry must be constructed in brick, stone, slate, or flagstone.

Utilities

1. Each townhome shall have its own underground electrical service.
2. Each townhome shall have washer and dryer connections.

Postal Service

1. Individual mail provision shall be provided for each townhome and shall be located in accordance with the guidelines established by the postal service.

Refuse Collection and Storage

1. Individual curbside refuse collection shall be required for each townhome.

Deed Restrictions and Owner Association Agreements

1. Agreements shall be approved by the Town of Addison and recorded in the county clerk's office, prior to the issuance of a certificate of occupancy.

Firewalls Separating Dwelling Units

1. The common walls and ceiling of each unit must be constructed of materials of one-hour construction.
2. The attic space must be fire stopped as required by the Uniform Building Code.

-the site shall be striped for fire lanes and parking in accordance with the drawing labeled "Parking Exhibit" provided by the applicant.

-the site plan shall be revised to move the sidewalks from back-of-curb to a location adjacent to the 8-foot stone wall shown on the plans, and a plan for the landscaping on the interior of the site shall be submitted for review and approval before issuance of any building permit.

-There shall be no views allowed from second-story windows that look into the adjacent properties on the north, east, and south. Windows shall be constructed in accordance with the drawings contained in the development plans. Windows on the second story that face north shall be screened with evergreen trees in a manner that prohibits views into the lots across Celestial Drive in the Oaks North neighborhood.

-An 8-foot fence and retaining wall, which shall maintain a finished height of 14 feet above existing grade, shall be constructed on the east property line of this tract, between this tract and the home at 14757 Celestial Place. Final design for retaining wall/fence along entire east property line shall be reviewed and approved by the staff prior to the issuance of the first construction permit.

-Landscape buffer at east property line shall be planted with a combination of large shrubs and trees that will provide immediate screening. The final planting plan for the buffer shall be reviewed and approved by the staff prior to issuance of the first construction permit.

-All incidental use restrictions shall be included and Section 78-286 of the Code of Ordinances, which regulates the storage of boats and recreational vehicles, shall be applied.

-The City shall reserve the right to make the street through this development one-way in a counter-clockwise direction, even if it remains a private street.

-There shall be no parking permits issued for vehicles related to the construction of this site.

-The Homeowners Associations covenants shall be modified to require that the Town must approve disbanding of the Homeowners Association.

-The Town of Addison shall reserve the right, but not the obligation, to enforce certain sections of the Homeowners Association

covenants relating to maintenance and repair of the streets, walls, fences, and common areas.

Councilmember Mallory seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Mallory, Mellow, Niemann
Voting Nay: None
Absent: None
Abstain: Kraft

Councilmember Kraft returned to the Council Chambers.

Item #R5 – PUBLIC HEARING regarding and consideration of approval of, an ordinance approving an amendment to the Town of Addison Comprehensive Plan to approve a regulating plan for development within the Belt Line Road zoning district, located on the north and south sides of Belt Line Road, between Marsh Lane and the Dallas North Tollway, and on the south side of Belt Line Road only between the Dallas North Tollway and the Town's eastern boundary at the White Rock Creek, on application from the Town of Addison.

Mayor Chow opened the meeting as a public hearing. There were no questions or comments. Mayor Chow closed the meeting as a public hearing.

Councilmember Mallory moved to duly approve Ordinance No. 006-026 approving an amendment to the Town of Addison Comprehensive Plan to approve a regulating plan for development within the Belt Line Road zoning district, located on the north and south sides of Belt Line Road, between Marsh Lane and the Dallas North Tollway, and on the south side of Belt Line Road only between the Dallas North Tollway and the Town's eastern boundary at the White Rock Creek, on application from the Town of Addison. Councilmember Mallory moved to approve the revised plan as submitted by the staff at the meeting. Councilmember Niemann seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow, Niemann
Voting Nay: None
Absent: None

Item #R6 – PUBLIC HEARING regarding, and consideration of approval of, a concept plan for residential uses, in accordance with the Regulating Plan of the Comprehensive Plan, and in accordance with the requirements of the Belt Line Road zoning district, located on 8 acres on the southeast and southwest corners of Commercial Drive and Belt Line road, on application from Ashton-Woods Homes, Inc. represented Mr. Matthew Alexander of Dowdy, Anderson & Associates, Inc.

Mayor Chow opened the meeting as a public hearing.

Christopher Mulroney, 3867 Lakeview Court asked questions about green space provided on the new plan.

There were no other questions or comments. Mayor Chow closed the meeting as a public hearing.

Councilmember Braun moved to duly approve a concept plan for residential uses, in accordance with the Regulating Plan of the Comprehensive Plan, and in accordance with the requirements of the Belt Line Road zoning district, located on 8 acres on the southeast and southwest corners of Commercial Drive and Belt Line road, on application from Ashton-Woods Homes, Inc. represented Mr. Matthew Alexander of Dowdy, Anderson & Associates, Inc., subject to the following conditions:

- the plan be revised to list on it the land use of townhome, and the maximum number of 72 units.
- Developer shall provide complete engineering plans with plat submittal and include the following:
 - a. Plat with surveying data (include necessary street, drainage, water and sewer easements and dedications)
 - b. Site Dimensioning Plan
 - c. Paving plan (on site and offsite improvements)
 - d. Drainage Plans
 - e. Water and Sanitary Sewer
- Developer shall provide traffic engineering study to determine length of deceleration lane for eastern driveway. Developer will need to provide design in engineering plans and construct improvements.
- Site Plan indicates a median cut on Belt Line Road that will not be allowed. Traffic entering site from westbound Belt Line will need to enter at Commercial Boulevard signal.
- Plans provided show 22 ft drives and minimum turning radii. Please overlay fire truck turning templates on the fire lanes and public streets to verify that pavement provided is adequate and no parking is specified where fire trucks require turning room.
- Dedication of improvements to the Town requires that design and construction meet all City Standards.

Councilmember Niemann seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow, Niemann
Voting Nay: None
Absent: None

Item #R7 – PUBLIC HEARING regarding, and consideration of approval of, a Special Use Permit for the sale of alcoholic beverages for off-premises consumption, and a Special Use Permit for the sale beer and wine for off-premises consumption, located at 14731-14741 Inwood Road, on application from Majestic Liquor Stores, represented by Mr. Terry Wright of Wright Group Archetects.

Mayor Chow opened the meeting as a public hearing. There were no questions or comments. Mayor Chow closed the meeting as a public hearing.

Councilmember Kraft moved to duly approve a Special Use Permit for the sale of alcoholic beverages for off-premises consumption, and a Special Use Permit for the sale beer and wine for off-premises consumption, located at 14731-14741 Inwood Road, on application from Majestic Liquor Stores, represented by Mr. Terry Wright of Wright Group Architects, subject to the following conditions:

-The applicant shall submit a revised plan that replaces all bald cypress trees with a tree type with a tighter and more upright growth character such as pond cypress or 'Highrise' Live Oak. In addition, the revised plan shall decrease the quantity of bald cypress within the Inwood Road frontage from 8 to 6 trees and eliminate the crape myrtles to allow room for the cypress to grow, and to open up visibility into the site. The plan shall also reduce the number of crape myrtles shown on the north side of the property to allow 12-15' spacing between the existing trees and the new trees. This revised plan shall be submitted for review and approval before a building permit is issued.

Councilmember Mellow seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow, Niemann
Voting Nay: None
Absent: None

Item #R8 – PUBLIC HEARING regarding, and consideration of approval of, an amendment to an existing Special Use Permit for a restaurant and an existing Special Use Permit for the sale of alcoholic beverages for on-premises consumption, located at 15175 Quorum Drive, on application from Arthur's Restaurant represented by Mr. Mohsen Heidari.

Mayor Chow opened the meeting as a public hearing. There were no questions or comments. Mayor Chow closed the meeting as a public hearing.

Councilmember Mallory moved to duly approve an amendment to an existing Special Use Permit for a restaurant and an existing Special Use Permit for the sale of alcoholic beverages for on-premises consumption, located at 15175 Quorum Drive, on application from Arthur's Restaurant represented by Mr. Mohsen Heidari, subject to the following conditions:

-The applicant shall submit a new up-dated landscape plan with calculations of the new and existing landscape area prior to the issuance of a building permit. The up-dated landscape plan shall include all of the information described in Section 4, Landscape and Irrigation Plan Submittal in the Landscape Regulations.

-All mechanical equipment on the new building shall be completely screened from view. The screening material shall be architecturally compatible to the building, and the Building Official shall make the determination of "architecturally compatible".

Councilmember Niemann seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow, Niemann
Voting Nay: None
Absent: None

Item #9 – Consideration of approval of a final plat for one lot of 5.707 acres, located in a C-1, (Commerical-1) zoning district, at the northwest corner of the intersection of Westgrove Drive and Dallas North Tollway, on application from Bent Tree Tower Joint Venture, represented by Mr. Don Deere of Ferguson-Deere, Inc., Engineers.

Councilmember Mallory moved to duly approve a final plat for one lot of 5.707 acres, located in a C-1, (Commerical-1) zoning district, at the northwest corner of the intersection of Westgrove Drive and Dallas North Tollway, on application from Bent Tree Tower Joint Venture, represented by Mr. Don Deere of Ferguson-Deere, Inc., Engineers, subject to the following conditions:

-A site plan and engineering plans shall be submitted prior to final plat approval. The site plan and engineering plans should include information regarding site circulation, fire lanes, drainage calculations for run-off and adequacy of downstream systems.

-The distance called out for the chord bearing (CB) through the curve appears to be incorrect.

-On all future submittals, the registered surveyor should sign, seal and date the plat.

-Fire lane easements through Lot 2R should be provided. It may be that the fire lane flow is around Lot 1, Lot 2R and Lot 1R.

Councilmember Niemann seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow, Niemann
Voting Nay: None
Absent: None

Item #R10 – Consideration of approval of a final plat for one lot of 1.564 acres, located in a C-1, (Commercial-1) zoning district, at the northwest corner of the intersection of Westgrove Drive and Dallas North Tollway, on application from Bent Tree Tower Joint Venture, represented by Mr. Don Deere of Ferguson-Deere, Inc., Engineers.

Councilmember Niemann moved to duly approve a final plat for one lot of 1.564 acres, located in a C-1, (Commercial-1) zoning district, at the northwest corner of the intersection of Westgrove Drive and Dallas North Tollway, on application from Bent Tree Tower Joint Venture, represented by Mr. Don Deere of Ferguson-Deere, Inc., Engineers, subject to the following conditions:

-If the applicant has not filed for a building permit on this lot within three years of the date of filing of the plat, the applicant shall either install landscaping on this lot (in accordance with the plan furnished by the applicant, to bring Lot 2 up to the 20% required landscaping for the site), or apply to the Board of Zoning Adjustment for a variance to the landscaping requirement.

-A site plan and engineering plans shall be submitted prior to final plat approval. The site plan and engineering plans should include information regarding site circulation, fire lanes, drainage calculations for run-off and adequacy of downstream systems.

-The distance called out for the chord bearing (CB) through the curve appears to be incorrect.

-On all future submittals, the registered surveyor should sign, seal and date the plat.

-Fire lane easements through Lot 2R should be provided. It may be that the fire lane flow is around Lot 1, Lot 2R and Lot 1R.

Councilmember Kraft seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow, Niemann
Voting Nay: None
Absent: None

Item #R11 – Consideration and approval of an ordinance granting meritorious exception to Sec. 62-185, Specifications, for Majestic Fine Wines & Spirits located at 14733 Inwood Road.

Councilmember Mallory moved to deny the request. Councilmember Niemann seconded. Motion failed.

Voting Aye: Kraft, Mallory, Niemann
Voting Nay: Chow, Braun, Mellow, Hirsch
Absent: None

Councilmember Mellow moved to table the request. Councilmember Braun seconded. Motion carried.

Voting Aye: Chow, Braun, Mellow, Hirsch
Voting Nay: Kraft, Mallory, Niemann
Absent: None

Item #R12 – Consideration and approval of an ordinance granting meritorious exception to Sec. 62-163, Area, for Majestic Fine Wines & Spirits located at 14733 Inwood Road.

Councilmember Niemann moved to table this item. Councilmember Braun seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow, Niemann
Voting Nay: None
Absent: None

Councilmember Niemann recused himself and left the Council Chambers.

Item #R13 - Consideration and approval of a resolution of the Town of Addison, Texas denying Atmos Energy Corp., Mid-Tex Division's Statement Of Intent To Increase The Gas Utility Rates In The City; supporting the reduction of existing natural gas distribution rates currently charged by Atmos Mid-Tex within the city; ordering Atmos Mid-Tex to Reimburse the city for its reasonable costs incurred in ratemaking proceedings or appeals of said proceedings; authorizing the Atmos Cities Steering Committee to act on behalf of city and intervene in any proceedings before administrative or judicial bodies; requiring delivery of this resolution to the company and legal counsel; finding that the meeting

at which this resolution is adopted is open to the public as required by law; providing an effective date.

Councilmember Braun moved to duly approve Resolution No. R06-056 of the Town of Addison, Texas denying Atmos Energy Corp., Mid-Tex Division's Statement Of Intent To Increase The Gas Utility Rates In The City; supporting the reduction of existing natural gas distribution rates currently charged by Atmos Mid-Tex within the city; ordering Atmos Mid-Tex to Reimburse the city for its reasonable costs incurred in ratemaking proceedings or appeals of said proceedings; authorizing the Atmos Cities Steering Committee to act on behalf of city and intervene in any proceedings before administrative or judicial bodies; requiring delivery of this resolution to the company and legal counsel; finding that the meeting at which this resolution is adopted is open to the public as required by law; providing an effective date. Councilmember Mallory seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow
Voting Nay: None
Absent: None
Abstain: Niemann

Item #R14 - Consideration and approval of an ordinance of the Town of Addison, Texas, denying the request of Atmos Energy Corp., Mid-Tex Division, for an annual gas reliability infrastructure program (GRIP) rate increase in the city, as a part of the company's statewide gas utility distribution system; approving cooperation with other cities within the Atmos Energy Corp., Mid-Tex Division distribution system as part of the Atmos Cities Steering Committee (ACSC); authorizing ACSC to hire legal and consulting services and to negotiate with the company and direct any necessary litigation; authorizing intervention as part of ACSC in any appeal of the city's action to the railroad commission; providing a requirement for a prompt reimbursement of costs incurred by the city; finding that the meeting at which this ordinance is passed is open to the public as required by law; providing for notice of this ordinance to Atmos Energy Corp., Mid-Tex division; providing an effective date.

Councilmember Mallory moved to duly approve Ordinance No. 006-027 of the Town of Addison, Texas, denying the request of Atmos Energy Corp., Mid-Tex Division, for an annual gas reliability infrastructure program (GRIP) rate increase in the city, as a part of the company's statewide gas utility distribution system; approving cooperation with other cities within the Atmos Energy Corp., Mid-Tex Division distribution system as part of the Atmos Cities Steering Committee (ACSC); authorizing ACSC to hire legal and consulting services and to negotiate with the company and direct any necessary litigation; authorizing intervention as part of ACSC in any appeal of the city's action to the railroad commission; providing a requirement for a prompt reimbursement of costs incurred by the city;

finding that the meeting at which this ordinance is passed is open to the public as required by law; providing for notice of this ordinance to Atmos Energy Corp., Mid-Tex division; providing an effective date. Councilmember Braun seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow
Voting Nay: None
Absent: None
Abstain: Niemann

Councilmember Niemann returned to the Council Chambers.

Item #R15 – Consideration and approval of an ordinance amending the Town’s Annual budget for the fiscal year ending September 30, 2006.

Councilmember Braun moved to duly approve Ordinance No. 006-028 amending the Town’s Annual budget for the fiscal year ending September 30, 2006. Councilmember Mallory seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow, Niemann
Voting Nay: None
Absent: None

Item #R16 – Consideration and approval of a resolution authorizing the City Manager to enter into a Professional Services Agreement with Freese & Nichols, Inc., in the amount not to exceed \$65,687.00 for a Water Distribution Study.

Councilmember Kraft moved to duly approve Resolution No. R06-057 authorizing the City Manager to enter into a Professional Services Agreement with Freese & Nichols, Inc., in the amount not to exceed \$65,687.00 for a Water Distribution Study. Councilmember Braun seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow, Niemann
Voting Nay: None
Absent: None

Item #R17 – Consideration and approval of a Landbanking Resolution to go to the North Central Texas Council of Governments (NCTCOG).

Councilmember Mallory moved to duly approve Resolution No. R06-058 subject to revisions to attachments, subject to authority and law, subject to verification of percentages, and subject to the approval of the City Attorney to law. Councilmember Braun seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow, Niemann
Voting Nay: None
Absent: None

EXECUTIVE SESSION. The executive session items were tabled:

Item #ES1 - Closed (executive) session of the City Council pursuant to Section 551.074, Texas Government Code, to deliberate the appointment, employment, reassignment, or duties of the City Secretary.

Item #ES2 – Closed (executive) session of the City Council pursuant to Section 551.071, Texas Government Code, to conduct a private consultation with its attorney(s) to the Town Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551, Tex. Gov. Code, regarding and relating to the Agreement for the Operation and Management of Addison Airport.

Item #R18 – Discussion and consideration of any action regarding and relating to the appointment and duties of the City Secretary.

Councilmember Braun moved to table this item. Councilmember Kraft seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow, Niemann
Voting Nay: None
Absent: None

There being no further business before the Council, the meeting was adjourned.

Mayor

Attest:

City Secretary

Council Agenda Item: #2b

SUMMARY:

Staff recommends that the Council award a bid totaling \$34,979.00 to Smith Pump Company for replacement of two recirculation pumps at Winnwood Park.

There were 64 vendors notified of the bid and 16 planholders. Attached is the bid tabulation form.

FINANCIAL IMPACT:

Winnwood Fountain Repairs Budget: **\$40,000.00**

Cost: **\$34,979.00**

This is a budgeted item in the parks operations budget

BACKGROUND:

The scope of work consists of replacing two failing wet well circulation pumps located on the north side of the eastern pond between the pedestrian sidewalk and Belt Line Road. The existing pumps were installed in 1989 as a part of the White Rock Creek/Celestial Park improvements.

The work is scheduled to be completed by September 30th.

Due to the specialized nature of this work, there are limited vendors in the Dallas-Fort Worth area with this expertise and capability to complete this project.

RECOMMENDATION:

Smith Pump Company completed replacement of the recirculation pumps behind the Finance Building in 2005. In addition, Smith Pump Company supplied the original pumps. Based on their solid track record, staff recommends approval.

Attachment: Bid Tabulation Form

Winnwood Park Pump Replacement
Bid No. 06-25

DUE: June 3, 2006
2:00 PM

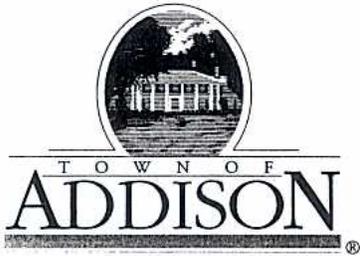
BIDDER	Signed	Total Bid
Smith Pump Company, Inc.	Y	\$34,979.00

Katie H. Roller

Katie H. Roller, Management Analyst

Shanna N. Sims

Witness



Post Office Box 9010 Addison, Texas 75001-9010 5300 Belt Line Road (972) 450-7000

June 15, 2006

FAX (972) 450-7043

STAFF REPORT

RE: Case 1517-Z/Woodmont Development

LOCATION: 7.37 acres at the southeast corner of Addison Road and Keller Springs Road

REQUEST: Approval of a change of zoning From C-2 (Commercial-2) to PD (Planned Development) in order to provide for a multi-Family development of approximately 300 units, and local retail uses, and approval of development plans

APPLICANT: Woodmont Develoment, Represented by Mr. Erik Earnshaw

DISCUSSION:

Background. This site is currently zoned Commercial-2, which allows for a variety of retail, retail/service/showroom, and light assembly uses. However, it does not allow residential use.

The Town is currently revising its Comprehensive Plan and has just finished a new zoning district for the Belt Line Road corridor. It was the staff's intent to take up the Addison Road corridor next in the Town's Comprehensive Plan efforts, and this request is ahead of that effort. However, Addison's general direction is to move toward more urban housing products and more mixed use projects in all areas of the City. The Belt Line plan anticipated a more urban direction with residential and retail mixed use projects. The staff anticipates that Addison Road will move in that same direction, and that the mixed use, urban neighborhood in Addison Circle will continue north up Quorum Drive, which is just east of this site. Therefore, the staff feels that this project, though ahead of the Comprehensive Plan effort, is consistent with the direction the Plan will recommend.

In addition, this applicant has worked closely with the staff on the Belt Line Road zoning district and is aware of the goals and requirements of that district. The project presented is in keeping with those goals in that it provides a high-density mixed use project with structured parking, which is oriented along walkable streets. The applicant has requested funding for the streets, and is prepared to dedicate the right-of-way for them and build them to the Local Street standard, found in Appendix II of the Belt Line Road zoning district. The staff generally likes the site plan and elevations for the project, and would even encourage the applicant to get "edgier" with the architecture in order to reflect the industrial context provided by the adjacent Addison Airport. The staff would note that this property is not within the noise contours for the airport.

Therefore, the staff feels that this plan represents a direction that the Town will pursue for the Addison Road corridor through its Comprehensive Plan efforts. In fact, the Belt Line Road zoning district is a template that the Town will most likely adopt for all future residential uses. Addison recognizes that it is an urban location, and the goal of building walkable neighborhoods is one that will most likely resonate throughout all areas of the Comprehensive Plan. The staff feels that this is a workable plan for this corner, but with that said, staff does not feel it is a plan that is ready for approval.

Proposed Plan. The applicant in this case proposes to take the remaining 7.37 acres of raw land at this corner and develop it with 312 multi-family units and 10,500 square feet of retail space. The plan provides 534 parking spaces, of which at least 52 must be allocated to the 10,500 square feet or retail use (more spaces if any restaurants locate in the retail). That leaves 483 spaces for the residential units. Staff does not know if that is enough spaces because it does not have a breakdown of how many of these units are efficiencies, one-bedrooms, two-bedrooms, etc. In addition, the staff cannot determine the minimum unit size per unit. It appears there are some 565 square-foot units, which could be efficiencies, but the staff does not know what the unit mix is.

Staff also has a concern about how close the units are to Addison Road and Keller Springs Road. Some units along Addison Road and Keller Springs Road measure less than 18 feet from the property line. Staff also does not know if the curb line is accurately reflected, but it does know that the right-of-way along most of Addison Road is extremely narrow because the street has been continually widened within the existing right-of-way. Therefore, these units could be 20 feet from the curb of a street that carries 20,000 cars a day. Staff believes the setback from Addison Road and Keller Springs needs to be investigated further.

Engineering. Nancy Cline notes that the site plan, which is actually drawn at 30-scale, not 50-scale as labeled, has given the site 10 more feet from east to west than is shown on the plat for this tract. 10 more feet on a development of this nature makes a big difference, and adjusting for it might cause the applicant to lose several units from the project.

Moreover, the staff is aware of significant drainage issues on this project. There is a large storm sewer culvert at the northwest corner of the site and the drainage from several adjacent tracts comes through this site. It has been a problem in previous proposals the staff has seen on this site. Accommodating the storm water runoff might and providing detention might again cause this site to lose units and might cause the site plan to be revised.

Landscaping. Slade Strickland has reviewed the plan and notes that it does not provide 20% landscaping, as is currently required for a Planned Development district. While the staff understands that this type of development is denser than typical multi-family development, Slade also expresses a concern about the lack of open space for dogs. Pets and their needs are an issue the staff is attempting to address in all neighborhoods, and we have already had requests from the residents along Ledgemont for a dog park in this part of the City. The staff is not suggesting that this site provide a public dog park, but it does not provide any open space where its own residents can take their dogs. There is Quorum Park to the north and east of this site, but it is not feasible for dog owners to walk that far every time they need to take their dog out. Staff believes the site plan needs to be redesigned to provide more lawn area for these residents to use. In addition, Slade notes that the planting plan for the street edge may not be feasible due to power lines. The staff believes the site plan needs more work to address landscaping issues.

Fire Code. The Fire Department has noted that emergence access appears to be acceptable. However, certain portions may need to be striped as fire lanes.

RECOMMENDATION:

Staff believes that this project represents a good first step in a direction that Addison wants to go. However, staff believes the plan is not ready for approval, and is too far from ready to approve subject to conditions. Staff would like to hold the public hearing and Commissioner discussion on this item in order to give the applicant a sense of the Commission's feeling on the project. However, staff recommends this request be tabled in order to give the applicant and the staff time to work out the parking, unit size, engineering, and landscaping issues.

Respectfully submitted,

A handwritten signature in black ink that reads "CMORAN". The letters are stylized and connected, with a large "C" and "M" at the beginning.

Carmen Moran
Director of Development Services

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on June 22, 2006, voted to recommend approval of the request on application from Woodmont Development, subject to the following conditions:

-The drawings shall be revised in accordance with the drawings presented to the Commission at the hearing on June 22, 2006, and refiled with the staff prior to the case going to City Council.

-Developer needs to provide complete engineering plans with plat submittal and include the following:

- a. Plat with surveying data (include necessary street, drainage, water and sewer easements and dedications)
- b. Site Dimensioning Plan
- c. Paving plan (on site and offsite improvements)
- d. Drainage Plans (see Note 2)
- e. Water and Sanitary Sewer

-Significant open ditches exists on subject property along the west side (Addison Road) and the north side(Keller Springs Road). The downstream drainage conditions may cause significant detention to be constructed on site.

-Provide dedication of right-of-way along Addison Road and Keller Springs Road in accordance with the Town of Addison Street Plan and proposed engineering for the subject streets. Construct road widening improvements for turn lanes at intersection.

-Verify whether height restrictions of buildings are required due to proximity to Addison Airport.

-Plans provided show 24 ft drives and minimal turning radii. Please overlay fire truck turning templates on the fire lanes and public streets to verify that pavement provided is adequate and no parking is specified where fire trucks require turning room.

-Dedication of improvements to the Town requires that design and construction meet all City Standards.

Voting Aye: Bernstein, Chafin, Daseke, Gaines, Jandura, Meier, Wood

Voting Nay: None

Absent: None

Memorandum

Date: June 14, 2006
To: Carmen Moran, Director of Development Services
From: Nancy S. Cline, P.E. Director of Public Works
Subject: Woodmont / Keller Springs Lofts

Public Works has the following comments:

- 1. Developer needs to provide complete engineering plans with plat submittal and include the following:**
 - a. Plat with surveying data (include necessary street, drainage, water and sewer easements and dedications)**
 - b. Site Dimensioning Plan**
 - c. Paving plan (on site and offsite improvements)**
 - d. Drainage Plans (see Note 2)**
 - e. Water and Sanitary Sewer**

- 2. Significant open ditches exists on subject property along the west side (Addison Road) and the north side(Keller Springs Road). The downstream drainage conditions may cause significant detention to be constructed on site.**

- 3. Provide dedication of right-of-way along Addison Road and Keller Springs Road in accordance with the Town of Addison Street Plan and proposed engineering for the subject streets. Construct road widening improvements for turn lanes at intersection.**

- 4. Verify whether height restrictions of buildings are required due to proximity to Addison Airport.**

- 5 . Plans provided show 24 ft drives and minimal turning radii. Please overlay fire truck turning templates on the fire lanes and public streets to verify that pavement provided is adequate and no parking is specified where fire trucks require turning room.**

- 4. Dedication of improvements to the Town require that design and construction meet all City Standards.**

Memorandum

Date: June 9, 2006
To: Carmen Moran, Director of Development Services
From: Slade Strickland, Director of Parks and Recreation
Subject: Case 1517-Z/Woodmont Development

The following conditions apply to the plans submitted by the applicant:

- 1. The site landscape requirement is 20 percent, and the development plan appears to fall well short of this. These calculations need to be made by the applicant to confirm the exact percentage of landscape area proposed.**
- 2. There are overhead power lines along Keller Springs that may pose a problem for the tree planting scheme shown.**
- 3. There is no open space shown on the plan to accommodate dogs. The applicant will need to consider how this will be addressed.**
- 4. A detailed set of plans will need to be submitted for review and approval when final development plans are submitted.**

Gordon Robbins

To: Carmen Moran

Subject: Case 1517-Z/Woodmont Development

6-12-06

Emergency access appears to be acceptable. Where necessary, certain portions may need to be marked as fire lane (e.g., curves and neck-downs).

Fire hydrants are not shown on the submittal, however they will be required in approved locations at 300-foot intervals along the drive lanes.

Thank you.

*Gordon C. Robbins
Deputy Fire Chief
Addison, Texas
972-450-7220*

06/22/2006 01:21 PM
Jun 21 2006 5:18PM

KENNINGTON PROPERTIES

TOWN OF ADDISON - TOWN HALL
214-599-9139

972 450 7043 2/2
P. 1



June 21, 2006

Ms. Carmen Moran
Director of Development Services
Town of Addison
P.O. Box 9010
Addison, TX 75001

RE: Support of Case 1517-Z/Woodmont Development

Dear Carmen:

As you are aware, Kennington Properties owns the property at 4950 Keller Springs in Addison, which is adjacent to the site for the Planning and Zoning Commission Case 1517-Z/Woodmont Development. Earlier today, I had the opportunity to review the plans and drawings of Woodmont Development that shows the development of approximately 300 multi-family units with retail uses on the ground floor. This development would require a change of zoning from C-2 to PD.

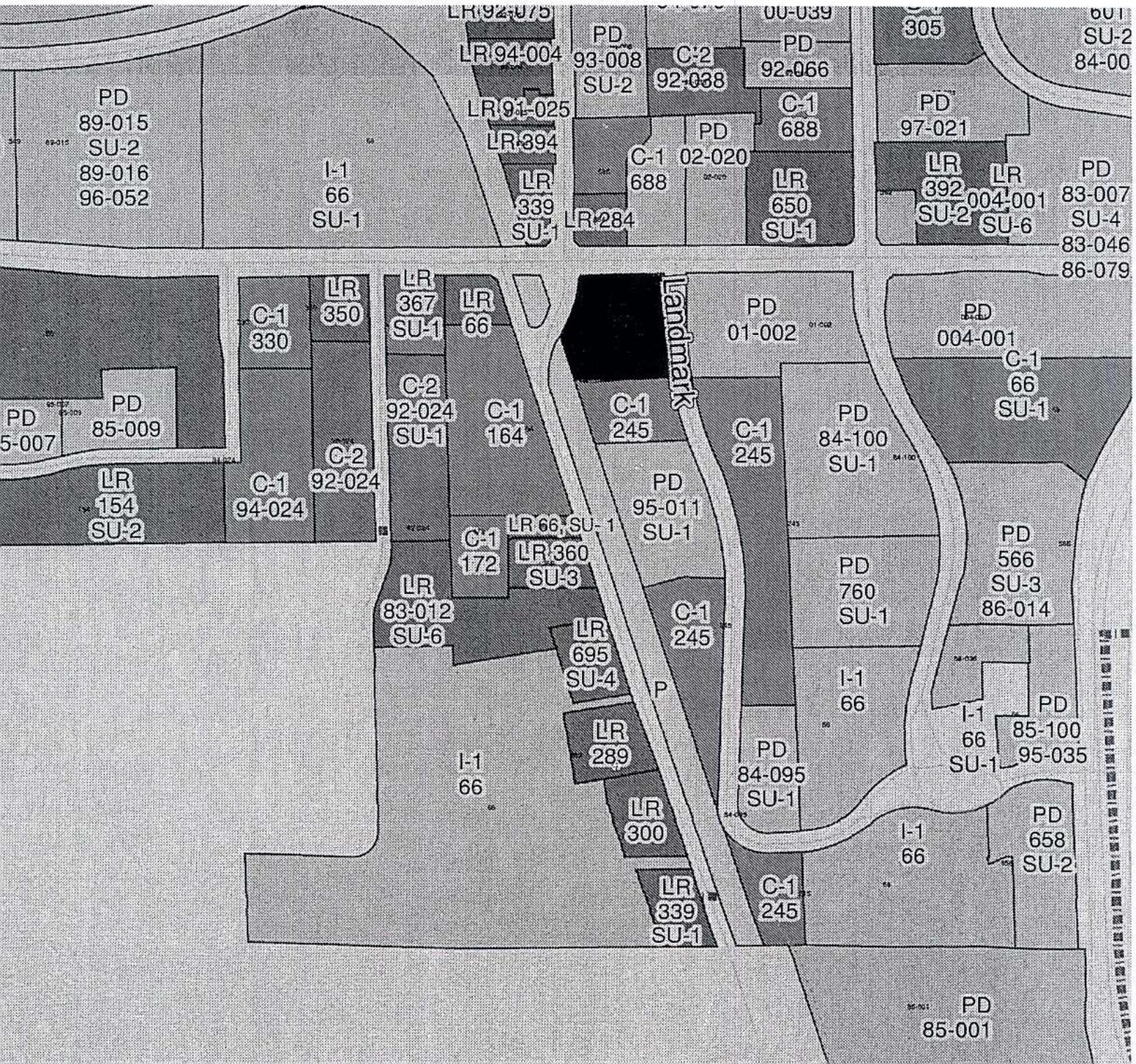
Upon examination, Kennington Properties is in support of this zoning change, and we welcome the new use for the site. Should the Planning and Zoning Committee or you have any questions or concerns, please contact me at 214-599-9996.

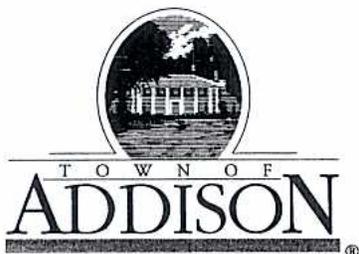
Sincerely,

Clayton Kennington

1519-Z

PUBLIC HEARING Case 1519-SUP/Selim's Doener Kebap House, Inc.
Requesting approval of a Special Use Permit for a restaurant and a Special Use Permit for the sale of alcoholic beverages for on-premises consumption, located at 4816 Belt Line Road, on application from Ms. Selim Cevirgen.





Post Office Box 9010 Addison, Texas 75001-9010 5300 Belt Line Road (972) 450-7000
 FAX (972) 450-7043

June 14, 2006

STAFF REPORT

RE:

Case 1519-SUP/Selim's Doener
 Kebap House

LOCATION:

4816 Belt Line Road

REQUEST:

Approval of a Special Use Permit for a restaurant, and a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only

APPLICANT:

Ms. Selim Cevirgen

DISCUSSION:

Background. This lease space is located in the Inwood Village Shopping Center at the southeast corner of the intersection of Belt Line Road and Inwood Road. It has been a variety of retail uses, most recently a furniture store, but this, which is on the west end of the building, has never been used as a restaurant before. At this point, Ms. Selim Cevirgen and her family are planning to move to this area from Germany and open an authentic German restaurant. The restaurant will feature Kabops, which seem to be most resemble gyro sandwiches. This will be the family's first restaurant in the United States.

Proposed Plan. This is the staff's first experience in reviewing a floor plan in German. We had to call the applicant and get a translated version, and it is still metric. We know that the space is 2,591 square feet total. The plans indicate the restaurant will be a fast-casual concept where food is ordered at a counter and picked up, and drinks are self-service. There is not a separate bar area and we anticipate only beer and wine will be served. The dining area will seat 56. There is not a patio or any outside dining shown on the plan.

Parking. Shopping centers that are under 30,000 square feet and more than 40% restaurant uses must park at one space per 70 square feet for all restaurant uses. However, this center is 30,153 square feet total, which allows it to park all restaurant uses at a ratio of one space per 100 square feet. Therefore, this restaurant will require 26 parking spaces. There is sufficient parking on the site to accommodate this proposed use.

Landscaping. The landscaping was put in place when the center was constructed, and is generally well maintained. Slade Strickland notes in his memo that all dead or missing plant material on the site will need to be replaced before a Certificate of Occupancy is issued. In addition, the staff will need to inspect the irrigation system to confirm that a freeze and rain sensor is connected to the controller.

Food Service Code. This restaurant will require a grease trap, and the applicant should be advised that the restaurant will be subject to all regulations contained in the 2005 edition of the *Texas Food Establishment Rules* for kitchen construction, food protection and general sanitation.

Building Code. Lynn Chandler, the Building Official, notes that the applicant will be required to construct the space in compliance with the Uniform Building Code. Lynn has noted that under the Code requirements, the applicant will be required to install a 2-hour fire wall on the east wall of the space. Also, two exits will be required from the dining area.

Signage. The applicant has not shown signs on the plans. He should be advised that all signs for the restaurant must comply with the requirements of the Addison Sign Ordinance. In addition, the applicant should be aware that Addison has a policy against the use of any terms or graphic depictions that relate to alcoholic beverages in exterior signs.

RECOMMENDATION:

Staff recommends approval of the Special Use Permit for a restaurant, and a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only, subject to the following conditions:

-all dead or missing plant material on the site shall be replaced before a Certificate of Occupancy is issued. In addition, the staff shall inspect the irrigation system to confirm that a freeze and rain sensor is connected to the controller.

-all signs for the restaurant must comply with the requirements of the Addison Sign Ordinance. In addition, the applicant shall not use any terms or graphic depictions that relate to alcoholic beverages in exterior signs.

Respectfully submitted,



Carmen Moran
Director of Development Services

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on June 22, 2006, voted to recommend approval of the request on application from Selim's Doener Kebap House, subject to the following conditions:

-All missing plant material shown on the most recent landscape plan that the staff has on file will need to be replaced prior to the issuance of a Certificate of Occupancy for the space. In addition, a freeze and rain sensor must be installed on the irrigation system, if it is not already installed.

-all signs for the restaurant must comply with the requirements of the Addison Sign Ordinance. In addition, the applicant shall not use any terms or graphic depictions that relate to alcoholic beverages in exterior signs.

Voting Aye: Bernstein, Chafin, Daseke, Gaines, Jandura, Meier, Wood
Voting Nay: None
Absent: None

To: Carmen Moran, Director Development Services

From: Lynn Chandler, Building Official

Date: June 6, 2006

Subject: Case 1519-SUP/Selim's Doener Kabap House, Inc.

A two hour fire-wall will be required on the east wall of the space. Two exits will be required from the dining area separated by a minimum of one half the diagonal of the area served and the exits can't pass through a kitchen, food prep area or other similar use.

Memorandum

Date: June 9, 2006
To: Carmen Moran, Director of Development Services
From: Slade Strickland, Director of Parks and Recreation
Subject: Case 1519-SUP/Selim's Doener Kebap House, Inc.

All dead or missing landscaping will need to be replaced before a Certificate of Occupancy is issued. Staff will need to inspect the irrigation system to confirm that a freeze and rain sensor is connected to the controller.

Carmen Moran

From: Neil Gayden
Sent: Wednesday, June 14, 2006 1:30 PM
To: Carmen Moran
Subject: German Restaurant in Pesking Center

Carmen,

This application seems to be coming from Germany. Since I'm not familiar with kitchen and health standards that might be in place in Germany, the applicant needs to be aware that Addison utilizes the 2005 edition of the TEXAS FOOD ESTABLISHMENT RULES for kitchen construction, food protection and general sanitation. For purposes of a building permit, we require a room finish schedule, a floor plan, equipment schedule and a rough plumbing plan.

I'm sure they will be using local contractors for construction but thought they might be using architect and design companies from Germany.

Much Thanks

Neil

Gordon Robbins

To: Carmen Moran

Subject: Case 1519-SUP/Selim's Doener Kebab House, Inc

6-12-06

The Fire Department has no comment on the SUP for this existing structure.
Thank you.

*Gordon C. Robbins
Deputy Fire Chief
Addison, Texas
972-450-7220*

**MERITORIOUS EXCEPTION TO THE ADDISON SIGN ORDINANCE
STAFF REPORT**

ME 2006-8

Business: Majestic fine Wines & Spirits

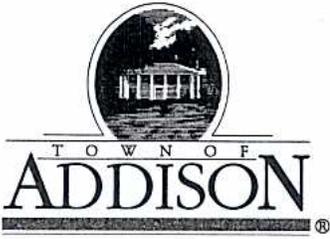
Date: July 3, 2006

Address: 14733 Inwood Rd

<u>Ordinance Requirement</u>	<u>Request</u>	<u>Variance</u>												
<p>Sec. 62-163. Area. Total effective area of attached signs shall not exceed the following schedules: (1) On an attached sign located at a height of up to 36 ft, the effective area is limited to 1 sq ft of sign area for each linear foot of building frontage not to exceed 100 sq ft</p> <p>(2) An attached sign located at or exceeding a height of 36 ft shall be permitted an increase in maximum effective area. Such increases shall not exceed 4 sq ft in effective area for each additional 1 ft of height above 36 ft measured from the base of the sign to the building grade.</p> <p>(3) Attached signs may be located on each façade; however, the sum of the effective area of all attached signs shall not exceed twice the allowable effective area as specified in subsections (1) and (2) of this section.</p> <p>(4) Building with 4 or more stories in height may have not more than 2 attached signs per façade provided that: a. Each sign is designated for a separate tenant. b. One sign must be located on or near the uppermost story of the building while the 2nd sign is to be located on the 1st or ground level floor. c. Signs may be no closer than 30 ft apart. d. The combined effective sq footage of both signs may not exceed twice the allowed effective sq footage as specified in subsections (1) and (2) of this section.</p> <p>(5) Maximum letter/logo height of attached signs shall not exceed twice the allowable effective area as specified in subsections (1) and (2) of this section. Maximum letter/logo height of attached signs shall be determined by the following schedule:</p> <table border="1" data-bbox="844 672 1039 966"> <thead> <tr> <th>Sign Height (feet)</th> <th>Letter/Logo Height (inches)</th> </tr> </thead> <tbody> <tr> <td>0 - 36</td> <td>16</td> </tr> <tr> <td>37 - 48</td> <td>36</td> </tr> <tr> <td>49 - 100</td> <td>48</td> </tr> <tr> <td>101 - 150</td> <td>60</td> </tr> <tr> <td>151 and up</td> <td>7</td> </tr> </tbody> </table> <p>a. Letter heights in excess of 72 inches must be approved by the city council. b. Not more than 50% of the letters in each individual sign height category may be 25% taller than the specified maximum letter/logo height.</p> <p>(6) Copy on awnings is allowed in accordance with the above regulations for area and letter height. For back-lit awnings, the area of the sign shall be based on the area of the awning that is back-lit or illuminated.</p>	Sign Height (feet)	Letter/Logo Height (inches)	0 - 36	16	37 - 48	36	49 - 100	48	101 - 150	60	151 and up	7	<p>The applicant is requesting: A sign on the east façade with letters 28" in height and an area of approximately 102.5 Sq. Ft. LED lighting to accent building elements.</p>	<p>The ordinance allows 1 Sq. Ft. of signage for each Ft. of building length up to 100 Sq. Ft. and a maximum letter height of 20" for 50% of the letters with the remaining letters to be 16" or less in height.</p>
Sign Height (feet)	Letter/Logo Height (inches)													
0 - 36	16													
37 - 48	36													
49 - 100	48													
101 - 150	60													
151 and up	7													
<p>Sec. 62-285. Luminescent gaseous tubing. The use of tubes which contain luminescent inert gases, but not limited to, neon, argon, and krypton and which are visible from the exterior of structures, is specifically prohibited except as an attached sign which shall conform to this chapter. STAFF RECOMMENDATION: The sign will be located approximately 75' to 80' from Inwood Rd. Staff recommends denial.</p>														

STAFF:

Lynn Chadler
Lynn Chadler, Building Official



BUILDING INSPECTION DEPARTMENT
(972) 450-2880 Fax: (972) 450-2837

16801 Westgrove
Post Office Box 9010 Addison, Texas 75001-9010

To: Carmen Moran, Director Development Services

From:  Lynn Chandler, Building Official

Date: June 19, 2006

Subject: Exceptions to the Sign Ordinance for Attached Signs

The following list consists of exceptions to attached signs:

1. Addison Town Center Shopping Center located in the 3700 to 3800 block of Belt Line Road was granted an exception for letter heights up to 6' and more than one side per façade. October 1994
2. Village on the Parkway located at 5100 Belt line Road was granted an exception for letter Heights up to 30", more than one sign per façade and blade signs. June 1996
3. Addison Circle was granted an exception for more than two signs on a building four or More stories in height, signs above the roof and blade signs. March 1997
4. Centennial Liquor Store located at 15055 Inwood Road was granted an exception to place more than one sign on the east façade. March 1999
5. Hallmark located at 14312 Marsh Lane was granted an exception for letter heights of 36" and 26" due to the thin stroke of the letters and being located 250' from Marsh Lane. June 2000
6. Abbotsford Court located at 14775 Midway Road was granted an exception for letter heights of 29" and 24 " due to the thin stroke of the letters and being located 300' from Midway road. June 2001
7. Dunhill Property Management was granted an exception to place four murals, 81 Sq. Ft. each, on the south façade and five murals, 75 Sq. Ft. each, on the west façade of Suite 840 at 5100 Belt Line Road. These murals were considered signage but were approved because they were not deemed to be a blight or offensive. October 2001
8. Gilbert's Delicatessen Restaurant located at 4930 Belt Line Road Suite 100 was granted an exception for letter heights of 24", 22" and 20" due to a set back of 278' from Belt Line Road. March 2001

9. Hilton Garden Inn located at 4090 Belt Line Road was granted an exception for letter heights of 22" due to a set back of 355' from Belt Line Road. June 2002.
10. Isotag located at 4355 Excel Parkway Suite 100 was granted an exception for an attached sign with a logo height of 31.5" and letter heights of 25" due to a setback of 120' from Excel Parkway. July 2002.
11. Hibernia Bank located at 14651 Dallas Parkway was granted an exception to place an additional sign on the east façade. October 2002.
12. BJ's Restaurant located at 4901 Belt Line Road was granted an exception for attached signs with letter heights of 39", 28", and murals with figures 8' and 9' in height. The signs were 110', 163', 135' and 143' respectively from Belt Line Road. December 2002.
13. Chip's Old Fashioned Hamburgers located at 4950 Belt line Suite 190 was granted an exception for an attached sign with letter heights of 30" due to a set back of 250' from Belt Line Road. April 2003.
14. Sigel's Liquor located at 15003 Inwood Road was granted an exception for an attached sign with letter heights of 24" due to a setback of 93' to 100' from Inwood Road. June 2003.
15. Two Rows Restaurant located at 17225 Dallas Pkwy was granted an exception for attached signage with letter heights of 30" due to setbacks of 110' from Dallas Pkwy and 147' from Addison Rd. July and September 2003.
16. Vartec Telcom/ Excel located at 16675 Addison Rd. and 4550 Excel Pkwy was granted an exception for attached signs with logo heights of 48" at 16775 Addison Rd. due to setbacks of 160' Excel Pkwy and 145' from Addison Rd. and logo heights of 36" at 4550 Excel Pkwy due to a setbacks of 95' and 105' from Excel Pkwy.
17. Pot Belly Sandwich Works located at 4945 Belt Line Rd was granted an exception for attached signs with letters 30" in height due to a setback of 95' from Belt line Rd. They were not, however, allowed any area increases. Nov 2003.
18. Mama Fu's Noodle House located at 3711 Belt Line Rd was granted an exception for attached signs with letters 30" in height due to a setback of 115' from Belt Line Rd. Jan 2004.
19. Addison Walk located at 5000 Belt Line Rd was granted an exception for attached signs with letters 36", 30" and 24" in height due to setbacks of 100' to 179' from Belt line Rd. Jan 2004.
20. Authentix was granted an exception for an attached sign with letters 28', 25" and 21.5" in height due to a setback of 120' from Excel Parkway. Feb 2004.
21. Champps Restaurant was granted an exception for attached signs with letters 35", 28", 32.5" and 26" in height due to setbacks of 168' and 133' from Belt Line Rd. Mar 2004.

22. Pot Belly Sandwich Sandwich Works located at 4945 Belt line Rd was granted an exception for attached signs with letters 30" in height due to a setback of 95' from Belt Line Rd. May 2004.
23. Wachovia Bank located at 5080 Spectrum Dr was granted an exception for more than one attached sign on the south façade of the building and attached signs with a logo 30" in height and more than 50% of the letters exceeding 16" in height due to the area of the facades they were located on. November, 2004.
24. Sam's located at 4150 Belt Line Rd was granted an exception for three attached signs, with areas of 147 sq ft and a 36" letter, 92 sq ft and a 24" letter, and 25 sq ft due to a setback of 410 ft from Belt Line Rd, the size of the façade it's on and that the number of signs was reduced from six to three. December, 2004.
25. Charter Furniture located at 15101 Midway Rd was granted an exception for three additional signs on the east façade due to the construction of the Midway Rd bridge next to their building. January 31, 2005.
26. Century Bank located at 3701 Belt Line Rd was granted an exception for an additional sign on the south façade with a logo 24" in height and more than 50% of the letters 20" in height.
27. Auto Care European located at 4304 Wiley Post Rd was granted an exception for a sign with letters 24" in height due to a set back of 130 ft from Wiley Post Rd.
28. Café Japon and Boba Tea located at 4933 Belt line Rd were granted an exceptions for signs with logos 30" in height and letters 24" and 22" in height due to a setback of 95" from Belt Line Rd.
29. On The Border located at 4855 Belt line Rd was granted exceptions for signs with logo and letter heights of 31', 35.5", 34.5", a projection greater than 18" from the façade and LED or neon skeleton type lighting that was recessed in a cove. The signs were located 109', 160', 175', 300' and 320' from the ROW. August 2005.
30. Wachovia Bank located at 5080 Spectrum was granted an exception for an 8,649 sq ft sign located on the south façade for a maximum of 60 days. September 2005.
31. Sprint located at 4943 Belt Line rd was granted an exception for a sign with a logo height of 27.5" and letters 18.75" in height. January 2006.
32. Capitol One located at 14651 Dallas Pkwy was granted an exception for additional sign on the east façade of the building. February 2006.
33. AMF Fun Fest Lanes located at 3805 Belt Line Rd was granted an exception for signs with logo heights of 5'3" and numerals with heights of 3'9" and 2'9" due to the size of the façade and setbacks of 250' from Commercial Dr. and Business Ave.



BUILDING INSPECTION DEPARTMENT 16801 Westgrove Dr Addison Texas 75001 972/450-2881 fax: 972/450-2837

Application for Meritorious Exception to the Town of Addison Sign Ordinance

Application Date: 6-12-06

Filing Fee: \$200.00

Applicant: Commercial Net Lease Realty, LP

Address: 1111 Jacksboro Hwy Suite#:

Fert Worth TX 76107 Phone#: 972-867-7628 City State Zip

Fax#: 972-867-5410

Status of Applicant: Owner X Tenant Agent

Location where exception is requested:

14733 Inwood

Reasons for Meritorious Exception:

Submission of alternate design for building signage.

YOU MUST SUBMIT THE FOLLOWING:

12 COPIES OF THE PROPOSED SIGN SHOWING:

- 1. Lot Lines 2. Names of Adjacent Streets 3. Location of Existing Buildings 4. Existing Signs 5. Proposed Signs 6. Sketch of Sign with Scale and Dimensions Indicated (8.5 x 11 PLEASE)

Date Fees Paid Check # Visa Receipt #

Date: July 3, 2006

Business Name: Majestic Fine Wines & Spirits

Address: 14733 Inwood Rd

Ordinance Requirement

Sec. 62-186. Monument signs.

Monument signs shall be built on a monument base as opposed to a pole base with no separation between the base of the sign and natural grade. A monument sign contains only the name, logo, address and product or service of the establishment. No advertising or promotional information is permitted thereon. Such sign may be single or double-faced. Plastic faces may be used on monument signs provided only the letters, numbers or logo element emit light. The monument sign shall be located on site and a minimum of 20 feet from the back of the curb. Such signs shall be constructed as follows:

- (1) The sign with base shall not exceed six feet in overall height above the natural or average grade and the actual sign face shall not exceed 48 square feet in area per side.
- (2) For property abutting Dallas Parkway: The sign with base shall not exceed eight feet in overall height above the natural grade and the actual sign face shall not exceed 72 square feet in area per side, and the signs shall be located within 50 feet of Dallas Parkway.

Request

The applicant is requesting:

A monument sign that is approximately 54 Sq. Ft. in area and an overall height of 8'.

Variance

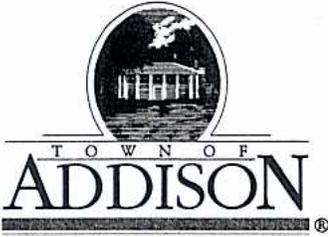
The ordinance requires the sign face not to exceed 48 Sq. Ft. in area and the overall height, including the base, not to exceed 6' in height.

STAFF RECOMMENDATION: Staff recommends denial.

STAFF:

Lynn Chandler

Lynn Chandler, Building Official



BUILDING INSPECTION DEPARTMENT
(972) 450-2880 Fax: (972) 450-2837

16801 Westgrove

Post Office Box 9010 Addison, Texas 75001-9010

To: Carmen Moran, Director of Development Services

From: Lynn Chandler, Building Official

Date: June 19, 2006

Subject: Meritorious Exceptions to the Sign Ordinance

The following exceptions have been granted for detached signs:

1. 14951 Dallas Parkway
Carter Crowley Properties (Comp USA)
Meritorious Exception Ord. 093-030, May 11, 1993
Flag and Pole: Pole Height 120', Flag Area 760 sq. ft.

Comp USA was also granted an exception for a corporate flag 96 sq. ft. in area.
February 2003.
2. 14665 Midway Road
The Kevlin Company was granted an exception for a monument sign to be
Located 15' from the street curb. September 27, 1994.
3. 16771 Dallas Parkway
Bent Tree National Bank
Meritorious Exception Ord. 094-070, October 25, 1994
Pole Sign: Height: 25', Area: 71 sq. ft.
4. 16251 Dallas Parkway
Mary Kay
Meritorious Exception Ord. 095-022, may 9, 1995
Monument Sign: Height 9', Area 54 sq. ft.
5. 14655 Dallas Parkway
Bay Street (Lawry's)
Meritorious Exception Ord. 092-065, October 27, 1992
Pole Sign: Height 30', Area 72 sq. ft.
6. 5100 Belt Line Road
Village on the Parkway
Meritorious Exception Ord. 096-022, June 11, 1996
3 Towers: Height 44', Area 77 sq. ft.
And

2 signs from previous meritorious exception allowed to remain.

Ord. 094-047, July 21, 1994

Pole Sign: Height 29'6", Area 156 sq. ft.

7. E.E. Realty located at 4949 Keller Springs Road was granted an exception for a monument sign to be located 15" from the street curb. May 23, 2000
8. Emerald Plaza located at 14900 Landmark Blvd. was granted an exception for a monument sign to be located 15' from the street curb.
8. Addison Town Center Shopping Center located in the 3700 to 3800 block of Belt Line Road was granted an exception for four pole signs that did not meet the design criteria or maximum area of the ordinance. November 2002
9. Two Rows Restaurant & Brewery located at 17225 Dallas Pkwy was granted an exception for an additional monument sign with an area of 72 sq ft and a height of 8'. August 2003.
10. Addison Walk located at 5000 Belt line Road was granted an exception for two 72 sq ft pole signs that did not meet the design criteria of the sign ordinance. January 2004.
11. Lawry's located at 14655 Dallas Pkwy was granted an exception for a pole sign 35' in height and 114 sq ft in area due to it's location on Dallas Pkwy and it's unique design. December 2004.
12. Addison Tower located at 16415 Addison Rd was granted an exception for a monument sign to be located 12' 10" from the street curb. December 2005.

Addison!

BUILDING INSPECTION DEPARTMENT 16801 Westgrove Dr Addison Texas 75001 972/450-2881 fax: 972/450-2837

Application for Meritorious Exception to the Town of Addison Sign Ordinance

Application Date: 6-12-06 Filing Fee: \$200.00

Applicant: Commercial Net Lease Realty, LP

Address: 1111 Jacksboro Hwy Suite#: _____

Ft Worth Tx 76107 Phone#: 972-867-7628
City State Zip

Fax#: 972-867-5410

Status of Applicant: Owner Tenant _____ Agent _____

Location where exception is requested:

14733 Inwood

Reasons for Meritorious Exception:

Submission of alternate design for pole signage.

YOU MUST SUBMIT THE FOLLOWING:

12 COPIES OF THE PROPOSED SIGN SHOWING:

1. Lot Lines
2. Names of Adjacent Streets
3. Location of Existing Buildings
4. Existing Signs
5. Proposed Signs
6. Sketch of Sign with Scale and Dimensions Indicated (8.5 x 11 PLEASE)

Date Fees Paid _____ Check # Kisa Receipt # _____

Council Agenda Item: #R7

SUMMARY:

Consideration of a resolution regarding certain matters pertaining to a Ground Lease at 15809 Addison Road on Addison Airport between the Town of Addison, as Landlord, and Omniflight Helicopters, Inc., as Tenant, as follows: i) consent to an assignment of ground lease, ii) consent to a sublease agreement, iii) grant a perpetual and permanent right-of-way easement to the Town.

BACKGROUND:

Omniflight Helicopters, Inc. has been the Tenant under this Ground Lease since 1990. It now desires to sell and assign its leasehold interest to American Heritage Capital Investment, L.P. American Heritage is acquiring the leasehold interest as an investment property to be used in support of their corporate flight operations. Subject to the Town's consent, American Heritage desires to subsequently sublet a portion of the leased premises back to Omniflight through December 31, 2008. Section 9 of the Ground Lease restricts the Tenant from assigning or subletting any of its rights under the Lease without the prior written consent of the Landlord.

Airport Management has recommend to the Town that the consent to the above-described action be contingent upon American Heritage's agreement to grant the Town a perpetual and permanent right-of-way easement for the purpose of aircraft, vehicular and pedestrian access over and across a portion of the ground lease premises as described in the attached Easement Agreement.

The Town's attorney has reviewed the proposed Assignment of Ground Lease, Rider to Sublease Agreement and Easement Agreement and has no objection to their form for the Town's use.

RECOMMENDATION:

Staff recommends approval.

Attachments: Lisa Pyles/ Bill Dyer - Memorandum
Exhibit 1: Aerial View of Subject Property
Exhibit 2: Proposed Assignment of Ground Lease
Exhibit 3: Proposed Sublease Agreement
Exhibit 4: Proposed Easement Agreement



To: Mark Acevedo, Director of General Services

From: Lisa Pyles, Airport Director
Bill Dyer, Real Estate Manager

Date: June 30, 2006

Re: Requested Action by the Town of Addison by
OMNIFLIGHT HELICOPTERS, INC.
Ground Lease 0080-2501 (GL 25)

Summary of Requested Action and Recommendation by Airport Manager

Omniflight Helicopters, Inc., the current tenant of the above-referenced ground lease, is requesting the Town's consideration and consent to the assignment of its ground lease to American Heritage Capital Investment, L.P. Subject to the Town's consent of this assignment, American Heritage Capital Investment, L.P. is requesting the Town's consent to sublease a portion of the premises back to Omniflight until December 31, 2008.

Airport Management recommends to the Town that it consent to the above-described actions; provided, however, that American Heritage agrees to grant to the Town a perpetual and permanent right-of-way easement for the purpose of aircraft, vehicular and pedestrian access over and across a portion of the leased premises as further described below.

The Town's attorney has reviewed the proposed Assignment of Ground Lease, Rider to Sublease Agreement and Easement Agreement and has no objection to their form. Copies of these documents are attached for your benefit.

Background Information

The subject Ground Lease is for certain real property located at 15809 Addison Road. The leased premises consist of .698 acres (30,417 SF) of improved land. The improvements consist of 11,714 square feet of hangar space and 5,504 square feet of office facilities, an adjacent aircraft ramp and vehicular parking (see Exhibit 1: Aerial View of ADS). The Ground Lease commenced May 1, 1982 and has a 40-year term due to expire in April 30, 2022 (16.5 years remaining). The current annual ground rental is \$13,443.60 per year, which equates to approximately \$.44 per square foot.



History of the leasehold ownership is as follows:

Assignor	Assignee	Date of Assignment
Carl and Neal Johnson	B & G Investments	February 24, 1983
B & G Investments	Bray-Tex Joint Venture	July 20, 1984
Texas Commerce Bank through Foreclosure		September 2, 1986
Texas Commerce Bank	Omniflight Helicopters, Inc.	December 20, 1990

As indicated, Omniflight acquired the improvements and leasehold interest from Texas Commerce Bank in 1990 and has occupied the premises ever since. The Town of Addison executed an estoppel letter and consented to a leasehold mortgage in favor of Texas Commerce Bank who provided financing for Omniflight's purchase. In May 2000 Omniflight requested and obtained Landlord's consent to the creation of substitute leasehold mortgage in favor of Frost National Bank when Omniflight refinanced the property.

Summary of Ground Lease Terms

<i>Name of Tenant</i>	<i>Description</i>
Name of Tenant	Omniflight Helicopters, Inc.
Doing Business As	SAME
Lease #	0080-2501
Lease Type	Ground Lease
Other Lease Ref. Or ID	GL25
AA Survey Lot Reference	Lease Tract #8
Property Name	Omniflight Helicopters, Inc.
Legal Address (1)	15809 Addison Road
City	Addison
State	Texas
Zip	75001
Primary Contact	Gaylan Cromwell Chief Executive Officer 16415 Addison Rd., Suite 400 Addison, TX 75001
Contact Phone #	Office: 972-776-0130 FAX: 972-776-0131
On-Property Address	R-4 (formerly J-4)
Web site	www.omniflight.com
Brief Description of Premises	An aircraft hangar building with attached offices including an aircraft ramp and vehicle parking.
Land Area (SF)	30,417 (per survey dated 1/11/06)
Building Area (SF)	17,218 SF
Office	11,714 SF
Hangar/Air Serv.	5,504 SF
Ramp Area (SF)	Undetermined



	<i>CURRENT TERMS OF LEASE</i>
Lease Commencement Date	05/01/1982 <i>Letter dated September 2, 1982 from Robert L. Gore to Tenant, Mr. Carl and Neal Johnson, extending the commencement date to December 31, 1982. Other correspondence in file refutes the extension because it was not consented to by TOA. All CPI letters refer to 5/1/1982 and tenant appears to have accepted the same. It has been determined to continue 5/1/1982 as Commencement Date of record.</i>
Lease Expiration Date	4/30/2022
Current Monthly Rental Rate	\$1,120.30/mo; \$13,443.60 /yr.
Rental Rate/Building Area SF	\$.78
Rental Rate/ Land Area SF	\$.44
Lease Amendment	NONE
Last CPI Adjustment Date	5/1/2005
Next CPI Adjustment Date	5/1/2007

Current Status:

Omniflight Helicopters is one of the oldest and largest providers of air medical services in the United States, operating in 14 states in association with over 30 major medical centers. It has based its corporate headquarters at Addison Airport since 1990. In addition to the subject premises, Omniflight’s executive and administration offices are located in Addison Tower and the company also occupies and subleases the facilities associated with Ground Lease 0090-0501 (GL# 05) commonly known as the Schoellkopf Hangar located at 4650 Airport Parkway. The Ground Lease tenant is current on all rents and is in good standing with the Airport.

Omniflight has occupied and used the subject leased premises in support of their helicopter flight operations, which operations are primarily conducted out of the 4650 Airport Parkway facility. Over time, the subject leased premises have been converted from primarily hangar space to much needed office and shop facilities. This change of use has created a parking problem for the tenant. Typically, for airport facilities the required parking ratio is one parking space per 1,000SF of hangar space and three parking spaces for 1,000SF for office and shop facilities. Under its current configuration, the site would need to be able to park 40 vehicles, which is more than twice its current available parking. The proposed use of the leased premises by American Heritage, which is to support its corporate flight operations, should mitigate this situation.

Due to the close proximity of the leased premises to the Henley Aviation Investment ground lease premises (situated adjacent and to the north of the subject property), a condition exists where ingress and egress to the Henley property may be obstructed. Although the two respective property owners have enjoyed a good working relationship over the years, it has been Airport Management’s objective to obtain an ingress/egress easement to protect the property owners and to mitigate any potential ingress/egress conflicts.



Analysis of Leased Estate Valuation to Landlord

An estimated valuation of the Landlord’s interest in the leased premises based upon the terms and conditions of the ground lease and other salient facts is as follows:

Estimated remaining rent obligation over the term of the lease ¹	\$251,745
Net Present Value (NPV) of these rental payments ²	\$113,009
Estimated value of improvements ³	\$266,009
Estimated value of leasehold interest	\$546,991

Note 1: As of 6/30/2006 and assumes no change to lease terms, CPI increase of 3% every two years

Note 2: Based upon 10% discount rate

Note 3: Source is the DCAD valuation

The estimated value of the improvements exceeds the present value of the remaining rental payments due over the remaining term by 2.35 times.

Proposed Transaction

Section 9 of the Ground Lease restricts the Tenant from assigning any rights under the Lease without the prior written consent of the Landlord. Omniflight desires to sell its leasehold interest to American Heritage Capital Investment, L.P. (American Heritage). American Heritage is acquiring the leasehold interest as an investment property to be used in support of their corporate flight operations. Raphael Pinedo, general partner to the limited partnership, is the president and CEO of Pilgrim Petroleum Corp., an independent crude oil and natural gas exploration and production company based in Irving, Texas. Mr. Pinedo has been a tenant in good standing at Addison Airport since August 2005 when he entered into an Aircraft Storage Rental Agreement as president of American Petroleum Corp. for a single 40’ T-hangar

The proposed Assignment of Ground Lease to be entered into by Omniflight (as Assignor) and American Heritage (as Assignee) affirms American Heritage’s acceptance of its duties and obligations as Tenant while not releasing Omniflight from any of its obligations under the Ground Lease as the Assignor. Airport Management is in support of Omniflight’s proposed sell and assignment of its leasehold interest to American Heritage provided American Heritage grants to the Town a perpetual ingress/egress easement through a portion of the leased premises to aid in the movement of aircraft, and access of vehicular and pedestrian traffic to and from the adjacent Henley property.

As stated above, a condition of the proposed sell and assignment of the leasehold interest, is American Heritage’s desire to sublease a portion of the premises to Omniflight through December 31, 2008. Omniflight intends to continue supporting its aeronautical operations from this facility, but to a lesser extent than in the past, thus complying with the required parking ratio for this property. Airport Management has no objection to this sublease arrangement.



As previously discussed, Airport Management is in support of the proposed sell and assignment of the leasehold interest provided American Heritage grants to the Town a non-exclusive, perpetual and permanent right-of-way easement for the purpose of aircraft, vehicular and pedestrian access over a portion of the leased premises. As Grantor under the proposed Easement Agreement, American Heritage, its successors and assigns, agree that no aircraft, vehicle or other equipment will be left unattended on the easement thereby hindering access to and from the nearby taxiway and adjacent properties. Grantor continues to be responsible for the repair and ongoing maintenance, at its sole cost and expense, of the ramp improvements contained within the easement area. Failure of Grantor to comply with the terms of the Easement Agreement may constitute a default under the Agreement which the Town, as Landlord, may seek the remedies available to it under the Agreement and the underlying Ground Lease.

Conclusion and Recommendation of Airport Operator

In summary, Omniflight Helicopters, Inc. has been the Tenant under the Ground Lease since 1990. It now desires to sell and assign its leasehold interest to American Heritage Capital Investment, L.P. Subject to the Town's consent, American Heritage desires to subsequently sublet a portion of the leased premises back to Omniflight through December 31, 2008. Section 9 of the Ground Lease restricts the Tenant from assigning or subletting any of its rights under the Lease without the prior written consent of the Landlord.

Airport Management recommends to the Town that it consent to the above-described action, provided American Heritage agrees to grant to the Town and executes a perpetual and permanent right-of-way easement for the purpose of aircraft, vehicular and pedestrian access over and across a portion of the ground lease premises as described in the attached Easement Agreement.

The Town's attorney has reviewed the proposed Assignment of Ground Lease, Rider to Sublease Agreement and Easement Agreement and has no objection to their form for the Town's use.

Summary of Exhibits

- Exhibit 1: Aerial View of Subject Property
- Exhibit 2: Proposed Assignment of Ground Lease
- Exhibit 3: Proposed Sublease Agreement
- Exhibit 4: Proposed Easement Agreement

EXHIBIT 1



The Omniflight leased premises is highlighted in blue. The proximity of the portion of the ground lease premises subject to the proposed Easement Agreement is highlighted in yellow with Taxiway Romeo shown in the background leading to the runway. Henley's Aviation is shown to the right of the Omniflight premises.

Exhibit 2

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

This Assignment of Ground Lease (the "Assignment") is entered into and effective as of _____ 2006, at Addison, Texas, by and between **Omniflight Helicopters, Inc.**, a Texas corporation (herein referred to as "Assignor") and **American Heritage Capital Investment, L.P.**, a Texas limited partnership (herein referred to as "Assignee").

WHEREAS, a Ground Lease was executed on September 1, 1981 between the City of Addison, Addison Airport of Texas, Inc., as "Landlord" and Carl Johnson and Neal Johnson as "Tenant" (the "Ground Lease", a true and correct copy of which Ground Lease is attached hereto as Exhibit A), by the terms of which certain real property located where now commonly known as 15809 Addison Road at Addison Airport within the Town of Addison, Texas (the "City") and owned by the City was leased to Carl Johnson and Neal Johnson; and

WHEREAS, by that Assignment of Ground Lease and Assumption Agreement dated February 24, 1983 (a true and correct copy of which is attached hereto as Exhibit B), the Ground Lease was assigned from Carl Johnson and Neal Johnson, as assignor, to B&G Investments, a Texas general partnership, as assignee; and

WHEREAS, by that Assignment of Lease dated July 20, 1984 (a true and correct copy of which is attached hereto as Exhibit C), the Ground Lease was assigned from B&G Investments, a Texas general partnership, as assignor, to Bray-Tex Joint Venture, a Texas joint venture, as assignee; and

WHEREAS, by that Trustee Deed dated September 2, 1986 and recorded as Instrument #198601780985 Volume 86178 Page 1375 in the Deed Records of Dallas County, Texas (a true and correct copy of which is attached hereto as Exhibit D), the Ground Lease was acquired by Texas Commerce Bank- Casa Linda and its successors and assigns; and

WHEREAS, by that Assignment of Lease dated December 20, 1989 (a true and correct copy of which is attached hereto as Exhibit E), the Ground Lease was assigned from Texas Commerce Bank-Dallas, N.A., as assignor, to Omniflight Helicopters, Inc., a Texas corporation, as assignee; and

WHEREAS, by virtue of such assignments, Omniflight Helicopters, Inc. is the Tenant and Assignor under the Ground Lease; 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 has expired and the City is the Landlord under the Ground Lease; and

WHEREAS, the Ground Lease provides in Section 9 thereof that, 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 are hereby acknowledged, the parties hereto, each intending to be legally bound 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, attached hereto as Exhibit A, 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. Prior to the effective date of this Assignment, Assignee agrees to pay an Assignment Fee in the amount of Four Hundred Fifty Dollars and no/100 (\$450.00) to Landlord.

3. Assignee hereby agrees to and shall be bound by and comply with all of 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:

American Heritage Capital Investment, L.P.
C/o Mr. Rafael Pinedo
3050 Regent Rd. Suite 310
Irving, Texas 75063

4. Nothing in this Agreement 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.

5. 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 such 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.

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

ASSIGNOR:

OMNIFLIGHT HELICOPTERS, INC.

By:

ASSIGNEE:

**AMERICAN HERITAGE
CAPITAL INVESTMENTS, L.P.**

By:

ACKNOWLEDGMENT

STATE OF TEXAS §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared _____ 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 _____, 20__.

[SEAL]

Notary Public, State of Texas

STATE OF TEXAS §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared _____ 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 _____, 20__.

[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 _____ 20____, at Addison, Texas, by and between **OMNIFLIGHT HELICOPETERS, INC.**, a Texas corporation (herein referred to as "Assignor") and **AMERICAN HERITAGE CAPITAL INVESTMENTS**, A Texas limited partnership (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, Landlord does not release Assignor from its obligations under the Ground Lease. In addition, notwithstanding any provision 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.

LANDLORD:

TOWN OF ADDISON, TEXAS

By: _____
Ron Whitehead, City Manager

THE STATE OF TEXAS
COUNTY OF DALLAS

GROUND LEASE
Exhibit "A"

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

This Ground Lease (hereinafter referred to as the "Lease" is made and entered into as of September 1, 19 81, 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 EARL JOHNSON and NEAL JOHNSON (hereinafter referred to as "Tenant").
5211 2 1-12/1990

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 at 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 May 1, 19 82, 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 SIX HUNDRED EIGHT AND 34/100 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 - Metal hangar building 80' x 100' with external 20' x 80' office. Associated aircraft ramp and vehicle parking. Addison Airport to approve construction prints prior to 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.

C. All mortgages or deeds of trust created by Tenant mortgages the leasehold estate of the premises created hereby shall contain provisions (i) requiring the leasehold mortgagee to give the 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 mortgagee 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 such 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 therefor 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 6, 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 progresses 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.

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 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 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 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

demand 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, modeling expenses and other costs of reletting all 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 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 attorn 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 attorn 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 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 (of 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

furnished to Landlord also being furnished. Landlord's mortgagee and Landlord's mortgage fails 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

TENANT:

Carl Johnson
Neal Johnson
P. O. Box 678
Addison, Texas 75001

Addison, Texas 75001

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.

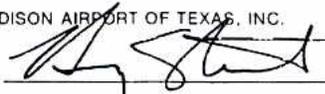
48. Governing Law and Venue. This Lease and all of the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Texas, and Landlord and Tenant both irrevocably agree that venue for any dispute concerning this Lease or any of the transactions contemplated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

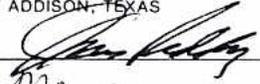
LANDLORD:

ADDISON AIRPORT OF TEXAS, INC.

By: 

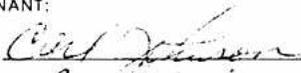
Its: 

CITY OF ADDISON, TEXAS

By: 

Its: 

TENANT:

By: 

Its: 

STATE OF TEXAS }
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared Henry Stuart
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 14 day of Sept., 19 81.



Maathy L James
Notary Public
Dallas
County, Texas

STATE OF TEXAS }
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared Jerry 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 purpose and considerations therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 6 day of October, 19 81.



Jacqueline Sharp
Notary Public
Dallas
County, Texas

STATE OF TEXAS }
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared Carl Johnson & Neal Johnson
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 14 day of Sept., 19 81.



Maathy L James
Notary Public
Dallas
County, Texas

EXHIBIT "A"

Being a tract of land situated in the E. Cook Survey, Abstract 326, Dallas County, Texas and located on Addison Municipal Airport, Addison, Texas and being more fully described as follows:

COMMENCING at a point in the west Right-of-Way line of Addison Road (60 foot street) and the centerline of Airport Parkway (an undedicated street), said point being 1,133.56 feet, more or less, south of the intersection of the south right-of-way line of Keller Springs Road (a 50 foot street) projected and the west Right-of-Way line of Addison Road projected;

THENCE S $00^{\circ} 22' 50''$ E with the west Right-of-Way line of said Addison Road a distance of 435.66 feet to an iron rod set for the BEGINNING POINT of this description;

THENCE continuing with said Right-of-Way line S $00^{\circ} 22' 50''$ E a distance of 203.46 feet for corner;

THENCE S $69^{\circ} 24' 10''$ W a distance of 104.06 feet for corner;

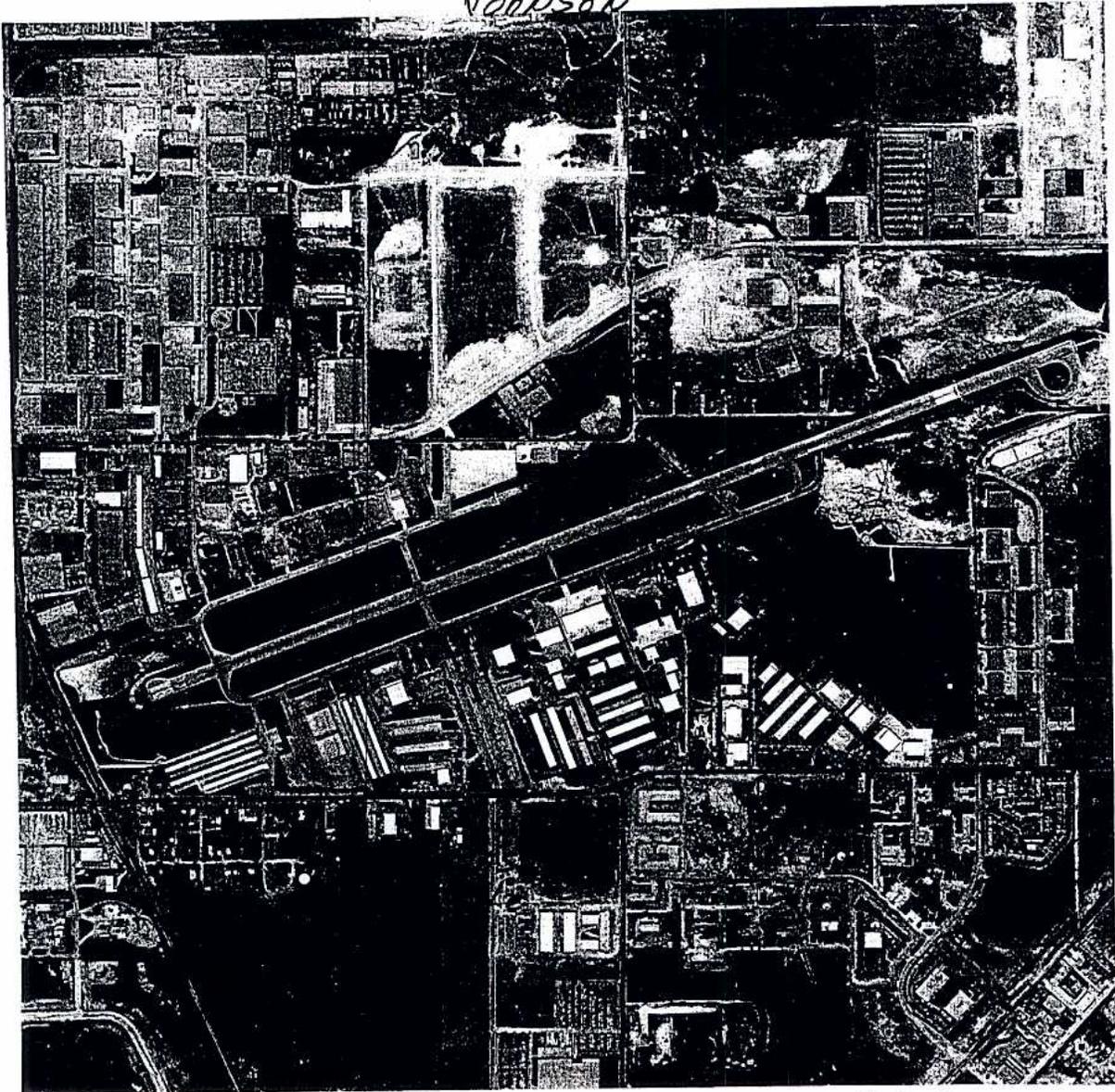
THENCE N $20^{\circ} 35' 50''$ W a distance of 147.95 feet to an iron rod set for corner;

THENCE N $1^{\circ} 25' 50''$ W a distance of 83.83 feet to a 60d nail set for corner;

THENCE N $5^{\circ} 22' 50''$ W a distance of 16.83 feet a PK nail set for corner;

THENCE N $89^{\circ} 37' 10''$ E a distance of 151.78 feet to the BEGINNING POINT and containing 0.698 acres of land more or less.

Johnson



R.L. Gore
9-1-81

90246 1872

**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 effect 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

hereto, together with any interest and liabilities 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 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 (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

90246 1875

evidence of insurance or insurance certificate or 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 in 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.

9206 1876

(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 Leases 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 civil 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.

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.

ATTEST:

Joyce N. Devers
SECRETARY

CITY OF ADDISON, TEXAS

BY: Jerry Redding

APPROVED AS TO FORM:

Robert L. McCall
CITY ATTORNEY

ADDISON AIRPORT, INC.

ATTEST:

Margaret C. Bunch
SECRETARY

BY: [Signature]

THENCE S. 75° 48' 25" W. a distance of 448.95 feet to a point;
 THENCE N. 89° 56' 35" W. a distance of 658.63 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 365.340 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° 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 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;

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.

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



*Ret. to:
 Stewart J. Lelke
 8107 Barton
 Dallas, TX 75225
 A.H. Jallie*

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

Riewe & Wischmeyer, Inc.

CONSULTING ENGINEERS
 DALLAS TEXAS

DECEMBER 1976

FILED
 Clay B. Smith
 COUNTY CLERK
 DALLAS COUNTY

DEC 19 AM 11:31

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 COUNTY OF DALLAS
 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.

DEC 19 1990



Earl Bullock
 COUNTY CLERK, Dallas County, Texas

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° 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° 22' 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° 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 759.90 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° 39' 35" W. a distance of 572.28 feet with the easterly line of said Addison Airport Industrial District to an iron pin;

Exhibit "B"

ASSIGNMENT OF GROUND LEASE AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT OF GROUND LEASE AND ASSUMPTION AGREEMENT (the "Assignment") is executed and delivered as of the 24th day of February, 1983, by Carl Johnson and Neal Johnson ("Assignor"), to B & G Investments ("Assignee");

W I T N E S S E T H:

Assignor heretofore was the assignee of a certain Ground Lease ("Lease"), dated February 24, 1983, with the City of Addison, Texas, and Addison Airport of Texas, Inc. (collectively "Landlord"), covering a certain tract of land lying and being situated in the City of Addison, County of Dallas, State of Texas, being more particularly described in the Ground Lease and located at 15809 Addison Road, Addison, Texas.

Assignee desires to purchase from Assignor, and Assignor desires to sell and assign to Assignee, all of Assignor's right, title, and interest in and to the Lease, the leasehold estate created thereby, and the permanent leasehold improvements located thereon.

NOW, THEREFORE, for and in consideration of the premises and the agreements and covenants herein set forth, together with the sum of Ten Dollars (\$10.00) and other good and valuable consideration this day paid and delivered by Assignee to Assignor does hereby ASSIGN, TRANSFER, SET OVER and DELIVER unto Assignee all of other permanent fixtures and improvements located upon the leasehold estate; provided that such assignment is subject to the terms, conditions, and limitations set forth in the lease and is further subject to all easements, restrictions, reservations, and similar encumbrances affecting the leased premises or the improvements thereon. (Assignor's right, title, and interest in and to all of such properties, rights, and interests, subject as aforesaid, is hereinafter collectively called the "Assigned Premises.")

TO HAVE AND TO HOLD the Assigned Premises unto Assignee, its successors and assigns, so that neither Assignor nor its successors or assigns nor any person or persons claiming under them shall, at any time hereafter, have, claim, or demand any right or title to the Assigned Premises of any part thereof.

1. It is specifically agreed that Assignor shall not be responsible for the discharge and performance of any duties and obligations to be performed and/or discharged by the Tenant under the Lease after the effective date hereof. By its acceptance of this Assignment, Assignee specifically assumes the duties and obligations of the Tenant under the Lease and accepts and agrees to perform and discharge all of the terms, covenants, and conditions of the Lease on the part of the Tenant therein required to be

performed, from and after the effective date herof, including, but not limited to, the payment of all rent or other payments to become due and payable under the Lease. Assignee further agrees to indemnify, save, and hold harmless Assignor from and against any and all less, liability, claims, or causes of action of any kind of nature whatsoever hereafter asserted by any person or entity arising out of or relating to any failure by Assignee to perform any of the obligations of the Tenant under the Lease after the effective date hereof.

2. Any and all rentals and any other expenses relating to the Lease and payable by the Tenant under the Lease shall be prorated to the date hereof.

3. All of the covenants, terms, and conditions set forth in this Assignment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment as of the 24th day of February, 1983.

ASSIGNOR:

Carl Johnson
Neal Johnson

By: Carl Johnson
By: Neal Johnson
Name: Carl Johnson
Name: Neal Johnson

ASSIGNEE:

B & G Investments

By: [Signature]
Name: BENNY M. STUART
Title: PARTNER

By: [Signature]
Name: CREDIT MERITANT
Title: PARTNER

*B & G Investments
P.O. Box 61785
DFW Station
DALLAS, TEXAS 75261*

ADDISON AIRPORT OF TEXAS, INC.

By: [Signature]
Name: Henry Stuart
Title: Pres

THE STATE OF TEXAS

COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared Carl Johnson and Neal Johnson, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 24th day of February.

Barbara L. Kelly
Notary Public in and for
said County and State

My Commission Expires:
2/26/86

THE STATE OF TEXAS

COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared Benny Bray and Craig Germain, of B & G Investments, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 24th day of February.

Barbara L. Kelly
Notary Public in and for
said County and State

My Commission Expires:
2/26/86

THE STATE OF TEXAS

COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared Henry Stuart, President of Addison Airport of Texas, Inc., a Texas corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 25 day of February, 1983

Dorothy L. James
Notary Public in and for said
County and State

My Commission Expires:

8/13/84

Exhibit "C"

ASSIGNMENT OF LEASE

THIS AGREEMENT is made this the 20th day of July, 1984, at Addison, Texas, between B&G INVESTMENTS, a Texas General Partnership; Bennie M. Bray & Craig Germain, hereinafter called "Assignor", and BRAY-TEX JOINT VENTURE, a Texas Joint Venture, hereinafter called "Assignee".

WHEREAS, a lease executed on September 1,, 1981, between CITY OF ADDISON and ADDISON AIRPORT OF TEXAS, INC., as the Lessor, and the Assignor as Lessee, by the terms of which certain real property located on the Addison Airport was leased to the Assignor as Lessee upon the terms and conditions provided therein; 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 hereinbefore described, a copy of which is attached hereto as Exhibit A", 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 Lessee thereunder, including the making of all payments due to or payable on behalf of the Lessor under said lease 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.

Craig D. Germain
Craig Germain
Bennie M. Bray
Bennie M. Bray

ASSIGNOR:
B&G INVESTMENTS
Craig D. Germain
Craig Germain
Bennie M. Bray
Bennie M. Bray
ASSIGNEE:
BRAY-TEX JOINT VENTURE
H. Larry Thomas
H. Larry Thomas
David B. Watkins, Jr.
David B. Watkins, Jr.

CONSENT OF LESSOR

The undersigned is the Lessor 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 Lessee or the Assignee.

LESSOR:

CITY OF ADDISON

By Jerry Redding

ADDISON AIRPORT OF TEXAS, INC.

By Robert L. ...

STATE OF TEXAS }
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared Robert K. Gore
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 20 day of July, 19 84.

Debra D. Nadel
Notary Public
Dallas
County, Texas

STATE OF TEXAS }
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared Bennie M. Bray
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 20th day of July, 19 84.

DEBRA D. NADEL, Notary Public
in and for the State of Texas
My Commission Expires Jan. 6, 1986

Debra D. Nadel
Notary Public
Dallas
County, Texas

STATE OF TEXAS }
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared Craig Mermain
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 20th day of July, 19 84.

DEBRA D. NADEL, Notary Public
in and for the State of Texas
My Commission Expires Jan. 6, 1986

Debra D. Nadel
Notary Public
Dallas
County, Texas

STATE OF TEXAS
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared David B. Watkins, Jr.
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 20th day of July, 19 84.

DEBRA D. NADEL, Notary Public
in and for the State of Texas
My Commission Expires Jan. 6, 1986

Debra D. Nadel
Notary Public
Dallas
County, Texas

STATE OF TEXAS
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared D. Larry Thomas
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 20th day of July, 19 84.

DEBRA D. NADEL, Notary Public
in and for the State of Texas
My Commission Expires Jan. 6, 1986

Debra D. Nadel
Notary Public
Dallas
County, Texas

STATE OF TEXAS
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared _____
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 _____.

Notary Public

County, Texas

The State of Texas, Exhibit "D" Know All Men by These Presents:

County of DALLAS

RECEIVED SEP - 8 1986

WHEREAS, On the 20th day of July A. D. 1984, BRAY-TEX JOINT VENTURE, a Texas Joint Venture composed of AATI EQUI-TEX, a Texas General Partnership and BENNIE M. BRAY executed and delivered to GARY A. GORDON, as Trustee, a Deed of Trust of said date, which is of Record in Book 85148, page 6891, on the Record of Deeds of Trust of Dallas County, Texas, which, for the purpose of securing the payment of certain indebtedness set out in said Deed of Trust is Granted, Sold and Conveyed to the said GARY A. GORDON, in trust, the following described property, situated lying, and being in the County of Dallas, State of Texas, to-wit:

A Poa Simple interest in improvements and a leasehold interest in land described as BEING a tract of land situated in the N. COOK Survey, Abstract 326, Dallas County, Texas, and located on Addison Municipal Airport, Addison, Texas, and being more fully described as follows: COMMENCING at a point in the west Right-of-way line of Addison Road (60 foot street) and the centerline of Airport Parkway (an undedicated street), said point being 1,133.56 feet, more or less, south of the intersection of the south right-of-way line of Keller Springs Road (a 50 foot street) projected and the west Right-of-Way line of Addison Road projected; THENCE S 00° 22' 50" E with the west Right-of-Way line of said Addison Road a distance of 435.66 feet to an iron rod set for the BEGINNING POINT of this description; THENCE continuing with said Right-of-Way line S 00° 22' 50" E a distance of 203.46 feet for corner; THENCE S 69° 24' 10" W a distance of 194.96 feet for corner; THENCE N 20° 35' 50" W a distance of 147.95 feet to an iron rod set for corner; THENCE N 1° 25' 50" W a distance of 82.83 feet to a 60d nail set for corner; THENCE N 5° 22' 50" W a distance of 16.83 feet a BK nail set for corner; THENCE N 89° 37' 10" E a distance of 151.78 feet to the BEGINNING POINT and containing 0.698 acres of land, more or less. The leasehold interest in question being the certain lease dated September 1, 1981 from the City of Addison and Addison Airport, Inc. to Carl and Neal Johnson, which lease was assigned to BRAY-TEX JOINT VENTURE.

Grantee's Mailing Address: Texas Commerce Bank - Casa Linda P. O. Box 18067 Dallas, Texas 75218

(Acknowledgment)

STATE OF TEXAS
COUNTY OF DALLAS

This instrument was acknowledged before me on the 2nd day of September, 1986,
by RICHARD L. STANFORD

My commission expires

3-3-89



STANLEY L. STANFORD
Notary Public, State of Texas
My Comm. Expires 3-3-89

Stanley L. Stanford
Notary Public, State of Texas
Notary's printed name

(Acknowledgment)

STATE OF TEXAS
COUNTY OF

This instrument was acknowledged before me on the _____ day of _____, 19____

My commission expires

Notary Public, State of Texas
Notary's printed name

(Corporate Acknowledgment)

STATE OF TEXAS
COUNTY OF

THIS instrument was acknowledged before me on the _____ day of _____, 19____
by _____
of _____
a _____ corporation, on behalf of said corporation

My commission expires

Notary Public, State of Texas
Notary's printed name

Exhibit "E"

ASSIGNMENT OF LEASE

THIS AGREEMENT is made this the 20TH day of DECEMBER, 1990, at Addison, Texas, between Texas Commerce Bank-Dallas. N.A., hereinafter called "Assignor", and Omniflight Helicopters, Inc., hereinafter called "Assignee".

WHEREAS, a lease executed on SEPTEMBER, 1, 1981, between CITY OF ADDISON and ADDISON AIRPORT OF TEXAS, INC., as the Lessor, and the Assignor as Lessee, by the terms of which certain real property located on the Addison Airport was leased to the Assignor as Lessee upon the terms and conditions provided

therein; and subject to certain subsequent affidavit and assignments as attached hereto as Addendums "A" through "D" and made a part hereof for all purposes.
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 hereinbefore described, a copy of which is attached hereto as Exhibit A", 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 Lessee thereunder, including the making of all payments due to or payable on behalf of the Lessor under said lease 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:

Presley T. Lomax
Texas Commerce Bank-Dallas, N.A.

By: Presley T. Lomax, its Vice President
ASSIGNEE:

Thomas M. Lomax
Omniflight Helicopters, Inc.

CONSENT OF LESSOR

The undersigned is the Lessor 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 ~~lease~~ ^{Assignment} or the Assignee.

LESSOR:

CITY OF ADDISON

By *[Signature]*

ADDISON AIRPORT OF TEXAS, INC.

By *[Signature]*

President

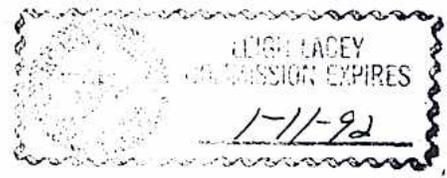


STATE OF TEXAS
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared Thomas M. Baming
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 5th day of December, 19 90

Lill Lacey - Leigh Lacey
Notary Public
Dallas
County, Texas

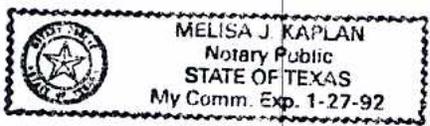


STATE OF TEXAS
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared Presley T. Lunax
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 6th day of December, 19 90

Melisa J. Kaplan
Notary Public
County, Texas



STATE OF TEXAS
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared D. Lynn Spruill
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 17th day of DECEMBER, 19 90

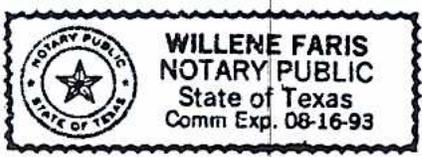
Diana Miller
Notary Public
Dallas
County, Texas

STATE OF TEXAS
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared Sam 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 7th day of DECEMBER, 19 90

Willene Faris
Notary Public
Dallas
County, Texas



TOWN OF ADDISON

ADDISON MUNICIPAL AIRPORT

December 6, 1990

Requested Action:

Approval of an Assignment of Lease from Texas Commerce Bank-Dallas to Omni Flight Helicopters, Inc. and approval of an Estoppel Letter from Texas Commerce Bank-Dallas.

Reason for Request:

Omni Flight Helicopters, Inc. wishes to purchase the improvements located on leasehold property of Texas Commerce Bank-Dallas located at 16401 Addison Road.

Person Requesting Action:

Texas Commerce Bank-Dallas and Omni Flight, Inc.

Are they tenants or lessee's: Lessee's

Are airport personnel involved: No

Are near future changes contemplated: No

Specific use of property:

An aircraft hangar building with attached offices including an aircraft ramp and vehicle parking.

Amount of fees involved:

None

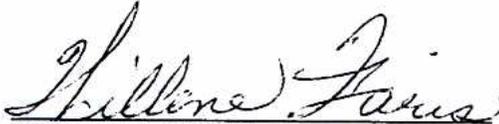

WILLENE FARIS

Exhibit 3

RIDER TO SUBLEASE AGREEMENT

MASTER LANDLORD' CONSENT TO SUBLEASE

The Town of Addison, Texas (the "Master Landlord") is the sole landlord under that certain Ground Lease dated September 1, 1981 wherein by way of all subsequent assignments, amendments or other modification, the City of Addison, Texas (the same being the Town of Addison, Texas) is the Landlord (hereinafter referred to as the "Master Landlord"), and American Heritage Capital Investment, L.P., is the Tenant (a true and correct copy of the Ground Lease, together with any and all modifications and amendments, if any, is attached hereto as Exhibit A (hereinafter referred to as the "Master Lease")), by the terms of which Tenant leased certain property referred to as the "demised premises" in the Master Lease (and referred to herein as the "Demised Premises") located where commonly known as 15809 Addison Rd. (legal street address) at Addison Airport within the Town of Addison, Texas. As required under the Master Lease, Tenant is hereby seeking Master Landlord's consent to the sublease by and between Tenant, its assigns and successors and Omniflight Helicopters, Inc., a Texas corporation (the "Subtenant"), pursuant to that Sublease Agreement dated _____, 200__ citing the "Commencement Date" of _____, 2006 and, the "Expiration Date" unless terminated beforehand to be December 31, 2006 between Tenant and Subtenant (the "Sublease"), on the following terms and conditions:

Based on and Tenant's and Subtenant's representations, Master Landlord hereby consents to the Sublease on the following terms and conditions:

1. Tenant shall remain fully liable for the performance of each and every term, provision, covenant, duty and obligation of the Tenant under the Ground Lease, including, without limitation, the duty to make any and all payments of rent. This Consent to Sublease shall in no way release Tenant from any of its covenants, agreements, liabilities and duties under the Ground Lease. This Consent to Sublease does not constitute approval by Master Landlord of the terms of the Sublease. Nothing herein contained shall be deemed a waiver or release of any of the Master Landlord's rights under the Ground Lease;
2. No further subletting or assignment, conveyance, or other transfer of all or any portion of the Demised Premises shall be made without the prior written consent of the Master Landlord;
3. Subtenant's use and occupancy of the Demised Premises shall be subject to all of the terms and conditions of the Ground Lease, Subtenant agrees to be bound by the terms and provisions of the Ground Lease, and in the event of any conflict between the terms of the Ground Lease and the terms of the Sublease, the terms of the Ground Lease shall control;
4. Subtenant shall be obligated to obtain Master Landlord's consent to any action as to which Tenant is obligated to obtain such consent under the Ground Lease;
5. The Sublease shall automatically terminate upon termination of the Ground Lease, notwithstanding any other provision of the Sublease to the contrary;

6. Tenant shall be fully liable for any violation by Subtenant of any of the terms and conditions of the Ground Lease;

7. Master Landlord shall have no responsibility or obligation for the performance by Tenant of its obligations under the Sublease. Neither this Consent, the exercise by Master Landlord of its rights hereunder, nor the Sublease or any other instrument shall give Subtenant any rights directly or indirectly against Master Landlord or create or impose any obligation, duty, responsibility, or liability of Master Landlord in favor of or for the benefit of Subtenant;

8. In the event of the occurrence of an event of default under the Ground Lease while the Sublease is in effect, Master Landlord in addition to any other remedies provided in the Ground Lease or by law, may at Master Landlord's option, collect directly from the Subtenant all rents becoming due under the Sublease and apply such rent against any sums due to Master Landlord hereunder; no direct collection by Master Landlord from Subtenant shall release Tenant from the payment or performance of Tenant's obligations under the Ground Lease; provided that if Master Landlord collects any rents directly from Subtenant pursuant to this paragraph, Subtenant shall be released from its obligations to pay such rents to Tenant;

9. Tenant and Subtenant each hereby represent and warrant to Master Landlord that other than the Sublease, there are no agreements or understandings, whether written or oral between Tenant and Subtenant with respect to Subtenant's use and occupancy of the Demised Premises or any property of Tenant located therein; and

10. Tenant and Subtenant each hereby covenants and agrees with Master Landlord that Tenant and Subtenant shall defend, indemnify and hold Master Landlord, its officials, officers, employees and agents harmless from and against any and all claims, liabilities and obligations to any broker or agent in connection with the Sublease, including, without limitation, any reasonable attorneys' fees and costs incurred by Master Landlord in connection therewith.

11. Tenant and Subtenant hereby agree to provide Master Landlord any change in Subtenant's contact information other than herein provided:

Primary Contact: Gaylan A. Crowell, CEO
Omniflight Helicopters, Inc.
Mailing Address: 16415 Addison Rd., Suite 400
City, State, Zip: Addison, Texas 75001
Telephone: 972-776-0130
Email: gcrowell@omniflight.com

Alternate Emergency Contact Information:

Primary Contact: Marty Rincon
24 Hr. Telephone: 214- 906-5830

This Master Landlord's Consent to Sublease shall not be effective unless and until a fully executed original has been delivered to Master Landlord, attention Real Estate Manager, Addison Airport Management, 16051 Addison Rd. # 220, Addison, TX 75001.

IT IS HEREBY ACKNOWLEDGED AND AGREED BY:

Tenant:

AMERICAN HERITAGE CAPITAL INVESTMENTS, L.P.

By: _____
Rafael Pinedo, General Manager

Date: _____

Subtenant:

OMNIFLIGHT HELICOPTERS, INC.

By: _____

Date: _____

Consent of Landlord

TOWN OF ADDISON, TEXAS

By: _____

Title: _____

Dated: _____

Exhibit 4
EASEMENT AGREEMENT

This Easement Agreement dated _____, 2006 by American Heritage Capital Investment, L.P., a Texas limited partnership (Grantor), witnesseth:

WHEREAS, a Ground Lease was executed on September 1, 1981 between the City of Addison ("The City"), Addison Airport of Texas, Inc., as "Landlord" and Carl Johnson and Neal Johnson as "Tenant", by the terms of which certain real property located where now commonly known as 15809 Addison Road at Addison Airport within the Town of Addison, Texas and owned by the City was leased to Carl Johnson and Neal Johnson; and

WHEREAS, by that Assignment of Ground Lease and Assumption Agreement dated February 24, 1983, the Ground Lease was assigned from Carl Johnson and Neal Johnson, as assignor, to B&G Investments, a Texas general partnership, as assignee; and

WHEREAS, by that Assignment of Lease dated July 20, 1984, the Ground Lease was assigned from B&G Investments, a Texas general partnership, as assignor, to Bray-Tex Joint Venture, a Texas joint venture, as assignee; and

WHEREAS, by that Trustee Deed dated September 2, 1986 and recorded as Instrument #198601780985 Volume 86178 Page 1375 in the Deed Records of Dallas County, Texas, the Ground Lease was acquired by Texas Commerce Bank - Casa Linda and its successors and assigns; and

WHEREAS, by that Assignment of Lease dated December 20, 1989, the Ground Lease was assigned from Texas Commerce Bank-Dallas, N.A., as assignor, to Omniflight Helicopters, Inc., a Texas corporation, as assignee; and

WHEREAS, by that Assignment of Ground Lease dated _____ 2006, to be recorded in the Deed Records of Dallas County, Texas, the Ground Lease was assigned from Omniflight Helicopters, Inc., a Texas corporation, as assignor, to American Heritage Capital Investment, L.P., a Texas limited partnership, as assignee; and

WHEREAS, by virtue of such assignments, Assignee is the Tenant under the Ground Lease; 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 has expired and the City is the Landlord under the Ground Lease; and

WHEREAS, the City is the owner of a certain tract of real property in Dallas County, Texas, more particularly described in the attached Exhibit "A" and incorporated into this Agreement for all purposes; and

WHEREAS, Grantor is the leasehold owner of a certain tract of real property located in Dallas County, Texas more particularly described in the attached Exhibit "B", which is incorporated into this Agreement for all purposes ("Tract B"); and

WHEREAS, Grantor agrees that proper movement of aircraft, along with vehicle, equipment, and pedestrian traffic related to airport operations, is desirable and in the best interest of the City and Grantor; and

WHEREAS, Grantor, in the interest of proper airport operation, wishes to create a common ramp upon a tract of land within the leasehold owned by it, more particularly described in the attached Exhibit "C" which is incorporated into this Agreement for all purposes (referred to hereafter as "Ramp C");

NOW, THEREFORE, Grantor hereby agrees as follows:

ARTICLE I
Grant of Easements and Rights

Grantor, for itself and its successors and assigns, does hereby grant, sell, convey and deliver to the City, its successors and assigns, a non-exclusive, perpetual and permanent right-of-way easement for the purpose of aircraft, vehicular and pedestrian access over and across the Ramp C area, and permanent rights of entry upon the Ramp C area for the purpose of maintaining and repairing the Improvements, hereinafter defined.

ARTICLE II
Improvements

Grantor hereby covenants and agrees to cause to be constructed, at its own expense, surface improvements on the Ramp C area sufficient to provide a completely operable ramp meeting all standards for ramp construction, configuration and finish imposed by the City for ramp construction intended for similar use.

ARTICLE III
Maintenance of Improvements

3.1 Grantor hereby covenants and agrees to maintain and repair the ramp improvements located on the Ramp C area at its own expense. Such maintenance and repair shall include, but not be limited to, cleaning, sweeping, ice and snow removal, repair of paving and lighting, restriping of paving and such other necessary maintenance and repairs, including the necessary safety measures to the extent necessary to maintain the Improvements on the Ramp C area in a condition substantially equivalent to their condition and usefulness when newly constructed.

3.2 Grantor's covenant to improve, repair and maintain the Improvements on the Ramp C area shall be a covenant running with Tract B and shall be for the benefit of the City.

ARTICLE IV
Miscellaneous

4.1 Grantor agrees that no aircraft, vehicle or other equipment will be left unattended on the Ramp C area thereby hindering access to and from the Taxiway other than during periods of normal loading, unloading or refueling.

4.2 Grantor agrees that if it or any future owner of the Ramp C area shall be in default of any of the easements, covenants, agreements, terms or restrictions contained herein, then the City shall have the right, but shall not be obligated, to cure such default, provided it is a curable default under this Agreement, and provided that such defaulting owner (hereinafter referred to as the "Defaulting Owner"), and any mortgagee having an interest in the Area upon which the default has occurred are notified in writing of such intended cure in the manner provided hereinafter at least ten (10) days prior to the date of effecting any curative action. All expenses and costs incurred by the city effecting such cure, together with reasonable attorneys' fees and costs for collecting such costs and interest thereon, shall be a demand obligation owing by the Defaulting Owner to the party effecting such cure, and such demand obligation shall bear interest at the lesser of eighteen percent (18%) per annum or the maximum rate then permitted under applicable law. The City or any mortgagee electing to effect such cure, its directors, officers, employees, agents, servants and workmen, shall have the right of entry and ingress and egress upon that portion of the Area upon which such default occurred as is necessary for effecting any such cure. The Defaulting Owner hereby agrees to indemnify and hold harmless any such party so entering upon such Area from all claims, demands, liabilities and judgments arising from any such entry for the purpose of effecting any such cure. Additionally, the City or mortgagee effecting such cure, in the event that breach of such covenant, agreement or term is not subject to cure as provided herein, shall have the right to institute suit and obtain protective or mandatory injunction to prevent a continuing breach of or to enforce the continued observance by such Defaulting Owner of the covenants, agreements, terms, conditions and restrictions contained herein, and the City (but not such mortgagee) shall have the right to ordinary damages against such Defaulting Owner occasioned by any such continuing default under this Agreement.

4.3 Grantor covenants and agrees that the servitudes, easements, rights, rights-of-way, privileges, agreements, covenants and restrictions, and all other terms hereof, shall be binding upon its respective successors and assigns, and all other persons or entities having or hereafter acquiring any right, title or interest in Tract B, and all other persons and entities claiming by, through or under said owners and their respective successors and assigns. In the event any owner or future owner of all or any part of Tract B shall convey either all or any portion of such Tract, such owner so conveying shall automatically be freed and relieved, from and after the date of recording of such conveyance, of all liability for future performance of any covenants, agreements or obligations on the part of such owner which are required by this Agreement to thereafter be performed with respect to any such Tract or the portion of any such Tract so conveyed, except as herein otherwise specified. It intended hereby that the agreements

and obligations contained in this Agreement shall be binding on such owner only as to that owner's period of ownership or subsequent periods of ownership, though such conveying owner shall remain liable after the date of recording of such conveyance for any obligations arising or incurred prior to such date of recording during such conveying owner's period of ownership.

4.4 A default under this Agreement shall constitute and be deemed an event of default under Grantor's Ground Lease covering Tract B.

4.5 When the context in which words are used in this Agreement indicates that such is the intent, words in the singular number shall include the plural and vice versa, and the words in masculine gender shall include the feminine and neuter genders and vice versa.

4.6 Every provision in this Agreement is intended to be severable. In the event that any provision of this Agreement shall be held to be invalid, the same shall not affect in any respect whatsoever the validity of the remaining provisions of this Agreement.

IN WITNESS WHEREOF, Grantor has executed this Agreement as of the date hereinabove set forth.

GRANTOR: American Heritage Capital Investment, L.P.

BY: _____

TITLE: _____

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, a Notary Public in the State of Texas, on this day personally appeared _____, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said American Heritage Capital Investment, L.P., a Texas limited partnership, and that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this _____ day of _____, 2006.

[SEAL]

Notary Public, State of Texas

Exhibit "A"

PROPERTY DESCRIPTION OF ADDISON AIRPORT, ADDISON, TEXAS

Being a tract of land out of the E. Cook Survey, Abstract No, 326, the William Lomax Survey, Abstract No.792, the George Syms Survey, Abstract 1344, the William Rowe Survey, Abstract 1257, and part of Lot 1 and Lot 2 of Block A, Carroll Estates Addition, Dallas County, Texas as described in deed to the City of Addison recorded in Volume 77010, Page 1391 of the Deed Records of Dallas County, Texas, and also being a one acre tract of land described in Judgment to the City of Addison recorded in Volume 91079, Page 2687 of the Deed Records of Dallas County, Texas, and also being LOT 7, Block B of Beltwood North Addition, Phase II, an Addition to the City of Dallas, Texas, according to the map thereof recorded in volume 78201, Page 0001 of the Map Records of Dallas County, Texas as described in deed to the City of Addison recorded in Volume 82022, Page 1211, and also being a 1.496 acre tract of land described in deed to the Town of Addison recorded in Volume 98015, Page 2143 of the Deed Records of Dallas County, Texas, and also being a 1.498 acre of land described in deed to the Town of Addison recorded in Volume 97217, Page 1350 of the Deed Records of Dallas County, Texas, and also being Lot 1, Block 1, of Kincaid Addition, an Addition to the City of Addison, Dallas County, Texas, according to the Plat thereof recorded in Volume 84087, Page 48 of the Map Records of Dallas County, Texas, and also being a 1.005 acre tract of land described in deed to the Town of Addison recorded in Volume 99249, Page 5436 of the Deed Records of Dallas County, Texas, and also being a 0.528 acre tract of land described in deed to the Town of Addison recorded in Volume 99078, Page 1254 of the Deed Records of Dallas County, Texas, and also being a 0.205 acre tract of land described in Deed to the City of Addison recorded in Volume 5143, Page 162 of the Deed Records of Dallas County, Texas, and also being a 1.000 acre tract of land described in Deed to the City of Addison recorded in Volume 81150, Page 1985 of the Deed Records of Dallas County, Texas said tracts to be known as the Addison Airport tract and being more particularly described as follows:

Beginning at a concrete monument found with a 3 1/2 inch disk stamped "City of Addison" lying in the west right-of-way line of Westgrove Road (a 60 foot right-of-way) said point being the most northerly northeast corner of said Addison Airport tract and the southeast corner of Lot 1, Block A, Academy Addition, an addition to the City of Carrollton, Dallas County, Texas according to the Plat thereof recorded in Volume 79186, Page 1 of the Map Records of Dallas County, Texas;

THENCE South 00 degrees 39 minutes 05 seconds East (record-South 00 degrees 03 minutes 47 seconds East) along the west right-of-way line of said Westgrove Road for a distance of 1547.64 feet (record-1550.38 feet) to a 5/8 inch iron rod set with cap stamped "DAL-TECH";

THENCE South 21 degrees 16 minutes 44 seconds East (record-South 20 degrees 46 minutes 10 seconds East) continuing along said west right-of-way line of Westgrove Road for a distance of 539.35 feet (record-539.44 feet) to a 5/8 inch iron rod set with cap stamped "DAL-TECH";

THENCE along a curve to the left of said Westgrove Road having a radius of 340.00 feet (record-337.18), a central angle of 69 degrees 17 minutes 21 seconds (record-69 degrees 19 minutes 04 seconds), and an arc length of 411.17 feet (record-407.93 feet), being subtended by a chord of South 55 degrees 55 minutes 24 seconds East for a distance of 386.57 feet to a 5/8 inch iron rod set with cap stamped "DAL-TECH";

THENCE North 89 degrees 25 minutes 55 seconds East (record-North 89 degrees 54 minutes 46 seconds East) continuing on along now said southerly right-of-way line of Westgrove Road for a distance of 2118.93 feet to a 5/8 inch iron rod set with cap stamped "DAL-TECH" at the corner clip of said southerly right-of-way line of Westgrove Road and the west right-of-way line of Addison road (a 60 foot right-of-way);

THENCE-South 45 degrees 37 minutes 02 seconds east along said corner clip for a distance of 21.23 feet to a 5/8 inch iron rod set with cap stamped "DAL-TECH";

THENCE South 00 degrees 39 minutes 59 seconds East (record-South 00 degrees 14 minutes 20 seconds East) along said west right-of-way line of Addison Road for a distance of 300.14 feet to a 5/8 inch iron rod set with cap stamped "DAL-TECH";

THENCE South 89 degrees 18 minutes 30 seconds West (record-South 89 degrees 45 minutes 40 seconds West) departing said west right-of-way line of Addison Road for a distance of 200.12 feet (record- 200.00 feet) to a chiseled cross set in concrete;

THENCE South 00 degrees 41 minutes 30 seconds East (record-South 00 degrees 14 minutes 20 seconds East) for a distance of 201.72 feet to a found X;

THENCE South 42 degrees 48 minutes 04 seconds West (record-South 43 degrees 16 minutes West) for a distance of 1596.12 feet (1595.29 feet) to a found X;

THENCE South 47 degrees 17 minutes 56 seconds East (record-South 46 degrees 44 minutes East) for a distance of 202.54 feet to a 5/8 inch iron rod set with cap stamped "DAL-TECH";

THENCE South 21 degrees 16 minutes 56 seconds East (record-South 20 degrees 43 minutes East) for a distance of 350.89 feet to a chiseled cross set in concrete;

THENCE North 68 degrees 43 minutes 04 seconds East (record-North 69 degrees 17 minutes East) for a distance of 30.00 feet to a chiseled cross set in concrete;

THENCE North 70 degrees 38 minutes 55 seconds East (record-North 71 degrees 12 minutes 51 seconds East) for a distance of 185.74 feet to a 5/8 inch iron rod set with cap stamped "DAL- TECH";

THENCE North 44 degrees 10 minutes 12 seconds East (record-North 44 degrees 44 minutes 08 seconds East) for a distance of 7.05 feet to a 5/8 inch iron rod set with cap stamped "DAL- TECH" said point is the common corner in the aforesaid Addison Airport tract and the southwest corner of a tract of land described in deed to O.J. Broughton and E.E. Ericson recorded in Volume 4350, Page 491 of the Deed Records of Dallas County, Texas;

THENCE North 89 degrees 20 minutes 44 seconds East (record-North 89 degrees 54 minutes 40 seconds East) along the common line of said Addison Airport tract and the south line of said O.J. Broughton tract for a distance of 818.27 feet (record-819.46 feet) to a 1/2 inch iron rod found in the west right-of-way line of aforesaid Addison Road;

THENCE South 00 degrees 39 minutes 59 seconds East (record-south 00 degrees 14 minutes 20 seconds East) for a distance of 490.88 feet to a 5/8 inch iron rod set with cap stamped "DAL- TECH" in the apparent common survey line between the aforesaid William Lomax Survey, Abstract No.792 and the aforesaid E. Cook Survey, Abstract No.326;

THENCE North 89 degrees 47 minutes 19 seconds East (record-South 89 degrees 37 minutes 20 seconds East) for a distance of 60.66 feet (record- 58.08 feet) to a 1/2 inch iron rod set with cap stamped "DAL-TECH" in the aforesaid west right-of-way line of Addison Road;

THENCE along a curve to the left in the said old west right-of-way line of Addison Road having a radius of 746.30 feet, a central angle of 1 degree 54 minutes 15 seconds and an arc length of 24.80 feet, being subtended by a chord of South 25 degrees 45 minutes 41 seconds East for a distance of 24.80 feet to a 5/8 inch iron rod set with cap stamped "DAL- TECH";

THENCE South 26 degrees 42 minutes 49 seconds East (record-South 26 degrees 12 minutes 50 seconds East) along said old west right-of-way line of Addison Road for a distance of 34.05 feet to a 5/8 inch iron rod set with cap stamped "DAL- TECH";

THENCE along a curve to the right in the said old west right-of-way line of Addison Road having a radius of 686.30 feet, a central angle of 25 degrees 50 minutes 01 seconds and an arc length of 309.44 feet, being subtended by a chord of South 13 degrees 47 minutes 50 seconds East for a distance of 306.83 feet to a 5/8 inch iron rod set with cap stamped "DAL- TECH";

THENCE South 00 degrees 52 minutes 49 seconds East (record-South 00 degrees 22 minutes 50 seconds East) along said west right-of-way line of Addison Road for a distance of 2973.99 feet to a 5/8 inch iron rod set with cap stamped "DAL -TECH";

THENCE South 03 degrees 27 minutes 59 seconds East (record-South 02 degrees 58 minutes East) along said west right-of-way line of Addison Road for a distance of 9.28 feet to a 5/8 inch iron rod set with cap stamped "DAL -TECH";

THENCE North 89 degrees 58 minutes 24 seconds West (record-South 89 degrees 48 minutes 10 seconds West) departing said west right-of-way line of Addison Road for a distance of 165.27 feet to a 5/8 inch iron rod set with cap stamped "DAL- TECH";

THENCE South 00 degrees 09 minutes 24 seconds East (record-South 00 degrees 22 minutes 50 seconds East) for a distance of 243.18 feet to a 5/8 inch iron rod set with cap stamped "DAL- TECH";

THENCE South 61 degrees 10 minutes 39 seconds West (record-South 66 degrees 06 minutes 26 seconds West) for a distance of 17.74 feet to a 5/8 inch iron rod set with cap stamped "DAL- TECH";

THENCE South 00 degrees 09 minutes 29 seconds East (record-South 00 degrees 22 minutes 50 seconds East) for a distance of 209.98 feet (record-211.04) to a 5/8 inch iron rod set with cap stamped "DAL-TECH" in the north right-of-way line of the Fort Worth and Denver Railroad spur;

THENCE South 65 degrees 42 minutes 08 seconds West (record-South 66 degrees 06 minutes 26 seconds West) along said north right-of-way line of said Fort Worth and Denver Railroad spur for a distance of 759.64 feet (record- 759.90 feet) to a 5/8 inch iron rod found and the most easterly corner of the Addison Airport Industrial District, an Addition to the City of Addison according to the plat thereof recorded In Volume 50, Page 207 of the Map Records of Dallas County, Texas;

THENCE North 67 degrees 26 minutes 03 seconds West (record-North 67 degrees 01 minutes 55 seconds West) along the said easterly line of Addison Airport Industrial District addition for a distance of 272.68 feet (record-273.80 feet) to a 5/8 inch iron rod found;

THENCE North 21 degrees 09 minutes 30 seconds West (record-North 20 degrees 39 minutes 35 seconds West) along the said easterly line of Addison Airport Industrial District addition for a distance of 571.54 feet (record-572.28) chiseled to a 5/8 inch iron rod set with cap stamped "DAL-TECH";

THENCE South 75 degrees 21 minutes 17 seconds West (record-South 75 degrees 48 minutes 25 seconds West) for a distance of 449.71 feet (record-448.95 feet) to a found railroad spike;

THENCE North 89 degrees 59 minutes 56 seconds West (record-North 89 degrees 56 minutes 35 seconds West) for a distance of 654.32 feet (record-658.63 feet) to a 5/8 inch iron rod set with cap stamped "DAL-TECH";

THENCE North 00 degrees 00 minutes 04 seconds East (record-North 00 degrees 03 minutes 25 seconds East) for a distance of 159.62 feet (record-160.00 feet) to a 5/8 inch iron rod set with cap stamped "DAL -TECH";

THENCE North 89 degrees 59 minutes 56 seconds West (record-North 89 degrees 56 minutes 35 seconds West) for a distance of 160.02 feet to a 5/8 inch iron rod set with cap stamped "DAL- TECH" in the east right-of-way fine of Midway Road (a 100 foot right-of-way);

THENCE North 00 degrees 00 minutes 04 seconds East (record-North 00 degrees 03 minutes 25 seconds East) along said east right-of-way line of Midway Road for a distance of 10.00 feet to a 5/8 inch iron rod set with cap stamped "DAL- TECH";

THENCE South 89 degrees 59 minutes 56 seconds East (record-South 89 degrees 56 minutes 35 seconds East) for a distance of 792.25 feet (record-797.46 feet) to a 1/2 inch iron rod found with cap stamped "MLM #2617;

THENCE North 75 degrees 21 minutes 17 seconds East (record-North 75 degrees 48 minutes 25 seconds East) for a distance of 408.83 feet (record-408.36 feet) to a 1/2-inch iron rod found with cap stamped "MLM #2617;

THENCE North 21 degrees 09 minutes 30 seconds west (record-North 20 degrees 39 minutes 35 seconds West) along the aforesaid easterly line of said Addison Airport Industrial District addition for a distance of 2386.38 feet record (record-2386.20 feet) to a ½ inch iron rod found;

THENCE North 21 degrees 01 minutes 39 seconds West (record-North 20 degrees 43 minutes 53 seconds West) for a distance of 320.94 feet (record-320.72) to a 1/2 inch iron rod found;

THENCE North 89 degrees 44 minutes 31 seconds East (record-North 89 degrees 49 minutes 30 seconds West) for a distance of 10.21 feet (record-9.98) to a 1/2 inch iron rod found;

THENCE North 20 degrees 38 minutes 06 seconds West (record-North 20 degrees 17 minutes 10 seconds West) for a distance of 221.75 feet a 5/8 iron rod set with cap stamped "DAL-TECH";

THENCE North 89 degrees 54 minutes 56 seconds West (record-South 89 degrees 54 minutes 10 seconds West) for a distance of 177.90 feet (record-176.27 feet) to a 5/8 inch iron rod set with cap stamped "DAL-TECH" in the east right-of-way line of Dooley Road (a 50 foot right-of-way);

THENCE North 00 degrees 18 minutes 06 seconds west (record-North 00 degrees 05 minutes 50 seconds West) along the said east right-of-way line of Dooley Road for a distance of 663.91 feet to a 5/8 inch iron rod set with cap stamped "DAL- TECH" for the apparent intersection of said east right-of-way line of Dooley Road and the north right-of-way line of the old Keller Springs Road (a 50 foot right-of-way);

THENCE South 89 degrees 33 minutes 56 seconds West (record-North 89 degrees 58 minutes 54 seconds West) with the said north line of Keller Springs Road for a distance of 105.61 feet (record-105.72 feet) to a 5/8 inch iron rod set with cap stamped DAL-TECH;

THENCE North 56 degrees 29 minutes 35 seconds West (record-North 56 degrees 19 minutes 03 seconds West) for a distance of 90.34 feet (record-90.20 feet) to a 1/2 inch iron rod found in the aforesaid east right-of-way line of Dooley Road (a 60 foot right-of-way);

THENCE North 00 degrees 36 minutes 19 seconds West (record-North 00 degrees 03 minutes 47 seconds West) along the said east right-of-way line of Dooley Road for a distance of 1457.88 feet to a 5/8 inch iron rod set with cap stamped "DAL-TECH";

THENCE North 21 degrees 11 minutes 02 seconds West (record-North 20 degrees 38 minutes 30 seconds West) for a distance of 170.55 feet (record-170.87 feet) to a 5/8 inch iron rod set with cap stamped "DAL-TECH" in the west right-of-way line of said Dooley Road;

THENCE South 00 degrees 34 minutes 59 seconds East (record-South 00 degrees 03 minutes 47 seconds East) along the said west right-of-way line of Dooley Road for a distance of 1399.84 feet (record-1395.15 feet) to a 1/2 inch iron rod found with cap stamped SJ&F;

THENCE South 89 degrees 17 minutes 19 seconds West (record-South 89 degrees 48 minutes 55 seconds West) departing said west right-of-way line of Dooley Road for a distance of 278.28 feet to a 1/2" iron rod found with cap stamped SJ&F;

THENCE North 00 degrees 34 minutes 41 seconds West (record-North 00 degrees 24 minutes 02 seconds East) for a distance of 470.04 feet to a 5/8 inch iron rod set with cap stamped "DAL- TECH" in the east line

of Beltwood North Phase 2, an addition to the City of Dallas, Texas, according to the Plat thereof recorded in Volume 78201, Page 1 of the Map Records of Dallas County, Texas;

THENCE East for a distance of 70.73 feet (record-69.30 feet) along said Beltwood North Phase 2 addition to a 5/8-inch iron rod set with cap stamped "DAL-TECH";

THENCE North 00 degrees 39 minutes 08 seconds West (record-South) along said Beltwood North Phase 2 addition for a distance of 236.73 feet (record-233.76 feet) to a 5/8 inch iron rod set with cap stamped "DAL-TECH" for the most southerly corner of lot 7 of said Beltwood North Phase 2 addition;

THENCE North 21 degrees 08 minutes 57 seconds West (record-North 20 degrees 38 minutes 30 seconds West) passing the north line of said Beltwood North Phase 2 addition at a called distance of 576.04 feet and continuing on for a distance of 2153.49 feet (record-2156.07 feet) for a total distance of 2729.53 feet to a 1/2 inch iron rod found in the aforesaid east right-of-way line of Midway Road;

THENCE North 00 degrees 21 minutes 08 seconds West (record-North 00 degrees 09 minutes 30 seconds West) along the said east right-of-way line of Midway Road for a distance of 1191.31 feet (record-1189.87 feet) to a 1/2-inch iron rod found with cap stamped "SURVCON".

THENCE North 89 degrees 24 minutes 55 seconds East (record-North 89 degrees 53 minutes 26 seconds East) for a distance of 1165.10 feet (record-1165.44 feet) to the POINT OF BEGINNING;

Said property contains 373.656 acres more or less.

I, Sepehr Parnian, a Registered Professional Land Surveyor in the State of Texas, do hereby certify that I prepared this report from an actual survey of the land under my supervision in accordance with the "Minimum Standards of Practice" approved by the Texas Board of Professional Land Surveyors.

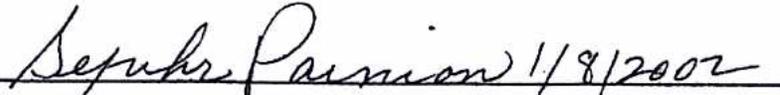
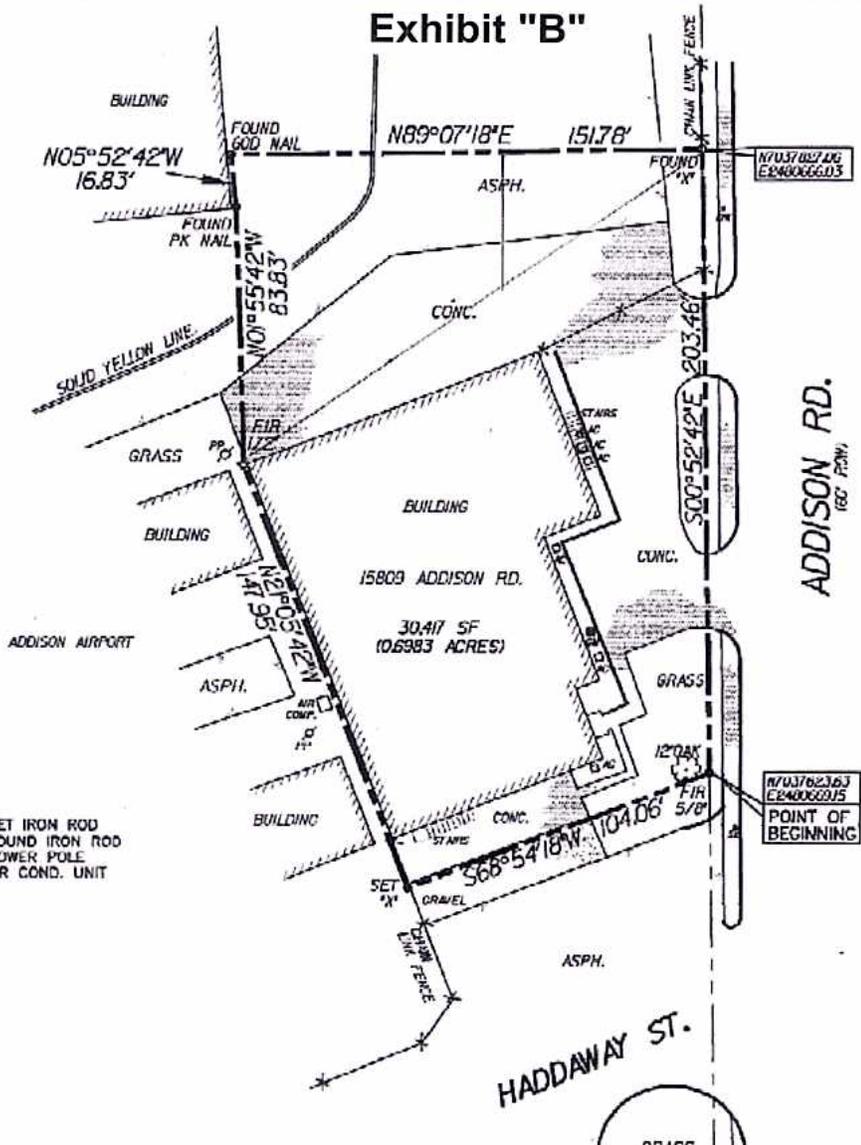

Sepehr Parnian, RPLS No. 3466



Exhibit "B"



LEGEND

SIR	SET IRON ROD
PIR	FOUND IRON ROD
PP	POWER POLE
AC	AIR COND. UNIT

NOTE:
 Bases of bearing are from the State Plane Coordinate System.
 The Survey location is tied to the Addison Airport Monument System.

DESCRIPTION:
 BEING 30,417 Square Feet or 0.6983 Acres, Tract of land in the E. Cook Survey, Abtract 326, Dallas County, Texas, and located on Addison Municipal Airport, Addison, Texas and being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8 inch Iron rod found in the West Right-of-Way line of Addison Road (60' Right-of-Way), said point also being the southeast corner of said 0.6983 acres Tract;
 THENCE South 68° 54' 18" West and departing said West line of Addison Road, a distance of 104.06 feet to an "X" set for corner;
 THENCE North 21° 05' 42" West a distance of 147.95' to an 1/2 inch iron rod found for corner;
 THENCE North 01° 55' 42" West a distance of 83.83' feet to a PK Nail found for corner;
 THENCE North 05° 52' 42" West a distance of 16.83' to a 60D Nail found for corner;
 THENCE North 89° 07' 18" East a distance of 151.78" to an "X" found in the said West line of Addison Road, for corner;
 THENCE South 00° 52' 42" East, along the said West Right-of-Way line of Addison Road a distance of 203.46 feet to the POINT OF BEGINNING, and CONTAINING 30,417 square feet or 0.6983 acres of land more or less.

SURVEYOR'S CERTIFICATION:
 The undersigned hereby Certifies that the survey was made on the ground and that all the monuments shown thereon actually exist, and that their location, size, and material description are correctly shown.

Thomas V. Barone 1-11-06
 Thomas V. Barone, P.E., R.P.L.S.
 Registered Professional Land Surveyor
 Texas Registration No. 3094



BOUNDARY SURVEY

15809 Addison Road, Addison Texas
 ABST. 326, E. COOK SURVEY
 30,417 SQ. FT. (0.6983 ACRES)
 DALLAS COUNTY, TEXAS

PREPARED BY:
MORI'S ENGINEERING, INC.
 Engineering • Surveying • Subsurface Utility
 2816 PICKWICK LN.
 PLANO, TEXAS 75093
 972-816-2826

Exhibit "C"

EASEMENT PARCEL

5,798 SQ. FT. (0.1331 ACRES)
15809 Addison Road, Addison Texas
ABST. 326, E. COOK SURVEY
DALLAS COUNTY, TEXAS

BEING 5,798 Square Feet or 0.1331 Acres, Tract of land in the E. Cook Survey, Abstract 326, Dallas County, Texas, and located on Addison Municipal Airport, Addison, Texas and being part of 0.6983 acres Lease Tract located at 15809 Addison Road, and being more particularly described by metes and bounds as follows:

COMMENCING at an "X" found in the West line of Addison Road (60' Right-of-Way), said point also being the northeast corner of said 0.6983 acres Lease Tract;

THENCE South 89° 07' 18" West and departing the said West line of Addison Road a distance of 63.38' to a point for the BEGINNING, said point also being the beginning of a non-tangent curve to the right, having a central angle of 53° 34' 16", radius of 72.50' and a chord bearing of South 25° 24' 30 West";

THENCE Southwesterly along the said curve a distance of 67.79' to a point for corner;

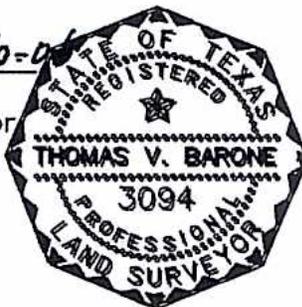
THENCE South 52° 11' 38" West a distance of 70.47' to an 1/2 inch iron rod found for corner;

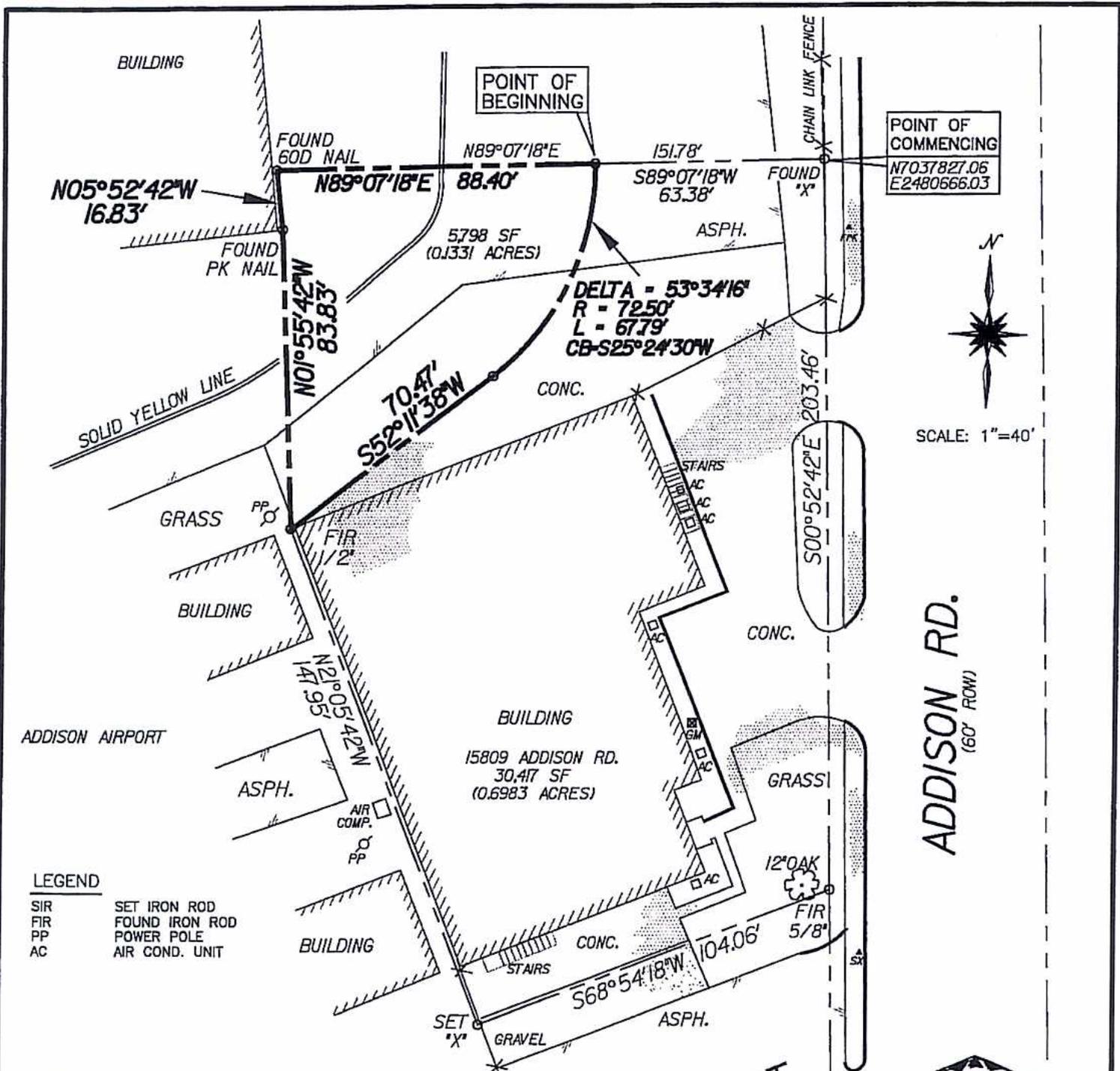
THENCE North 01° 55' 42" West a distance of 83.83' feet to a PK Nail found for corner;

THENCE North 05° 52' 42" West a distance of 16.83' to a 60D Nail found for corner;

THENCE North 89° 07' 18" East a distance of 88.40' to the POINT OF BEGINNING, and CONTAINNING 5,798 square feet or 0.1331 acres of land more or less.

Thomas V. Barone 06-20-06
Thomas V. Barone, P.E., R.P.L.S.
Registered Professional Land Surveyor
Texas Registration No. 3094

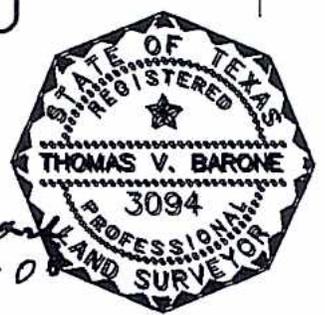




SCALE: 1"=40'

ADDISON RD.
(60' ROW)

HADDAWAY ST.



Thomas V. Barone
 06-20-0

PREPARED BY:

MORI ENGINEERING, INC.
 Engineering • Surveying • Subsurface Utility
 2616 PICKWICK LN.
 PLANO, TEXAS 75093
 972-816-2626

EASEMENT PARCEL
 5,798 SQ. FT. (0.1331 ACRES)
 15809 Addison Road, Addison Texas
 ABST. 326, E. COOK SURVEY
 DALLAS COUNTY, TEXAS

Council Agenda Item: #R8

There are no attachments for this item.