



William M. Dyer
Real Estate Manager
16051 Addison Road
Suite #220
Addison, Texas 75001

Main: 972-392-4850
Direct: 972-392-4856
Fax: 972-788-9334
bill.dyer@addisonairport.net

- MEMORANDUM -

To: Lisa Pyles, Director of Infrastructure, Operations and Systems
From: Bill Dyer, Real Estate Manager
CC: Joel Jenkinson, Airport Director
Date: 12/17/2014
Re: Requested action by the Town of Addison from 6200 GP, LLC, Tenant – Ground Lease 0200-3503; 4550 Jimmy Doolittle Drive

Requested Action and Recommendation by Airport Manager

6200 GP, LLC, the ground tenant to the above referenced leased premises, is requesting the Town's consideration and consent for the creation of a leasehold mortgage in favor of The Ohio National Life Insurance Company (the Bank) securing a loan in the amount of



\$1,105,000.00. In so doing, the Bank is requesting the Town execute an estoppel letter agreement substantially in the form found attached hereto as Exhibit "A," wherein the Town agrees to, among other things, recognize the Bank's leasehold deed of trust and subordinate lien; and grant the Bank certain rights and remedies in the event 6200 GP, LLC should default on the loan or ground lease.

Airport Management is requesting the Town’s consent and acknowledgement of the proposed \$1,105,000 promissory note secured by a leasehold deed of trust and recommends the Town give its consent to the requested action.

Background Information

With the Town’s consent, 6200 GP, LLC was assigned the leasehold interests from Turbine Aircraft Services, Inc. (Turbine) through the Assignment of Ground Lease dated January 21, 2014. 6200 GP, LLC subsequently entered into a sublease agreement with Turbine effective January 23, 2014.

Current Status:

Property Description		Lease Information	
Date of Report	12/15/2014	Lease #	0200-3503
Property Number	0200-35	Tenant Name	6200 GP, LLC
Property Address	4550 Jimmy Doolittle	Doing Business As	6200 GP, LLC
Ramp Address	A-5	Primary Contact:	Steven Shelley
Property Type	Conventional	Primary Contact Phone:	469-522-4300
Land Area	104,718	Lease Type	Ground Lease
Hangar Area	21,000	Lease Commencement Date	7/1/1984
Office/Shop Area	7,280	Lease Expiration Date	6/30/2048
Total Building Area	28,280	Years Remaining in Term	33
Year Built	2004	Current Monthly Rent	\$5,632.26
Est. Economic Life	50	Current Annual Rent	\$67,587.12
End of Eco. Life	2054	Annual Rent /SF Land	\$0.65
% Obsolescent	20%	Est. Remaining Contract Rent	\$2,907,820
Hangar Door Clearance	28’	Next Rent Adjustment Date	7/1/16 - CPI every 2 years

Proposed Action:

Consent and acknowledgement of Tenant’s intent to execute a note and leasehold deed of trust in favor of The Ohio National Life Insurance Company in the sum of \$1,105,000.

6200 GP, LLC desires to execute a promissory note and leasehold deed of trust with The Ohio National Life Insurance Company not to exceed \$1,105,000 with the primary purpose of the proceeds being used to re-finance the purchase of the leasehold interest of the demised premises.

In addition to Landlord’s acknowledgment of the mortgage and Deed of Trust, The Ohio National Life Insurance Company and Landlord agree that:

1. The mortgage will be an inferior lien to the Ground Lease and will be against only the leasehold interest of 6200 GP, LLC in the demised premises.
2. To Landlord's actual knowledge, the tenant is presently not in default under the Ground Lease.
3. The Ground Lease has not be modified, amended or altered except as described in the Bank's proposed estoppel letter.
4. The Town will give the bank written notice of any default by Tenant and that the Bank will have 15 days from said notice to take action to cure the default.
5. Should the Bank succeed in interest of Tenant by means of foreclosure or deed-in-lieu of foreclosure, the Town agrees to recognize the Bank as tenant, who may assign their leasehold interest only with the prior written consent of the Town.

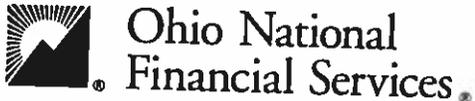
Conclusion and Recommendation of Airport Manager

6200 GP, LLC is requesting the Town's consent to the creation of a new leasehold mortgage to be inferior to the lien created by the ground lease, to refinance its leasehold interest.

Airport Management has reviewed the proposed estoppel letter from The Ohio National Life Insurance Company requesting the Town's consent and acknowledgement of 6200 GP, LLC's intent to execute a promissory note and leasehold deed of trust securing the note for a sum not to exceed \$1,105,000. The Town's Attorney has also reviewed the bank's proposed estoppel letter and has found it acceptable for the Town's use. With 6200 GP LLC being in good standing under the Ground Lease, Airport Management recommends the Town give its consent and authorize the City Manager to execute the estoppel letter in favor of The Ohio National Life Insurance Company as requested.

Exhibit A

One Financial Way
Cincinnati, Ohio 45242



Post Office Box 237
Cincinnati, Ohio 45201-0237
Telephone: 513.794.6100
www.ohionational.com

_____, 2014

Town of Addison, Texas
5300 Belt Line Road
Dallas, Texas 75254

RE: Ground Lease dated May 23, 1984 by and among the City of Addison, Texas, a municipal corporation (the "City," the same being the Town of Addison, Texas) and Addison Airport of Texas, Inc., a Texas corporation, as Landlord (the City now being the sole Landlord under the Ground Lease, the "Base Lease" [as defined in the Ground Lease] having expired, and the City alone being referred to herein as the "Landlord") and Hangar Six, Inc., as tenant; the tenant's interest in the said Ground Lease then having been assigned by that Assignment of Ground Lease between Hangar Six, Inc. and Turbine Aircraft Services, Inc., dated July 2, 2002; the said Ground Lease then having been amended by (i) that Amendment to Ground Lease dated July 2, 2002 (the "First Amendment") and by (ii) that Second Amendment to Ground Lease dated April 16, 2003 (the "Second Amendment") and by (iii) that Third Amendment to Ground Lease dated January 13, 2009 (the "Third Amendment"); (the said Ground Lease, as amended by and together with the First Amendment, Second Amendment, and Third Amendment being referred to herein collectively as the "Ground Lease"); the tenant's interest in the said Ground Lease then having been assigned by that certain Assignment of Ground Lease between Robert Hoff, Independent Executor of the Estate of Tom L. Berscheidt, Deceased, and Turbine Aircraft Services, Inc., as assignor, to 6200 GP, LLC, a Nevada limited liability company, the assignee, dated January 21, 2014; and by virtue of the said January 21, 2014 Assignment, 6200 GP, LLC is the "Tenant" under the Ground Lease as so amended (and so called herein); and whereby under the Ground Lease Landlord leases to Tenant certain real property referred to in the Ground Lease as the "Demised Premises" (and so called herein) located at the Addison Airport in Dallas County, Texas, which Demised Premises are specifically described in the Ground Lease (and are generally located at 4550 Jimmy Doolittle Drive, Addison, Texas 75001, and being approximately 2.404 acres [104,718 square feet] in size).

Gentlemen:

The Ohio National Life Insurance Company, an Ohio corporation (the "Bank") intends to make a loan to 6200 GP, LLC, a Nevada limited liability company, which loan (the "Loan") in the amount of ONE MILLION ONE HUNDRED FIVE THOUSAND AND NO/100 DOLLARS (\$1,105,000.00) will be secured by, among other things a lien against the leasehold interest of Tenant in the Demised Premises created pursuant to a leasehold deed of trust (the "Leasehold Deed of Trust") to be executed by Tenant to Charles A. Guerin, as Trustee for the benefit of

Landlord's lien (contractual and statutory) and other rights thereunder and all terms and conditions thereof, which Leasehold Deed of Trust shall be in substantially the form of the Leasehold Deed of Trust attached hereto.

The Bank has advised Tenant that Bank requires the written acknowledgment of Landlord to the execution by Tenant of the above-described Leasehold Deed of Trust and the written acknowledgment and consent of the Landlord to the statements set forth in this letter.

Therefore, by executing the enclosed copy of this letter and returning it to the undersigned, Landlord hereby specifically states as follows (and notwithstanding any statement or provision hereof, Landlord's statements herein do not constitute approval by or consent of Landlord of the Leasehold Deed of Trust or of any of the terms and conditions set forth therein, and nothing herein contained shall be deemed a waiver or release of any of the Landlord's rights under the Ground Lease or otherwise) (when the actual knowledge of the Landlord is referred to herein, the same means the actual knowledge of Bill Dyer, president of SAMI Management, Inc., acting real estate manager for Addison Airport in behalf of Landlord):

1. Landlord takes notice of the Leasehold Deed of Trust and the subordinate and inferior lien provided for therein being impressed solely against the leasehold interest of Tenant in the Demised Premises.
2. The Ground Lease has not been modified, altered or amended to the best of Landlord's actual knowledge except as described herein.
3. Landlord has no actual knowledge of the existence of any default by Tenant under the Ground Lease, or of any lien against the Demised Premises other than that created by the Ground Lease, any lien for taxes, or as may be otherwise created or provided by law, rule, or regulation of any governmental entity, agency, or authority having jurisdiction over Addison Airport.
4. Landlord will give to Bank, at the address of Bank specified in this letter or at such other address as Bank may hereafter designate in writing to Landlord, prompt written notice of any default by Tenant under the Ground Lease simultaneously with the giving of such notice to Tenant (if such notice is required under the Ground Lease), and Bank shall have the right, but not the obligation, for a period of fifteen (15) days after its receipt of such notice or within any longer period of time specified in such notice, to take such action or to make such payment as may be necessary or appropriate to cure any such default so specified. Landlord shall not exercise Landlord's right to terminate the Ground Lease without first giving Bank the notice provided for herein and affording Bank the right to cure such default as provided for herein.
5. For the purposes of this letter, any notice to Bank may be delivered in person or shall be deemed to be delivered, whether actually received or not, when deposited in United States mail, postage prepaid, registered, or certified mail, return receipt requested, addressed to Bank at the above-described address.

6. If Bank or a third party assignee of Bank (provided such third party is approved by Landlord in writing in accordance with the terms of the Ground Lease for approval of an assignee) succeeds to the interest of Tenant in and to the Ground Lease by means of foreclosure under the Leasehold Deed of Trust, by means of a transfer in lieu of such foreclosure, or by any other lawful means due to the failure or inability of Tenant to pay the Loan secured by the Leasehold Deed of Trust, Landlord shall thereafter accept, recognize and treat Bank or such approved third party as the tenant under the Ground Lease and Landlord shall continue to perform all of its obligations under the Ground Lease subject, however, to the terms and conditions of the Ground Lease. Bank may thereafter, with the prior written consent of the Landlord, which consent shall not be unreasonably withheld or delayed, assign its leasehold right, title, and interest in and to the Ground Lease. For purposes hereof and any applicable law, and without limitation as to other grounds for Landlord withholding consent, it shall be deemed to be reasonable for Landlord to withhold its consent when any one or more of the following apply:
- (a) the proposed assignee is of a character or of a reputation or is engaged in a business which is not consistent with the master or strategic plan (or then current draft thereof if the same is under review by Landlord) of Addison Airport as determined by Landlord;
 - (b) the proposed assignee has not demonstrated sufficient financial responsibility or creditworthiness to the satisfaction of Landlord in light of the duties, obligations, and responsibilities of the tenant under the Ground Lease at the time when the consent is requested;
 - (c) the proposed assignee's intended use of the demised premises as defined in the Ground Lease is inconsistent with the Ground Lease;
 - (d) the proposed assignment would cause Landlord to be in violation of another lease or agreement to which Landlord is a party or to which Landlord or the Addison Airport is subject (including, without limitation, any grant agreements or grant assurances of the Federal Aviation Administration or any other governmental entity, agency, or authority);
 - (e) if at any time consent is requested or at any time prior to the granting of consent, tenant is in default under the Ground Lease or would be in default under the Ground Lease but for the pendency of a grace or cure period, provided that if such default is cured within such grace or cure period, then Landlord may not continue to withhold its consent solely for this circumstance; or
 - (f) the proposed assignee does not intend to occupy the entire demised premises as described in the Ground Lease and conduct its business therefrom for a substantial portion of the then remaining term of the Ground Lease.

For purposes hereof and any applicable law, and without limitation as to other grounds for Landlord delaying consent, it shall be deemed to be reasonable for Landlord to delay

its consent for a period of 45 days after the receipt by Landlord of all information requested by Landlord regarding or in connection with the proposed assignment and the proposed assignee.

7. To the actual knowledge of Landlord no rent has been paid more than thirty (30) days in advance of its due date.

Very truly yours,

OHIO NATIONAL INSURANCE COMPANY (BANK)

By: _____
_____ (Name and Title)

Acknowledged the _____ day of _____, 20____.

TOWN OF ADDISON, TEXAS

By: _____

By: _____

By: _____

By: _____

Name: _____

Name: _____

Its: _____

Its: _____

cc: Real Estate Manager
Addison Airport
16051 Addison Road, Suite 220
Addison, Texas 75001