



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

Fax: (972) 450-7043

AGENDA

WORK SESSION OF THE CITY COUNCIL

APRIL 24, 2007

6:30 P.M.

&

AGENDA

REGULAR MEETING OF THE CITY COUNCIL

APRIL 24, 2007

7:30 P.M.

TOWN HALL

5300 BELT LINE ROAD

WORK SESSION

WS#1 – Discussion regarding relocating the Historic Addison Train Depot to the Town of Addison and related matters.

REGULAR SESSION

Item #R1 - Consideration of Old Business.

Item #R2 - Consent Agenda.

#2a - Approval of the Minutes for the April 10, 2007, Council Meeting.

#2b - Consideration and approval to authorize the City Manager to approve a resolution amending the Town of Addison's Purchasing Manual to clarify provisions regarding change orders, contingency budgets and to allow electronic submission of bids and proposals.

#2c - Consideration and approval to authorize the City Manager to establish a contingency budget for the Addison Road capital project.

#2d - Consideration and approval to authorize the City Manager to enter into a contract with Northstar Construction, Inc., for miscellaneous pavement repairs to various streets for \$139,900.

Item #R3 - Consideration and approval to authorize the City Manager to enter into an Early Termination of Ground Lease Agreement with, and acquisition of, the Omniflight Helicopters, Inc., Ground Lease 0080-2501 at 15809 Addison Road on Addison Airport.

Attachments:

1. Council Agenda Item Overview
2. Omniflight Acquisition Recommendation and Attachment

Administrative Recommendation:

Administration recommends approval.

Item #R4 - Consideration and approval of a Contract of Sale by and between Mark Hitchcock d/b/a Hitchcock House Movers, as seller, and the Town of Addison, as buyer, regarding the Town's purchase of the historic Addison Train Depot building.

Attachments:

1. Council Agenda Item Overview
2. Contract of Sale

Administrative Recommendation:

Administration recommends approval.

Item #R5 - Consideration of and approval to authorize the City Manager to execute a master agreement with Cunningham Architects.

Attachments:

1. Council Agenda Item Overview
2. Agreement

Administrative Recommendation:

Administration recommends approval.

Item #R6 - Consideration and approval to authorize the City Manager to enter into an agreement with Cunningham Architects to assist with the Belt Line Road redevelopment plan in an amount not to exceed \$50,000.

Attachments:

1. Council Agenda Item Overview
2. Agreement

Administrative Recommendation:

Administration recommends approval.

Item #R7 - Consideration and approval of an Ordinance to amend Section 78-165, which section designates certain no parking and permitted parking areas, by amending the table designating streets on which stopping, standing, or parking, except at certain times, is allowed by modifying the provisions for LeGrande Drive, by removing the allowance to stop, stand or park on the east side of 14700 and 14701 of LeGrande Drive.

1. Council Agenda Item Overview
2. Dog Park Map
3. Ordinance

Item #R8 - **PUBLIC HEARING**, discussion and consideration of approval of a change of zoning from UC - Commercial sub-district to UC - Residential sub-district, and approval of a concept and preliminary development plan, located on 3.918 acres at the southeast corner of Airport Parkway and Quorum Drive, on application from Intervest Ventures Group, represented by Mr. David Simmons (Case 1534-Z – Intervest Ventures Group).

Attachments:

1. Docket Map
2. Staff Report
3. Letters from Property Owners
4. Plans (These were sent out with the 4/10/2007 Packet.)

The Planning and Zoning Commission Findings:

The Addison Planning and Zoning Commission, meeting in regular session on March 22, 2007, voted to recommend approval of the request for a change of zoning from Urban Center – Commercial sub-district to Urban Center, Residential sub-district and approval of the concept plan, subject to the condition that the final development plan incorporates specified revisions:

Engineering. The Engineering Department notes the following:

- Airport Parkway was not designed to be located adjacent to a residential district. If the zoning change is approved, staff recommends that some type of screening be required along Airport Parkway.
- The two residential streets must be dedicated to the public.
- The sections of the residential streets need to be modified to adhere to the Town of Addison standards for a residential street.

-
- The location of the dumpsters does not appear to be accessible by trash trucks.
 - A 20' turning radius needs to be added to all intersections.
 - Civil plans will need to be submitted for review and approval.

Fire. The Fire Department notes the following:

- Proposed fire hydrant locations are not shown on the submittal. Hydrants must be placed at approved locations at maximum 300-foot intervals along streets and fire lanes.
- Area highlighted on the plan (which has been furnished to the applicant) shall be properly marked as fire lanes.
- Turn radii for all designated fire lanes shall be a minimum 26-feet inside and 50-feet outside.

Landscaping. The Parks Department notes the following:

- The conceptual plans submitted by the applicant do not show streetscape elements along Quorum Drive, Airport Parkway and Calloway Drive. Streetscape plans will need to be submitted for review and approval that comply with the UC-Urban Center standards for lighting, paving, site furniture and planting.
- The plan will need to be revised to show the tree spacing according to the Urban Center Standards for residential streets.

Noise. The Commission notes the following:

- The Commission advised the applicant that revised plans should include a solution for the problem of noise generated by the chiller that is across the street on the Madison office building property. That solution might include building a sound wall around the chiller, or adding insulating windows in the units closest to the chiller.

Voting Aye: Bernstein, Chafin, Gaines, Lay, Wood

Voting Nay: None

Absent: Daseke, Jandura

Administrative Recommendation:

The Public Hearing is continued from the April 10th Council Meeting.

EXECUTIVE SESSION

Item #ES1 - Closed (executive) session of the City Council, pursuant to Section 551.071 of the Texas Government Code, to conduct a private consultation with its attorney(s) to (i) seek the advice of its attorney(s) about pending litigation, to wit: *In re Calla Davis, et al*, Case No. 07-0147, Supreme Court of Texas, and (ii) on a matter in which the duty of the attorney(s) to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code, regarding and relating to the sale of alcoholic beverages, and including House Bill No. 2957 and Senate Bill 1735 filed with the 80th Regular Session of the Texas Legislature.

Item #ES2 - Closed (executive) session of the City Council, pursuant to Section 551.071 of the Texas Government Code, to conduct a private consultation with its attorney(s) to seek the advice of its attorney(s) regarding certain pending litigation, to wit: *The City of Addison, Texas v. Transcontinental Realty Investors, Inc., et al.*, No. 05-05-01554-CV, Fifth District Court of Appeals, Dallas, Texas, and on a matter in which the duty of the attorney(s) to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code, regarding and relating to matters concerning access to Addison Airport and including House Bill 2955 and Senate Bill 1462 filed with the 80th Regular Session of the Texas Legislature.

Item #ES3 - Closed (executive) session of the City Council, pursuant to Section 551.071 of the Texas Government Code, to conduct a private consultation with its attorney(s) on a matter in which the duty of the attorney(s) to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code, regarding and relating to matters concerning and including the Dallas Area Rapid Transit 2030 Transit System Plan and the Cotton Belt Rail Line, and House Bill No. 107 filed with the 80th Regular Session of the Texas Legislature.

Item #R9 - Discussion and consideration of any action in connection with or related to pending litigation, to wit: *In re Calla Davis, et al*, Case No. 07-0147, Supreme Court of Texas, and/or relating to the sale of alcoholic beverages, and including House Bill No. 2957 and Senate Bill 1735 filed with the 80th Regular Session of the Texas Legislature.

Item #R10 - Discussion and consideration of any action regarding pending litigation, to wit: *The City of Addison, Texas v. Transcontinental Realty Investors, Inc., et al.*, No. 05-05-01554-CV, Fifth District Court of Appeals, Dallas, Texas, and/or regarding and relating to matters concerning access to Addison Airport, including House Bill 2955 and Senate Bill 1462 filed with the 80th Regular Session of the Texas Legislature.

Item #R11 - Discussion and consideration of any action in connection with or related to the Dallas Area Rapid Transit 2030 Transit System Plan and the Cotton Belt Rail Line, and House Bill No. 107 filed with the 80th Regular Session of the Texas Legislature.

Adjourn Meeting

Posted:
April 20, 2007 at 5:00 p.m.
Mario Canizares
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.

OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL

April 10, 2007
7:30 P.M. – Town Hall
5300 Belt Line Road

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

Absent: None

Item #R1 - Consideration of Old Business.

The following employees were introduced to the Council: Michele Covino with the City Manager's office, Jonathan Crist with the Fire Department and Frank Bettis with the Parks Department.

Item #R2 - Consent Agenda.

#2a - Approval of the Minutes for the March 27, 2007, Council Meeting. (Approved as written)

#2b - Consideration of approval of Ordinance 007-010, approving the Fourth Amendment to the Master Facilities Agreement (regarding the construction of public improvements within that area generally described as Addison Circle) between the Town of Addison and Fairfield Addison Circle L.P., in order to provide for the construction of certain public streets and streetscaping improvements located generally on the west side of Quorum Drive, north of Goodman Avenue and south of Airport Parkway within the Town, subject to final approval by the City Attorney.

Councilman Niemann moved to duly approve the above listed items.

Councilmember Braun seconded. Motion carried.

Voting Aye: Chow, Braun, Kraft, Mallory, Mellow, Niemann, Hirsch

Item #R3 - Presentation of a Mayoral Proclamation from the Mayor to Addison Police Department Dispatchers for National Public Safety Telecommunications Week.

The Mayor presented the Proclamation to Addison Police Department Dispatchers for National Public Safety Telecommunications Week.

The following representatives of the Police Department were in attendance for the presentation: Charlie Foster, Patty Frederick, Matt Krows, Brady Phipps, Monica Pomroy, Susie Powell, Captain Deanna Robinson, Manager Joni Ramsey, Supervisor Janet Cowart.

Item #R4 - Presentation of a Mayoral Proclamation to Alvin DeVane, Retired Addison Airport Air Traffic Control Tower Chief.

The Mayor presented the Proclamation to Alvin Devane, Retired Addison Airport Air Traffic Control Tower Chief.

Item #R5 - Appointment of a Member to the Planning and Zoning Commission.

Commissioner Ted Bernstein's second term on the Commission will expire on April 12, 2007. Commissioner Bernstein's appointment belongs to Councilmember Kraft.

Councilmember Kraft moved to duly approve Commissioner Ted Bernstein's third term on the Commission.

Councilmember Mellow seconded. Motion carried.

Voting Aye: Chow, Braun, Kraft, Mallory, Mellow, Niemann, Hirsch

Item #R6 - Appointment of a Member to the Planning and Zoning Commission.

Commissioner Paula Jandura's second term on the Commission expired on March 25, 2007. Commissioner Jandura was appointed by Councilmember Mallory.

Councilmember Mallory moved to duly approve Commissioner Paula Jandura's third term on the Commission.

Councilmember Kraft seconded. Motion carried.

Voting Aye: Chow, Braun, Kraft, Mallory, Mellow, Niemann, Hirsch

Item #R7- Appointment of a Member to the Planning and Zoning Commission.

Commissioner Alan Wood's first term on the Commission will expire on April 12, 2007. Commissioner Wood was appointed by Mayor Chow.

Mayor Chow moved to duly approve Commissioner Alan Wood's second term on the Commission.

Councilmember Mellow seconded. Motion carried.

Voting Aye: Chow, Braun, Kraft, Mallory, Mellow, Niemann, Hirsch

Item #R8 - Discussion and consideration of approval of a Preliminary Plat for the Keller Springs Lofts Addition, Lot 1 and Lot 2, Block A, a subdivision of two lots totaling 7.370 acres, located at the southeast corner of Addison Road and Keller Springs Road, on application from Icon Partners, represented by Mr. Jeremy Smith of Huitt-Zollars, Inc.

Councilmember Niemann moved to duly authorize the City Manager to approve a Preliminary Plat for the Keller Springs Lofts Addition, Lot 1 and Lot 2, Block A, a subdivision of two lots totaling 7.370 acres, located at the southeast corner of Addison Road and Keller Springs Road, on application from Icon Partners, represented by Mr. Jeremy Smith of Huitt-Zollars, Inc., subject to the City Attorney's approval and conditions.

Councilmember Braun seconded. Motion carried.

Voting Aye: Chow, Braun, Kraft, Mallory, Mellow, Niemann, Hirsch

Item #R9 - Discussion and consideration of approval of a final plat for Stanford Court Villas, 19 lots on 2.37 acres of land, located at the southeast corner of Montfort Drive and Celestial Road, on application from Cypress Z & S Partners, Ltd., by Mr. Steve Crauford of Jones and Boyd, Inc.

Councilmember Mallory moved to duly authorize the City Manager to approve a final plat for Stanford Court Villas, 19 lots on 2.37 acres of land, located at the southeast corner of Montfort Drive and Celestial Road, on application from Cypress Z & S Partners, Ltd., by Mr. Steve Crauford of Jones and Boyd, Inc.

Councilmember Niemann seconded. Motion carried.

Voting Aye: Chow, Braun, Kraft, Mallory, Mellow, Niemann, Hirsch

Councilmember Niemann recused himself for Item #R10 and left the Council Chambers.

Item #R10 - **PUBLIC HEARING**, discussion and consideration of approval of a change of zoning from UC - Commercial sub-district to UC - Residential sub-district and approval of a concept and preliminary development plan, located on 3.918 acres at the southeast corner of Airport Parkway and Quorum Drive, on application from Intervest Ventures Group, represented by Mr. David Simmons (Case 1534-Z – Intervest Ventures Group).

Mayor Chow opened the meeting as a public hearing.

Councilmember Kraft moved to duly table this item until the next Council Meeting on 4/24/07 and the Public Hearing remains open.

Councilmember Mellow seconded. Motion carried.

Voting Aye: Chow, Braun, Kraft, Mallory, Mellow, Hirsch
Absent: Niemann

Councilmember Niemann returned to the Council Chambers.

Item #ES1 - Closed (executive) session of the City Council, pursuant to Section 551.071 of

the Texas Government Code, to conduct a private consultation with its attorney(s) to (i) seek the advice of its attorney(s) about pending litigation, to wit: *In re Calla Davis, et al*, Case No. 07-0147, Supreme Court of Texas, and (ii) on a matter in which the duty of the attorney(s) to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code, regarding and relating to the sale of alcoholic beverages, and including House Bill No. 2957 and Senate Bill 1735 filed with the 80th Regular Session of the Texas Legislature.

No action was taken on this Item. The item was withdrawn by Staff.

Item #R11 - Discussion and consideration of any action in connection with or related to pending litigation, to wit: *In re Calla Davis, et al*, Case No. 07-0147, Supreme Court of Texas, and/or relating to the sale of alcoholic beverages, and including House Bill No. 2957 and Senate Bill 1735 filed with the 80th Regular Session of the Texas Legislature.

No action was taken on this Item. The item was withdrawn by Staff.

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

Mayor

Attest:

City Secretary

Council Agenda Item: #2b**SUMMARY:**

Staff requests approval of a resolution amending the Purchasing Manual by:

- Adopting policies and procedures for receiving electronic bids and proposals
- Adding provisions for emergency change orders and the establishment of a contingency budget per project to allow for the approval of change orders by the City Manager without specific authorization from the City Council.

FINANCIAL IMPACT:

None.

BACKGROUND:

The Mayor and City Council adopted the Purchasing Manual in August 2005. This manual is a comprehensive resource for all procurement issues and is utilized by Town employees.

Since the adoption of the Purchasing Manual, the Town has worked to clarify and enhance procurement procedures related to receiving electronic bids and proposals and handling change orders. Below is background information regarding both of the items that staff is recommending being incorporated into the Town's Purchasing Manual.

Receiving Electronic Bids and Proposals

In 2001, the Texas Legislature passed a bill allowing municipalities to accept bids and proposals electronically. Electronic bidding can provide many benefits including:

- Elimination of arithmetic errors and reduction of errors resulting from illegible handwritten responses.
- Standardized bid sheets which allow all bids and proposals to be submitted in a consistent fashion.
- Increased ease and convenience in submitting bids and proposals.

Section 252.0415 of the Texas Local Government Code requires municipalities to adopt rules to ensure the identification, security, and confidentiality of electronic bids or proposals and that electronic bids or proposals will remain effectively unopened until the proper time. The attached resolution will establish these rules by adopting policies and procedures for receiving electronic bids and proposals.

Staff plans to utilize a bid distribution service called RFP Depot in the coming months to test the electronic bidding process on a pilot bid or proposal. Upon successful completion

of the pilot test, electronic bidding will be fully implemented by staff for future bids and proposals.

Vendors will not be required to submit bids or proposals electronically but will have the option to do so once e-bidding is fully implemented.

Change Orders

In March 2007, the Town finalized a Change Orders Procedures Manual that documents all procedures and processes related to change orders. This manual was developed to help clarify the procedures for reviewing and authorizing change orders for capital projects and was developed jointly by staff in the City Manager's Office, Public Works and Financial & Strategic Services departments. Attached is a copy of the Change Order Procedures Manual for your review.

During the development of this procedures manual, staff identified the need to have procedures in place for emergency change orders. These are change orders that qualify as an emergency under purchasing guidelines and are authorized by the City Manager prior to Council approval. Staff will be required to bring any emergency change orders to the Council for approval as soon as possible after the change order is implemented. Staff recommends adding this provision to the Purchasing Manual.

Another change recommended by staff was the establishment of a contingency budget by the City Council for a specific capital project. The authorization of a contingency budget would allow the City Manager to authorize change orders that are within the contingency budget without specific authorization from the City Council. Once the contingency budget has been met or exceeded, any subsequent change orders will be required to be approved by the City Council before proceeding with the change order. The contingency budget can not exceed 25% of the approved project budget. Staff recommends adding this provision to the Purchasing Manual.

Public Works staff will be presenting an agenda item at the April 24th City Council meeting for the City Council to consider establishing a contingency budget for the Addison Road Widening project.

RECOMMENDATION:

Staff recommends approval of the attached resolution amending the Town of Addison's Purchasing Manual.

TOWN OF ADDISON, TEXAS

RESOLUTION NO. _____

A RESOLUTION OF THE TOWN OF ADDISON, TEXAS AMENDING THE TOWN OF ADDISON'S PURCHASING MANUAL BY ADDING PROVISIONS REGARDING ELECTRONICALLY SUBMITTED BIDS AND PROPOSALS, ADDING PROVISIONS REGARDING CHANGE ORDERS AND CONTINGENCY BUDGETS, AND REFERENCING THE CHANGE ORDERS PROCEDURES MANUAL WITH RESPECT TO CHANGE ORDERS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the goals of public purchasing are to ensure that public funds are safe-guarded and that the best value is received for these dollars and to ensure that all responsible bidders are given a fair opportunity to compete for the Town's business; and

WHEREAS, in determining purchasing practices, the Town of Addison is guided by the City Charter, State law and City ordinances, supplemented from time to time by City Council resolutions and City administrative policies and procedures; and

WHEREAS, the Town is authorized by Section 252.0415 of the Tex. Loc. Gov. Code to receive bids or proposals through electronic transmission if the City Council adopts rules to ensure the identification, security, and confidentiality of electronic bids or proposals and to ensure that the electronic bids or proposals remain effectively unopened until the proper time.

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

Section 1. Amendment. Chapter 1 (Laws & Statutes Governing Purchasing), Section 1 (Bidding Requirements); Chapter 4 (Formal Bids), Section 4 (Procedures for Accepting Electronically Submitted Bids and Proposals); Chapter 7 (Purchase Orders, Change Orders and Receiving), Section 6 (Approval for Change Orders) and Chapter 7 (Purchase Order, Change Orders and Receiving), Section 7 (Change Order Procedures) of the Town of Addison's Purchasing Manual, are hereby amended in the following particulars, and all other chapters, sections, subsections, paragraphs and words are not amended but are ratified and confirmed.

A. Chapter 1, Section 1 of the Purchasing Manual is amended so that it shall hereafter read as follows (additions are underlined, deletions are ~~struck through~~):

Section 1. Bidding Requirements

A. As a general rule, before a municipality may enter into a contract that requires an expenditure of more than \$25,000 from one or more municipal funds, the municipality must (i) comply with the procedures 252 for competitive sealed bidding or competitive sealed proposals, (ii) use the reverse auction procedure as defined by Section 2155.062, Texas Government Code, or (iii) comply with a method prescribed by Chapter 271, Subchapter H of the Local Government Code (alternate project delivery methods for certain projects). Electronically submitted bids or proposals shall be in accordance with Section 252.0415(a) of the Texas Local Government Code requiring the identification, security, and confidentiality of electronic bids or proposals and that electronic bids or proposals shall remain effectively unopened until the proper time.

B. Chapter 4, Section 4 of the Purchasing Manual is amended so that it shall hereafter read as follows (additions are underlined, deletions are ~~struck through~~):

Section 1. Procedures for Accepting Electronically Submitted Bids and Proposals.

A. Bids and proposals will be advertised and released in the current manner. A notice will be added to the bid terms and conditions stating vendors may submit responses electronically through the Town's Internet bid service provider at the web address provided. Upon receipt of the vendor's bid or proposal by the Town, an automatic return notification will be sent to the vendor via e-mail. Electronic bid and proposal responses will be time and date stamped by the Internet bid service provider.

B. At the specific bid closing time, Financial and Strategic Services will access the Town's Internet bid service provider with a password and will open, download, and print all bids and proposals and any associated bid tabulation summaries provided by the Town's Internet bid service provider.

C. Financial and Strategic Services staff will then read aloud all bid responses received by the closing date and time to any parties present at the bid opening. All bids shall be tabulated in the current manner and copies shall be made available to the interested parties.

C. Chapter 7, Section 6 of the Purchasing Manual is amended so that it shall hereafter read as follows (additions are underlined, deletions are ~~struck through~~):

Section 6. Approval for Change Orders.

- A. In the event it becomes necessary to make changes in the plans or specifications after performance of a contract is begun, or if it is necessary to decrease or increase the quantity of work to be performed, or of the materials, equipment, or supplies to be furnished, the City Council may approve change orders making these changes. If the change order involves a decrease or an increase of more than \$25,000, the City Council needs to approve the change order. If the change order involves a decrease or an increase of \$25,000 or less, the City Manager or the City Manager's designee may approve a change order.
- B. Once change orders total \$25,000 on a specific contract, any subsequent change order needs to be approved by the City Council.
- C. If a contingency budget has been established for the project and has been approved by Council, a change order can be approved solely by the City Manager (or City Manager's designee) if the amount of the change is within the contingency budget. Once the contingency budget has been met or exceeded, any subsequent change orders will be required to be approved by the City Council before proceeding with the change order. A contingency budget cannot exceed 25% of the total project budget.
- D. If a change order is greater than \$25,000 and is extremely time sensitive and qualifies as an emergency, the City Manager (or the City Manager's designee) may approve such a change order prior to Council approval. However, the change order must still be brought to the Council as soon as possible. Emergency conditions are defined in the Town of Addison Purchasing Manual.
- CE. The original contract price may not be increased by more than twenty-five percent (25%). (Local Government Code Sec. 252.048(d))
- DF- The original contract price may not be decreased by more than twenty-five percent (25%) without the consent of the contractor. (Local Government Code Sec. 252.048(d))
- EG- All change orders (approved by City Council or by City Manager or the City Manager's designee) must be summarized and listed on the "Final Payment" agenda item. The City Council needs to approve the final payment of vendors for any contract over \$25,000 that involves construction or installation of equipment.

D. Chapter 7, Section 7 of the Purchasing Manual is amended so that it shall hereafter read as follows (additions are underlined, deletions are ~~struck through~~):

Section 7. Approval for Change Orders.

A. Please see the Change Orders Procedures Manual (*APPENDIX J*) for specific procedures and forms related to Change Orders.

~~B. All change orders shall be submitted to the City Manager for approval prior to implementation.~~

~~1. The City Manager, Deputy City Manager or Assistant City Manager may approve change orders equal to or less than \$25,000.00.~~

~~2. Change orders greater than \$25,000.00 or greater shall be referred to the City Council for approval prior to implementation.~~

~~3. Copies of all change orders shall be sent to the Strategic Services Manager and will become part of the permanent file of the project.~~

~~B. Change Orders that are for Non-Capital projects equal to or less than \$25,000 can be completed within the system once they are approved by the City Manager.~~

~~1. Change orders can be completed on the Purchase Order within the system based on limits established for users by the Strategic Services Division.~~

~~a. Department users can only change P.O.'s by +/- 25% not to exceed \$1,500, any changes required beyond that would have to be communicated to the Financial and Strategic Services Department. (See *APPENDIX D - Change Orders*).~~

~~b. The Strategic Services Manager, Management Analyst and Assistant Director of Financial and Strategic Services have unlimited change authority. Change orders that are in excess of \$10,000 and change orders requested by the Financial and Strategic Services Department will require City Manager or his designee's approval before it is entered into the computer system.~~

Section 2. This Resolution shall become effective from and after its date of passage.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas this ___ day of _____, 2007.

Joe Chow, Mayor

ATTEST:

By: _____
Mario Canizares, City Secretary

APPROVED AS TO FORM:

By: _____
Ken Dippel, City Attorney

#2b

Addison!®

**Change Order
Procedures Manual**

March 2007

Table of Contents

Change Order Policy.....	1
Procedures for Executing Change Orders	1
A. Proposal by Contractor	1
B. Proposal Review	1
C. Preparation of the Change Order Form	2
D. Review by the Department Director	2
E. Review by Financial and Strategic Services	2
F. Consideration by the City Manager or City Council.....	2
G. Procedures for Allocating Contingency Resources.....	3
H. Approval of the Change Order	4
I. Post Approval Process.....	4
Appendix A – Change Order Approval Process.....	5
Appendix B – Change Order Form	6
Appendix C – Notice of Executed Change Order	8

Change Order Policy

The Town of Addison Purchasing Manual (Chap. 7 Purchase Orders, Change Orders & Receiving, Sec. 6 Approval for Change Orders & Sec.7 Change Order Procedures) outlines the Town's policies with regards to change orders. A change order is the written documentation and approval process that must be performed when changes in the scope of a project are proposed after the performance of a contract has begun. Such changes may include a significant change in the quantity of work to be performed, the cost of work to be performed, or of the materials, equipment, or supplies to be furnished.

Depending on the amount of the change order, the City Council or the City Manager (or the City Manager's designee) may approve a change order depending on the following conditions:

- If the change order will increase or decrease the contract price by more than \$25,000 the City Council must approve the change order.
- If the change order will increase or decrease the contract price by less than \$25,000, the City Manager (or the City Manager's designee) may approve the change order.
- Once the total of all approved change orders on a project total more than \$25,000, all subsequent change orders must be approved by the City Council.

A change order which is more than twenty-five percent (25%) of the original contract price is not allowed under current state law. Per the Texas Local Government Code (Sec 252.048), the original contract price may not be increased by more than twenty-five percent (25%). The original contract price cannot be decreased by more than twenty-five percent (25%) without the consent of the Contractor.

Procedures for Executing Change Orders

The following procedures shall be followed when executing a change order (see Appendix A for a chart of the change order process):

- A. Proposal by Contractor – The Contractor shall submit a written proposal to the Project Manager detailing the changes proposed and providing justification. This proposal shall be submitted as soon as it is determined changes may be needed to the original project and *before any proposed work is completed or proposed materials, equipment, or supplies are ordered or purchased*^{*}. The Contractor shall provide the Town a reasonable amount of time to approve and process change orders. The Contractor's proposal shall include a complete description of the scope of the change and list all changes in price, quantities, and/or time. Upon receipt of the Contractor's proposal, the proposal must be stamped with the time and date of receipt by the Department.
- B. Proposal Review –The Project Manager shall review the proposal submitted by the Contractor and determine the appropriateness of the requested change and research contract documents to verify the change order is needed and not in the original scope of the project. Per the Texas Local Government Code (Sec 252.048) change orders may be approved if it becomes necessary to:
 1. Change the plans and/or specifications of the contract;

^{*}Portions of the document are italicized for emphasis.

2. Significantly change the quantity of work to be performed or of the materials, equipment, or supplies to be furnished.

In addition, the Project Manager shall review the proposed change order to ensure the changes proposed do not increase or decrease the total contract amount (original approved contract price plus any previous change orders) by more than twenty-five percent (25%). If the total contract amount is decreased by more than twenty-five percent (25%) written approval is required from the Contractor and must be submitted with the change order.

- C. Preparation of the Change Order Form – Once it is determined the Contractor's proposed change is necessary and meets the criteria established in the Texas Local Government Code regarding change orders, the Project Manager shall complete the Town's standard Change Order Form (see Appendix B). A separate form must be completed for each individual change order. Completed forms are sent to the appropriate Department Director.
- D. Review by the Department Director –The Department Director shall review the Change Order Form. Once the Department Director has ensured the following criteria are met and agrees the proposed change order is necessary, he or she will sign and date the Change Order Form.
 1. The Change Order Form has been completed correctly and the Contractor's proposal is attached.
 2. The reason for the change order meets one of the conditions set forth in the Texas Local Government Code (Sec 252.048).
 3. The proposed change will not increase or decrease the total contract amount (original approved contract price plus any previous change orders) by more than twenty-five percent (25%). If the total contract amount is decreased by more than twenty-five percent (25%) written approval from the Contractor must be submitted with the Change Order Form.
- E. Review by Financial and Strategic Services–The Director of Financial and Strategic Services (or his or her designee) shall review the Change Order Form to confirm funding is available. Once the Director of Financial and Strategic Services (or his or her designee) has confirmed funding is available for the change order, he or she will sign the Change Order Form.
- F. Consideration by the City Manager or City Council – Once the Department Director has approved the Change Order Form and it has been reviewed by Financial and Strategic Services it is ready to be considered by the City Council or the City Manager (or the City Manager's designee). Depending on the amount of the change order proposed or the aggregate total of previous change orders, the City Council or the City Manager (or the City Manager's designee) may approve a change order.

Under no circumstances shall another administrative official of the Town approve change orders. Only the City Council or the City Manager (or the City Manager's designee) may approve change orders. All change orders must be approved prior to implementation.

1. Change Orders Less than \$25,000 – If the change order is less than \$25,000 *and* total approved change orders for the project are under \$25,000 it may be approved by the City Manager (or the City Manager's designee).

2. Change Orders Greater than \$25,000 – If the change order is greater than \$25,000 or total change orders for the project are greater than \$25,000 it must be approved by the City Council.

If a change order is greater than \$25,000 and is extremely time sensitive and qualifies as an emergency, the City Manager (or the City Manager's designee) may approve such a change order prior to Council approval. However, the change order must still be brought to the Council as soon as it is possible. Conditions establishing an emergency are presented in the Town of Addison Purchasing Manual (Chap. 9 Other Purchasing Items, Sec. 3 Conditions Establishing an Emergency) and include:

- a. When there is unforeseen damage to public or private property and when such damage would significantly disrupt the operation of the city or significantly increase the cost of the project.
 - b. When it is necessary to preserve or protect the public health or safety of the city's residents.
3. The following procedures shall be followed when submitting proposed change orders for the consideration of the City Manager or City Council.
 - a. Procedures for Submission to the City Manager – If it is determined the City Manager may approve a change order, the Change Order Form with the appropriate signatures and attachments shall be sent to the City Manager (or the City Manager's designee) for review, approval, signature, and date.
 - b. Procedures for Submission to the City Council – If it is determined the City Council must approve a change order, the applicable department must request the City Council to authorize the City Manager to execute the change order. The Department Director shall request the item to be placed on the agenda in accordance with the agenda filing procedures defined by the City Manager's Office. No department shall place a change order item on the agenda unless authorized by the City Manager (or the City Manager's designee). The agenda item shall include a completed agenda item cover transmittal memorandum and a copy of the Change Order Form including the Contractor's proposal and all other attachments. Sample language for an agenda caption for change orders may be:

“Consideration and approval of Change Order Number (enter change order number for project) in the amount of \$ (enter amount of change order) for (enter description of additional work to be performed) on the (enter name of contract/project) .”

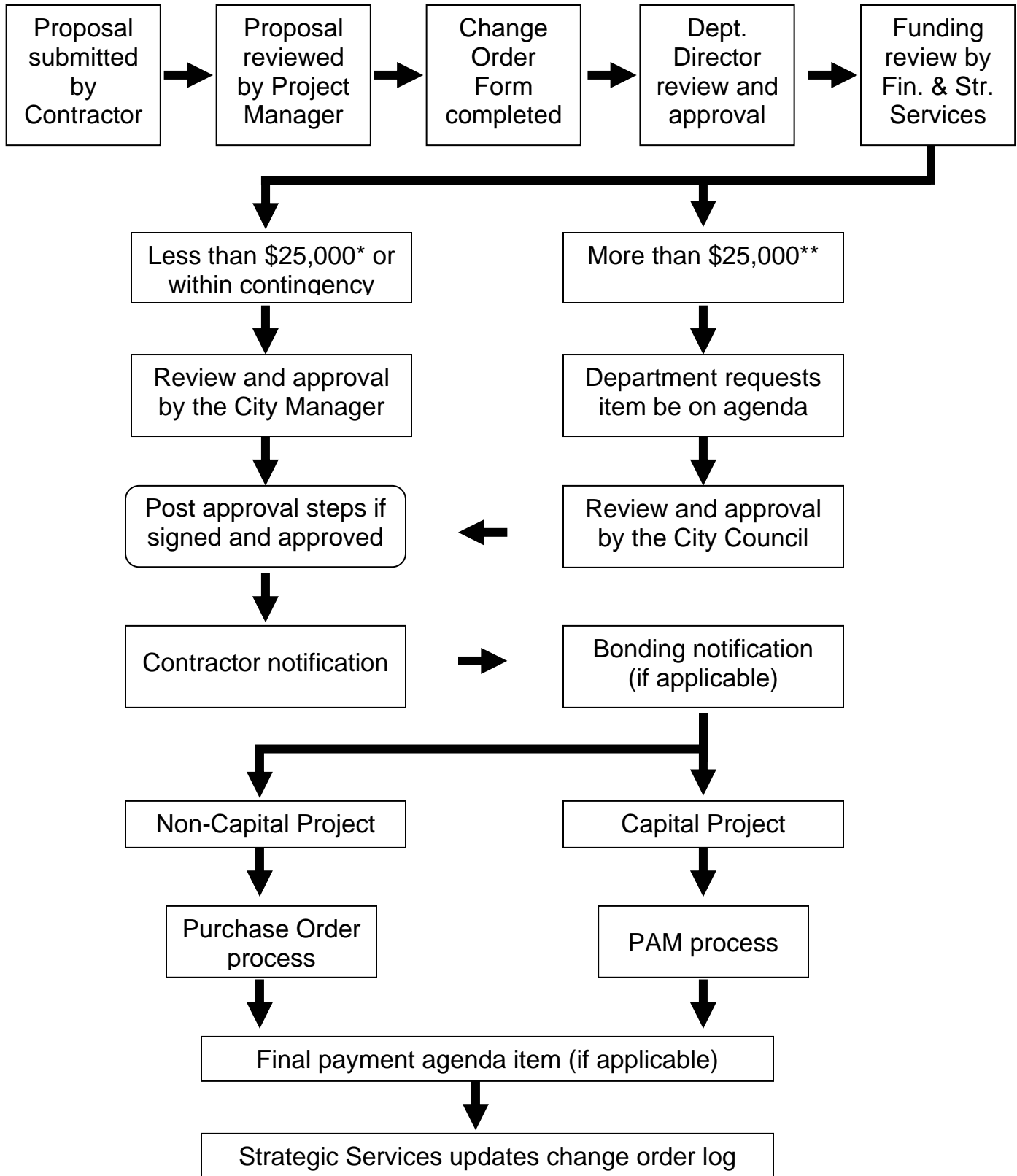
- G. Procedures for Allocating Contingency Resources – If a contingency budget has been established for the project and has been approved by Council, a change order can be approved solely by the City Manager (or the City Manager's designee) if the amount of the change is within this contingency budget. Procedures outlined in this document, including proposal submission by the Contractor, review by the Project Manager and submission of a completed Change Order Form, approval by the Department Director, and review by Financial and Strategic Services will still be required. Once the contingency budget has been met or exceeded, any subsequent change orders will be required to be approved by Council before proceeding with the change order.

- H. Approval of the Change Order – Once the City Manager approves the change order (if the change order is less than \$25,000) or is authorized by vote of the City Council to execute the change order (if the change order is more than \$25,000), the City Manager (or the City Manager's designee) will sign and date the Change Order Form and complete the change order approval process.

Five original copies of the Change Order Form shall be executed and distributed as follows: two original copies to the Contractor, one original copy to the applicable department, one original copy to the City Secretary to be filed with the project's original contract, and one original copy to the Strategic Services Manager to become part of the permanent file of the project.

- I. Post Approval Process – Once the change order is approved the proposed change can be implemented. The following procedures shall be followed upon change order approval:
1. Contractor Notification – Once the change order has been approved a Notice of Executed Change Order (see Appendix C) and two original copies of the Change Order Form shall be sent to the Contractor. The Project Manager will coordinate the implementation of the change order with the Contractor at this time.
 2. Bonding Company Notification – If applicable, the Contractor's bonding companies shall be sent a Notice of Executed Change Order including the revised contract amount.
 3. Final Payment Agenda Item – Per the Town of Addison Purchasing Manual, the City Council shall approve final payments for any contract over \$25,000 that involves construction or installation of equipment. All change orders (approved by the City Council or by City Manager or the City Manager's designee) must be summarized and listed on the Final Payment Agenda Item for applicable contracts. Final payments for all contracts over \$25,000 must be placed on the Council agenda and approved by Council.

Appendix A – Change Order Approval Process



*Less than \$25,000 and total change orders for the project are under \$25,000

**Greater than \$25,000 or total change orders for the project are greater than \$25,000

Appendix B – Change Order Form



TOWN OF ADDISON CHANGE ORDER FORM

Change Order Number ___
Project Name: _____
Project Number(s): _____
Project Manager: _____
Date: _____

A. INTENT OF CHANGE ORDER

B. DESCRIPTION OF CHANGE

C. REASON FOR CHANGE

D. EFFECT OF CHANGE ON CONTRACT PRICE

This change order will have the following effect on the cost of this project:

Item Number/Description	Quantity	Amount
Additions		
Deletions		
Total		
Original Contract Amount		
Total Contract Amount (Including Previous Change Orders)		
Amount of this Change Order		
Revised Contract Amount		
Total % Increase/Decrease (Including Previous Change Orders)		

E. EFFECT OF CHANGE ON CONTRACT TIME

The work required under this change will add the following time to the contract:

Original Contract Time (in days)	
Total Contract Time Including Previous Change Orders (in days)	
Increase/Decrease in Time from this Change Order (in days)	
Revised Contract Time (in days)	

F. AGREEMENT

By the signatures below, duly authorized agent of the Town of Addison, Texas and _____ (insert company name) do hereby agree to append this Change Order Number _____ to the original contract between themselves, dated _____ (insert original contract date).

Company Name

Address

City State Zip

Phone Fax

Contractor's Signature

Design Engineer's Signature

Project Manager

Department Director

Fin. & Strat. Services Representative

City Manager

Copies: Contractor (2)
Department
City Secretary
Strategic Services Manager

Council Agenda: Agenda Date _____
(if applicable) Item Number _____
Approved _____

Appendix C – Notice of Executed Change Order

[Date]

[Contractor]
[Contractor Address]
[Contractor City, State, Zip Code]

Notice of Executed Change Order: [Bid or Project Identification]

Dear [Contractor]:

Receipt of this document authorizes your company to execute Change Order Number [Change Order Number] to the contract documents for [Bid or Project Identification] as proposed by your company. Enclosed please find two completed copies of the Change Order Form for your records.

As stated on the Change Order Form the proposed change will result in a net [Increase/Decrease] of [Change Order Amount] and change the original contract price of [Original Contract Price] to the amended contract price of [Amended Contract Price]. In addition the proposed change will [Increase/Decrease] the contract time by [Change Order Time].

If you have any questions regarding this project or if I can be of assistance to you, please contact me at [Phone Number].

Sincerely,

[Name]
[Title]

Enclosure

Council Agenda Item #2c**SUMMARY:**

This item is to establish a construction contingency budget for the Addison Road Widening Phase I project in the amount of \$161,904.59 pursuant to the recent amendment to the Purchasing Manual.

FINANCIAL IMPACT:

Project Budget Item	Project Budget	Amount Encumbered	Contingency Amount
Engineering	\$ 460,000.00	\$ 451,360.00	\$ 8,640.00
Material Testing	\$ 60,000.00	\$ 40,000.00	\$ 20,000.00
TXU Electric Relocation	\$ 140,000.00	\$ 92,565.00	\$ 47,435.00
Land Acquisition	\$ 253,793.00	\$ 253,793.00	\$ 0.00
Construction (TOA)	\$1,434,000.00	\$1,272,095.41	\$161,904.59
Construction (Dallas Co.)	\$ 804,824.92	\$ 804,824.92	\$ 0.00*
Contractor Incentive	\$ 60,000.00	\$ 60,000.00	\$ 0.00
Legal Services	\$ 20,207.00	\$ 0.00	\$ 20,207.00
TOA Salaries	\$ 72,000.00	\$ 72,000.00	-
TOTAL	\$3,304,824.92	\$3,046,638.33	\$258,186.59

**Any change order increasing the construction contract amount concerning a Dallas County funded item will be funded by Dallas County.*

BACKGROUND:

In March 2007, staff finalized recommendations for updating the Town's Purchasing Manual. As part of this process, the Town's procedures related to change orders were examined and updated to help clarify the procedures for reviewing and authorizing change orders for capital projects. These revisions were developed jointly by staff in the City Manager's Office, Public Works and Financial & Strategic Services departments.

One key aspect of the recommended revisions to the Change Order Procedures was the establishment of a contingency budget to be approved by the City Council for specific capital projects. The authorization of a contingency budget would allow the City Manager to authorize change orders that are within the contingency budget without specific authorization from the City Council. By doing so, the City Manager will have the ability to authorize additional work to be performed by the contractor so that capital projects may be completed in a timely fashion.

After the contingency budget is approved, staff will provide periodic updates to the Council on the use of the contingency budget. Once the contingency budget has been met or exceeded, any subsequent change orders will be required to be approved by the City Council before proceeding with the change order. The contingency budget can not exceed 25% of the approved project budget. In addition, staff will strive to recommend contingency budgets that are less than 10% of the overall project budget.

RECOMMENDATION:

It is recommended that the Council establish a construction contingency budget for the Addison Road Widening Phase I project in the amount of \$161,904.59 pursuant to the recent amendment to the Purchasing Manual.

Council Agenda Item: #2d

SUMMARY:

This item is to award a contract to Northstar Construction, Inc. for Miscellaneous Pavement Repairs to various streets.

FINANCIAL IMPACT:

Budgeted Amount: \$140,000

Contract Amount: \$139,900

This project is funded for 2007 in the Street Operations Budget.

BACKGROUND:

On an annual basis the Street Division contracts the removal and replacement of failed concrete pavement on various Town streets. This project is designed to repair pavement failures on Midway Road, Quorum Drive, Marsh Lane and Surveyor Boulevard, a total of 21 failures. On April 3, 2007 bids were opened for Miscellaneous Pavement Repairs; Bid # 07-11, for repairs to various streets. The Town received four bids. The low bid (\$113,070) was from Ken-Do Contracting, Inc. Ken-Do Contracting overlooked the special provisions section of the specification requiring that the work be done at night, and has withdrawn their bid. The second low bid (\$139,900) was from Northstar Construction, Inc. Northstar has previously performed well on similar work in town, including last year's Miscellaneous Pavement Repairs project.

RECOMMENDATION:

Staff recommends awarding this contract in the amount of \$139,900 for Miscellaneous Pavement Repairs to Northstar Construction, Inc.

Miscellaneous Pavement Repairs
Bid No. 07-11

#2d

DUE: April 3, 2007

10:00 AM

BIDDER	Bid Bond	Signed	Total Bid
Ken-Do Contracting, LP	y	y	\$113,070.00
Northstar Construction, Inc.	y	y	\$139,900.00
Gibson & Associates, Inc.	y	y	\$167,832.00
Site Concrete, Inc.	y	y	\$218,633.22

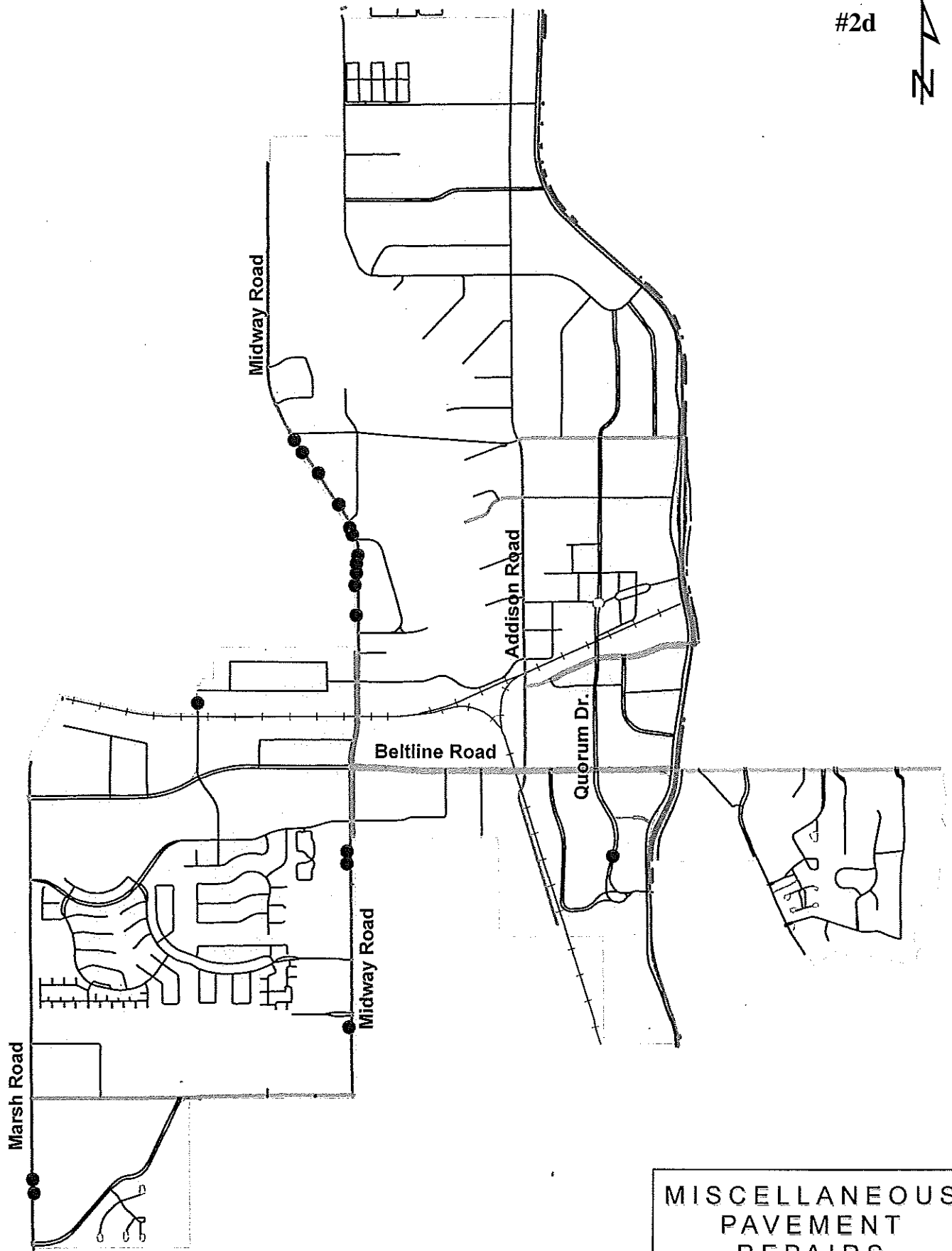
Shanna N. Sims

Shanna N. Sims, Strategic Services Manager

Katie Roller

Witness

#2d



MISCELLANEOUS
PAVEMENT
REPAIRS
LOCATION
MAP

Council Agenda Item: #R3

SUMMARY:

Consideration of a resolution authorizing the City Manager to execute a Ground Lease Early Termination Agreement and Acquisition between the Town of Addison as Landlord and Omniflight Helicopters, Inc. as the Tenant, affecting Ground Lease #0080-2501 and the demised premises located at 15809 Addison Road at Addison Airport.

FINANCIAL IMPACT:

Budgeted Amount: \$ -0-
Cost: \$465,000.00

Funds are available in the Airport Fund for this non-budgeted expenditure and will require a mid-year adjustment. Additionally, this item may require a loan from the General Fund.

BACKGROUND:

Airport Management is recommending the Town of Addison enter into and complete the Ground Lease Early Termination Agreement with Omniflight Helicopters, Inc., the current tenant of the above-referenced ground lease. Omniflight now desires to sell its existing improvements made to the leased premises to the Town of Addison in consideration of its receipt of the negotiated and agreed-to purchase price of Four Hundred and Fifteen Thousand Dollars (\$415,000); and the termination of Omniflight's remaining obligations under the ground lease. Airport Management is recommending the Town take this action at this time because Omniflight is motivated to sell the property, which property is contiguous to and strategically located in proximity to other properties controlled by the Town within the southeast sector of the airport targeted for redevelopment.

RECOMMENDATION:

Airport Management and staff recommend the Council to consider and authorize the City Manager to execute the attached Early Termination Agreement and cause the Town to complete the proposed transaction through escrow, including: 1) payment of the agreed-to purchase price of \$415,000 plus up to \$50,000 in interior demolition and other related costs, (i.e. closing costs); 2) acceptance of the executed Special Warranty Deed from Omniflight (Exhibit "G" to the Agreement) conveying all of its interests in the real property to the Town of Addison; 3) publicly record the Memorandum of Ground Lease Early Termination (Exhibit "H" to the Agreement); and 4) execute all other documents required by the title company necessary to complete this transaction. Staff recommends approval.

Attachments: Bill Dyer - Memorandum
Ground Lease Early Termination Agreement
Exhibits - A thru I



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@staubach.com

Memorandum

To: Mark Acevedo
From: Bill Dyer
CC: Lisa Pyles
Date: 04/12/2007
Re: Consideration of the Town of Addison's Acquisition of 15809 Addison Road; Ground Lease 0080-2501

Airport Management is recommending the Town of Addison enter into and complete the Ground Lease Early Termination Agreement attached hereto (the "Agreement") with Omniflight Helicopters, Inc. ("Omniflight"), the current tenant of the above-referenced ground lease. Omniflight now desires to sell its existing improvements made to the leased premises to the Town of Addison in consideration of its receipt of the negotiated and agreed-to purchase price of Four Hundred and Fifteen Thousand Dollars (\$415,000); and the termination of Omniflight's remaining obligations under the ground lease. Airport Management is recommending the Town take this action because this property is strategically located among other properties currently controlled by the Town which are strategically targeted for redevelopment, existing site conditions limit the functional use of the facility as further explained below and, the ground tenant is highly motivated to sell their interests in the property at this time.

Requested Action:

Airport Management is requesting the Town of Addison complete this transaction by authorizing the City Manager to execute the Early Termination Agreement and cause the Town to complete the transaction through escrow, including: 1) funding in the sum of \$465,000 to be applied towards the payment of the above-stated purchase price of \$415,000 plus upto \$50,000 in interior demolition and other related costs; 2) acceptance of the executed Special Warranty Deed from Omniflight (Exhibit "G" to the Agreement) conveying all of its interests in the real property to the Town of Addison; 3) publicly record the Memorandum of Ground Lease Early Termination (Exhibit "H" to the Agreement); and 4) execute all other documents required by the title company necessary to complete this transaction. Airport

Management will facilitate the closing of this transaction with the assistance of the Town's Finance Department and the Town's attorney.

The Town's attorney has reviewed the proposed Ground Lease Early Termination Agreement attached to this memorandum, together with all its exhibits and attachments, and find they are acceptable for the Town's purposes.

Background Information:

Omniflight acquired the subject property from Texas Commerce Bank in December 1989. Texas Commerce Bank acquired the property through foreclosure in 1986. Ever since taking possession, Omniflight has used the property in support of helicopter maintenance, testing and training operations.

As a result of a recent corporate reorganization, Omniflight has relocated much of their staff and operations to their facility located at 4650 Airport Parkway (the Schoellkopf hangar just south of the Frito-Lay hangar) or to their corporate office at nearby Addison Tower. Having determined the subject property no longer serves their long-term objectives, Omniflight engaged the services a local real estate brokerage firm in early 2005 to assist with the marketing of their property. In June 2006, the Town consented to the sale and assignment of Omniflight's leasehold interests to American Heritage Capital Investment, LP but this transaction failed to close for reasons beyond the control or influence of either Omniflight or the Town.

The underlying ground lease commenced on 12/31/1982 and is scheduled to expire in 2022, or 15.8 years from now. Monthly ground rent is currently \$1,163.52 (\$.46/SF), which is considered below prevailing market ground rent for this particular area of the airport.

Property Description

This property is located at 15809 Addison Road, immediately north of the new fuel farm. The building consists of 11,713 square feet of office and shop space (5,973 SF on 1st floor, 5,740 SF on the 2nd floor) and 5,504 SF of hangar space. The leased premises is situated on 30,345 square feet of land, which includes 203 linear feet of prime frontage along Addison Road. According to Airport Management records, the building was built in 1983.

The current off-street parking does not satisfy current building standards, which has proven problematic for Omniflight in the past. Based upon the building's current configuration, there should be 45 off-street parking spaces (not taking into account ADA requirements). There are only 15 accessible parking spaces. There is also limited dedicated aircraft ramp space immediately outside the hangar. Although the leased premises extends to the Taxiway Romeo T-hangars to the north, a large portion of the 9,000 square-foot ramp area must be kept clear of obstacles to allow ingress/egress to neighboring Henley hangar facilities. These factors limit the functional use of the site, which in all likelihood have hindered its marketability.

15809 Addison Road



Property Valuation Information

Current Annual Ground Rent	\$13,962.24, subject to bi-annual CPI adjustments. Next adjustment is 5/1/07
Est. Remaining Contract Rent (15 years remaining)	\$241,706 (based upon 3% bi-annual escalations)
Estimated NPV of Contract Rent	\$110,520 (discounted @ 10%)
DCAD Appraised Value of Improvements (for tax purpose)	\$260,330
Airport Management est. of the depreciated cost of improvements	\$266,009 (based on M&S estimates) assuming 60% function and physical depreciation.
Estimated Value of Leasehold	\$620,000 per summary appraisal report prepared by Applied Valuations, dated 12/9/2005
Contract Coverage Ratio (# of times Improvement Values exceeds NPV of Contract Rent)	2.33 X (greater than 2.5 is considered safe)
Other	American Heritage Capital Investments, Inc. Contract of Sale: \$525,000 June 2005 – however transaction did not close.



View of southeast quadrant of the airport designated as “Special Use” in the airport’s land use plan. The Town controls all the land in the area shown in red except for the Omniflight and Midway Associates ground leases as shown.

Acquisition Considerations & Alternatives:

Recommended Scenario: Acquire and re-let the property. Airport Management’s recommended strategy is to acquire the property from Omniflight for \$415,000. Upon taking possession of the property and until needed for redevelopment, Airport Management will release the facility at current market rates as a conventional office/hangar facility with limited lease terms not to exceed 2 years with a provision giving the landlord the right to terminate the lease early should the site be required for redevelopment. In addition to the purchase price, Airport Management has made an allowance for \$50,000 to reconfigure the office/hangar space to maximize its hangar rentable area while keeping with current parking requirements.

Should the Town later determine it no longer needs the property for redevelopment purposes and does not want to continue to keep it in its city-owned real estate portfolio, it can re-sell the property structured under a new ground lease arrangement.

Proforma Assumptions

1. Total building acquisition cost = \$465,000 (\$415,000 purchase price plus \$50,000 for building improvements).
2. Building area reconfigured to 11,100 rentable square feet.
3. Building lease rate starting \$7.65/SF per year, escalating 1.5% per annum.
4. Vacancy, collection, base building maintenance, insurance, marketing and management assumed to be \$2.35/SF per annum, escalating 1.5% each year.
5. Net Operating Income (NOI) available for cover debt service is approx. \$65K.
6. Debt service assumed to be 10 yrs @ 6.5%
7. Re-sale value at end of 10-year holding period \$218,000.

10 Year Stabilized Proforma

<u>Bldg. Area</u>	<u>Annual</u>	<u>11,100 SF</u>
Rent	\$ 89,649	\$8.08
Vac. & Coll.	\$ (2,241)	\$(0.20)
Maint./Mkt./Mgmt.	\$ (20,860)	\$(1.88)
Insur.	\$ (1,758)	\$(0.16)
NOI		
(Avail. for Debt. Serv.)	\$ 64,790	\$5.15
Debt Serv.	\$63,360	
NPV @ 10%	\$43,073	

Under the above-described assumptions, the property will cover all of its operating costs and debt service over the assumed holding period. If the improvements were later sold for \$218,000 in favor of a new ground lease, the investment alternative results in a NPV of \$43,073 for the 10-year period.

Currently, Omniflight pays \$6,500 in annual property taxes. While under the Town's ownership, the property will be tax-exempt, reducing the Town's tax roll by \$1,208 a year.

Alternative Strategy #1: Adverse Possession in Five Years: Under this scenario, it is assumed the Town elects to continue to collect ground rent as agreed and waits to see whether the site is needed for future redevelopment. Should the Town determine in five years that the site is needed for redevelopment, it will likely have to compensate the ground tenant for the then-remaining value of the leasehold interest (including improvements) plus any associated relocation costs common to adverse possessions. Although these costs are difficult to estimate in advance, assuming the Town continues to collect ground rent and property taxes for the next five years and then pays \$625,000 for the adverse possession, the comparative NPV results in a *negative* \$339,855.

Alternative Strategy #2: No Action Taken: Under this scenario, it is assumed the Town takes no action and continues to collect ground rent and property taxes for the next 10 years. Assuming ground rent and property taxes escalate 3% every other year and management costs are 20% of revenue collected, the comparable NPV is \$83,734.

Conclusion: Although Alternative Strategy #2 yields the higher NPV the differential is marginal compared to the Recommend Scenario and does not lend itself to the Town's strategic objectives for redeveloping the Airport, therefore the Recommended Scenario is the preferred strategy.

Recommendation:

Airport Management recommends the Town of Addison authorize the City Manager to execute the attached Early Termination Agreement and cause the Town to complete the proposed transaction through escrow, including: 1) payment of the above agreed-to purchase price of \$415,000 and other customary closing costs; 2) acceptance of the executed Special Warranty Deed from Omniflight (Exhibit "G" to the Agreement) conveying all of its interests in the real property to the Town of Addison; 3) publicly record the Memorandum of Ground Lease Early Termination (Exhibit "H" to the Agreement); and 4) execute all other documents required by the title company necessary to complete this transaction.



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@staubach.com

Memorandum

To: Mark Acevedo
From: Bill Dyer
CC: Lisa Pyles
Date: 04/12/2007
Re: Consideration of the Town of Addison's Acquisition of 15809 Addison Road; Ground Lease 0080-2501

Airport Management is recommending the Town of Addison enter into and complete the Ground Lease Early Termination Agreement attached hereto (the "Agreement") with Omniflight Helicopters, Inc. ("Omniflight"), the current tenant of the above-referenced ground lease. Omniflight now desires to sell its existing improvements made to the leased premises to the Town of Addison in consideration of its receipt of the negotiated and agreed-to purchase price of Four Hundred and Fifteen Thousand Dollars (\$415,000); and the termination of Omniflight's remaining obligations under the ground lease. Airport Management is recommending the Town take this action because this property is strategically located among other properties currently controlled by the Town which are strategically targeted for redevelopment, existing site conditions limit the functional use of the facility as further explained below and, the ground tenant is highly motivated to sell their interests in the property at this time.

Requested Action:

Airport Management is requesting the Town of Addison complete this transaction by authorizing the City Manager to execute the Early Termination Agreement and cause the Town to complete the transaction through escrow, including: 1) funding in the sum of \$465,000 to be applied towards the payment of the above-stated purchase price of \$415,000 plus upto \$50,000 in interior demolition and other related costs; 2) acceptance of the executed Special Warranty Deed from Omniflight (Exhibit "G" to the Agreement) conveying all of its interests in the real property to the Town of Addison; 3) publicly record the Memorandum of Ground Lease Early Termination (Exhibit "H" to the Agreement); and 4) execute all other documents required by the title company necessary to complete this transaction. Airport

Management will facilitate the closing of this transaction with the assistance of the Town's Finance Department and the Town's attorney.

The Town's attorney has reviewed the proposed Ground Lease Early Termination Agreement attached to this memorandum, together with all its exhibits and attachments, and find they are acceptable for the Town's purposes.

Background Information:

Omniflight acquired the subject property from Texas Commerce Bank in December 1989. Texas Commerce Bank acquired the property through foreclosure in 1986. Ever since taking possession, Omniflight has used the property in support of helicopter maintenance, testing and training operations.

As a result of a recent corporate reorganization, Omniflight has relocated much of their staff and operations to their facility located at 4650 Airport Parkway (the Schoellkopf hangar just south of the Frito-Lay hangar) or to their corporate office at nearby Addison Tower. Having determined the subject property no longer serves their long-term objectives, Omniflight engaged the services a local real estate brokerage firm in early 2005 to assist with the marketing of their property. In June 2006, the Town consented to the sale and assignment of Omniflight's leasehold interests to American Heritage Capital Investment, LP but this transaction failed to close for reasons beyond the control or influence of either Omniflight or the Town.

The underlying ground lease commenced on 12/31/1982 and is scheduled to expire in 2022, or 15.8 years from now. Monthly ground rent is currently \$1,163.52 (\$.46/SF), which is considered below prevailing market ground rent for this particular area of the airport.

Property Description

This property is located at 15809 Addison Road, immediately north of the new fuel farm. The building consists of 11,713 square feet of office and shop space (5,973 SF on 1st floor, 5,740 SF on the 2nd floor) and 5,504 SF of hangar space. The leased premises is situated on 30,345 square feet of land, which includes 203 linear feet of prime frontage along Addison Road. According to Airport Management records, the building was built in 1983.

The current off-street parking does not satisfy current building standards, which has proven problematic for Omniflight in the past. Based upon the building's current configuration, there should be 45 off-street parking spaces (not taking into account ADA requirements). There are only 15 accessible parking spaces. There is also limited dedicated aircraft ramp space immediately outside the hangar. Although the leased premises extends to the Taxiway Romeo T-hangars to the north, a large portion of the 9,000 square-foot ramp area must be kept clear of obstacles to allow ingress/egress to neighboring Henley hangar facilities. These factors limit the functional use of the site, which in all likelihood have hindered its marketability.

15809 Addison Road



Property Valuation Information

Current Annual Ground Rent	\$13,962.24, subject to bi-annual CPI adjustments. Next adjustment is 5/1/07
Est. Remaining Contract Rent (15 years remaining)	\$241,706 (based upon 3% bi-annual escalations)
Estimated NPV of Contract Rent	\$110,520 (discounted @ 10%)
DCAD Appraised Value of Improvements (for tax purpose)	\$260,330
Airport Management est. of the depreciated cost of improvements	\$266,009 (based on M&S estimates) assuming 60% function and physical depreciation.
Estimated Value of Leasehold	\$620,000 per summary appraisal report prepared by Applied Valuations, dated 12/9/2005
Contract Coverage Ratio (# of times Improvement Values exceeds NPV of Contract Rent)	2.33 X (greater than 2.5 is considered safe)
Other	American Heritage Capital Investments, Inc. Contract of Sale: \$525,000 June 2005 – however transaction did not close.



View of southeast quadrant of the airport designated as “Special Use” in the airport’s land use plan. The Town controls all the land in the area shown in red except for the Omniflight and Midway Associates ground leases as shown.

Acquisition Considerations & Alternatives:

Recommended Scenario: Acquire and re-let the property. Airport Management’s recommended strategy is to acquire the property from Omniflight for \$415,000. Upon taking possession of the property and until needed for redevelopment, Airport Management will re-lease the facility at current market rates as a conventional office/hangar facility with limited lease terms not to exceed 2 years with a provision giving the landlord the right to terminate the lease early should the site be required for redevelopment. In addition to the purchase price, Airport Management has made an allowance for \$50,000 to reconfigure the office/hangar space to maximize its hangar rentable area while keeping with current parking requirements.

Should the Town later determine it no longer needs the property for redevelopment purposes and does not want to continue to keep it in its city-owned real estate portfolio, it can re-sell the property structured under a new ground lease arrangement.

Proforma Assumptions

1. Total building acquisition cost = \$465,000 (\$415,000 purchase price plus \$50,000 for building improvements).
2. Building area reconfigured to 11,100 rentable square feet.
3. Building lease rate starting \$7.65/SF per year, escalating 1.5% per annum.
4. Vacancy, collection, base building maintenance, insurance, marketing and management assumed to be \$2.35/SF per annum, escalating 1.5% each year.
5. Net Operating Income (NOI) available for cover debt service is approx. \$65K.
6. Debt service assumed to be 10 yrs @ 6.5%
7. Re-sale value at end of 10-year holding period \$218,000.

10 Year Stabilized Proforma

<u>Bldg. Area</u>	<u>Annual</u>	<u>11,100 SF</u>
Rent	\$ 89,649	\$8.08
Vac. & Coll.	\$ (2,241)	\$(0.20)
Maint./Mkt./Mgmt.	\$ (20,860)	\$(1.88)
Insur.	\$ (1,758)	\$(0.16)
NOI		
(Avail. for Debt. Serv.)	\$ 64,790	\$5.15
Debt Serv.	\$63,360	
NPV @ 10%	\$43,073	

Under the above-described assumptions, the property will cover all of its operating costs and debt service over the assumed holding period. If the improvements were later sold for \$218,000 in favor of a new ground lease, the investment alternative results in a NPV of \$43,073 for the 10-year period.

Currently, Omniflight pays \$6,500 in annual property taxes. While under the Town's ownership, the property will be tax-exempt, reducing the Town's tax roll by \$1,208 a year.

Alternative Strategy #1: Adverse Possession in Five Years: Under this scenario, it is assumed the Town elects to continue to collect ground rent as agreed and waits to see whether the site is needed for future redevelopment. Should the Town determine in five years that the site is needed for redevelopment, it will likely have to compensate the ground tenant for the then-remaining value of the leasehold interest (including improvements) plus any associated relocation costs common to adverse possessions. Although these costs are difficult to estimate in advance, assuming the Town continues to collect ground rent and property taxes for the next five years and then pays \$625,000 for the adverse possession, the comparative NPV results in a *negative* \$339,855.

Alternative Strategy #2: No Action Taken: Under this scenario, it is assumed the Town takes no action and continues to collect ground rent and property taxes for the next 10 years. Assuming ground rent and property taxes escalate 3% every other year and management costs are 20% of revenue collected, the comparable NPV is \$83,734.

Conclusion: Although Alternative Strategy #2 yields the higher NPV the differential is marginal compared to the Recommend Scenario and does not lend itself to the Town's strategic objectives for redeveloping the Airport, therefore the Recommended Scenario is the preferred strategy.

Recommendation:

Airport Management recommends the Town of Addison authorize the City Manager to execute the attached Early Termination Agreement and cause the Town to complete the proposed transaction through escrow, including: 1) payment of the above agreed-to purchase price of \$415,000 and other customary closing costs; 2) acceptance of the executed Special Warranty Deed from Omniflight (Exhibit "G" to the Agreement) conveying all of its interests in the real property to the Town of Addison; 3) publicly record the Memorandum of Ground Lease Early Termination (Exhibit "H" to the Agreement); and 4) execute all other documents required by the title company necessary to complete this transaction.

STATE OF TEXAS §
 § GROUND LEASE EARLY TERMINATION AGREEMENT
 COUNTY OF DALLAS §

This Ground Lease Early Termination Agreement (hereinafter referred to as the “Agreement”) is entered into on _____, 2007¹ between the TOWN OF ADDISON, TEXAS (hereinafter referred to as the “City” or “Landlord”); a Texas home-rule municipality, and OMNIFLIGHT HELICOPTERS, INC., a Texas corporation (hereinafter referred to as “Tenant”).

WHEREAS, a Ground Lease was executed on September 1, 1981 between the City of Addison, Texas and 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 as described in the Ground Lease (and 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 (a true and correct copy of which is attached hereto as Exhibit B), the Ground Lease was assigned by Carl Johnson and Neal Johnson, as assignor, to B&G Investments, a Texas 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, and Bennie M. Bray and Craig Germain, as assignor, to Bray-Tex Joint Venture, a Texas joint venture, as assignee; and

WHEREAS, by that Trustee's 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, 1990 (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

<u>Schedule of Exhibits</u>
Exhibit A: Copy of Ground Lease Dated September 1, 1981
Exhibit B: Assignment of Lease dated February 24, 1983
Exhibit C: Assignment of Lease dated July 20, 1984
Exhibit D: Trustee Deed dated September 2, 1986
Exhibit E: Assignment of Lease dated December 20, 1989
Exhibit F: Boundary Survey of the Demised Premises
Exhibit G: Form of Special Warranty Deed
Exhibit H: Form of Memorandum of Ground Lease Early Termination
Exhibit I: List of Retained Property (to be removed prior to Closing)

¹ The Agreement Date is to be a date no earlier than the date formally considered and consented to by the City Council of the Town of Addison.

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 so called herein) (and being entitled "Agreement for Operation of the Addison Airport Between the City of Addison, Texas and Addison Airport, 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 sole Landlord under the Ground Lease; and

WHEREAS, by virtue of the various assignments and other instruments set forth above, the City hereby acknowledges that Omniflight Helicopters, Inc. is, as of the date of this Agreement, the current Tenant under the Ground Lease; and

WHEREAS, the parties now desire to provide for the early termination of the Ground Lease, and the return of the Demised Premises (together with any and all real property improvements now existing on the Demised Premises, the tangible and intangible personal property thereon and those certain contracts and leases so mutually agreed by the parties, and all appurtenances thereto) to the City as of the agreed early Termination Date of the Ground Lease.

NOW, THEREFORE, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

AGREEMENT

Section 1. The following general information is used throughout this Agreement:

1.1 **Title and Escrow Company:**

Republic Title of Texas, Inc.
2626 Howell Street, 10th Floor
Dallas, TS 75204-4046

Attn: Becky Etter, Senior Vice President

1.2 **Effective Date:** The date shown to be opposite of the signature of that belonging to the City Manager or any other delegated representative authorized by the City to execute this Agreement on its behalf.

1.3 **Demised Premises:** that certain .6983 acres of real property located at what is commonly known as 15809 Addison Road at Addison Airport within the City and owned by the City, which is more fully described in the Ground Lease and in Exhibit “F” attached hereto and subject to the Ground Lease.

1.4 **Ground Lease:** a certain Ground Lease executed on September 1, 1981 between the City of Addison, Texas (the same being the Town of Addison, Texas) (the

“City”) as Landlord, and Carl Johnson and Neal Johnson as Tenant; and by virtue of the various assignments and conveyances set forth above, Omniflight Helicopters, Inc., now as “**Tenant.**”

- 1.5 **Property:** Collectively referring to the Demised Premises, as defined above, plus the Improvements, Tangible Personal Property, Tenant’s Subleases, easements and appurtenances on and to the Demised Premises as defined herein, and as further described in Section 3 hereof.
- 1.6 **Consideration:** In consideration of this Agreement, Landlord agrees to pay to Tenant at Closing through escrow the sum of Four Hundred and Fifteen Thousand Dollars and No/100 U.S. Dollars (\$415,000.00) and other valuable consideration (the “**Early Termination & Release Fee**”).
- 1.7 **Permitted Exceptions:** All validly existing and presently recorded public utility easements and building set back lines, and other Exceptions consented to in writing by the City.
- 1.8 **Closing:** The consummation of the transaction set forth herein, including as described in Section 7 of this Agreement.
- 1.9 **Closing Date:** _____, 2007, or as otherwise mutually agreed to in writing by both parties.
- 1.10 **Place of Closing:** The office of Title Company or such other place that is mutually acceptable to Tenant and the City.
- 1.11 **Inspection Period:** The period of time beginning _____, 2007 through _____, 2007.
- 1.12 **Notices, City:** Town of Addison
Mr. Ron Whitehead, City Manager
5300 Belt Line Road, Dallas, Texas 75254

with a copy to: Mr. John Hill
Cowles & Thompson
901 Main Street, Suite 4000
Dallas, Texas 75202
- 1.13 **Notices, Tenant:** Gaylan A. Crowell
Chief Executive Officer
Omniflight Helicopters, Inc.
4650 Airport Parkway
Addison, TX 75001-5306

with a copy to: William L. Rivers

Andrews Kurth LLP
1717 Main Street, Suite 3700
Dallas, Texas 75201

Section 2. Termination of Ground Lease. The parties agree that in lieu of the Ground Lease termination date of December 30, 2022 (being four hundred and eighty (480) months from the “**Commencement Date**”, the Ground Lease shall terminate on the Closing Date (as may also be referred to as the “**Termination Date**”) as if such date was the stated termination date of the Ground Lease, provided the terms and conditions of this Agreement are fully satisfied as of the Closing Date.

Section 3. Conveyance. Not later than the Termination Date, Tenant shall quit and vacate the Demised Premises and Property and shall sell, convey, transfer and assign to the City, and the City agrees to purchase and accept from Tenant, all of Tenant’s right, title and interest in and to the following described property (herein collectively, called the “**Property**”), and Tenant shall:

- 3.1 Cause the Tenant’s right, title and interest in all improvements and utilities (including, without limitation, any electrical, plumbing, or mechanical system) contained within and physically and permanently attached to the Demised Premises (the “**Improvements**”) (including, among other things and without limitation, any existing physical structure, fixture or facility constructed, placed, erected or installed on the Demised Premises including but not limited to: any building component (structural concrete and/or steel, brick masonry, framing, wall siding, fascia, roof, foundation, stairs and handrails, grates, counter tops and cabinets, interior and exterior doors and frames including all related hardware, overhead doors and operator, glass and glazing, mirrors, gypsum board/sheathing on studs, floor and floor coverings, ceiling systems, wall coverings, restroom/washroom plumbing fixtures and mounted accessories, installed appliances (i.e. fans, dishwasher, microwave), lockers, fire extinguishers); building system(s) including but not limited to all fixtures, equipment, pipes, lines, chutes, flue, duct, wires, data cables, conduits, transformers, control panels, meters, antenna and other systems used in the production, heating, cooling and/or transmission of air, water, gas, electricity, natural and artificial light, communications, waste water, sewage, audio and video signal; sanitary or storm sewerage; private drives, paving, fences, gates, gate and/or door with operator, hedges, plants, trees and shrub of every kind) to be conveyed or otherwise legally transferred to the City, other than the property listed in Exhibit I (the “**Retained Property**”), which Retained Property shall remain Tenant’s property and shall be removed by Tenant prior to Closing;
- 3.2 Cause all of Tenant’s right, title and interest in all personal property (“**Tangible Personal Property**”) if any, physically and permanently attached to the Demised Premises and the Improvements, other than the Retained Property, to be conveyed or otherwise legally transferred to the City;

- 3.3 Cause all of Tenant's right, title and interests in all easements, licenses, and related instruments, if any, benefiting the Demised Premises, the Property, or the Improvements to be conveyed or otherwise legally transferred to the City; and
- 3.4 Cause all of Tenant's right, title and interests in all rights and appurtenances to the Demised Premises and Property, including, without limitation, any right, title and interest of Tenant in and to adjacent streets, alleys or rights-of-way, to be conveyed or otherwise legally transferred to the City.

Section 4. City's Conditions. The obligation of the City hereunder to consummate the transaction contemplated hereby is subject to the satisfaction of each of the following conditions, and all other conditions set forth in this Agreement, any or all of which may be waived by the City, in whole or in part (but only expressly and in writing). Tenant agrees to use its good faith, reasonable efforts to satisfy such conditions, and to cooperate with the City in the satisfaction of such conditions. Satisfaction of each condition shall be determined by the City, in its reasonable discretion (unless expressly provided otherwise herein).

- 4.1 Upon the actual conveyance of the Property, all of Tenant's warranties set forth in this Agreement must be true and correct in all aspects.
- 4.2 At Closing, title to the Property and the Demised Premises must be free and clear of all title and survey defects which would impede the use, ownership, mortgaging, sale or development of the Property and the Demised Premises, and all easements, restrictions, liens, security interests and encumbrances except for those presently existing and which are deemed to be Permitted Exceptions pursuant to this Section 4.2. Within ten (10) days after the Effective Date, Tenant shall cause the Title Company to furnish to the City (i) a current commitment for a Leasehold Policy of Title Insurance (the "**Title Commitment**") (having an effective date after the Effective Date) and a UCC search report conducted under the name of Tenant setting forth the state of title to the Property, Demised Premises, leasehold estate and Improvements and committing the Title Company to issue to the City the Leasehold Policy of Title Insurance described in Section 7.3. Such Title Commitment and UCC search report are herein collectively referred to as the "**Reports.**" Each of the Reports shall be accompanied by a legible and full size copy of all documents referenced therein as exceptions to title (herein collectively, the "**Exceptions**"). Within fourteen (14) days following the date of the City's receipt of the last of (i) all such Reports (including copies of all documents referenced therein, as described) and (ii) the Survey described in Section 4.3 (and being the Existing Survey, or if the City elects to obtain a new Survey, then the new Survey, as described in Section 4.3), the City shall give to Tenant written notice (an "**Objection Notice**") of its objections ("**Objections**") to any Exceptions. If Tenant agrees to cure any Objections prior to Closing, then Tenant shall so notify the City in writing (a "**Cure Notice**") within five (5) days after its receipt of an Objection Notice, and shall cure and remove any matters agreed to be cured in a Cure Notice at or prior to Closing; provided, however, that Tenant shall cure (a) any Exception(s) created by Tenant after the Effective Date, (b) any Exceptions which constitute financial encumbrances or liens upon the

Property or Demised Premises (other than an existing mortgage in which the City is the mortgagor, if any, and current ad valorem taxes), (c) all leases, subleases, or rental agreements on or affecting the Property and the Demised Premises, and (d) all items identified or listed in Schedule C of the Title Commitment (each and all of which shall (i) constitute Objections, whether or not the City identifies the same in an Objection Notice, and (ii) shall not be considered waived by the City or constitute Permitted Exceptions). If Tenant fails to deliver a Cure Notice to the City within such five (5) day period with regard to any Objections, Tenant shall be deemed to be unwilling to remove such Objections, and the City shall have the right to elect, by written notice given within seven (7) days from the end of such five (5) period, to terminate this Agreement (a “**Termination Notice**”). If the City fails to deliver a Termination Notice to Tenant within such seven (7) day period, the City shall be deemed to have waived any Objection. Tenant shall not have any obligation to remove or cure any Objection except as set forth herein. Except as set forth herein, those exceptions that are shown on the Reports and to which the City makes no Objection, or that are objected to but such Objection is subsequently waived (or is deemed to have been waived), are herein collectively referred to as the “**Permitted Exceptions.**”

4.3 Tenant, at Tenant’s expense, shall deliver the following materials to the City within (10) days after the Effective Date:

a. A survey prepared by a Registered Professional Land Surveyor in the State of Texas and should be performed in accordance with, at a minimum, standards required for a Category 1A, Condition II Survey as published by the Texas Society of Professional Surveyors. The survey must specifically reference the Texas State Plane Coordinate System, North Central Zone (4202) as the basis of bearings. The survey must include a complete metes and bounds legal description of the premises surveyed, show all easements and rights-of-way of record, and show all encumbrances and encroachments known to impact the property, and contain a certification to the City and the Title Company which is acceptable to the City. A calculation of the total land area included within the Demised Premises is to be given in acres and in square feet. The survey must also show the state plane (“**grid**”) coordinates of at least two primary corners of the property (as described herein, the “**Survey**”). **Notwithstanding the foregoing, Landlord agrees to accept in satisfaction of this subparagraph to Section 4.3 the “Boundary Survey” prepared by Mori’s Engineering, Inc. dated January 11, 2006 save and except any curable Exceptions reported under Section 4.2 (the “Existing Survey”). Said Existing Survey is attached hereto as Exhibit “F” and made a part hereto.** If the City desires that the Existing Survey be recertified as set forth above, Tenant agrees to pay for the cost of such recertification and reissuance of the Existing Survey. If the City desires a new Survey, the City has the right, at its sole cost and expense, to obtain such new Survey within twenty (20) days after the Effective Date.

b. **Reserved.**

- c. **Reserved.**
- d. Complete copies of all other contracts, agreements and other documents not expressly referenced herein relating to the Property.
- e. All plans, drawings and specifications respecting the Improvements, including as-built plans and specifications, in Tenant's possession, custody, or control (including any such plans and specifications held by any third party for or on behalf of Tenant).
- f. Any of the following, if any, in Tenant's possession, custody, or control (including any of the same held by any third party for or on behalf of Tenant): all soil reports, environmental reports, engineering and architectural studies, grading plans, topographical maps, feasibility studies, appraisals, and similar information relating to the Property.
- g. A list and complete copies of all service contracts, maintenance contracts, management contracts, warranties, licenses, permits, operating agreements, reciprocal easement agreements, leases, subleases, maps, if any, applicable to the Property, certificates of occupancy, building inspection approvals and covenants, conditions and restrictions respecting the Property (hereinafter collectively referred to as the "**Contracts**").
- h. Copies of all utility bills and similar records respecting the Property for the past three (3) months in Tenant's possession.
- i. A list of insurance coverages with respect to the Property.

4.4 During the Inspection Period, the City and its agents shall have the right to make a complete inspection of the Property and to make inquiries regarding and relating to all or any of the Property. For this purpose, upon reasonable notice to Tenant and with the presence of a representative of Tenant, if Tenant so elects, the City and its agents shall have access to the Property and to Tenant's books, files and records relating to the Property. Subject to the foregoing, the City may conduct soil and/or environmental tests on or about the Property. To the extent allowed by law, the City agrees to indemnify and hold the Property and Tenant harmless from and against any damage thereto and any claims or causes of action that may be asserted against Tenant or the Property related to the City's entry upon the Demised Premises or the conduct by the City or its agents or employees or any tests or inspections pursuant to this section, subject however to and without waiving any immunity, tort limitation, or defense applicable or available to the City or to which the City may be entitled. The City may terminate this Agreement by written notice given at any time before the end of the Inspection Period, if such inspections, tests or inquiries reveal any matter not acceptable to the City, in the City's sole and absolute discretion. Notwithstanding the foregoing, the City shall not be deemed to have indemnified Tenant for any damage or injury to any person or property resulting from the negligence or misconduct by Tenant or any of its employees, agents, representatives or contractors. This indemnification by the City shall survive the Closing

or any termination of this Agreement for a period of two (2) years following the City's conduct of its inspection.

Section 5. Representation and Warranties; Release and Waiver. TENANT AND THE CITY AGREE THAT THE CONVEYANCE OF TITLE AND OWNERSHIP IS THE RESULT OF AN ARMS-LENGTH AGREEMENT BETWEEN THE PARTIES. THE CONSIDERATION BARGAINED ON THE BASIS OF AN "AS IS, WHERE IS" TRANSACTION AND REFLECTS THE AGREEMENT OF THE PARTIES THAT THERE ARE NO REPRESENTATIONS, DISCLOSURES, OR EXPRESS OR IMPLIED WARRANTIES, EXCEPT FOR THE WARRANTY OF TITLE STATED HEREIN AND TENANT'S WARRANTIES AND REPRESENTATIONS TO THE CITY SET FORTH HEREIN. The City and Tenant make the following representations and warranties which shall also be true and correct as of the Closing Date (except where limited to the Effective Date) with no material adverse changes from the Effective Date (and the truth and accuracy of which shall constitute a condition to the Closing Date), and shall survive the Closing Date for a period of two (2) years only.

5.1 Representations and warranties regarding Tenant's authority are limited to:

- a. Tenant has the legal power, right and authority to enter into this Agreement and to consummate the transaction contemplated hereby.
- b. As of the date hereof, all requisite action (corporate, partnership or otherwise) has been taken by Tenant in connection with the entering into this Agreement and the consummation of the transactions contemplated hereby.
- c. Tenant is a duly organized corporation, validly existing, and in good standing under the laws of Texas.
- d. The individual(s) executing this Agreement on behalf of Tenant has the legal power, right, and actual authority to bind Tenant to the terms and conditions of this Agreement.
- e. Neither the execution and delivery of this Agreement and the documents referenced herein, nor incurring of the obligations set forth herein, nor the consummation of the transactions herein contemplated, nor compliance with the terms of this Agreement and the documents referenced herein, will conflict with or result in a material breach of any of the terms, conditions or provisions of, or constitute a default under, any bond, note, or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, agreement, lease or other agreements or instruments to which Tenant is a party or by which any of the Tenant's properties may be bound.

5.2 Tenant's representations and warranties pertaining to real estate and legal matters are limited to:

- a. **Reserved.**

- b. Tenant has not received any written notice of any violation of any applicable federal, state, or local laws, ordinances, orders, rules, regulations, codes, standards, or policies.
- c. All management contracts by which the Property is managed, if any, shall be terminated at Closing if requested by the City.
- d. To the knowledge of Tenant, all information and documents delivered by Tenant pursuant to Section 4.3 are complete, true and accurate.
- e. There are no leases, subleases or tenancies affecting all or any part of the Property. There are no written or oral promises, understandings, agreements or other commitments between Tenant, or any predecessor of Tenant, and any tenant or any other person, affecting the Property.
- f. To the knowledge of Tenant, no hazardous substances, PCB's, asbestos, hazardous wastes, hazardous materials, harmful chemicals, pollutants, toxic substances, radioactive materials, flammable substances, air pollution, or oil (herein "**Hazardous Materials**"), as such terms or similar terms are commonly used or as any such term is used or defined in any Federal, state or local statute, order, ordinance, code, policy, rule, or regulation (and including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, the Superfund Amendment and Reauthorization Act, the Resource Conservation Recovery Act, the Federal Water Pollution Control Act, the Federal Environmental Pesticides Act, the Clean Water Act, the Clean Air Act, and all so-called federal, state and local "superfund" and "superlien" statutes) governing or regulating the use, storage, treatment, transportation, generation, or disposal of Hazardous Materials (collectively, "**Environmental Laws**"), have been stored on, disposed of on or onto, or emitted from, the Property or any ground water, surface water, soil, or subsurface contained in, on or under the Property and Demised Premises in violation of any Environmental Laws during the period of time that Tenant has owned or controlled the Property other than any Hazardous Materials or other conditions disclosed in the following Phase I Environmental Site Assessment:

(collectively referred to as the "**Environmental Reports**"). Furthermore, to the knowledge of Tenant, without further investigation or inquiry, no Hazardous Materials have been stored, disposed of on or emitted from the Property from the period of time since the Environmental Reports to the Closing Date, except for what has been disclosed to the City, in writing, prior to the Closing Date.

- g. No adverse notices or requests have been received by Tenant from any insurance company relating to the Property or the Tangible Personal Property. There are no material service agreements, equipment leases, management contracts or other contracts affecting the Property except for those delivered to the City pursuant to Section 4.3 above.
- h. There is no pending or, to the knowledge of Tenant, without investigation or inquiry, threatened condemnation or similar proceeding with respect to the Property or the Tangible Personal Property, or any part thereof, and no pending or, to the knowledge of Tenant, without investigation or inquiry, threatened proceeding to establish any additional assessment against the Property or the Tangible Personal Property, or any part thereof. There is no pending, or to the knowledge of Tenant, investigation or inquiry, threatened litigation, arbitration or administrative hearing concerning or affecting the Property, including any pending or threatened change in applicable land use laws. No part of the Property consists of wetlands or environmentally sensitive or protected area. To Tenant's knowledge, the Property, the present uses of the same, and the condition thereof, comply with all applicable laws, codes and regulations; the Improvements and the uses of the Improvements are permitted outright under all land use laws, codes, regulations and approvals.
- i. At Closing, Tenant shall convey the Property to the City free and clear of all liens and security interests whatsoever, subject only to the Permitted Exceptions. Tenant has not performed, or caused to be performed, any work on the Property, which has not been paid for that could cause a construction or other lien to be filed against the same.
- j. Tenant is not a foreign person, foreign partnership, foreign corporation, foreign trust, or foreign person, as such terms are defined in Section 1445 of the Internal Revenue Code, as amended, or the regulations thereunder.
- k. To Tenant's knowledge, all necessary utilities (including but not limited to electricity, water, telephone, sewer, and natural gas) are connected to the Improvements in sufficient quantities to service the Property for its present uses; all plumbing, electrical and other utilities systems of the Improvements are in good working order. The Property and the Tangible Personal Property shall be in at least its present condition and appearances on the Closing Date, ordinary wear and tear accepted.

5.3 The City's representations and warranties are limited to:

- a. The City has the legal power, right and authority to enter into this Agreement and to consummate the transactions contemplated hereby.

- b. As of the Effective Date, all requisite action has been taken by the City in connection with the entering into this Agreement and the consummation of the transaction contemplated hereby.
- c. The individual(s) executing this Agreement on behalf of the City have been authorized to execute this Agreement on behalf of the City.
- d. To the City's knowledge, neither the execution and delivery of this Agreement and the documents referenced herein, nor incurring of the obligations set forth herein, nor the consummation of the transactions herein contemplated, nor compliance with the terms of this Agreement and the documents referenced herein, will conflict with or result in a material breach of any of the terms, conditions or provisions of, or constitute a default under the City's charter, any bond, note, or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, agreement, lease or other agreements or instruments to which the City is a party or by which the City is bound under any grant assurance for which it is a party to.
- e. To the City's knowledge, no suit, action, legal or administrative investigation is pending or threatened against the City or any of its assets which would affect this transaction.
- f. The City has conducted its own due diligence regarding the transfer of the Property and is not relying on any representations or warranties from Tenant of any nature whatsoever, other than the limited representations and warranties expressly set forth in Section 5.1 and 5.2 hereof and elsewhere, if any, in this Agreement.

Section 6. Future Operations. From the date of this Agreement until the Closing:

- 6.1 Maintenance, Litigation. Tenant will, consistent with prior practices: (i) keep and maintain the Property in the condition as of the date of this Agreement, reasonable wear and tear, casualty and condemnation excepted; provided that Tenant shall have the right to remove all Retained Property prior to Closing, (ii) promptly advise and notify the City of any litigation, arbitration or administrative hearing concerning the Property arising or threatened of which Tenant has written notice, and (iii) promptly advise and notify the City of any written notices from any governmental authority asserting a violation of any applicable federal, state, or local law, ordinance, order, rule, regulation, code, standard, or policy. In addition, Tenant will keep the Property free and clear of all mechanic's liens and Tenant agrees to remove all mechanics liens or otherwise bond around any such mechanic's liens prior to Closing. Tenant shall also not, without the prior written consent of the City, create, place or permit to be created or placed, or through any act or failure to act, acquiesce in the placing of, any deed of trust, mortgage, voluntary or involuntary lien, whether statutory, constitutional or contractual (except for the lien for ad valorem taxes on the property which are not delinquent), security interest, encumbrance or charge, or conditional sale or other

title retention document, and should any of the foregoing become attached hereafter in any manner to any part of the Property Area without the prior written consent of the City, Tenant shall cause the same to be promptly discharged and released. Tenant shall further not release and not allow or permit the release of Hazardous Materials of any kind in, under, or above the Property or into or onto the surface water, ground water, soil or subsurface of the Property.

- 6.2 Contracts. Tenant will perform all of Tenant's material obligations under the Contracts consistent with prior practices prior to Closing. Tenant may terminate, modify, enter into, or renew any Contract in the ordinary course of Tenant's business, provided that any new Contract is cancelable upon thirty (30) days prior written notice without penalty.
- 6.3 Leasing of Space. Tenant hereby covenants with the City not to enter into any lease or to consent to any sublease, license, easement, or permit without the City's prior written consent.

Section 7. Closing. Subject to the satisfaction or waiver of all conditions to either party's obligation to consummate this transaction, the Closing shall take place on the Closing Date at the Place of Closing specified in Section 1 above.

- 7.1 At or prior to Closing, Tenant shall deliver or cause to be delivered to the City, through escrow or directly to the City, each of the following items:
- a. A Special Warranty Deed (the "**Deed**") in the form of Exhibit "G", attached hereto, suitable for recording, conveying title to the Property to the City, subject to the Permitted Exceptions.
 - b. Evidence of Tenant's authority to consummate this transaction;
 - c. Any reasonable and customary certificates and affidavits that may be required in the normal course by Title Company, duly executed by Tenant (including, without limitation, such affidavits as the Title Company may reasonably request in order that the Title Policy will not contain exceptions for rights of parties in possession and rights of tenants under any unrecorded leases or rental agreements, or to the extent necessary to determine that the Tenant is not the same individual as may be identified in any abstracts of judgment, bankruptcy filings, that there are no unpaid debts for work that has been done or materials furnished in connection with the Property and that there are no unrecorded mechanic's or materialmen's liens upon the Property, etc.);
 - d. Non-foreign Affidavit from Tenant stating under penalty of perjury, the Tenant's United States taxpayer identification number and that Tenant is not a foreign person, pursuant to Section 1445 of the Internal Revenue Code, as amended, or the regulations thereunder;
 - e. Copies of any keys in Tenant's possession relating to the Property;

- f. A “Bills Paid Affidavit” on the Title Company’s standard form verifying that there are no unpaid bills or claims for labor performed or materials furnished to the Property prior to the Closing, and by which Affidavit Tenant indemnifies and holds the City harmless from any loss, liability, cost or expense (including, without limitation, attorneys’ fees and court costs) of Tenant resulting from or incident to claims against the Property Area for any matter; and
- g. Sufficient evidence that the sale and conveyance of the Property and other items set forth herein has been approved in accordance with the terms of Tenant's governing documents and that the person executing the Special Warranty Deed and all other documents in connection with the Closing on behalf of Tenant is duly authorized by Tenant to do so; and
- h. A notice to the vendors, if any, under the Contracts to be assumed by the City in form acceptable to Tenant and the City, notifying such parties of the transfer of the Property and containing such other information as may be required by Tenant and the City.

7.2 At or prior to Closing, the City shall deliver or cause to be delivered to Tenant, through escrow or directly to the City, each of the following items:

- a. The Early Termination & Release Fee
- b. Evidence of the City’s authority to consummate this transaction;
- c. Any customary certificates and affidavits that may be required in the normal course by Title Company, duly executed by the City;
- d. A notice to the vendors, if any, under the Contracts to be assumed by the City in form acceptable to Tenant and the City, notifying such parties of the transfer of the Property and containing such other information as may be required by Tenant and the City;
- e. A memorandum of form and content mutually acceptable to the parties suitable for public recording acknowledging the early termination of the Ground Lease and the cessation of Tenant’s duties and obligations under the Ground Lease to be effective as of the Termination Date (except for such duties, obligations and liabilities as arise or accrue prior to the time and date of such termination).

7.3 Title Policy. Within thirty (30) days after the Closing Date and all documents delivered at the Closing that are intended to be recorded are so recorded and returned to the Title Company, the Title Company shall be responsible for delivering the Leasehold Policy of Title Insurance to the City in the aggregate

amount of the total Early Termination & Release Fee and subject to only the Permitted Exceptions. The provisions of this Section 7.3 shall survive the Closing.

- 7.4 Conditions to Closing. Tenant's obligation to sell the Property to the City and the City's obligation to purchase the Property from Tenant, at the Closing, are subject to and conditioned upon (i) the other party not being in material default under this Agreement; and (ii) the delivery by the appropriate party of the items set forth in this Section 7 on the Closing Date, or the waiver of such conditions in accordance with the terms of this Agreement.
- 7.5 Termination of Ground Lease. Upon the Closing, all obligations of the City and Tenant under the Ground Lease shall terminate, and neither the City nor Tenant shall have any further rights or obligations thereunder; provided, however, that the Tenant shall after such termination continue to be responsible and liable for all obligations, duties, liabilities, claims, actions, causes of action, and damages of any kind or nature whatsoever which arise out of or accrue in connection with or are related to the Ground Lease and Tenant's occupancy and use of the Property prior to its termination.

Section 8. Closing Costs and Prorations.

- 8.1 Closing Costs. Tenant and the City shall each pay their respective attorneys' fees (except as provided in Section 10.9 of this Agreement). The City shall pay one-half (1/2) of any and all recording fees charged on all documents required to be recorded in connection with the conveyance of the Property to the City and any costs incurred in connection with its inspection of the Property (including any Environmental Reports obtained by the City in connection with this Agreement). Tenant shall pay the cost of standard premium for the Title Policy, all transfer fees, and one-half (1/2) of any and all recording fees charged on all documents required to be recorded in connection with the conveyance of the Property. The cost for updating the Existing Survey or obtaining a new Survey will be borne by the parties as provided in Section 4.3(a).
- 8.2 Prorations.
- a. All rents, prepaid rents, income, and all other operating expenses with respect to the Property for the month in which the Closing occurs, and real estate and personal property taxes and other assessments with respect to the Property for the year in which the Closing occurs, shall be prorated as of 11:59 p.m. of the day immediately preceding the Closing Date. To the extent that amounts of the items to be adjusted are not reasonably ascertainable on the Closing Date, such items shall be prorated to the City and Tenant based on their best efforts. Thereafter, such proration items shall be adjusted as promptly after the Closing, but in no event later than sixty (60) days after the Closing Date, as the amounts thereof are ascertained, and any errors or omissions in computing the prorations at the Closing shall be promptly corrected and this obligation

shall survive the Closing hereunder for a period of six (6) months from the Closing.

- b. If the Closing shall occur before the tax rate or the assessed valuation of the Property is fixed for the then current tax year, the apportionment of taxes shall be upon the basis of the tax rate for the preceding year applied to the latest assessed valuation, provided that, if the taxes shall occur before the actual taxes payable during the year of Closing are determined to be more or less than the taxes payable during the prior year, Tenant and the City shall promptly adjust the proration of taxes and Tenant or the City, as the case may be, shall pay to the other any amount required as a result of such adjustment. At the Closing, the City shall take the Property subject to any and all obligations and assessments, if any, arising from any road district or municipal utility district affecting the Property, or for any special assessments or taxes; provided, however, that this shall not constitute nor be deemed a waiver of any exemption from taxes available or applicable to the City and its property.
- c. To the extent possible, the City shall be responsible for arranging all utility service in its own name commencing as of 12:01 a.m. on the Closing Date. Tenant shall be responsible for all utility charges accrued prior to the Closing Date and Tenant shall receive a refund of all utility deposits. If a change in utility service cannot be effected on the Closing Date, utility charges will be estimated and prorated as provided in Section 8.2(a).

Section 9 Defaults and Remedies

- 9.1 Tenant's Default: City's Sole Remedies. If Tenant fails to consummate this Agreement in accordance with its terms (other than by reason of (i) the City's breach of any of its representations or warranties contained in this Agreement; (ii) the City's continuing default of any of its covenants hereunder; (iii) a termination of this Agreement by Tenant or the City pursuant to a right to do so expressly provided for in this Agreement, except by reason of a default by either party; or (iv) failure by the City to deliver the items required under Section 7.2), the City may, as the City's sole and exclusive remedies, either (a) terminate this Agreement by written notice to Tenant; (b) bring an action against Tenant for reimbursement of its actual documented out-of-pocket costs and expenses incurred in connection with this Agreement and/or the Property, including, without limitation, the City's attorneys' fees, financing/assumption fees, and due diligence costs, provided such out-of-pocket damages shall not exceed \$5,000.00 and provided further under no circumstances may the City seek or be entitled to recover any special, consequential, punitive, speculative, or indirect damages from Tenant if Tenant fails to consummate this Agreement, all which the City specifically waives; and/or (c) bring an action against Tenant for specific performance for the conveyance of the Property to the Landlord.

- 9.2 City's Default: Tenant's Sole Remedies. If the City fails to consummate this Agreement in accordance with its terms (other than by reason of (i) Tenant's breach of any of its representations or warranties contained in this Agreement; (ii) a failure of any condition to Tenant's obligation to sell the Property to be satisfied; (iii) a termination of this Agreement by Tenant or the City pursuant to a right to do so expressly provided for in this Agreement; or (iv) failure by Tenant to deliver the items required under Section 7.1), Tenant may, as Tenant's sole and exclusive remedies, terminate this Agreement and receive \$5,000 as liquidated damages (and not as a penalty) for breach of this Agreement. Such amount and terms are agreed upon by and between Tenant and the City as liquidated damages, due to the difficulty and inconvenience of ascertaining and measuring actual damages, and the uncertainty thereof, and the payment of the Earnest Money and the terms provided herein shall constitute full satisfaction of the City's obligations under this Agreement. Such amount is agreed upon by and between Tenant and the City as a reasonable estimate of just compensation for the harm caused by the City's default.

Section 10. Miscellaneous Provisions

- 10.1 Broker's Commission. 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.
- 10.2 Condemnation and Casualty.
- a. Condemnation. In the event that all or any Substantial Portion, as herein defined, of the Property shall be taken in condemnation or by conveyance in lieu thereof or under the right of eminent domain after the Effective Date, and before the Closing Date, Tenant shall promptly notify the City of such fact setting forth in detail the facts regarding such taking. The City may, at its option, terminate this Agreement by written notice thereof to the other party within ten (10) days after Tenant notifies the City of the condemnation. In the event the City fails to timely deliver written notice of termination as described above, it shall be deemed to have elected to proceed to close the transaction contemplated herein pursuant to the terms hereof, in which event Tenant shall deliver to the City at the Closing any proceeds actually received by Tenant attributable to the Property from such condemnation or eminent domain proceeding or conveyance in lieu thereof or assign to the City Tenant's rights to such proceeds, and there shall be no reduction in the Consideration. If the taking does not involve a Substantial Portion of the Property, as herein defined, then the City shall be obligated to close the transaction contemplated herein according to the terms hereof, notwithstanding such taking, and Tenant shall deliver to the City at Closing any and all awards or consideration

attributable to such taking (or assign Tenant's rights and interests therein to the City), and there shall be no reduction in the Consideration.

- b. Casualty. In the event that all or any Substantial Portion of the Property shall be damaged or destroyed by fire or other casualty (including environmental casualty) after the Effective Date and before the Closing Date, Tenant shall promptly notify the City of such fire or casualty. The City may, at its option, terminate this Agreement by written notice thereof to Tenant within ten (10) days after Tenant notifies the City of the casualty and the availability and amount of insurance proceeds. In the event the City does not terminate this Agreement as described above, it shall be deemed to have elected to proceed to close the transaction contemplated herein pursuant to the terms hereof, in which event Tenant shall deliver to the City at the Closing any insurance proceeds actually received by Tenant attributable to the Property from such casualty, or assign to the City all of Tenant's right, title and interest in any claim (or in the proceeds thereof if such assignment of such claim is not permitted) under any applicable insurance policies in respect of such casualty, together with an amount equal to the deductible(s), if any, applicable to such loss under the insurance policy(ies), and there shall be no reduction in the Consideration. If the casualty loss does not involve a Substantial Portion of the Property, as defined herein, and such loss is insured, then the City shall be obligated to close the transaction contemplated herein according to the terms hereof, notwithstanding such casualty loss, and Tenant shall, at Tenant's election, either (i) repair the damages caused by such casualty loss prior to Closing, at Tenant's expense; (ii) deliver to the City at the Closing any insurance proceeds actually received by Tenant attributable to the Property from such casualty or if such loss is uninsured the cost to repair the damages caused by such casualty; or (iii) assign to the City all of Tenant's right, title, and interest in any claim or in the proceeds thereof, together with an amount equal to the deductible(s), if any, applicable to such loss under the insurance policy(ies). Tenant shall not assign any claims or proceeds to Landlord attributable to Tenant's loss of rent or repair work for which Tenant has already paid prior to Closing.
- c. Substantial Portion Defined. For the purposes of this Section 10.2, a casualty loss to a **Substantial Portion** of the Property shall be deemed to include any taking or casualty loss which is estimated (by an independent contractor selected by Tenant and approved by City) to cost more than 20% of the current replacement value of the Improvements plus the Tangible Personal Property, or any taking or loss of a portion of the Property which has a material adverse effect on the City's use of the remainder of the Property.
- d. Risk of Loss. Subject to the foregoing provisions of this Section 10.2, risk of loss until Closing shall otherwise be borne by Tenant.

- e. Emergency Repairs. In the event the Property is damaged prior to Closing and such damage creates any emergency requiring immediate repair in order to prevent further damage to the Property, Tenant shall be entitled to immediately commence such repairs, and the contractor and method of repair to be used shall be determined by Tenant. After the Inspection Period, both parties agree to cooperate to accomplish such repair in a timely manner. Casualty proceeds, if any, paid as a result of damage requiring immediate repair shall be used in paying the cost of such repairs. Tenant shall give the City notice of any emergency repairs.
- 10.3 Notices. Any notice, approval, waiver, objection or other communication (for convenience, referred herein as a “**notice**”) required or permitted to be given hereunder or given in regard to this Agreement by one party to the other shall be in writing and the same shall be given and be deemed to have been delivered, served and given (a) if delivered in person, via courier, or (b) if sent by overnight delivery service (except where actual receipt is specified in this Agreement) three (3) days after deposited in a receptacle provided by such overnight service or pickup by such overnight service in time for delivery the following day, addressed to the party at the address specified in Section 1. above. Any party may change its address for notices by notice theretofore given in accordance with this Section 10.3 and shall be deemed effective only when actually received by the other party.
- 10.4 Entire Agreement. This Agreement together with Exhibits “A” through “I” attached hereto constitute the entire agreement between Tenant and the City, and there are no other covenants, agreements, promises, terms, provisions, conditions, undertakings, or understandings, either oral or written, between them concerning the Property other than those herein set forth. No subsequent alteration, amendment, change, deletion or addition to this Agreement shall be binding upon Tenant or the City unless in writing and signed by both Tenant and the City.
- 10.5 Binding Effect. All of the provisions of this Agreement are hereby made binding upon the personal representatives, heirs, successors, and assigns of both parties hereto. Where required for proper interpretation, words in the singular shall include the plural; the masculine gender shall include the neuter and the feminine, and vice versa. The terms “heirs, executors, administrators and assigns” shall include “successors, legal representatives and assigns.”
- 10.6 Time of Essence. Time is of the essence in each and every provision of this Agreement.
- 10.7 Counterparts. This Agreement may be executed in any number of counterparts, of which each, for all purposes, be deemed to be an original, and all of which are identical.
- 10.8 Applicable Law. THE LAWS OF THE STATE OF TEXAS SHALL GOVERN THE INTERPRETATION, VALIDITY, PERFORMANCE AND

ENFORCEMENT OF THIS LICENSE. VENUE FOR ANY ACTION UNDER THIS LICENSE SHALL BE IN DALLAS STATE DISTRICT COURT, DALLAS COUNTY, TEXAS, THE COUNTY IN WHICH CONSIDERATION SHALL BE PAID PURSUANT TO SECTION 1 AND SECTION 4.2 OF THIS LICENSE. BY EXECUTING THIS LICENSE, EACH PARTY HERETO (i) EXPRESSLY CONSENTS AND SUBMITS TO THE PERSONAL JURISDICTION OF THE COURTS OF SUCH COUNTY AND THE STATE OF TEXAS; (II) WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY CLAIM OR DEFENSE THAT THE COURTS OF SUCH COUNTY AND STATE ARE NOT A PROPER OR CONVENIENT VENUE OR FORUM; AND (III) CONSENTS TO THE SERVICE OF PROCESS IN ANY MANNER AUTHORIZED BY TEXAS LAW.

- 10.9 Attorneys' Fees. In the event any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any provision of this Agreement, each party to this Agreement shall be responsible for their own attorney fees, court costs and all expenses of such legal action even if not taxable as court costs (including, without limitation, all such fees, taxes, costs and expenses incident to appellate, bankruptcy and post-judgment proceedings), incurred in that action. Attorneys' fees shall include, without limitation, paralegal fees, investigative fees, administrative costs, and all other charges billed by the attorney.
- 10.10 Time Periods; "Includes". Unless otherwise expressly provided herein, all periods for delivery or review and the like shall be determined on a "calendar" day basis. If any date for performance, approval, delivery or Closing falls on a Saturday, Sunday or legal holiday (state or federal) in the State of Texas, the time therefor shall be extended to the next business day. As used herein, "includes" and "including" are terms of enlargement and not of limitation or exclusive enumeration, and use of the terms does not create a presumption that components not expressed are excluded.
- 10.11 Provisions to Survive Closing. Any and all of the provisions of this Agreement which require or provide for the performance or liability of either party hereto following the Closing, including without limitation such provisions in Sections 5, 6, 7, and 8 hereof, shall survive the Closing and the delivery of the Deed to the City, provided, however, that Tenant's Warranties in Section 5.2 shall survive the Closing and the delivery of the Deed to the City for a period of two (2) years.
- 10.12. No Third Party Beneficiaries. The provisions of this Agreement are solely for the benefit of the parties hereto and are not intended to create or grant any rights, contractual or otherwise, to any third person or entity.
- 10.13 Assignment. Neither Tenant nor the City shall have the power or right to assign, transfer, pledge, or otherwise convey this Agreement or any portion hereof without the prior written consent of the other party hereto; any such assignment,

transfer, pledge, or other conveyance without such prior written consent shall be null and void.

10.14 Further Acts. In addition to the acts and deeds recited in this Agreement and contemplated to be performed, executed, and/or delivered, Tenant and the City agree to perform, execute, and/or deliver or cause to be performed, executed, and/or delivered at the Closing or after the Closing any and all further acts, deeds, and assurances as are reasonably necessary to consummate the transaction contemplated hereby.

10.15 Binding upon Heirs. This Agreement shall be for the benefit of, and shall be binding upon, the parties hereto and their respective heirs, executors, administrators, successors, and assigns.

IN WITNESS WHEREOF, the undersigned parties execute the Agreement as of the Effective Date specified in Section 1.

CITY:

TENANT:

TOWN OF ADDISON, TEXAS
A home-ruled municipality

OMNIFLIGHT HELICOPTERS, INC.,
a Texas corporation

By: _____
Ron Whitehead, City Manager

By: _____
Print Name: _____

The Title Company acknowledges receipt of a fully executed original of this Agreement on _____, 2007.

Republic Title of Texas, Inc.

By: _____
Print Name: _____

90345813

35.00

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 GARL JOHNSON and NEAL JOHNSON (hereinafter referred to as "Tenant"). 35.00 DEED
5211 2 1-12/19/90

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

E. Landlord further agrees to execute and deliver to any proposed leasehold mortgagee of Tenant a "Non-Disturbance Agreement" wherein Landlord agrees that Landlord will (i) recognize such mortgagee and its successors and assigns after foreclosure, or transfer in lieu of foreclosure, as Tenant hereunder, and (ii) continue to perform all of Landlord's obligations hereunder so long as such mortgagee or its successors and assigns performs all of the obligations of Tenant hereunder. Landlord also agrees to execute and deliver to 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 early 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 if 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. Quite 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 mortgagee 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

Addison, Texas 75001

TENANT:

Carl Johnson
Neal Johnson
P. O. Box 678
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: [Signature]

Its: [Signature]

CITY OF ADDISON, TEXAS

By: [Signature]

Its: [Signature]

TENANT:

By: [Signature]

Its: [Signature]

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.

Marilyn 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 16 day of October, 19 81.

Jacquie 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.

Marilyn 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;

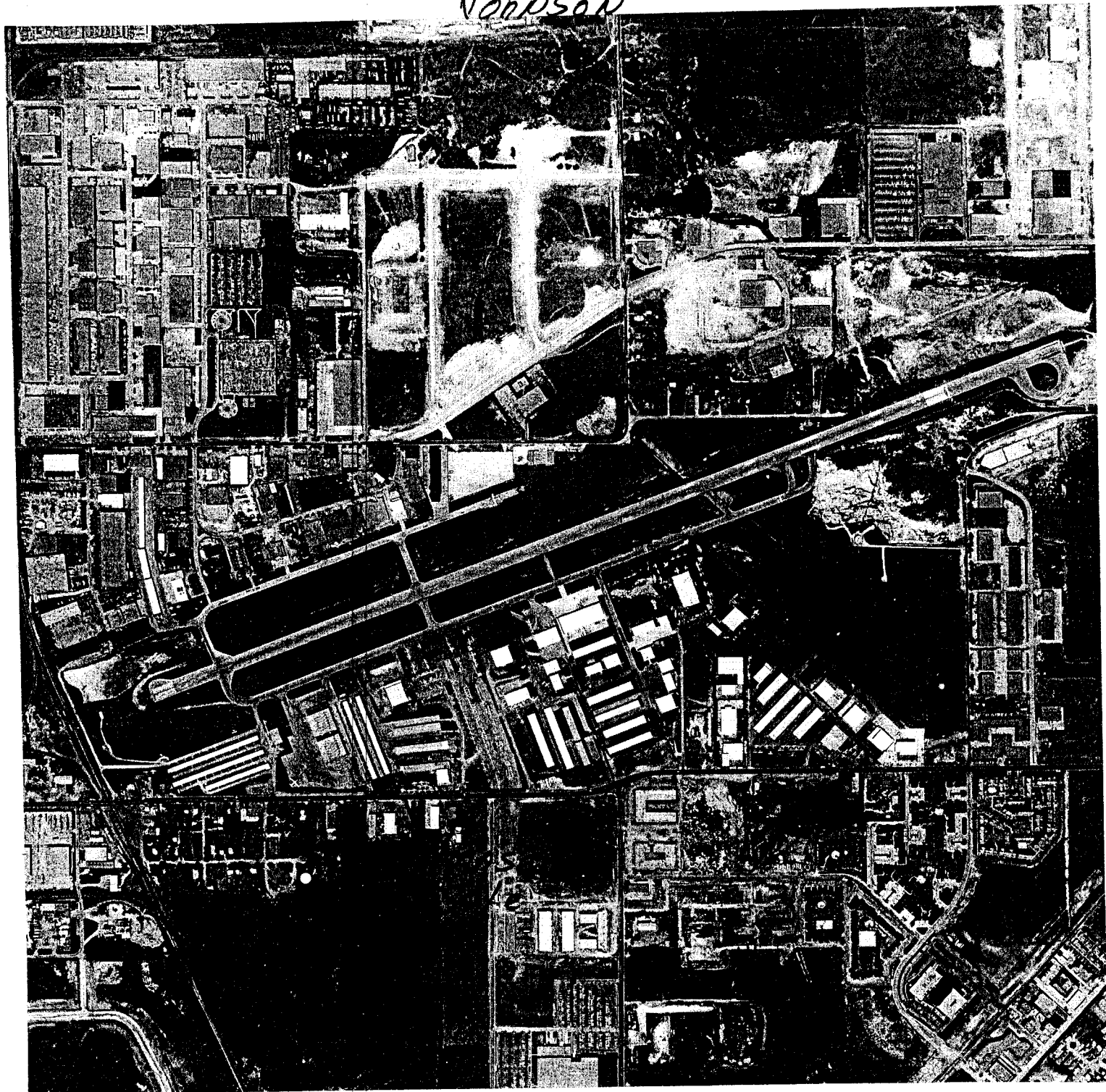
THENCE N $20^{\circ} 35' 50''$ W a distance of 147.95 feet to an iron rod set for corner;

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 penalties thereon, which imposed or levied upon or assessed against or in respect to this Agreement, or which may be a lien upon the Leased Premises. The Company shall pay all 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

5781
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 subleases 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, with the prior written consent of the City.

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

Section 21. **Applicable Governmental Requirements**

The Company agrees,

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

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

Section 22. **Indemnification**

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

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

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

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

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

Section 23. **Federal Airport Aid**

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

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

Section 24. **Notice to Indemnified Parties**

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

Section 25. **Liability of Officials**

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

Section 26. **Non-Discrimination**

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

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

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

Section 28. **Assignment**

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

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

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

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

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

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

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

Section 30. **Remedies on Default**

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

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

(b) The City may terminate this Agreement.

(c) The City may take whatever 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 make 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 E. 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 Little Co.
 8137 Praetoria
 Dallas, TX 75225
 Attn: Follie*

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

Riewe & Wischmeyer, Inc.

CONSULTING ENGINEERS
 DALLAS TEXAS

DECEMBER 1976

FILED
Carol Burch
 COUNTY CLERK
 DALLAS COUNTY
 DEC 19 1976 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 Billock
 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 ahrmless 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 thes 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. DAY
Title: MANAGER

By: [Signature]
Name: CRISTO D. GERLITAIN
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.

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

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.

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

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, 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
D. Larry Thomas
D. 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. Lee, Vice President

STATE OF TEXAS }
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared Robert L. Bare
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. Nadell
Notary Public
Dallas
County, Texas

STATE OF TEXAS }
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared Bernie 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. Nadell
Notary Public
Dallas
County, Texas

STATE OF TEXAS }
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared Craig Derrain
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. Nadell
Notary Public
Dallas
County, Texas

STATE OF TEXAS }
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared Daniel 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. Nadell
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. Nadell
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 84148, page 6891, of the Records of Deeds of Trust of Dallas County, Texas, whereby, for the purpose of securing the payment of certain indebtedness set out in said Deed of Trust, it was 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, viz:

A Fee Simple interest in improvements and a leasehold interest in land described as BEING a tract of land situated in the E. Coon 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 104.96 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 83.83 feet to a 60d nail set for corner;

THENCE N 5° 22' 50" W a distance of 16.83 feet a PK 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.

Grantor's Mailing Address: Texas Commerce Bank - Casa Linda
P. O. Box 18007
Dallas, Texas 75218

(Acknowledgment)

STATE OF TEXAS
COUNTY OF DALLAS

This instrument was acknowledged before me on the 22nd day of September, 1986
by RICHARD L. STANFORD

My commission expires:

3-3-78



PATSY L. STANFORD
Notary Public, State of Texas
My Comm. Expires Mar. 31, 1988

Patsy 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____
by _____

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:

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

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

Thomas M. Kamey
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~~ ^{Assignee} or the Assignee.

LESSOR:

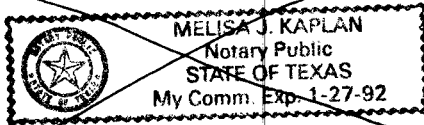
CITY OF ADDISON

By *[Signature]*

ADDISON AIRPORT OF TEXAS, INC.

By *[Signature]*

President

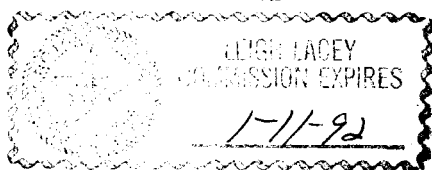


STATE OF TEXAS
COUNTY OF DALLAS

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

Bill Tracy - 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 Sprull
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

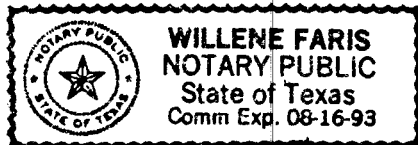
Diana Miller
Notary Public
Dallas
County, Texas

STATE OF TEXAS
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared Sam 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 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

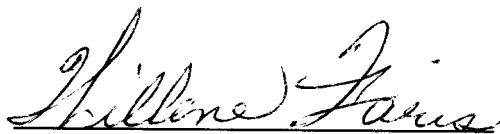
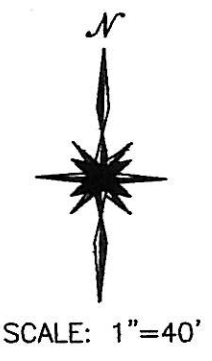
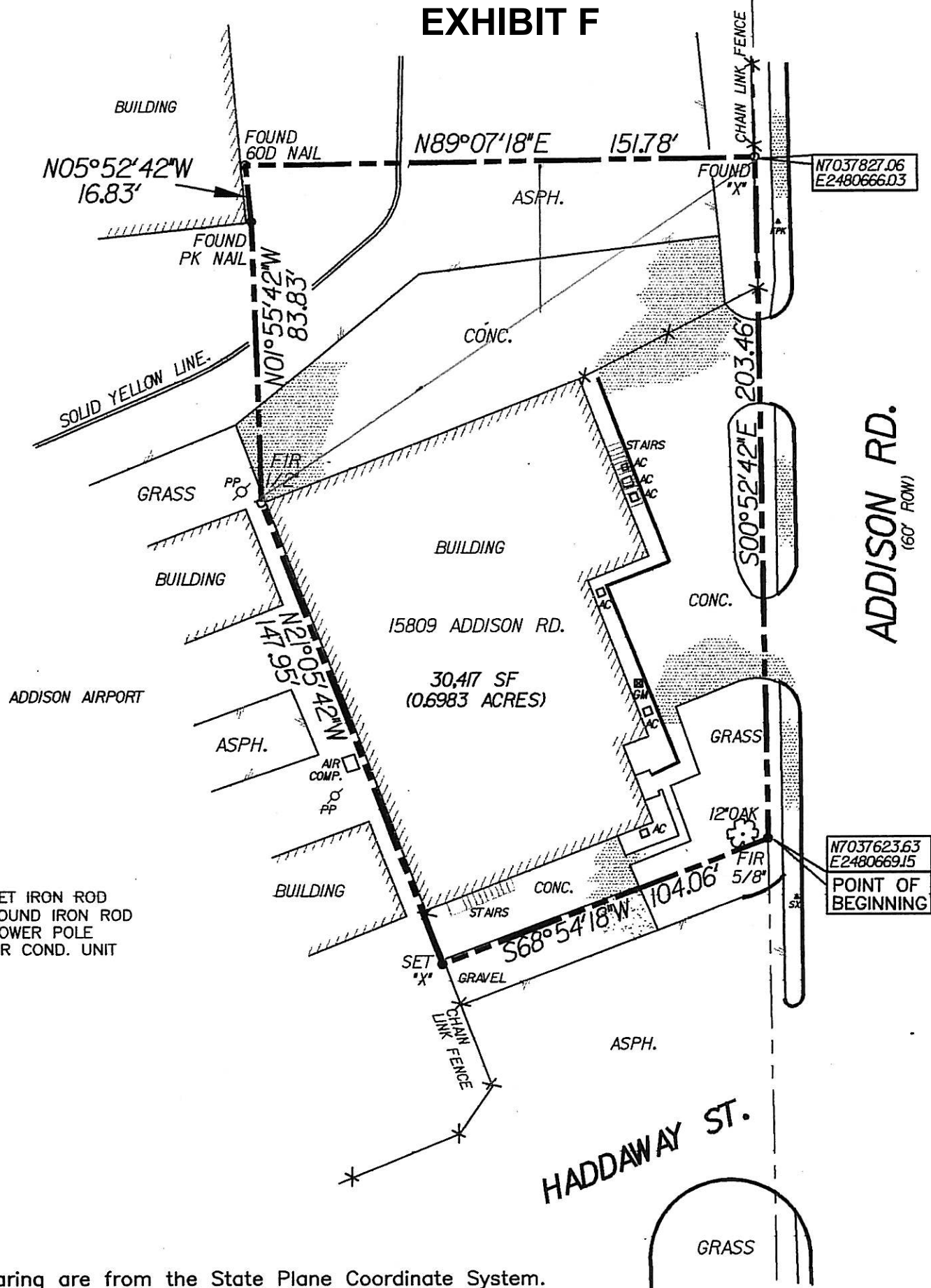

WILLENE FARIS

EXHIBIT F



LEGEND

- SIR SET IRON ROD
- FIR 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, Abstract 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



PREPARED BY:

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

BOUNDARY SURVEY

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

EXHIBIT "G"

SPECIAL WARRANTY DEED

STATE OF TEXAS

§

§ KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF DALLAS

§

THAT OMNIFLIGHT HELICOPTERS, INC., a Texas corporation (“**Grantor**”), for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed, and for the further consideration, has GRANTED, BARGAINED, SOLD and CONVEYED and by these presents does GRANT, BARGAIN, SELL and CONVEY unto the Town of Addison, Texas, a Texas home-rule municipality (“**Grantee**”), whose address for the purposes hereof is 5300 Belt Line Road, Dallas, Texas 75254, all of Grantor’s right, title and interest in the leasehold estate created by that certain Ground Lease covering a tract of land at Addison Airport, Texas (and together with all improvements located thereon and appurtenances thereto), a true and correct copy of said Ground Lease, as amended and modified, being attached to this deed and incorporated verbatim herein (the "leasehold estate").

TO HAVE AND TO HOLD the said leasehold estate, together with all and singular the rights and appurtenances thereto in anywise belonging unto Grantee, its successors and assigns forever; and Grantor does hereby bind itself, its successors and assigns to WARRANT AND FOREVER DEFEND, the leasehold estate conveyed hereby unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the Property or any part thereof, by, through or under Grantor, but not otherwise.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

EXECUTED effective as of the ___ day of _____ 2007.

By: _____

STATE OF TEXAS

§

§

COUNTY OF DALLAS

§

This instrument was acknowledged before me on the __ of _____ 2007, by _____, the _____ of OMNIFLIGHT HELICOPTERS, INC., a Texas Corporation.

Notary Public, State of Texas

Notary's Printed Name
My Commission Expires: _____

Exhibit "H": Form of

**MEMORANDUM OF GROUND LEASE
EARLY TERMINATION AGREEMENT**

STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF DALLAS §

FOR GOOD AND VALUABLE CONSIDERATION, be it acknowledged that the City of Addison, Texas, a Texas home-rule municipality (the same being the Town of Addison, Texas) (the "**City**") as Landlord, and Omniflight Helicopters, Inc., a Texas corporation, as Tenant do hereby mutually agree to terminate and cancel the Ground Lease effective the ____ day of _____, 2007 to-wit:

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" by the terms of which certain real property as described in the Ground Lease (and commonly known as a .6983 acre parcel located at 15809 Addison Road) (the "**Demised Premises**") 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

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

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

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

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, 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 AATI), 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 the said Base Lease has expired and the City is the sole Landlord under the Ground Lease; and

By virtue of the various assignments set forth above, the City hereby acknowledges that Omniflight Helicopters, Inc. is as of the date of this Agreement, the current Tenant under the Ground Lease.

All rights and obligations under said Ground Lease shall thereupon be canceled excepting only for any rents under the Ground Lease accruing prior to the effective termination date and any other term and condition provided for in the Ground Lease Early Termination Agreement entered into by the parties effective _____, _____ 2007, which then remain unpaid or otherwise not satisfied, and which shall be paid or fulfilled by Tenant on or prior to the termination date; provided, however, that Tenant shall after such termination continue to be responsible and liable for all obligations, duties, liabilities, claims, actions, causes of action, and damages of any kind or nature whatsoever which arise out of accrue in connection with or are related to the Ground Lease and Tenant's occupancy and use of the Property prior to its termination.

Tenant agrees to promptly surrender the Demised Premises to the City on or before the termination date and deliver same to the City in good condition free of the Tenant's goods and effects, waiving all further rights to possession.

Said Ground Lease, as amended and modified, together with the Ground Lease Early Termination Agreement are adopted and made a part of this Memorandum of Lease as if copied in full herein.

IN WITNESS WHEREOF, the undersigned parties execute the Agreement as of the Effective Date first given above.

CITY:

TOWN OF ADDISON, TEXAS
a home-ruled municipality

By: _____
Ron Whitehead, City Manager

TENANT:

OMNIFLIGHT HELICOPTERS, INC.,
a Texas Corporation

By: _____
Print Name: _____

STATE OF TEXAS

§

COUNTY OF DALLAS

§

§

This instrument was acknowledged before me on the ___ of _____ 2007, by _____, the _____ of OMNIFLIGHT HELICOPTERS, INC., a Texas Corporation.

Notary Public, State of Texas

Notary's Printed Name

My Commission Expires: _____

Exhibit “T”: List of Retained Property

One (1) paint shaker mounted on pedestal

Two (2) vices mounted on pedestal

One (1) air compressor

Four (4) explosion-proof lights

Council Agenda Item #R4

SUMMARY:

Consideration and approval of a Contract of Sale by and between Mark Hitchcock d/b/a Hitchcock House Movers, as seller, and the Town of Addison, as buyer, regarding the Town's purchase of the historic Addison Train Depot building.

FINANCIAL IMPACT:

Purchase Amount: not to exceed \$40,000

Source of Funds: \$50,000 was budgeted in the Hotel Fund, in the Visitor Services budget for moving of the depot. This funding is in account 11-611-56040-00000.

BACKGROUND:

The Train Depot that was originally located at the Y-tracks on the Cotton Belt was moved to land owned by a cemetery in the City of Dallas, adjacent to a church. Last year, the Town of Addison was contacted by Hitchcock Movers. Mr. Hitchcock had been contacted by the church to re-locate the train depot from its existing site. The church has indicated to the city that they will be conveying the train depot to Mr. Hitchcock. The Town of Addison will purchase the building from Mr. Hitchcock. Hitchcock Movers will deliver the Train Depot to the proposed site on Broadway and place it on a foundation to be constructed by the Town of Addison.

This item is for the purchase of the building only and does not include costs for the foundation or the restoration of the building.

RECOMMENDATION:

It is recommended that the Council authorize the City Manager to enter into a Contract of Sale with Hitchcock Movers to purchase the historic Addison Train Depot building in an amount not to exceed \$40,000.

CONTRACT OF SALE

This Contract of Sale (this "Contract") is made and entered into this ____ day of April, 2007 ("Effective Date") by and between Mark Hitchcock d/b/a Hitchcock House Movers (the "Seller" or "Hitchcock"), a [type of entity and state of formation] and the Town of Addison, Texas (the "Buyer" or the "City").

Seller: Mark Hitchcock
Hitchcock House Movers
398 Hitchcock Lane
Argyle, Texas 76226

Buyer: The Town of Addison, Texas
5300 Belt Line Road
Dallas, Texas 75254

ARTICLE I **Defined Terms**

1.1 Definitions. As used herein, the following terms shall have the meanings indicated:

"Closing" means the consummation of the purchase of the Depot by Buyer from Seller in accordance with this Contract; the Depot is delivered, placed upon, and attached to Foundation; the Seller has performed all services with the move of the Depot; and Buyer accepts the Depot by paying consideration to Seller.

"Closing Date" means the date specified in Section 7.1 on which the Closing is to be held.

"Deed" means the Deed and Bill of Sale Without Warranty to be executed by Seller in favor of Buyer, in substantially the form attached hereto as Exhibit A.

"Effective Date" means the date on which Buyer and Seller have both fully executed this Contract, including, if appropriate, the initials of the parties on any counter-offers proposed by either party.

"Depot" means the building (and all appurtenances thereto) generally known and described as the Addison Train Depot which is located on and adjacent to the north side of the old church building of the Church of the Holy Communion located at 17405 Muirfield Drive, Dallas, Texas 75287-7437.

"Depot Site" means the piece of property at 4831 Broadway Street in the Town of Addison, Texas, where the Depot will be moved.

"Purchase Price" means the total consideration to be paid by Buyer to Seller for the purchase of the Depot as set forth in Sections 3.1.

1.2 **Other Defined Terms.** Certain other defined terms shall have the respective meanings assigned to them elsewhere in this Contract.

ARTICLE II
Agreement of Purchase and Sale

2.1 **Agreement.** On the terms and conditions stated in this Contract, Seller hereby agrees to sell, convey, and deliver the Depot to Buyer, and Buyer hereby agrees to purchase the Depot from Seller.

2.2 **Inspection.** The City shall have the right (including by and through any third party contractor), at any time prior to the Closing, to enter upon the Depot and to conduct such inspection and review of the Depot as the City shall determine to be necessary, including, without limitation, an environmental inspection of the Depot. Following any such inspection, the City may elect, in its sole discretion, to terminate this Contract for any reason whatsoever. In any such event, any and all funds paid by the City to Hitchcock shall be promptly repaid to the City (which repayment obligation shall survive the termination of this Contract).

ARTICLE III
Purchase Price

3.1 **Purchase Price.** The Purchase Price to be paid by Buyer to Seller shall be \$37,000. The Purchase Price is payable as follows: (a) Buyer will pay \$7,000 upon the execution of this Agreement by both parties, (b) Buyer will pay \$20,000.00 when the Depot arrives at 4831 Broadway Street in the Town of Addison, Texas (the "Depot Site"), and (c) Buyer will pay the remainder at Closing. All payments by Buyer will be in the form of check or cash or other appropriate means as determined by Buyer.

Formatted: Font color: Black

Formatted: Font color: Black

Formatted: Font color: Black

ARTICLE IV
Representations, Warranties and Covenants

4.1 **Seller's Representations and Warranties.** Seller represents and warrants to Buyer as follows:

(a) Seller has as of the Effective Date, or will have as of the date and time that any moving or transporting of the Depot shall be commenced, the full right, power, and authority, or to sell and convey the Depot as provided in this Contract and to carry out Seller's obligations hereunder.

(b) The Depot is not subject to any litigation, or other legal or administrative proceedings, and Seller has no knowledge of any facts that might result in any such litigation or proceedings.

4.2 **Buyer's Representations and Warranties.** Buyer has the full right, power, and authority to buy the Depot and to carry out Buyer's obligations hereunder.

ARTICLE V
Conveyance

5.1 Conveyance. At Closing, Seller, shall execute and deliver to Buyer the Deed.

ARTICLE VI
Moving of Depot

6.1 In connection with the conveyance and transfer of the Depot by Seller to Buyer pursuant to this Agreement, the Seller shall, as a condition precedent to the Closing, transport or cause the transportation of the Depot from its current location to, and installation of the Depot at that location described as the Depot Site. The transportation to and the installation of the Depot at the Depot Site shall be at no cost to the Town of Addison.

6.2 The Depot shall be transported and delivered to, and installed at, the Depot Site in accordance with and subject to all applicable laws, ordinances, rules, regulations, codes, permits, and standards of each governmental authority have jurisdiction over the transportation, delivery and installation of the Depot.

6.3 Written plans for transporting (including the transportation route) and in stalling the Depot shall be prepared by Hitchcock and submitted to the Town of Addison for its review on or prior to _____, 2007. In the event the Town of Addison has any comments regarding the plans, Hitchcock agrees to reasonably consider such comments and to incorporate them in to the plans as appropriate.

6.4 Hitchcock will retain risk of loss and damage of and to the Depot during the transportation of the Depot to the Depot Site and while the same is in its possession or control and during any period of installation. Hitchcock will be responsible for any damage caused by its owners, officers, employees, representatives, agents, contractors, or subcontractors. Hitchcock shall fully and finally complete to the City's satisfaction the transportation, delivery and installation of the Depot within _____ (____) days following Hitchcock's receipt of a notice from the Town of Addison to proceed with the transportation, delivery and installation of the Depot.

In the performance of its work and services hereunder, Hitchcock shall take precautions for safety of, and shall provide protection to prevent damage, injury, harm or loss to:

1. employees on the work or other persons who may be affected thereby;
2. the work and materials and equipment used in connection with the transportation, delivery, and installation of the Depot; and
3. other property at any site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures and utilities.

Hitchcock shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Depot transportation, delivery, and

installation to the Depot Site. Hitchcock shall give notices and comply with applicable laws, ordinances, rules, regulations and lawful orders of public authorities bearing on safety of persons or property or their protection from damage, injury, harm or loss. Hitchcock shall erect and maintain, as required by existing conditions and performance of the Depot transportation, delivery and installation, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent sites and utilities. Hitchcock represents and warrants that Hitchcock has experience with transporting, delivering, and installing buildings at least the size, shape, and weight of the Depot.

The Town of Addison,, Texas, its officials, officers, employees and representatives, in their official and private capacities, shall not be and are not responsible or liable whatsoever for damage to or destruction of property, or injury to or death of any person, or any other harm or damage whatsoever, which are caused by, result from, or arise out of, in whole or in part, the transportation, delivery, and installation of the Depot to the Depot Site. In connection therewith, **Hitchcock covenants and agrees to FULLY DEFEND, INDEMNIFY AND HOLD HARMLESS the Town of Addison, Texas and the elected officials, the officers, employees, representatives, and volunteers of the Town of Addison, Texas, individually or collectively, in both their official and private capacities (the "Indemnified Persons"), from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal bodily injury, death and property damage or destruction, or other harm, made upon the Indemnified Persons or any of them, directly or indirectly arising out of, resulting from or related to Hitchcock's activities in the transportation, delivery, and installation of the Depot, including any negligent acts or omissions of Hitchcock, any officer, director, employee, agent, representative, Hitchcock, contractor, or subcontractor of Hitchcock, and their respective officers, employees, directors, agents, and representatives while in the exercise or performance of the rights or duties under this Contract. IT IS FURTHER COVENANTED AND AGREED THAT SUCH DEFENSE, INDEMNITY AND HOLD HARMLESS SHALL APPLY EVEN WHERE SUCH COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, PROCEEDINGS, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY, AND OR SUITS ARISE IN ANY PART FROM THE NEGLIGENCE OF THE TOWN OF ADDISON, TEXAS AND/OR THE ELECTED OFFICIALS, THE OFFICERS, EMPLOYEES, REPRESENTATIVES, AND/OR VOLUNTEERS OF THE TOWN OF ADDISON UNDER THIS CONTRACT. The provisions of this DEFENSE, INDEMNIFICATION AND HOLD HARMLESS are solely for the benefit of the parties hereto and are not intended to create or grant any rights, contractual or otherwise, to any other person or entity.**

6.5 In connection with the transportation and installation of the Depot at the Depot Site, Hitchcock warrants that its services and work will be provided in a professional, good and workmanlike manner, consistent with the commercially accepted best practices and standards that are in use in Hitchcock's line of business as of the time such services and work are provided. Hitchcock warrants and represents that it has the skills, qualifications, expertise, experience and financial capability necessary to perform the transportation and installation of the Depot in an

efficient and cost-effective manner with a high degree of quality and responsiveness and has performed and continues to perform the same and similar services for other persons and entities.

6.6 Hitchcock warrants that all work performed in the transportation and installation of the Depot shall be free and clear of liens, claims, security interests or encumbrances in favor of Hitchcock, its subcontractors, material suppliers, or other persons or entities making a claim by reason of having provided labor, materials and equipment relating to the same, and agrees to hold harmless and indemnify the Town of Addison from such liens and claims.

6.7 In connection with the transportation, delivery, and installation of the Depot to the Depot Site, Hitchcock further warrants and represents that:

(a) Neither Mark Hitchcock, or Hitchcock House Movers, is now subject to any litigation, or other legal or administrative proceedings regarding the moving of any building or other structure;

(b) Hitchcock will acquire a building moving permit from the City of Dallas, Texas and present that permit to the Town of Addison for inspection prior to the commencement of the transportation of the Depot.

6.8 In performing the services and work set forth hereunder, Consultant is and shall be an independent contractor and is not an employee of the Sponsor, and the Sponsor shall have no liability whatsoever for withholding, collection or payment of income taxes or for other taxes of any nature on behalf of Consultant. Nothing in this Contract is intended nor shall be construed to create an employer-employee relationship, a partnership, a joint venture, or a joint enterprise relationship, or to allow Sponsor to exercise discretion or control over the professional manner or method in which Consultant performs its services and work which are the subject matter of this Contract.

6.9 In connection with the transportation, delivery and installation of the Depot, Hitchcock shall provide and maintain at its sole cost, in addition to any other insurance required by applicable law, rule, regulation, standard, or code of any governmental entity having jurisdiction over the transportation, delivery, and installation of the Depot, the following insurance during the term of this Agreement:

(a) Workers compensation insurance in at least the amounts required by law, including Employers Liability coverage a minimum limits of \$1,000,000 each-occurrence each accident/\$1,000,000 by disease each-occurrence/\$1,000,000 by disease aggregate; and

(b) Commercial General Liability insurance at minimum combined single limits of \$1,000,000 per-occurrence and \$2,000,000 general aggregate for bodily injury and property damage, which coverage shall include products/completed operations (\$1,000,000 products/completed operations aggregate), XCU (Explosion, Collapse, Underground) hazards, and coverage for contractual liability. Coverage must be amended to provide for an each-project aggregate limit of insurance.

With reference to the foregoing insurance Hitchcock shall specifically endorse applicable insurance policies as follows: (1) the Town of Addison, Texas shall be named as an additional insured with respect to all liability policies; (2) all liability policies shall contain no cross liability exclusions or insured versus insured restrictions, (3) a waiver of subrogation in favor of the Town of Addison, Texas shall be contained in the workers compensation and liability policies, (4) all insurance policies shall be endorsed to require the insurer to immediately notify the Town of Addison, Texas of any material change in the insurance coverage, (5) all insurance policies shall be endorsed to the effect that the Town of Addison, Texas will receive at least thirty (30) days' notice prior to cancellation or non-renewal of the insurance, (6) all insurance policies which name the Town of Addison, Texas as an additional insured, must be endorsed to read as primary coverage regardless of the application of other insurance, (7) required limits may be satisfied by any combination of primary and umbrella liability insurances, (8) reasonable and customary deductibles may be maintained, (9) insurance must be purchased from insurers that are financially acceptable to the Town of Addison, Texas, (10) all insurance must be written on forms filed with and approved by the Texas Department of Insurance; and (b) certificates of insurance shall be prepared and executed by the insurance company or its authorized agent, shall be provided to the Town of Addison, Texas at least thirty (30) days prior to the date of the performance under this Agreement, and shall contain provisions representing and warranting the following: (1) sets forth all endorsements and insurance coverages according to requirements and instructions contained herein, and (2) shall specifically set forth the notice-of-cancellation or termination provisions to the Town of Addison, Texas.

6.7 Time is of the essence of this Article and Agreement.

ARTICLE VII **Conditions to Buyer's Obligations**

7.1 **Conditions to Buyer's Obligations.** The obligations of Buyer hereunder to consummate the transaction contemplated hereby are subject to the satisfaction, as of the Closing, of each of the following conditions (any of which may be waived in whole or in part in writing by Buyer at or prior to Closing):

(a) All representations and warranties shall be true on and as of the Delivery and Closing Date, and Seller shall have complied with all of the terms, conditions, and provisions of the terms of this Contract to the Buyer's satisfaction.

(b) The Depot, or any material part thereof, shall not have been and shall not be threatened to be materially or adversely affected in any way as a result of the intentional, negligent, or accidental actions of Seller or any other person or condition, any action by the United States or any other governmental authority, any damage occurred during the move of the Depot, or act of God.

ARTICLE VIII **Closing**

8.1 **Date and Place of Delivery and Closing.** The Closing shall take place at the Addison Service Center, 16801 Westgrove Drive, Addison., Texas 75001. The Closing Date shall be the

next business day after Buyer accepts the delivery and installation of the Depot at the Depot Site. The Closing Date may be extended or accelerated by the mutual agreement of the parties.

8.2 Items to be Delivered at the Closing.

(a) **Seller.** At Closing, Seller shall deliver or cause to be delivered to Buyer the following items:

(i) The Depot, in the same or similar condition as of the Effective date, delivered to the Depot Site and placed upon the foundation located thereon and the attachment of all fixtures and necessary items that complete the transportation, delivery, and installation of the Depot;

(ii) The Deed, duly executed and acknowledged by Seller.

(b) **Buyer.** At Closing, Buyer shall deliver to Seller:

(i) The Purchase Price in the form of payment that is acceptable to Seller.

8.4 Possession at Closing. At Closing, Seller shall deliver possession of the Depot to Buyer.

8.5 Costs of Delivery and Closing. Buyer shall pay all recording fees attributable to the transfer of title to the Depot. Each party shall pay its own attorneys' fees and expenses.

**ARTICLE IX
Further Obligations**

9.1 Depot Storage.

(a) The City will be preparing the Depot Site to allow the Depot to be placed thereon. Such preparation will include the construction of a foundation for the Depot to be placed upon, plumbing work, electrical work, landscaping, and other preparatory work (together, the "Site Preparation"). However, the foundation may not be constructed and in place prior to the Closing Date.

Formatted: Font color: Black

(i) If the Site Preparation is completed prior to the Closing Date so as to allow the Depot to be placed on the foundation (as determined by the City), the City shall notify Hitchcock of the same and Hitchcock shall place and install the Depot on the foundation.

(ii) If the Site Preparation is not completed prior to the Closing Date so as to allow the Depot to be placed on the foundation (as determined by the City), Hitchcock shall deliver the Depot to the Depot Site and allow the same to be stored at the Depot Site (in a location designed by the City) on appropriate equipment provided by Hitchcock. Such storage shall be at no cost to the City, provided the period for such storage does not exceed ninety (90) days. Following the ninety (90) day period, if the Site Preparation has not been completed to the City's satisfaction so as to allow the Depot to be placed upon the foundation, the City shall pay to Hitchcock as a rental fee for the equipment the sum

Formatted: Font color: Black

of \$35 for each day thereafter. In any event, the use and rental of Hitchcock's moving equipment on which the Depot is stored shall not exceed twelve (12) months following the Closing Date, after which time Hitchcock has the right to remove such equipment and place the Depot at the Depot Site.

Upon the completion of the Site Preparation (if the same is not completed prior to the Closing Date), the City shall notify Hitchcock of the same, and Hitchcock shall promptly place and install the Depot on the foundation, and thereafter remove all of Hitchcock's equipment and materials.

(b) The terms and provisions of this Article shall survive the Closing.

ARTICLE X **Defaults and Remedies**

10.1 Seller's Defaults; Buyer's Remedies. In the event that Seller should fail to consummate the transaction contemplated herein for any reason, except Buyer's default, Buyer, as its sole and exclusive remedy, may either: (i) terminate this Contract by written notice delivered to Seller on or before the Delivery and Closing Date; (ii) enforce specific performance of this Contract against Seller requiring Seller to convey and deliver the Depot to Buyer; or (iii) initiate legal proceedings to seek the relief that Buyer is rightfully entitled.

10.2 Buyer's Default; Seller's Remedies. In the event that Buyer should fail to consummate the transaction contemplated herein for any reason, except for default by Seller or the nonsatisfaction of any of the conditions to Buyer's obligations, set forth herein, Seller, as its sole and exclusive remedy, may terminate this Contract by written notice delivered to Buyer on or before the Closing Date.

ARTICLE XI **Miscellaneous**

11-1 Notices. All notices, demands, requests, and other communications required or permitted hereunder shall be in writing, and shall be deemed to be delivered, upon the earlier to occur of (a) actual receipt, and (b) upon the deposit of the original in a regularly maintained receptacle for the United States mail, registered or certified, postage prepaid, addressed as follows:

Seller:

Mark Hitchcock
Hitchcock House Movers
398 Hitchcock Lane
Argyle, Texas 76226

Buyer:

Town of Addison, Texas
5300 Beltline Road
Dallas, Texas 75254
Attn: Ron Whitehead

With a copy to:

John M. Hill
Cowles & Thompson, P.C.
901 Main Street, Suite 4000
Dallas, Texas 75202

11.2 Governing Law. This Contract is being executed and delivered, and is intended to be performed in the State of Texas and the laws of Texas govern the validity, construction, enforcement, and interpretation of this Contract, regardless of and without reference to its conflict of laws provisions. Venue for any action hereunder lies in Dallas County, Texas.

11.3 Entirety and Amendments. This Contract embodies the entire agreement between the parties and supersedes all prior agreements and understandings, if any, relating to the Depot, and may be amended or supplemented only by an instrument in writing executed by the party against whom enforcement is sought.

11.4 Parties Bound. This Contract is binding upon and inures to the benefit of Seller and Buyer, and their respective heirs, personal representatives, successors, and assigns.

11.5 Further Acts. In addition to the acts and deeds recited in this Contract and contemplated to be performed, executed, and/or delivered by Seller to Buyer, Seller and Buyer agree to perform, execute, and/or deliver or cause to be performed, executed, and/or delivered at the Closing or after the Closing any and all further acts, deeds, and assurances as are reasonably necessary to consummate the transactions contemplated hereby, as long as no liability or expense is incurred in connection therewith.

11.6 Survival. Except as otherwise provided herein, all warranties, representations and agreements contained herein shall survive the Delivery and Closing hereof.

11.7 Counterpart Execution. This Contract may be executed in several counterparts, each of which shall be fully effective as an original and all of which together shall constitute one and the same instrument.

11.8 Assignment. Seller shall have no power or right to assign this Contract without the prior written consent of Buyer.

11.9 Maintenance of the Depot. Between the Effective Date and the Delivery and Closing, Seller shall:

(a) Maintain the Depot in good repair, reasonable wear and tear accepted, except that in the event of a fire or other casualty, damage or loss, Seller shall have no duty to repair said damage other than as provided in this Contract;

(b) Advise Buyer promptly of any litigation, arbitration or administrative hearing concerning or effecting the Depot or the Seller's ability to perform under this Contract which Seller has knowledge or notice;

(c) Immediately notify Buyer of any material injury or damage to the Depot or any portion thereof;

(d) Not, without the prior written consent of the Buyer, create, place or permit to be created or placed, or through any act or failure to act, acquiesce in the placing of, or allow to remain, any deed of trust, mortgage, voluntary or involuntary lien, whether statutory, constitutional or contractual (except for the lien for ad valorem taxes on the property which are not delinquent) security interest, encumbrance or charge, or conditional sale or other title retention document, at or prior to Delivery and Closing, and should any of the foregoing become attached hereafter in any manner to any part of the Property without the prior written consent of Buyer, Seller shall cause the same to be promptly discharged and released; and

11.10 Risk of Loss. If there is damage or destruction, in whole or in part, to the Depot prior to Closing, the Purchase Price shall be proportionately reduced to reflect such damage or destruction (if Buyer elects, in its sole discretion, to accept the Depot in its damaged condition; otherwise, Seller shall not install the Depot, and if installed, shall promptly remove the same at Buyer's request). In the event of damage or destruction to the Depot, Seller shall promptly notify Buyer of the same and the extent (stated as a dollar amount) to which Seller believes the Depot has been damaged or destroyed. If Seller and Buyer are unable to agree, provided Buyer has elected to accept the Depot in its damaged condition, within 30 days after Seller notifies Buyer of the damage or destruction, upon the amount by which the Purchase Price will be reduced to reflect such damage or destruction, then each party shall appoint an engineer within 10 days thereafter. The two engineers so appointed shall then appoint a third engineer within 10 days thereafter, and the third engineer so appointed shall promptly determine the amount by which the improvements have been damaged or destroyed. The cost of the third engineer shall be shared equally by the parties.

Executed: April ____, 2007

SELLER:

Mark Hitchcock, as the representative and owner
Hitchcock House Movers

Executed: April ____, 2007

BUYER:

Town of Addison, Texas

By: _____
Ron Whitehead, City Manager

EXHIBIT A

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Deed and Bill of Sale Without Warranty

Date: The ___ day of April 2007

Grantor: Mark Hitchcock d/b/a Hitchcock House Movers

Grantor's Mailing Address:

398 Hitchcock Lane
Argyle, Texas 76226

Grantee: Town of Addison, Texas

Grantee's Mailing Address:

5300 Belt Line Road
Dallas, Texas 75254

Consideration: TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration.

Property:

That building (and all appurtenances thereto) generally known and described as the "Addison Depot" (herein so called) located on and adjacent to the north side of the old church building of the Church of the Holy Communion located at 17405 Muirfield Drive Dallas, Texas 75287-7437.

Reservations from Conveyance and Transfer:

None.

Exceptions to Conveyance and Transfer:

None.

Grantor, for the Consideration and subject to the Reservations from Conveyance and Transfer and the Exceptions to Conveyance and Transfer, grants, sells, conveys, and transfers to Grantee the Property, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's heirs, successors, and assigns forever, without express or implied warranty. All warranties that might arise by common law as well as the warranties in Section 5.023 of the Texas Property Code (or its successors) are excluded.

This conveyance is intended to include any interest in the Property obtained by after-acquired title.

As a material part of the Consideration, Grantor and Grantee agree that Grantee is taking the Property "AS IS" and "WITH ALL FAULTS" physical condition and state of repair, with any and all latent and patent defects including environmental defects, if any, and that there is no warranty by Grantor that the Property has a particular financial value or is fit for a particular purpose. Grantee acknowledges and stipulates that Grantee is not relying on any representation, statement or other assertion with respect to the Property condition but is relying on Grantee's independent examination of the Property. Grantee takes the Property with the express understanding and stipulation that there are **no express or implied warranties** set forth in this instrument.

Recitals Regarding Conveyance and Transfer

1. In or about September, 1963 the Saint Louis Southwestern Railway Co. of Texas sold and conveyed the Addison Depot (the same being the Property conveyed and transferred

herein) to Grantor or to its duly authorized representative (see letter dated September 10, 1963 from St. Louis Southwestern Railway Lines to George M. Underwood, Jr. attached hereto as Exhibit 1).

2. Following the said conveyance, the Addison Depot was relocated by the Church of the Holy Communion of Frankford, Inc. (the "Church") to 17405 Muirfield Drive, Dallas, Texas 75287-7437 (the "Church Site"), and until recently had remained Church Site. Since the time of its relocation to the Depot Site - a period of more than 40 years – the Church possessed, used and controlled the Addison Depot as the owner thereof.

3. By that Deed and Bill of Sale Without Warranty dated _____, 2007 by and between the Church, as grantor, and Mark Hitchcock d/b/a Hitchcock House Movers, as grantee, the Church conveyed the Church's right, title and interest in and to the Addison Depot to Mark Hitchcock d/b/a Hitchcock House Movers.

4. The Addison Depot holds historic value, having served as a train depot on the Cotton Belt rail line in an area which is now a part of and located within the Town of Addison, Texas (Grantee).

5. The Church relocated its facilities to a new site, and no longer needed the Addison Depot. The Church then elected to convey its interest in the Depot to Grantor. Recognizing the historic significance of the Addison Depot to Grantee, Grantor desires to convey the Addison Depot to Grantee as set forth herein.

5. It is Grantor's intent by this Deed and Bill of Sale Without Warranty to sever the Property from the land upon which it sits and convey and transfer the Property to Grantee.

When the context requires, singular nouns and pronouns include the plural.

GRANTOR:

Mark Hitchcock d/b/a Hitchcock House Movers

By: _____

Typed name: _____

Title: _____

GRANTEE:

TOWN OF ADDISON, TEXAS

By: _____

Ron Whitehead, City Manager

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

Before me, on this day personally appeared Mark Hitchcock, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this _____ day of _____, 2007.

[SEAL]

By: _____

NOTARY PUBLIC, State of Texas

My commission expires: _____

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2007 by Ron Whitehead, City Manager of the Town of Addison, Texas, a Texas municipal corporation, , on behalf of said municipal corporation.

[SEAL]

By: _____

NOTARY PUBLIC, State of Texas

My commission expires: _____

Deed and Bill of Sale Without Warranty

Council Agenda Item: #R5

SUMMARY: Consideration of and approval to authorize the City Manager to execute a master agreement with Cunningham Architects.

FINANCIAL IMPACT:

Budgeted Amount: NA

BACKGROUND:

Currently the Town is utilizing the services of Cunningham Architects on several projects and it is anticipated that their services will be needed as the development of Belt Line road progresses and other future projects that may be identified through the “Next Great Ideas” process. In that regard staff thought it more appropriate to enter into a master agreement with Cunningham Architects that would address compensation, insurance requirements and work product on a more comprehensive basis. Conditions and hourly rates for any future engagements with Cunningham Architects will be in accordance with this proposed master agreement. This approach is consistent with how the Town has handled other professional services such as engineering services.

RECOMMENDATION:

Staff recommends approval.

DRAFT AIA[®] Document B727[™] - 1988

Standard Form of Agreement Between Owner and Architect for Special Services

AGREEMENT made as of the [redacted] day of April in the year of 2007

BETWEEN the Owner:
(Name and address)

Town of Addison
Mr. Ron Whitehead, City Manager
Town Hall
5300 Belt Line Road
Dallas, TX 75254-7606

and the Architect:
(Name and address)

Cunningham Architects
918 Dragon Street
Dallas, Texas 75207

For the following Project:
(Include detailed description of Project, location, address and scope.)

Miscellaneous projects and studies for the Town of Addison, Texas

The Owner and the Architect agree as set forth below.

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

ELECTRONIC COPYING of any portion of this AIA[®] Document to another electronic file is prohibited and constitutes a violation of copyright laws as set forth in the footer of this document.

ARTICLE 1 ARCHITECT'S SERVICES

(Here list those services to be provided by the Architect under the Terms and Conditions of this Agreement. Note under each service listed the method and means of compensation to be used, if applicable, as provided in Article 8.)

Service to be provided	Method and means of compensation
Miscellaneous Studies	Hourly

The Architect shall designate a representative authorized to act on the Architect's behalf with respect to the Project.

Architect's services shall be performed in a manner consistent with professional skill and care in accordance with the professional standards of architecture prevailing in the Dallas-Fort Worth metroplex area. Architect shall perform its services in accordance with all applicable laws, regulations, rules, and standards, and in accordance with the standard of care set forth herein.

Architect shall perform its work and services hereunder as expeditiously as is consistent with professional skill and care and the orderly progress of the project, and in a manner satisfactory and acceptable to Owner in accordance with the standard of care set forth in this Agreement.

Notwithstanding any other provision of this Agreement, Architect shall be liable to Owner for any and all damages, injuries, liability, or other harm of whatever nature to the extent caused by or resulting from any negligent act or omission of Architect, or Architect's directors, partners, officers, employees, agents, contractors, subcontractors, consultants, or any person or entity acting by, through or under Architect, in the provision of its services under this Agreement.

Notwithstanding Owners approval of any of Architect's drawings, plans, work product, specifications, reports, information, and/or other documents or materials (together, "Drawings"), shall, to the best of Architect's knowledge, information and belief, be sufficient and adequate for construction of the Project, shall be free from material error, and shall be satisfactory to the Owner. In accordance with the standard of care set forth in this Agreement, Architect agrees that if it shall recommend unsuitable materials in connection with the Project and this Agreement or if the design of the Project should be defective in any way, Architect will assume sole responsibility for any damages, loss, claims, or expenses to the extent caused by Architect's recommendation of unsuitable materials or defective design.

The Architect shall promptly correct any defective designs or specifications furnished by the Architect at no cost to the Owner. The Owner's approval, acceptance, use of or payment for all or any part of the Architect's services hereunder or of the Project itself shall in no way alter the Architect's obligations or the Owner's rights hereunder. Approval by the Owner of any of Architect's Drawings or work pursuant to this Agreement shall not constitute nor be deemed a release of the responsibility and liability of Architect, its employees, subcontractors, agents and consultants for the accuracy and competency of the same, nor shall such approval be deemed to be an assumption of or an indemnification for such responsibility or liability by the Owner for any defect, error or omission in such Drawings or work, it being understood that the Owner at all times is ultimately relying on Architect's skill and knowledge in preparing the Drawings and in providing Architect's services.

ARTICLE 2 OWNER'S RESPONSIBILITIES

§ 2.1 The Owner shall provide full information regarding requirements for the Project to the extent such information is reasonably available to Owner. The Owner shall furnish required information as expeditiously as necessary for the orderly progress of the Work, and the Architect shall be entitled to rely on the accuracy and completeness thereof. The Architect shall maintain the confidentiality of information specifically designated as confidential by the Owner, unless withholding such information would violate the law, create the risk of significant harm to the public or prevent the Architect from establishing a claim or defense in an adjudicatory proceeding. The Architect shall require of the Architect's consultants similar agreements to maintain the confidentiality of information specifically designated as confidential by the Owner.

§ 2.2 The Owner shall designate a representative authorized to act on the Owner's behalf with respect to the Project. The Owner or such authorized representative shall render decisions in a timely manner pertaining to documents submitted by the Architect in order to avoid unreasonable delay in the orderly and sequential progress of the Architect's services.

ARTICLE 3 USE OF ARCHITECT'S DOCUMENTS

§ 3.1 The documents prepared by the Architect for this Project are instruments of the Architect's service for use solely with respect to this Project and, unless otherwise provided, the Architect shall be deemed the author of these documents. The Owner shall have joint ownership of the documents and shall be permitted to retain copies, including reproducible copies, of the Architect's documents for the Owner's information, reference and use in connection with the Project. The documents shall not be used by the Architect, Owner or others on other projects unless agreed by both parties in writing (and this requirement shall survive the completion of the services to be provided hereunder and the expiration or termination of this Agreement).

ARTICLE 5 TERMINATION OR SUSPENSION

§ 5.1 This Agreement may be terminated by either party upon not less than seven days' written notice should the other party fail substantially to perform in accordance with the terms of this Agreement through no fault of the party initiating the termination. Additionally, this Agreement may be terminated by the Owner, in the Owner's sole discretion, upon not less than seven (7) days written notice to the Architect. In the event of termination for any reason, or upon the completion of the services to be provided by the Architect hereunder or the expiration of this Agreement, Architect shall promptly deliver to Owner all finished or unfinished documents, data, studies, surveys, drawings, maps, models, reports photographs or other items prepared by Architect in connection with this Agreement and the project (in whatever form or format, electronic or otherwise).

§ 5.2 If the Owner fails to make payment when due the Architect for services and expenses (except for services and/or expenses regarding which there is a bona fide dispute), the Architect may, upon seven days' written notice to the Owner, suspend performance of services under this Agreement. Unless payment in full is received by the Architect within seven days of the date of the notice, the suspension shall take effect without further notice. In the event of a suspension of services, the Architect shall have no liability to the Owner for delay or damage caused the Owner because of such suspension of services.

§ 5.3 In the event of termination not the fault of the Architect, the Architect shall be compensated for services performed prior to termination, together with Reimbursable Expenses then due (except for services and/or expenses regarding which there is a bona fide dispute).

ARTICLE 6 MISCELLANEOUS PROVISIONS

§ 6.1 In the event of any action or legal, equitable, or other proceeding under this Agreement, venue shall be instituted and maintained in Dallas County, Texas. Owner and Architect agree that the laws of the State of Texas shall govern and apply to the interpretation, validity and enforcement of this Agreement; and, with respect to any conflict of law provisions, the parties agree that such conflict of law provisions shall not affect the application of the law of Texas (without reference to its conflict of law provisions) to the governing, interpretation, validity and enforcement of this Agreement.

§ 6.2

§ 6.3 Neither Owner nor Architect shall and shall have no authority to assign, transfer, sell, pledge, subcontract, license, or otherwise convey this Agreement or any part hereof or any interest, rights, duties, or responsibilities hereunder without the prior written consent of the other.

§ 6.4 This Agreement represents the entire and integrated agreement between the Owner and Architect and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Owner and Architect.

§ 6.5 Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Owner or Architect. This Agreement is solely for the benefit of the parties hereto, and nothing contained in this Agreement shall create a contractual relationship with or a cause of action or any rights in favor of a third party, person or entity against either the Owner or Architect.

§ 6.6 Unless otherwise provided in this Agreement, the Architect and Architect's consultants shall have no responsibility for the discovery, presence, handling, removal or disposal of or exposure of persons to hazardous materials in any form at the Project site, including but not limited to asbestos, asbestos products, polychlorinated biphenyl (PCB) or other toxic substances, provided, however, Architect shall report to the Owner the location of any such hazardous material or toxic substance that Architect observes or discovers.

§ 6.7 The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by either party shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law statute, ordinance, or otherwise. The failure by either party to exercise any right, power, or option given to it by this Agreement, or to insist upon strict compliance with the terms of this Agreement, shall not constitute a waiver of the terms and conditions of this Agreement with respect to any other or subsequent breach thereof, nor a waiver by such party of its rights at any time thereafter to require exact and strict compliance with all the terms hereof. Any rights and remedies either party may have with respect to the other arising out of this Agreement shall survive the cancellation, expiration or termination of this Agreement, except as otherwise expressly set forth herein.

§ 6.8 Any rights, remedies, or obligations either party may have with respect to the other arising out of the performance of services during the term of this Agreement, and all provisions of this Agreement allocating responsibility or liability between Architect and Owner, shall survive the cancellation, expiration or termination of this Agreement.

§ 6.9 The officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the parties hereto.

§ 6.10 Any provision of this Agreement later held to be unenforceable for any reason shall be deemed void and all remaining provisions shall continue in full force and effect; in lieu thereof the parties shall seek to negotiate and add to this Contract a provision as similar in its terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

§ 6.11 (A) INDEMNITY. IN CONSIDERATION OF THE GRANTING OF THIS AGREEMENT, ARCHITECT AGREES TO INDEMNIFY AND HOLD HARMLESS THE OWNER, ITS OFFICIALS, OFFICERS, AND EMPLOYEES (EACH AN "INDEMNITEE") FROM AND AGAINST EXPENSES, FEES AND COSTS (INCLUDING REASONABLE ATTORNEY'S FEES AND OTHER COSTS OF DEFENSE), AND DAMAGES (TOGETHER, "DAMAGES") TO THE EXTENT SUCH DAMAGES ARE CAUSED BY OR RESULT FROM ANY NEGLIGENT ACT, ERROR OR OMISSION OR WILLFUL MISCONDUCT OF ARCHITECT, INCLUDING ARCHITECT'S PERSONNEL, UNDER THIS AGREEMENT.

(B) THE INDEMNITY OBLIGATIONS SHALL SURVIVE THE EXPIRATION OR TERMINATION OF THIS AGREEMENT.

(C) Architect shall cause all contracts for subcontracted Services to include a like indemnity which shall cover both Owner and Architect. Nothing herein shall limit the insurance requirements or applicability thereof contained in this Agreement.

§ 6.12 Insurance. In connection with this Agreement and at all time relevant hereto or in connection herewith, Architect shall acquire and maintain in a company or companies lawfully authorized to do business in Texas at least the following insurance:

(A) Workers' Compensation insurance at statutory limits under the laws of Texas, including Employers' Liability coverage at minimum limits of \$1,000,000 each occurrence each accident/\$1,000,000 by disease each occurrence/\$1,000,000 by disease aggregate;

(B) Commercial General Liability insurance, with combined single limits of not less than \$1,000,000 per-occurrence and \$1,000,000 general aggregate for bodily injury and property damage; \$1,000,000 for personal injury; and a \$1,000,000 annual aggregate for Products/Completed Operations. Coverage must include Contractual Liability and Products/Completed Operations (and if such commercial general liability insurance contains a general aggregate

limit, it shall apply separately to the Services under this Agreement);

(C) Commercial Automobile Liability insurance at minimum combined single limits of \$1,000,000 per-occurrence for bodily injury and property damage, including Owned, Non-Owned and Hired Car Coverage. This coverage must be written on a standard and approved ISO form;

(D) Professional Liability Insurance to protect from liability arising out of the performance of professional services under this Agreement. Such coverage shall be in the sum of not less than One Million and No/100 Dollars (\$1,000,000.00) per claim and One Million and No/100 Dollars (\$1,000,000.00) aggregate. This coverage must be maintained for at least two (2) years after the Project contemplated herein is completed. If coverage is written on a claims-made basis, the retroactive date must not be later than the inception date of this Agreement.

With reference to the foregoing insurance requirements, Architect shall specifically endorse applicable insurance policies as follows:

All such policies of insurance shall (a) be issued by insurance companies reasonably acceptable to Owner and such companies shall be licensed and admitted to do business by the Texas Department of Insurance., (b) except for professional liability insurance and workers compensation insurance, shall name the Town of Addison, Texas as an additional insured or loss payee, as the case may be, (c) in all liability policies, provide that such policies are primary insurance to any other insurance available to the additional insureds, with respect to any claims arising out of activities conducted hereunder, (d) contain a waiver of subrogation endorsement in favor of the Town of Addison, Texas, and (e) provide for at least thirty (30) days written notice to the Town of Addison, Texas prior to cancellation, non-renewal of such insurance. Certificates of insurance (together with the declaration page of such policies, along with the endorsement naming the Town of Addison, Texas as an additional insured, satisfactory to Owner, evidencing all coverage above, shall be promptly delivered to Town prior to Architect beginning any work hereunder, and the same shall be updated as may be appropriate, with complete copies of such policies furnished to the Owner upon request. The Owner reserves the right to review the insurance requirements contained herein and to reasonably adjust coverages and limits when deemed necessary and prudent by the Owner.

§ 6.13 All payments, notices, demands, or requests from one party to another shall be personally delivered or sent by United States mail certified, or registered, return receipt requested, postage prepaid, to the addresses stated above. All notices required to be given in writing by one party or the other shall be considered as having been given to the addressee (i) if by hand delivery, at the time of delivery, or (ii) if mailed, seventy-two (72) hours after the deposit of same in any United States mail post office box. The addresses and addressees for the purpose hereof may be changed by giving notice of such change in the manner herein provided for giving notice. Unless and until such written notice is received the last addresses and addressee stated by written notice, or provided herein if no written notice of change has been sent or received, shall be deemed to continue in effect for all purposes hereunder.

ARTICLE 7 PAYMENTS TO THE ARCHITECT

§ 7.1 HOURLY EXPENSE

§ 7.1.1 Hourly rates are in Article 8.2

§ 7.2 REIMBURSABLE EXPENSES

§ 7.2.1 Reimbursable Expenses are in addition to the Architect's compensation and include expenses incurred by the Architect and Architect's employees and consultants in the interest of the Project for:

- .1 expense of transportation and living expenses in connection with out-of-town travel authorized in writing by the Owner prior to any such out-of-town travel;
- .2 long-distance communications;
- .3 fees paid for securing approval of authorities having jurisdiction over the Project;
- .4 reproductions;
- .5 postage and handling of documents;
- .6 expense of overtime work requiring higher than regular rates, if authorized by the Owner;
- .7 renderings and models requested by the Owner;
- .8 expense of additional coverage or limits, including professional liability insurance, requested by the Owner in excess of that normally carried by the Architect and the Architect's consultants.

§ 7.3 PAYMENTS ON ACCOUNT OF THE ARCHITECT'S SERVICES

§ 7.3.1 Payments on account of the Architect's services and for Reimbursable Expenses shall be made monthly upon presentation of the Architect's statement of services rendered. Until Owner has received such a statement (invoice) from Architect, Owner shall have no duty or obligation to pay Architect. All statements (invoices) shall be in form and content satisfactory to Owner, and shall include a description of services rendered and the amount owed in connection therewith, an itemized statement of Reimbursable Expenses or any other or extra costs or expenses incurred (together with evidence and records acceptable to Owner substantiating the same), and the sum of all prior payments for the work and services of the Architect as described herein (and the cumulative amounts of all progress payments shall not exceed the amount set forth herein). Architect shall not be entitled to any compensation for any services or work not actually performed or for any lost profits as a result of any abandonment, suspension, or termination of work or the Project by Owner.

§ 7.3.2 An initial payment as set forth in Section 8.1 is the minimum payment under this Agreement.

§ 7.4 ARCHITECT'S ACCOUNTING RECORDS

§ 7.4.1 Records of Reimbursable Expenses and expenses pertaining to services performed on the basis of a multiple of Direct Personnel Expense shall be available to the Owner or the Owner's authorized representative at mutually convenient times.

ARTICLE 8 BASIS OF COMPENSATION

The Owner shall compensate the Architect as follows:

§ 8.1 AN INITIAL PAYMENT OF Zero Dollars and Zero Cents (\$ 0.00) shall be made upon execution of this Agreement and credited to the Owner's account at final payment.

§ 8.2 COMPENSATION FOR THE ARCHITECT'S SERVICES, as described in Article 1, Architect's Services, shall be computed as follows:
(Insert basis of compensation, including stipulated sums multiples or percentages, and identify the services to which particular methods of compensation apply, if necessary.)

Hourly, based on compensation Schedule

Schedule:

Gary Cunningham	\$120.00 hr
Project Architect or Manager,	\$100.00 hr
Design or Production Intern	\$ 80.00 hr
Part time Intern or office support	\$ 40.00 hr

§ 8.3 FOR REIMBURSABLE EXPENSES, as described in Article 7, and any other items included in Article 9 as Reimbursable Expenses, a multiple of One (1.00) times the expenses incurred by the Architect, the Architect's employees and consultants in the interest of the Project.

§ 8.4 Payments are due and payable Thirty (30) days from the date of the Architect's invoice. Amounts unpaid () days after the invoice date shall bear interest at the rate entered below, or in the absence thereof, at the legal rate prevailing from time to time at the principal place of business of the Architect.
(Insert rate of interest agreed upon.)

(Usury laws and requirements under the Federal Truth in Lending Act, similar state and local consumer credit laws and other regulations at the Owner's and Architect's principal places of business, the location of the Project and elsewhere may affect the validity of this provision. Specific legal advice should be obtained with respect to deletions or modifications, and also regarding other requirements such as written disclosures or waivers.)

ARTICLE 9 OTHER CONDITIONS

§ 9.1 Each miscellaneous project shall have a separate letter agreement outlining scope of work, schedule and compensation limits

§9.2 Rates shall be annually adjusted in accordance with normal salary review practices of the Architect.

This Agreement entered into as of the day and year first written above.

OWNER

ARCHITECT

(Signature)

Mr. Ron Whitehead, City Manager

(Printed name and title)

(Signature)

Gary M. Cunningham, FAIA, President

(Printed name and title)



Council Agenda Item: #R6

SUMMARY: Consideration of and approval to authorize the City Manager to enter into an agreement with Cunningham Architects to assist with the Belt Line Road redevelopment plan in an amount not to exceed \$50,000.

FINANCIAL IMPACT:

Budgeted Amount: Belt Line Road redevelopment bond funds

Cost: \$50,000

BACKGROUND:

In February 2000 the voters approved \$11,000,000 for the redevelopment of Belt Line. At that time the project anticipated updating the Belt Line streetscape and moving the utilities to a less obtrusive location. Since the passage of that proposition several key studies have been completed which address the redevelopment strategy of Belt Line, including the UIL study, the Leland study and the update to the Comprehensive Plan as it relates to the Belt Line corridor.

One area that has been an issue throughout this process is the physical redevelopment of the Belt Line corridor – specifically the look and timing of that redevelopment. An initial study was completed by RTKL, but there were concerns about the ability to implement the plan. In response to those concerns, staff asked Cunningham Architects in June 2006 to review the proposed design concepts. The initial agreement for that work was for a period of 30 days with a maximum design fee of \$8,000. Cunningham Architects and the Town are still engaged in the project. This proposed agreement recognizes the work done to date and extends the time limit of the project through June 30, 2007.

RECOMMENDATION:

Staff recommends approval.

April 18, 2007

Cunningham
Architects

918 Dragon Street
Dallas, Texas 75207
214-915-0900
fax 214-915-0901
www.cunninghamarchitects.com

Mr. Ron Whitehead
City Manager
Town of Addison
5300 Belt Line Road
Dallas, Tx 75254-7606

Re: Belt Line Road Studies

Dear Ron,

Cunningham Architects has been working with the Town of Addison on design concepts for Belt Line Road since June of 2006.

We entered into an agreement on June 9th of 2006 for this work. The limit of that agreement was for a period of 30 days with a maximum design fee of \$8,000. Cunningham Architects and the Town of Addison are still engaged in the project and expect to continue work for the near future.

This letter extends the time limit of this project through June 30, 2007 and increases the maximum fee to the amount of \$50,000.00.

The final work product submitted to the Town of Addison by Cunningham Architects shall be the property of the Town of Addison.

Thank you for the opportunity to continue working with the Town of Addison.

Sincerely,

Gary Cunningham, faia

Agreed on April ____, 2007

for the Town of Addison



Gary Cunningham
for Cunningham Architects

Council Agenda Item: #R7

SUMMARY:

This item is an amendment to the Town of Addison Code of Ordinances, Section 78-165, which section designates certain no parking and permitted parking areas, by amending the table designating streets on which stopping, standing, or parking, except at certain times, is allowed by modifying the provisions for LeGrande Drive, by removing the allowance to stop, stand or park on the east side of 14700 and 14701 of LeGrande Drive.

FINANCIAL IMPACT:

Budgeted Amount: \$0.00

Cost: \$200.00

Funds are available in the Streets Operations Budget

BACKGROUND:

Residents driving to the Easement/Dog Park often park their vehicles on the south end of Le Grande Drive, in the 14700 block. Vehicles parking at a particular location in the 14700 block have become a problem to one resident who has difficulty backing out of his driveway. This Ordinance amendment removes 14700 and 14701 LeGrande Drive, east side of street, from the section permitting parking on residential streets. This action will allow the Street Department to install the appropriate no parking signs. This action will help the homeowner without adversely impacting other residents parking on LeGrande Drive.

RECOMMENDATION:

Staff recommends Council approve this amendment to the Code of Ordinances, Section 78-165 amending the table designating streets on which stopping, standing, or parking, except at certain times, is allowed by modifying the provisions for LeGrande Drive, by removing the allowance to stop, stand or park on the east side of 14700 and 14701 of LeGrande Drive.

TOWN OF ADDISON, TEXAS

ORDINANCE NO. _____

AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS AMENDING SECTION 78-165 OF THE CODE OF ORDINANCES OF THE TOWN, WHICH SECTION DESIGNATES CERTAIN NO PARKING AND PERMITTED PARKING AREAS, BY AMENDING THE TABLE DESIGNATING STREETS ON WHICH STOPPING, STANDING, OR PARKING, EXCEPT AT CERTAIN TIMES, IS ALLOWED BY MODIFYING THE PROVISIONS THEREOF FOR LEGRANDE DRIVE, BY REMOVING THE ALLOWANCE TO STOP, STAND OR PARK ON THE EAST SIDE OF 14700 AND 14701 OF LEGRANDE DRIVE; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE.

Formatted: Font color: Black

Deleted: 14702 BLOCK OF

Deleted: FROM THE TABLE ALLOWING THE STOPPING, STANDING OR PARKING OF VEHICLES

Deleted: SO THAT NO STOPPING, STANDING OR PARKING OF VEHICLES SHALL BE ALLOWED

Deleted: -

Deleted: BLOCK

Deleted: WITH THE PLACING OF A NO PARKING SIGN

BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:

Section 1. Amendment. Chapter 78 ("Traffic and Vehicles") of the Code of Ordinances (the "Code") of the Town of Addison, Texas (the "City") is hereby amended in the following particulars, and all other chapters, articles, sections, paragraphs, sentences, phrases, and words of the Code are not amended but are hereby:

A. Section 78-165 of the said Chapter 78 is hereby amended to amend the table set forth in subsection (b) thereof the reference to the 14700-14900 block of LeGrande Drive and the allowed stopping, standing and parking of vehicles on that portion of the street other than between the hours of 2:00 a.m. to 6:00 a.m., so as to prohibit at all times the stopping, standing and parking of vehicles on the east side of 14700-14701 block LeGrande Drive with the placement of a No Parking sign. In accordance therewith, Section 78-165 is amended to read as follows:

Sec. 78-165. Designation of no parking and permitted parking areas.

(a) No stopping, standing or parking of vehicles shall be allowed at the following locations: On all public streets within the town limits of the town.

(b) Notwithstanding the provisions of subsection (a) of this section, stopping, standing or parking shall be allowed at the following locations, except during the following stated times:

TABLE INSET:

Street	Extent	Prohibited Times
Addison Circle	4800—5100	2:00 a.m. to 6:00 a.m.
Azure Lane	3800—4200	2:00 a.m. to 6:00 a.m.
Bedivere Court	14700	2:00 a.m. to 6:00 a.m.
Bentwater Court	14000	2:00 a.m. to 6:00 a.m.
Beau Park Lane	14500—14700	2:00 a.m. to 6:00 a.m.
Bobbin Lane	4000	2:00 a.m. to 6:00 a.m.
Brookwood Lane	3700—4000	2:00 a.m. to 6:00 a.m.
Brookwood Lane	14500—14700	2:00 a.m. to 6:00 a.m.
Buckingham Court	14700	2:00 a.m. to 6:00 a.m.
Canot Lane	3800	2:00 a.m. to 6:00 a.m.
Camden Lane	3700	2:00 a.m. to 6:00 a.m.
Chancey Street	14000	2:00 a.m. to 6:00 a.m.
Chancey Street	14000	2:00 a.m. to 6:00 a.m.
Chatham Court Drive	3700—3900	2:00 a.m. to 6:00 a.m.
Dome Drive	4000	2:00 a.m. to 6:00 a.m.
Heritage Lane	14000	2:00 a.m. to 6:00 a.m.
Lakecrest Drive	14000	2:00 a.m. to 6:00 a.m.
Lakeview Court	3800	2:00 a.m. to 6:00 a.m.
Lakeway Court	3700—3900	2:00 a.m. to 6:00 a.m.
Leadville Place	4100	2:00 a.m. to 6:00 a.m.
Lexus Avenue	14000	2:00 a.m. to 6:00 a.m.
LeGrande Drive	14700—14900 (west side of the street) 14702—14900 (east side of the street)	2:00 a.m. to 6:00 a.m.
Les Lacs Avenue	14800	2:00 a.m. to 6:00 a.m.
Lochinvar Court	14700	2:00 a.m. to 6:00 a.m.
Lochinvar Drive	14700	2:00 a.m. to 6:00 a.m.
Maiden Court	14700	2:00 a.m. to 6:00 a.m.

~~Deleted: Celestial Place~~
~~Deleted: 14000~~
~~Deleted: 2:00 a.m. to 6:00 a.m.~~

Meadowcreek Circle	3700—3900	2:00 a.m. to 6:00 a.m.
Mildred Street	4800—5000	2:00 a.m. to 6:00 a.m.
Morman Lane	3900—4000	2:00 a.m. to 6:00 a.m.
Morris Avenue	4900—5100	2:00 a.m. to 6:00 a.m.
Oaks North Drive	14800—15000	2:00 a.m. to 6:00 a.m.
Oaks North Place	14800	2:00 a.m. to 6:00 a.m.
Old Town Road	4000	2:00 a.m. to 6:00 a.m.
Paladium Drive	14800	2:00 a.m. to 6:00 a.m.
Park Place	3700—3900	2:00 a.m. to 6:00 a.m.
Plage Lane	14000	2:00 a.m. to 6:00 a.m.
Pokolodi Circle	4100	2:00 a.m. to 6:00 a.m.
Proton Drive	14800	2:00 a.m. to 6:00 a.m.
Quorum Drive	15450—15750	2:00 a.m. to 6:00 a.m. (west and east sides of street)
Ridgelake Court	3800	2:00 a.m. to 6:00 a.m.
Rive Lane	3900—4200	2:00 a.m. to 6:00 a.m.
Rush Circle	4100	2:00 a.m. to 6:00 a.m.
Sherlock Drive	14700	2:00 a.m. to 6:00 a.m.
Sherry Lane	4000	2:00 a.m. to 6:00 a.m.
Sopras Circle	14800	2:00 a.m. to 6:00 a.m.
Trafalgar Court	14900	2:00 a.m. to 6:00 a.m.
Vintage Lane	14000	2:00 a.m. to 6:00 a.m.
Waterford Drive	3700—3900	2:00 a.m. to 6:00 a.m.
Waterside Court	3700—3900	2:00 a.m. to 6:00 a.m.
Waterview Circle	14000	2:00 a.m. to 6:00 a.m.
Wayside Court	14000	2:00 a.m. to 6:00 a.m.
Weller Run Court	3800	2:00 a.m. to 6:00 a.m.
Winter Park Lane	4000	2:00 a.m. to 6:00 a.m.
Woodshadow Lane	14500—14700	2:00 a.m. to 6:00 a.m.
Woodshadow Lane	3700	2:00 a.m. to 6:00 a.m.

Section 2. Savings. This Ordinance shall be cumulative of all other ordinances of the City and shall not repeal any of the provisions of those ordinances except in those instances where the provisions of those Ordinances are in direct conflict with the provisions of this Ordinance.

Section 3. Severability. The sections, paragraphs, sentences, phrases, clauses and words of this Ordinance are severable, and if any section, paragraph, sentence, phrase, clause or word in this Ordinance or application thereof to any person or circumstance is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portion of this Ordinance, and the City Council hereby declares that it would have passed such remaining portion of this Ordinance despite such invalidity, which remaining portion shall remain in full force and effect.

Section 4. Effective Date. This Ordinance shall become effective from and after its passage, and any publication as may be required by law.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas this ____ day of _____, 2007.

Deleted: 6

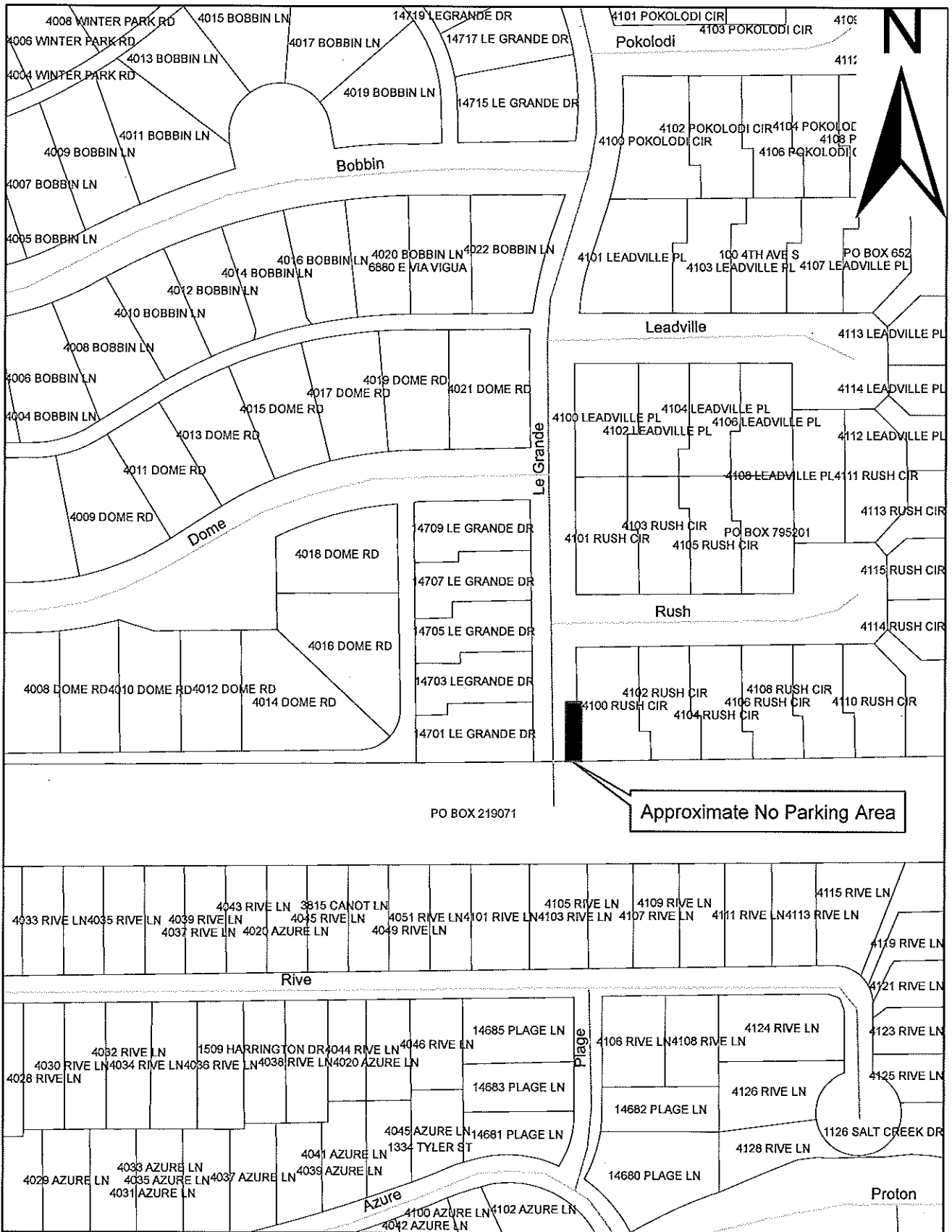
Joe Chow, Mayor

ATTEST:

By: _____
Mario Canizares, City Secretary

APPROVED AS TO FORM:

By: _____
Ken Dippel, City Attorney



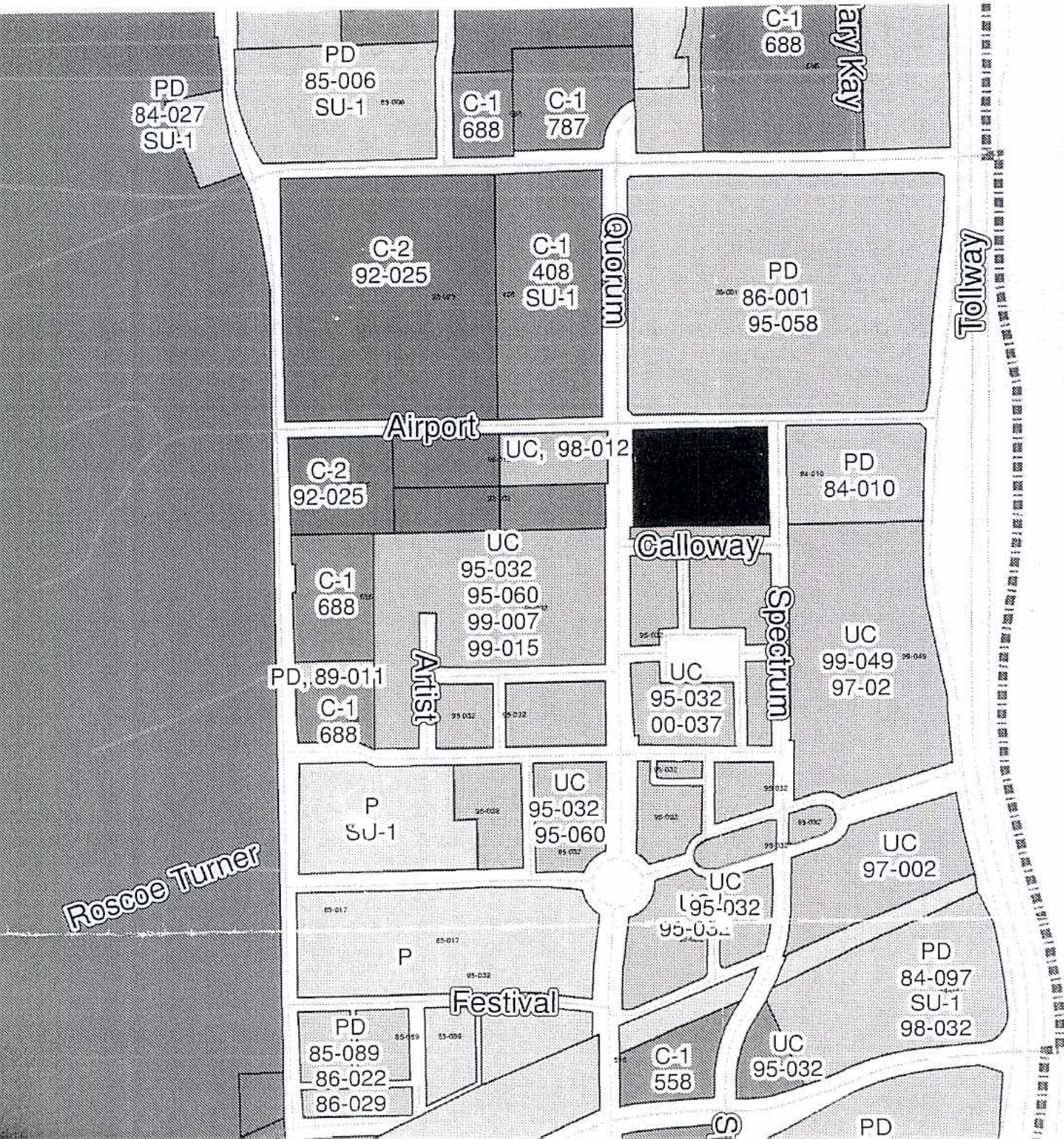
Approximate No Parking Area

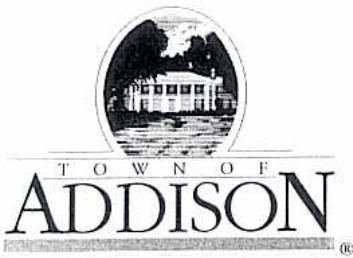
PO BOX 219071

1534-Z

#R8

Case 1534-Z/Intervest Ventures Group. Requesting approval of a change of zoning from UC-Commercial sub-district to UC – Residential sub-district, and approval of a concept and preliminary development plan, located on 3.918 acres at the southeast corner of Airport Parkway and Quorum Drive, on application from Interinvest Ventures Group, represented by Mr. David Simmons.





March 14, 2007

STAFF REPORT

RE: Case 1534-Z/Intervest Ventures Group

LOCATION: 3.918 acres at the southeast corner of Quorum Drive and Airport Parkway

REQUEST: Approval of a change of zoning from UC (Urban Center) – Commercial sub-district, to UC – Residential sub-district, and approval of a concept and preliminary development plan

APPLICANT: Intervest Ventures Group, represented Mr. David Simmons

DISCUSSION:

Background. This case was scheduled for the January 25, 2007 P&Z hearing. The case was withdrawn by the applicant prior to the hearing. The applicant anticipated returning to the P&Z in February, but did not have plans revised in time to meet that hearing deadline. At this point, the applicant has returned to the Commission with the same request, approval for a change of zoning to provide for 83 townhomes, and approval of a concept plan and preliminary development plan. However, the site plan has been revised.

Addison Circle was a development envisioned through a long-term planning process called Addison 2020. During that process, a group of Addison citizens determined that a neo-traditional, urban neighborhood, with mixed uses, would be a logical development direction for the Town. The Town worked for many months with Columbus Realty Trust on a set of development standards, which were codified into the Urban Center zoning district, a new zoning classification in the Addison Zoning Ordinance. The UC regulations established two sub-districts: the residential sub-district and the Commercial sub-district. The Commercial sub-district lies between Spectrum Drive and the Tollway. The only residential use it allows is multi-family. The residential sub-district runs from the west side of Spectrum to the eastern border of those properties

that front on Addison Road. It allows rowhouse, townhouse/condominium, and multi-family as allowed residential uses.

The site under discussion in this case was not part of the original Addison Circle development. It was purchased by Post Properties after the district was established. Post also purchased the 1.4 acre tract across the street, but later sold it to J J Horan, who owns the South and Western insurance building to the south of the site.

In February of 1998 (Ordinance 098-012), It was rezoned to UC – Commercial sub-district at Post's request. Post intended to develop this site with a vertically mixed-use product, such as an office building with apartments above it, or possibly small retail uses with apartments above.

In 2002 Post quit developing additional multi-family products in Addison Circle. It did not exercise its option to buy the remaining land in Addison Circle, and the remaining tracts in the original district were sold off to other developers. One of those developers, CityHomes, purchased 8.9 acres immediately south of this site and is in the final stages of developing it with 183 townhomes.

Even though Post decided not to build any more apartments in Addison Circle, it retained ownership of this site. It has had it for sale for various periods of time, and has even drawn up two different plans to develop the site itself. At this point, Post has decided again to sell the tract, and Intervest is interested in purchasing it. Intervest wants to develop the property with 83 townhomes, but townhome is not an allowed use in the Urban Center – Commercial subdistrict. Therefore, in order to develop the site with townhomes, it must be rezoned.

Proposed Plan. Intervest Ventures Group is proposing to develop 83 townhome units on 3.918 acres. Intervest plans to sell the units for \$300,000 and up. The units are "for sale" product and will be sold to individual owners rather than rented.

Intervest is proposing a similar product to what CityHomes has built to the south. Intervest is proposing a 4-story unit that would reach a height of 54 feet to the top of the gabled roof. The floor plan would consist of a garage and bedroom/office on the ground floor, living/dining room and kitchen on the second floor, master suite on the third floor, and a bonus room, with possible roof deck on the fourth floor. It is difficult to tell from the photos submitted, but it does not appear that the proposed fourth floor would run the full depth of the three floors beneath it.

Intervest maintains that while its units are in the same format as the CityHomes townhomes, they will be larger and higher-priced. The units range from 22-25 feet wide as opposed to the 20-22 feet wide units that CityHomes built. In addition, Intervest is proposing a true stoop for the front door as opposed to a front door at grade. It is also

proposing to have a recessed front porch. Interinvest is proposing that all units be finished in the same brick, and that the backs of the units have more masonry and less hardi-plank siding that is on the CityHomes units. Interinvest has submitted photos of other products that are similar to what it proposes for this project, but did not submit specific elevations for the units shown on the site plan.

CONCEPT PLAN

The UC district regulations require that a concept plan be approved for the UC district before individual developments can be constructed. When this property was rezoned to the UC – Commercial subdistrict by Post, there was not a concept plan submitted because Post was not sure what it wanted to do with the property. At this time, Interinvest is seeking to rezone the property to the UC – Residential subdistrict, and has submitted a site plan that has sufficient detail to serve as a concept plan and preliminary development plan.

The site plan shows 83 townhomes with the fronts of the townhomes facing Quorum Drive on the west, Spectrum Drive on the east, Calloway Drive on the south, and two internal Residential streets within the property. The townhomes proposed are served by alleys, and there are four alleys shown.

The revised plan is an improvement over the original plan. The applicant has incorporated many of the staff's recommendations. Revisions include the following:

- The mews streets have been changed to Residential streets that include parallel parking spaces in front of the units.
- Units have been moved back from Airport Parkway and a slip road, which was recommended from the first review, has been included.
- There are not any units that face onto an interior walkway. All units face on a street.
- Two central open spaces of 1,440 square feet each have been added to the plan.
- The plan now contains a total of 8,910 square feet of open space, which meets the requirements for open space in the district.

Overall, the staff feels that the applicant has a workable concept plan and preliminary development plan. However, the applicant has not presented any facades for any buildings, only photos of buildings in another development. Therefore, while the site plan is acceptable, the applicant still needs to provide additional information and go back through the final development plan approval process.

The staff has reviewed the revised site plan and has the following comments:

Engineering. Public Works has reviewed the site plan and notes the following:

- Airport Parkway was not designed to be located adjacent to a residential district. If the zoning change is approved, staff recommends that some type of screening be required along Airport Parkway.
- The two Residential streets must be dedicated to the public.
- The sections of the Residential streets need to be modified to adhere to the Town of Addison standards for a Residential street.
- The location of the dumpsters does not appear to be accessible by trash trucks.
- A 20' turning radius needs to be added to all intersections.
- Civil plans will need to be submitted for review and approval.

Fire. The Fire Department notes the following:

- Proposed fire hydrant locations are not shown on the submittal. Hydrants must be placed at approved locations at maximum 300-foot intervals along streets and fire lanes.
- Area highlighted on the plan (which has been furnished to the applicant) shall be properly marked as fire lanes.
- Turn radii for all designated fire lanes shall be a minimum 26-feet inside and 50-feet outside.

Landscaping. The Parks Department has reviewed the plan and notes:

- The conceptual plans submitted by the applicant do not show streetscape elements along Quorum Drive, Airport Parkway and Calloway Drive. Streetscape plans will need to be submitted for review and approval that comply with the UC-Urban Center standards for lighting, paving, site furniture and planting.
- The plan will need to be revised to show the tree spacing according to the Urban Center Standards for residential streets.

RECOMMENDATION

Staff has met with Intervest and has shared with its representatives that it did not feel this was a suitable site for owner-occupied townhomes for several reasons.

First, staff feels that this site has two bad edges, one against Airport Parkway and one against Spectrum Drive. Both of these edges face parking garages. The applicant has

made modifications to the plan that provide that no units face Airport Parkway. However, there are still units that face out onto the parking garage on Spectrum Drive.

Even with the improved plan, staff feels that the 183 townhomes at CityHomes are a sufficient amount of the townhome product in the district. The town made the decision to lower the density of the district for the CityHomes project with the thought that it would be the only townhome product in the neighborhood. Staff does not feel that additional townhomes, particularly in this location, are in the best interests of the district as a whole. Staff would like to see a product on the edge of the district that provides a higher density and possibly a mix of uses, such as office and loft residential, or small retail and loft residential.

The applicant argues that no-one is building office, and that a mixed use product won't work. However, as staff has noted time and time again, the City is in the development process for the long term. The city has to live with the consequences of projects that sell when they are built, but because they are in less desirable locations, or do not provide sufficient amenities, flounder. All land uses in the metroplex cycle. Townhomes are a hot product right now, and office is a cold product, but those cycles are always changing.

Staff feels that a higher density, multi-family project, with possible mixed uses, was the intent when this tract was zoned into the Urban Center, and staff feels that is still the appropriate use for this site. Therefore, staff does not recommend approval of the change of zoning from UC – Commercial to UC – Residential.

However, if the Commission is inclined to recommend approval of the change of zoning, staff would recommend approval of the concept plan submitted, subject to a final development plan being filed by the applicant that reflects the following revisions:

Engineering:

- Airport Parkway was not designed to be located adjacent to a residential district. If the zoning change is approved, staff recommends that some type of screening be required along Airport Parkway.
- The two Residential streets must be dedicated to the public.
- The sections of the Residential streets need to be modified to adhere to the Town of Addison standards for a Residential street.
- The location of the dumpsters does not appear to be accessible by trash trucks.
- A 20' turning radius needs to be added to all intersections.
- Civil plans will need to be submitted for review and approval.

- Airport Parkway was not designed to be located adjacent to a residential district. If the zoning change is approved, staff recommends that some type of screening be required along Airport Parkway.
- The two Residential streets must be dedicated to the public.
- The sections of the Residential streets need to be modified to adhere to the Town of Addison standards for a Residential street.
- The location of the dumpsters does not appear to be accessible by trash trucks.
- A 20' turning radius needs to be added to all intersections.
- Civil plans will need to be submitted for review and approval.

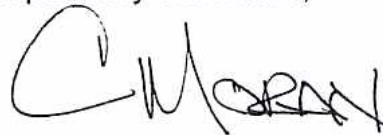
Fire. The Fire Department notes the following:

- Proposed fire hydrant locations are not shown on the submittal. Hydrants must be placed at approved locations at maximum 300-foot intervals along streets and fire lanes.
- Area highlighted on the plan (which has been furnished to the applicant) shall be properly marked as fire lanes.
- Turn radii for all designated fire lanes shall be a minimum 26-feet inside and 50-feet outside.

Landscaping. The Parks Department has reviewed the plan and notes:

- The conceptual plans submitted by the applicant do not show streetscape elements along Quorum Drive, Airport Parkway and Calloway Drive. Streetscape plans will need to be submitted for review and approval that comply with the UC-Urban Center standards for lighting, paving, site furniture and planting.
- The plan will need to be revised to show the tree spacing according to the Urban Center Standards for residential streets.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'C Moran', written in a cursive style.

Carmen Moran
Director of Development Services

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on March 22, 2007, voted to recommend approval of the request for a change of zoning from Urban Center – Commercial subdistrict to Urban Center, Residential sub-district, and approval of the concept plan, subject to the condition that the final development plan incorporate the following revisions:

Engineering:

- Airport Parkway was not designed to be located adjacent to a residential district. If the zoning change is approved, staff recommends that some type of screening be required along Airport Parkway.
- The two Residential streets must be dedicated to the public.
- The sections of the Residential streets need to be modified to adhere to the Town of Addison standards for a Residential street.
- The location of the dumpsters does not appear to be accessible by trash trucks.
- A 20' turning radius needs to be added to all intersections.
- Civil plans will need to be submitted for review and approval.

Fire. The Fire Department notes the following:

- Proposed fire hydrant locations are not shown on the submittal. Hydrants must be placed at approved locations at maximum 300-foot intervals along streets and fire lanes.
- Area highlighted on the plan (which has been furnished to the applicant) shall be properly marked as fire lanes.
- Turn radii for all designated fire lanes shall be a minimum 26-feet inside and 50-feet outside.

Landscaping. The Parks Department has reviewed the plan and notes:

- The conceptual plans submitted by the applicant do not show streetscape elements along Quorum Drive, Airport Parkway and Calloway Drive. Streetscape plans will need to be submitted for review and approval that comply with the UC-Urban Center standards for lighting, paving, site furniture and planting.
- The plan will need to be revised to show the tree spacing according to the Urban Center Standards for residential streets.

Noise.

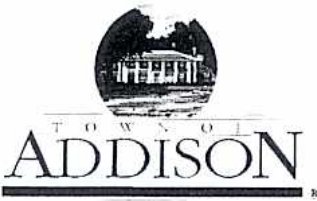
- The Commission advised the applicant that revised plans should include a solution for the problem of noise generated by the chiller that is across the street on the

Madison office building property. That solution might include building a sound wall around the chiller, or adding insulating windows in the units closest to the chiller.

Voting Aye: Bernstein, Chafin, Gaines, Lay, Wood

Voting Nay: none

Absent: Daseke, Jandura



Memorandum

To: Carmen Moran
CC: Nancy Cline, David Wilde, Gordon Robbins, Greg Layman, Slade Stickland
From: Clay Barnett
Date: 3/13/2007
Re: Case 1534-Z/Interinvest Ventures Group

1. Airport parkway was not designed to be located adjacent to a residential district. If the zoning change is approved, I recommend that some type of screening be required along Airport Parkway.
2. The two residential streets must be dedicated to the public.
3. The sections of the residential streets need to be modified to adhere to the Town of Addison standards for a residential street. The front yard setback can be waived.
4. The location of the dumpsters does not appear to be accessible by trash trucks.
5. A 20' turning radius needs to be added to all intersections.
6. Civil plans will need to be submitted for review and approval.

Memorandum



To: Carmen Moran, Director of Development Services

From: Gordon C. Robbins, Deputy Fire Chief

Date: Wednesday, March 07, 2007

Re: Case 1534-Z / Intervest Ventures Group (Residences at Addison Circle)

- 1) Proposed fire hydrant locations are not shown on the submittal. Hydrants must be placed at approved locations at maximum 300-foot intervals along streets and fire lanes.
- 2) Areas highlighted on the plan (primarily alleys) shall be properly marked as fire lane.
- 3) Turn radii for all designated fire lanes shall be a minimum 26-feet inside and 50-feet outside.

Thanks you for the opportunity to review this submittal. Please contact me if I can provide additional information.

Memorandum

Date: March 13, 2007
To: Carmen Moran, Director of Development Services
From: Slade Strickland, Director of Parks and Recreation
Subject: **Case 1534-Z/Intervest Ventures Group**

1. The conceptual plans submitted by the applicant do not show streetscape elements along Quorum Drive, Airport Parkway and Calloway Drive. Streetscape plans will need to be submitted for review and approval that comply with the UC-Urban Center Standards for lighting, paving, site furniture and planting.
2. The plan will need to be revised to show the tree spacing according to the Urban Center Standards for residential streets.

March 22, 2007

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

Dear Carmen,

I would like to formally protest against the Planning and Zoning Commission for Case Number 1534- Z/Intervest Ventures Group for the 3.9 acres at the southeast corner of Airport Parkway and Quorum Drive for the development of town homes.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jordan Heikenfeld', written over a faint, illegible typed name.

Jordan Heikenfeld
Homeowner
5028 Parkview Place Unit 63
Addison TX 75001

Council Agenda Item: #ES1

There are no attachments for this item.

Council Agenda Item: #ES2

There are no attachments for this item.

Council Agenda Item: #ES3

There are no attachments for this item.

Council Agenda Item:#R9

There are no attachments for this item.

Council Agenda Item: #R10

There are no attachments for this item.

Council Agenda Item: #R11

There are no attachments for this item.