

AIRPORT AGENDA #2

11/13/2007 REGULAR CITY COUNCIL MEETING

ITEMS #R19 AND #R20

Council Agenda Item: #R19

SUMMARY:

Consideration and approval authorizing the City Manager to enter into a new ground lease and non-public fuel farm license agreement with ExecHangar ADS, LC on Addison Airport.

BACKGROUND:

Airport Management and staff is pleased to submit to the Town Council for their consideration and consent to authorize the City Manager to enter into, a new 40-year ground lease arrangement, together with an Addison Airport non-public fuel farm license agreement with ExecHangar ADS, LC., a Kansas limited liability company ("ExecHangar") in connection with the proposed redevelopment of the city-owned north tie-down area, also referred to as "the north city ramp," at Addison Airport.

ExecHangar ADS, LC is a Kansas Limited Liability Corporation formed for the purpose of developing and operating a corporate/executive aircraft hangar co-operative at Addison Airport. Daniel L. Claassen, the developer and operating manager for ExecHangar, proposes building up to four jet hangars of nearly 10,000 square feet each to be marketed as fractional ownership interests to corporate flight departments and the owners/operators of executive aircraft. ExecHangar intends to sell shares of ownership interests in the development through private offerings subject to the terms and conditions of their Offering Memorandum and will use the proceeds of sale to finance the construction, management and operation of the project *without* the financial participation or contribution of the Town or Airport. Consequently, the ExecHangar development will provide a unique form of hangar ownership at Addison Airport for mid-size corporate flight departments and executive operators who will have the opportunity to participate in the investment benefits of co-operative hangar ownership, including appreciation, cost management and tax benefits, if any. A key element of the proposed development is granting its members, through the Tenant's fueling permit, the ability to perform restricted fueling operations.

RECOMMENDATION:

Airport Management and staff recommend the Town Council give its consent to the requested action and authorize the City Manager to enter into a new ground lease and non-public fuel farm license agreement with ExecHangar ADS, LC on Addison Airport. The city attorney has reviewed the aforementioned agreements and finds them to be acceptable for the Town's use.

Attachments: Bill Dyer- Memorandum

1: Proposed Ground Lease

2: Proposed Non-public Operator Fuel Farm License Agreement



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Memorandum

To: Mark Acevedo
From: Bill Dyer
CC: Lisa Pyles
Date: November 3, 2007
Re: Request for the Town Council's consideration and consent authorizing the City Manager to enter into a new ground lease and non-public fuel farm license agreement with ExecHangar ADS, LC

Requested Action: Airport Management is pleased to submit to the Town Council for their consideration and consent our recommendation to authorize the City Manager to enter into, on behalf of the Town, a new 40-year ground lease arrangement (Attachment 1), together with an Addison Airport non-public fuel farm license agreement (Attachment 2) with ExecHangar ADS, LC., a Kansas limited liability company ("ExecHangar") in connection with the proposed redevelopment of the city-owned north tie-down area, also referred to as "the north city ramp," at Addison Airport.

The city attorney has reviewed the aforementioned agreements and finds them to be acceptable for the Town's use.

Background Information:

ExecHangar ADS, LC is a Kansas Limited Liability Corporation formed for the purpose of developing and operating a corporate/executive aircraft hangar co-operative at Addison Airport. Daniel L. Claassen, the developer and operating manager for ExecHangar, proposes building up to four jet hangars of nearly 10,000 square feet each to be marketed as fractional ownership interests to corporate flight departments and the owners/operators of executive aircraft. ExecHangar intends to sell shares of ownership interests in the development through private offerings subject to the terms and conditions of their Offering Memorandum (see Exhibit 5 of the Ground Lease) and will use the proceeds of sale to finance the construction, management and operation of the project *without* the financial participation or contribution of the Town or Airport. Consequently, the ExecHangar development will provide a unique form of hangar ownership at Addison Airport for mid-size corporate flight departments and

executive operators who will have the opportunity to participate in the investment benefits of co-operative hangar ownership, including appreciation, cost management and tax benefits, if any.

Proposed Development:

The proposed improvements are to be constructed in two phases on the North City Ramp located off Claire Chennault Drive.

During the first phase, ExecHangar is to construct two conventional executive hangars on approximately one-half of the 3.04 acre North City Ramp site. Each building will be approximately 10,000 square feet with a clear height of more than 26 feet to accommodate over 90% of the type of aircraft that typically operate from Addison Airport. Along with the building improvements, ExecHangar will demolish and construct all new aircraft apron, taxiway connectors and related infrastructure needed to serve the project. Under the terms and conditions of the proposed ground lease, ExecHangar will have a five-year exclusive option to build the second phase, consisting of two more buildings of similar design and construction on the remaining portion of the three-acre site.

As proposed, ExecHangar will provide over \$3 million (\$75/BSF) in new capital investment at Addison Airport should all four hangars (Phase I & Phase II) be constructed. Rental and other fees due from ExecHangar's are projected to exceed three times the current annual revenue the airport receives operating the property as the North City Ramp.

Development Site:

Location: As previously stated, the proposed ExecHangar development is to be constructed on what is commonly known as the North City Ramp, a three-acre improved site on Claire Chennault Drive used for aircraft tie-down. The site is bound by Claire Chennault (a non-dedicated Airport public access road) to the south with the Cavanaugh Flight Museum directly across the street. To the west and adjacent to the subject site is the Addison Jetport, an AATI ground lease currently subleased by FirstAir and used as their retail terminal facility. Immediately to the east and



encircling the east end of Taxiway Victor are a cluster of ground-leased multi-tenant executive hangars and offices. To the immediate north, opposite of Taxiway Victor is the unimproved vacant land controlled by RR Investments (Million Air) which has been master planned for two multi-tenant executive hangar/office buildings similar to the 4400 Westgrove complex.

Condition: The North City Ramp is a large apron area used for staging and parking of aircraft. It was originally constructed in 1983. KAS Engineers, Inc., who recently completed a facility condition investigation for Airport Management, reported the apron area is composed of a 2" course of hot mix asphalt concrete over 6" of concrete pavement. The asphalt surface shows considerable cracking indicating the sub-base is beginning to fail. The three lead-ins from Taxiway Victor to the apron are also failing. Earlier this year, the landing gear of one of Cherry Air's aircraft punched through the northernmost lead due to inadequate strength. KAS recommended that each of the three lead-ins be reconstructed with 8" concrete over a 6" lime-stabilized base and 18" reinforced concrete pipe for drainage at an estimated cost of \$150,000. KAS also suggested that, although the Town could probably continue with its current maintenance program for a while longer, the apron area should ideally be treated with a geo-grid membrane with 3" hot mix asphalt concrete over the top and an additional cost of \$850,000.

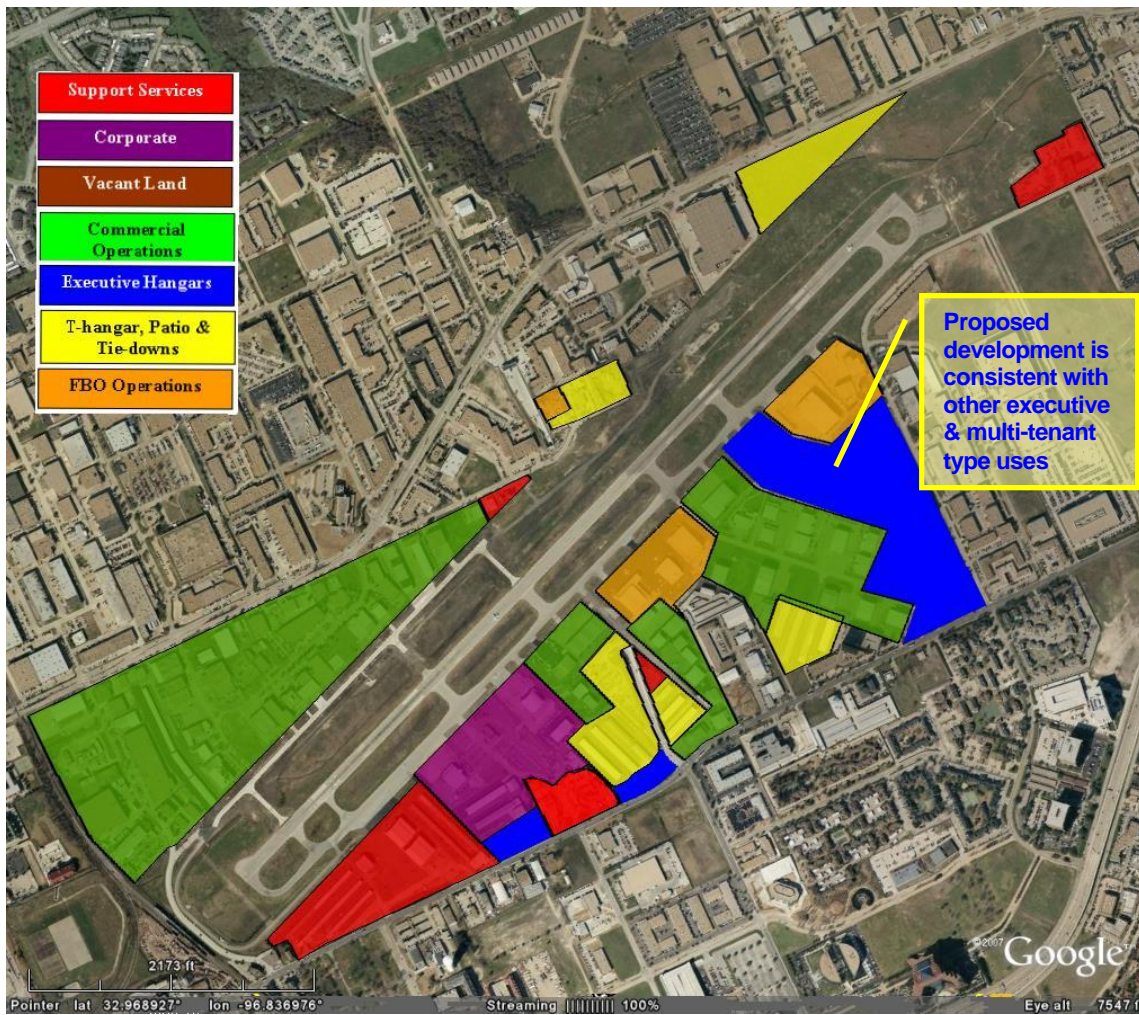
Current Use and Occupancy: The North City Ramp is currently 97% leased (37 of 40 spaces occupied) with all leases continuing on a month-to-month basis. At this level of occupancy, revenue is \$4,500 per month or \$54,000 per year (\$.41/SFL). A summary of the tenants currently using this facility is as follows:

- 16 units leased to Cherry Air
- 13 units leased to Million Air
- 3 units leased to Menagerie Enterprises (a.k.a. Monarch Air)
- 3 units leased to Airline Transport (AATI subtenant)
- 3 units vacant
- 2 units leased to SACSA (tenant in default)

Cherry Air, Million Air and Menagerie are all commercial operators at Addison Airport who have facilities elsewhere on the Airport and only use the city ramp for overflow or long-term staging purposes. Each of these operators has long been aware that their use of this facility was indefinite. Based upon the terms of the ground lease, ExecHangar is required to provide the Town 60 days' advance written notice before it desires to commence Phase I construction and 180 days' notice before it can begin Phase II. These requirements should provide more than sufficient opportunity for the above tenants to make other provisions for their aircraft. Airport Management is committed to help coordinate and facilitate this process as well.

Highest & Best Use: WSAAV Airport Management's Strategic Plan for Real Estate Management and Landside Operations (prepared in 2005 and subsequently updated in November 2006), characterizes the long-term land use surrounding Taxiway Victor as predominately executive/multi-tenant office/hangar facilities with Million Air FBO situated at the flight-line. All properties on either side of the taxiway, except for the North City Ramp itself, are subject to long-term ground leases (with remaining terms ranging from 6.82 to 37.42

years) and are either improved or proposed to be improved with executive/multi-tenant office/hangar-type use. The Strategic Plan portrays the North City Ramp as an "excellent executive/multi tenant redevelopment site" as well as compatible and consistent with these uses. The Strategic Plan also recommends consideration be given to the impact any redevelopment may have on the neighboring Jetport, which is scheduled to revert back to the Town in six years. The proposed ExecHangar development is compatible with the existing and proposed surrounding uses and should complement the future use and development of the Jetport, all of which is consistent with the Town's long-term objectives for the Airport.



Addison Airport Future Land Use

Summary of Ground Lease Terms:

The terms and conditions of the proposed ground lease are generally consistent with the Town of Addison's typical ground lease agreement except for the unique provisions found in Section 3.A(2). This section stipulates that in addition to the customary ground rental, the tenant must pay Additional Rent directly tied to its unique privilege of providing aviation fueling services to its members. This Additional Rent is justified as an economic equalizer needed to offset the

economic advantage ExecHangar may otherwise have because of its non-public fueling privileges. Unlike many conventional hangar owners at Addison Airport, ExecHangar will be able to offer low cost fuel dispensing services to its Members. Furthermore, as a non-public fueler, ExecHangar is not required under the Addison Airport Minimum Standards to meet many of the same costly operating standards required of the public FBOs. The Additional Rent offsets the extraordinary advantages and fairly compensates the Airport for the unique privileges given to ExecHangar.

As outlined in Section 3.A(2), ExecHangar agrees to pay, in addition to the customary ground rent (Base Rent), \$.08 times the total gallons of aviation dispensed under its license during the preceding month (the "Additional Rent"). This Additional Rent is in addition to and separate from any payment of flowage fees required of the licensee under any fueling permit or fuel dispensing license issued to ExecHangar by the Town.

The following is a summary of other key terms and conditions found in the proposed ground lease:

1. Leased Premises is that portion of the North City Ramp identified as Phase I (generally the eastern half of the subject site).
2. Section 2.A. The term of the agreement will commence the earlier of March 1, 2009 or when Substantial Completion [of construction] is achieved as defined in the agreement.
3. Section 2.B. The Town will deliver the Lease Premises to the tenant upon 60 days' advance written notice of tenant's intent to commence construction. Until said time the Town may continue to use the Leased Premises for its own purposes.
4. Section 3.A(1). Annual Base Rent is \$.60 times the gross square feet of the Leased Premises, paid in 12 equal installments.
5. Section 3.A(2). Additional Rent paid monthly is equivalent to \$.08 times the gallons dispensed by tenant during the preceding month. Such Additional Rent is in addition to and separate from any payment of flowage fees required under any fueling permit or licensed issued to tenant by the Town. The Additional Rent is justified as an economic equalizer needed to offset the economic advantages ExecHangar may otherwise have because of its non-public fueling privileges. The Additional Rent mitigates much of these advantages and fairly compensates the Town for this unique service.
6. Section 5. Permitted use of the Leased Premises is for the construction of two 10,000 SF conventional hangars with office space and related infrastructure to be used for the storage and maintenance of corporate aircraft owned, leased or otherwise controlled by the members including air charter and corporate aircraft management operations. Tenant and members are prohibited from conducting other commercial aeronautical services including, but not limited to, air taxi, cargo transport, flight school or avionic services other than what may be incidental to members' primary business.
7. Section 6.A. Total Construction Value of the Phase I improvements shall meet or exceed \$1,500,000.

8. Section 6.D. Construction shall commence on or before September 1, 2008.
9. Section 9A & B. Tenant (ExecHangar ADS, LC) is not allowed to assign or sublet the ground lease or create a leasehold mortgage without the Town's prior written consent. However, the members may assign or sublet their leasehold interests provided any such assignment or consent complies with the Tenant's Articles of Organization and fulfills the Town's standard requirements listed in Section 9A(i-vi) of the ground lease. Members may create a leasehold mortgage affecting their ownership interests provided it complies with Tenant's Articles of Organization and the Town will execute an estoppel letter if the letter complies with the related terms of the ground lease.
10. Exhibit 4 – Expansion Option - Provided Tenant is not in default of the Ground Lease or any other agreement or contract with Landlord, Tenant has the exclusive option to exercise the right to annex the remainder of the North City Ramp (approx 1.5 acres) to the Leased Premises under the following terms and conditions:
 - a. The Town will release the land subject to the option after it receives 180 days' advance written notice of Tenant's intent to commence construction of Phase II.
 - b. Permitted use of the option land is the same as Phase I but with two additional hangar/office buildings and related improvements to be constructed of comparable size, construction and costs as Phase I.
 - c. Construction of Phase II must commence within 90 days of taking possession of the Phase II land from the Town and Substantial Completion of Phase II shall occur no later than 9 months later.
 - d. Upon Substantial Completion of Phase II construction, the Base Rent will be recalculated to reflect the gross land area of Phase I and Phase II combined.
 - e. Adjustment of Base Rent shall continue without interruption.
 - f. All other terms and conditions of the ground lease shall continue in full force effect for the duration of the original Term.

Summary of Addison Airport Fuel Farm License Agreement:

ExecHangar proposed development and ground lease agreement is contingent upon the Town of Addison also issuing ExecHangar a non-public aviation fuel dispensing license substantially in the form presented herein as Attachment 2. The terms of the proposed license agreement are consistent with the Town's approved form except where noted in #5 below.

1. Section 1.1 Licensee is ExecHangar ADS LC, a Kansas limited liability company
2. Section 1.1(j) Designated tanks #9, 10, #11 (FBO standard facility) 65,000 gallon capacity with Licensee proportionate share of 20.64%.
3. Section 1(k) Commencement Date: The earlier of March 1, 2009 or when Licensee commences use of the Tanks (to align with ground lease).

4. Section 1 (m-o) Initial monthly fee is \$3,218.04 plus the Fuel Flowage Fee (currently \$.12 per gallon).
5. Section 1(q) Permitted Use is Non-public Operator with delivery to aircraft owned or leased by Licensee only. *This section is specifically modified to include aircraft owned or leased by Licensee and Member's of Licensee as defined in the Offering Memorandum. Licensee is expressly prohibited from dispensing aircraft fuel to any aircraft not owned or leased by Licensee or its Members including, but not limited to, any sublessee of the Licensee and/or its Members.*
6. Section 7.7(b) as a Non-public Operator, ExecHangar will be required to maintain the minimum performance standard of 180,000 gallons dispensed over any consecutive six- month period once operations are stabilized.
7. The initial term is five years from the Commencement Date with Licensee having four consecutive five-year options (Exhibit D of the License Agreement) to extend the License Agreement for a total of 25 year term.

Economic Impact:

ExecHangar's proposed development and continuing operations will provide significant economic benefit to the Town of Addison and Addison Airport:

- ExecHangar proposes to construct over \$3 million (\$75/BSF) in new capital investment at the Airport provided all four hangars (Phase I & Phase II) are constructed.
- Projected annual revenue for Phase I is \$150,000 (three times the current annual revenue received for this property). Phase II will provide an additional \$39,200 in ground rent.
 - Base rental income generated from the site will increase 46%, (from \$.41/SFL as tie down ramp today to \$.60/SFL as ground lease).
 - Provided ExecHangar maintains its non-public fuel farm license, the Additional Rental provided for under Section A(2) of the lease will provide the Airport a minimum of \$28,800 a year in additional revenue.
 - Provided ExecHangar maintains the Fuel Farm License Agreement, ExecHangar will pay the monthly Fuel Farm Base Fee of \$3,218.04 per month or \$38,616 per year.
 - Provided ExecHangar continues to dispense fuel under its Fuel Farm License Agreement, an estimated \$43,200 Fuel Flowage Fee at 360,000 gallons a year (assuming the non-public operator minimum requirement) at \$.12/gallon can be expected.
- Real property improvements and additional based aircraft should significantly contribute to the local tax base.
- The Airport will no longer incur the expense of maintaining and operating the North City Ramp.

Conclusion and Recommendation:

ExecHangar has proposed to develop a corporate/executive co-operative hangar development on the site currently operated by the City as tie down ramp predominantly used by several local operators. The initial development consists of two 10,000 SF hangars with the developer having a five-year option to develop two more hangar buildings of similar size, design and construction. ExecHangar intends to sell private ownership interests in the project to its members in accordance with the developer's private Offering Memorandum. A key element of the proposed development is granting its members, through the Tenant's fueling permit, the ability to perform restricted fueling operations.

In consideration of the following:

- The proposed development, together with the ground lease and fuel farm license agreement, presents the Airport an opportunity to significantly enhance revenue. Total revenue generated from the same site will be nearly triple the current level.
- The Additional Rent as described above not only provides the Airport much needed additional revenue, it offsets the economic advantages ExecHangar may otherwise benefit from because of its non-public fueling privileges. The Additional Rent mitigates much of these advantages and fairly compensates the Town for this unique service.
- The terms of the Ground Lease together with the dispensing permit create a self-policing mechanism where ExecHangar ADS LC, as the fuel dispensing license holder, has the burden to ensure only member aircraft are fueled and no other party. The members will hold the fuel dispensing license holder accountable to comply with the terms of the permit so not to risk their self-fueling privileges.
- ExecHangar is required to meet the same minimum performance requirements as a non-public fueler that is 180,000 gallons per every six consecutive months. Although the members have the latitude to sublease their hangar space under the ground lease, the fuel license prohibits the fuel dispensing license holder from selling fuel to sub-tenants and non-members. Consequently, as long as ExecHangar and its members desire to retain a fuel dispensing license, the project will remain predominately member occupied.
- As the fuel dispensing license holder, Tenant may only fuel aircraft owned or leased by Tenant and/or its members and is expressly prohibited from dispensing fuel to any aircraft not owned or leased by Tenant or its members including but not limited to any aircraft owned by a sublessee. Any sublessee will be required to purchase its fuel from an authorized public fueler. This express limitation is necessary to keep the project within the intended goals and objectives if the Addison Airport Minimum Standards.
- Using the one available fuel farm facility to attract new development and new tenants to the Airport is excellent way to leverage the benefits of this facility, rather having it remain dormant and not generating revenue for the Airport.
- Alternatively, the Airport can continue to operate the North City Ramp as tie-down space generating approximately \$54,000 in annual revenue with the very real prospect of having to make up to \$1,000,000 in repairs in the near future.

After giving thorough consideration to the benefits of the proposed development, Airport Management recommends the Town of Addison authorize the City Manager to enter into, on behalf of the Town, a new 40-year ground lease arrangement (Attachment 1), together with an Addison Airport non-public fuel farm license agreement (Attachment 2) with ExecHangar ADS, LC., a Kansas limited liability company ("ExecHangar") in connection with the proposed redevelopment of the North City Ramp.

The city attorney has reviewed the aforementioned agreements and finds them to be acceptable for the Town's use.

Question and Answers

Project Summary: ExecHangar is proposing to build up to four 9,900 square foot conventional hangar facilities in two phases at what is now the North City Ramp. ExecHangar is proposing to sell fractional ownership interests in the company (the Members) via a private offering (the "Offering Memorandum" or "Prospectus"). In consideration of the project, Airport Management is recommending a 40-year term ground lease and granting the company a non-public fuel farm license agreement to use the one uncommitted fuel facility available at the new fuel farm.

1) What resources are being asked of the Town or Airport?

The developer has committed to fund 100% of the project costs which are to be funded from its subscription sales. The Town is being asked to commit to a 40-year special use ground lease and to grant a non-public fuel farm license for the one remaining fuel facility available at the new fuel farm. One possible exception might be if environmental contamination is discovered on the site, the Town may be asked to bear the cost of remediation.

2) Is the proposed use consistent with the Addison Airport Minimum Standards?

In the opinion of the Airport Director, the proposed use does not violate the Addison Airport Minimum Standards and Requirements of Commercial Aeronautical Service Providers (adopted March 1, 2004). The proposed use is consistent with Section VI of the airport's minimum standards whereby the proposed ground lease and fuel permit expressly prohibit the fueling of any aircraft not owned or controlled by the Tenant or its Members. Furthermore, ExecHangar is a limited liability company formed for purposes other than solely providing non-public fueling services, such as property ownership, appreciation, cost management and potential related tax benefits as represented in the ExecHangar Prospectus.

3) Is the proposed use consistent with the FAA grant assurances?

The proposed use is consistent with Grant Assurance 22f. As set forth in FAA Order 5190.6A, Airport Compliance Requirements, dated October 2, 1989, Section 3 Policy, paragraph 3-9e(3), the FAA recognizes the formation of a "CO-OP" (an organization formed by several aircraft owners for the purpose of self fueling) as a single owner for self fueling purposes. However, fueling activities by a "CO-OP" must have appropriate agreements already in place (i.e. ground lease, fuel permit, minimum standards, rules and regulations) and fueling operations must be performed by only the aircraft owner or its employees.

ExecHangar ADS LC will be the holder of the non-public fuel permit issued by the Town of Addison and only its employees and Members may receive or perform fueling services pursuant to the fuel permit. All other parties must obtain aircraft fueling services from one of the public FBOs at Addison Airport.

See Exhibit "A" Letter from William L. McHugh, Jr. attached.

4) When will the lease commence?

The lease is intended to commence the earlier of (i) when Substantial Completion of either building in Phase I is achieved or (ii) March 1, 2009.

5) When is Phase I construction to begin?

Construction may begin within 60 days after Tenant gives Landlord notice that it is ready to commence construction, but no later than September 1, 2008. This is intended to give Tenant ample time to market the project and sell a sufficient number of subscriptions to fund the project. This also allows the Town to continue to utilize the North City Ramp during Tenant's marketing period.

6) When is Phase II construction to begin?

Phase II construction may begin anytime after Tenant gives Landlord 180 calendar days written notice of its intent to commence construction. Landlord may continue to use the Phase II site until such time.

7) Why is this referred to as a "special use" ground lease?

Most ground leases at Addison Airport do not restrict how a tenant may use their lease premises once the improvements are constructed as long as it is for an aeronautical use that conforms to the minimum standards and does not create an operational hazard. Section 5 of the proposed ground lease defines the permitted use is for:

- conventional hangar and office facilities to be owned and operated as fractional ownership pursuant to the Offering Memorandum (which is an exhibit to the ground lease).
- day-to-day storage and minor maintenance of Member's personal and corporate aircraft.
- except for corporate charter activities incidental to the Member's primary business, any commercial aeronautical operations are expressly prohibited.
- limits the number of aircraft that may use the facility at any given time.
- If the Tenant is a holder of a non-public fuel license permit from the Town of Addison, only Registered Member Aircraft may receive fueling services pursuant to Tenant's non-public permit. Any guest or subtenant that is not a Registered Member.

8) What is the ownership structure of Tenant?

ExecHangar ADS LC (the "Company") is a limited liability company formed in Kansas owned by its Members and managed by Daniel Claassen. The Company intends to contract a separate but related company, ExecHangar LC ("EHC") also a Kansas limited liability company, to perform certain services including construction management and daily management and operations. ExecHangar LC is also to serve as Tenant's buyer of aviation fuel in the open market and cause fuel to be delivered to Tenant's fuel farm tanks. ExecHangar LC will in no way be conducting fueling services pursuant to Tenant's non-public fuel permit. **See Exhibit "B"**

9) Who is authorized to use the facility?

Section 5 of the lease limits to the use of the facility to its Members and the Member's Registered Aircraft under their "ownership" (see below). Section 9, permits a Member to allow a third-person to use the hangar space they would otherwise be entitled to occupy (i.e. a sub-tenant) but that third-person is expressly prohibited from receiving non-public fueling services from Tenant. A violation of this provision is a default under the Lease and the fuel permit.

10) What is meant by Member's ownership of Registered Aircraft?

All Member's must register with the Tenant and Landlord each aircraft owned, lease, or otherwise controlled that is to use and occupy the Leased Premises. The Lease defines an aircraft being "owned" by a Member if the Member owns more than 50% of the legal and equitable title to the aircraft, or holds 50% or more of the direct lease interest from the owner of the aircraft or, has the direct possession of the power to sell, transfer, or otherwise convey or cause the sale, transfer or other conveyance of a Member's Aircraft without the consent of any other person or entity.

11) In response to the Council's earlier concern of the possibility of over selling memberships (the "liquor by the drink" example was used).

The ExecHangar Prospectus stipulates:

- a Unit is defined as being equal to (1) one square foot of hangar and office space;
- the Company may only sell as many Units as there are a total square feet of hangar and office space;
- A Member must purchase and hold as many Units as the dimensional requirements of their aircraft (the overall length times the width of the Member's aircraft plus an additional 3' for each dimension (therefore, an aircraft with a 34' wingspan and 38' length requires the Member to hold $1,517 = (37 \times 41 = 1,517)$ and;

- The Member has the right to utilize space in the facility proportionate to their ownership interest in the project.

To further limit the number of aircraft that may use the leased premises and receive fueling services under the fuel permit, Section 5.4 of the Ground Lease stipulates that in order to be able to use and occupy the Leased Premises a Member must own and hold, at any given time, a minimum number of Units in accordance with the following:

(i) Single Aircraft. If a Member owns one (1) Registered Member Aircraft, the number of Units the Member must own and hold is equal to the product when multiplying the overall length times the width (plus an additional 3' for each dimension) of the Registered Member's Aircraft

(ii) Multiple Aircraft. If a Member owns more than one (1) Registered Member's Aircraft (being a "Member's Fleet"), the number of Units the Member must own and hold is the greater of:

(a) the product when multiplying the overall length times the width (plus an additional 3' for each dimension) of the largest of the member Fleet, or

(b) 50% of the total Units required for each Registered Member Aircraft in Member's Fleet (that is, calculating the product for each Registered Member's Aircraft in the Member's Fleet by multiplying the overall length times the width of each Registered Member's Aircraft (plus an additional 3' for each dimension) and then multiplying their sum by 50%).

The above effectively limits the number of aircraft that may use and occupy the Leased Premises and receive fueling services from the Tenant pursuant to the non-public fuel permit.

Note: Section 9B of the Ground Lease requires "Tenant to provide Landlord a complete and accurate register of its Members and Member's Registered Aircraft periodically with Landlord beginning each and every calendar year during the Term and/or within thirty (30) days after one or more Units has been assigned, sublet or otherwise conveyed."

12) How was the Additional Rent of \$.08/gallon determined?

It is a negotiated rate between Airport Management and the tenant. Various methods were considered, but a flat rate similar to existing practices (fuel flowage fee) was determined to be the simplest to administer on an ongoing basis for both the Tenant and Airport Management. Not only did the rate need to be fair and reasonable, it needed to reflect the property being used, cost of operations, the benefits received and provide an offset of any undue economic advantage given over other operators.

Airport Management had knowledge that some FBOs will pay a \$.10/gal fee to outsource their daily fueling operations. This was seen to be a reasonable surcharge a

fueller is willing to accept without pricing itself out of the market. Since the business model for the ExecHangar is structured on cost management, consideration was also given to the impact the added charge would have to ExecHangar's wholesale rate it would be required to charge its Members. This was determined to be 2-5% depending on their actual cost of fuel. Finally, giving consideration to the economic advantage a non-public fueller has to a public fueller (not having to meet the same minimum standards i.e. land, facilities and services) the equivalency of 67% over the Town's standard FBO fuel flowage rate was determined to be fair and reasonable.

Exhibit "A"

McHUGH & ASSOCIATES

AIRPORT CONSULTANTS

78421 Runaway Bay Drive Bermuda Dunes, CA 92203

(760) 345-7613

October 17, 2007

Ms. Lisa A. Pyles, A.A.E..
Airport Director
Addison Airport
16051 Addison Rd., Ste. 220
Addison, TX 75001

Dear Ms. Pyles:

Dan Claassen, a long time client of mine, has ask that I explain the FAA Grant Assurance number 22f (i.e., individual aircraft owner self-fueling) as it relates to "CO-OP" agreement fueling on a federally obligated airport. As I understand it from Dan, individuals are requesting permission to build an executive hangar on the Addison Airport and wish to self-fuel their aircraft ("CO-OP" Agreement Fueling).

During my employment with the Federal Aviation Administration in Washington, DC from 1973 to 1990 (See attached Bio. Sketch), one of my responsibilities was to update FAA Order 5190.6A, Airport Compliance Requirements. The last issue I worked was dated October 2, 1989, and it was prior to this that we developed the term CO-OP as it related to self fueling.

A case developed at an airport where several individual wanted to self fuel their own aircraft from a skid mounted fuel tank they had purchased. They approached the airport owner and said they had a right under the FAA Grant Assurances (22f) to fuel their own aircraft with their own employees and their own equipment. When the airport owner brought the question to the FAA it concluded that the CO-OP ownership of the fueling facility was outside the meaning of Grant Assurance 22f. This meant that the individual aircraft owners could not exercise the Grant Assurance right to fuel their own aircraft using the CO-OP owned fuel tank (facility).

However, the FAA position on this matter is that the airport owner could allow fueling activities by a CO-OP if appropriate agreements (i.e., safety standards, fees, conditions, insurance, etc.) have been previously agreed upon. This would not violate any of the airport owner's FAA Grant Assurances. The policy is set forth in FAA Order 5190.6A,

Airport Compliance Requirements, dated October 2, 1989, Section 3 Policy, paragraph 3-9e(3).

If you have questions concerning any of the subjects I've covered or any other Airport Compliance matters, please give me a call.

Sincerely,

SIGNED

William L. McHugh, Jr.
President

BIOGRAPHICAL SKETCH

WILLIAM L. McHUGH, JR.

Mr. McHugh is President of McHugh & Associates, an airport consulting firm which he established after his retirement from Federal Aviation Administration in April 1990. Prior to his retirement he was the Senior Airport Compliance Officer in the Airport Safety and Operations Division of the Office of Airport Safety and Standards located at FAA Headquarters in Washington, D.C. In that position he was the FAA's Compliance Program expert in Washington headquarters and coordinated with others the transfer of Surplus Federal Properties for civil airport purposes. He was also a credentialed airport certification inspector and worked with the Airport Certification Program which oversees the implementation of FAR Part 139 at air carrier airports.

Mr. McHugh received his Bachelor of Business Administration degree with a major in Accounting from Texas Technological College at Lubbock, Texas.

Prior to coming to Washington in 1973, he served five years as Manager, Program Section in the Chicago Airports District Office (ADO) in Chicago, Illinois. In that capacity, he dealt directly with civil airport owners in Illinois and Indiana while administering the Airport Development Aid Program, Surplus Property Program, and the Compliance aspects of these programs. This experience has given Mr. McHugh first-hand knowledge of the problems faced by civil airport owners.

Before joining the Chicago ADO in 1968, Mr. McHugh served as an auditor for five years with the FAA in Atlanta, Georgia, and four years with the Army Audit Agency in Atlanta.

Exhibit "B"

ExecHangar ADS, LC

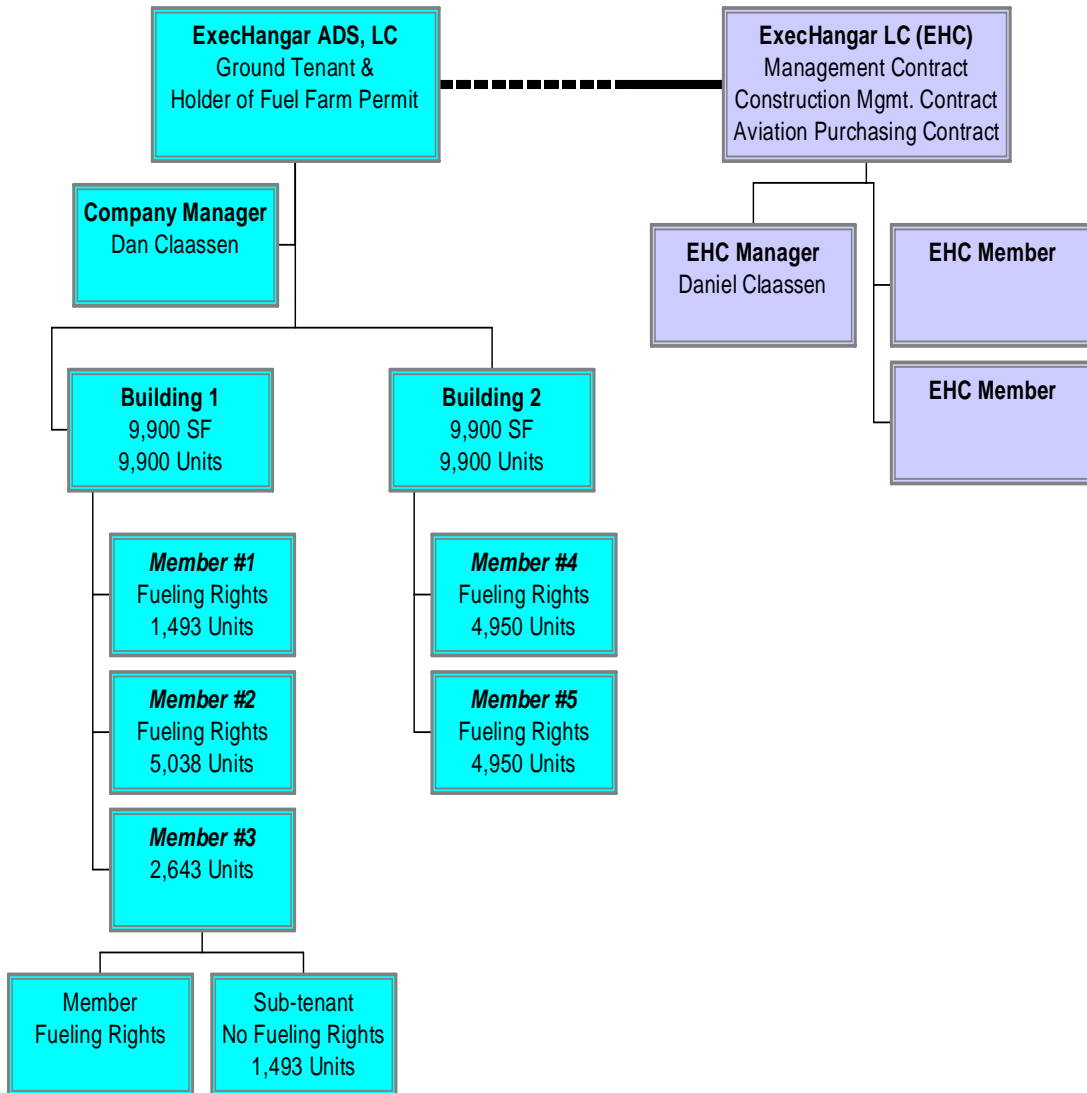


Exhibit "C"

						m Required Units
Member 1						
# of Aircraft	Aircraft Dimensions			Reqd. Space for Each	Total Feet Rqmt	
Eclipse 500	1	34	38	1,517	1,517	
Gulfstream 200	0	72	64	-	-	
Citation CJ1	0	43	47	-	-	
Hawker 750	0	51	51	-	-	
	1				1,517	
1) Largest Aircraft In Fleet						1,517
2) 50% of Fleet Requirement						759
Member 1 Minimum Required Units Is						1,517
Member 2						
# of Aircraft	Aircraft Dimensions			Reqd. Space for Each	Total Feet Rqmt	
Eclipse 500	0	34	38	-	-	
Gulfstream 200	1	72	64	5,025	5,025	
Citation CJ1	1	43	47	2,300	2,300	
Hawker 750	0	51	51	-	-	
	2				7,325	
1) Largest Aircraft In Fleet						5,025
2) 50% of Fleet Requirement						3,663
Member 2 Minimum Required Units Is						5,025
Member 3						
# of Aircraft	Aircraft Dimensions			Reqd. Space for Each	Total Feet Rqmt	
Eclipse 500	2	34	38	1,517	3,034	
Gulfstream 200	0	72	64	-	-	
Citation CJ1	1	43	47	2,300	2,300	
Hawker 750	0	51	51	-	-	
	3				5,334	
1) Largest Aircraft In Fleet						2,300
2) 50% of Fleet Requirement						2,667
Member 3 Minimum Required Units Is						2,667
Total Units Required						9,209
Maximum Building Capacity						9,900
Remaining Units Available						691
Total Aircraft Registered To Use Facility						6

Single aircraft dimension used

Multiple aircraft, used largest aircraft in fleet.

Multiple aircraft, used 50% of fleet requirement

Total Units Required is less than Total Bldg.

In the above example, Member 1 has one airplane, therefore the minimum Unit requirement equates to the overall length of the aircraft times its width (plus 3' each way), or 1,517 Units.

Member 2 owns two aircraft and the largest aircraft space requirement is greater than one half of the total fleet size. In this case, the minimum Unit requirement is then 5,025. Provided Member 2's aircraft are properly registered with the Airport by Tenant, *both* aircraft may access the Lease Premises and be fueled by ExecHangar, however Member 2 has rights to only 5,025 square feet of hangar/office space at any given time.

Member 3 owns three aircraft in its fleet, but in this example half the total fleet size is greater than the single largest aircraft in the fleet. Consequently, the minimum Unit requirement is one-half of Member 3's total fleet, or 2,667 Units. Provided Member 3's aircraft are properly registered with the

Airport, all three aircraft may access the Lease Premises and be fueled by ExecHangar, however Member 3 has rights to only 2,667 square feet of hangar/office space at any given time.

Attachment 1

Proposed Ground Lease

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

- | |
|---|
| Summary of Exhibits |
| • Exhibit 1: ADS Legal Description |
| • Exhibit 2.1: Boundary Survey of Leased Premises |
| • Exhibit 2.2: Legal Description of Leased Premises |
| • Exhibit 2.3: Proposed Site Plan Premises |
| • Exhibit 3: Description of Improvements to Be Constructed On Leased Premises |
| • Exhibit 4: Expansion Option |
| • Exhibit 5: Offering Memorandum dated June 1, 2007 |
| • Exhibit 6 |

GROUND LEASE AGREEMENT

This Ground Lease Agreement (“Lease” or “Agreement”) is made and entered into as of _____, 200__ (the “Effective Date”), by and among the **Town of Addison, Texas**, a Texas home-rule municipality (hereinafter sometimes referred to as “Landlord” or the “City”), and **ExecHangar ADS, LC**, a Kansas limited liability company (hereinafter referred to as “Tenant”) (Landlord and Tenant are sometimes referred to herein together as the “parties”).

WITNESSETH:

WHEREAS, the City is the owner of the Addison Airport, a description of which is set forth in Exhibit 1 attached hereto and incorporated herein (the “Airport”); and

WHEREAS, the Airport is operated and managed for and on behalf of the City by Washington Staubach Addison Airport Venture, a Texas joint venture (“Airport Manager”), pursuant to that Agreement for the Operation and Management of Addison Airport dated August 8, 2000 between the City and Airport Manager; and

WHEREAS, Tenant desires to lease from the City, and the City desires to lease to Tenant, a portion of the Airport generally described as that certain parcel of real property at Addison Airport consisting of approximately 2.02 acres (87,818 gross square feet) of land located north and adjacent to Claire Channault Rd. which is more fully described in Exhibit 2.1 and Exhibit 2.2 attached hereto and incorporated herein (which portion is referred to herein as the “Leased Premises”) according to the terms and conditions set forth in this Agreement; and

WHEREAS, Tenant is a Kansas limited liability company authorized to operate in the state of Texas, the ownership of which is in its members (“Members”) who acquire and own units (“Units”) of the limited liability company (each Unit representing a fractional ownership interest in the limited liability company); and

WHEREAS, Tenant desires to and will develop the Leased Premises as and operate thereon, pursuant and subject to the terms, conditions, and provisions of this Lease, a fractional ownership aircraft hangar, wherein Members are allowed to utilize space within the hangar to be constructed by Tenant on the Leased Premises according to their allocation of ownership of Units.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

Section 1. Demise of Leased Premises: In consideration of the terms, covenants and conditions set forth in this Agreement, Landlord does hereby lease to Tenant, and Tenant does hereby lease and accept from Landlord, the Leased Premises, subject to all matters of record in any way appertaining to the Leased Premises. This Lease is given subject to all laws, ordinances, rules, regulations, directives, permits, or standards of any governmental authority, entity, or agency (including, without limitation, the Town of Addison, Texas, the State of Texas, the Federal Aviation Administration, and the Texas Department of Transportation) whether in existence or hereafter enacted, adopted or imposed, and including, without limitation, any and all grant agreements or grant assurances now existing or as hereafter agreed to, adopted or imposed.

Section 2. Term:

A. 1. Subject to the termination and all other provisions of this Lease, the term hereof shall commence on the earlier of March 1, 2009 or the first day of the first month after Substantial Completion (as such term is defined in Section 6.H. below) of the Building Improvements as defined and described in Section 6 of this Agreement (the "Commencement Date"), and shall end at 5:00 p.m. local time on the last day of the four hundred eightieth (480th) full calendar month following the Commencement Date (the "Term"), it being the intent of the parties that the term of this Lease shall not exceed forty (40) years. Furthermore, it is expressly understood and agreed upon by Landlord and Tenant that any interest of any Member shall terminate simultaneously upon the expiration or earlier termination of this Lease Agreement. The period of time between the Effective Date (and including the Effective Date) and the Commencement Date is herein referred to as the "Preliminary Period." Any entry upon the Leased Premises by Tenant during the Preliminary Period shall be subject to all of the terms and conditions hereof.

B. Following the Effective Date and prior to Tenant taking possession of the Leased Premises, Tenant shall give to the City written notice of Tenant's intent to commence construction of the Building Improvements on the Leased Premises ("Notice of Intent to Commence Construction"). Such notice must be given, if at all, not later than sixty (60) days prior to September 1, 2008. If Tenant does not give the City such notice within the said period of time, the City may terminate this Lease by giving written notice of such termination to Tenant.

Within sixty (60) days following the date of the City's receipt of the Notice of Intent to Commence Construction (the sixty (60) day period being the "60 Day Period"), the City shall tender possession of the Leased Premises to Tenant in its "AS IS" and "WHERE IS" condition (the date of such tender being the "City Delivery Date"), and Tenant shall accept the Leased Premises in its "AS IS, WHERE IS" condition and in accordance with Section 7, below; should the City be unable to tender possession of the Leased Premises to Tenant by the end of the 60 Day Period for any reason not caused in whole or in part by Tenant (e.g., City is unable to timely relocate existing tenants), and such failure causes Substantial Completion of the Building Improvements to be delayed to a date later than March 1, 2009, the Commencement Date shall be extended by the number of days between the last day of the 60 Day Period and the City Delivery Date.

Section 3. Rental & Security Deposit:

A. Subject to adjustment as herein below provided, Tenant agrees to pay to Landlord, without notice, demand, offset or deduction, Rent each month for the Leased Premises (“Rent” being Base Rent, any Additional Rent, and all other sums that Tenant may owe to Landlord or otherwise be required to pay under this Lease) as set forth below:

A (1). Base Rent: The first such monthly payment or installment of the Base Rent shall be (i) payable on or before the Commencement Date and (ii) in the amount of Four Thousand Three Hundred Ninety and Ninety/100 Dollars (\$4,390.90) (such amount being one-twelfth of the product of sixty cents (\$0.60) times the total gross square feet contained within the Leased Premises shown in Exhibit 2.1 attached hereto) (the “Base Rent”). Thereafter, Base Rent, subject to adjustment as set forth below, shall be due and payable on the first day of each calendar month during the Term hereof. All Rent is due on the first day of each month, is delinquent after the 5th day of each month, and is subject to the provisions of Section 39, below.

In the event the Commencement Date is a date other than the first day of a calendar month, the monthly Base Rent for any partial month at the beginning of the Term shall equal the product of a fraction, the numerator of which is the number of days in the partial month (beginning with the Commencement Date and ending with the last day of the partial month) and the denominator of which is the number of days in such full calendar month, multiplied by the monthly installment of Base Rent in effect during such partial month, and shall be due on the Commencement Date. Payment of Base Rent for any fractional calendar month at the end of the Term shall be similarly prorated.

A (2). Additional Rent: Provided Tenant is the holder of and bound by a valid aircraft fueling permit or license issued by the Town of Addison (“Fuel License”), Tenant agrees to pay as “Additional Rent” to Landlord under this Lease an amount equal to the product of eight cents (\$.08) times the number of gallons of aviation fuel (e.g. “JetA” or “100LL”, but not to include diesel and mobile fuel used in connection with ground support operations) delivered and received into the fuel tanks which are the subject of the Fuel License (the “Fuel Tanks”) during the preceding calendar month (the “Dispensing Period”). Landlord and Tenant herein agree and acknowledge that any payment of Additional Rent by Tenant to Landlord under this sub-paragraph A (2) is in addition to and separate from any payment of a fuel flowage fee in connection with or related to the Fuel License. Additional Rent shall be paid on or before the fifth (5th) day of the calendar month next following the Dispensing Period, without offset or deduction of any nature.

(i) Tenant shall submit to Landlord with each monthly payment of the Additional Rent, but in no event later than the fifth (5th) day of each month during the Term, a monthly fuel report (the “Monthly Report”), certified as being true and correct by a duly authorized representative of Tenant, showing for the Dispensing Period the amount of fuel delivered and received into the Fuel Tanks.

(iii) On or before the sixtieth (60th) day after the expiration of each calendar year, and the thirtieth (30th) day after the expiration or termination of this Lease, Tenant shall deliver to Landlord an annual fuel report (the “Annual Report”), certified as being true and correct by an authorized representative of Landlord, showing the amount of fuel sold or otherwise delivered to a consumer of aeronautical fuel (and this obligation shall survive the expiration or earlier termination of this Lease).

(iv) In addition to the information described in sub-paragraph (ii) and (iii) above, each Monthly Report and each Annual Report shall include any and all additional information required

by Landlord, and shall be in the form established by Landlord (which form may be modified, revised, or amended by Landlord in its sole discretion at any time). Each of the Monthly Reports and the Annual Report are hereinafter referred to as a “Fuel Report.” In the event Landlord is not satisfied with any Fuel Report provided by Tenant, Landlord shall have the right to cause its auditors or designated representatives to inspect Tenant’s books and records, wherever located, evidencing and accounting for all fuel sold or otherwise dispensed by Tenant for the reporting period or periods in question. Tenant hereby agrees to make available all books and records, including but not limited to its bills of lading, general ledgers, bank accounts and fuel sales receipts available for inspection at the Leased Premises during Tenant’s normal business hours within five (5) days upon receipt of written demand by Landlord. If it is determined by the auditors that the amount of fuel delivered and received into the Fuel Tanks during such period(s) is understated by more than five percent (5%), the reasonable expense of such audit shall be borne by Tenant. Tenant shall promptly pay to Landlord any deficiency, and Landlord shall promptly refund to Tenant any overpayment, as the case may be, which is established by such audit.

(v) If Tenant fails to prepare and deliver promptly any Fuel Report or other document required under this Lease, Landlord may, in addition to exercising any of the remedies provided to Landlord under this Lease or any law, rule, or regulation, engage a Certified Public Accountant to make an audit of the books and records of Tenant (which Tenant shall provide at the Leased Premises) and prepare the Fuel Report or other document that Tenant failed to prepare and deliver promptly to Landlord. The Fuel Report or other document prepared by such Certified Public Accountant shall be conclusively binding on Tenant, and Tenant shall pay upon demand all expenses of the audit and other services in regard to preparing such Fuel Report or other document.

(vi) In the event the Town of Addison, in its sole discretion, increases the Addison Airport fuel flowage fee from its 2007 rate of twelve cents (\$0.12) per gallon for non-public fueling operators during the Term of this Agreement, the Dispensing Rate shall be reduced an equal and corresponding amount, with the maximum reduction being to zero (\$0.00) dollars per gallon (e.g. Fuel Flowage Rate is increased \$.03 a gallon from \$.12/gallon to \$.15/gallon, the Dispensing Rate shall be reduced from \$.08/gallon to \$.05/gallon).

(vii) In the event the Town of Addison, in its sole discretion, decreases the Addison Airport fuel flowage fee from its 2007 rate of twelve cents (\$.12) per gallon for non-public fueling operators during the Term of this Agreement, the Dispensing Rate shall be increased an equal and corresponding amount; but in no event shall it ever be greater than eight cents (\$.08) per gallon (e.g. fuel flowage fee is increased to \$.15/gallon, resulting in a reduction in the Dispensing Rate from \$.08/gallon to \$.05/gallon in accordance with subsection (vi) of this Section 3.A (2), above; thereafter, the fuel flowage fee is decreased from \$.15/gallon to \$.12/gallon; with such decrease in the fuel flowage fee, the Dispensing Rate shall be increased from \$.05/gallon to \$.08/gallon).

B. Security Deposit: No Security Deposit required.

Section 4. Adjustment of Rental: Commencing on the second anniversary of the Commencement Date and on every second anniversary thereafter (hereinafter referred to as the “Adjustment Date”), the monthly rental due under Section 3.A (1) Base Rent shall be adjusted as follows:

A. Monthly Base Rent shall be adjusted to reflect changes in the Consumers' Price Index - All Items for Dallas, Texas Metropolitan Area (hereinafter referred to as the "Consumer Price Index"), as quoted in the publication *Consumer Price Index for All Urban Consumers (CPI-U)* for the Dallas-Fort Worth, Texas area which is issued by the U.S. Department of Labor, Bureau of Labor Statistics. The basic index ("Basic Index") is the Consumer Price Index existing on the Commencement Date. The current index ("Current Index") is the Consumer Price Index on the first day of the calendar month preceding the then applicable Adjustment Date.

B. Beginning with the first full month following the then applicable Adjustment Date, the monthly rent shall be adjusted so that it equals the product of the monthly Base Rent amount during the first year of this Lease multiplied by a fraction, the numerator of which is the Current Index and the denominator of which is the Basic Index, but in no event shall such monthly rent ever be decreased below the Base Rent set forth in Section 3.A (1).

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

Section 5. Use of Leased Premises: The Leased Premises shall be used and occupied by Tenant only for the following purpose:

A. For constructing and operating conventional aircraft hangars and ancillary and subordinate office facilities owned solely by Tenant. Tenant will construct two (2) conventional aircraft hangars (each hangar being approximately 110 feet wide, 90 feet deep with a minimum hangar door clearance of 26 feet high) in accordance with Section 6 below (such hangars and related improvements are referred to herein as the "Building Improvements" and are further described in Section 6 and in Exhibit 3 of this Lease).

Tenant's use and occupancy of the Leased Premises and the Building Improvements thereon shall be in accordance with the following:

1. *Ownership of Tenant.* Members (owners) of Tenant will own Units (as described in the above and foregoing premises to this Lease), with each Unit representing a fractional ownership interest in Tenant and further representing one (1) square foot of hangar space and/or office space. Subject to the terms, conditions and provisions of this Lease, Tenant will allocate to each Member a right to occupy and use a portion of the Leased Premises, including the Building Improvements, which is proportionate to the number of Units owned. This structure, along with other terms and provisions regarding the Tenant's use and occupancy of the Leased Premises, the relationship of the Tenant and its Members, the management and control of Tenant, and other matters is set forth in a Prospectus (together with all exhibits attached thereto) prepared and controlled solely by Tenant, a true and correct copy of which is attached hereto as Exhibit 4 (the "Prospectus"). Tenant agrees that Tenant's use, operation, possession, and management of the Leased Premises shall be in strict accordance with the Prospectus; however, to the extent of any conflict between this Lease (exclusive of the Prospectus) and the Prospectus, Tenant agrees that this Lease (exclusive of the Prospectus) shall control. Tenant further acknowledges and agrees that the

Prospectus, along with all other portions of this Lease and other attachments hereto, is a public document and subject to review, copying, and inspection by members of the public.

2. *Management of Tenant.* Tenant shall be managed at all times by a manager (“Leased Premises Manager”). As set forth in the Prospectus and exhibits thereto, the Leased Premises Manager as of the Effective Date is Daniel L. Claassen, whose address is _____ (“Claassen”). The Leased Premises Manager shall manage and control the Leased Premises and the Building Improvements on behalf of the Tenant; as such, the Leased Premises Manager shall be responsible for ensuring Tenant’s compliance with all of the terms, conditions, and provisions of this Lease and the Prospectus.

Tenant has entered or will enter into an agreement with ExecHangar LC, a _____ limited liability company, whose primary address is _____ (the “Management Company”), as set forth in the Prospectus. Pursuant to the Management Agreement, the Management Company provides certain management and administrative services for Tenant, and serves as operator of the Building Improvements on behalf of Tenant.

3. *Member Aircraft.* A Member must register with the Leased Premises Manager and the Management Company each aircraft owned, leased, or otherwise controlled (as hereinafter described) by a Member which is to be located at any time upon or within the Leased Premises (such registered Member Aircraft being a “Registered Member Aircraft”). Such registration must include, among other things, the make, model, aircraft type and “N” number of the aircraft. For purposes hereof, a Member Aircraft is (a) “owned” by a Member if the Member owns more than fifty percent (50%) of the legal and equitable title to the Member Aircraft, (b) “leased” by a Member if the Member holds more than a fifty percent (50%) direct leasehold (lessee) interest from the owner of the legal and equitable title of the Member Aircraft, and (c) “otherwise controlled” by a Member if the Member has the direct possession of the power to sell, transfer, or otherwise convey, or cause the sale, transfer, or other conveyance, of a Member Aircraft without the consent or approval of any other person or entity.

4. *Use of the Leased Premises.* In order to be eligible to use and occupy the Leased Premises (including, without limitation, the Building Improvements), a Member must own and hold, at any given time, a minimum number of Units in accordance with the following (the minimum number of Units is equal to the minimum number of square feet that a Member occupies in the Building Improvements) (see example of the calculations below in Exhibit 6.0 attached hereto and incorporated herein):

(i) *Single Aircraft.* If a Member owns one (1) Registered Member Aircraft, the number of Units the Member must own and hold is equal to the product when multiplying the overall length times the width (plus an additional three (3) feet for each dimension) of the Registered Member Aircraft.

(ii) *Multiple Aircraft.* If a Member owns more than one (1) Registered Member Aircraft (such aircraft together being a “Member Fleet”), the number of Units the Member must own and hold is the greater of:

- (a) the product when multiplying the overall length times the width (plus an additional three (3) feet for each dimension) of the largest of the Member Fleet, or
- (b) 50% of the total Units required for each Registered Member Aircraft in the Member Fleet (that is, calculating the product for each Registered Member Aircraft in the Member Fleet by multiplying the overall length times the width of each Registered Member Aircraft (plus an additional three (3) feet for each dimension) and then multiplying their sum by 50%).

5. *Express Limitation of Use.* The permitted use of the Leased Premises and the Building Improvements is expressly limited to the day-to-day storage and maintenance (incidental and minor maintenance only) of personal and business aircraft owned, leased, or otherwise controlled (“owned”, “leased” and “controlled” being as described above in subsection A.3. of this Section 5) by Members, and not otherwise without the prior written consent of Landlord. Air charter and corporate aircraft management operations may be conducted upon the Leased Premises, provided the same are limited to Registered Member Aircraft.

6. *Prohibited Uses.* Notwithstanding the foregoing or any other provision of this Lease, Tenant and its Members are expressly prohibited from, and the Leased Premises and the Building Improvements shall not be used for, (i) conducting or allowing the conduct of any other commercial aeronautical or aviation services (including but not limited to third party maintenance and/or repair, cargo transport, flight school, or avionic services) from, on, or within the Leased Premises other than what may be incidental to Tenant’s (or its Member’s) use of the Leased Premises and Building Improvements; and (ii) providing or operating, or allowing the provision or operation of, any of the following: ground transportation for rent or hire, including taxi and limousine service; food sales; barber; alcoholic beverage sales; sales of pilot supplies; newsstands; gift and other retail shops; and any other use, occupancy, operation, business, or service whatsoever. Tenant may install and operate vending machines on the Leased Premises for use solely by Tenant and its employees and guests.

7. *Fuel License.* In connection with its use and occupancy of the Leased Premises pursuant to this Ground Lease, Tenant may obtain from the City (in the City’s sole and absolute discretion) a non-public Fuel License. Such Fuel License (if any) and the licensee’s rights thereunder shall be expressly limited and restricted to the Leased Premises and the fueling of Registered Member Aircraft located thereon. If a Fuel License is issued to Tenant, Tenant shall not fuel any aircraft unless the same are Registered Member Aircraft and are located upon the Leased Premises. Such Fuel License (if any) shall be dependent upon Tenant’s compliance with all of the terms, conditions and provisions of this Lease, and a breach or default of this Lease by Tenant shall constitute a breach or default of such Fuel

License. In the event of the termination of this Lease for any reason (including, without limitation, upon the expiration of this Lease), any such Fuel License shall be simultaneously terminated.

8. *Continuous Operation.* The Tenant shall not at any time leave the Leased Premises vacant, but shall continuously throughout the term of this Lease conduct and carry on in the entire Leased Premises the type of use for which the Leased Premises are leased, except during periods in which the Leased Premises may not be occupied as a result of fire or other casualty, or reasonable periods for repairs and alterations, all such repairs and alterations to be diligently pursued by Tenant to completion.

B. The Tenant for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that (i) no person on the grounds of race, creed, color, national origin, sex, age or handicap shall be excluded from participation in, denied the benefits of or be otherwise subjected to discrimination in the use of said facilities; (ii) that in the construction of any improvements on, over or under such land and the furnishing of services thereon, no person on the grounds of race, creed, color, national origin, sex, age, or handicap shall be excluded from participation in, denied the benefits of or otherwise be subjected to discrimination; (iii) that the Tenant shall use the Leased Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964 and as said Regulations may be amended.

C. The Tenant agrees to furnish service on a fair, equal, and non-discriminatory basis to all users thereof and to charge fair, reasonable, and not unjustly discriminatory prices for each unit or service, provided that the Tenant may be allowed to make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

D. Notwithstanding the Landlord's approval of the Lease, Landlord has not independently verified that the Prospectus complies with the Securities Act of 1933, as may be amended, and any other applicable federal or state securities laws, rules, codes, or regulations or any other federal or state statutes, rules, codes, or regulations.

Section 6. Construction of Improvements:

A. In connection with the use and occupancy of the Leased Premises by Tenant, Tenant shall cause to be constructed on the Leased Premises buildings and other improvements (together, the "Building Improvements"), at Tenant's sole cost, expense and risk (except as may be otherwise agreed to between Landlord and Tenant), in accordance with plans and specifications which have been previously submitted to and approved in writing by Landlord. The term "Building Improvements" shall mean those improvements described in Exhibit 3 attached hereto and incorporated herein. Except as provided for in this Agreement, Tenant may not construct, locate, install, place or erect any other improvements upon the Leased Premises without the prior written consent of Landlord. The construction cost (separate and apart from the cost of design) of the Building Improvements shall exceed One Million Five Hundred Thousand and No/100 Dollars

(\$1,500,000.00) (the "Construction Cost"), and Tenant shall submit to Landlord evidence of such construction cost (the "Construction Cost Evidence"); such Construction Cost Evidence shall include true and correct copies of all receipts or other documents or records indicating the nature of the construction work performed, the cost thereof and the amount paid for such construction work.

B. The Building Improvements shall be constructed on the Leased Premises in accordance with plans and specifications prepared by an architect and/or engineer selected by Tenant (the "Design Plan"), which shall be submitted to Landlord and approved in writing by Landlord. Any architect or engineer shall be duly licensed to practice architecture or engineering, as the case may be, in the State of Texas. All construction on the Leased Premises shall be performed in a first class, workmanlike manner and in compliance with all applicable building codes, standards and ordinances, as set out in more detail, below. Tenant agrees to promptly pay and discharge all costs, expenses, claims for damages (including consequential damages) or injury (including, without limitation, claims for personal injury or death, or property damage or destruction, or economic loss), damages, penalties, fines, liens, and any and all other liabilities and obligations which arise in connection with or out of such construction, and Tenant **SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS LANDLORD AND MANAGER, AND THEIR RESPECTIVE OFFICIALS, OFFICERS, EMPLOYEES AND AGENTS (IN BOTH THEIR OFFICIAL AND PRIVATE CAPACITIES) FROM AND AGAINST ANY AND ALL SUCH COSTS, EXPENSES, CLAIMS, DAMAGES, PENALTIES, FINES, LIENS LIABILITIES, AND OBLIGATIONS, INCLUDING SUCH COSTS, EXPENSES, CLAIMS, DAMAGES, PENALTIES, FINES, LIENS LIABILITIES, AND OBLIGATIONS WHICH ARE CAUSED BY OR RESULT FROM, IN WHOLE OR IN PART, THE NEGLIGENCE OF LANDLORD OR MANAGER (OR THEIR RESPECTIVE OFFICIALS, OFFICER, EMPLOYEES, AND AGENTS)**. It is expressly understood and agreed that Tenant's construction of the Building Improvements shall include the finish-out of such building and improvements in accordance with the plans and specifications for the finish-out of the Building Improvements as submitted by Tenant to Landlord and approved in writing by Landlord.

C. Landlord's approval of the Design Plan or any other plans and specifications for any improvements to or on the Leased Premises does not impose on Landlord any responsibility whatsoever, including, without limitation, any responsibility for the conformance of the plans and specifications with any governmental laws, rules, regulations, standards, building or other codes, and the like, for which Tenant and its contractors shall have full and complete responsibility.

D. If construction of the Building Improvements has not commenced (as described in subsection 1, below) on or before September 1, 2008, Landlord may terminate this Agreement by written notice to Tenant and this Agreement shall be and become null and void and neither party to this Agreement shall have any further rights one against the other, except that Landlord shall return to Tenant any deposits made to Tenant within five (5) business days following such termination.

1. For purposes hereof, construction shall be deemed to have commenced when all of the following events have occurred: (i) approval of the Design Plan by Landlord, (ii) Tenant has been issued the required building permit(s) or licenses necessary to construct the Building Improvements on the Leased Premises, (iii) Tenant shall have received the Federal Aviation Administration's (FAA's) determination to Tenant's filing of Form 7460 Notice of

Proposed Construction or Alteration and have delivered a true and correct copy of the same to the Landlord, (iv) execution of a contract to perform the work set forth in the Design Plan with a qualified contractor, (v) proof of required Builder's Risk Insurance Policy (or other acceptable form of Tenant's financial obligation to the project that is acceptable and satisfactory to the Landlord in the Landlord's sole discretion), and (vi) the initiation of actual mobilization of construction equipment on the Leased Premises (to perform the initial steps of construction of the Building Improvements, such as excavation for a foundation).

2. After commencement of construction, Tenant shall complete construction of the Building Improvements with reasonable diligence, without material deviation from the Design Plan, and any deviation from the Design Plan shall be subject to the review and approval of Landlord. If (i) construction of the Building Improvements is not Substantially Complete ("Substantial Completion" being defined in subsection H. of this Section) on or before March 1, 2009, and Final Completion ("Final Completion" being defined in subsection H. of this Section) achieved no later than one-hundred and twenty (120) days after the date of Substantial Completion, and if (ii) the Construction Costs of the Building Improvements do not exceed \$1,500,000.00 as established by the Construction Costs Evidence which Tenant shall submit to Landlord on or before the Final Completion date, Landlord may terminate this Lease by providing written notice to Tenant and the same shall become null and void and neither party to this Agreement shall have any further rights one against the other, except that Landlord shall return to Tenant any deposits made to Tenant within five (5) business days following such termination and Tenant shall at Landlord's request remove any portion of the Building Improvements requested by Landlord and leave the premises in a good condition.

E. Tenant agrees that any construction or modification of the Building Improvements or any other improvements (authorized to be constructed in writing by Landlord) on the Leased Premises shall comply with all standards, codes, and rules adopted by Landlord or Airport Manager, including, but not limited to, any rules relating to construction and maintenance standards and specifications, will comply with the Town of Addison, Texas building code and zoning requirements, and will meet or exceed all applicable State and Federal standards (including, without limitation, Title III of the Americans With Disabilities Act of 1990, any state laws governing handicapped access or architectural barriers, and all rules, regulations, and guidelines promulgated under such laws, as amended from time to time). Tenant recognizes that such construction/maintenance standards and specifications, Town of Addison building code and zoning requirements, and all applicable State and Federal standards, and other applicable standards, codes, and rules may be modified or amended from time to time and that compliance will be measured by such standards in effect at the time of a particular construction or modification of improvements.

F. Tenant will properly and timely submit to the FAA, the Texas Department of Transportation (TxDOT), and any other governmental entity or agency having jurisdiction regarding Addison Airport, a Notice of Proposed Construction or Alteration (FAA Form 7460), when and as required.

G. Tenant further agrees that the Landlord shall be authorized at all times during any project of construction to enter upon the Leased Premises, and all parts thereof, in order to observe

the performance of such construction, and Tenant agrees to provide the Landlord a construction schedule setting out the time of commencement, Substantial Completion and Final Completion of significant elements of the construction, which schedule shall be delivered to Landlord prior to the start of any construction project on the Leased Premises.

H. “Substantial Completion” of the construction of the Building Improvements shall be deemed to have occurred upon the date of issuance by the Town of Addison, Texas of a certificate of temporary or final occupancy for the Building Improvements. “Final Completion” of the construction of the Building Improvements shall be deemed to occur upon the issuance by Tenant’s architect who designed the Building Improvements of documentation reflecting and establishing the final completion (closeout) of the construction of the Building Improvements (and the delivery of a true and copy of the same to Landlord) and the delivery by Tenant to Landlord of comprehensive As-Built drawings and documentation reviewed and certified (sealed) by Tenant’s architect reflecting all approved changes and modifications to the originally approved Design Plan.

I. Failure of Tenant to observe and comply with any of the requirements of this Section shall be an Event of Default; provided, however, that where this Section authorizes the Landlord to terminate this Lease, notwithstanding any other provision of this Lease, Landlord may terminate this Lease and Tenant shall have no further or additional rights with respect to this Lease or any provision hereof (including, without limitation, no right to cure).

J. Notwithstanding any other provision of this Lease, all improvements constructed or located on the Leased Premises, including, without limitation, the Building Improvements, whether by Tenant or otherwise, shall be and become the sole property of Landlord upon the expiration or earlier termination of this Lease for any reason whatsoever, free and clear of any claim of Tenant and any and all persons or entities claiming under or through Tenant (including, without limitation, any holder of a leasehold mortgage).

Section 7. Acceptance of Leased Premises: TENANT ACKNOWLEDGES THAT TENANT HAS FULLY INSPECTED THE LEASED PREMISES AND ACCEPTS THE LEASED PREMISES AND THAT THE LEASED PREMISES ARE LEASED TO TENANT "AS IS, WHERE IS, AND WITH ALL FAULTS AND PATENT AND LATENT DEFECTS", AND LANDLORD HAS NOT MADE, DOES NOT MAKE, AND SPECIFICALLY DISCLAIMS, ANY REPRESENTATION, PROMISE, COVENANT, AGREEMENT, GUARANTY OR WARRANTY OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, AS TO THE QUANTITY, QUALITY, CONDITION, SUITABILITY, HABITABILITY, OR FITNESS OF THE PROPERTY FOR ANY PURPOSE WHATSOEVER, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION REGARDING SOIL CONDITIONS, AVAILABILITY OF UTILITIES, DRAINAGE, ZONING LAWS, ENVIRONMENTAL LAWS, OR ANY OTHER FEDERAL, STATE OR LOCAL STATUTES, CODES, REGULATIONS OR ORDINANCES. TENANT ALSO ACKNOWLEDGES AND AGREES THAT TENANT'S INSPECTION AND INVESTIGATION OF THE LEASED PREMISES HAVE BEEN ADEQUATE TO ENABLE TENANT TO MAKE TENANT'S OWN DETERMINATION WITH RESPECT TO THE SUITABILITY OR FITNESS OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, WITH RESPECT TO SOIL

CONDITIONS, AVAILABILITY OF UTILITIES, DRAINAGE, ZONING LAWS, ENVIRONMENTAL LAWS, AND ANY OTHER FEDERAL, STATE OR LOCAL STATUTES, CODES, REGULATIONS OR ORDINANCES. TENANT ACKNOWLEDGES THAT THE DISCLAIMERS, AGREEMENTS AND OTHER STATEMENTS SET FORTH IN THIS SECTION ARE AN INTEGRAL PORTION OF THIS LEASE AND THAT LANDLORD WOULD NOT AGREE TO LEASE THE LEASED PREMISES TO TENANT AS SET FORTH HEREIN WITHOUT THE DISCLAIMERS, AGREEMENTS AND OTHER STATEMENTS SET FORTH IN THIS SECTION. TENANT FURTHER ACKNOWLEDGES THAT TENANT IS NOT IN A DISPARATE BARGAINING POSITION WITH RESPECT TO LANDLORD. TENANT ACKNOWLEDGES AND AGREES FURTHER THAT THIS LEASE IS SUBJECT TO ANY AND ALL CURRENTLY EXISTING TITLE EXCEPTIONS OR OTHER MATTERS OF RECORD OR VISIBLE OR APPARENT FROM AN INSPECTION AFFECTING THE LEASED PREMISES. TENANT WAIVES ANY IMPLIED WARRANTIES OF SUITABILITY, HABITABILITY, AND FITNESS FOR A PARTICULAR PURPOSE, AND FURTHER WAIVES ALL CLAIMS BASED ON ANY DEFECT IN THE LEASED PREMISES THAT COULD HAVE BEEN DISCOVERED BY TENANT'S REASONABLE INSPECTION. TENANT, AT ITS COST, SHALL BE ENTITLED TO PERFORM A PHASE I ENVIRONMENTAL STUDY, PROVIDING A COPY OF THE RESULTS TO LANDLORD, ALL AS SPECIFIED IN MORE DETAIL IN SECTION 22.D. BELOW. WITHOUT LIMITING THE FOREGOING, THERE IS NO WARRANTY, EXPRESS OR IMPLIED, OF SUITABILITY, MERCHANTABILITY, HABITABILITY, OR FITNESS FOR ANY PARTICULAR PURPOSE GIVEN IN CONNECTION WITH THIS LEASE.

In accepting the Leased Premises, Tenant acknowledges that this Lease shall be construed to provide rent to Landlord on a Net Return Basis, as set out in Section 32, below.

Section 8. Securing Governmental Approvals and Compliance with Law; Noise Abatement:

A. 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 Leased Premises. This Lease is subject to and Tenant shall comply at all times with all laws, ordinances, rules, regulations, directives, permits, or standards of any governmental authority, entity, or agency (including, without limitation, the Town of Addison, Texas, the State of Texas, the Federal Aviation Administration, the Texas Department of Transportation, the United States Environmental Protection Agency, and the Texas Commission on Environmental Quality) applicable or related to, whether directly or indirectly the use and occupancy of the Leased Premises and whether in existence or hereafter enacted, adopted or imposed. Tenant shall promptly comply with all governmental orders and directives for the correction, prevention and abatement of nuisances in or upon, or connected with, the Leased Premises, all at Tenant's sole cost and expense, and shall comply with and be subject to (and this Lease is made and entered into subject to) any and all grant agreements or grant assurances now existing or as hereafter agreed to, adopted or imposed.

Tenant agrees that any new construction or modification of existing improvements on the Leased Premises will comply with all standards and rules published by the Landlord or by any person or entity authorized by Landlord to manage and/or operate the Airport ("Airport Manager"),

including, but not limited to, the Airport's published "Construction/Maintenance Standards and Specifications," will comply with the Town of Addison building codes and zoning requirements or any other laws, ordinances, permits, rules, regulations, or policies of the Town of Addison, Texas, and will meet or exceed all applicable State and Federal standards, permits, laws, rules, or regulations. Tenant recognizes that the referenced Construction/Maintenance Standards and Specifications, Town of Addison building codes and zoning requirements and other laws, ordinances, permits, rules, regulations or policies, and all applicable State and Federal standards, laws, rules, or regulations may be modified or amended from time to time and that compliance will be measured by such standards in effect at the time of a particular construction or modification of improvements. Tenant will properly and timely submit to the Federal Aviation Administration, the Texas Department of Transportation, and any other governmental entity or agency having jurisdiction regarding or related to Addison Airport, a Notice of Proposed Construction, when and as required. Tenant further agrees that the Landlord shall be authorized at all times during any project of construction to enter upon the Leased Premises, and all parts thereof, in order to observe the performance of such construction, and Tenant agrees to provide the Landlord a construction schedule setting out the time of commencement, final completion and completion of significant elements of the construction, which schedule shall be delivered to Landlord prior to the start of any construction project on the Leased Premises. Failure of Tenant to observe and comply with any provision or requirement of this Section 8 shall be an Event of Default.

B. Tenant shall comply with noise abatement standards at the Airport at all times and shall notify any aircraft operator using any portion of the Leased Premises of such standards.

Section 9. Assignment, Subletting and Mortgaging of Leasehold Estate; Stored Aircraft Information:

A. Without the prior written consent of Landlord, Tenant shall have no power to and shall not, either involuntarily or voluntarily or by operation of law or otherwise, (1) assign, sell, pledge, hypothecate, encumber, mortgage, license, transfer, convey, or permit any lien to attach to, this Lease or any interest, right, duty, liability, or obligation herein, or (2) sublet the Leased Premises or any part thereof, or (3) (except as set forth in subsection B. of this Section, below) permit the Leased Premises to be regularly or routinely occupied (as determined by Landlord) by anyone other than Tenant, Members of Tenant, or Tenant's employees (each of (1), (2) and (3) being a "Transfer" and any person or entity to whom a Transfer is made or sought to be made is referred to herein as a "Transferee"), and any such Transfer shall be null and void and may be deemed by Landlord (in Landlord's sole discretion) an Event of Default (as hereafter defined) under Section 23 of this Lease. Any Transfer shall be expressly subject to all the terms and provisions of this Lease, including, without limitation, the provisions of Section 5 pertaining to the use of the Leased Premises. In the event of any Landlord-approved Transfer, Tenant shall not Transfer Tenant's rights, duties, responsibilities, or obligations hereunder without first obtaining a written agreement from each Transferee whereby each Transferee agrees (together with such other conditions and provision as Landlord may require at the time of its consideration of any assignment or subleasing):

- (i) to be bound by the terms and provisions of this Lease;
- (ii) that no such assignment or subletting shall constitute a novation;

(iii) that in the event of the occurrence of an Event of Default while the Leased Premises or a portion thereof is Transferred, Landlord, in addition to any other remedies provided herein or by law, in equity, or otherwise, may at Landlord's option, collect directly from such Transferee 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 Transferee shall release Tenant from the payment or performance of Tenant's obligations hereunder;

(iv) Landlord shall have no responsibility or obligation for the performance by Tenant or any of its Members;

(v) neither the Transfer nor the exercise by Landlord of its rights hereunder shall give the Transferee any rights directly or indirectly against Landlord or create or impose any obligation, duty, responsibility, or liability of Landlord in favor of or for the benefit of the Transferee ;

(vi) Landlord's consent to any transfer or subletting will not waive its rights, and it will not estop Landlord from exercising its rights, with respect to any other actual or proposed Transfer, and Landlord's consent to any Transfer will not relieve Tenant or any Guarantor of any liability to Landlord under this Lease or otherwise.

2. If Tenant desires to Transfer this Lease or any interest herein, Tenant shall request, in writing, Landlord's consent to a proposed Transfer and such request must include: (i) the name and address of the proposed Transferee; (ii) the nature and character of the proposed Transferee's business and proposed use of the Leased Premises; (iii) all material terms of the proposed Transfer; (iv) audited current financial statements certified by an officer, partner or owner thereof and any other information, materials, or evidence (including, without limitation, credit reports, business plans, operating history, bank and character references) required by Landlord to assist Landlord in reviewing the financial responsibility, character, and reputation of the proposed Transferee; (v) the proposed effective date of the Transfer; (vi) a description of the portion of the Premises subject to the proposed Transfer; and (vii) such other information or materials as Landlord may request. If any of the financial or other material terms and conditions relevant to a proposed Transfer are modified, Tenant shall re-submit its request for such proposed Transfer to Landlord pursuant to all of the terms and conditions of this Section.

For purposes hereof and any applicable law, and without limitation as to other grounds for Landlord withholding consent to any Transfer in Landlord's sole and absolute discretion (and Landlord may withhold its consent for any reason or for no reason whatsoever), Landlord may withhold its consent when any one or more of the following apply:

(i) the proposed Transferee is of a character or of a reputation or is engaged in a business, which is not consistent with the master or strategic plan of Addison Airport as determined by Landlord;

(ii) the proposed Transferee has not demonstrated sufficient financial responsibility or creditworthiness to the satisfaction of Landlord in light of the

duties, obligations, and responsibilities of the Tenant under this Lease at the time when the consent is requested;

(iii) the proposed Transferee's intended use of the demised premises is inconsistent with the Lease;

(iv) the proposed Transfer would cause Landlord to be in violation of another lease or agreement to which Landlord is a party or to which Landlord or the Addison Airport is subject (including, without limitation, any grant agreements or grant assurances of the Federal Aviation Administration or any other governmental entity or agency;

(v) if at any time consent is requested or at any time prior to the granting of consent, Tenant is in default under the Lease or would be in default under the Lease but for the pendency of a grace or cure period; or

(vi) the proposed Transferee does not intend to occupy the entire demised premises as described in the Lease and conduct its business there from for a substantial portion of the then remaining term of the Lease.

For purposes of this Lease, the term "Transfer" shall also include the withdrawal or change, voluntary, involuntary or by operation of law, of the Leased Premises Manager thereof, or the dissolution of the limited liability company. Tenant shall provide to Landlord from time to time, as requested by Landlord and in a form acceptable to Landlord, a written certification as to the ownership, control, and management of Tenant. For purposes hereof, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities or member or partnership interests, by contract, or otherwise.

B. As set forth above, Tenant is a limited liability company owned by its Members. Members acquire an ownership interest in Tenant through the purchase of Units. By virtue of the ownership of Units, a Member is entitled to occupy a portion of the Leased Premises proportionate to the number of Units owned. Landlord agrees that Units may be sold by Tenant without Landlord's consent, and Members may likewise sell their Units without Landlord's consent. Further, Tenant may allow a Member to permit a third person or entity (who is not a Member) (each such person or entity being a "Third-Person"), without Landlord's consent, to occupy that portion of the Leased Premises which the Member is otherwise entitled to occupy by virtue of the Member's ownership of Units (but any such occupancy is and shall be subject to all of the terms, provisions, and conditions of this Lease).

Upon the beginning of each and every calendar year during the Term, Tenant shall provide to Landlord a complete and accurate list and roster showing and identifying all Members and managers of Tenant, and any Third-Person which may be occupying, in possession of, or using any portion of the Leased Premises. Such list shall include, but not be limited to, Members' and any such Third-Person's names, mailing addresses, email addresses, daytime telephone numbers, Unit numbers, number of Units owned, ownership shares (percent), emergency contact information,

together with the make, model, aircraft type and "N" number of any aircraft stored or kept on, or in the Leased Premises, and such other information as Landlord may request (such names and all other information being "Occupancy Information"). Not later than thirty (30) days following the (i) sale of any Unit (whether by Tenant, a Member, or otherwise) and (ii) the date a Third-Person is provided a right to occupy all or a part of that portion of the Leased Premises which a Member is otherwise entitled to occupy by virtue of the Member's ownership of Units, Tenant shall provide Landlord with Occupancy Information regarding the purchaser of such Unit or the Third-Person. Tenant's failure to provide said information as prescribed constitutes a default of this Lease.

Notwithstanding any other provision of this Lease, a Third-Person shall have no right whatsoever, and shall not be allowed or given any right, to conduct, operate, use, or receive any fueling activities of any type whatsoever upon or within the Leased Premises or elsewhere at the Airport from any non-public fueler, including, without limitation, pursuant to Tenant's Fuel License (provided, however, that this prohibition shall not prohibit a public fixed based operator located at and operating lawfully at the Airport and holding a valid and current public fuel license issued by the Town of Addison, Texas from providing fueling services to Third Person aircraft). Any violation of this provision shall authorize the Landlord, without satisfying any other provision of this Lease, to terminate this Lease and any Fuel Permit immediately.

Section 10. Property Taxes and Assessments: Tenant shall pay, before they become delinquent, any and all property taxes or assessments, and any other governmental charges, fees or expenses (collectively, the "Taxes"), levied or assessed on any improvements on the Leased Premises, the personal property and fixtures on the Leased 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 "paid receipts" or other written evidence that all such taxes have been paid by Tenant when due. In the event Tenant shall fail to pay any such taxes, assessments, or charges prior to delinquency, Landlord shall have the right to pay (but not the obligation) or cause all taxes, assessments, or charges to be paid and the reasonable costs thereof expended by Landlord plus interest thereon as provided in Section 39 of the Lease shall be paid by Tenant on demand. Subject to the payment of any outstanding Taxes, Tenant may protest, appeal or institute other formal proceedings to effect a reduction or abatement of real estate taxes and assessments with respect to real estate taxes and assessments levied against the improvements on the Leased Premises and/or the Tenant's leasehold interest in the Lease for any tax fiscal year that ends after the Commencement Date of this Lease. Such protest, appeal or other proceedings may be conducted only in the name of Tenant. To this end and at Tenant's expense, Tenant shall give Landlord written notice of any such protest or appeal.

Section 11. Maintenance and Repair of Leased Premises:

A. Tenant shall, throughout the term hereof, maintain in good repair and in a first class condition (in accordance with any construction and/or maintenance standards and specification established by Landlord or Airport Manager and all applicable ordinances, rules and regulations of the Town of Addison, Texas) all the Leased Premises and all fixtures, equipment and personal property on the Leased Premises and keep them free from waste or nuisance and, at the expiration or termination of this Lease, deliver up the Leased Premises clean and free of trash and in good repair and condition, with all fixtures and equipment situated in the Leased Premises in good

working order, reasonable wear and tear excepted. Tenant shall reimburse Landlord for and indemnify Landlord against all damages, which Landlord incurs from Tenant's delay in vacating the Leased Premises.

B. In the event Tenant shall fail to so maintain the Leased 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 therefore expended by Landlord plus interest thereon as provided in Section 39 shall be paid by Tenant on demand.

Section 12. Alterations, Additions and Improvements: After completion of the Building Improvements described in Section 6, Tenant shall not create any openings in the roof or exterior walls, or make any material alterations, additions or improvements to the Leased Premises or any improvements thereon or modifications thereto without the prior written consent of Landlord or Airport Manager. Consent for non-structural alterations, additions or improvements shall not be unreasonably withheld by Landlord or Airport Manager. Tenant shall have the right, without Landlord's consent, 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 (including, without limitation and as may be required by law, obtaining a building permit).

All alterations, modifications, additions and improvements in and to the Leased Premises shall be performed in a first class, workmanlike manner, shall comply with all the standards and requirements set out, above, in Section 6 and Section 8, and Tenant shall promptly pay and discharge all costs, expenses, claims for damages (including consequential damages), liens and any and all other liabilities and obligations which arise in connection therewith (and shall defend, indemnify, and hold harmless Landlord and Airport Manager, and their respective officials, officers, employees, and agents, from and against any and all such costs, expenses, claims, liens, liabilities, and obligations as set forth in Section 6).

Section 13. Insurance: Tenant shall during the term hereof maintain at Tenant's sole cost and expense insurance relating to the Leased Premises as follows:

A. Insurance against loss or damage to improvements by fire, lightning, and all 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 one hundred percent (100%) of the full insurable value of the Leased Premises and any and all improvements thereon. 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.

B. A policy or policies insuring Tenant and its Members against any liability to the public or to the Members and their tenants and invitees, incident to the ownership and/or use

of the Project, including the personal liability exposure of the Members. Limits of liability under such insurance shall not be less than \$1,000,000.00 for each occurrence, CSL/\$1,000,000.00 general aggregate and \$1,000,000 for property damage. Coverage must include contractual liability.

C. Statutory limits of workers compensation insurance and employer's liability, if required by law, with limits of liability of not less than \$1,000,000 each-occurrence each accident/\$1,000,000 by disease each-occurrence/\$1,000,000 by disease aggregate.

D. If applicable, boiler and pressure vessel insurance on all steam boilers and air compressors, 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 \$500,000 for damage to or destruction of property resulting from such perils.

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

F. Such other insurance on improvements in such amounts and against such other insurable hazard, which at the time are commonly obtained within the aeronautical industry for similar types of Building Improvements and Tenant's permitted use of the Leased Premises.

G. Tenant shall maintain for itself or on behalf of its Members or, otherwise cause the Members to provide, without interruption, the following policies of insurance if applicable:

(i) Hangarkeepers Legal Liability insurance, at limits of \$1,000,000 per-occurrence is required if Tenant or a Member is engaged in maintenance, repair, or servicing of aircraft belonging to a third-party, or if Tenant is otherwise involved in any operation in which Tenant has care, custody, or control of an aircraft that belongs to a third-party.

(ii) Aircraft liability insurance against third party bodily injury or death and property damage or destruction at minimum limits required by regulatory agencies having jurisdiction at the Airport and which are acceptable to Landlord, but in any event not less than \$1,000,000 each occurrence (applies to the ownership, operation or use of aircraft by Tenant or any Member or subtenant).

With reference to the foregoing insurance requirements, Tenant's insurance policies shall comply with the following:

1. The Town of Addison, Texas and Airport Manager 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 and Airport Manager shall be contained in the Workers Compensation, Builders Risk, and all liability policies.
4. Such insurance shall be maintained in full force and effect and shall not be cancelled, altered or amended without thirty (30) days prior written notice having first been furnished to the Town of Addison and the Airport Manager.
5. All insurance policies, which name the Town of Addison and the Airport Manager as an additional insured, shall be primary and non-contributory.
6. Required limits may be satisfied by any combination of primary and umbrella liability insurances.
7. Contractor may maintain reasonable and customary deductibles, subject to reasonable approval by Landlord.
8. Insurance must be purchased from insurers that are financially acceptable to Landlord in its commercially reasonable discretion, and provided that any insurer with an AM Best (or equivalent) rating of A or better shall be deemed acceptable to Landlord.

All insurance must be written on forms filed with and approved by the Texas Department of Insurance. Certificates of all such insurance (together with the declaration page of such policies, along with the endorsement naming the Town of Addison, Texas and the Airport Manager as an additional insured), satisfactory to Landlord, evidencing all coverage above, shall be promptly delivered to Landlord and updated as may be appropriate, with complete copies of such policies furnished to the Landlord upon request. Landlord reserves the right to review the insurance requirements contained herein and to reasonably adjust coverages and limits when deemed necessary and prudent by Landlord.

Section 14. Casualty Damage or Destruction:

A. In case of any damage to or destruction of the buildings, structures, equipment, or any other improvements on or at the Leased Premises (including the Building Improvements), 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 any building, structure, equipment, or other improvements (including the Building Improvements) on or at the Leased 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 and diligently commence and complete the restoration, repair and replacement of said building, structure, equipment, or other improvements as nearly as possible to their value, condition and character immediately prior to such damage and/or destruction and with at

least as good workmanship and quality as such building, structure, equipment, or other improvements on or at the Leased Premises being repaired or replaced, with such alterations in and additions thereto as may be approved in writing by Landlord (hereinafter sometimes referred to as the "Restoration"). All Restoration plans (whether design, architectural, or otherwise) shall be approved in writing by Landlord prior to the commencement of construction. All such design and construction shall comply with other Sections of this Lease concerning the design and construction of buildings and other improvements on or at the Leased Premises, including without limitation Sections 6, 8, and 13 hereof.

C. All insurance proceeds, if any, payable on account of such damage to or destruction of the buildings, structures and equipment on the Leased Premises shall be made payable jointly to Landlord and Tenant, and shall be deposited with a third party escrow agent as may be agreed upon by Landlord and Tenant ("Escrow Agent"). Any costs of such Escrow Agent shall be payable out of the insurance proceeds, or if such proceeds are not sufficient to pay such escrow agent, Tenant shall be responsible to pay the Escrow Agent.

D. Insurance proceeds received by the Escrow Agent on account of any damage to or destruction of the buildings, structures and equipment on the Leased 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 ("Net Insurance Proceeds")) shall be applied as follows:

- (i) Net insurance proceeds 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) the 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', materialman'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 required by the foregoing clauses Section 14. D (i)(a) and (b) that Restoration has been completed and the cost thereof paid in full, and that there are no mechanics', materialman's or similar liens for labor or materials supplied in connection therewith, the balance, if any, of such proceeds shall be paid to Tenant or as Tenant may direct.

E. In the event that Tenant does not promptly commence Restoration, or after commencement Tenant does not diligently proceed to the completion of same, Landlord shall have the right to commence or complete Restoration. Landlord's right to commence or complete Restoration shall begin after Landlord has given Tenant at least thirty (30) days written notice requesting (i) the commencement of Restoration, or (ii) that Tenant diligently proceed to the completion of Restoration, and Tenant during such thirty (30) day period fails to commence or

diligently complete Restoration. In such event, Landlord shall be entitled to obtain the insurance proceeds, and Tenant shall promptly pay any deficiency if such proceeds are not sufficient for Restoration.

F. In the event of termination of this Lease by Landlord as a result of Tenant's failure to commence or complete (as the case may be) the Restoration, this Lease shall terminate and come to an end upon Landlord's termination as aforesaid as though the date of such termination by Landlord were the date of expiration of the term of this Lease, and all insurance proceeds shall be paid to Landlord.

Section 15. Condemnation:

A. If during the term hereof, any part of the Leased 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 Leased 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 Leased 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 Leased 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 Section 4, by a fraction, the numerator of which shall be the number of square feet remaining in the Leased Premises after the taking by or sale to said condemning authority and denominator of which shall be the square footage originally contained in the Leased Premises. The rental adjustment called for herein shall not commence until said condemning authority actually takes possession of the condemned portion of the Leased Premises.

C. If this Lease is not terminated pursuant to Section 15.A., above, Tenant shall promptly restore any building and any other improvements on the Leased 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 Leased 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 15.A., condemnation proceeds to which Landlord and Tenant are entitled shall be awarded and paid to Landlord and Tenant as their interests may appear.

Section 16. Utilities: Tenant shall be responsible at Tenant's sole cost and expense for obtaining all utility connections at or for the Leased Premises and Tenant shall pay all charges for water, electricity, gas, sewer, telephone or any other utility connections, tap-in fees, impact fees, and services furnished to the Leased Premises during the term hereof. Tenant agrees to contact all

utility service providers prior to any excavation or digging on the Leased Premises. Landlord shall in no event be liable or responsible for any cessation or interruption in any such utility services.

Section 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 Leased Premises, other Airport installations, and all other reasonable services which may be provided with or without charge from time to time by Landlord in operating the Airport ("Common Facilities"). All such Common Facilities shall at all times be under the exclusive control, operation and management of Landlord and may be rearranged, modified, changed, altered, removed, or terminated from time to time at Landlord's sole discretion.

Section 18. Rules and Regulations: Landlord has adopted *Addison Airport Minimum Standards and Requirements for Commercial Aeronautical Service Providers* (also commonly referred to as the "Minimum Standards" or "Airport Minimum Standards") and *Addison Airport Rules and Regulations* (also commonly referred to as the "Rules and Regulations" or "Airport Rules and Regulations"), which shall govern Tenant in the use of the Leased Premises and all Common Facilities, a copy of which has been furnished to Tenant. The Minimum Standards and Rules and Regulations are incorporated by reference as if written verbatim herein, and Tenant agrees to comply fully at all times with these governing documents. Landlord, in its sole discretion, shall have the right to amend, modify and alter these Minimum Standards and Rules and Regulations from time to time in a reasonable manner or may introduce other regulations as deemed necessary for the purpose of assuring the safety, welfare, convenience and protection of property of Landlord, Tenant and all other tenants and customers of the Airport.

Section 19. Signs and Equipment: After first securing Landlord's approval, Tenant shall have the right from time to time to install and operate signs depicting Tenant's name and operate radio, communications, meteorological, aerial navigation and other equipment and facilities in or on the Leased Premises that may be reasonably necessary for the operation of Tenant's business, provided such signs and equipment are installed and maintained in compliance with all applicable governmental laws, rules, and regulations, including the City sign ordinance, and do not interfere with the operation of any navigation facilities or Airport communications (including, without limitation, navigation facilities or Airport communications used or operated by the Federal Aviation Administration).

Section 20. Landlord's Right of Entry: Landlord and Landlord's authorized representatives shall have the right, during normal business hours, to enter the Leased Premises (i) to inspect the general condition and state of repair thereof, (ii) to make repairs permitted under this Lease, (iii) to show the Leased 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 Leased Premises customary signs advertising the Leased Premises for lease.

Section 21. Indemnity and Exculpation:

A. Landlord and Airport Manager, and Landlord's and Airport Manager's officials, officers, employees and agents (both in their official and private capacities) shall not be liable to Tenant or to Tenant's employees, agents, servants, customers, invitees, subtenants, licensees, concessionaires, contractors, subcontractors, or to any other person whomsoever, for any death or injury to persons or damage to or destruction of property or any other harm on or about the Leased Premises or any adjacent area owned by Landlord caused by or resulting from any act or omission of Tenant, Tenant's employees, agents, servants, customers, invitees, subtenants, licensees, concessionaires, contractors, subcontractors, or any other person entering the Leased Premises under express or implied invitation of Tenant, or arising out of the use or occupation of the Leased Premises by Tenant, its employees, agents, servants, customers, invitees, subtenants, licensees, concessionaires, contractors, or subcontractors and/or 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;

B. TENANT SHALL DEFEND (WITH COUNSEL REASONABLY ACCEPTABLE TO LANDLORD), INDEMNIFY AND HOLD HARMLESS LANDLORD AND AIRPORT MANAGER, AND LANDLORD'S AND AIRPORT MANAGER'S RESPECTIVE OFFICIALS, OFFICERS, EMPLOYEES AND AGENTS (BOTH IN THEIR OFFICIAL AND PRIVATE CAPACITIES) (TOGETHER, FOR PURPOSES OF THIS SUBPARAGRAPH, "INDEMNIFIED PERSONS") FROM AND AGAINST ANY AND ALL CLAIMS, ACTIONS, CAUSES OF ACTION, DEMANDS, LOSSES, HARM, DAMAGES, PENALTIES, LIABILITY, EXPENSES, LAWSUITS, JUDGMENTS, COSTS, AND FEES (INCLUDING REASONABLE ATTORNEY FEES AND COURT COSTS) ("DAMAGES"), RESULTING FROM, BASED UPON, OR ARISING OUT OF, IN WHOLE OR IN PART, (I) ANY CONDITION OF THE LEASED PREMISES; (II) ANY ACT OR OMISSION OF TENANT, ITS MEMBERS, ITS OFFICERS, EMPLOYEES, AGENTS, ENGINEERS, CONSULTANTS, CONTRACTORS, SUBCONTRACTORS, INVITEES, OR ANY PERSON OR ENTITY DIRECTLY OR INDIRECTLY EMPLOYED BY OR ACTING UNDER TENANT AND/OR ITS MEMBERS, UNDER, IN CONNECTION WITH, OR IN THE PERFORMANCE OF, THIS LEASE; (III) THE LEASED PREMISES BECOMING OUT OF REPAIR FOR ANY REASON INCLUDING BUT NOT LIMITED TO 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 LEASED PREMISES, REGARDLESS OF THE SOURCE, OR BY DAMPNESS OR BY FIRE, EXPLOSION, FALLING PLASTER OR CEILING; (IV) THE SALE OR OTHER PUBLIC OFFERING OF ALL OR PART OF THE HANGARS CONSTRUCTED ON THE LEASED PREMISES INCLUDING INTERESTS IN LEASED PREMISES OR IMPROVEMENTS THEREON, INCLUDING ANY VIOLATION OR NON-COMPLIANCE OF ANY PROVISION OF THE SECURITIES ACT OF 1933, AS AMENDED, AND ANY OTHER APPLICABLE STATE SECURITIES LAWS OR ANY OTHER FEDERAL OR STATE LAWS RELATING TO THE OFFERING MEMORANDUM REFERENCED IN SECTION 5 A HEREIN; OR (V) THE TAKING POSSESSION OF THE LEASED HANGAR OR RELETING OF SAME

INCLUDING. SUCH INDEMNIFICATION INCLUDES DAMAGES CAUSED IN WHOLE OR IN PART BY THE INDEMNIFIED PERSONS' OWN NEGLIGENCE. HOWEVER WHEN DAMAGES ARISE OUT OF THE NEGLIGENCE OF LANDLORD, TENANT'S LIABILITY UNDER THIS CLAUSE SHALL BE LIMITED TO A PORTION OF THE TOTAL AMOUNT OF THE DAMAGES (EXCLUDING DEFENSE FEES AND COSTS) EQUAL TO TENANT'S PROPORTIONATE SHARE OF THE NEGLIGENCE THAT CAUSED THE LOSS. LIKewise, TENANT'S LIABILITY FOR LANDLORD'S DEFENSE COSTS AND ATTORNEYS' FEES SHALL BE LIMITED TO A PORTION OF THE DEFENSE COSTS AND ATTORNEYS' FEES EQUAL TO TENANT'S PROPORTIONATE SHARE OF THE NEGLIGENCE THAT CAUSED THE LOSS;

C. Tenant hereby releases Landlord and Airport Manager, and Landlord's and Airport Manager's officials, officers, agents and employees from and agrees such parties 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.

D. The provisions of this section 21 shall survive the expiration or termination of this Lease.

Section 22. Environmental Compliance:

A. No Storage or Disposal: Tenant shall not install, store, use, treat, transport, discharge or dispose (or permit or acquiesce in the installation, storage, use, treatment, transportation, discharge or disposal by Tenant, its directors, officers, shareholders, members, partners, agents, employees, invitees, contractors, subcontractors, independent contractors, or subtenants) on the Leased Premises or any portion of the Common Facilities, any: (a) asbestos in any form; (b) urea formaldehyde foam insulation; (c) transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls in excess of 50 parts per million; or (d) any other chemical, material, air pollutant, toxic pollutant, waste, or substance which is regulated as toxic or hazardous or exposure to which is prohibited, limited or regulated by the Resource Conservation Recovery Act (42 U.S.C. §6901, et seq., as amended or superseded), the Comprehensive and Environmental Response Compensation and Liability Act (42 U.S.C. §9601, et seq., as amended or superseded), the Hazardous Materials Transportation Act, the Toxic Substances Control Act, the Clean Air Act, and/or the Clean Water Act, or any other federal, state, county, regional, local or other governmental authority laws, rules, orders, standards, policies, or regulations, or which, even if not so regulated may or could pose a hazard to the health and safety of the occupants of the Leased Premises and/or any portions of the Common Facilities, and which is either: (i) in amounts in excess of that permitted or deemed safe under any applicable law, rule, order, standard, policy, or regulation or (ii) in any manner prohibited or deemed unsafe under applicable law, rule, order, standard, policy, or regulation. (The substances referred to in (a), (b), (c) or (d) are collectively referred to hereinafter as "Hazardous Materials").

B. Cleanup Laws: Tenant shall, at Tenant's own expense, comply with any presently existing or hereafter enacted laws relating to Hazardous Materials (collectively, "Cleanup Laws"); provided, however that Tenant shall not be responsible for correcting any violation of the Cleanup Laws under this Section that existed prior to the Effective Date. In furtherance and not in

limitation of the foregoing, Tenant shall, at Tenant's own expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority (the "Authority") under the Cleanup Laws. Should any Authority require that a cleanup plan be prepared and that a cleanup be undertaken because of the existence of Hazardous Materials which were installed, stored, used, treated, transported, disposed of or discharged on the Leased Premises and/or any portion of the Common Facilities, by Tenant, its directors, shareholders, members, partners, officers, agents, employees, invitees, independent contractors, contractors, subcontractors, licensees, subtenants, any other person entering the Leased Premises under express or implied invitation of Tenant, or any person directly or indirectly employed by or acting under Tenant, during the Term of this Lease, Tenant shall, at Tenant's own expense, prepare and submit the required plans and financial assurances and carry out the approved plans in accordance with such Cleanup Laws and to Landlord's satisfaction. At no expense to Landlord, Tenant shall promptly provide all information requested by Landlord for preparation of affidavits or other documents required by Landlord to determine the applicability of the Cleanup Laws to the Leased Premises and/or any portion of the Common Facilities, as the case may be, and shall sign the affidavits promptly when requested to do so by Landlord. **TENANT SHALL INDEMNIFY, DEFEND, SAVE AND HOLD LANDLORD AND AIRPORT MANAGER, THEIR OFFICIALS, OFFICERS, EMPLOYEES AND AGENTS, HARMLESS FROM AND AGAINST, AND REIMBURSE LANDLORD FOR, ANY AND ALL OBLIGATIONS, DAMAGES, INJUNCTIONS, FINES, PENALTIES, DEMANDS, CLAIMS, COSTS, EXPENSES, PROCEDURES, ACTIONS, LIABILITIES, SUITS, PROCEEDINGS AND LOSSES OF WHATEVER NATURE (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES AND COURT COSTS), AND ALL CLEANUP OR REMOVAL COSTS (COLLECTIVELY "DAMAGES") ARISING OUT OF OR IN ANY WAY CONNECTED WITH, (I) THE INSTALLATION, STORAGE, USE, TREATMENT, TRANSPORTING, DISPOSAL OR DISCHARGE OF HAZARDOUS MATERIALS IN OR ON THE LEASED HANGAR AND/OR ANY PORTION OF THE COMMON FACILITIES BY TENANT, ITS AGENTS, EMPLOYEES, INVITEES, CONTRACTORS, SUBCONTRACTORS, INDEPENDENT CONTRACTORS, MEMBERS OR SUBTENANTS, AND (II) TENANT'S FAILURE TO PROVIDE ALL INFORMATION, MAKE ALL SUBMISSIONS AND TAKE ALL STEPS REQUIRED BY THE AUTHORITY UNDER THE CLEANUP LAWS OR ANY OTHER ENVIRONMENTAL LAW, RULE, STANDARD, REGULATION, OR POLICY. HOWEVER WHEN DAMAGES ARISE OUT OF THE CO-NEGLIGENCE OF LANDLORD, TENANT'S LIABILITY UNDER THIS CLAUSE SHALL BE LIMITED TO A PORTION OF THE TOTAL AMOUNT OF THE DAMAGES (EXCLUDING DEFENSE FEES AND COSTS) EQUAL TO TENANT'S PROPORTIONATE SHARE OF THE NEGLIGENCE THAT CAUSED THE LOSS. LIKEWISE, TENANT'S LIABILITY FOR LANDLORD'S DEFENSE COSTS AND ATTORNEYS' FEES SHALL BE LIMITED TO A PORTION OF THE DEFENSE COSTS AND ATTORNEYS' FEES EQUAL TO TENANT'S PROPORTIONATE SHARE OF THE NEGLIGENCE THAT CAUSED THE LOSS.** In addition to and not in limitation of Landlord's other rights and remedies, Tenant's failure to abide by the terms of this Section shall be restrainable by injunction.

C. Environmental Notices: Tenant shall promptly supply Landlord with copies of any notices, correspondence and submissions made by Tenant to or received by Tenant from any governmental authorities of the United States Environmental Protection Agency, the United States

Occupational Safety and Health Administration, the FAA, TxDOT, or any other local, state or federal authority that requires submission of any information concerning environmental matters or Hazardous Materials.

D. Prior to the City Delivery Date of this Lease, the Tenant, at Tenant's sole cost and expense, shall be entitled to conduct a Phase I Environmental Site Assessment ("ESA") with respect to the Leased Premises. If the Phase I ESA indicates the likely presence of Hazardous Materials on the Leased Premises, Tenant shall be entitled to conduct a Phase II ESA at Tenant's sole cost and expense. If the Phase II ESA indicates the presence of Hazardous Materials on the Leased Premises, Tenant shall be entitled, as its sole remedy, to disaffirm this Lease, in which case this Lease shall become null and void and no further obligation shall be borne by either party hereto. A copy of a Phase I ESA or Phase II ESA shall be delivered promptly to Landlord upon completion.

E. Survival: Tenant's defense and indemnity and hold harmless obligation and Tenant's liability pursuant to the terms of this Section 22 shall survive the expiration or earlier termination of this Lease.

Section 23. Default by Tenant: Each of the following events shall be deemed to be an event of default ("Event 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, or to pay or cause to be paid taxes (to the extent Tenant is obligated to pay or cause same to be paid), utilities, or insurance premiums, or any other payment which Tenant is to make under this Lease, on the date that same is due and such failure shall continue for a period of ten (10) days after the date on which such payment is to be made.

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, or the payment of taxes, utilities or insurance premiums, or other payments Tenant is to make under this Lease, as set forth in Section 23 A.) and such failure shall not be cured within thirty (30) days after written notice thereof to Tenant 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 Tenant has commenced curative action within said thirty (30) day period and thereafter is diligently attempting to cure such default. In the event that Tenant fails to cure such default within said thirty (30) day period, or within said additional reasonable period of time, Landlord shall have the right to terminate.

C. Tenant shall fail to deliver the Additional Deposit to Landlord on the date that same is due and such failure shall continue for a period ten (10) days after the delivery by Landlord to Tenant of written notice of such failure.

D. 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.

E. 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.

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

G. Abandonment by Tenant for a period of thirty (30) days of any substantial portion of the Leased Premises or cessation of use of the Leased Premises for the purpose leased.

H. Tenant is in default of any other Ground Lease with the Town of Addison or, provided Tenant is the holder of a valid aviation fuel dispensing permit or license issued by the Town of Addison, is in default of said fuel dispensing permit or license.

Section 24. Remedies of Landlord: Upon the occurrence of an Event of Default by Tenant under this Lease, Landlord, without prejudice to any other legal, equitable, or contractual right or remedy, shall have the option to pursue any one or more of the following remedies using lawful force if necessary or appropriate, without notice or demand whatsoever:

A. Terminate this Lease or any of Tenant's rights under this Lease, with or without reentering or repossessing the Leased Premises.

B. Terminate Tenant's right to occupy all or any part of the Leased Premises without terminating this Lease and with or without reentering or repossessing the Leased Premises.

C. Recover unpaid rent and any Damages (as defined below);

D. Change or pick the locks, access codes, or other access control devices, and take any other self-help or judicial action to exclude Tenant and other occupants from the Leased Premises.

E. Remove and store (at Tenant's sole cost) any property on the Leased Premises.

F. Sue for eviction, specific enforcement, equitable relief, rent, damages, or any other available remedy.

G. Apply the Security Deposit in any manner permitted by this Lease, and increase the amount of the Security Deposit.

H. Cure Tenant's default, and if Landlord does so, Tenant must reimburse Landlord within thirty (30) days after Landlord delivers an invoice for any expenses Landlord incurred effecting compliance with Tenant's obligations.

I. Withhold or suspend any payment that this Lease would otherwise require Landlord to make.

J. Charge interest on any amount not paid when due from the due date through the date of its payment at the Default Rate, which is the lesser of 18% per annum or the highest rate permitted by applicable law.

K. Recover — but only if Tenant fails to pay rent, and Landlord terminates this Lease or Tenant's right of possession with more than 12 months remaining in the term of this Lease —

liquidated rental damages for the period after any such termination equal to 12 times the monthly rent due at the time of termination in lieu of any other contractual or legal measure of damages (including reletting costs) for Tenant's non-payment of rent, and the parties agree this is a reasonable estimate of Landlord's damages for such a breach given the uncertainty of future market rental rates and of the duration of any vacancy.

L. Exercise all other remedies available to Landlord at law or in equity (including, without limitation, injunctive and other extraordinary remedies).

For purposes of this Section, "Damages" includes, without limitation, all actual, incidental, and consequential damages, court costs, interest, and attorneys' fees arising from Tenant's breach of this Lease (including, without limitation, the cost of (A) recovering possession, (B) removing and storing Tenant's and any other occupant's property, (C) re-letting (including, without limitation, the costs of brokerage commissions and cleaning, decorating, repairing, or altering the Leased Premises for a substitute tenant or tenants), (D) collecting any money owed by Tenant or a substitute tenant, (E) repairing any damage caused by any Tenant Party, (F) performing any obligation of Tenant under the Lease, (G) any other loss or cost incurred by Landlord as a result of, or arising from, Tenant's breach of the Lease or Landlord's exercise of its rights and remedies for such breach, (H) any contractual or liquidated types or measures of damages specified in this Lease; and (I) any other type or measure of damages recoverable for any particular breach under Applicable Law.

Rental Deficiency is a contractual measure of Damages for Tenant's non-payment of rent measured by either the: (A) Actual Rental Deficiency, which is the difference (never less than zero) between (1) the rent due for, and other rent allocable under this Lease to, each month beginning with the first month with respect to which Landlord receives rent from reletting the Leased Premises, and (2) the proceeds, if any, that Landlord actually collects from any substitute tenant for any part of the Leased Premises in each corresponding month in which the Term and the term of the substitute tenant's lease overlap, *or* (B) Market Rental Deficiency, which is the present value, discounted at 6% simple annual interest, of the difference (never less than zero) between (1) the rent otherwise due under this Lease during any period after Tenant's breach in which Landlord may elect to recover this damage measure, and (2) the Fair Rental Value of the Leased Premises during that period, *plus* any costs incurred in connection with any actual or attempted reletting and any other Damages. In determining the Market Rental Deficiency, the Fair Rental Value will be the total rent that a comparable tenant would pay for comparable space in a building of substantially equivalent quality, size, condition, and location, considering rental rates and concessions then prevalent in the marketplace, the remaining lease term, the expected vacancy, any other relevant factors. An independent MAI appraiser selected by Landlord will determine the Leased Premises' Fair Rental Value, and that determination will conclusively bind the parties in any computation of the Market Rental Deficiency.

Unless Landlord delivers signed, written notice thereof to Tenant, no act or omission by Landlord or Airport Manager or their respective officials, officers, employees, or agents will constitute Landlord's acceptance of surrender of the Leased Premises, termination of Lease, or an actual or constructive eviction of Tenant (including, without limitation, Tenant's delivery of keys to any of Landlord's or Airport Manager's officials, officers, employees, or agents or Landlord's repossession, reentry, or reletting of the Leased Premises).

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.

Section 25. Default by Landlord: No default by Landlord hereunder shall constitute an eviction or disturbance of Tenant's use and possession of the Leased Premises or render Landlord liable for damages (including consequential 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 recovery or entitle Tenant to take any action whatsoever with regard to the Leased Premises, or Landlord until thirty (30) days after Tenant has given Landlord written notice specifically setting forth such default by Landlord, and Landlord has not begun 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 the thirty (30) day period and thereafter is diligently attempting to cure such default. In the event that Landlord fails to cure such default within the said thirty (30) day period, or within said the additional reasonable period of time, Tenant shall have the right to:

A. 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

B. 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.

Section 26. Mitigation of Damages:

A. In lieu of any other obligation to mitigate damages arising from Tenant's failure to pay rent or its abandonment of the Leased Premises in breach of this Lease, Landlord beginning not more than 60 days after Tenant physically vacates the Premises and continuing until the Leased Premises have been relet, will market the Leased Premises for lease, and Tenant will remain liable for all rent and other Damages.

Landlord and Tenant agree to the following criteria in connection with Landlord's obligation to mitigate damages after a default Tenant and abandonment of the Leased Premises by Tenant under this Lease:

(1) Landlord will have no obligation to solicit or entertain negotiations with any other prospective tenants of the Leased Premises until and unless Landlord obtains full and complete possession of the Leased Premises, including without limitation, the final and unappealable legal right to relet the Leased Premises free of any claim of Tenant.

(2) Landlord will not be obligated to offer the Leased Premises to a prospective tenant when other premises suitable for that prospective tenant's use are (or soon will be) available in any other premises located at Addison Airport.

(3) Landlord will not have any obligation to lease the Leased Premises for any rental less than the current rate then prevailing for similar space at Addison Airport (or if no similar space is available, the current fair market rental then prevailing for similar space in comparable buildings in the same market area as the Leased Premises) nor shall Landlord be obligated to enter into a new lease under any terms or conditions that are unacceptable to Landlord.

(4) Landlord will not be obligated to enter into any lease with any prospective tenant whose reputation is not acceptable to Landlord, in Landlord's sole judgment and opinion.

(5) Landlord will not be obligated to enter into a lease with any prospective tenant: (i) which does not have, in Landlord's sole judgment and opinion, sufficient financial resources and operating experience to operate the Leased Premises in a first class manner and meet its financial obligations; or (ii) whose proposed use of the Leased Premises is not a permitted use under the terms of this Lease.

(6) Landlord will not be required to expend any amount of money to alter, remodel or otherwise make the Leased Premises suitable for use by any prospective tenant.

If Landlord makes the Leased Premises available for reletting under the criteria set forth hereinabove, Landlord will be deemed to have fully satisfied Landlord's obligation to mitigate damages under this Lease and under any law or judicial ruling in effect on the date of this Lease or at the time of Tenant's default, and Tenant hereby waives and releases, to the fullest extent legally permissible, any right to assert in any action by Landlord to enforce the terms of this Lease, any defense, counterclaim, or rights of setoff or recoupment respecting the mitigation of damages by Landlord (or alleged failure by Landlord to adequately mitigate its damages), unless and to the extent Landlord maliciously or in bad faith fails to act in accordance with the requirements of this Section.

No rent collected from a substitute tenant for any month in excess of the rent due under the Lease for that month will be credited or offset against unpaid rent for any other month or any other Damages. Tenant stipulates that the mitigation requirements expressed in this Section are objectively reasonable. **TO THE FULLEST EXTENT PERMITTED BY LAW, TENANT WAIVES ANY OTHER OBLIGATION BY LANDLORD TO MITIGATE ITS DAMAGES AFTER TENANT FAILS TO PAY RENT OR VACATES OR ABANDONS THE PREMISES.**

B. Tenant's right to seek damages as a result of a default by Landlord under this Lease shall be conditioned on Tenant taking all actions reasonably required, under the circumstances, to

minimize any loss or damage to Tenant's property or business, or to any of Tenant's officers, employees, agents, invitees, or other third parties that may be caused by any such default of Landlord.

Section 27. 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 Leased Premises, which loss or damage is covered by valid and collectible casualty, 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.

Section 28. Title to Improvements: Any and all improvements on the Leased Premises, including, without limitation, any buildings, constructed on the Leased Premises by or for Tenant, shall be owned by Tenant during the term of this Agreement. The term "improvements" shall mean the improvements from time to time on the Leased Premises (including, without limitation, the Building Improvements).

Upon the termination of this Agreement, whether by expiration of the term hereof or by reason of default on the part of Tenant, or for any other reason whatsoever, the improvements (including, without limitation, the Building Improvements), and all parts thereof, shall merge with the title of the Leased Premises, free and clear of any claim of Tenant and all persons or entities claiming under or through Tenant (including, without limitation, any holder of a leasehold mortgage), and shall become the property of Landlord; 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 Leased Premises, but Tenant shall be required to repair any damage to the Leased 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 Leased Premises and restore the Leased 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. Upon such termination, Tenant shall deliver the Leased Premises to Landlord in good condition, reasonable wear and tear excepted, and shall, at Landlord's request, execute a recordable instrument evidencing the termination of this Agreement and stating the termination or expiration date.

Section 29. Mechanics' and Materialman's Liens; Lien for Rent:

A. Tenant agrees to defend, indemnify and hold harmless Landlord and Airport Manager, and Landlord's and Airport Manager's officials, officers, employees and agents, from and against all liability arising out of the filing of any mechanics' or materialman's liens against the

Leased Premises by reason of any act or omission of Tenant or anyone claiming under Tenant, including Members, and Landlord, at Landlord's option, may satisfy such liens and collect the amount expended from Tenant together with interest thereon as provided in Section 39 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 Leased Premises.

B. To secure payment of rent and other sums of money coming due hereunder, Tenant grants to Landlord a continuing security interest in all of Tenant's goods, wares, equipment, fixtures, furniture, inventory, accounts, contract rights, chattel paper, and its other personal property ("Collateral") situated in or on the Leased Premises.

C. Tenant will not remove, or allow others to remove, the Collateral from the Leased Premises without Landlord's prior written consent. But Tenant may remove Collateral in the ordinary course of business before a default. If a default occurs, Landlord will be entitled to exercise any or all rights and remedies under the Uniform Commercial Code or otherwise provided in this Lease or by law. Landlord may sell any or all of the Collateral at public or private sale upon 10 days notice to Tenant, and Tenant stipulates that this notice is adequate and reasonable. This contractual lien supplements any statutory or contractual lien in favor of Landlord.

D. At Landlord's request, Tenant will sign and deliver to Landlord a financing statement in form sufficient to perfect Landlord's security interest in the Collateral, and Tenant irrevocably appoints Landlord as Tenant's attorney-in-fact to sign and deliver a financing statement to Landlord if Tenant fails or refuses to do so. This power-of-attorney is coupled with an interest.

E. Tenant warrants and represents that (a) the Collateral has not been purchased or used for personal, family, or household purposes; and (b) the lien in the Collateral constitutes a first and superior lien. Tenant will not allow any other lien in the Collateral without Landlord's prior written consent.

Pursuit of any one or more of the foregoing remedies shall not preclude the simultaneous or subsequent pursuit of any other remedy provided herein or any other remedy provided by law or in equity, nor shall the pursuit of any one or more remedies constitute a forfeiture or waiver of any rent or other amount payable by lessee hereunder or of any damages (including consequential damages) accruing to or suffered by Landlord by reason of any event of default.

Section 30. Title: Tenant accepts the Leased Premises subject to: (i) the terms and conditions of this Agreement, (ii) the Rules and Regulations; (iii) easements and rights-of-way, and (iv) zoning ordinances and other ordinances, laws, statutes, regulations, orders, standards, rules, or policies now in effect or hereafter promulgated by any governmental authority having jurisdiction over the Leased Premises (including, without limitation, the City, the Federal Aviation Administration, and the Texas Department of Transportation), and (v) the terms of any and all FAA, TxDOT, or other grant agreements or grant assurances regarding the Airport, and the terms of any grant, loan, or agreement under Section 22.055, Tex. Transp. Code, as amended or superseded, whether now existing or made in the future.

Section 31. Quiet Enjoyment and Subordination: Landlord represents that Tenant, upon payment of the rents herein reserved, and performance of the terms, conditions, covenants and agreements herein contained, shall (subject to all of the terms and conditions of this Lease) peaceably and quietly have, hold and enjoy the Leased 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, or to any other matter affecting, the Leased 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 Leased 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 Leased 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.

Section 32. Rent on Net Return Basis: 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 Leased 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.

Section 33. Holding Over: Should Tenant, or any of Tenant's successors in interest fail to surrender the Leased 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 one hundred fifty percent (150%) of the Base Rent paid for the last month of the term of this Lease.

Section 34. 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. Landlord will not be deemed to have waived any right or Tenant's breach of any obligation under this Lease, unless Landlord delivers a signed writing, addressed to Tenant explicitly relinquishing that right or breach. No custom or practice arising during the administration this Lease will waive, or diminish, Landlord's right to insist upon strict performance of Tenant's obligations. No restrictive endorsement or other statement on or accompanying any check or payment will be deemed an accord and satisfaction or novation, and Landlord will be entitled to accept any such check or payment, without prejudice, to Landlord's rights to recover the full amount due and to exercise its other remedies.

Section 35. 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 Leased 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 Leased Premises.

Section 36. Attorneys' Fees: If, on account of any breach or default by Tenant of Tenant's obligations under this Lease, it shall become necessary for Landlord to employ an attorney to enforce or defend any of Landlord's rights or remedies hereunder, Landlord shall be entitled to collect reasonable attorneys' fees incurred in such connection from Tenant.

Section 37. 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.

Section 38. Estoppel Certificates: Tenant agrees that from time to time, upon not less than ten (10) days prior written request by Landlord, Tenant will deliver to Landlord a statement in writing certifying that:

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

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

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

D. 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 to Landlord's mortgagee.

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:

(i) 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).

(ii) The dates to which rent and other charges have been paid.

(iii) 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.

Section 39. Interest on Tenant's Obligations and Manner of Payment: All monetary obligations of Tenant to Landlord under this Lease remaining unpaid five (5) 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 fifth (5th) 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.

Section 40. Special Events: Landlord may sponsor certain special events, including, but not limited to, air shows, to be conducted on portions of the Airport, which may limit or obstruct access to the Premises and/or to the Airport ("Special Events"). As a material inducement to Landlord to enter into this Lease, and notwithstanding anything to the contrary contained herein, Tenant, on behalf of Tenant and on behalf of all directors, officers, shareholders, partners, principals, employees, agents, contractors, subtenants, licensees or concessionaires of Tenant and on behalf of any other party claiming any right to use the Leased Premises by, through or under Tenant, hereby: (i) agrees that Landlord has the right to sponsor any or all Special Events and to allow use of portions of the Airport therefore even if the same limit or obstruct access to the Premises and/or to the Airport; (ii) releases, waives and discharges Landlord and Airport Manager, and their respective officials, officers, employees and agents, from all liability for any loss, damage, cost, expense or claim arising or resulting from or pertaining to the limitation or obstruction of access to the Leased Premises and/or to the Airport from the conduct of Special Events and/or activities relating or pertaining thereto, including, without limitation, death, injury to person or property or loss of business or revenue (the "Released Claims"); (iii) covenants not to sue the Landlord or Airport Manager or their respective officials, officers, employees and agents (whether in their official or private capacities) for any Released Claims; (iv) agrees that the terms contained in this Section are intended and shall be construed to be as broad and inclusive as possible under the laws of the State of Texas; and (v) agrees that if any portion of this Section is held to be invalid or unenforceable, the remainder of this Section shall not be affected thereby but shall continue in full force and effect.

Section 41. Independent Contractor: It is understood and agreed that in leasing and operating the Leased Premises, Tenant is acting as an independent contractor and is not acting as agent, partner, joint venturer or employee of Landlord or Airport Manager.

Section 42. Force Majeure: In the event performance by Landlord of any term, condition or covenant in this Lease is delayed or prevented by an 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.

Section 43. Force Majeure: In the event performance by Tenant of any term, condition or covenant in this Lease is delayed or prevented by an 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 Tenant, the period for performance of such term, condition or covenant shall be extended for a period equal to the period Tenant is so delayed or hindered.

Section 44. 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.

Section 45. 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.

Section 46. Captions: The captions or headings, sections, 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.

Section 47. 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.

Section 48. Severability: If any provision in this Lease should be held to be invalid, illegal, or unenforceable, the validity and enforceability of the remaining provisions of this Lease shall not be affected thereby, and the invalid, illegal, or unenforceable term will be reformed to give effect (to the fullest extent possible) to the parties' intentions in a manner that is legal, valid, and enforceable. It is the parties intent that the term of this Lease not exceed 40 years (480 months); if it should be determined that the term of this Lease exceeds such period of time, the term hereof shall be reformed so as to make the term hereof not exceed such period of time.

Section 49. Notices: Any notice or document required 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.

TO LANDLORD:

Town of Addison, Texas
c/o Washington Staubach Addison Airport
Venture
16051 Addison Road, Suite 220
Addison, Texas 75001
Attn: Real Estate Manager

TO TENANT:

Addison, Texas 75001

Section 50. 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.

Section 51. 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.

Section 52. Consent; "Includes" and "Including": Where Landlord consent or approval is required in this Lease, such consent or approval may be given by the City Council of the Town of Addison, Texas or by the City Manager of the Town of Addison. For purposes of this Lease, "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.

Section 53. Governing Law and Venue; Survivability of Rights and Remedies: 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 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 interpretation, validity and enforcement of this Agreement, 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. Any rights and remedies either party may have with respect to the other arising out of the performance of or failure to perform this Lease during the term hereof shall survive the cancellation, expiration or termination of this Lease.

Section 54. Entire Agreement and Amendments: This Lease, consisting of fifty-five (55) Sections and Exhibits 1, 2.2, 2.3, 3, 4 and 5 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.

Section 55. Expansion Option. Referenced is hereby made to the Expansion Option which is attached hereto as Exhibit 4.0. The parties agree that the consideration for this Lease shall constitute sufficient consideration for the Expansion Option. If the Expansion Option is exercised, the Option Land (as described in the Expansion Option) and the use and occupancy thereof by Tenant shall be in all things subject to all of the terms, conditions and provisions of this Lease.

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

LANDLORD:

TENANT:

TOWN OF ADDISON, TEXAS

By: _____
Ron Whitehead, City Manager

By: _____
Printed Name: _____
Its: _____

**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 the said municipal corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the ____ day of _____, 2007.

Notary Public, State of Texas

**STATE OF TEXAS
COUNTY OF DALLAS**

This instrument was acknowledged before me on _____, 2007 by _____, _____ of _____, a _____, on behalf of the said _____.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the ____ day of _____, 2007.

Notary Public, State of Texas

EXHIBIT 1

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS
2005 JUL -7 PM 12:04

Carla Calhoun
Surveyor
DALLAS COUNTY, TEXAS

1
2

FINAL PLAT
ADDISON AIRPORT
TOWN OF ADDISON, TEXAS

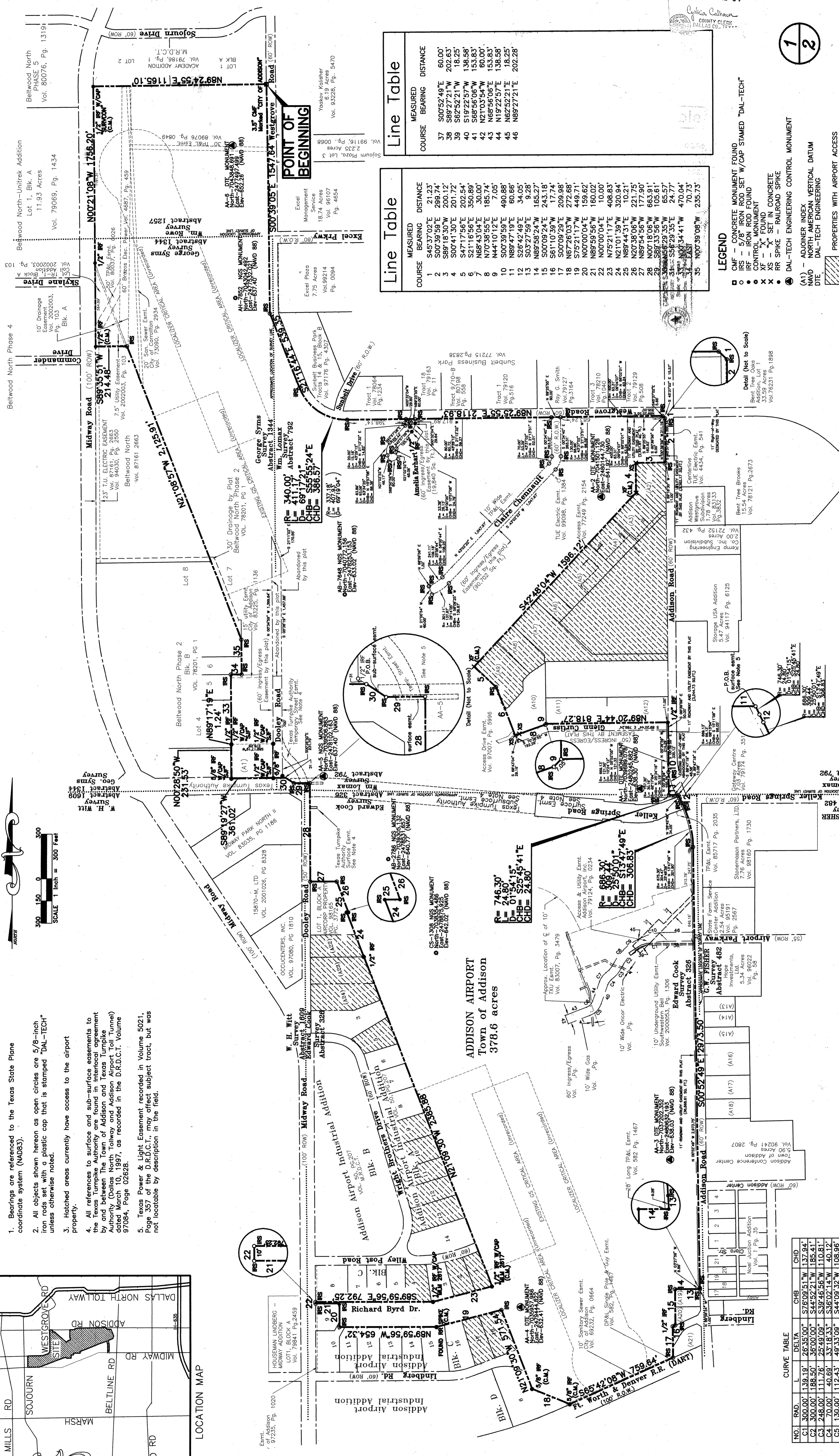
DALTECH
ENGINEERING, INC.
CONSULTING CIVIL ENGINEERS / SURVEYORS
CONSTRUCTION MANAGERS
17311 QUINCY PARKWAY
DALLAS, TEXAS 75248
(972) 250-2727 (972) 250-4774

Town of Addison Approver: **JOE CHEN**
City Secretary: **JOE CHEN**
Carmen Moran
Scott Wheeler
Mayor (Town of Addison)

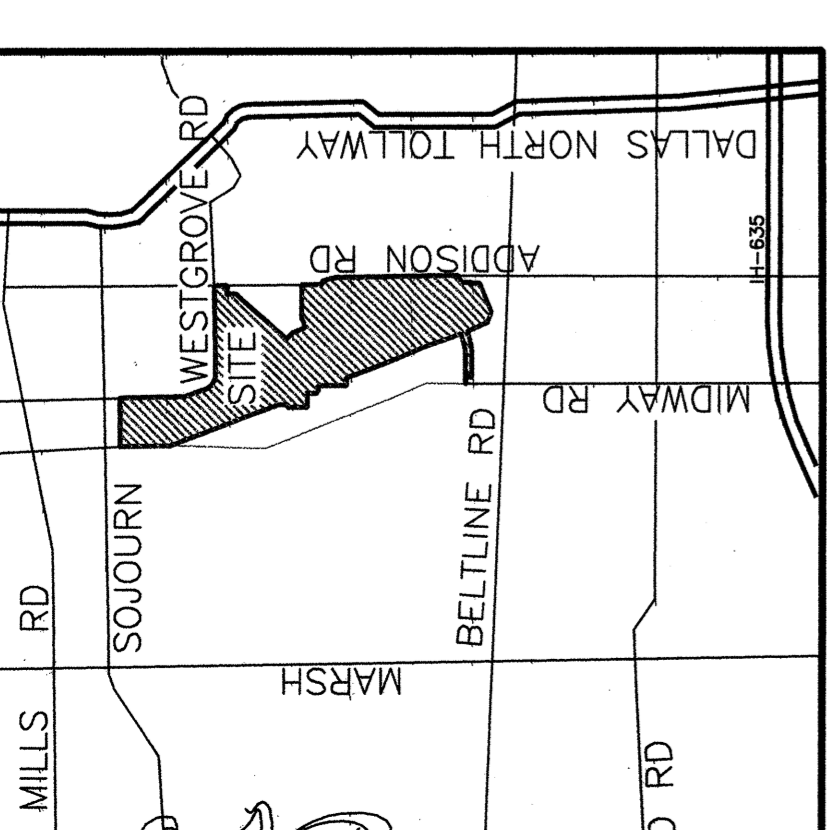
DRAWN: _____
JOB NO.: _____
CONTRACT NO.: _____
SCALE: 1" = 300'
DATE: DEC. 2004

Line Table		Line Table	
COURSE	BEARING	COURSE	BEARING
1	S45°37'02"E	1	S45°37'02"E
2	S00°52'49"E	2	S00°52'49"E
3	S89°18'30"W	3	S89°18'30"W
4	S00°41'30"E	4	S00°41'30"E
5	S47°17'56"E	5	S47°17'56"E
6	S21°17'56"E	6	S21°17'56"E
7	N68°43'04"E	7	N68°43'04"E
8	N73°38'55"E	8	N73°38'55"E
9	N44°10'12"E	9	N44°10'12"E
10	S00°39'59"E	10	S00°39'59"E
11	N89°47'19"E	11	N89°47'19"E
12	S26°42'49"E	12	S26°42'49"E
13	S03°27'59"E	13	S03°27'59"E
14	N89°58'24"W	14	N89°58'24"W
15	S00°09'24"E	15	S00°09'24"E
16	S61°10'39"W	16	S61°10'39"W
17	S00°09'29"E	17	S00°09'29"E
18	N67°26'03"W	18	N67°26'03"W
19	S75°21'17"W	19	S75°21'17"W
20	N00°00'04"E	20	N00°00'04"E
21	N89°59'56"W	21	N89°59'56"W
22	N00°00'04"E	22	N00°00'04"E
23	N75°21'17"E	23	N75°21'17"E
24	N21°01'39"W	24	N21°01'39"W
25	N89°44'31"E	25	N89°44'31"E
26	N20°38'06"W	26	N20°38'06"W
27	N89°54'56"W	27	N89°54'56"W
28	N00°18'08"W	28	N00°18'08"W
29	S89°33'58"W	29	S89°33'58"W
30	S54°29'35"E	30	S54°29'35"E
31	N08°34'41"W	31	N08°34'41"W
32	N00°39'08"W	32	N00°39'08"W
33	N00°39'08"W	33	N00°39'08"W
34	N00°39'08"W	34	N00°39'08"W
35	N00°39'08"W	35	N00°39'08"W

LEGEND
 □ CMF - CONCRETE MONUMENT FOUND
 ○ IRF - 5/8" IRON ROD SET W/CAP STAMPED "DAL-TECH"
 ● CONCRETE MONUMENT
 × XS - "X" SET IN CONCRETE
 ● RR SPIKE - RAILROAD SPIKE
 ● DAL-TECH ENGINEERING CONTROL MONUMENT
 (A1) - ADJOINER INDEX
 NAVD - NORTH AMERICAN VERTICAL DATUM
 DTE - DAL-TECH ENGINEERING
 ▨ PROPERTIES WITH AIRPORT ACCESS



- GENERAL NOTES:**
- Bearings are referenced to the Texas State Plane coordinate system (NAD83).
 - All objects shown hereon as open circles are 5/8-inch iron rods set with a plastic cap that is stamped "DAL-TECH" unless otherwise noted.
 - Hatched areas currently have access to the airport property.
 - All references to surface and sub-surface easements to the Texas Turnpike Authority are found in interlocal agreement by and between the Town of Addison and Texas Turnpike Authority (Dallas North Tollway and Addison Airport Toll Tunnel) dated March 10, 1997, as recorded in the D.R.D.C.I. Volume 97084, Page 02626.
 - Texas Power & Light Easement recorded in Volume 5021, Page 357 of the D.R.D.C.I. may affect subject tract, but was not locatable by description in the field.



CURVE TABLE

NO.	RAD.	L	DELTA	CHB	CHD
C1	300.00'	139.19'	26°35'00"	S76°09'51"W	137.94'
C2	300.00'	188.50'	36°00'00"	S44°52'21"W	185.41'
C3	248.00'	111.76'	25°49'09"	S39°46'56"W	110.81'
C4	70.00'	40.68'	33°18'33"	S36°02'14"W	40.12'
C5	130.00'	112.43'	49°33'09"	S44°09'32"W	108.96'
C6	70.00'	60.54'	49°33'09"	N44°09'32"E	58.67'
C7	130.00'	75.58'	33°18'33"	N36°02'14"E	74.52'
C8	188.00'	84.72'	25°49'09"	N39°46'56"E	84.00'
C9	360.00'	1226.19'	36°00'00"	N44°52'21"E	1222.49'
C10	360.00'	167.03'	26°35'00"	N76°09'51"E	165.53'

ADDISON AIRPORT
Town of Addison
378.6 acres

EXHIBIT 2.2

Legal Description of Lease Premises

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

COMMENCING at the intersection of the south line of Westgrove Road (60 foot right-of-way) with the west line of Claire Chennault Road (60 foot right-of-way) (Not Dedicated);

THENCE S 00°32'21" E, along the west line of said Claire Chennault Road, 256.76 feet to the point of curvature of a non-tangent circular curve to the right having a radius of 70.00 feet;

THENCE southwesterly, continuing along the west line of said Claire Chennault Road and along said curve to the right, through a central angle of 43°40'00", an arc distance of 53.35 feet and having a chord which bears S 21°05'00" W, 52.07 feet to a "PK" nail found at the point of tangency;

THENCE S 42°55'00" W, continuing along the northwest line of said Claire Chennault Road, 506.35 feet to a "PK" nail set at the **POINT of BEGINNING**, same being the southerly southeast corner of a ground lease as described in deed to CC Hanger, L.P. recorded in Volume 2004, Page 7523 of the Deed Records of Dallas County, Texas;

THENCE S 42°55'00" W, continuing along the northwest line of said Claire Chennault Road, 376.58 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" at the easterly corner of Lease Tract 68 (unrecorded);

THENCE N 47°24'55" W, departing the east line of said Claire Chennault Road, along the northeast line of said Lease Tract 68, 355.97 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" in the southeast line of Taxiway Victor, and lying in a non-tangent circular curve to the left having a radius of 485.00 feet;

THENCE northeasterly, along the southeast line of said Taxiway Victor and along said curve to the left, through a central angle of 07°09'47", an arc distance of 60.63 feet and having a chord which bears N 46°35'45" E, 60.60 feet to a "PK" nail set with flasher at the point of tangency;

THENCE N 43°00'51" E, along the southeast line of said Taxiway Victor, 316.49 feet to a 1/2-inch iron rod found at the westerly corner of said CC Hanger tract;

THENCE S 47°21'28" E, departing the southeast line of said Taxiway Victor, along the southwest line of said CC Hanger tract, 351.54 feet to the **POINT of BEGINNING** and containing 3.045 acres of land.

Exhibit 3 – Description of Improvements To Be Constructed

Tenant shall cause to have erected and/or constructed to or on the Leased Premises the Building Improvements generally described in this Exhibit 3. The term Building Improvements also includes any structures, fixtures, additions, aprons, parking areas taxiways/taxi lanes, landscape or any other building or site improvement located on the Leased Premises, including, without limitation, any alterations or improvements made pursuant to Section 12 of the Lease Agreement.

Tenant shall construct two (2) 9,900 square foot hangars with attached support facilities. The heated hangars will be 110' wide and 90' deep with a 34' building height and include an 86' x 27'11" powered door. Each of the buildings will include a reception area, flight planning area, men's and women's restrooms, line office and utility room and limited private offices. Ramp area, vehicle parking and landscaping will be included in the construction of the project.

This Exhibit 3 hereby includes by reference the complete set of construction documents approved by the Town of Addison for the Building Improvements including but not limited to all architectural, civil, mechanical, and electrical and landscape drawings and specifications, together with all change orders and as-built modifications, warranties and guaranties procured by Tenant.

Exhibit 4.0 – EXPANSION OPTION

Provided Tenant is in good standing with Landlord and not in default of this Lease Agreement or any other agreement or contract with Landlord at the time, Tenant shall have the exclusive option to exercise the right (the “Expansion Option”) to add to the Leased Premises that certain parcel of real property at Addison Airport consisting of approximately 1.03 acres (44,741 gross square feet) of land described as Phase II in Exhibit 2.1 and Exhibit 2.2 attached to the Lease located immediately west of and adjacent to the Leased Premises (the “Option Land”). This option shall commence on the Effective Date of this Lease Agreement and shall expire at 5:00 p.m. on February 29, 2012 (the “Option Period”).

This option may be exercised by Tenant at any time during the Option Period by (i) depositing written notice of Tenant’s exercise of such option in the United States mail during the Option Period and (ii) by delivering written notice by hand of the exercise of this option to the Town of Addison, Texas at the address set forth below. Within ten (10) business days following the receipt of notice by Landlord of Tenant’s exercise of the option, the Town and Tenant shall execute an amendment to this Lease reflecting the addition to the Leased Premises of the Option Land (and such Option Land shall be subject all terms, conditions, and provisions of this Lease).

If Tenant fails to exercise the option in accordance with the terms of this Expansion Option within the Option Period, or if at the time of Tenant’s attempted exercise of the option Tenant shall then be in default under this Lease, then the option granted by this Expansion Option and the rights hereunder of Tenant shall automatically and immediately terminate without notice.

Should Tenant exercise the aforementioned Expansion Option, the following terms and conditions shall apply:

1. The City hereby agrees and shall release and deliver to Tenant the Option Land in its “AS IS” and “WHERE IS” condition within one-hundred and eighty (180) calendar days after Tenant has delivered to Landlord written notice of its intent to exercise the option and add the Option Land to the Leased Premises (the date of delivery of the notice being the “City Option Land Delivery Date”) and,
2. The use of the Option Land is to be and shall be the same as the use of the Leased Premises set forth in Section 5 of the Lease, but with two additional hangar/office buildings and related improvements (the “Optional Building Improvements”) to be constructed of comparable size, construction and cost as the initial Building Improvements, subject to Landlord’s advance review and approval of a Design Plan for the Optional Building Improvements to be submitted by Tenant to Landlord.
3. Effective the first day of the first full month after Substantial Completion of the Option Building Improvements, the Base Rent of the Lease shall be increased to an amount equal to the product of the then monthly Base Rent per gross square foot (of the original Leased Premises a.k.a. Phase I), adjusted as set forth in the Lease, times the total gross square feet of the original Leased Premises plus the Option Land (that is Phase I and Phase II combined).
4. Base Rent, as modified, shall continue to be adjusted subject to the provisions of Section 4 and all other provisions of the Lease without interruption.

5. Tenant agrees to accept the Option Land in accordance with and subject to Section 7 of this Lease Agreement and all other terms, conditions, and provisions of the Lease.
6. Construction of the Optional Building Improvements shall be in accordance with the Lease and where the term "Building Improvements" is used or otherwise referenced, it shall also mean and include, without limitation, the Optional Building Improvements, except that (i) construction of the Optional Building Improvements must commence (as defined in Section 6.D.) no later than ninety (90) days after the actual date the City delivers the Optional Land to Tenant, and (ii) Substantial Completion shall occur no later than two-hundred and seventy (270) days after construction commences (as defined in the Lease Agreement) of the Optional Building Improvements. In the event the construction does not commence by the said applicable date, or if Substantial Completion is not obtained by the said applicable date, the addition of the Option Land to the Leased Premises shall terminate and be null and void, and any amendment to this Lease reflecting the addition of the Option Land to the Leased Premises shall contain a similar provision and shall be null and void.
7. In connection with the addition of the Option Land to the Leased Premises, all other terms and conditions and provisions of the Lease Agreement shall continue in full an in effect for the duration of the original Term and shall apply to the Option Land
8. Tenant shall not and shall have no power or authority to assign, convey, pledge, or in any manner otherwise transfer (together, "transfer") this Expansion Option or any right, duty or obligation hereunder without the prior written approval of the Town. Any transfer of this Expansion Option or any right hereunder in violation of this provision shall render this Expansion Option immediately null and void. The Town has the right to grant or withhold its approval in its sole discretion.
9. Unless otherwise provided herein, any notice, tender, or delivery to be given under this Expansion Option by either party to the other shall be effected by personal delivery in writing or by registered or certified mail, postage prepaid, return receipt requested, and shall be deemed given as of the date of deposit in the U. S. Mail or upon actual receipt if delivered by hand. Mailed notices shall be addressed as set forth below, but each party may change his or her address by written notice in accordance with this Paragraph.

To Landlord:

5300 Belt Line Road
 Dallas Texas 75240-7606
 Attention: City Manager

To Tenant:

 Attention:_____

10. This Expansion Option contains the entire agreement between the parties relating to the option herein granted. Any oral representations or modifications concerning this Expansion Option shall be of no force and effect, excepting a subsequent modification in writing, signed by the

party to be charged and supported by consideration. The laws of the State of Texas (without regard to its conflict of law provisions) shall govern and apply to the interpretation, validity and enforcement of this Expansion Option. In the event of any action under this Expansion Option, venue for all causes of action shall be instituted and maintained in Dallas County, Texas.

Exhibit 5.0 – ExecHangar ADS, LC
Offering Memorandum (the “Prospectus”) Dated June 1, 2007

Or most current version

Exhibit 6

						m Required Units
Member 1						
# of Aircraft	Aircraft Dimensions			Reqd. Space for Each	Total Feet Rqmt	
Eclipse 500	1	34	38	1,517	1,517	
Gulfstream 200	0	72	64	-	-	
Citation CJ1	0	43	47	-	-	
Hawker 750	0	51	51	-	-	
	1				1,517	
1) Largest Aircraft In Fleet						1,517
2) 50% of Fleet Requirement						759
Member 1 Minimum Required Units Is						1,517
Member 2						
# of Aircraft	Aircraft Dimensions			Reqd. Space for Each	Total Feet Rqmt	
Eclipse 500	0	34	38	-	-	
Gulfstream 200	1	72	64	5,025	5,025	
Citation CJ1	1	43	47	2,300	2,300	
Hawker 750	0	51	51	-	-	
	2				7,325	
1) Largest Aircraft In Fleet						5,025
2) 50% of Fleet Requirement						3,663
Member 2 Minimum Required Units Is						5,025
Member 3						
# of Aircraft	Aircraft Dimensions			Reqd. Space for Each	Total Feet Rqmt	
Eclipse 500	2	34	38	1,517	3,034	
Gulfstream 200	0	72	64	-	-	
Citation CJ1	1	43	47	2,300	2,300	
Hawker 750	0	51	51	-	-	
	3				5,334	
1) Largest Aircraft In Fleet						2,300
2) 50% of Fleet Requirement						2,667
Member 3 Minimum Required Units Is						2,667
Total Units Required						9,209
Maximum Building Capacity						9,900
Remaining Units Available						691
Total Aircraft Registered To Use Facility						6

Single aircraft dimension used

Multiple aircraft, used largest aircraft in fleet.

Multiple aircraft, used 50% of fleet requirement

Total Units Required is less than Total Bldn.

In the above example, Member 1 has one airplane, therefore the minimum Unit requirement equates to the overall length of the aircraft times its width (plus 3' each way), or 1,517 Units.

Member 2 owns two aircraft and the largest aircraft space requirement is greater than one half of the total fleet size. In this case, the minimum Unit requirement is then 5,025. Provided Member 2's aircraft are properly registered with the Airport by Tenant, *both* aircraft may access the Lease Premises and be fueled by ExecHangar, however Member 2 has rights to only 5,025 square feet of hangar/office space at any given time.

Member 3 owns three aircraft in its fleet, but in this example half the total fleet size is greater than the single largest aircraft in the fleet. Consequently, the minimum Unit requirement is one-half of Member 3's total fleet, or 2,667 Units. Provided Member 3's aircraft are properly registered with the Airport, all three aircraft may access the Lease Premises and be fueled by ExecHangar, however Member 3 has rights to only 2,667 square feet of hangar/office space at any given time.

Attachment 2

Proposed Non-public Operator Fuel Farm License Agreement



Addison Airport

Fuel Farm License Agreement

EXECHANGAR ADS LC

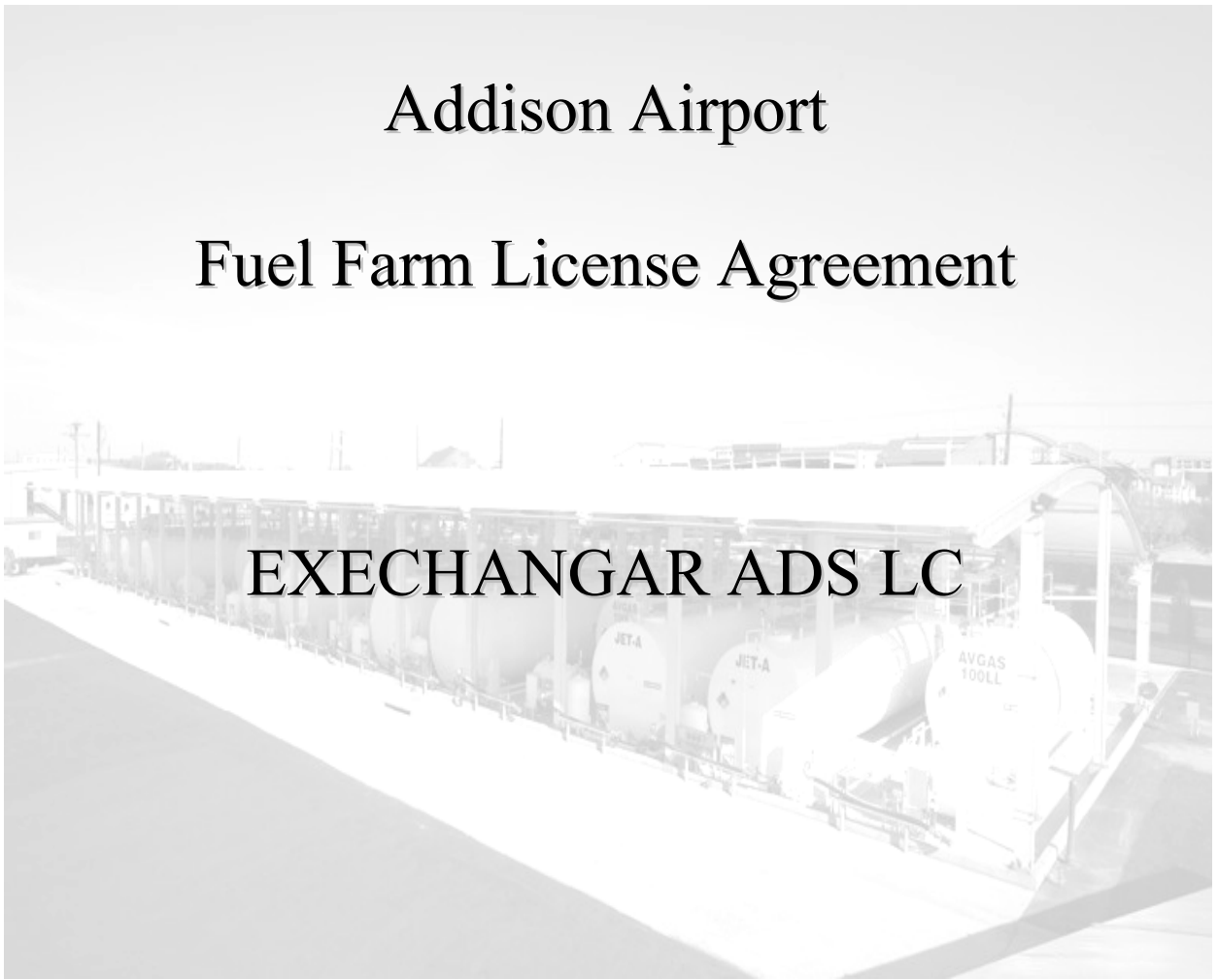


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ADDISON AIRPORT FUEL FARM LICENSE AGREEMENT

SECTION 1

DEFINITIONS AND CERTAIN BASIC PROVISIONS

1.1 The following list sets out certain defined terms and certain financial and other information pertaining to this License Agreement (“License” and “Agreement” are interchangeably used herein to mean one and the same):

- (a) “Licensor”: TOWN OF ADDISON, a Texas home-rule municipality.
- (b) Licensor's Address: 5300 Belt Line Road, Dallas, Texas 75254.
- (c) “Manager”: Washington Staubach Addison Airport Joint Venture
- (d) Manager’s Address: 16051 Addison Road, Suite #220, Addison, Texas 75001
- (e) “Licensee”: EXECHANGAR-ADS LC, a Kansas limited liability company
- (f) Licensee's Address: 8811 SOUTH KANSAS, SEDGWICK, HARVEY COUNTY KANSAS, 67135
 Primary Contact: Daniel L. Claassen Phone Number: _____
- (g) Licensee's Trade Name: ExecHangar ADS LC
- (h) Licensee's Guarantor (if applicable, attach Guaranty as an exhibit): _____
- (i) “Fuel Farm”: Licensor's property located in the Town of Addison, Dallas County, Texas, which property is described on Exhibit “A” and shown on Exhibit “B” attached to this License. With regard to Exhibits “A” and “B”, the parties agree that they are attached solely for the purpose of depicting the location of the Fuel Farm and the Fuel Tanks within the Fuel Farm and that no representation, warranty, or covenant is to be implied by any information shown on such exhibits.
- (j) “Fuel Tanks”: The three (3) above-ground storage tanks, together with all equipment attached thereto necessary for Licensee’s use of the Fuel Tank in accordance with this License, situated in the Fuel Farm and identified on Exhibit “C” attached hereto, with a stipulated combined capacity of 65,000 gallons (“Total Licensee Gallon Capacity”) of fuel, also being known as

Tank #	Designated Fuel Type	Licensee Gallon Capacity	% Of Total Fuel Farm Combined Capacity
# 9	Jet A	25,000	7.937%
#10	Jet A	25,000	7.937%
#11	100 LL	15,000	4.762%
#			
Total		65,000	20.636% **

** The “Licensee's Proportionate Share”, calculated in accordance with Section 4.10, on the Commencement Date is established to be 20.64 Percent (20.64 %).

- (k) “Commencement Date”: The earlier of (i) the date upon which Licensee commences use of the Fuel Tanks; or (ii) March 1, 2009.
- (l) “Term”: The period of time commencing on the Commencement Date and continuing until the last day of the calendar month sixty (60) months from the Commencement Date or the last month

of any properly exercised Term Extension (as described in Exhibit “D” attached hereto), whichever is later (i.e., if Commencement Date is March 10, 2006, the Term shall then expire no later than March 31, 2011 if no Term Extension is exercised).

- (m) “**Base Fee**”: Annual Consideration for this License equal to the Total Licensee Gallon Capacity, multiplied by **\$0.2651** per gallon, payable in equal monthly installments as provided for in Section 4.
- (n) “**Additional Fee**”: Annual Consideration for this License equal to the Total Licensee Gallon Capacity, multiplied by **\$.3290** per gallon, payable in equal monthly installments as provided for in Section 4.
- (o) “**Fuel Flowage Fee**”: Consideration for this License to receive and dispense aircraft fuel, equal to the Fuel Flowage Rate (as defined in Section 7.1 of this License) for each gallon of aviation fuel received by Licensee during the Term, payable in monthly installments as provided for in Section 7.
- (p) “**Security Deposit**”: **\$3,218.00** Such Security Deposit is due and payable upon execution of this License and held on account on behalf of Licensee by Licensor in accordance with Section 28.4.
- (q) “**Permitted Use of Fuel Tanks**”: Exclusively for the storage of fuel in support of aeronautical operations of type and grade approved in writing by Licensor in the capacity of a:

(Check only one)

 Public Fixed Based Operator for retail delivery into aircraft at the Airport, for delivery into aircraft at the Airport owned, leased or otherwise operated by Licensee and for the purpose of fueling ground equipment at the Airport used in the support of Licensee’s aeronautical operations at the Airport and for no other purpose, except for any such delivery to aircraft of holders of valid off-airport access permits or as otherwise approved in writing by Licensor.

 Non-public Operator with delivery to aircraft owned or leased by Licensee and for the purpose of fueling ground equipment at the Airport used in the support of Licensee’s aeronautical operations and for no other purpose. For the purpose herein, aircraft owned or leased by Licensee shall include, without limitation, aircraft owned or leased by the Members of Licensee as defined in the ExecHangar ADS LC Offering Memorandum (“Offering Memorandum”) dated June 1, 2007, as amended or modified, and attached hereto as Exhibit G and incorporated herein. **LICENSEE IS HEREBY EXPRESSLY PROHIBITED FROM DISPENSING AIRCRAFT FUEL TO ANY AIRCRAFT NOT OWNED OR LEASED BY LICENSEE OR ITS MEMBERS. LICENSEE IS HEREBY EXPRESSLY PROHIBITED FROM DISPENSING AIRCRAFT FUEL TO ANY LESSEE OR SUBLESSEE.**

- (r) “**Airport**”: The Addison Airport situated in the Town of Addison, Dallas County, Texas.
- (s) “**Minimum Semi-Annual Gallons Received**”: **180,000** gallons of aviation fuel (excluding diesel and mobile fuel), as described in Section 7.7.
- (t) “**Includes**” and “**including**”, for purposes of this Agreement, 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.

1.2 The following chart is provided as an estimate of Licensee’s monthly and annual payment to Licensor as Consideration (as defined in Section 4.1). This chart, however, does not supersede the specific provisions contained elsewhere in this License.

PAYMENTS IN ADVANCE:	Annual	Monthly
Base Fee (Section 1.1(m) and 4.3)	\$ 17,231.50	\$1,435.96
Additional Fee (Section 1.1(n) and 4.4)	\$21,385.00	\$1,782.08
Subtotal of Payments in Advance	\$38,616.50	\$3,218.04
PAYMENT IN ARREARS:		
Fuel Flowage Fee \$0.12 x total gallons received during the preceding month (Section 7).	\$TBD	\$ TBD
TOTAL MONTHLY CONSIDERATION (Payment In Advance plus Payment In Arrears)	\$TBD	\$TBD

SECTION 2

GRANTING CLAUSE

2.1 Licensor licenses the Fuel Tanks to Licensee, subject to and only upon the terms and conditions set forth in this License and further subject to all laws, codes, ordinances, rules, standards, policies, permits, and regulations now in effect or hereafter adopted, modified, or amended by Licensor or any governmental or quasi-governmental authority having jurisdiction over the Airport or any part thereof, and all requirements, conditions, and standards of any Airport grant or funding or any grant agreements or grant assurances of the Airport now in effect or as hereafter agreed to, adopted, issued, modified, amended, or established. This License is not a lease and grants no interest or estate in the Fuel Farm, including, without limitation, any leasehold interest.

SECTION 3

DELIVERY OF PREMISES

3.1 BY ACCEPTANCE OF THIS LICENSE, LICENSEE HEREBY AGREES THE FUEL FARM IS BEING DELIVERED TO LICENSEE IN GOOD WORKING CONDITION AND UNDERSTANDS THAT THE FUEL TANKS ARE BEING LICENSED TO LICENSEE, ON AN “AS IS”, “WHERE IS” AND “WITH ALL FAULTS” BASIS, WITH LICENSEE ACCEPTING ALL DEFECTS, IF ANY AND LICENSOR MAKES NO REPRESENTATIONS (OTHER THAN AS TO LICENSOR'S OWNERSHIP OF THE FUEL FARM), WARRANTIES OR COVENANTS OF ANY KIND OR NATURE, WHETHER EXPRESS OR IMPLIED, AS TO THE HABITABILITY, FITNESS OR SUITABILITY OF THE FUEL FARM FOR A PARTICULAR PURPOSE, INCLUDING, BUT NOT LIMITED TO (AND LICENSOR HEREBY EXPRESSLY DISCLAIMS THE SAME), ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. LICENSEE ACKNOWLEDGES AND AGREES THAT LICENSEE HAS HAD THE OPPORTUNITY TO INSPECT THE FUEL FARM, AND THAT ANY SUCH INSPECTION HAS BEEN ADEQUATE TO ENABLE LICENSEE TO MAKE LICENSEE'S OWN DETERMINATION REGARDING THE SUITABILITY OR FITNESS OF THE FUEL TANKS AND FUEL FARM. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, LICENSEE HEREBY ASSUMES ALL RISK AND LIABILITY (AND AGREES THAT LICENSOR SHALL NOT BE LIABLE FOR ANY SPECIAL, DIRECT, INDIRECT, CONSEQUENTIAL OR OTHER DAMAGE) RESULTING OR ARISING FROM OR RELATING TO THE USE, CONDITION, LOCATION, MAINTENANCE, REPAIR OR OPERATION OF THE FUEL FARM, EXCEPT TO THE EXTENT OTHERWISE EXPRESSLY HEREIN AGREED AND CONSENTED TO BY LICENSOR.

3.2 Licensor shall have the right upon ninety (90) day's prior written notice, to relocate Licensee to another Fuel Tank or Fuel Tanks (the “**Replacement Fuel Tank(s)**”) in the Fuel Farm as Licensor deems, at its sole discretion, to be reasonably necessary. In the event of such relocation, the cost of relocating Licensee and the cost

of altering the Replacement Fuel Tanks to make them comparable to the current Fuel Tanks shall be borne by Licensor (except for those alterations or improvements made to the Fuel Tanks by Licensee with or without Licensor's prior consent). If Licensor exercises such right of relocation, this License shall continue in full force and effect without any change to the terms or other conditions, except that the Replacement Fuel Tanks shall be deemed substituted in Section 1.1(j) and an appropriate adjustment shall be made to the amount of the Consideration and any Security Deposit.

SECTION 4

PAYMENT OF BASE FEE AND ADDITIONAL FEE

4.1 The Base Fee and all other sums or charges payable by Licensee, including but not limited to Additional Fee and Fuel Flowage Fees and other fees required by this License, are sometimes herein referred to collectively as "**Consideration**". All payments of Consideration are to be paid by corporate, personal or cashier's check or money order. Payments of Consideration are not to be made in cash. The Licensor shall have the same remedies in the case of a default in the payment of Additional Fee and Fuel Flowage Fees and any other Consideration as are available to Licensor in the case of a default in the payment of the Base Fee.

4.2 The Consideration shall be payable to Licensor at Licensor's address set forth in Section 1.1(b) or, such other address designated by Licensor with prior written notice given to Licensee. Consideration shall not be considered paid until actually received by Licensor or Licensor's designee.

4.3 Beginning with the Commencement Date and continuing throughout the Term of this License, Licensee shall pay an annual Base Fee in the amount specified in Section 1.1(m), which Base Fee shall be paid by Licensee (separately or together with other Consideration due and payable) in equal monthly installments as required herein, without any interruption, offset or deduction of any nature. The first such monthly installment shall be due and payable on or before the Commencement Date, and subsequent installments shall be due and payable on or before the first day of each succeeding calendar month during the Term. If the Term of this License commences on a day other than the first day of a calendar month, or terminates on a day other than the last day of a calendar month, the Base Fee installment of such partial month as provided for under this Section 4.3 shall be prorated and such installment or installments so prorated shall be paid in advance (i.e., the quotient that results from dividing the number of calendar days of such partial month included in the Term by the total number of days in that month, then multiplying such quotient by one-twelfth of the Base Fee).

4.4 In addition to the Base Fee and any other Consideration required under this License, Licensee shall pay an Additional Fee which is to be assessed by Licensor annually for each fiscal year of Licensor, but said amount shall never be less than that specified in Section 1.1(n).

4.5 The Additional Fee payable by the Licensee under this License shall be equivalent to Licensee's Proportionate Share of Licensor's cost of operating and maintaining the Common Area and the Replacement Recovery Allowance provided for under Section 4.6. Such costs, hereinafter referred to as the "**Common Area Charge**", may include but not be limited to: all utilities which serve the Fuel Farm including water, sewer, electricity, gas and data/tele-communications; all systems and system components necessary and appurtenant to the operation of the Fuel Farm (i.e., motors, pumps, pipes, hoses, valves, regulators, vents, safety systems, separators, auxiliary power supply); structural systems including roof and canopy repair and maintenance; the costs of any third-party service agreement which may include the repair, maintenance and inspection of the Fuel Farm and any of its systems and system components; painting, cleaning, sweeping, landscaping, inspecting, repairing and replacing the Fuel Farm or any portion thereof; Licensor's reasonable overhead costs for administration and management; and the cost of any Real Estate Charges or Insurance Expenses for which Licensor is not reimbursed pursuant to Section 5, but specifically excluding all expenses paid or reimbursed by Licensee to Licensor pursuant to Section 6.

4.6 Licensor and Licensee agree that Licensor may include in the Additional Fee a reasonable reserve sufficient to pay the costs of the future replacement of the Fuel Tanks and Roofing System (the "**Replacement Recovery Allowance**"), which costs are to be amortized over a twenty-five (25) year and ten (10) year useful lifespan, respectively. Licensor, in its sole discretion, may adjust the monthly amount collected from Licensee for the Replacement Recovery Allowance from time to time to coincide with the industry's generally accepted replacement values for fuel tanks and roofing systems comparable to the Fuel Tanks and Roofing System.

4.7 If the Term of this License commences on a day other than the first day of a calendar month, or terminates on a day other than the last day of a calendar month, the Additional Fee for such partial month shall be pro-rated and paid in advance similarly as provided for the Base Fee under Section 4.3.

4.8 Prior to the commencement of Licensor's fiscal year beginning October 1, 2009 and prior to the commencement of each fiscal year of Licensor thereafter, Licensor shall provide Licensee an estimate of the Additional Fee for such fiscal year. The Additional Fee shall be due and payable by Licensee (separately or together with other Consideration due and payable) in equal monthly installments during such fiscal year, without any interruption, offset or deduction of any nature. The first such monthly installment shall be due and payable on the Commencement Date, and subsequent installments, as adjusted for each fiscal year during the Term, shall be due and payable on or before the first day of each succeeding calendar month during the Term. If the Term of this License commences on a day other than the first day of a calendar month, or terminates on a day other than the last day of a calendar month, the Additional Fee installment of such partial month as provided for under this Section 4.8 shall be prorated and such installment so prorated shall be paid in advance (i.e., the quotient that results from dividing the number of calendar days of such partial month included in the Term by the total number of days in that month, then multiplying such quotient by one-twelfth of the Additional Fee).

4.9 Within one hundred twenty (120) days following the conclusion of the Licensor's fiscal year ending September 30, 2009, and within one hundred twenty (120) days following the conclusion of each fiscal year of Licensor thereafter, or as soon thereafter as reasonably possible, Licensor shall furnish to Licensee an itemized statement reconciling the actual Common Area Charge and other costs for that fiscal year (or part thereof during the Term of this License) against the Additional Fee for such fiscal year or partial fiscal year. Within thirty (30) days of the delivery of such statement to Licensee, Licensee shall pay to Licensor the Licensee's Proportionate Share of the positive difference, if any, resulting from subtracting the Additional Fee paid by Licensee for such fiscal year from the Licensee's Proportionate Share of the actual Common Area Charge and other costs for such fiscal year. If such Additional Fee paid by Licensee exceeds Licensee's Proportionate Share of such Common Area Charge and other costs for such fiscal year or partial fiscal year, Licensor shall have the right, at its option, to credit such excess against the next accruing payment(s) of the Additional Fee due under this License or return such excess to Licensee.

4.10 The Licensee's Proportionate Share is that percentage, at the time when the applicable cost was incurred, determined by dividing the Total Licensee Gallon Capacity by the combined capacity of the fuel tanks in the Fuel Farm, as reasonably determined by Licensor. Licensee's Proportionate Share on the Commencement Date is stipulated by the parties in Section 1.1(j).

4.11 The amount of the actual Common Area Charge and other costs determined by Licensor under Section 4.9 shall be final, conclusive and binding upon the parties hereto on the date which is one hundred-eighty (180) calendar days following the date Licensor provides such itemized statement of reconciliation to Licensee.

4.12 In the event any Consideration due is not actually received by Licensor by the fifth (5th) day after such amount is due, or if any Consideration payment is made by check, which check is returned for insufficient funds, then in addition to the past due amount, immediately on Licensor's demand, Licensee shall pay to Licensor one of the following (the choice to be at the sole option of Licensor unless one of the choices is improper under applicable law, in which event the other alternative, if proper under applicable law, will automatically be deemed to have been selected): (a) a late charge in an amount equal to ten percent (10%) of such late Consideration, in order to compensate Licensor for its administrative and other overhead expenses; or (b) interest on such late Consideration then due at the maximum rate of interest which could legally be charged in the event of a loan of such late Consideration to Licensee (but in no event to exceed 1 ½% per month), such interest to accrue continuously on any unpaid balance of such Consideration due to Licensor by Licensee during the period commencing with the due date of such late Consideration and terminating with the date on which Licensee makes full payment of all such late Consideration. Any such late charge or interest payment shall be payable immediately on demand as additional Consideration. It is hereby agreed that in no event shall any charges permitted under this License, to the extent the same are considered to be interest under applicable law, ever exceed the maximum lawful rate of interest allowed under applicable law.

4.13 If Licensor fails to receive from Licensee any installment of Base Fee or Additional Fee within ten (10) days after the same is due for any two (2) consecutive calendar months, or if the payment of any Consideration is made by check, which check is returned for insufficient funds twice within any consecutive twelve (12) month period, Licensor may, by giving written notice to Licensee, and in addition to any late charge or interest accruing pursuant to Section 4.12 above, as well as any other rights and remedies accruing pursuant to Section 20 or Section

22 below, or any other provision of this License, at law or in equity, require subsequent Base Fee and Additional Fee installments to be paid quarterly in advance by cashier's check or money order and the delivery of Licensee's corporate or personal check will no longer constitute a payment of such Consideration. Any acceptance of a corporate or personal check for such Consideration shall not be construed as a subsequent waiver of said right to require payment by cashier's check or money order.

4.14 The obligation of Licensee to pay Consideration shall survive the expiration or earlier termination of this License.

SECTION 5

LICENSEE'S RESPONSIBILITY FOR PERSONAL PROPERTY TAXES AND REAL PROPERTY TAXES

5.1 Licensee shall be liable for all taxes, if any, levied against personal property owned by Licensee and placed within or used by Licensee within the Fuel Farm. If any personal property taxes are validly levied against Licensor or Licensor's property and Licensor pays the same, such taxes shall be included in the Common Area Charge.

5.2 If any Real Estate Charges (as defined below) are validly levied against Licensor or Licensor's property and Licensor pays the same, such Real Estate Charges shall be included in the Common Area Charge. All Insurance Expenses (as defined below) related to the Fuel Farm or Licensor's ownership of the Fuel Farm shall be included in the Common Area Charge. "**Real Estate Charges**" shall include, if any, ad valorem taxes, general and special assessments, any tax or excise on fees including Consideration, any tax or charge for governmental services (such as street maintenance or fire protection) and any tax or charge which replaces any of such above-described Real Estate Charges; provided, however, that Real Estate Charges shall not be deemed to include any franchise, estate, inheritance or general income tax. "**Insurance Expenses**" shall include all premiums and other expenses incurred by Licensor for liability insurance, and fire and extended coverage property insurance (plus whatever endorsements or special coverages which Licensor, in Licensor's sole discretion, may consider appropriate) and the amount of any deductible paid by Licensor in connection with any claim thereunder.

SECTION 6

COMMON AREA OF THE FUEL FARM

6.1 The term "**Common Area**" is defined for all purposes of this License as that part of the Fuel Farm which is maintained by Licensor, the expense of which may be incurred by Licensor and included as Common Area Expenses as provided for in Section 4.5, intended for the common use of all licensees of the Fuel Farm and other authorized persons. The Common Area includes all systems that comprise the Fuel Farm and are appurtenant thereto including but not limited to all utilities (water, sewer, electricity, gas and data/tele-communications); all systems and system components necessary to the operation and function of the Fuel Farm (i.e., motors, pumps, pipes, hoses, valves, regulators, vents, life and safety systems, separators, auxiliary power, lights, switches, meters, tanks), building infrastructures, parking areas, driveways, landscaping, curbs, loading area, lighting facilities, roofs and the like. Licensor reserves the right to change from time to time the rights and interests to, and the dimensions and location of, the Common Area, as well as the rights and interests to and the dimensions, identities, locations and types of any improvements in the Fuel Farm.

6.2 Licensee shall have the nonexclusive right to use the Common Area as constituted from time to time for the purpose or purposes described in Section 1.1(q), such use to be in common with Licensor, other licensees in the Fuel Farm and other authorized persons subject to such reasonable rules and regulations governing use as Licensor may from time to time prescribe.

SECTION 7

FUEL RECEIPT, REPORTING AND FUEL FLOWAGE FEES

7.1 As additional Consideration under this License, Licensee shall pay to Licensor the Fuel Flowage Fee at the Flowage Fee Rate. The "Flowage Fee Rate" (herein so called) is twelve cents (\$0.12) for each gallon of aviation fuel received by Licensee at the Airport during the Term, excluding any fuel not intended for aeronautical use (i.e.,

diesel and mobile fuel used in connection with ground support operations) during the Term; provided, however, the Town of Addison, Texas reserves the right to increase or decrease the Flowage Fee Rate as, in its sole discretion, may be necessary or reasonably appropriate. This License is conditioned upon the payment of the Fuel Flowage Fee at the Flowage Fee Rate, and such payment is required as set forth in and in accordance with Chapter 14, Article III, Division 2 of the Code of Ordinances of the Town of Addison, Texas (as the same may be amended or superseded). Licensor and Licensee herein agree and acknowledge that any payment made by Licensee of said Fuel Flowage Fee required hereunder is in satisfaction of the Fuel Flowage Fee at the Flowage Fee Rate established by the City Council of the Town of Addison, Texas. Licensor shall give Licensee at least thirty (30) days prior written notice before any change in the Flowage Fee Rate becomes effective.

7.2 The Fuel Flowage Fee shall be paid, with respect to each calendar month during the Term beginning with the month in which the Commencement Date occurs, on or before the fifth (5th) day of the calendar month following such month, without offset or deduction of any nature, at a sum equal to the product of the applicable Flowage Fee Rate multiplied by the total amount of fuel received at the Airport by Licensee during the preceding full or partial calendar month.

7.3 Licensee shall submit to Licensor with each monthly payment of the Fuel Flowage Fee, but in no event later than the fifth (5th) day of each month during the Term, a monthly fuel report (the “**Monthly Report**”), certified as being true and correct by a duly authorized representative of Licensee, showing for the preceding calendar month the amount of fuel received, sold or dispensed.

7.4 On or before the sixtieth (60th) day after the expiration of each calendar year, and the thirtieth (30th) day after the expiration or termination of this License, Licensee shall deliver to Licensor an annual fuel report (the “**Annual Report**”), certified as being true and correct by an authorized representative of Licensee, showing the amount of aviation fuel received, sold or dispensed during the calendar year preceding the date on which the Annual Report is due. In the event any provision of this License or the enforcement thereof by the Licensor, requires accounting of the Fuel Flowage Fee and the payment thereof for a period less than twelve (12) months, such shorter period shall be treated as one (1) year for the purpose of an Annual Report, and such Annual Report shall be delivered to Licensor within thirty (30) days after termination of such shorter period.

7.5 In addition to the information described in Section 7.4, each Monthly Report and each Annual Report shall include any and all additional information required by Licensor, and shall be in the form established by Licensor (which form may be modified, revised, or amended by Licensor in its sole discretion at any time). Each of the Monthly Reports and the Annual Reports are hereinafter referred to as a “**Fuel Report**.” In the event Licensor is not satisfied with any Fuel Report provided by Licensee, Licensor shall have the right to cause its auditors or designated representative to inspect Licensee’s books and records, wherever located, evidencing and accounting for all aviation fuel received, sold or dispensed in or from the Airport for the reporting period or periods in question. Licensee hereby agrees to make available all books and records, including but not limited to its bills of lading, general ledgers, bank accounts and fuel sales receipts available for inspection during Licensee’s normal business hours within five (5) days upon receipt of written demand by Licensor. If it is determined by the auditors that the amount of fuel received, sold or dispensed during such period(s) is understated by more than two percent (2%), the reasonable expense of such audit shall be borne by Licensee. Licensee shall promptly pay to Licensor any deficiency, or Licensor shall promptly refund to Licensee any overpayment, as the case may be, which is established by such audit.

7.6 If Licensee fails to prepare and deliver promptly any Fuel Report or other document required under this License, Licensor may, in addition to exercising any of the remedies provided to Licensor under this License or any law, rule, or regulation, engage a Certified Public Accountant to make an audit of all books and records of Licensee, including (without limitation) Licensee's bank accounts, which in any way pertain to or show the aviation fuel received, sold or dispensed and prepare the Fuel Report or other document that Licensee failed to prepare and deliver to Licensor. The Fuel Report or other document prepared by such Certified Public Accountant shall be conclusively binding on Licensee, and Licensee shall pay upon demand all expenses of the audit and other services in regard to preparing such Fuel Report or other document.

7.7 Licensee shall continuously during the Term of this License use its best efforts to maximize the quantity of fuel it receives at the Fuel Tanks at the Fuel Farm. Under no circumstance, however, shall Licensee fail to receive at least the following quantities of fuel at the Fuel Farm (“**Licensee’s Minimum Standard to Operate Fuel Tanks**”), except as expressly provided under this Section 7.7:

- (a) If the Permitted Use of the Fuel Tanks is for a Public Fixed Based Operator as described in Section 1.1(q), Licensee's Minimum Standard to Operate Fuel Tanks is 320,000 gallons of fuel received at the Fuel Farm over each three (3) consecutive calendar month period during the Term (the "**Quarterly Minimum Gallons**"); provided, however, that
- (i) during the first six (6) calendar months immediately following the Commencement Date, Licensee shall exercise its best efforts to receive no less than 320,000 gallons of fuel, and
 - (ii) during the first year of this License ("**Licensee's Start-up Period**"), Licensee shall exercise its best efforts to receive no less than 896,000 gallons of fuel (the "**Start-up Period Minimum Gallons**").

Licensee's

- (i) failure to receive the Start-up Period Minimum Gallons during the Licensee's Start-up Period (the difference between the Start-up Period Minimum Gallons and the amount of fuel actually received during Licensee's Start-up Period being the "**Start-up Deficiency**"), or
- (ii) failure after the Start-up Period to receive at least the Quarterly Minimum Gallons (the difference between the Quarterly Minimum Gallons and the amount of fuel actually received by Licensee during any three (3) month period (following the Start-up Period) that Licensee failed to receive at least the Quarterly Minimum Gallons being the "**Quarterly Deficiency**"),

shall not constitute an event of default under this License if, during the three (3) consecutive calendar months immediately after Licensee receives written notice from Licensor of such failure (the "**FBO Notice Period**", beginning on the first day of the first calendar month following Licensee's receipt of the written notice), Licensee receives in the Fuel Tanks at the Fuel Farm an amount of fuel equal to or greater than the Start-up Deficiency or the Quarterly Deficiency, as the case may be, in addition to the Quarterly Minimum Gallons for the FBO Notice Period.

- (b) If the Permitted Use of the Fuel Tanks is for a Non-public Operator as described in Section 1.1(q), Licensee's Minimum Standard to Operate Fuel Tanks is 180,000 gallons received at the Fuel Farm over each six (6) consecutive calendar month period during the Term (the "**Semi-annual Minimum Gallons**"); provided, however, Licensee's failure to receive at least the Semi-annual Minimum Gallons (the difference between the Semi-annual Minimum Gallons and the amount of fuel actually received by Licensee during any six (6) month period that Licensee failed to receive at least the Semi-annual Minimum Gallons being the "**Semi-annual Deficiency**") shall not constitute an event of default under this License if, during the six (6) consecutive calendar months immediately after Licensee receives written notice from Licensor of such failure (the "**Non-public Notice Period**", beginning on the first day of the first calendar month following Licensee's receipt of the written notice), Licensee receives in the Fuel Tanks at the Fuel Farm an amount of fuel equal to or greater than the Semi-annual Deficiency, in addition to the Semi-annual Minimum Gallons for the Non-public Notice Period.
- (c) Licensee's cure rights under Section 20.1 shall not apply to the occurrence of any failure to satisfy the Licensee's Minimum Standard to Operate Fuel Tanks under this Section 7.7. Except as provided for in this Section 7.7, any such failure to perform under this Section 7.7 shall constitute an immediate event of default entitling Licensor to exercise its remedies under this License, at law, in equity, or otherwise.
- (d) Licensor reserves the right, in its sole discretion, to decrease the Quarterly Minimum Gallons or the Semi-Annual Minimum Gallons, or temporarily suspend or waive, and then reinstate, the Licensee's Minimum Standard to Operate Fuel Tanks, as Licensor may deem to be necessary or appropriate, in its sole discretion, based upon but not limited to, a *force majeure* event that has prevented Licensee from receiving the minimum quantity of fuel required under this Section 7.7.
- (e) Licensor reserves the right, in its sole discretion, to uniformly increase for all Licensees the Quarterly Minimum Gallons or the Semi-Annual Minimum Gallons effective as of the 1st day of January of 2012

and on the 1st day of January every third (3rd) year thereafter during the Term, provided that Licensor has given Licensee three (3) years prior written notice of the increase.

SECTION 8

USES AND CARE OF THE FUEL FARM

8.1 Licensee shall commence all of its fueling operations at the Fuel Farm on or immediately after the Commencement Date and shall perform such operations in a commercially reasonable manner so as to produce the maximum amount of sales from the Fuel Tanks.

8.2 Licensee shall not use the Fuel Farm or the Fuel Tanks for any purpose other than the purpose authorized by Section 1.1(q). Licensee, without Licensor's prior written consent, shall not store anything in the Fuel Tanks, other than the designated fuel type and grade of fuel authorized in Section 1.1(j), or use the Fuel Farm for any purpose which creates a risk of release of toxic or otherwise Hazardous Substances or increases the insurance premium cost for the Fuel Farm or the Airport or invalidates any insurance policy carried on the Fuel Farm or the Airport, other than the ordinary risk associated with the prudent use of any substantially similar aircraft fuel farm. All fuel kept, stored or maintained in the Fuel Tanks by Licensee, and all other property of Licensee that is maintained or used at the Fuel Farm shall be delivered, kept, stored, maintained, transported, dispensed and otherwise used at Licensee's sole risk. Without limiting the generality of the foregoing, Licensee covenants and agrees that Licensee shall not, nor shall Licensee allow or permit any of Licensee's owners, officers, employees, agents, contractors or other representatives, or any other person for whom Licensee may be responsible or liable (Licensee, together with such other persons and entities being sometimes hereinafter collectively referred to as "**Licensee Parties**"), to cause, directly or indirectly, any release or discharge of any Hazardous Substances (as defined in Section 8.4) at the Fuel Farm or any other portion of the Airport or premises adjacent thereto. Without limiting the generality of the foregoing, Licensee further covenants and agrees that Licensee shall not, nor shall Licensee allow or permit any of the Licensee Parties to, bring into, maintain upon, generate, use, store, dispense or dispose of any Hazardous Substances in or about the Fuel Farm or any other portion of the Airport or premises adjacent thereto, unless such Hazardous Substances are maintained upon, generated, used, stored, dispensed or disposed of only (a) in such quantities as are reasonably necessary for Licensee's operations, (b) in accordance with the standards and instructions of the producer and distributor of such Hazardous Substances and, if fuel, the manufacturer of the Fuel Tanks and in compliance with all applicable laws, and (c) in such a manner as would prevent a release or discharge thereof in violation of applicable laws. Upon request of Licensor at any time, Licensee shall provide Licensor with a written list, certified to by Licensee in writing, identifying any Hazardous Substances then maintained upon, generated, used, stored, dispensed or disposed of at the Fuel Farm or elsewhere at the Airport or premises adjacent thereto by Licensee and the approximate quantity of same, together with a representation that neither Licensee nor any other Licensee Parties have released or discharged any Hazardous Substances in or about the Fuel Farm or any other portion of the Airport or adjacent premises in violation of these provisions, all certified as being true and correct by a duly authorized representative of Licensee. Upon any violation of the foregoing covenants, Licensee shall be obligated, at Licensee's sole cost, to immediately cease such violation and, if any Hazardous Substance has been released or discharged, remediate, clean-up and remove from the Fuel Farm or other portions of the Airport or premises adjacent thereto all such Hazardous Substances; provided, however, that any such remediation, clean-up and removal shall be undertaken only after written notice of the release or discharge has been given by Licensee to Licensor and Licensor has approved the method of remediation, clean-up and removal. Notwithstanding the proceeding or any other provision of this Agreement, the introduction, receipt, delivery, creation, use, storage, dispensing or disposal of any Hazardous Substances at the Fuel Farm or elsewhere at the Airport or premises adjacent thereto, and any remediation, clean-up or removal of released or discharged Hazardous Substances, by or on behalf of Licensee or any other Licensee Parties shall be conducted to the satisfaction of Licensor.

8.3 **INDEMNITY.** LICENSEE SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS THE LICENSOR, ITS OFFICIALS, OFFICERS, EMPLOYEES, AGENTS AND OTHER REPRESENTATIVES, AND THEIR RESPECTIVE HEIRS, SUCCESSORS AND ASSIGNS (TOGETHER, "LICENSOR INDEMNIFIED PERSONS"), FROM AND AGAINST ANY AND ALL CLAIMS, LIABILITIES, LOSSES, JUDGMENTS, DAMAGES (INCLUDING DIRECT, INDIRECT, SPECIAL, CONSEQUENTIAL, AND OTHER DAMAGES), ACTIONS, FINES, PENALTIES, COSTS AND EXPENSES (INCLUDING ATTORNEYS' FEES AND COSTS OF DEFENSE) (TOGETHER, "INDEMNIFIED DAMAGES") INCURRED BY LICENSOR OR OTHER SUCH

LICENSOR INDEMNIFIED PERSONS, OR ANY OF THEM, AS A RESULT OF, ARISING OUT OF, OR IN CONNECTION WITH ANY BREACH OF ANY PROVISION OF SECTION 8.2 OR ANY ACT OR OMISSION OF LICENSEE OR OF ANY OF LICENSEE PARTIES UNDER, RELATED TO, OR IN CONNECTION WITH THE RECEIPT, DELIVERY, STORAGE, MAINTENANCE, TRANSPORTATION, DISPENSING, OR OTHER USE OF ANY HAZARDOUS SUBSTANCES, **INCLUDING ANY INDEMNIFIED DAMAGES CAUSED BY THE NEGLIGENCE OF THE LICENSOR OR ANY OF THE OTHER LICENSOR INDEMNIFIED PERSONS, BUT LICENSEE SHALL HAVE NO DUTY TO INDEMNIFY LICENSOR OR ANY LICENSOR INDEMNIFIED PERSON FOR INDEMNIFIED DAMAGES CAUSED BY THE SOLE NEGLIGENCE OF LICENSOR OR SUCH LICENSOR INDEMNIFIED PERSON, UNLESS THE INSURANCE OF LICENSEE COVERS THE INDEMNIFIED DAMAGES CAUSED BY SUCH SOLE NEGLIGENCE.**

8.4 As used in this Section 8, “**Hazardous Substances**” shall include, without limitation, any and all hazardous or toxic substances, materials, contaminants, pollutants, or wastes pertaining to health or the environment as are identified, defined or listed elsewhere in any applicable local, state and federal ordinances, rules, regulations, laws and statutes, as the same may hereafter be passed, issued, enacted and/or amended, such as asbestos, petroleum products, hazardous materials, hazardous wastes and hazardous and/or toxic substances as defined or used in the Comprehensive Environmental Response, Compensation And Liability Act Of 1980, as amended (42 U.S.C. §9601 Et Seq.) and The Resource Conservation And Recovery Act, as amended (42 U.S.C. §6901 Et Seq.).

8.5 Licensee shall not, nor shall Licensee permit or allow any other Licensee Parties to, (a) cause any damage or waste at or about the Fuel Farm; (b) overload the Fuel Tanks; (c) cause any objectionable or unpleasant odors to emanate from the Fuel Tanks, except odors ordinarily emanating from a substantially similar aircraft fuel farm; (d) take any other action which would constitute a nuisance or would disturb or endanger Licensor, its employees, agents and other representatives, other licensees of the Fuel Farm, other occupants or users of the Airport or any neighbors of the Airport; or (e) permit any unlawful practice to be carried on or committed on the Fuel Farm.

8.6 Licensee shall procure, at its sole expense, any permits and licenses required for the use of the Fuel Farm including, without limitation, any permit or license required by the fire department of Licensor. At Licensor's request, Licensee shall deliver to Licensor copies of all such permits and licenses.

8.7 Only authorized and properly trained personnel of Licensee shall use the Fuel Farm pursuant to Licensee's rights under this License. In addition, if Licensee's business makes it advisable for Licensee to take any extra precautions at the Fuel Farm, Licensee shall take all such extra precautions.

SECTION 9

MAINTENANCE AND REPAIR OF FUEL TANKS AND OTHER EQUIPMENT

9.1 During the Term, Licensee, at Licensee's sole expense, shall maintain, repair and replace, as reasonably and prudently required, all equipment at the Fuel Farm diagonally cross-hatched on Exhibit “F” attached hereto (collectively, the “**Licensee Equipment**”). Without limiting the generality of the forgoing, the Licensee Equipment shall include all fuel loading and unloading equipment, such as hoses, couplings, swivels and such devices used in connection with the Fuel Tanks, and all filters, separators or other filtering medium or such devices related to the Fuel Tanks. With regard to Exhibit “F”, the parties agree that no representation, warranty, or covenant is to be implied by Exhibit “F”. If any such maintenance, repairs or replacements required to be made by Licensee are not made within ten (10) days after written notice delivered to Licensee by Licensor (except in the event of an emergency, in which case such repairs, replacements, changes or upgrades shall be required to be made by Licensee, as quickly as reasonably possible under the circumstances), then Licensor may perform such maintenance, repairs and replacements, and Licensee shall pay to Licensor, on demand, the costs of such maintenance, repairs and replacements, plus 15% for Licensor's overhead, plus interest on such sums). If Licensor elects to perform such maintenance, repairs or replacements, Licensor shall have no liability to Licensee for any loss or damage that may result to Licensee's business by reason of the same.

9.2 Except for the obligations of Licensee to be responsible for the continued maintenance, repairs and replacements of the Licensee Equipment described in Section 9.1 and Licensee's obligations under Section 9.3, and subject to the other obligations of Licensee under this License, Licensor shall at all times keep the Fuel Farm in good condition and repair generally in keeping with the standards of Licensor for the Airport and prevailing industry standards. Licensor, however, shall not be required to make any repairs occasioned by the act, omission, damage or negligence of Licensee, its employees, agents or other representatives, or any other person entering or using the Fuel Farm allegedly through the rights granted to Licensee under this License; and the provisions of the previous sentence are expressly recognized to be subject to the provisions of Section 15 and Section 16 of this License. In the event that the Fuel Tanks or other parts of the Fuel Farm should become in need of repair required to be made by Licensor hereunder, Licensee shall give immediate written notice thereof to Licensor and Licensor shall have a commercially reasonable time after receipt of such written notice in which to make such repairs. The costs of Licensor incurred pursuant to this Section 9.2 shall be included in the Common Area Charge.

9.3 During the Term, Licensee shall keep the Fuel Tanks, and cooperate with Licensor and other licensees of the Fuel Farm in keeping the Fuel Farm sidewalks, service-ways and loading areas, neat, clean and free from debris.

SECTION 10

ALTERATIONS

10.1 Licensee shall not make any installations, alterations or replacements of improvements, fixtures or equipment at the Fuel Farm without the prior written consent of Licensor, which consent may be withheld in Licensor's sole discretion. Without limiting the generality of the immediately preceding sentence, any installation, alteration or replacement consented to by Licensor must be effected strictly in accordance with Licensor's instructions and shall not unreasonably interfere with or disrupt the activities of Licensor or any other licensees of fuel tanks at the Fuel Farm. Licensee shall, promptly following the completion of any installations, alterations or replacements consented to by Licensor, deliver to Licensor "as built" plans and specifications with respect to any such installations, alterations and replacements. Any permitted installation, alteration or replacement which may be made or installed by Licensee in connection with the Fuel Farm shall remain upon and become the property of Licensor on completion of such installation, alteration or replacement; provided, however, that Licensor may request their removal upon the expiration or earlier termination of this License, in which event Licensee shall remove the same and restore the Fuel Farm to its condition immediately preceding such installation, alteration or replacement, ordinary wear and tear excepted and subject to Sections 9.2, 15 and 16, at Licensee's sole cost and expense. In the event that Licensee fails to remove such installation, alteration and replacement from the Fuel Farm within ten (10) days after the date of expiration or earlier termination of this License, Licensor may, at its option, keep or dispose of the same as Licensor shall determine at its sole discretion, without any liability or obligation to Licensee whatsoever. Licensee shall be obligated to reimburse Licensor for any costs incurred by Licensor in removing and disposing of such installation, alteration and replacement, and restoring the Fuel Farm to its original condition immediately preceding such construction, ordinary wear and tear excepted and subject to Sections 9.2, 15 and 16.

10.2 **INDEMNITY.** All construction work done by Licensee on the Fuel Farm shall be performed in a good and workmanlike manner, lien-free and in compliance with all applicable laws, and in such manner as to cause a minimum of interference with other construction in progress at the Fuel Farm or the use of the Fuel Farm by Licensor or any other licensees of fuel tanks at the Fuel Farm. **LICENSEE AGREES TO DEFEND AND INDEMNIFY LICENSOR AND LICENSOR INDEMNIFIED PERSONS AND HOLD LICENSOR AND THE OTHER LICENSOR INDEMNIFIED PERSONS HARMLESS FROM AND AGAINST ANY INDEMNIFIED DAMAGES RESULTING FROM SUCH WORK, INCLUDING ANY INDEMNIFIED DAMAGES CAUSED BY THE NEGLIGENCE OF THE LICENSOR OR ANY OF THE OTHER LICENSOR INDEMNIFIED PERSONS, BUT LICENSEE SHALL HAVE NO DUTY TO INDEMNIFY LICENSOR OR ANY LICENSOR INDEMNIFIED PERSON FOR INDEMNIFIED DAMAGES CAUSED BY THE SOLE NEGLIGENCE OF LICENSOR OR SUCH LICENSOR INDEMNIFIED PERSON, UNLESS THE INSURANCE OF LICENSEE COVERS THE INDEMNIFIED DAMAGES CAUSED BY SUCH SOLE NEGLIGENCE.**

10.3 In the event Licensee uses a general contractor to perform any installations, alterations or replacements on the Fuel Farm, Licensee shall, prior to the commencement of such work, require said general contractor to execute and deliver to Licensor a waiver and release of lien (in form and content reasonably satisfactory to Licensor) of any and all claims against Licensor and liens against the Fuel Farm to which such contractor might at any time be entitled, and to execute and record a Bond to Pay Claims (the “**Bond**”) in accordance with Chapter 53, Subchapter I of the Texas Property Code, as such may be amended, superseded or replaced from time to time, and shall deliver a copy of the recorded Bond to Licensor. The delivery of the waiver and release of lien and the Bond within the time period set forth above shall be a condition precedent to Licensee's ability to enter on and begin its installation, alteration or replacement work on the Fuel Tanks and, if applicable, to any reimbursement from Licensor for Licensee's work.

10.4 In the event that Licensor elects to modify all or any portion of the Fuel Farm, Licensee will cooperate with Licensor during such modification, including Licensee's tolerating temporary inconveniences.

SECTION 11

ACCESS TO FUEL FARM, FUEL TANKS AND EQUIPMENT

11.1 Licensor shall have the right to enter upon the Fuel Farm at any time for any purpose consistent with this License.

11.2 Neither Licensee nor any Licensee Parties shall enter onto the roof of the Fuel Farm.

11.3 Neither Licensee nor any Licensee Parties shall use or manipulate in any manner any fuel tanks at the Fuel Farm (other than the Fuel Tanks), or any equipment used solely therewith.

11.4 Licensor shall have no liability to Licensee for any loss of access by Licensee to the Fuel Farm or the Fuel Tanks by reason of any security requirement, legal requirement, casualty, accident, condemnation, alteration, maintenance, repair, strike, act of God, force majeure, or cause beyond the reasonable control of Licensor.

SECTION 12

UTILITIES

12.1 Failure by Licensor to furnish, or the interruption or termination of utility services in whole or in part, resulting from any security requirement, legal requirement, casualty, accident, condemnation, alteration, maintenance, repair, strike, act of God, force majeure, or cause beyond the reasonable control of Licensor, shall not render Licensor liable in any respect nor be construed as a breach of this License, nor work as an abatement of the Consideration, nor relieve Licensee from the obligation to fulfill any covenant or agreement hereof. Should any of the equipment or machinery used in providing such services for any cause cease to function properly, Licensor shall use reasonable diligence to repair such equipment or machinery but, except as otherwise expressly provided herein, Licensee shall have no claim for offset, abatement of the Consideration, damages or termination of this License on account of an interruption in service thereby or resulting therefrom.

SECTION 13

INSURANCE COVERAGE

13.1 Licensor shall procure and maintain throughout the Term of this License a policy or policies of insurance, causing the Fuel Farm to be insured under standard fire and extended coverage insurance and liability insurance or that which is typically available to a municipality for such purposes in the State of Texas (plus whatever endorsements or special coverages Licensor, at its sole and reasonable discretion, may consider appropriate), to the extent necessary to comply with Licensor's obligations pursuant to the provisions set forth in this License.

13.2 Licensee shall procure and maintain throughout the Term a policy or policies of insurance, at its sole cost and expense to meet or exceed the requirements specified in the then prevailing "Addison Airport Minimum Standards and Requirements For Commercial Aeronautical Service Providers" (the "**Minimum Licensee Insurance Standards**") which may be amended or modified by Licensor from time to time.

13.3 In the event no Minimum Licensee Insurance Standards are known to be in effect, Licensee shall procure and maintain throughout the Term, at the minimum, at its sole cost and expense: (a) a policy or policies of insurance causing the Licensee Equipment and Licensee's personal property at the Fuel Farm to be insured under standard Special Form or similar property insurance; (b) business automobile liability insurance for all owned and non-owned automobiles with a combined single limit of \$5,000,000 for bodily injury and property damage; and (c) commercial general liability insurance insuring Licensee on an occurrence basis against all claims, demands or actions arising out of or in connection with Licensee's use or occupancy of the Fuel Farm, or by the condition of the Fuel Farm. Licensee's commercial general liability policy or policies must provide coverage with a combined single limit of not less than \$5,000,000 per occurrence (with no offset for occurrences on property other than the Fuel Tanks), and Licensee's insurance policy or policies must list Licensor as a loss payee (as to the Special Form or similar property insurance) as to Licensor's interest in any of Licensee's property and as an "Additional Insured" as to all other insurance including, without limitation, the commercial general liability insurance, which shall also name as Additional Insured's any management personnel or company retained by Licensor to operate or manage the Fuel Farm and/or the Airport.

13.4 All such insurance must be written by insurance companies and on forms and with deductibles satisfactory to Licensor, and Licensee's insurance shall be primary (with any policies of Licensor being excess, secondary and non-contributory). If it becomes customary or otherwise a prudent business practice within Licensee's industry to provide insurance policies with limits higher than the foregoing limits or with coverages other than the foregoing coverages, then Licensee will provide Licensor with such additional insurance as may be requested by Licensor. Licensee also agrees to provide and maintain adequate workers' compensation insurance insuring against and satisfying Licensee's obligations and liabilities under the workers' compensation laws of the State of Texas in no less than statutorily required amounts, covering Licensee's agents and employees in the Fuel Tanks, and containing a waiver of subrogation in favor of Licensor.

13.5 **INDEMNITY. LICENSEE** HEREBY INDEMNIFIES, AGREES TO HOLD HARMLESS AND DEFEND LICENSOR AND THE OTHER LICENSOR INDEMNIFIED PERSONS FROM AND AGAINST ANY AND ALL INDEMNIFIED DAMAGES SUFFERED BY LICENSEE OR ANY OF LICENSEE'S EMPLOYEES, AGENTS OR OTHER REPRESENTATIVES AT OR ABOUT THE FUEL FARM WHICH WOULD HAVE BEEN OR IS COVERED BY AN APPROPRIATE WORKERS' COMPENSATION INSURANCE POLICY (AS MAY BE REQUIRED BY LAW TO BE CARRIED BY LICENSEE) AND/OR EMPLOYER'S LIABILITY INSURANCE POLICY, **INCLUDING ANY INDEMNIFIED DAMAGES CAUSED BY THE NEGLIGENCE OF THE LICENSOR OR ANY OF THE OTHER LICENSOR INDEMNIFIED PERSONS, BUT LICENSEE SHALL HAVE NO DUTY TO INDEMNIFY LICENSOR OR ANY LICENSOR INDEMNIFIED PERSON FOR INDEMNIFIED DAMAGES CAUSED BY THE SOLE NEGLIGENCE OF LICENSOR OR SUCH LICENSOR INDEMNIFIED PERSON, UNLESS THE INSURANCE OF LICENSEE COVERS THE INDEMNIFIED DAMAGES CAUSED BY SUCH SOLE NEGLIGENCE.**

13.6 Licensee shall obtain a written obligation on the part of each insurance company to notify Licensor at least thirty (30) days prior to cancellation, non-renewal or modification of all such insurance described above. Such policies or duly executed certificates or other evidence of such insurance (in any event in form and content reasonably satisfactory to Licensor) shall be delivered to Licensor prior to the Commencement Date. Renewals of insurance shall be delivered to Licensor at least thirty (30) days prior to the expiration of the respective policy term(s). If Licensee should fail to comply with the foregoing requirement relating to insurance, Licensor may obtain such insurance on Licensee's behalf, and Licensee shall pay to Licensor on demand as additional Consideration the premium cost plus interest on such additional Consideration at the maximum contractual rate which could legally be charged in the event of a loan of such late Consideration to Licensee (but in no event to exceed 1 ½% per month).

SECTION 14

WAIVER OF LIABILITY; MUTUAL WAIVER OF SUBROGATION

14.1 Licensors and its agents, employees or authorized representatives shall not (a) be liable to Licensee, nor to Licensee's officers, owners, employees, representatives, contractors, agents or visitors, nor to any other person whomsoever, for any injury to person (including, without limitation, death) or damage to or destruction of property caused by the Fuel Tanks or other portion of the Fuel Farm becoming out of repair or by defect or failure of any structural element of the Fuel Tanks or of any equipment, pipes or wiring, or broken glass, or by the backing up of drains, or by fuel, gas, water, steam, electricity or oil leaking, escaping or flowing into the Fuel Tanks or the Fuel Farm, except where due to Licensor's willful acts or gross negligence in failing to maintain or make repairs required to be made hereunder, after the expiration of a reasonable time after written notice to Licensor of the need for such repairs and Licensor failed to remedy said condition; and (b) be liable to Licensee, nor to Licensee's officers, owners, employees, representatives, contractors, agents or visitors, nor to any other person whomsoever, for any loss or damage that may be occasioned by or through the acts or omissions of other licensees of fuel tanks at the Fuel Farm or of any other persons whomsoever, except for the willful misconduct or gross negligence of authorized employees, agents or authorized representatives of Licensor.

14.2 **INDEMNITY.** Licensor shall not be liable to Licensee, any Licensee Parties or any other person for (a) any injury to person (including, without limitation, death) or damage to or destruction of property on or about the Fuel Farm or any other portion of the Airport or premises adjacent thereto caused by the act or omission of Licensee, any Licensee Parties or any other person using the Fuel Farm or any equipment used in connection therewith under the express or implied invitation of Licensee; or (b) events, acts or occurrences arising out of any breach or default by Licensee in the performance of its obligations under this License. LICENSEE AGREES TO AND SHALL DEFEND AND INDEMNIFY LICENSOR AND THE OTHER LICENSOR INDEMNIFIED PERSONS AND HOLD LICENSOR AND THE OTHER LICENSOR INDEMNIFIED PERSONS HARMLESS FROM AND AGAINST ANY AND ALL INDEMNIFIED DAMAGES ARISING OUT OF SUCH INJURY, INDEMNIFIED DAMAGES OR DESTRUCTION, OR INDEMNIFIED DAMAGES CAUSED BY (I) LICENSEE'S PERFORMANCE OF THIS AGREEMENT, (II) THE USE OF THE FUEL FARM, FUEL TANKS, OR ANY OTHER PORTION OF THE AIRPORT OR PROPERTY ADJACENT THERETO BY LICENSEE OR BY ANY LICENSEE PARTIES; (III) THE CONDUCT OF LICENSEE'S BUSINESS OR ANYTHING ELSE DONE OR PERMITTED BY LICENSEE (OR ANY OF LICENSEE PARTIES) TO BE DONE IN OR ABOUT THE FUEL FARM, FUEL TANKS, OR ANY OTHER PORTION OF THE AIRPORT OR PROPERTY ADJACENT THERETO; (IV) ANY MISREPRESENTATION OR BREACH OF WARRANTY BY LICENSEE UNDER THIS AGREEMENT; OR (V) WITHOUT LIMITING ANY OF THE FOREGOING, ANY ACT OR OMISSION OF LICENSEE OR OF ANY OF LICENSEE PARTIES UNDER, RELATED TO, OR IN CONNECTION WITH THIS AGREEMENT, **INCLUDING ANY INDEMNIFIED DAMAGES CAUSED BY THE NEGLIGENCE OF THE LICENSOR OR ANY OF THE OTHER LICENSOR INDEMNIFIED PERSONS, BUT LICENSEE SHALL HAVE NO DUTY TO INDEMNIFY LICENSOR OR ANY LICENSOR INDEMNIFIED PERSON FOR INDEMNIFIED DAMAGES CAUSED BY THE SOLE NEGLIGENCE OF LICENSOR OR SUCH LICENSOR INDEMNIFIED PERSON, UNLESS THE INSURANCE OF LICENSEE COVERS THE INDEMNIFIED DAMAGES CAUSED BY SUCH SOLE NEGLIGENCE.**

14.3 Licensor and Licensee each hereby waives all right of recovery against the other, and releases the other from any and all liability or responsibility to the other, or to any other party claiming through or under them by way of subrogation or otherwise, for any loss or damage to property arising from any cause that is insurable under standard Special Form or similar property insurance or which is required herein to be insured thereby (and each party agrees to obtain an endorsement to that effect in their respective Special Form or similar property insurance policies), **EVEN IF SUCH LIABILITY OR LOSS IS CAUSED BY THE NEGLIGENCE OF THE OTHER PARTY**; provided, however, that this mutual waiver and release is applicable only with respect to any loss or damage occurring during the time when such Special Form or similar property insurance policies which are readily available in the marketplace contain a clause or permitted endorsement to the effect that any such waiver and release does not adversely affect or impair the policy or the right of the insured party to proceeds under such policy and further provided that this waiver and release shall be applicable only to the extent that insurance proceeds are actually paid and collected to cover for such loss or damage and shall not be applicable to the portion of any such

loss or damage which is not reimbursed by the damaged party's insurer because of the "deductible" in the damaged party's insurance coverage. The release specified in this Section 14.3 is cumulative with any releases or exculpations, which may be contained in any other provisions of this License.

SECTION 15

DAMAGES BY CASUALTY

15.1 Licensee shall give immediate written notice to the Licensor of any damage caused to the Fuel Farm or any Fuel Tank by fire or other casualty.

15.2 In the event that the Fuel Farm or any Fuel Tank is damaged or destroyed by fire or other casualty insurable under standard fire and extended coverage insurance, and Licensor does not elect to terminate this License as hereinafter provided, Licensor shall proceed with reasonable diligence and at its sole cost and expense (to the extent that insurance proceeds are available therefore, and provided that Licensee shall reimburse Licensor for any such costs and expenses for which Licensee may be liable under this License) to rebuild and repair the Fuel Farm or any Fuel Tank. In the event (a) the Fuel Farm or any Fuel Tank is destroyed or substantially damaged by a casualty not covered by Licensor's insurance or (b) the Fuel Farm or any Fuel Tank is destroyed or rendered unusable (as determined by Licensor), then Licensor may elect either to terminate this License as to all Fuel Tanks or just the damaged, destroyed or unusable Fuel Tank(s) or to proceed to rebuild and repair the Fuel Farm or any damaged, destroyed or unusable Fuel Tank. Licensor shall give written notice to Licensee of any such election within sixty (60) days' after the occurrence of such casualty and, if Licensor elects to rebuild and repair, shall proceed to do so with commercially reasonable diligence.

15.3 Licensor's obligation to rebuild and repair under this Section 15 shall, in any event, be limited to restoring the Fuel Farm or any Fuel Tank to substantially the condition in which the same existed prior to such fire or other casualty, exclusive of any Licensee Equipment, alterations, additions, improvements, fixtures and other equipment installed by Licensee. Licensee agrees that promptly after completion of such work by Licensor, Licensee will proceed with reasonable diligence and at Licensee's sole cost and expense to restore, repair and replace all Licensee Equipment and all alterations, additions, improvements, fixtures, signs and equipment installed by Licensee.

15.4 Licensee agrees that during any period of reconstruction or repair of the Fuel Farm or any Fuel Tank pursuant to this Section 15, it will continue the operation of its business within the Fuel Farm to the extent practical.

SECTION 16

EMINENT DOMAIN

16.1 If less than all of the Fuel Farm should be taken for any public or quasi-public use under any governmental law, ordinance or regulation or by right of eminent domain or by private purchase in lieu thereof, at Licensor's election, this License shall terminate and Licensor shall credit Licensee for unearned Consideration, if any, effective on the date physical possession is taken by the condemning authority.

16.2 If less than all of the Fuel Farm should be taken for any public or quasi-public use under any governmental law, ordinance or regulation or by right of eminent domain or by private purchase in lieu thereof, and Licensor elects not to terminate this License, Licensor shall make all necessary repairs or alterations to the remaining Fuel Farm and, promptly after completion of such work by Licensor, Licensee shall restore, repair and replace all Licensee Equipment and all alterations, additions, improvements, fixtures, signs and equipment installed by Licensee.

16.3 If all of the Fuel Farm should be taken for any public or quasi-public use under any governmental law, ordinance or regulation or by right of eminent domain or by private purchase in lieu thereof, this License shall terminate effective on the date physical possession is taken by the condemning authority.

16.4 All compensation awarded for any taking (or the proceeds of private sale in lieu thereof) of the Fuel Farm shall be the property of Licensor, and Licensee hereby assigns its interest in any award related to such taking to Licensor.

16.5 Licensee agrees that during any period of reconstruction or repair of the Fuel Farm or any Fuel Tank pursuant to this Section 16, it will continue the operation of its business within the Fuel Farm to the extent practical.

SECTION 17

ASSIGNMENT AND SUBLETTING

17.1 Licensee shall not and has no authority to assign or in any manner transfer this License or any interest herein, sublicense its interest under this License or any part thereof, or grant any license, concession or other right of use of any portion of the Fuel Farm without Licensor's prior written consent, which may be withheld in Licensor's sole discretion. Any attempted assignment or transfer, or any attempt to grant any sublicense, concession or other right of use, in violation of the preceding sentence shall be null and void, *ab initio*. In determining whether or not to grant its consent, Licensor shall be entitled to take into consideration all factors including, without limitation, Licensor's desired Licensee mix, the reputation and net worth of the proposed transferee, purported intent and use of the facilities by the proposed transferee (even beyond what is specified in Section 1.1(q)) and the then-current market conditions (including market consideration). In addition, Licensor shall also be entitled to charge an assignment fee for processing and considering, but not necessarily consenting to, Licensee's request. Consent by Licensor to one or more assignments, transfers, or sublicenses shall not constitute a novation or waiver of Licensor's rights as to any subsequent assignments, transfers, and sublicenses. If Licensor consents, any unexercised extension options of Licensee described on Exhibit "D" attached hereto shall be deemed null and void, *ab initio*, and of no force or effect.

17.2 If Licensee is a corporation, partnership or other entity (other than a publicly traded entity), and if at any time during the Term of this License the person or persons who own a majority of either the outstanding voting rights or controlling interests of Licensee at the time of the execution of this License cease for any reason to own a majority of such voting rights or controlling interests (except as a result of transfers by devise or descent) of Licensee, the loss of a majority of such voting rights or controlling interests shall be deemed an assignment of this License by Licensee and, therefore, subject in all respects to the provisions of Section 17.1 above. For purposes hereof, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities or partnership interests, by contract, or otherwise. Licensee shall give to Licensor, upon Licensor's request, a list of such person or persons.

17.3 Any assignee or other transferee of an interest in and to this License shall be deemed, by acceptance of such assignment or other transfer or by use of the Fuel Farm, to have assumed all of the obligations set forth in or arising under this License. Such assumption shall be effective as of the earlier of the date of such assignment or other transfer, or the date on which the assignee or other transferee commences use of the Fuel Farm.

17.4 Notwithstanding any assignment, other transfer or subletting, Licensee shall at all times remain fully responsible and liable for the payment of the Consideration herein specified and for compliance with all of its other obligations under this License (even if future assignments, transfers and sublicenses occur subsequent to the assignment, transfer or sublicensing by Licensee, and regardless of whether or not Licensee's approval has been obtained for such future assignments, transfers and sublicensing). In the event that for any reason any assignment or transfer, or sublicense, concession or other right of use of any portion of the Fuel Farm, prohibited by this Section 17 is consummated without the prior written consent of Licensor, or if an assignment, sublicense or other transfer by Licensee is permitted by Licensor, and the consideration paid and/or payable by an assignee, transferee, sublicensee or other user by reason of this License exceeds the Consideration paid payable under this License, then Licensee shall be bound and obligated to pay Licensor all such excess consideration within ten (10) days following receipt thereof by Licensee from such assignee, transferee, sublicensee or other user. Finally, in the event of any assignment or transfer, or sublicense, concession or other right of use of any portion of the Fuel Farm, whether permitted by Licensor or otherwise consummated without Licensor's consent, it is understood and agreed that all consideration paid to Licensee by the assignee, transferee, sublicensee or other user shall be received by Licensee in trust for Licensor to be forwarded immediately to Licensor without offset or reduction of any kind, and upon election by Licensor such consideration shall be paid directly to Licensor as specified in Section 4.2 of this License (to be applied as a credit and offset to Licensee's Consideration obligation).

17.5 Licensee shall not and has no authority to mortgage, pledge or otherwise encumber its interest in this License, without the prior written consent of Licensor, which consent may be withheld in Licensor's sole discretion.

Any such mortgage, pledge or other encumbrance in violation of the preceding sentence shall be null and void, *ab initio*.

17.6 In the event of the transfer and assignment by Licensor of its interest in this License to a person or persons expressly assuming Licensor's obligations under this License, Licensor shall thereupon be released from any further obligations hereunder, and Licensee agrees to look solely to such successor in interest of the Licensor for performance of such obligations. Any security given by Licensee to secure performance of Licensee's obligations hereunder may be assigned and transferred by Licensor to such successor in interest and Licensor shall thereby be discharged of any further obligation relating thereto.

SECTION 18

ESTOPPELS

18.1 Licensee agrees that it will, from time to time upon request by Licensor, execute and deliver to Licensor a written statement addressed to Licensor (or to a party designated by Licensor), which statement shall identify Licensee and this License, shall certify that this License is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as so modified), shall confirm that Licensor is not in default as to any obligations of Licensor under this License (or if Licensor is in default, specifying any default), shall confirm Licensee's agreements contained in this License, and shall contain such other information or confirmations as Licensor may reasonably request. Licensor is hereby irrevocably appointed and authorized as the agent and attorney in fact of Licensee to execute and deliver any such written statement on Licensee's behalf if Licensee fails to do so within fourteen (14) business days after the delivery of a written request from Licensor to Licensee.

SECTION 19

NON-COMPETE

19.1 Licensee covenants and agrees that during the Term of this License, neither Licensee nor any person, firm or corporation, directly or indirectly controlling, controlled by or under common control with Licensee (and also, in the event Licensee is a corporation, if any officer or director thereof or shareholder owning more than ten percent (10%) of the outstanding stock thereof, or parent, subsidiary or related or affiliated corporation) either directly or indirectly shall operate or commence operation of any facility selling or that otherwise offers for sale any aircraft fuel of the type to be used by Licensee in the Fuel Tanks or similar or related items, or in any manner competes with the business of the Fuel Farm, within a straight-line radius of seven (7) miles of the Fuel Farm, which Licensee acknowledges is a reasonable area for the purpose of this provision. It is acknowledged that Licensor will incur damages by reason of the diversion of business from the Fuel Tanks and Fuel Farm to such other facility within such radius, as a proximate result of the establishment of such other facility.

SECTION 20

DEFAULT AND REMEDIES

20.1 Default by Licensee. The following events shall be deemed to be events of default by Licensee under this License:

- (a) Licensee shall fail to pay when due any Base Fee or other sum of Consideration including, but not limited to, Licensee's Additional Fee or adjusted Additional Fee and Fuel Flowage Fees as required to be paid by Licensee to Licensor under this License (hereinafter sometimes referred to as a "**Monetary Default**").
- (b) Licensee shall fail to comply with any term, provision or covenant of this License (other than a Monetary Default) and shall not cure such failure within thirty (30) days after delivery to Licensee notice of the occurrence of such default.

- (c) Licensee shall become insolvent, or shall make a transfer in fraud of creditors, or shall seek relief under Title 11 of the Bankruptcy Code (defined in Section 20.3 below) or shall make an assignment for the benefit of creditors, or Licensee shall admit in writing its inability to pay its debts as they become due.
- (d) Licensee shall file a petition under any section or chapter of the Bankruptcy Code, as amended, pertaining to bankruptcy or under any similar insolvency or debtor-relief law or statute of the United States or any state thereof, or Licensee shall be adjudged bankrupt or insolvent in proceedings filed against Licensee thereunder; or an involuntary case is commenced under 11 U.S.C. § 303 as amended or an insolvency, receivership or any similar proceedings are commenced under Federal or State law and such proceedings are not fully and finally dismissed, or a petition or answer proposing the adjudication of Licensee as bankrupt or its reorganization under any present or future federal or state bankruptcy or similar insolvency or debtor-relief law shall be filed in any court and such petition or answer shall not be discharged or denied within sixty (60) days after the filing thereof.
- (e) A receiver or trustee shall be appointed for all or substantially all of the assets of Licensee, or for the Fuel Tanks or any of Licensee's property located therein, in any proceeding brought by Licensee; or any such receiver or trustee shall be appointed in any proceeding brought against Licensee and shall not be discharged within sixty (60) days after such appointment or Licensee shall consent to or acquiesce in such appointment.
- (f) The license hereunder shall be revoked upon execution or other process of law in any action against Licensee.
- (g) The liquidation, termination or default of a lease, license or other written agreement with the Town of Addison, dissolution, forfeiture of right to do business or death of Licensee.

20.2 Remedies of Licensor. Upon the occurrence of any event of default by Licensee under this License, Licensor may:

- (a) immediately terminate this License and at the expense and liability of the Licensee, alter or change any or all locks or other security or power devices controlling access to the Fuel Farm or Fuel Tanks without posting or giving notice of any kind to Licensee.
- (b) do whatever Licensee is obligated to do under the terms of this License; and Licensee agrees to reimburse Licensor on demand for any expense which Licensor may incur in thus effecting compliance with Licensee's obligations under this License together with interest at the lesser of (i) the maximum rate permitted under applicable law or (ii) eighteen percent (18%) per annum.

20.3 Event of Bankruptcy. In addition to, and in no way limiting the other remedies set forth in this Section 20, Licensor and Licensee agree that if Licensee ever becomes the subject of a voluntary or involuntary bankruptcy, reorganization or other similar type proceeding under the federal bankruptcy laws, as now enacted or hereinafter amended, then:

- (a) "adequate protection" and "adequate assurance" of Licensor's interest under this License pursuant to the provisions of Sections 361, 362, 363, 364 and 365 (or their successor sections) of the Bankruptcy Code, 11 U.S.C. Paragraph 101, et seq. (such Bankruptcy Code as amended from time to time being herein referred to as the "**Bankruptcy Code**"), prior to assumption and/or assignment of this License by Licensee shall include, but not be limited to, all or any part of the following:
 - (1) curing all monetary and non-monetary defaults, including, without limitation, payment of attorneys' fees incurred by Licensor related to enforcing the terms and conditions of this License and the continued payment by Licensee of the Base Fee and all other Considerations due and owing hereunder and the performance of all other covenants and obligations hereunder by Licensee;
 - (2) the furnishing of an additional and/or new security deposit by Licensee in the amount of three (3) times the then-current monthly Base Fee and other Considerations payable hereunder; and

(3) in addition, the Licensee shall provide financial statements evidencing the financial condition and operating performance of any proposed assignee and guarantors, if any, which is sufficient to show that the proposed assignee is capable of performing in Licensor's sole discretion, all of the Licensee's obligations under the terms and conditions of this License, including, without limitation, the "adequate assurance" and "adequate protection" requirements set forth herein.

(b) in the event Licensor consents, in its sole discretion, to the assignment of this License, any person or entity, to which this License is assigned pursuant to the provisions of the Bankruptcy Code, shall be deemed without further act or deed to have assumed all of the obligations of Licensee arising under this License on and after the effective date of such assignment, including, without limitation, adequate protection and adequate assurance requirements under Section 20.3(a). Any such assignee shall, upon demand by Licensor, execute and deliver to Licensor an instrument confirming such assumption of liability, along with applicable guaranties of any principals of the assignee.

(c) notwithstanding the prohibition against assignment contained in Section 17.1 herein, if this License is assigned to any person or entity pursuant to the provisions of the Bankruptcy Code, any and all monies or other considerations payable or otherwise to be delivered to Licensor including Base Fees and other Considerations hereunder, shall be and remain the exclusive property of Licensor and shall not constitute property of Licensee or of the bankruptcy estate of Licensee. Any and all monies or other considerations constituting Licensor's property under the preceding sentence not paid or delivered to Licensor shall be held in trust by Licensee or Licensee's bankruptcy estate for the benefit of Licensor and shall be promptly paid to or turned over to Licensor.

(d) to the extent permitted by law, Licensor and Licensee agree that this License is a contract under which applicable law excuses Licensor from accepting performance from, or rendering performance to, any person or entity other than Licensee within the meaning of the Bankruptcy Code, 11 U.S.C. Paragraph 101, et seq.

20.4 No Waiver. The following do not constitute a waiver of any rights Licensor may have under the License: (a) failure of Licensor to declare any default immediately upon its occurrence, or delay in taking any action in connection with an event of default, shall not constitute a waiver of such default, nor shall it constitute an estoppel against Licensor, but Licensor shall have the right to declare the default at any time and take such action as is lawful or authorized under this License; (b) failure by Licensor to enforce its rights with respect to any one default shall not constitute a waiver of its rights with respect to any subsequent default; (c) receipt by Licensor of Licensee's keys to the Fuel Tanks or the Fuel Farm shall not constitute a termination of this License; and (d) no payment by Licensee or receipt by Licensor of (i) a lesser amount than the Consideration due under this License shall be deemed to be other than on account of the earliest Consideration due hereunder; and (ii) any endorsement or statement on any check or any letter accompanying any check or payment as Consideration shall not be deemed an accord and satisfaction and Licensor may accept such check or payment without prejudice to Licensor's right to recover the balance of such Consideration or pursue any other remedy in this License provided.

20.5 Remedies Cumulative. No right or remedy herein conferred upon or reserved to Licensor is intended to be exclusive of any other right or remedy it may have, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder or now or hereafter existing by agreement, applicable law, common law, in equity, or otherwise. In addition to other remedies provided in this License, Licensor shall be entitled, to the extent permitted by applicable law, but without the requirement of a bond or evidence of irreparable harm, to injunctive relief in case of the violation, or attempted or threatened violation, of any of the covenants, agreements, conditions or provisions of this License, or to a decree compelling performance of any of the other covenants, agreements, conditions or provisions of this License, or to any other remedy allowed to Licensor by law, common law, in equity, or otherwise.

20.6 Evidence of Termination. To the extent any provision of applicable law requires some action by Licensor to evidence or effect the termination of this License or to evidence the termination of Licensee's right of occupancy, Licensee and Licensor hereby agree that written notice by Licensor to Licensee or to any of Licensee's agents, servants or employees, which states, in substance, that Licensor has elected to and has terminated this License, shall be sufficient to evidence and effect the termination herein provided for.

20.7 Licensor Default. Licensee shall not exercise any remedy for any breach or default by Licensor under this License without first giving written notice of such breach or default to Licensor and a commercially reasonable opportunity to cure such breach or default of not less than thirty (30) days from the date Licensor receives such notice.

SECTION 21

HOLDING OVER

21.1 In the event Licensee continues use of the Fuel Farm after the termination or expiration of this License and without the execution of a new license, it will be deemed to be using the Fuel Farm as a licensee under a license terminable at will at a daily fee equal to the Consideration herein provided plus one hundred percent (100%) of such amount, pro-rated on a daily basis, otherwise subject to all the conditions, provisions and obligations of this License insofar as the same are applicable to a license terminable at will.

SECTION 22

EXPIRATION OR TERMINATION OF LICENSE

22.1 Immediately prior to the expiration or earlier termination of Licensee's right to use the Fuel Farm pursuant to this License, Licensee shall:

- a) deliver the Fuel Tanks back to Licensor in good repair, excepting reasonable wear and tear and losses required to be restored by Licensor provided for in Section 9.1, Section 15 and Section 16;
- b) completely remove all sludge, solids, and residual substances from inside of the Fuel Tanks, piping and filtration devices in accordance with state and federal guidelines;
- c) dispose of tank bottom sludge according to state and federal laws and regulations;
- d) remove and replace all filters, separators or other filtering medium or such devices typically required under Section 9.1;
- e) secure the Fuel Tanks by bolting and locking all manways, valves and cap or plug fill lines, gauge openings or pump lines; and
- f) take all other actions reasonably necessary to empty, secure and stabilize the Fuel Tanks as instructed by Licensor.

22.2 On the surrender of the Fuel Tanks at the expiration or earlier termination of this License, Licensee shall give Licensor at least seventy-two (72) hours advance notice that the Fuel Tanks are ready for Licensor's inspection and acceptance. Upon this notification, Licensor shall then inspect the Fuel Tanks and call for the inspection by the Town of Addison Fire Department and any other regulatory entity having jurisdiction over such matters. Licensee agrees to remedy, at first reasonable opportunity, any exception or exceptions reported as a result of said inspections. Once all exceptions have been resolved and accepted by Licensor, Licensor shall deliver written notice to Licensee that Licensor has accepted the surrender of the Fuel Tanks pursuant to this Section 22, and Licensee's right to access and use of the Fuel Tanks and Fuel Farm is terminated.

SECTION 23

NOTICES

23.1 Wherever any notice is required or permitted hereunder, such notice shall be in writing. Any notice or document required or permitted to be delivered hereunder shall be deemed to be delivered when actually received by the designated addressee or, if earlier and regardless of whether actually received or not, when deposited in the United States mail, postage prepaid, certified mail, return receipt requested, addressed to the parties hereto at the respective addresses set out in Section 1.1 above, or at such other address as they might specify by written notice.

23.2 If and when included within the term "Licensor" as used in this License there are more than one person, firm or corporation, all shall jointly arrange among themselves for their joint execution of such notice specifying some individual at some specific address for the receipt of notices and payments to the Licensor; if and when included within the term "Licensee" as used in this instrument there are more than one person, firm or corporation, all shall jointly arrange among themselves for their joint execution of such a notice specifying some individual at some specific address for the receipt of notices and payments to Licensee. All parties included within the terms "Licensor" and "Licensee", respectively, shall be bound by notices and payments given in accordance with the provisions of this Section. 23.2 to the same effect as if each had received such notice or payment. In addition, Licensee agrees that Licensor's attorney, property manager or other agent may give notices to Licensee on Licensor's behalf.

SECTION 24

COMMISSIONS

24.1 EACH PARTY HERETO REPRESENTS TO THE OTHER THAT IT HAS NOT AUTHORIZED ANY BROKER OR FINDER TO ACT ON ITS BEHALF IN CONNECTION WITH THE NEGOTIATION AND EXECUTION OF THIS LICENSE, AND LICENSOR AND LICENSEE EACH AGREE TO INDEMNIFY, DEFEND AND HOLD HARMLESS THE OTHER FROM AND AGAINST ANY AND ALL INDEMNIFIED DAMAGES ARISING OUT OF OR RESULTING FROM ANY AGREEMENT, ARRANGEMENT OR UNDERSTANDING MADE OR ALLEGED TO HAVE BEEN MADE BY SUCH INDEMNIFYING PARTY WITH ANY SUCH OTHER BROKER OR FINDER IN CONNECTION WITH THIS LICENSE, INCLUDING ANY SUCH CLAIM, LOSS, DAMAGE, COST OR EXPENSE ARISING OUT OF THE NEGLIGENCE OF THE INDEMNIFIED PARTY, PROVIDED THAT INDEMNIFYING PARTY SHALL HAVE NO DUTY TO INDEMNIFY THE INDEMNIFIED PARTY FOR INDEMNIFIED DAMAGES CAUSED BY THE SOLE NEGLIGENCE OF THE INDEMNIFIED PARTY.

SECTION 25

CHANGES DUE TO LEGAL REQUIREMENTS

25.1 If for any reason the Fuel Farm was not constructed in compliance with any legal requirements in existence at the time of construction, Licensor shall have no liability to Licensee or any Licensee Parties as a result thereof, except that Licensor shall have a reasonable period of time after notification from Licensee of such noncompliance to cause the Fuel Farm to comply with such legal requirements. If there are any changes to such legal requirements after the date of completion of Licensor's construction of the Fuel Farm that require changes thereto, Licensor shall have a reasonable period of time after notification from Licensee to make such changes. All costs incurred by Licensor in causing the Fuel Farm to comply with applicable laws may be included in the Common Area Charge.

SECTION 26

APPLICABLE LAWS

26.1 Licensors and Licensees acknowledge that there are in effect federal, state, county and municipal laws, rules, regulations, standards, and policies (together, "laws") and that the same may hereafter be modified or amended and additional laws may hereafter be enacted or go into effect, relating to or affecting the Fuel Farm or the Fuel Tanks. Licensee shall not cause, or permit or allow the Licensee Parties to cause, any violation of any applicable laws. Moreover, Licensee shall have no claim against Licensor by reason of any changes Licensor may make in the Fuel Farm or the Fuel Tanks required by any applicable laws or any charges imposed upon Licensee, Licensee's customers or other invitees as a result of applicable laws.

26.2 If any provision in this License is held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this license shall not be affected thereby.

26.3 Licensee hereby acknowledges that Licensor is bound by the terms and conditions of any and all Federal Aviation Administration, Texas Department of Transportation, and other grant agreements, grant assurances and regulations regarding the Airport, and the terms of any grant, loan, regulation, or agreement under Section 22.055 of the Texas Transportation Code, as amended or superseded, whether now existing or made in the future. Without limiting the generality of Section 26.1, Licensee agrees not to take any action or omit to take any action in relation to the Fuel Farm that would cause Licensor to be in violation of such terms, conditions, agreements, assurances, regulations, grant or loan.

26.4 Licensor and Licensee hereby specifically acknowledge that U.S. Code of Federal Regulations Title 40 Part 112 – *Oil Pollution Prevention*, governs the conduct of the parties under the License. Licensor and Licensee hereby further specifically acknowledge that the National Fire Protection Association, Inc. (NFPA) 407, *Standard for Aircraft Fuel Servicing*, governs the conduct of the parties under the License. Without limiting the generality of Section 26.1, Licensee agrees not to take any action or omit to take any action in relation to the Fuel Farm that would cause Licensor to be in violation of such regulations or standards.

26.5 If, by reason of any applicable laws, the payment to, or collection by, Licensor of any Consideration or other charges payable by Licensee to Licensor pursuant to the provisions of this License is in excess of the amount (the "**Maximum Charge**") permitted by laws, then Licensee, during the period when such laws shall be in force and effect (the "**Freeze Period**"), shall not be required to pay, nor shall Licensor be permitted to collect, any sum in excess of the Maximum Charge. Upon the earlier of (i) the expiration of the Freeze Period, or (ii) the issuance of a final order or judgment of a court of competent jurisdiction declaring such laws to be invalid or not applicable to the provisions of this License, Licensee, to the extent not then proscribed by applicable law, and commencing with the first day of the month immediately following, shall pay to Licensor as additional Consideration, prorated in equal monthly installments over the balance of the Term of this License, a sum equal to the cumulative difference between the Maximum Charge and such Consideration or other charge during the Freeze Period. If any provision of this Section 26.5, or the application thereof, shall to any extent be declared to be invalid and unenforceable, the same shall not be deemed to effect the validity and enforceability of any of the other provisions of this Section 26.5 or of this License, all of which shall remain in effect to the fullest extent permitted by law.

SECTION 27

MANDATORY NON-BINDING MEDIATION

27.1 The parties have entered into this License in the belief that it is mutually advantageous to them. It is with that same spirit of cooperation that they pledge to attempt to resolve any dispute (unless the Dispute involves an event of default of a payment obligation under this License) amicably without the necessity of litigation. Accordingly, they agree if any dispute arises between them relating to this License (the "**Dispute**"), they will first utilize the following procedures specified in this Section 27 (the "**Procedure**") before resorting to any court proceedings, unless the lack of immediate court proceedings would cause irreparable harm without an adequate remedy at law:

(a) The party seeking to initiate the Procedure (the “**Initiating Party**”) will give Notification to the other party. The Notification must describe in general terms the nature of the Dispute and the Initiating Party’s requested relief. Additionally, the Notification must identify one or more individuals with authority to settle the Dispute on the Initiating Party’s behalf. The party receiving the Notification (the “**Responding Party**”) will have five (5) business days within which to designate by reply Notification to the Initiating Party one or more individuals with authority to settle the Dispute on the Responding Party’s behalf. The individuals so designated will be known as the “**Authorized Individuals**”. The Initiating Party and the Responding Party will collectively be referred to as the “**Disputing Parties**” or individually as a “**Disputing Party**”.

(b) The Authorized Individuals may investigate the Dispute as they deem appropriate, but they agree to promptly, and in no event not later than fourteen (14) days from the date of the Initiating Party’s Notification, meet to discuss the resolution of the Dispute. The Authorized Individuals will meet at the times and places and with the frequency as they may agree. If the Dispute has not been resolved within fourteen (14) days from their initial meeting date, the Disputing Parties will cease direct negotiations and will submit the Dispute to mediation in accordance with the following procedure:

(i) The Authorized Individuals will have five (5) business days from the date they cease direct negotiations to submit to each other by Notification a written list of acceptable qualified attorney-mediators not affiliated with any party. Within five (5) days from the date the list is received, the Authorized Individuals will rank the mediators in numerical order of preference and exchange the rankings. If one or more names are on both lists, the highest-ranking person will be designated as the mediator. If no mediator has been selected under this procedure, the Disputing Parties agree jointly to request a state district or federal district judge of their choosing, from the State of Texas, to supply a list of potential qualified attorney-mediators. Within five (5) days from the date the list is received, the Authorized Individuals will rank the mediators in numerical order of preference and exchange the rankings. If one or more names are on both lists, the highest-ranking person will be designated as the mediator. If no mediator has been selected under this procedure, either of the Disputing Parties may unilaterally request a local state district judge for Dallas County, Texas, to supply the list. Within five (5) business days from the date the list is received, the Authorized Individuals will again rank the proposed mediators in numerical order of preference and will simultaneously exchange the list and will select as the mediator the individual receiving the highest combined ranking. If the mediator is not available to serve, they will proceed to contact the mediator who was next highest in ranking until they are able to select a mediator.

(ii) In consultation with the mediator selected, each Disputing Party will cause its Authorized Individual to cooperate with the other Authorized Individual in promptly designating a mutually convenient time and place for the mediation. Unless circumstances require otherwise, the time for mediation shall not be later than thirty (30) days after selecting the mediator.

(iii) If any Disputing Party has substantial need for information in another Disputing Party’s possession or control in order to prepare for the mediation, all Disputing Parties will attempt to agree to procedures to expeditiously request and exchange the information and the scope of such request with the mediator’s help if required.

(iv) At least seven (7) days before the first scheduled mediation session, each Disputing Party will deliver to the mediator, and by Notification deliver to the other Disputing Party, a general and concise written summary of its views on the Dispute and any other matters required by the mediator. The mediator may also request that a confidential issue paper be submitted by each Disputing Party to the mediator.

(v) In the mediation, each Disputing Party will be represented by its Authorized Individual and may also be represented by counsel. In addition, each Disputing Party may, with the mediator’s permission and subject to the confidentiality provisions of this Section 27, bring additional persons as needed to respond to questions, contribute information and participate in the negotiations.

(vi) The mediator will determine the format for the meetings. The format must be designed to insure that (A) both the mediator and the Authorized Individuals have an opportunity to hear an

oral presentation of each Disputing Party's views on the Dispute, and (B) the Authorized Individuals attempt to negotiate to resolve the Dispute, with or without the assistance of counsel or others permitted to attend, but with the mediator's assistance. To this end, the mediator is authorized to conduct both joint meetings and separate private caucuses with the Disputing Parties. The mediation session will be private and the Disputing Parties agree to not disclose or release any information to third-parties (except as allowed under Subsection (x) below). The Parties will require the mediator to keep confidential all information learned in private caucus with any Disputing Party unless specifically authorized by the Disputing Party to disclose the information to the other Disputing Party. The Disputing Parties commit to participate in the proceedings with the intention of resolving the Dispute if at all possible.

(vii) The Disputing Parties agree to participate in the mediation procedure to its conclusion. The mediation will be terminated by (a) executing a settlement agreement between the Disputing Parties, (b) declaring to the mediator that the mediation is terminated, or (c) a Disputing Party declaring in writing that the mediation process is terminated when one (1) full day's mediation session is concluded.

(viii) Even if the mediation is terminated without the resolution of the Dispute, the Disputing Parties agree not to terminate negotiations and not to commence any court proceedings before five (5) days following the termination of the mediation. In any event, any Disputing Party may terminate the mediation procedure if the other Disputing Party fails to comply with this Procedure or if any claim in the Dispute, in the absence of such termination, could be barred by any applicable statute of limitations.

(ix) The mediator's fees and expenses will be shared equally among the Disputing Parties. The mediator will be disqualified as a witness, consultant, expert, or counsel for any Disputing Party with respect to the Dispute and any related matters.

(x) Mediation is a compromise and offer to compromise subject to Rule 408 of the Texas and Federal Rules of Evidence. The entire mediation process is confidential, and no stenographic, visual or audio record will be made. Subject to Rule 408 of the Texas and Federal Rules of Evidence, all conduct, statements, promises, offers, views and opinions, whether oral or written, made in the course of the mediation by any Disputing Party, their Authorized Individuals or any of their agents, employees, representatives or other invitees and by the mediator are confidential and, in addition and where appropriate, will be deemed privileged, and shall not be disclosed to anyone who is not (A) a party's agent, employee, expert, witness, or representative and (B) bound by the same confidentiality standards as the parties hereto. Evidence otherwise discoverable or admissible, however, is not excluded from discovery or admission as a result of its use in the mediation.

SECTION 28

MISCELLANEOUS

28.1. **INDEMNITY.** LICENSEE SHALL ALSO DEFEND AND INDEMNIFY LICENSOR AND THE LICENSOR INDEMNIFIED PERSONS AGAINST AND HOLD LICENSOR AND THE LICENSOR INDEMNIFIED PERSONS HARMLESS FROM ALL COSTS, EXPENSES, DEMANDS AND LIABILITY LICENSOR OR THE LICENSOR INDEMNIFIED PERSONS MAY INCUR IF LICENSOR OR ANY OF THE LICENSOR INDEMNIFIED PERSONS BECOME OR ARE MADE A PARTY TO ANY CLAIM OR ACTION (A) INSTITUTED BY LICENSEE AGAINST ANY THIRD PARTY, OR BY ANY THIRD PARTY AGAINST LICENSEE, OR AGAINST ANY PERSON HOLDING ANY INTEREST UNDER OR USING THE FUEL FARM BY LICENSE OR BY AGREEMENT WITH LICENSEE; (B) FOR FORECLOSURE OF ANY LIEN FOR LABOR OR MATERIAL FURNISHED TO OR FOR LICENSEE OR SUCH OTHER PERSON; (C) OTHERWISE ARISING OUT OF OR RESULTING FROM ANY ACT, OMISSION OR TRANSACTION OF LICENSEE, ANY OF LICENSEE PARTIES, OR SUCH OTHER PERSON; OR (D) NECESSARY TO PROTECT LICENSOR'S INTEREST UNDER THIS LICENSE IN A BANKRUPTCY

PROCEEDING, OR OTHER PROCEEDING UNDER THE BANKRUPTCY CODE, 11 U.S.C. PARAGRAPH 101, ET SEQ., INCLUDING SUCH COSTS, EXPENSES, DEMANDS, AND LIABILITIES AS ARE OR MAY BE CAUSED BY THE NEGLIGENCE OF THE LICENSOR OR ANY OF THE LICENSOR INDEMNIFIED PERSONS, BUT LICENSEE SHALL HAVE NO DUTY TO INDEMNIFY LICENSOR OR ANY LICENSOR INDEMNIFIED PERSON FOR INDEMNIFIED DAMAGES CAUSED BY THE SOLE NEGLIGENCE OF LICENSOR OR SUCH LICENSOR INDEMNIFIED PERSON, UNLESS THE INSURANCE OF LICENSEE COVERS THE INDEMNIFIED DAMAGES CAUSED BY SUCH SOLE NEGLIGENCE.

28.2 Nothing in this License shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture or joint enterprise between the parties hereto, it being understood and agreed that neither the method of computation of Consideration, nor any other provision contained herein, nor any acts of the parties hereto, shall be deemed to create any relationship between the parties hereto other than the relationship of Licensor and Licensee.

28.3 Licensee shall not, for any reason, withhold or reduce Licensee's required payments of Consideration and other charges provided in this License, it being agreed that the obligations of Licensor under this License are independent of Licensee's obligations except as may be otherwise expressly provided herein.

28.4 Licensee shall deposit the Security Deposit with Licensor upon Licensee's execution of this Lease. Licensor shall hold the Security Deposit without interest as security for the performance by Licensee of Licensee's covenants and obligations under this License. Licensor shall not be required to keep the Security Deposit separate from its other accounts and no trust relationship is created with respect to the Security Deposit. The Security Deposit is not an advance payment of rental or a measure of liquidated damages in case of an event of default by Licensee. Upon the occurrence of an event of default by Licensee, Licensor, from time to time, in addition to and without prejudice to any other remedy provided herein or provided by law, may use the Security Deposit to the extent necessary to make good any arrearages of Consideration and any other damage, injury, expense or liability caused to Licensor by any events of default by Licensee. If at any time during this License the Security Deposit then being held by Licensor is less than one monthly installment of the Base Fee plus the then prevailing Additional Fee, Licensee will be required to make an additional payment to Licensor so that the Security Deposit being held by Licensor is always equal to one monthly installment of the Base Fee plus the then prevailing Additional Fee. If an event of default by Licensee does not exist, and no condition exists, which, with the passage of time or the giving of notice, or both, would constitute an event of default, when this License expires or terminates, any remaining balance of such Security Deposit not used by Licensor in accordance with this License and applicable law shall be returned by Licensor to Licensee at the last address of Licensee according to the records of Licensor within a commercially reasonable time following such expiration or termination. Licensee's actual or attempted assignment, transfer, or encumbrance of the Security Deposit will not bind Licensor.

28.5 One or more waivers of any covenant, term or condition of this License by either party shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition. The consent or approval by either party to or of any act by the other party requiring such consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act.

28.6 If any provision of this License is held to be illegal, invalid, or unenforceable, under present or future governmental laws, rules, or regulations, such provision shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision is not a part hereof, and the remaining provisions shall remain in full force and effect. Licensee shall not record this License or any memorandum or short form hereof, nor shall Licensee permit or cause this License or any memorandum or short form hereof to be recorded. Any attempt at recordation of this License or of a memorandum or short form hereof by Licensee without having first obtained Licensor's written approval shall, at Licensor's option, constitute an automatic event of default by Licensee and, at Licensor's option, may void this License and Licensee's rights hereunder.

28.7 THE LAWS OF THE STATE OF TEXAS (WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS) SHALL GOVERN THE INTERPRETATION, VALIDITY, PERFORMANCE AND ENFORCEMENT OF THIS LICENSE. THIS LICENSE IS PERFORMABLE IN DALLAS COUNTY, TEXAS. 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.

28.8 The captions used herein are for convenience only and do not limit or amplify the provisions hereof.

28.9 Whenever herein the singular number is used, the same shall include the plural, and words of any gender shall include each other gender.

28.10 The terms, provisions and covenants contained in this License shall apply to, inure to the benefit of and be binding upon the parties and their respective heirs, successors in interest, legal representatives and permitted assigns except as otherwise herein expressly provided. Neither party shall be bound by this License in any way until both parties have executed this License and each party has received a copy of this License duly executed by the other. No provision of this License is intended to inure to the benefit of any third party.

28.11 This License and the schedules, riders and exhibits attached, if any (all of which are hereby incorporated by reference herein and made a part hereof), together with the rules and regulations adopted and promulgated by Licensor pursuant to the provisions of this License, contain the entire agreement between the parties, and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties, and no rights are created in favor of either party other than as specified or expressly contemplated in this License, and this License supersedes and revokes all previous negotiations, arrangements, letters of intent, offers to lease or license, lease or license proposals, brochures, representations and information conveyed, whether oral or in writing, between the parties or their respective representatives or any other person purporting to represent Licensor or Licensee. Licensee acknowledges that it has not been induced to enter into this License by any representations or warranties not set forth in this License, that Licensee has not relied upon any representations or warranties not contained in this License and that any rules of interpretation which would otherwise guide the interpretation of this License by virtue of the identity of the party drafting the terms and provisions of this License shall not apply (it being acknowledged and agreed that each party has been represented or had the opportunity to be represented by able counsel in connection with the negotiation and interpretation of this License and all terms and provisions hereof). No brochure, rendering, information, correspondence, representation, warranty or discussion shall be deemed to be a part of this License unless specifically set forth herein or specifically incorporated herein by reference. In addition, no agreement, discussion, course of dealing or course of performance between the parties shall be effective to change, modify or terminate this License or to release Licensee or any other obligated party with respect to liability for this License, either in whole or in part unless the same shall be in writing and duly signed by the party against whom enforcement of such change, modification or termination is sought.

28.12 Licensee agrees to treat the financial terms of this License as confidential and shall not allow disclosure of such financial terms without the prior written consent of Licensor unless required to undertake such disclosure by applicable law. The parties acknowledge that the financial terms of this License are confidential to the maximum extent allowed under applicable law, and any disclosure of it by Licensee would cause Licensor irreparable harm, which could not be measured in actual damages.

28.13 This License consists of twenty-eight (28) Sections and Exhibits "A" through "F". In the event any provision of an exhibit or other attached page shall be inconsistent with a provision in the body of this License, the provision set forth in the License shall be deemed to control.

28.14 If Licensee executes this License as a corporation or partnership, each of the persons executing this License on behalf of Licensee does hereby personally represent and warrant that Licensee is a duly authorized and existing corporation or partnership, that Licensee is qualified to do business in the state in which the Fuel Farm is located, that such corporation or partnership has full right and authority to enter into this License, and that each person signing this License on behalf of such corporation or partnership is authorized to do so. The undersigned 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, and each party hereby certifies to the other that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect. In the event any representation or warranty set forth in this Section 28.14 is materially false, all persons who execute this License on behalf of, or as the act and deed of Licensee, shall be individually liable as Licensee.

28.15 In addition to provisions of this Agreement expressly providing for the survival of provisions of this Agreement following the expiration or earlier termination of this Agreement, any other provision of this Agreement, including, without limitation, remedies for a breach or default under this Agreement or the payment of Compensation, that could be reasonably construed to be intended by the parties to survive such expiration or termination shall so survive. The undersigned 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, and each party hereby certifies to the other that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect.

28.16 Licensor and Licensee hereby acknowledge and agree that they are knowledgeable and experienced in commercial transactions and further hereby acknowledge and agree that the provisions of this License for determining Consideration and other charges payable by Licensee are commercially reasonable and valid even though such methods may not state precise mathematical formulae for determining such charges. ACCORDINGLY, LICENSEE HEREBY VOLUNTARILY AND KNOWINGLY WAIVES ALL RIGHTS AND BENEFITS TO WHICH LICENSEE MAY BE ENTITLED UNDER SECTION 93.004 OF THE TEXAS PROPERTY CODE, AS ENACTED BY HOUSE BILL 2186, 77TH LEGISLATURE, AS SUCH SECTION NOW EXISTS OR AS SAME MAY BE HEREAFTER AMENDED OR SUCCEEDED, TO THE EXTENT SUCH SECTION IS APPLICABLE.

NOTICE OF INDEMNIFICATION

THE PARTIES TO THIS LICENSE AGREEMENT HEREBY ACKNOWLEDGE AND AGREE THAT THIS LICENSE CONTAINS CERTAIN INDEMNIFICATION PROVISIONS FOR THE LICENSEE TO INDEMNIFY THE LICENSOR AND OTHER LICENSOR INDEMNIFIED PERSONS. IF A CLAIM IS MADE AGAINST LICENSOR OR ANY OTHER LICENSOR INDEMNIFIED PERSON THAT IS INDEMNIFIED BY LICENSEE UNDER THIS AGREEMENT, LICENSEE SHALL DEFEND LICENSOR OR SUCH LICENSOR INDEMNIFIED PERSON AT LICENSEE'S SOLE COST AND EXPENSE WITH COUNSEL REASONABLY ACCEPTABLE TO LICENSOR OR SUCH LICENSOR INDEMNIFIED PERSON, OR, AT LICENSEE'S ELECTION, LICENSEE SHALL REIMBURSE LICENSOR OR SUCH LICENSOR INDEMNIFIED PERSON FOR ANY FEES OR COSTS LICENSOR OR SUCH LICENSEE INDEMNIFIED PERSON INCURS IN DEFENDING ANY SUCH CLAIM. LICENSEE'S DEFENSE, INDEMNITY AND HOLD HARMLESS OBLIGATIONS UNDER THIS AGREEMENT SHALL SURVIVE THE TERMINATION OR EXPIRATION OF THIS AGREEMENT.

(THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK)

EXECUTED effective as of _____, 2007.

LICENSOR:

TOWN OF ADDISON, TEXAS

By: _____,
Ron Whitehead, City Manager

ATTEST:

By: _____,
Mario Canizares, City Secretary

LICENSEE:

EXECHANGAR ADS LC,
a Kansas limited liability company .

By: _____

Print Name: _____

Title: _____

Date of Signature: _____

Taxpayer Identification No. _____

ATTEST:

By: _____

Print Name: _____

Title: _____

EXHIBIT "A"

LEGAL DESCRIPTION OF ADDISON AIRPORT FUEL FARM

DESCRIPTION:

BEING 106,831 Square Feet or 2.4525 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:

COMMENCING 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 a 0.6983 acres Addison Airport lease Tract; THENCE South 00° 52' 49" East and along said West line of Addison Road, a distance of 129.60 feet to a 5/8 inch iron rod set for the POINT OF BEGINNING, said point also being the northeast corner of said 2.4525 subject tract;

THENCE South 00° 52' 49" East and continuing along the said West line of Addison Road, a distance of 598.6 feet to a 5/8 inch iron rod set for corner;

THENCE South 89° 07' 11" West and departing said West line of Addison Road, a distance of 104.06 feet to a 5/8 inch iron rod set for corner;

THENCE North 14° 20' 57" West a distance of 390.27 feet to a PK Nail set for corner;

THENCE North 21° 29' 45" West a distance of 130.61 feet to a PK Nail set for corner;

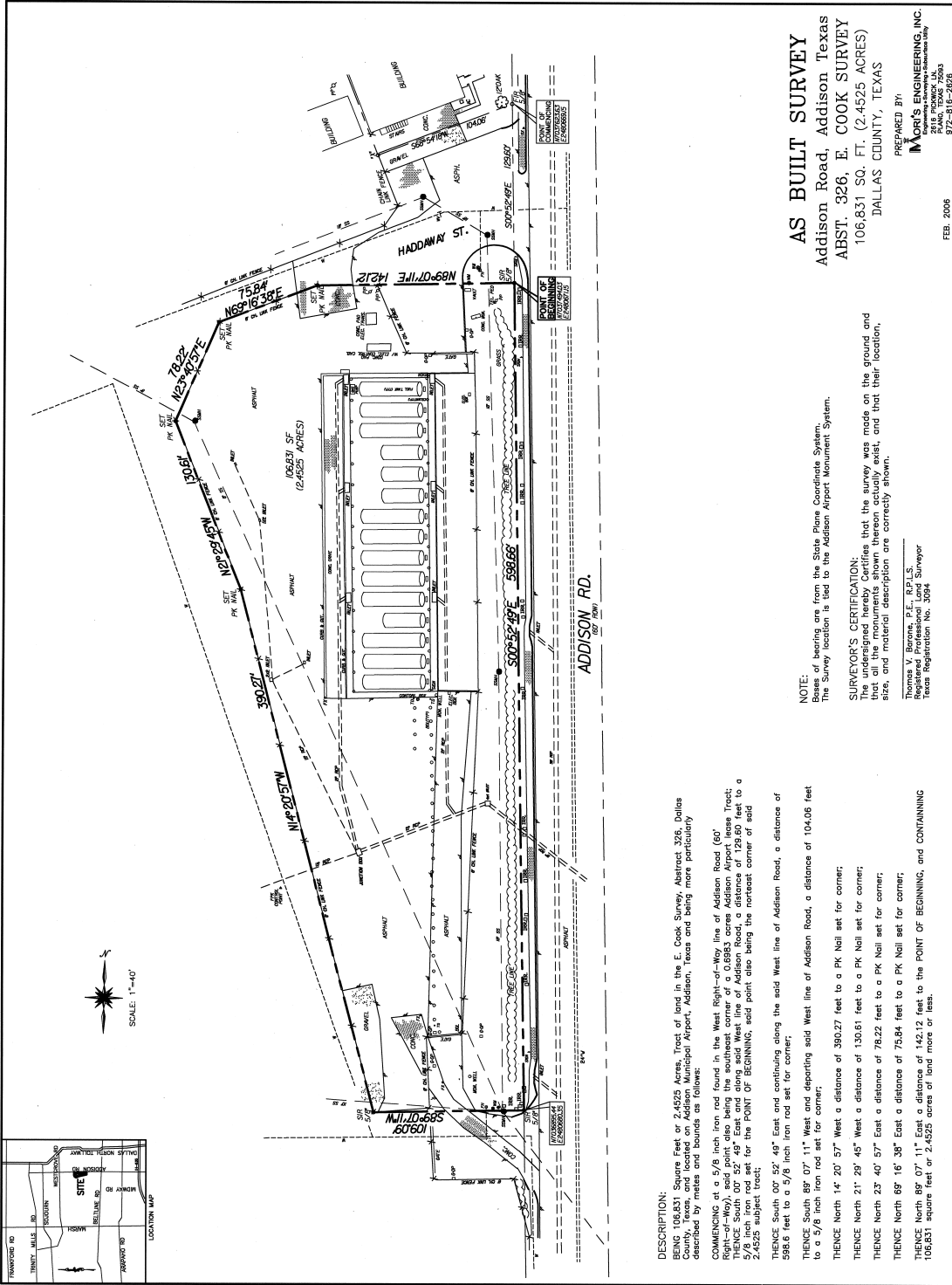
THENCE North 23° 40' 57" East a distance of 78.22 feet to a PK Nail set for corner;

THENCE North 69° 16' 38" East a distance of 75.84 feet to a PK Nail set for corner;

THENCE North 89° 07' 11" East a distance of 142.12 feet to the POINT OF BEGINNING, and CONTAINING 106,831 square feet or 2.4525 acres of land more or less.

EXHIBIT "B"

SURVEY OF ADDISON AIRPORT FUEL FARM



AS BUILT SURVEY

Addison Road, Addison Texas
 ABST. 326, E. COOK SURVEY
 106,831 SQ. FT. (2.4525 ACRES)
 DALLAS COUNTY, TEXAS

PREPARED BY:
MORRIS ENGINEERING, INC.
 2114 PARKWAY, SUITE 100
 FORT WORTH, TEXAS 76102
 972-816-2828

FEB. 2006

NOTE: All bearings are from the State Plane Coordinate System. The Survey location is tied to the Addison Airport Monument System.

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, P.E., R.P.L.S.
 Registered Professional Land Surveyor
 Texas Registration No. 5984

DESCRIPTION:
 BEING 106,831 Square Feet or 2.4525 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:

COMMENCING 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 a 0.6893 acre Addison Airport lease Tract;
 THENCE South 00° 52' 49" East and along said West line of Addison Road, a distance of 129.60 feet to a 5/8 inch iron rod set for the POINT OF BEGINNING, said point also being the northeast corner of said 2.4525 subject tract;

THENCE South 00° 59' 48" East and continuing along the said West line of Addison Road, a distance of 598.6 feet to a 5/8 inch iron rod set for corner;

THENCE South 89° 07' 11" West and departing said West line of Addison Road, a distance of 104.06 feet to a 5/8 inch iron rod set for corner;

THENCE North 14° 20' 57" West a distance of 380.27 feet to a PK Nail set for corner;

THENCE North 21° 29' 45" West a distance of 130.61 feet to a PK Nail set for corner;

THENCE North 23° 40' 57" East a distance of 78.22 feet to a PK Nail set for corner;

THENCE North 68° 16' 38" East a distance of 75.84 feet to a PK Nail set for corner;

THENCE North 89° 07' 11" East a distance of 142.12 feet to the POINT OF BEGINNING, and CONTAINING 106,831 square feet or 2.4525 acres of land more or less.

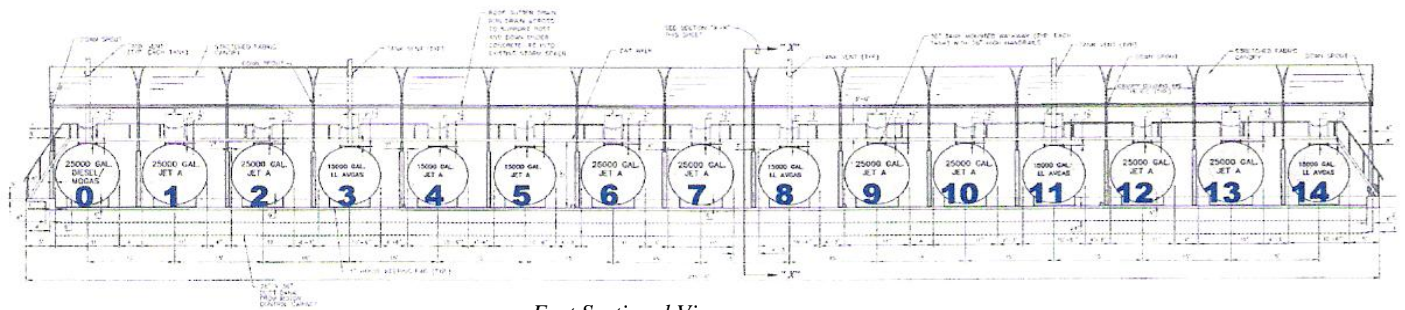
EXHIBIT “C”

SITE PLAN AND TANK CAPACITY OF ADDISON AIRPORT FUEL FARM

This Exhibit “C” is presented for the purpose of identifying the Fuel Tanks within the Fuel Farm, their capacity in gallons and percentage relative to the aggregate. This Exhibit “C” is subject to change at Licensor’s discretion except as otherwise expressly restricted in the Agreement.

License Holder	Tank ID#	Designated Fuel Type	Tank Gallon Capacity	Capacity as % of Total Gallons	TCEQ #
Mercury Air Center – Addison, Inc.	00 _a	Motor Vehicle Gasoline	10,000	0.03175	
Mercury Air Center – Addison, Inc.	00 _b	Diesel	15,000	0.04762	
Mercury Air Center – Addison, Inc.	01	Jet A	25,000	0.07937	
Mercury Air Center – Addison, Inc.	02	Jet A	25,000	0.07937	
Mercury Air Center – Addison, Inc.	03	100 LL	15,000	0.04762	
Cherry Air, Inc.	04	Jet A	15,000	0.04762	
Cherry Air, Inc.	05	Jet A	15,000	0.04762	
R. Stern FBO, Ltd.	06	Jet A	25,000	0.07937	
R. Stern FBO, Ltd.	07	Jet A	25,000	0.07937	
R. Stern FBO, Ltd.	08	100 LL	15,000	0.04762	
	09	Jet A	25,000	0.07937	
	10	Jet A	25,000	0.07937	
	11	100 LL	15,000	0.04762	
RR Investments, Inc.	12	Jet A	25,000	0.07937	
RR Investments, Inc.	13	Jet A	25,000	0.07937	
RR Investments, Inc.	14	100 LL	15,000	0.04762	
Totals			315,000	1.0000	

TCEQ=Texas Commission on Environmental Quality or its equivalence



East Sectional View

EXHIBIT “D”

TERM EXTENSIONS

Licensee (but not any assignee, sublicensee or other transferee of Licensee, even if Licensor's consent thereto is obtained in accordance with the terms and conditions of Section 17 of this License) is granted the option(s) to extend the Term of this License for four (4) consecutive term(s) of sixty (60) months each (each, a “**Term Extension**”), provided (a) Licensee is not in default under the License or any other agreement with the Town of Addison at Addison Airport at the time of its exercise of the Term Extension, nor at the commencement date of the applicable Term Extension, and (b) Licensee gives written notice to Licensor of its exercise of the option to extend the Term between that period of time being sixty (60) months prior to the end of Term and six (6) months prior to the end of Term or Term Extension (the “**Option Period**”). Each Term Extension shall commence on the day immediately following the date of expiration of the immediately preceding original Term or Term Extension and shall be upon the same terms, conditions and Consideration as were in effect hereunder during such immediately preceding original Term or Term Extension, except (i) Licensee shall have no further right of renewal after the last Term Extension described above; and (ii) the monthly Base Fee during such each Term Extension will be as follows:

- (a) the first Term Extension, from _____ to _____, shall be at the monthly Base Fee rate of \$.2786 per gallon/yr.; and
- (b) the second Term Extension, from _____ to _____, shall be at the monthly Base Fee rate of \$.2928 per gallon/yr.; and
- (c) the third Term Extension, from _____ to _____, shall be at the monthly Base Fee rate of \$.3078 per gallon/yr.; and
- (d) the fourth Term Extension, from _____ to _____, shall be at the monthly Base Fee rate of \$.3235 per gallon/yr.

Licensee's rights under this Exhibit “D” shall terminate if the License or Licensee's right to use of the Fuel Tanks is terminated, or if Licensee fails to timely exercise Licensee's option to extend the Term of this License in accordance with the terms and conditions of this Exhibit “D” with TIME BEING OF THE ESSENCE WITH RESPECT TO LICENSEE’S EXERCISE THEREOF.

EXHIBIT "E"

STATEMENT OF LICENSOR'S INITIAL CONSTRUCTION RESPONSIBILITY

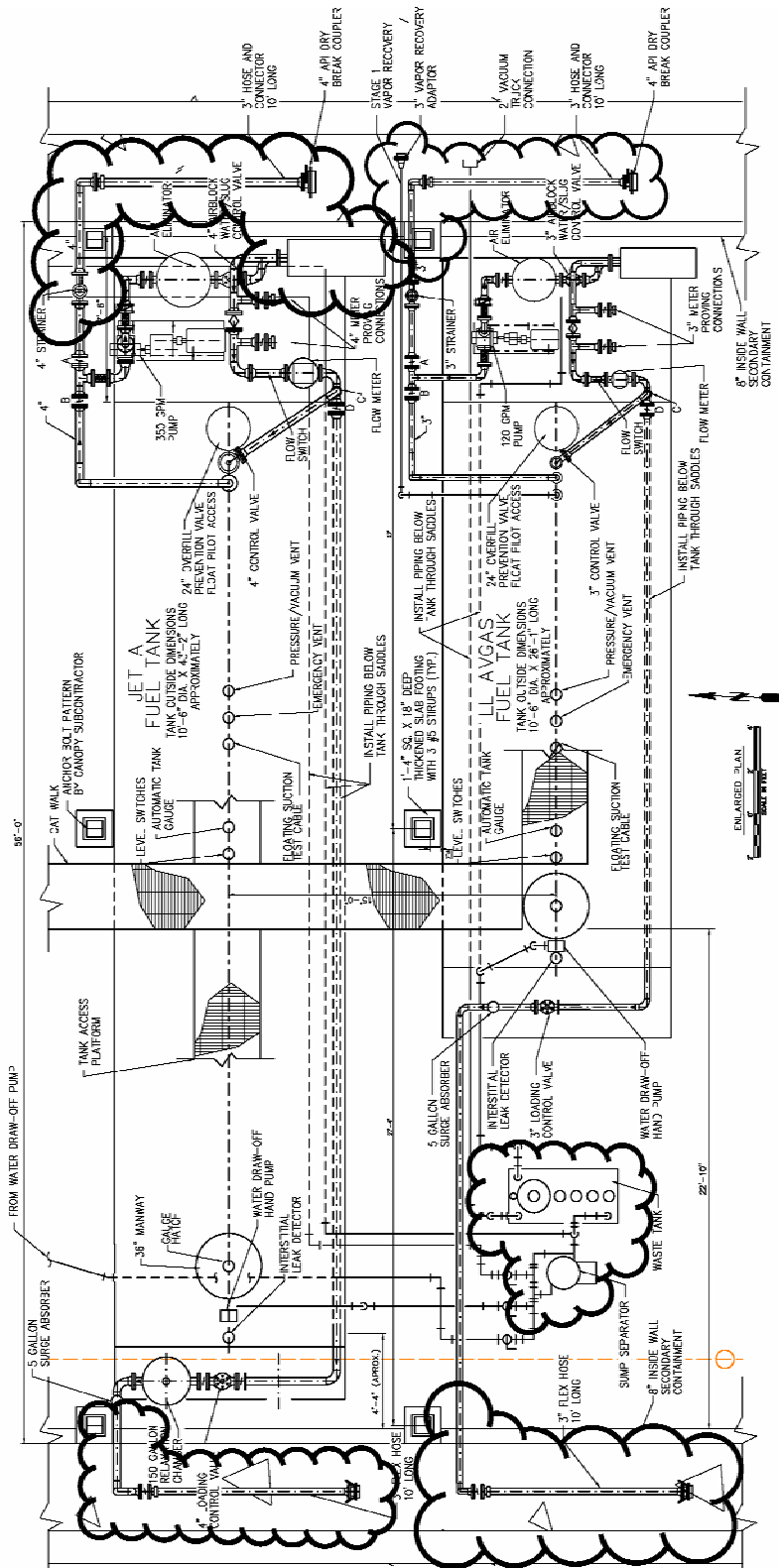
Description of Bulk Fuel and Dispensing System For Addison Airport

The proposed Bulk Fuel Storage and Dispensing System is to be centrally located with fifteen (15) individual bulk fuel storage tanks, with off-load and five (5) Fixed Base Operator (FBO) metered dispensing systems, in a consolidated, environmentally protected site, including tanks and operating equipment, with suitable architectural considerations to blend into the site. The horizontal mounted cylindrical tanks will have an approximate dimension of ten and one-half feet (10.5' W) diameter by forty-three feet (43' L) in length (25,000 gal), or alternatively, ten and one half feet (10.5') diameter by twenty-six feet (26') in length (15,000 gal). Fuel storage tanks will be double wall, 2-hour fire rated, protected tanks. Primary products to be dispensed are Low Lead AVGAS and Jet A Fuel, with one two-compartment tank of 10,000 and 15,000 gallon, with dispensing equipment for LL MoGas and Diesel. The Jet A off-load systems will be capable of off-loading 8,000 gallons to an over-the-road fuel tanker truck within 20 minutes at approximately 350 gallons/minute and the dispensing systems into the Airport refueling vehicles will be rated at approximately 300 gallons/minute. Industry standard filtration systems with automatic shutdown and alarms will be installed on the off-load side of the storage tanks, to protect product in the fuel storage tanks. Overflow protection devices will be installed on all fuel storage tanks and connected to the pump control panel. Pump/dispensing control panel or panels, will be logically sequenced, gauged to fuel storage tanks for fuel level indication, and clearly marked for ease of operations. An oil/water separator will be installed and connected to the secondary containment dike area, using a valve connection and the off-load/dispensing pad to allow for immediate wash-down of any spilled product. The off-load/dispensing pad will be large enough to provide a designated parking spot for any aircraft-refueling vehicle that develops a leak. Fuel storage area will have explosion proof electrical fixtures and control panel. A fresh water line will be required for emergency eye wash unit and a 1" hose and reel unit installed for wash down. The hose must reach all areas of the facility, including the oil/water separator. An emergency telephone/intercom/transmitter device will be installed with direct link to the Main Fire Station alarm room located at 4798 Airport Parkway, Addison, Texas 75001-3364. Fuel storage tanks will be mounted in an 18" high concrete low wall secondary containment area, connected to the oil/water separator so that any major spill in the containment area can be washed down and pumped out through the oil/water separator. Design will include area lighting, site storm drainage and connection, any required utilities relocation, and site appearance considerations. Access from the outside (airport land side) will be controlled with electrically operated gates and/or a code or key access pad. Paved access will be required from the street and from the airfield areas. Street connection will include driveways, curb and gutter.

Source: *Addison Airport Project Specification Book for Bulk Fuel Storage and Dispensing System, Section 01000A, Paragraph 9, Page 5*

EXHIBIT "F"

LICENSEE'S GENERAL AREAS OF RESPONSIBILITY FOR MAINTENANCE AND REPAIR



JET B AND JET A FUEL TANK LAYOUT PLAN

This diagram is intended for the purpose of depicting Licensee's general area of responsibility for the maintenance and repair within the Fuel Farm and with the Fuel Farm. Licensee is to be held responsible for the installation, location, and maintenance of all piping and equipment shown on this diagram. Should a dispute arise between the Licensee and the Fuel Farm, the License Agreement shall prevail.

EXHIBIT “G”

EXCHANGAR ADS, LC OFFERING MEMORANDUM (“OFFERING MEMORANDUM”)

Council Agenda Item: #R20

SUMMARY:

Consideration and approval authorizing the City Manager to consent to various items related to the Encore FBO re-development at Addison Airport to include; 1) the assignment of R. Stern FBO LTD, ground leases to Encore FBO Acquisition, LLC., 2) early termination of the Stern ground leases in favor of a new ground lease with Encore FBO, and 3) granting a Public FBO Fuel Farm License agreement to Encore FBO.

BACKGROUND:

R. Stern FBO, Ltd has been a public fixed-based operator at Addison Airport for many years. With the unfortunate passing of Mr. Stern, his estate desires to sell its interests in the leasehold estate. Over the past year, Encore has been operating under a services agreement with Stern providing daily management of Stern's fixed-based operations. Encore FBO Acquisitions, LLC and its related entities, is a new FBO company rapidly expanding its operations internationally. Their senior management has been in the aviation services industry for many years and has a proven track record. Encore desires to acquire the Stern leasehold and replace the underlying existing three ground leases with one new ground lease by and between Encore and the Town of Addison that not only includes the existing Stern facilities but also adds 2.14 acres of adjoining vacant land to its Leased Premises, and provides for the phased redevelopment of the property. The new ground lease is proposed to have a starting lease term of fifteen (15) years which may be extended up to forty (40) years provided Encore completes its proposed \$5,000,000 redevelopment of the Leased Premises.

With the vacant land added into the Lease Premises, this will provide the airport with \$42,000 additional annual revenue. Once Encore's redevelopment is complete, it is expected that they will attract new traffic to the airport leading to increase fuel sales and related benefits to the airport.

RECOMMENDATION:

Airport Management and staff recommends the Town Council consent to the requested actions outlined herein and authorize the City Manager, together with the aid and oversight of the City Attorney, to execute the proposed agreements and other related documents necessary to consummate the proposed transaction.

The City Attorney has reviewed the proposed agreements attached hereto and finds them acceptable to the Town's use.

Attachments: Bill Dyer- Memorandum
Proposed Assignment of Ground Lease Agreement (Exhibits 1A-1C)
Proposed Ground Lease Early Termination Agreement (Exhibits 2A-2C);
Proposed Ground Lease by and between Encore and the Town of Addison (Exhibit 3)
Addison Airport Fuel Farm License Agreement by and between Encore and the Town of Addison for public fueling operations (Exhibit 4)



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

To: Mark Acevedo
From: Bill Dyer
CC: Lisa Pyles
Date: November 5, 2007
RE: Request For Town of Addison's Consideration and Consent
Addison Airport Ground Leases #0230-0201, # 0230-3901, #0230-4001
R. Stern FBO, Ltd

R. Stern FBO, Ltd ("Stern") is requesting the Town of Addison to consider and give its consent to its proposed assignment of the above-referenced ground leases to Encore Acquisition FBO, LLC, a Texas limited liability company ("Encore"). Stern is asking the Town's consent subject to and only upon the condition that the Town agrees to consent to the following related actions:

- The Town of Addison agrees to grant Encore an Addison Airport Fuel Farm License for public fueling operations (public FBO); occupying the fuel facility that would otherwise be occupied by Stern. The granting of this license shall be subject to certain conditions more fully explained below;
- Once the Stern ground leases are assigned to Encore, the Town of Addison and Encore mutually agree to terminate each of the three referenced ground leases early, if and only if Encore and the Town enter into new ground lease with terms and conditions that, among other things, (i) include all of Stern's existing leasehold interests (including improvements), (ii) add an additional 2.14 acres of vacant land adjacent to the site so that the leased premises exceeds four contiguous acres (the minimum requirement for a public FBO under the Minimum Standards), and (iii) provide for an extended lease term on the condition that Encore completes certain redevelopment objectives set forth in the proposed ground lease.

For your review and consideration please find the following documentation attached to this memorandum:

1. Proposed Assignment of Ground Lease Agreement relating to each: Ground Lease #0230-0201, #0230-3901 and #0230-4001 by and between Stern and Encore evidencing Landlord's consent (Exhibits 1A-1C;

2. Proposed Ground Lease Early Termination Agreement relating to each: Ground Lease #0230-0201, #0230-3901 and #0230-4001 by and between Encore and the Town of Addison subject to the condition that a new ground lease is entered into as their substitute to include the additional 2.14 acres of vacant land adjacent to the current leased premises as described above (Exhibits 2A-2C);
3. Proposed Ground Lease by and between Encore and the Town of Addison (Exhibit 3);
4. Addison Airport Fuel Farm License Agreement by and between Encore and the Town of Addison for public fueling operations (Exhibit 4).

Note: Due to the amount of documentation, the attachments to each Exhibit have not been included but can be made available upon request.

Airport Management is recommending the Town consent to the above actions and, with the City Attorney’s aid and oversight, authorize the City Manager to execute these and other documents found necessary to facilitate the transactions as outlined above. The City Attorney has reviewed each of these documents and finds them acceptable for the Town’s use.

Background Information:

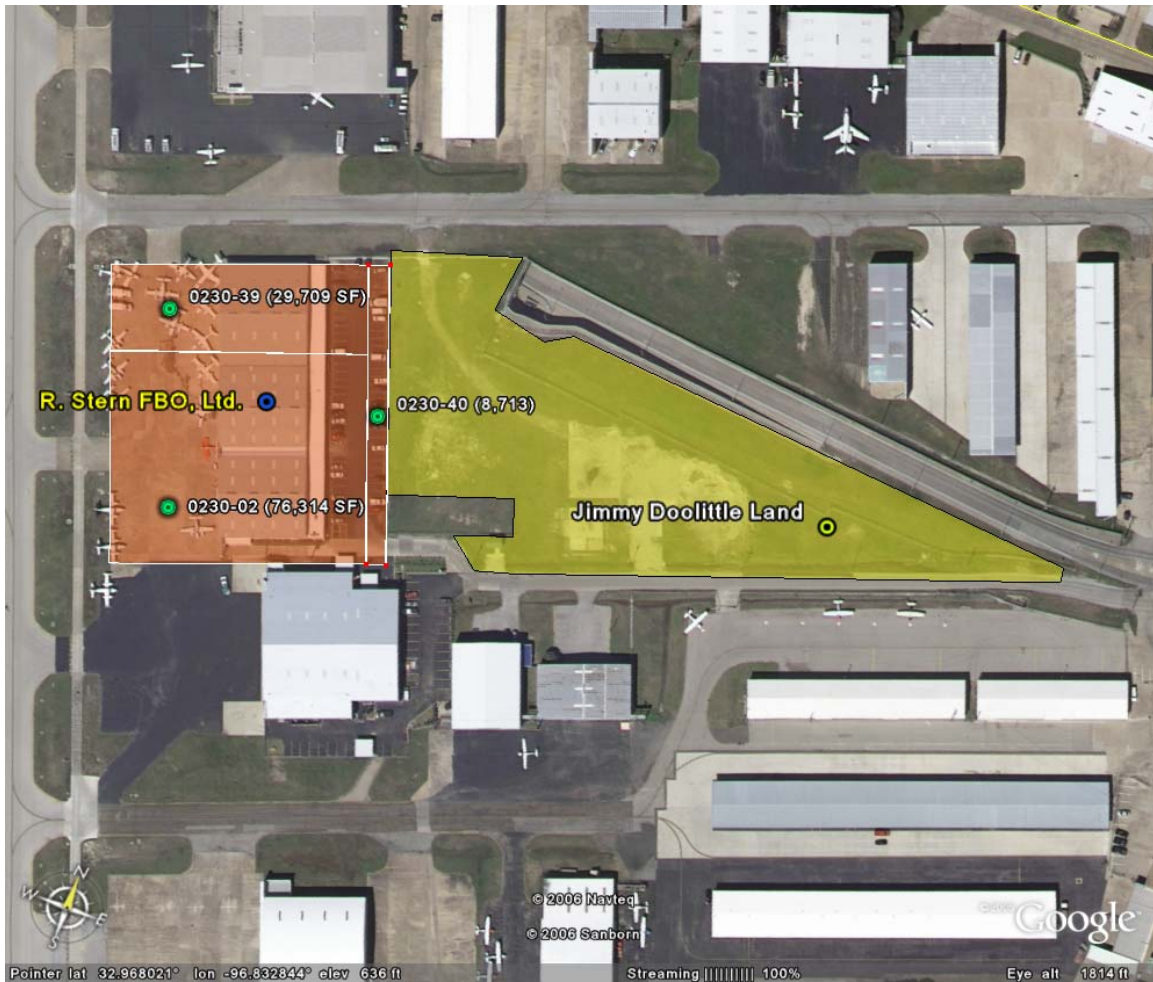
Encore FBO Acquisitions, LLC desires to acquire the existing conventional hangar and office facilities now owned and operated by R. Stern FBO, Ltd. located at 4553 Jimmy Doolittle Drive at Addison Airport. Since November 2006, Encore has performed under contract with Stern as its FBO operations manager and service provider. Encore’s proposed use for the property is to continue operations as a full-service fixed-based operation (FBO). However, the Stern property is only grandfathered under the Airport’s Minimum Standards so long as Stern continues to control the property. In order for Encore to take ownership of the property and continue operating as a public FBO, Encore must lease an additional 2.14 acres of unimproved land, which is adjacent to the Stern property and currently available. This additional land will satisfy the Addison Airport minimum land requirement for FBOs.

The existing Stern hangar and office facilities are on leased premises currently subject to three contiguous ground leases summarized as follows:

Lease #	Area/SF	Current Use	Commenced	Expires	Monthly Rental	\$/SF
0230-0201	76,314	Hangar/Office	07/01/1979	06/30/2019	\$3,336.38	\$.52
0230-3901	29,709	Hangar/Office	12/31/1979	12/30/2019	\$1,342.95	\$.54
0230-4001	8,713	Parking Only	12/31/1979	12/30/2019	\$ 229.14	\$.32
Totals	114,736				\$4,908.47	\$.51

Since their inception, the three ground leases have been improved with the construction of a three-bay jet maintenance hangar (circa 1979) consisting of approximately 35,000 SF of hangar space, 4,000 SF of office/administrative space and 47,000 SF of paved aircraft apron area. The building and apron improvements extend over two of the ground leases (0230-0201 and 0230-3901), while the demised premises on ground lease 0230-4001 is paved and used generally for vehicle parking in support of the hangar/office building.

The vacant land that is to be made part of the Encore leased premises consists of 2.14 acres that is east of and adjacent to the Stern property. It is the remainder after the taking of other airport land needed for the Addison Toll Tunnel and surface easement. At one time this land was improved with T-hangars and executive hangars that were demolished in order to construct the toll tunnel. Airport Management has since explored various development opportunities for this site, but in each case the development costs proved to be too great for either the Town or a developer given the site's irregular triangular shape and limited airside access.



Jimmy Doolittle serves as the primary means for landside access to the Stern property and other airport facilities in the immediate area. It is a non-platted road accessible to the general public, maintained by the Town of Addison and funded from the Town's Addison Airport Proprietary Fund. The roadway is a substandard two-lane paved vehicle road with barn-ditched storm drainage on either side. Jimmy Doolittle is accessed from Addison Road, a major north/south artery serving the east side of the airport, via Keller Springs/Addison Airport Toll Tunnel. It extends westward approximately 750 linear feet from the intersection until it comes to a dead-end directly into the Stern property.

About Encore:

Encore FBO Acquisition, LLC and its related entities are a privately owned network of fixed-based operators serving the commercial and general aviation industries supported by the financial strength of their equity partner, Platform Partners. Headquartered in Houston, Encore plans to focus on the expansion of its network through the acquisition and development of FBOs throughout the US and internationally. Since its formation in July 2006, Encore has purchased FBO Dublin, located in Dublin Ireland, Trajen Systems and the Trajen Department of Defense businesses, which operate in California and Texas. Earlier this year Encore acquired Eurolair in Le Bourget, Paris and Business Aviation Services in Sioux Falls, Iowa.

The Proposed New Ground Lease and Encore's Plan for Redevelopment of the Leased Premises

Should the Town consent to the Stern assignment, Encore is proposing the Town of Addison also agree to early terminate the existing three ground leases and replace them with a new ground lease. This new ground lease will have an original term of fifteen (15) years (approximately the same remaining term of the original Stern leases) and will also include the additional land (up to 2.41 acres) needed for Encore to exceed the Airport's minimum standards for public FBO operations (four contiguous acres) and to facilitate their proposed redevelopment of the site.

The current Stern facilities are dated and do not provide sufficient ramp, hangar and parking space needed to support a viable full-service fixed-based operation. Encore proposes to embark upon a phased redevelopment of the entire site that will require the demolition of a significant portion, if not all, of the existing structures to make way for increased aircraft apron area, added conventional hangar space, and updated terminal facilities. Although Encore's plans are preliminary at this time, they anticipate while continuing daily operations as best possible, they will first demolish the two northernmost hangars and construct/reconstruct aircraft apron in their place. Encore will then likely build a new 10,000-20,000 square foot jet hangar with higher clear span to accommodate most aircraft types that frequent Addison Airport. Once this phase is complete, Encore will likely demolish the remaining original structure to make way for more ramp area and a second hangar of comparable size, which may also include new public terminal facilities.

In consideration of these new improvements, the new ground lease provides Encore an additional 25-year lease term (to a full 40-year term) should (1) Encore complete the entire project within the first four years of the new lease (by December 31, 2012); and (2) their total construction costs equal or exceed \$5 million. In the event their plans change somewhat and their construction costs exceed \$4 million but are less than \$5 million, Encore will be entitled to a 15-year lease term extension.

Summary of the New Ground Lease Terms and Conditions:

1. **Effective Date:** The date of consent by the Town Council or closing at escrow
2. **Tenant:** Encore FBO Acquisition, LLC
3. **Leased Premises:** that certain parcel of real property at Addison Airport, Addison Texas consisting of approximately 4.77 acres commonly known as 4553 Jimmy Doolittle Drive, all of which is to be more fully described in Exhibit 2.1 and Exhibit 2.2 of the new Ground Lease.
4. **Commencement Date:** Immediately upon the early termination of the Stern Ground Leases
5. **Current Expiration Date:** 180 months or 15 years.
 - A. If Encore completes redevelopment of the Leased Premises by December 31, 2012, with construction costs equal to or greater than \$5M, the Term is to be extended an additional 300 months, or 25 years, a term not to exceed 40 years.
 - B. If Encore completes redevelopment of the Leased Premises by December 31, 2012, with construction costs equal to or greater than \$4M, the Term is to be extended an additional 180 months, or 15 years, a term not to exceed 30 years.
6. **Rental:** Total rent due is a monthly payment, subject to bi-annual adjustments as provided below, equal to one-twelfth (1/12) of the product of forty-five cents (\$.45) times the gross square feet contained within the Leased Premises shown in the approved Survey.
7. **Adjustment of Rental:** Biannual adjustments beginning on the second anniversary of the Commencement Date based upon the percentage change of the "Consumer Price Index" issued by the U.S. Department of Labor, Bureau of Labor Statistics.
8. **Use of Leased Premises:** The Leased 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, rentals and, if holding a valid aircraft fuel dispensing permit, aircraft fueling.
9. **Building Improvements:** Subject to Landlord's prior consent to the Design Plan and Tenant obtaining all necessary permits, licenses and authorizations to construct all improvements. Tenant is to construct all improvements at Tenant's sole cost, expense and risk (except as may be otherwise agreed to between Landlord and Tenant), in accordance with plans and specifications to be submitted to and approved in writing by Landlord.
10. **Assignment and Subletting:** Tenant may not assign or sublet the Leased Premises without Landlord's prior written consent.
11. **Insurance:** Tenant shall maintain without interruption multi-peril/building hazard and various liability insurance coverages required under the Ground Lease and/or the *Addison Airport Minimum Standards and Requirements for*

Commercial Aeronautical Service Providers, whichever provides the greatest protection.

During any period of construction, a Builder's Risk Completed Value policy with an all risks endorsement is required. All liability policies shall name Town of Addison and the Manager as additional insured. A waiver of subrogation in favor of the Town of Addison and Manager shall be contained in Workers Compensation, Builders Risk, and all liability policies.

12. **Title to Improvements:** All improvements on the Leased Premises, including without limitation, any buildings constructed on the Leased Premises by or for Tenant, shall be owned by Tenant during the term of this Lease. Upon the expiration or termination of the Ground Lease, all improvements shall revert and become the sole property of Landlord.
13. **Holding Over:** Should Tenant or any successor in interest fail to surrender the Leased Premises or any part thereof, on the expiration of the term of the Ground Lease, holding over constitutes a tenancy from month-to-month only terminable by either Landlord or Tenant after thirty (30) days' prior written notice to the other at a monthly rental equal to 125% of the Base Rent due for the last month of the term.

Proposed Addison Airport Fuel Farm License To Encore

As a condition to the requested action, Airport Management is recommending the Town of Addison offer to Encore a public fuel permit in order for Encore to utilize the public fuel facility previously reserved for R. Stern FBO. The terms and conditions of this fuel permit are to be similar to what is currently being offered to the other public fuelers at Addison Airport except for two conditions:

- 1). The Town is requiring that all fuel farm operations cease at the old facility no later than November 30, 2007. It is likely the Stern assignment and the execution of the proposed ground lease will not consummate prior to this date. In order for Encore to continue its current fueling operations without interruption, Airport Management is recommending to the Town that it issue a public fuel permit to Encore, which shall become effective immediately, but may be revoked by the Town at a later date should Encore fail to consummate the Stern assignment and/or enter into the proposed new ground lease as outlined above.

- 2). In consideration of Encore's intent to redevelop the Leased Premises at considerable expense while still continuing its operations, Airport Management is recommending the Town of Addison agree to temporarily suspend the Public Fixed-Based Operator Quarterly Minimum Requirements imposed on Encore as stipulated in the Addison Airport Fuel Farm License Agreement for that period time when Encore's redevelopment program is in process and then sufficient long enough thereafter for Encore to normalize its operations.

Economic Impact of Airport Management's Recommendation:

The economic impact of the proposed transaction is significant to the Town of Addison and Addison Airport. The building improvements now comprising the Stern facilities are valued between \$150,000 to \$300,000 in their current depreciated state. Encore proposes to redevelop the Leased Premises over the next four years at a cost of \$4-\$6 million dollars in new capital investment. Additionally, Encore will be leasing 2.14 acres of vacant land that will provide the airport \$42,000 in additional revenue per year. It is also anticipated that once Encore completes construction of its new facilities and achieves normalized operations, it will have attracted new traffic to the airport, which will result in increased public fuel sales and other related benefits.

Airport Management's Conclusion and Recommendation

R. Stern FBO, Ltd has been a public fixed-based operator at Addison Airport for many years. With the unfortunate passing of Mr. Stern, his estate desires to sell its interests in the leasehold estate. Over the past year, Encore has been operating under a services agreement with Stern providing daily management of Stern's fixed-based operations. Encore FBO Acquisitions, LLC and its related entities, is a new FBO company rapidly expanding its operations internationally. Their senior management has been in the aviation services industry for many years and has a proven track record. Encore desires to acquire the Stern leasehold and replace the underlying existing three ground leases with one new ground lease by and between Encore and the Town of Addison that not only includes the existing Stern facilities but also adds 2.14 acres of adjoining vacant land to its Leased Premises, and provides for the phased redevelopment of the property. The new ground lease is proposed to have a starting lease term of fifteen (15) years which may be extended up to forty (40) years provided Encore completes its proposed \$5,000,000 redevelopment of the Leased Premises.

With the vacant land added into the Lease Premises, this will provide the airport with \$42,000 additional annual revenue. Once Encore's redevelopment is complete, it is expected that they will attract new traffic to the airport leading to increase fuel sales and related benefits to the airport.

Airport Management hereby recommends the Town consent to the requested actions outlined herein and authorize the City Manager, together with the aid and oversight of the City Attorney, to execute the proposed agreements and other related documents necessary to consummate the proposed transaction.

The City Attorney has reviewed the proposed agreements attached hereto and finds them acceptable to the Town's use.

EXHIBIT 1-A

STATE OF TEXAS

§

§

ASSIGNMENT OF GROUND LEASE

COUNTY OF DALLAS

§

This Assignment of Ground Lease (the "Assignment") is entered into and effective as of _____ 20____, at Addison, Texas, by and between R. Stern F.B.O. Limited Partnership (herein referred to as "Assignor") and Encore FBO Acquisition, LLC (herein referred to as "Assignee").

WHEREAS, a Ground Lease (Ground Lease #0230-0201) was executed on January 15, 1979 between the City of Addison, Texas (the same being the Town of Addison, Texas) and Addison Airport of Texas, Inc., as landlord, and Ray Stern, 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 Legal Description attached hereto as Exhibit A-1) located at 4553 Jimmy Doolittle Drive, Addison Airport within the Town of Addison, Texas (the "City") and owned by the City was leased to Ray Stern; and

WHEREAS, by that Assignment of Lease dated October 26, 1984 (a true and correct copy of which is attached hereto as Exhibit B), the Ground Lease was assigned from Ray Stern as Assignor to Stern Air, Inc. as Assignee;

WHEREAS, by that Substitute Trustee's Deed dated August 6, 1996 (a true and correct copy of which is attached hereto as Exhibit C), the Ground Lease was acquired through foreclosure from Stern Air, Inc. by Ray Stern, Trustee for the benefit of R. Stern Holdings Limited Partnership; and

WHEREAS, by that Assignment of Lease dated September 1, 1996 (a true and correct copy of which is attached hereto as Exhibit D), the Ground Lease was assigned from R. Stern Holdings Limited Partnership, as Assignor, to R. Stern F.B.O. Limited Partnership, as Assignee; and

WHEREAS, by virtue of such assignments, Assignor is the Tenant under the Ground Lease; and

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

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

WHEREAS, the Ground Lease provides in Section 9 thereof that, without the prior written consent of the Landlord, the Tenant may not assign the Ground Lease or any rights of Tenant under the Ground Lease (except as provided therein), and that any assignment must be expressly subject to all the terms and provisions of the Ground Lease, and that any assignment

must include a written agreement from the assignee whereby the assignee agrees to be bound by the terms and provisions of the Ground Lease; and

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

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

AGREEMENT

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

2. Prior to the effective date of this Assignment, Assignee agrees to pay an Assignment Fee in the amount of No Dollars and no/100 (\$0.00) to Landlord.

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

Encore FBO Acquisition, LLC
2700 East Rudder Freeway, Suite 5100
College Station, TX 77845

Attn: Mr. Don Prescott, Executive Vice President

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

5. This Assignment is subject to the consent and filing requirements of the Town of Addison, Texas.

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

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

8. The undersigned officers and/or agents of the parties hereto are authorized to execute this Assignment, and each party hereby certifies to the other that any necessary resolutions or other acts extending such authority have been duly passed and are now in full force and effect.

9. The laws of the State of Texas (without regard to its conflict of law provisions) shall govern and apply to the interpretation, validity and enforcement of this Assignment. In the event of any action under this Assignment, venue for all causes of action shall be instituted and maintained in Dallas County, Texas.

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

ASSIGNOR:

R. Stern F.B.O. Limited Partnership

By: _____

Title: _____

ASSIGNEE:

Encore FBO Acquisition, LLC

By: _____

Title: _____

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

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

GIVEN under my hand and seal of office this _____ day of _____, 20____.

[SEAL]

Notary Public, State of Texas

My commission expires:_____

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

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

GIVEN under my hand and seal of office this _____ day of _____, 20____.

[SEAL]

Notary Public, State of Texas

My commission expires:_____

EXHIBIT 1-B

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

ASSIGNMENT OF GROUND LEASE

This Assignment of Ground Lease (the "Assignment") is entered into and effective as of _____ 20___, at Addison, Texas, by and between R. Stern F.B.O. Limited Partnership (herein referred to as "Assignor") and Encore FBO Acquisition, LLC (herein referred to as "Assignee").

WHEREAS, a Ground Lease (Ground Lease #0230-3901) was executed on July 3, 1979 between the City of Addison, Texas (the same being the Town of Addison, Texas) and Addison Airport of Texas, Inc., as landlord, and Ray Stern, 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 (described in the Legal Description attached hereto as Exhibit A-1) located at 4553 Jimmy Doolittle Drive, Addison Airport within the Town of Addison, Texas (the "City") and owned by the City was leased to Ray Stern; and

WHEREAS, by that Assignment of Lease dated October 26, 1984 (a true and correct copy of which is attached hereto as Exhibit B), the Ground Lease was assigned from Ray Stern as Assignor to Stern Air, Inc. as Assignee;

WHEREAS, by that Substitute Trustee's Deed dated August 6, 1996 (a true and correct copy of which is attached hereto as Exhibit C), the Ground Lease was acquired through foreclosure from Stern Air, Inc. by Ray Stern, Trustee for the benefit of R. Stern Holdings Limited Partnership; and

WHEREAS, by that Assignment of Lease dated September 1, 1996 (a true and correct copy of which is attached hereto as Exhibit D), the Ground Lease was assigned from R. Stern Holdings Limited Partnership, as Assignor, to R. Stern F.B.O. Limited Partnership, as Assignee; and

WHEREAS, by virtue of such assignments, Assignor is the Tenant under the Ground Lease; and

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

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

WHEREAS, the Ground Lease provides in Section 9 thereof that, without the prior written consent of the Landlord, the Tenant may not assign the Ground Lease or any rights of Tenant under the Ground Lease (except as provided therein), and that any assignment must be expressly subject to all the terms and provisions of the Ground Lease, and that any assignment

must include a written agreement from the Assignee whereby the Assignee agrees to be bound by the terms and provisions of the Ground Lease; and

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

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

AGREEMENT

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

2. Prior to the effective date of this Assignment, Assignee agrees to pay an Assignment Fee in the amount of No Dollars and no/100 (\$0.00) to Landlord.

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

Encore FBO Acquisition, LLC
2700 East Rudder Freeway, Suite 5100
College Station, TX 77845

Attn: Mr. Don Prescott, Executive Vice President

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

5. This Assignment is subject to the consent and filing requirements of the Town of Addison, Texas.

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

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

8. The undersigned officers and/or agents of the parties hereto are authorized to execute this Assignment, and each party hereby certifies to the other that any necessary resolutions or other acts extending such authority have been duly passed and are now in full force and effect.

9. The laws of the State of Texas (without regard to its conflict of law provisions) shall govern and apply to the interpretation, validity and enforcement of this Assignment. In the event of any action under this Assignment, venue for all causes of action shall be instituted and maintained in Dallas County, Texas.

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

ASSIGNOR:

R. Stern F.B.O. Limited Partnership

By: _____

Title: _____

ASSIGNEE:

Encore FBO Acquisition, LLC

By: _____

Title: _____

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

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

GIVEN under my hand and seal of office this _____ day of _____, 20____.

[SEAL]

Notary Public, State of Texas

My commission expires:_____

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

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

GIVEN under my hand and seal of office this _____ day of _____, 20____.

[SEAL]

Notary Public, State of Texas

My commission expires:_____

CONSENT OF LANDLORD

The Town of Addison, Texas ("Landlord") is the Landlord in the Ground Lease described in the above and foregoing Assignment of Ground Lease (the "Assignment") entered into and effective as of _____ 20____, at Addison, Texas, by and between R. Stern F.B.O. Limited Partnership, a Texas limited partnership (herein referred to as "Assignor") and Encore FBO Acquisition LLC, a Texas limited liability company (herein referred to as "Assignee"). In executing this Consent of Landlord, Landlord is relying upon the warranty and representations made in the foregoing Assignment by both Assignor and Assignee, and in relying upon the same Landlord hereby consents to the foregoing Assignment from Assignor to Assignee. Notwithstanding this Consent, Landlord does not waive any of its rights under the Ground Lease as to the Assignor or the Assignee, and does not release Assignor from its covenants, obligations, duties, or responsibilities under or in connection with the Ground Lease, and Assignor shall remain liable and responsible for all such covenants, obligations, duties, or responsibilities. In addition, notwithstanding any provision of this Consent of Landlord or the above and foregoing Assignment to the contrary, this Consent shall not operate as a waiver of any prohibition against further assignment, transfer, conveyance, pledge, change of control, or subletting of the Ground Lease or the premises described therein without Landlord's prior written consent.

LANDLORD:

TOWN OF ADDISON, TEXAS

By: _____
Ron Whitehead, City Manager

EXHIBIT 1-C

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

ASSIGNMENT OF GROUND LEASE

This Assignment of Ground Lease (the "Assignment") is entered into and effective as of _____ 20__, at Addison, Texas, by and between R. Stern F.B.O. Limited Partnership (herein referred to as "Assignor") and Encore FBO Acquisition, LLC (herein referred to as "Assignee").

WHEREAS, a Ground Lease (Ground Lease #0230-4001) was executed on August 20, 1979 between the City of Addison, Texas (the same being the Town of Addison, Texas) and Addison Airport of Texas, Inc., as landlord, and Ray Stern, 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 (described in the Legal Description attached hereto as Exhibit A-1) located at 4553 Jimmy Doolittle Drive, Addison Airport within the Town of Addison, Texas (the "City") and owned by the City was leased to Ray Stern; and

WHEREAS, by that Assignment of Lease dated October 26, 1984 (a true and correct copy of which is attached hereto as Exhibit B), the Ground Lease was assigned from Ray Stern as Assignor to Stern Air, Inc. as Assignee;

WHEREAS, by that Substitute Trustee's Deed dated August 6, 1996 (a true and correct copy of which is attached hereto as Exhibit C), the Ground Lease was acquired through foreclosure from Stern Air, Inc. by Ray Stern, Trustee for the benefit of R. Stern Holdings Limited Partnership; and

WHEREAS, by that Assignment of Lease dated September 1, 1996 (a true and correct copy of which is attached hereto as Exhibit D), the Ground Lease was assigned from R. Stern Holdings Limited Partnership, as Assignor, to R. Stern F.B.O. Limited Partnership, as Assignee; and

WHEREAS, by virtue of such assignments, Assignor is the Tenant under the Ground Lease; and

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

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

WHEREAS, the Ground Lease provides in Section 9 thereof that, without the prior written consent of the Landlord, the Tenant may not assign the Ground Lease or any rights of Tenant under the Ground Lease (except as provided therein), and that any assignment must be expressly subject to all the terms and provisions of the Ground Lease, and that any assignment

must include a written agreement from the assignee whereby the assignee agrees to be bound by the terms and provisions of the Ground Lease; and

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

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

AGREEMENT

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

2. Prior to the effective date of this Assignment, Assignee agrees to pay an Assignment Fee in the amount of No Dollars and no/100 (\$0.00) to Landlord.

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

Encore FBO Acquisition, LLC
2700 East Rudder Freeway, Suite 5100
College Station, TX 77845

Attn: Mr. Don Prescott, Executive Vice President

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

5. This Assignment is subject to the consent and filing requirements of the Town of Addison, Texas.

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

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

8. The undersigned officers and/or agents of the parties hereto are authorized to execute this Assignment, and each party hereby certifies to the other that any necessary resolutions or other acts extending such authority have been duly passed and are now in full force and effect.

9. The laws of the State of Texas (without regard to its conflict of law provisions) shall govern and apply to the interpretation, validity and enforcement of this Assignment. In the event of any action under this Assignment, venue for all causes of action shall be instituted and maintained in Dallas County, Texas.

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

ASSIGNOR:

R. Stern F.B.O. Limited Partnership

By: _____

Title: _____

ASSIGNEE:

Encore FBO Acquisition, LLC.

By: _____

Title: _____

ACKNOWLEDGMENT

COUNTY OF DALLAS §
 §

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

GIVEN under my hand and seal of office this _____ day of _____, 20____.

[SEAL]

Notary Public, State of Texas

My commission expires:_____

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

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

GIVEN under my hand and seal of office this _____ day of _____, 20____.

[SEAL]

Notary Public, State of Texas

My commission expires:_____

CONSENT OF LANDLORD

The Town of Addison, Texas ("Landlord") is the Landlord in the Ground Lease described in the above and foregoing Assignment of Ground Lease (the "Assignment") entered into and effective as of _____ 20____, at Addison, Texas, by and between R. Stern F.B.O. Limited Partnership, a Texas limited partnership (herein referred to as "Assignor") and Encore FBO Acquisition LLC, a Texas limited liability company (herein referred to as "Assignee"). In executing this Consent of Landlord, Landlord is relying upon the warranty and representations made in the foregoing Assignment by both Assignor and Assignee, and in relying upon the same Landlord hereby consents to the foregoing Assignment from Assignor to Assignee. Notwithstanding this Consent, Landlord does not waive any of its rights under the Ground Lease as to the Assignor or the Assignee, and does not release Assignor from its covenants, obligations, duties, or responsibilities under or in connection with the Ground Lease, and Assignor shall remain liable and responsible for all such covenants, obligations, duties, or responsibilities. In addition, notwithstanding any provision of this Consent of Landlord or the above and foregoing Assignment to the contrary, this Consent shall not operate as a waiver of any prohibition against further assignment, transfer, conveyance, pledge, change of control, or subletting of the Ground Lease or the premises described therein without Landlord's prior written consent.

LANDLORD:

TOWN OF ADDISON, TEXAS

By: _____
Ron Whitehead, City Manager

EXHIBIT 2-A

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 _____, 2007 (the “Effective Date”) between the TOWN OF ADDISON, TEXAS (hereinafter referred to as the “City” or “Landlord”); a Texas home rule municipality, and ENCORE FBO ACQUISITION, LLC, a Texas limited liability company (hereinafter referred to as “Tenant”) (Landlord and Tenant are sometimes referred to together herein as the “parties” and individually as a “party”).

Recitals:

WHEREAS, a Ground Lease (Ground Lease #0230-0201) was executed on January 15, 1979 between the City of Addison, Texas (the same being the Town of Addison, Texas) and Addison Airport of Texas, Inc., as landlord, and Ray Stern, as tenant (“Ground Lease #0230-0201”, a true and correct copy of which Ground Lease is attached hereto as Exhibit A), by the terms of which certain real property located at 4553 Jimmy Doolittle Drive, Addison Airport within the Town of Addison, Texas and owned by the City was leased to Ray Stern (the “#0230-0201 Leased Premises”); and

WHEREAS, by that certain Assignment of Lease dated October 26, 1984 (a true and correct copy of which is attached hereto as Exhibit B), the Ground Lease was assigned from Ray Stern as Assignor to Stern Air, Inc. as Assignee;

WHEREAS, by that Substitute Trustee’s Deed dated August 6, 1996 (a true and correct copy of which is attached hereto as Exhibit C), the Ground Lease was acquired through foreclosure from Stern Air, Inc. by Ray Stern, Trustee for the benefit of R. Stern Holdings Limited Partnership; and

WHEREAS, by that Assignment of Lease dated September 1, 1996 (a true and correct copy of which is attached hereto as Exhibit D), the Ground Lease was assigned from R. Stern Holdings Limited Partnership, as Assignor, to R. Stern F.B.O. Limited Partnership, as Assignee; and

WHEREAS, by that Assignment of Lease dated _____, 2007 (a true and correct copy of which is attached hereto as Exhibit E), the Ground Lease was assigned from R. Stern F.B.O. Limited Partnership, as Assignor, to, Encore FBO Acquisitions, LLC as Assignee; and

WHEREAS, by virtue of such assignments, Encore FBO Acquisitions, LLC is the Tenant under the Ground Lease #0230-0201; and

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

duties, covenants and obligations, of the Landlord under the Ground Lease; and

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

WHEREAS, in addition to the Ground Lease #0230-0201 and the #0230-0201 Leased Premises leased therein, Encore leases from the City certain other premises adjacent to the #0230-0201 Leased Premises (which other premises are as described in Ground Lease #0230-3901 and Ground Lease #0230-4001 of the Addison Airport (together, the "Other Leased Premises")), and Encore desires to combine the #0230-0201 Leased Premises and the Other Leased Premises (together with certain additional real property located on the Addison Airport adjacent thereto (the "Additional Premises")) (the #0230-0201 Leased Premises, the Other Leased Premises, and the Additional Premises being referred to herein together as the "New Ground Lease Premises") in a single new ground lease and to lease the New Ground Lease Premises from the City, and the City desires to lease the new Ground Lease Premises in a single new ground lease to Encore (such new ground lease being referred to herein as the "New Ground Lease"); and

WHEREAS, the execution of the New Ground Lease will require the termination of Ground Lease #0230-0201, and Landlord and Tenant desire to terminate the same as set forth herein.

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

AGREEMENT

Section 1. Incorporation of Premises. The above and foregoing premises are true and correct and are incorporated herein and made a part of this Agreement for all purposes.

Section 2. Termination. Landlord and Tenant agree that, subject to the parties entering into and executing the New Ground Lease as may be mutually agreed to by the parties, the Ground Lease #0230-0201 shall terminate as of the effective date (i.e., the date of execution by both parties) of the New Ground Lease (the "Termination Date") as if such date was the stated expiration date of the Ground Lease #0230-0201. In accordance herewith, the Termination Date is _____ (to be completed upon execution of the New Ground Lease). In the event the New Ground Lease is not agreed to and executed by the authorized representatives of both parties on or before _____, 200__, this Ground Lease Early Termination Agreement shall be null and void ab initio, shall have no force or effect whatsoever, and the Ground Lease #0230-0201 shall remain in full force and effect. The early termination of Ground Lease #0230-0201 shall not release Tenant from any of its obligations, duties, liabilities or responsibilities Tenant would otherwise have if the Ground Lease #0230-0201 had been otherwise terminated or had expired in accordance with its terms and provisions.

Section 3. Continued Performance. Landlord and Tenant agree that each shall continue to perform their respective obligations contained in the Ground Lease #0230-0201 including, but not limited to, Tenant's obligation to pay rent, through the Termination Date. If the Termination Date is other than the last day of the month, then the parties agree that the rent attributable to that part of the month through the Termination Date shall be prorated on a per diem basis.

Section 4. Binding Effect. 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 (as the same may be permitted by the Ground Lease).

Section 5. Applicable Law; Venue; Recording. The parties 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, and all obligations of the parties created by this Agreement are performable in Dallas County, Texas. Venue for any action under this Agreement shall lie in Dallas County, Texas. Landlord may record this Agreement or a memorandum hereof in the real property records of Dallas County, Texas.

Section 6. Final Agreement; No Other Amendments. This Agreement shall constitute the final agreement and understanding of the parties on the subject matter hereof and can only be modified by further written instrument signed and executed by both parties. Except to the extent modified or amended herein, all other terms, conditions, standards, and obligations of the Ground Lease #0230-0201 shall remain unchanged and in full force and effect.

Section 7. Authority to Execute. The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the parties hereto, and each party hereby certifies to the other that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect.

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

LANDLORD:

TENANT:

TOWN OF ADDISON, TEXAS

ENCORE FBO ACQUISITIONS, LLC

By: _____
Ron Whitehead, City Manager

By: _____
Don Prescott, Executive Vice President

Date of signing: _____

Date of signing: _____

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me, the undersigned authority, on _____, 2007 by Don Prescott, Executive Vice President, Encore FBO Acquisitions, LLC.

NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

My Commission Expires:

(Printed Name of Notary)

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me, the undersigned authority, on _____, 2007 by Ron Whitehead, City Manager for the Town of Addison, Dallas County, Texas, a Texas home rule municipality, on behalf of said municipality.

NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

My Commission Expires:

(Printed Name of Notary)

EXHIBIT 2-B

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 _____, 2007 (the “Effective Date”) between the TOWN OF ADDISON, TEXAS (hereinafter referred to as the “City” or “Landlord”); a Texas home rule municipality, and ENCORE FBO ACQUISITION, LLC, a Texas limited liability company (hereinafter referred to as “Tenant”) (Landlord and Tenant are sometimes referred to together herein as the “parties” and individually as a “party”).

Recitals:

WHEREAS, a Ground Lease (Ground Lease #0230-3901) was executed on July 3, 1979 between the City of Addison, Texas (the same being the Town of Addison, Texas) and Addison Airport of Texas, Inc., as landlord, and Ray Stern, as tenant (“Ground Lease #0230-3901”, a true and correct copy of which Ground Lease is attached hereto as Exhibit A), by the terms of which certain real property located at 4553 Jimmy Doolittle Drive, Addison Airport within the Town of Addison, Texas and owned by the City was leased to Ray Stern (the “#0230-3901 Leased Premises”); and

WHEREAS, by that Assignment of Lease dated October 26, 1984 (a true and correct copy of which is attached hereto as Exhibit B), the Ground Lease was assigned from Ray Stern as Assignor to Stern Air, Inc. as Assignee;

WHEREAS, by that Substitute Trustee’s Deed dated August 6, 1996 (a true and correct copy of which is attached hereto as Exhibit C), the Ground Lease was acquired through foreclosure from Stern Air, Inc. by Ray Stern, Trustee for the benefit of R. Stern Holdings Limited Partnership; and

WHEREAS, by that Assignment of Lease dated September 1, 1996 (a true and correct copy of which is attached hereto as Exhibit D), the Ground Lease was assigned from R. Stern Holdings Limited Partnership, as Assignor, to R. Stern F.B.O. Limited Partnership, as Assignee; and

WHEREAS, by that Assignment of Lease dated _____, 2007 (a true and correct copy of which is attached hereto as Exhibit E), the Ground Lease was assigned from R. Stern F.B.O. Limited Partnership, as Assignor, to, Encore FBO Acquisitions, LLC as Assignee; and

WHEREAS, by virtue of such assignments, Encore FBO Acquisitions, LLC is the Tenant under the Ground Lease #0230-3901; and

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

duties, covenants and obligations, of the Landlord under the Ground Lease; and

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

WHEREAS, in addition to the Ground Lease #0230-3901 and the #0230-3901 Leased Premises leased therein, Encore leases from the City certain other premises adjacent to the #0230-3901 Leased Premises (which other premises are as described in Ground Lease #0230-0201 and Ground Lease #0230-4001 of the Addison Airport (together, the “Other Leased Premises”), and Encore desires to combine the #0230-3901 Leased Premises and the Other Leased Premises (together with certain additional real property located on the Addison Airport adjacent thereto (the “Additional Premises”) (the #0230-3901 Leased Premises, the Other Leased Premises, and the Additional Premises being referred to herein together as the “New Ground Lease Premises”) in a single new ground lease and to lease the New Ground Lease Premises from the City, and the City desires to lease the new Ground Lease Premises in a single new ground lease to Encore (such new ground lease being referred to herein as the “New Ground Lease”); and

WHEREAS, the execution of the New Ground Lease will require the termination of Ground Lease #0230-3901, and Landlord and Tenant desire to terminate the same as set forth herein.

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

AGREEMENT

Section 1. Incorporation of Premises. The above and foregoing premises are true and correct and are incorporated herein and made a part of this Agreement for all purposes.

Section 2. Termination. Landlord and Tenant agree that, subject to the parties entering into and executing the New Ground Lease as may be mutually agreed to by the parties, the Ground Lease #0230-3901 shall terminate as of the effective date (i.e., the date of execution by both parties) of the New Ground Lease (the “Termination Date”) as if such date was the stated expiration date of the Ground Lease #0230-3901. In accordance herewith, the Termination Date is _____ (to be completed upon execution of the New Ground Lease). In the event the New Ground Lease is not agreed to and executed by the authorized representatives of both parties on or before _____, 200__, this Ground Lease Early Termination Agreement shall be null and void ab initio, shall have no force or effect whatsoever, and the Ground Lease #0230-3901 shall remain in full force and effect. The early termination of Ground Lease #0230-3901 shall not release Tenant from any of its obligations, duties, liabilities or responsibilities Tenant would otherwise have if the Ground Lease #0230-3901 had been otherwise terminated or had expired in accordance with its terms and provisions.

Section 3. Continued Performance. Landlord and Tenant agree that each shall continue to perform their respective obligations contained in the Ground Lease #0230-3901 including, but not limited to, Tenant's obligation to pay rent, through the Termination Date. If the Termination Date is other than the last day of the month, then the parties agree that the rent attributable to that part of the month through the Termination Date shall be prorated on a per diem basis.

Section 4. Binding Effect. 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 (as the same may be permitted by the Ground Lease).

Section 5. Applicable Law; Venue; Recording. The parties 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, and all obligations of the parties created by this Agreement are performable in Dallas County, Texas. Venue for any action under this Agreement shall lie in Dallas County, Texas. Landlord may record this Agreement or a memorandum hereof in the real property records of Dallas County, Texas.

Section 6. Final Agreement; No Other Amendments. This Agreement shall constitute the final agreement and understanding of the parties on the subject matter hereof and can only be modified by further written instrument signed and executed by both parties. Except to the extent modified or amended herein, all other terms, conditions, standards, and obligations of the Ground Lease #0230-3901 shall remain unchanged and in full force and effect.

Section 7. Authority to Execute. The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the parties hereto, and each party hereby certifies to the other that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect.

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

LANDLORD:

TENANT:

TOWN OF ADDISON, TEXAS

ENCORE FBO ACQUISITIONS, LLC

By: _____
Ron Whitehead, City Manager

By: _____
Don Prescott, Executive Vice President

Date of signing: _____

Date of signing: _____

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me, the undersigned authority, on _____, 2007 by Don Prescott, Executive Vice President, Encore FBO Acquisitions, LLC.

NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

My Commission Expires:

(Printed Name of Notary)

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me, the undersigned authority, on _____, 2007 by Ron Whitehead, City Manager for the Town of Addison, Dallas County, Texas, a Texas home rule municipality, on behalf of said municipality.

NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

My Commission Expires:

(Printed Name of Notary)

EXHIBIT 2-C

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 _____, 2007 (the “Effective Date”) between the TOWN OF ADDISON, TEXAS (hereinafter referred to as the “City” or “Landlord”); a Texas home rule municipality, and ENCORE FBO ACQUISITION, LLC, a Texas limited liability company (hereinafter referred to as “Tenant”) (Landlord and Tenant are sometimes referred to together herein as the “parties” and individually as a “party”).

Recitals:

WHEREAS, a Ground Lease (Ground Lease #0230-4001) was executed on August 20, 1979 between the City of Addison, Texas (the same being the Town of Addison, Texas) and Addison Airport of Texas, Inc., as landlord, and Ray Stern, as tenant (“Ground Lease #0230-4001”, a true and correct copy of which Ground Lease is attached hereto as Exhibit A), by the terms of which certain real property located at 4553 Jimmy Doolittle Drive, Addison Airport within the Town of Addison, Texas and owned by the City was leased to Ray Stern (the “#0230-4001 Leased Premises”); and

WHEREAS, by that Assignment of Lease dated October 26, 1984 (a true and correct copy of which is attached hereto as Exhibit B), the Ground Lease was assigned from Ray Stern as Assignor to Stern Air, Inc. as Assignee;

WHEREAS, by that Substitute Trustee’s Deed dated August 6, 1996 (a true and correct copy of which is attached hereto as Exhibit C), the Ground Lease was acquired through foreclosure from Stern Air, Inc. by Ray Stern, Trustee for the benefit of R. Stern Holdings Limited Partnership; and

WHEREAS, by that Assignment of Lease dated September 1, 1996 (a true and correct copy of which is attached hereto as Exhibit D), the Ground Lease was assigned from R. Stern Holdings Limited Partnership, as Assignor, to R. Stern F.B.O. Limited Partnership, as Assignee; and

WHEREAS, by that Assignment of Lease dated _____, 2007 (a true and correct copy of which is attached hereto as Exhibit E), the Ground Lease was assigned from R. Stern F.B.O. Limited Partnership, as Assignor, to, Encore FBO Acquisitions, LLC as Assignee; and

WHEREAS, by virtue of such assignments, Encore FBO Acquisitions, LLC is the Tenant under the Ground Lease #0230-4001; and

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

duties, covenants and obligations, of the Landlord under the Ground Lease; and

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

WHEREAS, in addition to the Ground Lease #0230-4001 and the #0230-4001 Leased Premises leased therein, Encore leases from the City certain other premises adjacent to the #0230-4001 Leased Premises (which other premises are as described in Ground Lease #0230-0201 and Ground Lease #0230-3901 of the Addison Airport (together, the “Other Leased Premises”)), and Encore desires to combine the #0230-4001 Leased Premises and the Other Leased Premises (together with certain additional real property located on the Addison Airport adjacent thereto (the “Additional Premises”) (the #0230-4001 Leased Premises, the Other Leased Premises, and the Additional Premises being referred to herein together as the “New Ground Lease Premises”) in a single new ground lease and to lease the New Ground Lease Premises from the City, and the City desires to lease the new Ground Lease Premises in a single new ground lease to Encore (such new ground lease being referred to herein as the “New Ground Lease”); and

WHEREAS, the execution of the New Ground Lease will require the termination of Ground Lease #0230-4001, and Landlord and Tenant desire to terminate the same as set forth herein.

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

AGREEMENT

Section 1. Incorporation of Premises. The above and foregoing premises are true and correct and are incorporated herein and made a part of this Agreement for all purposes.

Section 2. Termination. Landlord and Tenant agree that, subject to the parties entering into and executing the New Ground Lease as may be mutually agreed to by the parties, the Ground Lease #0230-4001 shall terminate as of the effective date (i.e., the date of execution by both parties) of the New Ground Lease (the “Termination Date”) as if such date was the stated expiration date of the Ground Lease #0230-4001. In accordance herewith, the Termination Date is _____ (to be completed upon execution of the New Ground Lease). In the event the New Ground Lease is not agreed to and executed by the authorized representatives of both parties on or before _____, 200__, this Ground Lease Early Termination Agreement shall be null and void ab initio, shall have no force or effect whatsoever, and the Ground Lease #0230-4001 shall remain in full force and effect. The early termination of Ground Lease #0230-4001 shall not release Tenant from any of its obligations, duties, liabilities or responsibilities Tenant would otherwise have if the Ground Lease #0230-4001 had been otherwise terminated or had expired in accordance with its terms and provisions.

Section 3. Continued Performance. Landlord and Tenant agree that each shall continue to perform their respective obligations contained in the Ground Lease #0230-4001 including, but not limited to, Tenant's obligation to pay rent, through the Termination Date. If the Termination Date is other than the last day of the month, then the parties agree that the rent attributable to that part of the month through the Termination Date shall be prorated on a per diem basis.

Section 4. Binding Effect. 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 (as the same may be permitted by the Ground Lease).

Section 5. Applicable Law; Venue; Recording. The parties 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, and all obligations of the parties created by this Agreement are performable in Dallas County, Texas. Venue for any action under this Agreement shall lie in Dallas County, Texas. Landlord may record this Agreement or a memorandum hereof in the real property records of Dallas County, Texas.

Section 6. Final Agreement; No Other Amendments. This Agreement shall constitute the final agreement and understanding of the parties on the subject matter hereof and can only be modified by further written instrument signed and executed by both parties. Except to the extent modified or amended herein, all other terms, conditions, standards, and obligations of the Ground Lease #0230-4001 shall remain unchanged and in full force and effect.

Section 7. Authority to Execute. The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the parties hereto, and each party hereby certifies to the other that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect.

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

LANDLORD:

TENANT:

TOWN OF ADDISON, TEXAS

ENCORE FBO ACQUISITIONS, LLC

By: _____
Ron Whitehead, City Manager

By: _____
Don Prescott, Executive Vice President

Date of signing: _____

Date of signing: _____

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me, the undersigned authority, on _____, 2007 by Don Prescott, Executive Vice President, Encore FBO Acquisitions, LLC.

NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

My Commission Expires:

(Printed Name of Notary)

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me, the undersigned authority, on _____, 2007 by Ron Whitehead, City Manager for the Town of Addison, Dallas County, Texas, a Texas home rule municipality, on behalf of said municipality.

NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

My Commission Expires:

(Printed Name of Notary)

EXHIBIT 3

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

GROUND LEASE AGREEMENT

This Ground Lease Agreement (“Lease” or “Agreement”) is made and entered into as of November 13, 2007 (the “Effective Date”), by and among the **Town of Addison, Texas**, a Texas home-rule municipality (hereinafter sometimes referred to as “Landlord” or the “City”), and **Encore FBO Acquisition, LLC**, a Texas limited liability company (hereinafter referred to as “Tenant”)(Landlord and Tenant are sometimes referred to herein together as the “parties”).

Summary of Exhibits
• Exhibit 1: ADS Legal Description
• Exhibit 2.1: Boundary Survey of Leased Premises
• Exhibit 2.2: Legal Description of Leased Premises
• Exhibit 2.3: Approved Site Plan
• Exhibit 3: Description of Phase I Building Improvements

WITNESSETH:

WHEREAS, the City is the owner of the Addison Airport, a description of which is set forth in Exhibit 1 attached hereto and incorporated herein (the “Airport”); and

WHEREAS, the Airport is operated and managed for and on behalf of the City by Washington Staubach Addison Airport Venture, a Texas joint venture (“Airport Manager”), pursuant to that Agreement for the Operation and Management of Addison Airport dated August 8, 2000 between the City and Airport Manager; and

WHEREAS, pursuant to an agreement entitled “Purchase Agreement” dated September 21, 2007 by and between Tenant and R. Stern F.B.O. Limited Partnership (“Stern”), Tenant acquired from Stern, by means of assignment, Stern’s leasehold interest (as tenant) in three (3) ground leases at Addison Airport (the same being identified in the records of Addison Airport as Ground Lease #0230-0201, Ground Lease #0230-3901, and Ground Lease #0230-4001) (together, the “Prior Ground Leases” and the leased premises which were the subject of the Prior Ground Leases being referred to herein together as the “Prior Leased Premises”), so that Tenant became the tenant under the Prior Ground Leases; and

WHEREAS, Tenant desires to consolidate the Prior Leased Premises, together with certain additional land located adjacent and contiguous to the Prior Leased Premises (such additional land being referred to herein as the “Additional Leased Premises”), into this single Ground Lease, and to that end has, simultaneously with the execution of this Ground Lease, executed, together with the City, an early termination agreement for each of the Prior Ground Leases (each such early termination agreement being entitled a “Ground Lease Early Termination Agreement”); and

WHEREAS, the Prior Leased Premises contained and included certain buildings and other improvements and constructed and located thereon by former tenants of the Prior Leased Premises (which buildings and other improvements were acquired by Tenant pursuant to its acquisition of the Prior Ground Leases, subject to the terms and provisions of the Prior Ground Leases), and Tenant

shall continue to own (and it is the intent of the parties hereto that Tenant continue to own) all such buildings and improvements, subject to terms and provisions of this Lease (including, without limitation, Section 10 of this Lease regarding the payment of property taxes and assessments upon such buildings and improvements, and Section 28 of this Lease providing that such buildings and improvements become owned by the City upon the termination or expiration of this Lease); and

WHEREAS, Tenant desires to lease from the City, and the City desires to lease to Tenant, a portion of the Airport comprising that certain parcel of real property located generally at 4553 Jimmy Doolittle Road at Addison Airport and consisting of approximately _____ acres (____,____ gross square feet) of land (and comprising all of the Prior Leased Premises and the Additional Leased Premises), which is more fully described in Exhibit 2.1 and Exhibit 2.2 attached hereto and incorporated herein (which portion is referred to herein as the "Leased Premises"), according to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

Section 1. Demise of Leased Premises: In consideration of the terms, covenants and conditions set forth in this Agreement, Landlord does hereby lease to Tenant, and Tenant does hereby lease and accept from Landlord, the Leased Premises, subject to all matters of record in any way appertaining to the Leased Premises. This Lease is given and entered into subject to all laws, ordinances, rules, regulations, directives, permits, or standards of any governmental authority, entity, or agency (including, without limitation, the Town of Addison, Texas, the State of Texas, the Federal Aviation Administration, and the Texas Department of Transportation) whether in existence or hereafter enacted, adopted or imposed, and including, without limitation, any and all grant agreements or grant assurances now existing or as hereafter agreed to, adopted or imposed.

Section 2. Term:

A. Subject to the termination and all other provisions of this Lease, the term hereof (the "Term") shall commence on December 1, 2007 (the "Commencement Date") and shall end the last day of the one hundred eightieth (180th) full calendar month next following the Commencement Date (and including the month of the Commencement Date) (the "Expiration Date"). The period of time beginning upon the Effective Date and ending upon the Commencement Date is herein referred to as the "Preliminary Period". Any entry upon the Leased Premises by Tenant during the Preliminary Period shall be subject to all of the terms and conditions hereof.

B. Extension of Lease Term

(1) If (i) Tenant satisfies and completes to Landlord's satisfaction all of the terms, conditions and provisions of this Lease regarding construction of the Building Improvements pursuant to and as set forth in Section 6 below (including, without limitation, satisfaction of the time periods for achievement of Substantial Completion and Final Completion (as such terms are defined in Section 6) of the Building Improvements), and (ii) the Construction Costs Evidence (as defined in Section 6.B. below) submitted by Tenant to Landlord equals or exceeds Five Million and No/100 Dollars (\$5,000,000.00), then the Term hereof shall be increased by three hundred (300) months to create a Term of four hundred and eighty (480) months (and the Expiration Date shall be modified

so that it shall be the last day of the four hundred eightieth (480th) full calendar month next following the Commencement Date (and including the month of the Commencement Date)).

(2) If Tenant does not fully comply with subsection (1) of this Section B., , the Term may nevertheless be extended if (i) Tenant satisfies and completes to Landlord's satisfaction all of the terms, conditions and provisions of this Lease regarding construction of the Building Improvements pursuant to and as set forth in Section 6 below (including, without limitation, satisfaction of the time periods for achievement of Substantial Completion and Final Completion (as such terms are defined in Section 6) of the Building Improvements), and (ii) the Construction Costs Evidence (as defined in Section 6.B. below) submitted by Tenant to Landlord is greater than Four Million and No/100 Dollars (\$4,000,000.00) but less than Five Million Dollars and No/100 Dollars (\$5,000,000.00), then the Term hereof shall be increased by one hundred and eighty (180) months to create a Term of three hundred and sixty (360) months (and the Expiration Date shall be modified so that it shall be the last day of the three hundred sixtieth (360th) full calendar month next following the Commencement Date (and including the month of the Commencement Date)).

(3) Notwithstanding the foregoing or any other provision of this Lease, it is the intent of the parties that the Term, as may be extended, shall not exceed forty (40) years in duration.

(4) Within 15 calendar days after Final Completion as defined in Section 6, Landlord shall cause to be delivered to Tenant a Memorandum of Lease, which Memorandum may be publicly recorded by either party in the Dallas County Deed of Records, evidencing this Lease, including the Term.

(5) If Tenant elects not to commence construction of the Building Improvements, or if such construction is commenced but all of the terms, conditions and provisions set forth in this Lease which are required to obtain an extension of the Term are not fully and timely completed and satisfied, Tenant shall not be entitled to an extension of the Lease Term pursuant to this Section 2.B and the Term shall remain as set forth in Section 2.A., above.

Section 3. Rental & Security Deposit:

A. Subject to adjustment as herein below provided, Tenant agrees to pay to Landlord, without offset or deduction, Rent each month with the first such monthly payment or installment of Rent (i) due and payable on or before the Commencement Date (the "Rent Commencement Date") and (ii) in an amount of _____ (\$,_____) (being the equivalent one-twelfth of the product of forty-five cents (\$0.45) times the total gross square feet contained within the Leased Premises shown in Exhibit 2.1 (the "Base Rent"). Thereafter, another payment or installment of Rent, subject to adjustment as set forth below, shall be due and payable on the first day of each calendar month during the term hereof. All Rent is due on the first of each month and is delinquent after the 10th day of each month and subject to the provisions of Section 39.

B. Security Deposit: No Security Deposit required.

Section 4. Adjustment of Rental: Commencing on the second anniversary of the Rent Commencement Date and on every second anniversary thereafter (hereinafter referred to as the

“Adjustment Date”), the monthly rental due under Section 3.A Base Rental shall be adjusted as follows:

A. Monthly rent shall be adjusted to reflect changes in the Consumers’ Price Index - All Items for Dallas, Texas Metropolitan Area (hereinafter referred to as the “Consumer Price Index”), as quoted in the publication *Consumer Price Index for All Urban Consumers (CPI-U)* for the Dallas-Fort Worth Texas area which is issued by the U.S. Department of Labor, Bureau of Labor Statistics. The basic index (“Basic Index”) is the Consumer Price Index existing on the Rent Commencement Date. The current index (“Current Index”) is the Consumer Price Index on the first day of the calendar month preceding the then applicable Adjustment Date.

B. Beginning with the first full month following the then applicable Adjustment Date, the monthly rent shall be adjusted so that it equals the product of the Base Rent amount multiplied by a fraction, the numerator of which is the Current Index and the denominator of which is the Basic Index, but in no event shall such monthly rent ever be decreased below the Base Rent set forth in Section 3.A.

C. In the event that the Consumer Price Index is unavailable for whatever reason for the computations set forth hereinabove, another index approximating the Price Index as closely as feasible (as reasonably determined by Landlord) shall be substituted therefore.

Section 5. Use of Leased Premises:

A. The Leased Premises shall be used and occupied by Tenant only for the following purposes: operating full aircraft servicing facilities including but not limited to the sale of aircraft and aircraft parts; aircraft maintenance and repair; servicing of aircraft engines, instruments, propellers and accessories in connection with said business aircraft storage, aircraft training, aircraft charter and rentals. Provided Tenant is a holder of a valid aviation fuel dispensing permit issued by the Town of Addison and not in default of any other provision of this Lease, Tenant may also conduct fueling operations as authorized under said fuel dispensing permit on the Leased Premises.

In connection with such use and occupancy, Tenant shall have the right to occupy and maintain, as required by this Lease, all buildings, shops, hangars and other improvements existing on the Leased Premises as of the Commencement Date of this Lease. Notwithstanding the foregoing, Tenant may construct or reconstruct upon the Leased Premises the Building Improvements provided for in (and subject to) Section 6 hereinbelow and not otherwise without the prior written consent of Landlord.

The Tenant shall not at any time leave the Leased Premises vacant, but shall in good faith continuously throughout the term of this Lease conduct and carry on in the entire Leased Premises the type of business for which the Leased Premises are leased, except during periods in which the Leased Premises may not be occupied as a result of fire or other casualty, or reasonable periods for repairs and alterations, all such repairs and alterations to be diligently pursued to completion.

B. The Tenant for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that (i) no person on the grounds of race, creed, color, national origin, sex, age or handicap shall be excluded from participation in,

denied the benefits of or be otherwise subjected to discrimination in the use of said facilities; (ii) that in the construction of any improvements on, over or under such land and the furnishing of services thereon, no person on the grounds of race, creed, color, national origin, sex, age, or handicap shall be excluded from participation in, denied the benefits of or otherwise be subjected to discrimination; (iii) that the Tenant shall use the Leased Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964 and as said Regulations may be amended.

C. The Tenant agrees to furnish service on a fair, equal, and non-discriminatory basis to all users thereof and to charge fair, reasonable, and not unjustly discriminatory prices for each unit or service, provided that the Tenant may be allowed to make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

Section 6. Construction of Improvements:

A. Tenant hereby accepts the Leased Premises and all existing improvements and fixtures to the Leased Premises in its “**As Is**” and “**Where Is**” condition pursuant to Section 7 below. Furthermore, Tenant desires to redevelop, expand and renovate all or a portion of the Leased Premises as set forth herein and by doing so, Landlord acknowledges and agrees that Tenant intends to construct said improvements to the Leased Premises while continuing business operations. Tenant hereby agrees to use commercially reasonable diligence to complete said construction or reconstruction in a timely manner and to mitigate any disruption, inconvenience or nuisance to the Airport or its tenants and their employees, guests, customers and invitees or, any other user of the Airport.

B. In connection with the use and occupancy of the Leased Premises by Tenant, Tenant may, at its sole discretion, construct on the Leased Premises buildings and other improvements (together, the “Building Improvements”), at Tenant’s sole cost, expense and risk (except as may be otherwise agreed to between Landlord and Tenant), in accordance with plans and specifications which must be approved in writing by Landlord prior to constructing or reconstructing said Building Improvements.

(1) The term “Building Improvements” shall mean generally those improvements described in Exhibit 3 attached hereto and incorporated herein.

(2) At times required by this Lease and at such other times as Landlord may request, Tenant shall submit to Landlord written evidence of construction cost (separate and apart from the cost of design) of the Building Improvements (the “Construction Costs Evidence”); such Construction Cost Evidence shall include true and correct copies of all receipts or other documents or records indicating the nature of the construction work performed, the cost thereof and the amount paid for such construction work, together with such other information related to the construction cost and work upon the Leased Premises as Landlord may request.

C. Should Tenant elect to construct Building Improvements, they shall be constructed on the Leased Premises in accordance with plans and specifications prepared by an architect and/or engineer selected by Tenant (the “Design Plan”), which shall be submitted to Landlord and

approved in writing by Landlord. Any architect or engineer shall be duly licensed to practice architecture or engineering, as the case may be, in the State of Texas. Such construction shall be performed in a first class, workmanlike manner and in compliance with all applicable building codes, standards and ordinances, as set out in more detail, below. Tenant agrees to promptly pay and discharge all costs, expenses, claims for damages (including consequential damages) or injury (including, without limitation, claims for personal injury or death, or property damage or destruction, or economic loss), liens and any and all other liabilities and obligations which arise in connection with such construction, and Tenant shall DEFEND, INDEMNIFY, and HOLD HARMLESS Landlord and the Airport Manager, and their respective officials, officers, employees, and agents, from and against any and all such costs, expenses, claims, liens, liabilities, and obligations. It is expressly understood and agreed that Tenant's construction of the Building Improvements shall include the finish-out of such building and improvements in accordance with the plans and specifications for the finish-out of the Building Improvements as agreed by Landlord and Tenant.

D. Landlord's approval of the Design Plan or any other plans and specifications does not impose on Landlord any responsibility whatsoever, including, without limitation, any responsibility for the conformance of the plans and specifications with any governmental regulations, building codes, and the like, for which Tenant, its architects, engineers, other design professionals, and its contractors shall have full and complete responsibility.

E. For purposes hereof, construction of Building Improvements shall be deemed to have commenced when all of the following events have occurred: (i) approval of the Design Plan by Landlord, (ii) Tenant has been issued the required building permit(s) or licenses necessary to construct the Building Improvements on the Leased Premises, (iii) Tenant shall have received (and shall have provided a true and correct copy to the Town of) the Federal Aviation Administration's ("FAA's") determination to Tenant's filing of Form 7460 Notice of Proposed Construction or Alteration, (iv) execution of a contract with a qualified general contractor, (v) proof of required Builder's Risk Insurance Policy (or other form of Tenant's financial responsibility to the project which is acceptable to Landlord), and the initiation of actual mobilization of construction equipment on the Leased Premises.

F. After commencement of construction of Building Improvements, Tenant shall complete said construction in accordance to the Design Plan with reasonable diligence, without material deviation from the Design Plan, and any deviation from the Design Plan shall be subject to the review and approval of Landlord. If (i) Tenant Substantially Completes (as hereinafter defined) the Building Improvements, in accordance with the Design plan, on or before December 31, 2011, with Final Completion achieved no later than ninety (90) days thereafter, and (ii) Construction Costs as established by the Construction Costs Evidence, which Tenant shall submit to Landlord on or before the Final Completion date, equal or exceed the minimums stipulated in Sections 2.B(1) or 2.B(2), above (as may be applicable), Tenant shall be entitled to the applicable Extended Lease Term pursuant to either Section 2.B(1) or 2.B(2). Should Tenant begin to construct or provide the Building Improvements, but fail to complete all construction or provision, failure to do so shall constitute a breach of this Agreement and Landlord may, at its sole discretion seek whatever remedies available to it under this Lease or by law, including the remedies provided for in Section 11.B, and may further require that Tenant promptly remove all of such improvements.

G. Tenant agrees that any construction or modification of the Building Improvements or any other improvements (authorized to be constructed in writing by Landlord) on the Leased Premises shall comply with all standards, codes, and rules adopted by Landlord or the Airport Manager, including, but not limited to, any rules relating to construction and maintenance standards and specifications, will comply with the Town of Addison, Texas building code and zoning requirements, and will meet or exceed all applicable State and Federal standards. Tenant recognizes that such construction/maintenance standards and specifications, Town of Addison building code and zoning requirements, and all applicable State and Federal standards, and other applicable standards, codes, and rules may be modified or amended from time to time and that compliance will be measured by such standards in effect at the time of a particular construction or modification of improvements.

H. Tenant will properly and timely submit to the Federal Aviation Administration (FAA), the Texas Department of Transportation (TxDOT), and any other governmental entity or agency having jurisdiction regarding Addison Airport, a Notice of Proposed Construction or Alteration (FAA Form 7460), when and as required.

I. Tenant further agrees that the Landlord shall be authorized at all times during any project of construction to enter upon the Leased Premises, and all parts thereof, in order to observe the performance of such construction, and Tenant agrees to provide the Landlord a construction schedule setting out the time of Commencement, Substantial Completion and Final Completion of significant elements of the construction, which schedule shall be delivered to Landlord prior to the start of any construction project on the Leased Premises.

J. “Substantial Completion” of the construction of the Building Improvements shall be deemed to have occurred upon (i) the issuance of a written certification by Tenant's architect who designed the Building Improvements in writing to Landlord that said Building Improvements are complete in accordance with the Design Plan (a certificate of substantial completion), and (ii) the Town of Addison, Texas issuing a certificate of final occupancy for said Building Improvements. “Final Completion” of the construction of the Building Improvements shall be deemed to occur upon the issuance by Tenant's architect who designed the Building Improvements of such documentation as may be necessary to establish the final completion (closeout) of the construction of the Building Improvements, the delivery of a true and correct copy of such documentation to Landlord, and the delivery by Tenant to Landlord of comprehensive As-Built drawings and documentation reviewed by Tenant's architect reflecting all approved changes and modifications to the originally approved Design Plan.

K. Notwithstanding any other provision of this Lease, except as provided for in this Lease, Tenant may not construct, locate, install, place or erect any other improvements upon the Leased Premises without the prior written consent of Landlord.

L. Failure of Tenant to observe and comply with the requirements of this Section shall be an Event of Default.

Section 7. Acceptance of Leased Premises: TENANT ACKNOWLEDGES THAT TENANT HAS FULLY INSPECTED THE LEASED PREMISES AND ACCEPTS THE LEASED PREMISES AND THAT THE LEASED PREMISES ARE LEASED TO TENANT "AS IS, WHERE IS, AND WITH ALL FAULTS AND PATENT AND LATENT DEFECTS", AND LANDLORD HAS NOT MADE, DOES NOT MAKE, AND SPECIFICALLY DISCLAIMS, ANY REPRESENTATION, PROMISE, COVENANT, AGREEMENT, GUARANTY OR WARRANTY OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, AS TO THE QUANTITY, QUALITY, CONDITION, SUITABILITY, HABITABILITY, OR FITNESS OF THE PROPERTY FOR ANY PURPOSE WHATSOEVER, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION REGARDING SOIL CONDITIONS, AVAILABILITY OF UTILITIES, DRAINAGE, ZONING LAWS, ENVIRONMENTAL LAWS, OR ANY OTHER FEDERAL, STATE OR LOCAL STATUTES, CODES, REGULATIONS OR ORDINANCES. TENANT ALSO ACKNOWLEDGES AND AGREES THAT TENANT'S INSPECTION AND INVESTIGATION OF THE LEASED PREMISES HAVE BEEN ADEQUATE TO ENABLE TENANT TO MAKE TENANT'S OWN DETERMINATION WITH RESPECT TO THE SUITABILITY OR FITNESS OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, WITH RESPECT TO SOIL CONDITIONS, AVAILABILITY OF UTILITIES, DRAINAGE, ZONING LAWS, ENVIRONMENTAL LAWS, AND ANY OTHER FEDERAL, STATE OR LOCAL STATUTES, CODES, REGULATIONS OR ORDINANCES. TENANT ACKNOWLEDGES THAT THE DISCLAIMERS, AGREEMENTS AND OTHER STATEMENTS SET FORTH IN THIS PARAGRAPH ARE AN INTEGRAL PORTION OF THIS LEASE AND THAT LANDLORD WOULD NOT AGREE TO LEASE THE LEASED PREMISES TO TENANT AS SET FORTH HEREIN WITHOUT THE DISCLAIMERS, AGREEMENTS AND OTHER STATEMENTS SET FORTH IN THIS PARAGRAPH. TENANT FURTHER ACKNOWLEDGES THAT TENANT IS NOT IN A DISPARATE BARGAINING POSITION WITH RESPECT TO LANDLORD. TENANT ACKNOWLEDGES AND AGREES FURTHER THAT THIS LEASE IS SUBJECT TO ANY AND ALL CURRENTLY EXISTING TITLE EXCEPTIONS OR OTHER MATTERS OF RECORD OR VISIBLE OR APPARENT FROM AN INSPECTION AFFECTING THE LEASED PREMISES. TENANT WAIVES ANY IMPLIED WARRANTIES OF SUITABILITY, HABITABILITY, AND FITNESS FOR A PARTICULAR PURPOSE, AND FURTHER WAIVES ALL CLAIMS BASED ON ANY DEFECT IN THE LEASED PREMISES THAT COULD HAVE BEEN DISCOVERED BY TENANT'S REASONABLE INSPECTION. TENANT, AT ITS COST, SHALL BE ENTITLED TO PERFORM A PHASE I ENVIRONMENTAL STUDY, PROVIDING A COPY OF THE RESULTS TO LANDLORD AND THE TOWN, ALL AS SPECIFIED IN MORE DETAIL IN SECTION 22D BELOW. WITHOUT LIMITING THE FOREGOING, THERE IS NO WARRANTY, EXPRESS OR IMPLIED, OF SUITABILITY, MERCHANTABILITY, HABITABILITY, OR FITNESS FOR ANY PARTICULAR PURPOSE GIVEN IN CONNECTION WITH THIS LEASE.

In accepting the Leased Premises, Tenant acknowledges that this Lease shall be construed to provide rent to Landlord on a Net Return Basis, as set out in Section 32, below.

Section 8. Securing Governmental Approvals and Compliance with Law; Noise Abatement:

A. 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 Leased Premises. This Lease is subject to and Tenant shall comply at all times with all laws, ordinances, rules, regulations, directives, permits, or standards of any governmental authority, entity, or agency (including, without limitation, the Town of Addison, Texas, the State of Texas, the Federal Aviation Administration, the Texas Department of Transportation, the United States Environmental Protection Agency, and the Texas Commission on Environmental Quality) applicable or related to, whether directly or indirectly the use and occupancy of the Leased Premises and whether in existence or hereafter enacted, adopted or imposed. Tenant shall promptly comply with all governmental orders and directives for the correction, prevention and abatement of nuisances in or upon, or connected with, the Leased Premises, all at Tenant's sole cost and expense, and shall comply with and be subject to (and this Lease is made and entered into subject to) any and all grant agreements or grant assurances now existing or as hereafter agreed to, adopted or imposed.

Tenant agrees that any new construction or modification of existing improvements on the Leased Premises will comply with all standards and rules published by the Landlord or by any person or entity authorized by Landlord to manage and/or operate the Airport ("Airport Manager"), including, but not limited to, the Airport's published "Construction/Maintenance Standards and Specifications," will comply with the Town of Addison building codes and zoning requirements or any other laws, ordinances, permits, rules, regulations, or policies of the Town of Addison, Texas, and will meet or exceed all applicable State and Federal standards, permits, laws, rules, or regulations. Tenant recognizes that the referenced Construction/Maintenance Standards and Specifications, Town of Addison building codes and zoning requirements and other laws, ordinances, permits, rules, regulations or policies, and all applicable State and Federal standards, laws, rules, or regulations may be modified or amended from time to time and that compliance will be measured by such standards in effect at the time of a particular construction or modification of improvements. Tenant will properly and timely submit to the Federal Aviation Administration, the Texas Department of Transportation, and any other governmental entity or agency having jurisdiction regarding or related to Addison Airport, a Notice of Proposed Construction, when and as required. Tenant further agrees that the Landlord shall be authorized at all times during any project of construction to enter upon the Leased Premises, and all parts thereof, in order to observe the performance of such construction, and Tenant agrees to provide the Landlord a construction schedule setting out the time of commencement, final completion and completion of significant elements of the construction, which schedule shall be delivered to Landlord prior to the start of any construction project on the Leased Premises. Failure of Tenant to observe and comply with any provision or requirement of this Section 8 shall be an Event of Default.

B. Tenant shall comply with noise abatement standards at the Airport at all times and shall notify any aircraft operator using any portion of the Leased Premises of such standards.

Section 9. Assignment, Subletting and Mortgaging of Leasehold Estate; Stored Aircraft Information:

A. Without the prior written consent of Landlord, Tenant shall have no power to and may not assign, sell, pledge, encumber, license, transfer, or otherwise convey (together, "assign" or "assignment") this Lease or any rights or obligation of Tenant hereunder (except to a leasehold mortgagee as hereinbelow provided and in accordance with all of the terms and conditions of this Lease) or sublet the whole or any part of the Leased Premises, and any such assignment or any subletting shall be null and void and may be deemed by Landlord (in Landlord's sole discretion) an event of default under Section 23 of this Lease.

Notwithstanding the foregoing, Landlord hereby acknowledges and consents to Tenant's subletting of the Leased Premises for the purpose of renting aircraft storage and office space only, provided that each sublease is evidenced by written agreement, signed and executed by Tenant and sublessee and fairly states:

- (i) each sublessee agrees to be bound by the terms and provisions of this Ground Lease, including, without limitation, the provisions of Section 5 pertaining to the use of the Leased Premises, and in the event of any conflict between the terms of the Ground Lease and the terms of the sublease, the terms of the Ground Lease shall control;
- (ii) no such subletting shall constitute a novation.
- (iii) in the event of occurrence of an event of default while the Leased 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.
- (iv) sublessee shall be obligated to obtain Landlord's consent to any action as to which Tenant is obligated to obtain such consent under the Ground Lease;
- (v) any such sublease is to automatically terminate upon termination of the Ground Lease notwithstanding any other provision of the sublease to the contrary;
- (vi) Landlord shall have no responsibility or obligation for the performance by Tenant of its obligations under the sublease;
- (vii) neither this consent, the exercise by Landlord of its rights hereunder, nor the sublease or any other instrument shall give sublessee any rights directly or indirectly against Landlord or create or impose any obligation, duty, responsibility, or liability of Landlord in favor of or for the benefit of sublessee.

Furthermore, Tenant agrees that in no way does any sublease release Tenant from any of its covenants, agreements, liabilities and duties under the Ground lease; that this consent does not constitute approval by Landlord of the terms of any such sublease; nothing herein contained shall be deemed a waiver or release of any of the Landlord's rights under the Ground lease; that Tenant shall remain fully liable for the performance of each and every term, provision, covenant, duty and obligation of the Tenant under the Ground Lease, including, without limitation, the duty to make any and all payments of rent; any violation of any terms and conditions of the Ground Lease by a sublessee may constitute a default under the Ground Lease;

C. If consent by Landlord to an assignment is required hereunder, Tenant shall request, in writing, Landlord's consent to a proposed assignment and such request must include: (i) the name of the proposed assignee; (ii) the nature and character of the assignee's business; (iii) all material terms of the proposed assignment; and (iv) audited financial statements or other evidence of the proposed assignee to perform its obligations.

For the purposes hereof and any applicable law, and without limitation as to other grounds for Landlord withholding consent, Landlord may, in Landlord's sole discretion, withhold its consent when any one or more of the following apply:

- (i) the proposed assignee is of a character or of a reputation or is engaged in a business, which is not consistent with the master or strategic plan of Addison Airport as determined by Landlord;
- (ii) the proposed assignee has not demonstrated sufficient financial responsibility or creditworthiness to the satisfaction of Landlord in light of the duties, obligations, and responsibilities of the Tenant under this Lease at the time when the consent is requested;
- (iii) the proposed assignee's intended use of the Leased Premises is inconsistent with the Lease;
- (iv) the proposed assignment would cause Landlord to be in violation of another lease or agreement to which Landlord is a party or to which Landlord or the Addison Airport is subject (including, without limitation, any grant agreements or grant assurances of the Federal Aviation Administration or any other governmental entity or agency);
- (v) if at any time consent is requested or at any time prior to the granting of consent, Tenant is in default under the Lease or would be in default under the Lease but for the pendency of a grace or cure period; or
- (vi) the proposed assignee does not intend to occupy the entire Leased Premises as described in the Lease and conduct its business there from for a substantial portion of the then remaining term of the Lease;

An assignment will be deemed to occur if the person or persons who own or have voting control of 51% or more of Tenant on the date of this Lease cease to own or have voting control of 51% or more of Tenant at any time during the Term; Tenant shall provide to Landlord from time to time, as requested by Landlord and in a form acceptable to Landlord, a written certification as to the ownership of voting securities or voting control of Tenant. For purposes hereof, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities or partnership interests, by contract, or otherwise. Any assignment or any subletting shall be expressly subject to all the terms and provisions of this Lease, including the provisions of Section 5 pertaining to the use of the Leased Premises.

D. 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 (i) obtaining funds for the construction of the Building Improvements described in Section 6, or (ii) for acquisition of leasehold estate and

improvements of, (iii) other construction upon the Leased Premises approved from time to time by Landlord in writing, or (iv) for any other purpose which may be 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 becomes 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 rent due hereunder and otherwise fully perform the terms and conditions of this Lease.

E. All mortgages or deeds of trust whereby Tenant mortgages the leasehold estate of Tenant created hereby shall contain provisions (i) requiring the leasehold mortgagee to give Landlord at least 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.

F. 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.

G. 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 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 performs all of the obligations of Tenant hereunder; provided, however, that notwithstanding the foregoing or any other provision of this Lease, such mortgagee shall and does not have the right and shall and does not have the power to transfer (as defined in subsection A. of this Section above) this Lease, or any right, interest, obligation, or liability hereunder, or any part of the Leased Premises, without the prior written approval of Landlord, and any such transfer shall be null and may deem a default under Section 23 of this Lease by Landlord, it being the intent of this provision that such mortgagee shall have no greater right to transfer this Lease, or any right, interest, obligation, or liability hereunder, or any part of the Leased Premises, than the Tenant has as set forth in subsection

B. of this Section. Landlord also agrees to consider the execution and delivery to such proposed leasehold mortgagee of 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 Leased Premises to the mortgage of such proposed leasehold mortgagee.

H. Upon request by Landlord, Tenant shall provide to Landlord a complete and accurate roster of any subtenants which shall include, but not be limited to, name, mailing address, email address, daytime telephone number, 24-hour emergency contact information, together with the make, model, aircraft type and "N" number of any aircraft regularly stored or located on or in the Leased Premises. Tenant's failure to provide said information as prescribed constitutes a default of this Lease.

Section 10. Property Taxes and Assessments: Tenant shall pay, before they become delinquent, any and all property taxes or assessments, and any other governmental charges, fees or expenses (collectively, the "Taxes"), levied or assessed on any improvements on the Leased Premises, the personal property and fixtures on the Leased 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 "paid receipts" or other written evidence that all such taxes have been paid by Tenant when due. In the event Tenant shall fail to pay any such taxes, assessments, or charges prior to delinquency, Landlord shall have the right to pay (but not the obligation) or cause all taxes, assessments, or charges to be paid and the reasonable costs thereof expended by Landlord plus interest thereon as provided in Section 39 of the Lease shall be paid by Tenant on demand. Subject to the payment of any outstanding Taxes, Tenant may protest, appeal or institute other formal proceedings to effect a reduction or abatement of real estate taxes and assessments with respect to real estate taxes and assessments levied against the improvements on the Leased Premises and/or the Tenant's leasehold interest in the Lease for any tax fiscal year that ends after the Commencement Date of this Lease. Such protest, appeal or other proceedings may be conducted only in the name of Tenant. To this end and at Tenant's expense, Tenant shall give Landlord written notice of any such protest or appeal.

Section 11. Maintenance and Repair of Leased Premises:

A. Tenant shall, throughout the term hereof, maintain in good repair and in a first class condition (in accordance with any construction and/or maintenance standards and specification established by Landlord or the Airport Manager and all applicable ordinances, rules and regulations of the Town of Addison, Texas) all the Leased Premises and all fixtures, equipment and personal property on the Leased Premises and keep them free from waste or nuisance and, at the expiration or termination of this Lease, deliver up the Leased Premises clean and free of trash and in good repair and condition, with all fixtures and equipment situated in the Leased Premises in good working order, reasonable wear and tear excepted. Tenant shall reimburse Landlord for and indemnify Landlord against all damages, which Landlord incurs from Tenant's delay in vacating the Leased Premises.

B. In the event Tenant shall fail to so maintain the Leased 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 therefore expended by Landlord plus interest thereon as provided in Section 39 shall be paid by Tenant on demand.

Section 12. Alterations, Additions and Improvements: After completion of the Building Improvements described in Section 6, Tenant shall not create any openings in the roof or exterior walls, or make any material alterations, additions or improvements to the Leased Premises or any improvements thereon or modifications thereto without the prior written consent of Landlord and the Airport Manager. Consent for non-structural alterations, additions or improvements shall not be unreasonably withheld by Landlord and the Airport Manager. Tenant shall have the right, without Landlord's consent, 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 (including, without limitation and as may be required by law, obtaining a building permit).

All alterations, modifications, additions and improvements in and to the Leased Premises shall be performed in a first class, workmanlike manner, shall comply with all the standards and requirements set out, above, in Section 6 and Section 8, and Tenant shall promptly pay and discharge all costs, expenses, claims for damages (including consequential damages), liens and any and all other liabilities and obligations which arise in connection therewith (and shall DEFEND, INDEMNIFY, and HOLD HARMLESS Landlord and the Airport Manager, and their respective officials, officers, employees, and agents, from and against any and all such costs, expenses, claims, liens, liabilities, and obligations as set forth in Section 6).

Section 13. Insurance: Tenant shall during the term hereof maintain at Tenant's sole cost and expense insurance relating to the Leased Premises as follows:

A. Insurance against loss or damage to improvements by fire, lightning, and all 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 one hundred percent (100%) of the full insurable value of the Leased Premises and any and all improvements thereon. 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.

1. 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 \$500,000 for damage to or destruction of property resulting from such perils.

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

3. 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.

4. Town of Addison shall be named as a loss payee.

B. If Tenant is dispensing aircraft fuel as a public fixed based operator under a valid fuel dispensing permit issued by the Town of Addison, Tenant shall maintain throughout the term of this Lease the following liability coverages:

1. Commercial General Liability insurance against claims for bodily injury, death or property damage or destruction occurring on, in or about the Leased Premises, with limits of liability of not less than \$10,000,000 for each occurrence, CSL/\$10,000,000 general aggregate. Coverage must include independent contractor liability.

2. Hangarkeepers Legal Liability insurance, at limits of \$2,000,000 per-occurrence is required if Tenant is engaged in maintenance, repair, or servicing of aircraft belonging to a third-party, or if Tenant is otherwise involved in any operation in which Tenant has care, custody, or control of an aircraft that belongs to a third-party.

3. Business Automobile Liability insurance for all Tenant owned and non-owned vehicles being operated on the Airport with a minimum combined single limit of \$5,000,000 for bodily injury and property damage.

4. Statutory limits of workers compensation insurance and employer's liability and by disease.

5. Aircraft liability insurance against third party bodily injury or death and property damage or destruction at minimum limits required by regulatory agencies having jurisdiction at the Airport and which are acceptable to Landlord, but in any event not less than \$1,000,000 each occurrence (applies to the ownership, operation or use of aircraft by Tenant or any subtenant). Policy shall include non-owned aircraft liability with a minimum of \$1,000,000 and medical expense coverage with a limit of \$5,000 for any one person.

C. If Tenant is not dispensing aircraft fuel as a public fixed based operator under a valid fuel dispensing permit issued by the Town of Addison, Tenant shall maintain throughout the term of this Lease the following liability coverages:

1. Commercial General Liability insurance against claims for bodily injury, death or property damage or destruction occurring on, in or about the Leased Premises, with limits of liability of not less than \$1,000,000 for each occurrence, CSL/\$1,000,000 general aggregate. Coverage must include independent contractor liability.

2. Hangarkeepers Legal Liability insurance, at limits of \$1,000,000 per-occurrence is required if Tenant is engaged in maintenance, repair, or servicing of aircraft

belonging to a third-party, or if Tenant is otherwise involved in any operation in which Tenant has care, custody, or control of an aircraft that belongs to a third-party.

3. Business Automobile Liability insurance for all Tenant owned and non-owned vehicles being operated on the Airport with a minimum combined single limit of \$1,000,000 for bodily injury and property damage.

4. Statutory limits of workers compensation insurance and employer's liability and by disease.

5. Aircraft liability insurance against third party bodily injury or death and property damage or destruction at minimum limits required by regulatory agencies having jurisdiction at the Airport and which are acceptable to Landlord, but in any event not less than \$1,000,000 each occurrence (applies to the ownership, operation or use of aircraft by Tenant or any subtenant). Policy shall include non-owned aircraft liability with a minimum of \$1,000,000 and medical expense coverage with a limit of \$5,000 for any one person.

D. With reference to the foregoing insurance requirements, Tenant's insurance policies shall comply with the following:

1. The Town of Addison, Texas and Airport Manager 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 and Airport Manager shall be contained in the Workers Compensation, Builders Risk, and all liability policies.

4. Such insurance shall be maintained in full force and effect and shall not be cancelled, altered or amended without thirty (30) days prior written notice having first been furnished to the Town of Addison and Airport Manager.

5. All insurance policies, which name the Town of Addison and the Airport Manager as an additional insured, shall be primary and non-contributory.

6. Required limits may be satisfied by any combination of primary and umbrella liability insurances.

7. Contractor may maintain reasonable and customary deductibles, subject to reasonable approval by Landlord.

8. Insurance must be purchased from insurers that are financially acceptable to Landlord in its commercially reasonable discretion, and provided that any insurer with an AM Best (or equivalent) rating of A or better shall be deemed acceptable to Landlord.

9. All insurance must be written on forms filed with and approved by the Texas Department of Insurance. Certificates of all such insurance (together with the declaration page of such policies, along with the endorsement naming the Town of Addison, Texas and the Airport Manager as an additional insured), satisfactory to Landlord, evidencing all coverage above, shall be promptly delivered to Landlord and updated as may be appropriate, with complete copies of such policies furnished to the Landlord upon request.

10. Landlord reserves the right to review the insurance requirements contained herein and to reasonably adjust coverages and limits when deemed necessary and prudent by Landlord.

Section 14. Casualty Damage or Destruction:

A. In case of any damage to or destruction of the buildings, structures, equipment, or any other improvements on or at the Leased Premises (including the Building Improvements), 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 any building, structure, equipment, or other improvements (including the Building Improvements) on or at the Leased 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 and diligently commence and complete the restoration, repair and replacement of said building, structure, equipment, or other improvements as nearly as possible to their value, condition and character immediately prior to such damage and/or destruction and with at least as good workmanship and quality as such building, structure, equipment, or other improvements on or at the Leased Premises being repaired or replaced, with such alterations in and additions thereto as may be approved in writing by Landlord (hereinafter sometimes referred to as the "Restoration"). All Restoration plans (whether design, architectural, or otherwise) shall be approved in writing by Landlord prior to the commencement of construction. All such design and construction shall comply with other Sections of this Lease concerning the design and construction of buildings and other improvements on or at the Leased Premises, including without limitation Sections 6 and 8 hereof.

C. All insurance proceeds, if any, payable on account of such damage to or destruction of the buildings, structures and equipment on the Leased Premises shall be made payable jointly to Landlord and Tenant, and shall be deposited with a third party escrow agent as may be agreed upon by Landlord and Tenant ("Escrow Agent"). Any costs of such Escrow Agent shall be payable out of the insurance proceeds, or if such proceeds are not sufficient to pay such escrow agent, Tenant shall be responsible to pay the Escrow Agent.

D. Insurance proceeds received by the Escrow Agent on account of any damage to or destruction of the buildings, structures and equipment on the Leased 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 ("Net Insurance Proceeds") shall be applied as follows:

- (i). Net insurance proceeds 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) the 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', materialmans'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 required by the foregoing clauses Section 14. D(i)(a) and (b) that Restoration has been completed and the cost thereof paid in full, and that there are no mechanics', materialman's or similar liens for labor or materials supplied in connection therewith, the balance, if any, of such proceeds shall be paid to Tenant or as Tenant may direct.

E. In the event that Tenant does not promptly commence Restoration, or after commencement Tenant does not diligently proceed to the completion of same, Landlord shall have the right to commence or complete Restoration. Landlord's right to commence or complete Restoration shall begin after Landlord has given Tenant at least thirty (30) days written notice requesting (i) the commencement of Restoration, or (ii) that Tenant diligently proceed to the completion of Restoration, and Tenant during such thirty (30) day period fails to commence or diligently complete Restoration. In such event, Landlord shall be entitled to obtain the insurance proceeds, and Tenant shall promptly pay any deficiency if such proceeds are not sufficient for Restoration.

F. In the event of termination of this Lease by Landlord as a result of Tenant's failure to commence or complete (as the case may be) the Restoration, this Lease shall terminate and come to an end upon Landlord's termination as aforesaid as though the date of such termination by Landlord were the date of expiration of the term of this Lease, and all insurance proceeds shall be paid to Landlord.

Section 15. Condemnation:

A. If during the term hereof, any part of the Leased 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 Leased 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 Leased 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 Leased 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 Section 4, by a fraction, the numerator of which shall be the number of square feet remaining in the Leased Premises after the taking by or sale to said condemning authority and denominator of which shall be the square footage originally contained in the Leased Premises. The rental adjustment called for herein shall not commence until said condemning authority actually takes possession of the condemned portion of the Leased Premises.

C. If this Lease is not terminated pursuant to Section 15.A., above, Tenant shall promptly restore any building and any other improvements on the Leased 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 Leased 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 15.A., condemnation proceeds to which Landlord and Tenant are entitled shall be awarded and paid to Landlord and Tenant as their interests may appear.

Section 16. Utilities: Tenant shall be responsible at Tenant's sole cost and expense for obtaining all utility connections at or for the Leased Premises and Tenant shall pay all charges for water, electricity, gas, sewer, telephone or any other utility connections, tap-in fees, impact fees, and services furnished to the Leased Premises during the term hereof. Tenant agrees to contact all utility service providers prior to any excavation or digging on the Leased Premises. Landlord shall in no event be liable or responsible for any cessation or interruption in any such utility services.

Section 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 Leased Premises, other Airport installations, and all other reasonable services which may be provided with or without charge from time to time by Landlord in operating the Airport ("Common Facilities"). All such Common Facilities shall at all times be under the exclusive control, operation and management of Landlord and may be rearranged, modified, changed, altered, removed, or terminated from time to time at Landlord's sole discretion.

Section 18. Rules and Regulations: Landlord has adopted *Addison Airport Minimum Standards and Requirements for Commercial Aeronautical Service Providers* (also commonly referred to as the "Minimum Standards" or "Airport Minimum Standards") and *Addison Airport Rules and Regulations* (also commonly referred to as the "Rules and Regulations" or "Airport Rules and Regulations"), which shall govern Tenant in the use of the Leased Premises and all Common Facilities, a copy of which has been furnished to Tenant. The Minimum Standards and Rules and Regulations are incorporated by reference as if written verbatim herein, and Tenant agrees to

comply fully at all times with these governing documents. Landlord, in its sole discretion, shall have the right to amend, modify and alter these Minimum Standards and Rules and Regulations from time to time in a reasonable manner or may introduce other regulations as deemed necessary for the purpose of assuring the safety, welfare, convenience and protection of property of Landlord, Tenant and all other tenants and customers of the Airport.

Section 19. Signs and Equipment: After first securing Landlord's approval, Tenant shall have the right from time to time to install and operate signs depicting Tenant's name and operate radio, communications, meteorological, aerial navigation and other equipment and facilities in or on the Leased Premises that may be reasonably necessary for the operation of Tenant's business, provided such signs and equipment are installed and maintained in compliance with all applicable governmental laws, rules, and regulations, including the City sign ordinance, and do not interfere with the operation of any navigation facilities or Airport communications (including, without limitation, navigation facilities or Airport communications used or operated by the Federal Aviation Administration).

Section 20. Landlord's Right of Entry: Landlord and Landlord's authorized representatives shall have the right, during normal business hours, to enter the Leased Premises (i) to inspect the general condition and state of repair thereof, (ii) to make repairs permitted under this Lease, (iii) to show the Leased 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 Leased Premises customary signs advertising the Leased Premises for lease.

Section 21. Indemnity and Exculpation:

A. LANDLORD AND AIRPORT MANAGER, AND LANDLORD'S AND AIRPORT MANAGER'S OFFICIALS, OFFICERS, EMPLOYEES AND AGENTS (BOTH IN THEIR OFFICIAL AND PRIVATE CAPACITIES) SHALL NOT BE LIABLE TO TENANT OR TO TENANT'S EMPLOYEES, AGENTS, SERVANTS, CUSTOMERS, INVITEES, SUBTENANTS, LICENSEES, CONCESSIONAIRES, CONTRACTORS, SUBCONTRACTORS, OR TO ANY OTHER PERSON WHOMSOEVER, FOR ANY DEATH OR INJURY TO PERSONS OR DAMAGE TO OR DESTRUCTION OF PROPERTY OR ANY OTHER HARM ON OR ABOUT THE LEASED PREMISES OR ANY ADJACENT AREA OWNED BY LANDLORD CAUSED BY OR RESULTING FROM ANY ACT OR OMISSION OF TENANT, TENANT'S EMPLOYEES, AGENTS, SERVANTS, CUSTOMERS, INVITEES, SUBTENANTS, LICENSEES, CONCESSIONAIRES, CONTRACTORS, SUBCONTRACTORS, OR ANY OTHER PERSON ENTERING THE LEASED PREMISES UNDER EXPRESS OR IMPLIED INVITATION OF TENANT, OR ARISING OUT OF THE USE OR OCCUPATION OF THE LEASED PREMISES BY TENANT, ITS EMPLOYEES, AGENTS, SERVANTS, CUSTOMERS, INVITEES, SUBTENANTS, LICENSEES, CONCESSIONAIRES, CONTRACTORS, OR SUBCONTRACTORS AND/OR 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;

B. TENANT SHALL DEFEND (WITH COUNSEL REASONABLY ACCEPTABLE TO LANDLORD), INDEMNIFY AND HOLD HARMLESS LANDLORD AND AIRPORT MANAGER, AND LANDLORD'S AND AIRPORT MANAGER'S RESPECTIVE OFFICIALS, OFFICERS, EMPLOYEES AND AGENTS (BOTH IN THEIR OFFICIAL AND PRIVATE CAPACITIES) (TOGETHER, FOR PURPOSES OF THIS SUBPARAGRAPH, "INDEMNIFIED PERSONS") FROM AND AGAINST ANY AND ALL CLAIMS, ACTIONS, CAUSES OF ACTION, DEMANDS, LOSSES, HARM, DAMAGES, PENALTIES, LIABILITY, EXPENSES, LAWSUITS, JUDGMENTS, COSTS, AND FEES (INCLUDING REASONABLE ATTORNEY FEES AND COURT COSTS) ("DAMAGES"), WHICH ARE SUFFERED BY, RECOVERED FROM, OR ASSERTED AGAINST LANDLORD AND ARE RESULTING FROM, BASED UPON, OR ARISING OUT OF, IN WHOLE OR IN PART, (I) ANY CONDITION OF THE LEASED PREMISES CAUSED IN WHOLE OR IN PART BY TENANT, ITS OFFICERS, EMPLOYEES, AGENTS, ENGINEERS, CONSULTANTS, CONTRACTORS, SUBCONTRACTORS, INVITEES, OR ANY PERSON OR ENTITY DIRECTLY OR INDIRECTLY EMPLOYED BY OR ACTING UNDER TENANT; (II) ANY ACT OR OMISSION OF TENANT, ITS OFFICERS, EMPLOYEES, AGENTS, ENGINEERS, CONSULTANTS, CONTRACTORS, SUBCONTRACTORS, INVITEES, OR ANY PERSON OR ENTITY DIRECTLY OR INDIRECTLY EMPLOYED BY OR ACTING UNDER TENANT, UNDER, IN CONNECTION WITH, OR IN THE PERFORMANCE OF, THIS LEASE; AND (III) THE LEASED PREMISES BECOMING OUT OF REPAIR DUE TO THE FAULT OF TENANT, ITS OFFICERS, EMPLOYEES, AGENTS, ENGINEERS, CONSULTANTS, CONTRACTORS, SUBCONTRACTORS, INVITEES, OR ANY PERSON OR ENTITY DIRECTLY OR INDIRECTLY EMPLOYED BY OR ACTING UNDER TENANT, FOR ANY REASON INCLUDING BY 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 LEASED PREMISES, REGARDLESS OF THE SOURCE, OR BY DAMPNES OR BY FIRE, EXPLOSION, FALLING PLASTER OR CEILING. WHEN DAMAGES ARISE OUT OF THE NEGLIGENCE OF LANDLORD, TENANT'S LIABILITY UNDER THIS CLAUSE SHALL BE LIMITED TO A PORTION OF THE TOTAL AMOUNT OF THE DAMAGES (EXCLUDING DEFENSE FEES AND COSTS) EQUAL TO TENANT'S PROPORTIONATE SHARE OF THE NEGLIGENCE THAT CAUSED THE LOSS. LIKEWISE, TENANT'S LIABILITY FOR LANDLORD'S DEFENSE COSTS AND ATTORNEYS' FEES SHALL BE LIMITED TO A PORTION OF THE DEFENSE COSTS AND ATTORNEYS' FEES EQUAL TO TENANT'S PROPORTIONATE SHARE OF THE NEGLIGENCE THAT CAUSED THE LOSS.

C. TENANT HEREBY RELEASES LANDLORD AND AIRPORT MANAGER, AND THEIR RESPECTIVE OFFICIALS, OFFICERS, AGENTS AND EMPLOYEES, FROM, AND AGREES SUCH PARTIES 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.

D. THE PROVISIONS OF THIS SECTION 21 SHALL SURVIVE THE EXPIRATION OR TERMINATION OF THIS LEASE.

Section 22. Environmental Compliance:

A. No Storage or Disposal: Tenant shall not install, store, use, treat, transport, discharge or dispose (or permit or acquiesce in the installation, storage, use, treatment, transportation, discharge or disposal by Tenant, its directors, officers, shareholders, members, partners, agents, employees, invitees, contractors, subcontractors, independent contractors, or subtenants) on the Leased Premises or any portion of the Common Facilities, any: (a) asbestos in any form; (b) urea formaldehyde foam insulation; (c) transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls in excess of 50 parts per million; or (d) any other chemical, material, air pollutant, toxic pollutant, waste, or substance which is regulated as toxic or hazardous or exposure to which is prohibited, limited or regulated by the Resource Conservation Recovery Act (42 U.S.C. §6901, et seq., as amended or superseded), the Comprehensive and Environmental Response Compensation and Liability Act (42 U.S.C. §9601, et seq., as amended or superseded), the Hazardous Materials Transportation Act, the Toxic Substances Control Act, the Clean Air Act, and/or the Clean Water Act, or any other federal, state, county, regional, local or other governmental authority laws, rules, orders, standards, policies, or regulations, or which, even if not so regulated may or could pose a hazard to the health and safety of the occupants of the Leased Premises and/or any portions of the Common Facilities, and which is either: (i) in amounts in excess of that permitted or deemed safe under any applicable law, rule, order, standard, policy, or regulation or (ii) in any manner prohibited or deemed unsafe under applicable law, rule, order, standard, policy, or regulation. (The substances referred to in (a), (b), (c) or (d) are collectively referred to hereinafter as “Hazardous Materials”).

B. Cleanup Laws: Tenant shall, at Tenant’s own expense, comply with any presently existing or hereafter enacted laws relating to Hazardous Materials (collectively, “Cleanup Laws”); provided, however that Tenant shall not be responsible for correcting any violation of the Cleanup Laws under this Section that existed prior to the Effective Date. In furtherance and not in limitation of the foregoing, Tenant shall, at Tenant’s own expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority (the “Authority”) under the Cleanup Laws. Should any Authority require that a cleanup plan be prepared and that a cleanup be undertaken because of the existence of Hazardous Materials which were installed, stored, used, treated, transported, disposed of or discharged on the Leased Premises and/or any portion of the Common Facilities, by Tenant, its directors, shareholders, members, partners, officers, agents, employees, invitees, independent contractors, contractors, subcontractors, licensees, subtenants, any other person entering the Leased Premises under express or implied invitation of Tenant, or any person directly or indirectly employed by or acting under Tenant, during the Term of this Lease, Tenant shall, at Tenant’s own expense, prepare and submit the required plans and financial assurances and carry out the approved plans in accordance with such Cleanup Laws and to Landlord’s satisfaction. At no expense to Landlord, Tenant shall promptly provide all information requested by Landlord for preparation of affidavits or other documents required by Landlord to determine the applicability of the Cleanup Laws to the Leased Premises and/or any

portion of the Common Facilities, as the case may be, and shall sign the affidavits promptly when requested to do so by Landlord. **TENANT SHALL INDEMNIFY, DEFEND, SAVE AND HOLD LANDLORD AND AIRPORT MANAGER, THEIR OFFICIALS, OFFICERS, EMPLOYEES AND AGENTS, HARMLESS FROM AND AGAINST, AND REIMBURSE LANDLORD FOR, ANY AND ALL OBLIGATIONS, DAMAGES, INJUNCTIONS, FINES, PENALTIES, DEMANDS, CLAIMS, COSTS, EXPENSES, ACTIONS, LIABILITIES, SUITS, PROCEEDINGS AND LOSSES OF WHATEVER NATURE (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES AND COURT COSTS), AND ALL CLEANUP OR REMOVAL COSTS (COLLECTIVELY "DAMAGES") AND ALL ACTIONS OF ANY KIND ARISING OUT OF OR IN ANY WAY CONNECTED WITH, (I) THE INSTALLATION, STORAGE, USE, TREATMENT, TRANSPORTING, DISPOSAL OR DISCHARGE OF HAZARDOUS MATERIALS IN OR ON THE LEASED HANGAR AND/OR ANY PORTION OF THE COMMON FACILITIES BY TENANT, ITS AGENTS, EMPLOYEES, INVITEES, CONTRACTORS, SUBCONTRACTORS, INDEPENDENT CONTRACTORS OR SUBTENANTS DURING THE LEASE TERM OR AT ANY OTHER TIME APPLICABLE OR RELEVANT TO THIS LEASE AND TENANT'S OCCUPANCY OR USE OF THE LEASED PREMISES, AND (II) ALL FINES, SUITS, PROCEDURES, CLAIMS AND ACTIONS OF ANY KIND ARISING OUT OF TENANT'S FAILURE TO PROVIDE ALL INFORMATION, MAKE ALL SUBMISSIONS AND TAKE ALL STEPS REQUIRED BY THE AUTHORITY UNDER THE CLEANUP LAWS OR ANY OTHER ENVIRONMENTAL LAW, RULE, STANDARD, REGULATION, OR POLICY. HOWEVER WHEN DAMAGES ARISE OUT OF THE CO-NEGLIGENCE OF LANDLORD, TENANT'S LIABILITY UNDER THIS CLAUSE SHALL BE LIMITED TO A PORTION OF THE TOTAL AMOUNT OF THE DAMAGES (EXCLUDING DEFENSE FEES AND COSTS) EQUAL TO TENANT'S PROPORTIONATE SHARE OF THE NEGLIGENCE THAT CAUSED THE LOSS. LIKewise, TENANT'S LIABILITY FOR LANDLORD'S DEFENSE COSTS AND ATTORNEYS' FEES SHALL BE LIMITED TO A PORTION OF THE DEFENSE COSTS AND ATTORNEYS' FEES EQUAL TO TENANT'S PROPORTIONATE SHARE OF THE NEGLIGENCE THAT CAUSED THE LOSS.** In addition to and not in limitation of Landlord's other rights and remedies, Tenant's failure to abide by the terms of this Section shall be restrainable by injunction.

C. Environmental Notices: Tenant shall promptly supply Landlord with copies of any notices, correspondence and submissions made by Tenant to or received by Tenant from any governmental authorities of the United States Environmental Protection Agency, the United States Occupational Safety and Health Administration, the FAA, TxDOT, or any other local, state or federal authority that requires submission of any information concerning environmental matters or Hazardous Materials.

D. Prior to the City Delivery Date of this Lease, the Tenant, at Tenant's sole cost and expense, shall be entitled to conduct a Phase I Environmental Site Assessment ("ESA") with respect to the Leased Premises. If the Phase I ESA indicates the likely presence of Hazardous Materials on the Leased Premises, Tenant shall be entitled to conduct a Phase II ESA at Tenant's sole cost and expense. If the Phase II ESA indicates the presence of Hazardous Materials on the Leased Premises, Tenant shall be entitled, as its sole remedy, to disaffirm this Lease, in which case this Lease shall become null and void and no further obligation shall be borne by either party hereto. A copy of a Phase I ESA or Phase II ESA shall be delivered promptly to Landlord upon completion.

E. Survival: Tenant's defense and indemnity and hold harmless obligation and Tenant's liability pursuant to the terms of this Section 22 shall survive the expiration or earlier termination of this Lease.

Section 23. Default by Tenant: Each of the following events shall be deemed to be an event of default ("Event 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, or to pay or cause to be paid taxes (to the extent Tenant is obligated to pay or cause same to be paid), utilities, or insurance premiums, or any other payment which Tenant is to make under this Lease, on the date that same is due and such failure shall continue for a period of ten (10) days after the date on which such payment is to be made.

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, or the payment of taxes, utilities or insurance premiums, or other payments Tenant is to make under this Lease, as set forth in Section 23 A.) and such failure shall not be cured within thirty (30) days after written notice thereof to Tenant 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 Tenant has commenced curative action within said thirty (30) day period and thereafter is diligently attempting to cure such default. In the event that Tenant fails to cure such default within said thirty (30) day period, or within said additional reasonable period of time, Landlord shall have the right to terminate.

C. Tenant shall fail to deliver the Additional Deposit to Landlord on the date that same is due and such failure shall continue for a period ten (10) days after the delivery by Landlord to Tenant of written notice of such failure.

D. 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.

E. 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.

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

G. Abandonment by Tenant for a period of thirty (30) days of any substantial portion of the Leased Premises or cessation of use of the Leased Premises for the purpose leased.

H. Tenant is in default of any other Ground Lease with the Town of Addison or, provided Tenant is the holder of a valid aviation fuel dispensing permit or license issued by the Town of Addison, is in default of said fuel dispensing permit or license.

Section 24. Remedies of Landlord: Upon the occurrence of an Event of Default by Tenant under this Lease, Landlord, without prejudice to any other legal, equitable, or contractual

right or remedy, shall have the option to pursue any one or more of the following remedies using lawful force if necessary or appropriate, without notice or demand whatsoever:

A. Terminate this Lease or any of Tenant's rights under this Lease, with or without reentering or repossessing the Leased Premises.

B. Terminate Tenant's right to occupy all or any part of the Leased Premises without terminating this Lease and with or without reentering or repossessing the Leased Premises.

C. Recover unpaid rent and any Damages (as defined below);

D. Change or pick the locks, access codes, or other access control devices, and take any other self-help or judicial action to exclude Tenant and other occupants from the Leased Premises.

E. Remove and store (at Tenant's sole cost) any property on the Leased Premises.

F. Sue for eviction, specific enforcement, equitable relief, rent, damages, or any other available remedy.

G. Apply the Security Deposit in any manner permitted by this Lease, and increase the amount of the Security Deposit.

H. Cure Tenant's default, and if Landlord does so, Tenant must reimburse Landlord within thirty (30) days after Landlord delivers an invoice for any expenses Landlord incurred effecting compliance with Tenant's obligations.

I. Withhold or suspend any payment that this Lease would otherwise require Landlord to make.

J. Charge interest on any amount not paid as provided in Section 39 of this Lease.

K. Recover — but only if Tenant fails to pay rent, and Landlord terminates this Lease or Tenant's right of possession with more than 12 months remaining in the term of this Lease — liquidated rental damages for the period after any such termination equal to 12 times the monthly rent due at the time of termination in lieu of any other contractual or legal measure of damages (including reletting costs) for Tenant's non-payment of rent, and the parties agree this is a reasonable estimate of Landlord's damages for such a breach given the uncertainty of future market rental rates and of the duration of any vacancy.

L. Exercise all other remedies available to Landlord at law or in equity (including, without limitation, injunctive and other extraordinary remedies).

For purposes of this Section, "Damages" includes, without limitation, all actual, incidental, and consequential damages, court costs, interest, and attorneys' fees arising from Tenant's breach of this Lease (including, without limitation, the cost of (A) recovering possession, (B) removing and storing Tenant's and any other occupant's property, (C) re-letting (including, without limitation, the

costs of brokerage commissions and cleaning, decorating, repairing, or altering the Leased Premises for a substitute tenant or tenants), (D) collecting any money owed by Tenant or a substitute tenant, (E) repairing any damage caused by any Tenant Party, (F) performing any obligation of Tenant under the Lease, (G) any other loss or cost incurred by Landlord as a result of, or arising from, Tenant's breach of the Lease or Landlord's exercise of its rights and remedies for such breach, (H) any contractual or liquidated types or measures of damages specified in this Lease; and (I) any other type or measure of damages recoverable for any particular breach under Applicable Law.

Rental Deficiency is a contractual measure of Damages for Tenant's non-payment of rent measured by either the: (A) Actual Rental Deficiency, which is the difference (never less than zero) between (1) the rent due for, and other rent allocable under this Lease to, each month beginning with the first month with respect to which Landlord receives rent from reletting the Leased Premises, and (2) the proceeds, if any, that Landlord actually collects from any substitute tenant for any part of the Leased Premises in each corresponding month in which the Term and the term of the substitute tenant's lease overlap, *or* (B) Market Rental Deficiency, which is the present value, discounted at 6% simple annual interest, of the difference (never less than zero) between (1) the rent otherwise due under this Lease during any period after Tenant's breach in which Landlord may elect to recover this damage measure, and (2) the Fair Rental Value of the Leased Premises during that period, *plus* any costs incurred in connection with any actual or attempted reletting and any other Damages. In determining the Market Rental Deficiency, the Fair Rental Value will be the total rent that a comparable tenant would pay for comparable space in a building of substantially equivalent quality, size, condition, and location, considering rental rates and concessions then prevalent in the marketplace, the remaining lease term, the expected vacancy, any other relevant factors. An independent MAI appraiser selected by Landlord will determine the Leased Premises' Fair Rental Value, and that determination will conclusively bind the parties in any computation of the Market Rental Deficiency.

Unless Landlord delivers signed, written notice thereof to Tenant, no act or omission by Landlord or the Airport Manager or their respective officials, officers, employees, or agents will constitute Landlord's acceptance of surrender of the Leased Premises, termination of Lease, or an actual or constructive eviction of Tenant (including, without limitation, Tenant's delivery of keys to any of Landlord's or the Airport Manager's officials, officers, employees, or agents or Landlord's repossession, reentry, or reletting of the Leased Premises).

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.

Section 25. Default by Landlord: No default by Landlord hereunder shall constitute an eviction or disturbance of Tenant's use and possession of the Leased Premises or render Landlord liable for damages (including consequential 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 recovery or entitle Tenant to take any action whatsoever with regard to the Leased Premises, or Landlord, until thirty (30) days after Tenant has given Landlord written notice specifically setting forth such default by Landlord, and Landlord has not begun to cur

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 the thirty (30) day period and, thereafter, is diligently attempting to cure such default. In the event that Landlord fails to cure such default within the said thirty (30) day period, or within said the additional reasonable period of time, Tenant shall have the right to:

A. 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

B. 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.

Section 26. Mitigation of Damages:

A. In lieu of any other obligation to mitigate damages arising from Tenant's failure to pay rent or its abandonment of the Leased Premises in breach of this Lease, Landlord beginning not more than 60 days after Tenant physically vacates the Premises and continuing until the Leased Premises have been relet, will market the Leased Premises for lease, and Tenant will remain liable for all rent and other Damages not mitigated by any such reletting.

Landlord and Tenant agree to the following criteria in connection with Landlord's obligation to mitigate damages after a default Tenant and abandonment of the Leased Premises by Tenant under this Lease:

(1) Landlord will have no obligation to solicit or entertain negotiations with any other prospective tenants of the Leased Premises until and unless Landlord obtains full and complete possession of the Leased Premises, including without limitation, the final and unappealable legal right to relet the Leased Premises free of any claim of Tenant.

(2) Landlord will not be obligated to offer the Leased Premises to a prospective tenant when other premises suitable for that prospective tenant's use are (or soon will be) available in any other premises located at Addison Airport.

(3) Landlord will not have any obligation to lease the Leased Premises for any rental less than the current rate then prevailing for similar space at Addison Airport (or if no similar space is available, the current fair market rental then prevailing for similar space in comparable buildings in the same market area as the Leased Premises) nor shall Landlord be obligated to enter into a new lease under any terms or conditions that are unacceptable to Landlord.

(4) Landlord will not be obligated to enter into any lease with any prospective tenant whose reputation is not acceptable to Landlord, in Landlord's sole judgment and opinion.

(5) Landlord will not be obligated to enter into a lease with any prospective tenant: (i) which does not have, in Landlord's sole judgment and opinion, sufficient financial resources and operating experience to operate the Leased Premises in a first class manner and meet its financial obligations; or (ii) whose proposed use of the Leased Premises is not a permitted use under the terms of this Lease.

(6) Landlord will not be required to expend any amount of money to alter, remodel or otherwise make the Leased Premises suitable for use by any prospective tenant.

If Landlord makes the Leased Premises available for reletting under the criteria set forth hereinabove, Landlord will be deemed to have fully satisfied Landlord's obligation to mitigate damages under this Lease and under any law or judicial ruling in effect on the date of this Lease or at the time of Tenant's default, and Tenant hereby waives and releases, to the fullest extent legally permissible, any right to assert in any action by Landlord to enforce the terms of this Lease, any defense, counterclaim, or rights of setoff or recoupment respecting the mitigation of damages by Landlord (or alleged failure by Landlord to adequately mitigate its damages), unless and to the extent Landlord maliciously or in bad faith fails to act in accordance with the requirements of this Section.

No rent collected from a substitute tenant for any month in excess of the rent due under this Lease for that month will be credited or offset against unpaid rent for any other month or any other Damages. Tenant stipulates that the mitigation requirements expressed in this Section are objectively reasonable. **TO THE FULLEST EXTENT PERMITTED BY LAW, TENANT WAIVES ANY OTHER OBLIGATION BY LANDLORD TO MITIGATE ITS DAMAGES AFTER TENANT FAILS TO PAY RENT OR VACATES OR ABANDONS THE PREMISES.**

B. Tenant's right to seek damages as a result of a default by Landlord under this Lease shall be conditioned on Tenant taking all actions reasonably required, under the circumstances, to minimize any loss or damage to Tenant's property or business, or to any of Tenant's officers, employees, agents, invitees, or other third parties that may be caused by any such default of Landlord.

Section 27. 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 Leased Premises, which loss or damage is covered by valid and collectible casualty, 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.

Section 28. Title to Improvements: Any and all improvements on the Leased Premises, including, without limitation, any buildings, constructed on the Leased Premises by or for Tenant and any improvements constructed or located on the Leased Premises on the Effective Date of this Lease (Tenant continuing to own all such buildings and improvements located upon the Leased Premises on the Effective Date, it being the intent of the parties hereto that Tenant continue to own all such improvements), shall be owned by Tenant during the term of this Agreement. The term “improvements” shall mean the improvements from time to time on the Leased Premises (including, without limitation, the Building Improvements). Notwithstanding any other provision of this Lease, Tenant agrees that if any such improvements located upon the Leased Premises are determined to be subject to taxation by the Dallas Central Appraisal District (or any successor entity or agency thereto or other agency with the authority to make such determination), Tenant will not contest any such determination.

Upon the termination of this Agreement, whether by expiration of the term hereof or by reason of default on the part of Tenant, or for any other reason whatsoever, the improvements (including, without limitation, the Building Improvements), and all parts thereof, shall merge with the title of the Leased Premises, free and clear of any claim of Tenant and all persons or entities claiming under or through Tenant (including, without limitation, any holder of a leasehold mortgage), and shall become the property of Landlord; provided, however, 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 Leased Premises, but Tenant shall be required to repair any damage to the Leased 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 Leased Premises and restore the Leased 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. Upon such termination, Tenant shall deliver the Leased Premises to Landlord in good condition, reasonable wear and tear excepted, and shall, at Landlord’s request, execute a recordable instrument evidencing the termination of this Agreement and stating the termination or expiration date.

Section 29. Mechanics’ and Materialman’s Liens; Lien for Rent:

A. Tenant agrees to DEFEND, INDEMNIFY, and HOLD HARMLESS Landlord and Manager, and Landlord’s and Airport Manager’s officials, officers, employees and agents, from and against all liability arising out of the filing of any mechanics’ or materialman’s liens against the Leased Premises by reason of any act or omission of Tenant or anyone claiming under Tenant, Landlord, at Landlord’s option, may satisfy such liens and collect the amount expended from Tenant together with interest thereon as provided in Section 39 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 Leased Premises.

B. To secure payment of rent and other sums of money coming due hereunder, Tenant grants to Landlord a continuing security interest in all of Tenant's goods, wares, equipment, fixtures, furniture, inventory, accounts, contract rights, chattel paper, and its other personal property ("Collateral") situated in or on the Leased Premises.

C. Tenant will not remove, or allow others to remove, the Collateral from the Leased Premises without Landlord's prior written consent. But Tenant may remove Collateral in the ordinary course of business before a default. If a default occurs, Landlord will be entitled to exercise any or all rights and remedies under the Uniform Commercial Code or otherwise provided in this Lease or by law. Landlord may sell any or all of the Collateral at public or private sale upon 10 days notice to Tenant, and Tenant stipulates that this notice is adequate and reasonable. This contractual lien supplements any statutory or contractual lien in favor of Landlord.

D. At Landlord's request, Tenant will sign and deliver to Landlord a financing statement in form sufficient to perfect Landlord's security interest in the Collateral, and Tenant irrevocably appoints Landlord as Tenant's attorney-in-fact to sign and deliver a financing statement to Landlord if Tenant fails or refuses to do so. This power-of-attorney is coupled with an interest.

E. Tenant warrants and represents that (a) the Collateral has not been purchased or used for personal, family, or household purposes; and (b) the lien in the Collateral constitutes a first and superior lien. Tenant will not allow any other lien in the Collateral without Landlord's prior written consent.

Pursuit of any one or more of the foregoing remedies shall not preclude the simultaneous or subsequent pursuit of any other remedy provided herein or any other remedy provided by law or in equity, nor shall the pursuit of any one or more remedies constitute a forfeiture or waiver of any rent or other amount payable by lessee hereunder or of any damages (including consequential damages) accruing to or suffered by Landlord by reason of any event of default.

Section 30. Title: Tenant accepts the Leased Premises subject to: (i) the terms and conditions of this Agreement, (ii) the Rules and Regulations; (iii) easements and rights-of-way, and (iv) zoning ordinances and other ordinances, laws, statutes, regulations, orders, standards, rules, or policies now in effect or hereafter promulgated by any governmental authority having jurisdiction over the Leased Premises (including, without limitation, the City, the Federal Aviation Administration, and the Texas Department of Transportation), and (v) the terms of any and all FAA, TxDOT, or other grant agreements or grant assurances regarding the Airport, and the terms of any grant, loan, or agreement under Section 22.055, Tex. Transp. Code, as amended or superseded, whether now existing or made in the future.

Section 31. Quiet Enjoyment and Subordination: Landlord represents that Tenant, upon payment of the rents herein reserved, and performance of the terms, conditions, covenants and agreements herein contained, shall (subject to all of the terms and conditions of this Lease) peaceably and quietly have, hold and enjoy the Leased 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, or to any other matter affecting, the

Leased 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 Leased 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 Leased 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.

Section 32. Rent on Net Return Basis: 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 Leased 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.

Section 33. Holding Over: Should Tenant, or any of Tenant's successors in interest fail to surrender the Leased 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 one hundred fifty percent (150%) of the Base Rent paid for the last month of the term of this Lease.

Section 34. 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. Landlord will not be deemed to have waived any right or Tenant's breach of any obligation under this Lease, unless Landlord delivers a signed writing, addressed to Tenant explicitly relinquishing that right or breach. No custom or practice arising during the administration this Lease will waive, or diminish, Landlord's right to insist upon strict performance of Tenant's obligations. No restrictive endorsement or other statement on or accompanying any check or payment will be deemed an accord and satisfaction or novation, and Landlord will be entitled to accept any such check or payment, without prejudice, to Landlord's rights to recover the full amount due and to exercise its other remedies.

Section 35. 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 Leased 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 Leased Premises.

Section 36. Attorneys' Fees: If, on account of any breach or default under this Lease, it shall become necessary for a party to employ an attorney to enforce or defend any rights or remedies hereunder, the prevailing party shall be entitled to collect reasonable attorneys' fees incurred in such connection.

Section 37. 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.

Section 38. Estoppel Certificates: Tenant agrees that from time to time, upon not less than ten (10) days prior written request by Landlord, Tenant will deliver to Landlord a statement in writing certifying that:

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

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

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

D. 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 to Landlord's mortgagee.

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:

(i) 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).

(ii) The dates to which rent and other charges have been paid.

(iii) 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.

Section 39. 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, wire transfer 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.

Section 40. Special Events: Landlord may sponsor certain special events, including, but not limited to, air shows, to be conducted on portions of the Airport, which may limit or obstruct access to the Premises and/or to the Airport ("Special Events"). As a material inducement to Landlord to enter into this Lease, and notwithstanding anything to the contrary contained herein, Tenant, on behalf of Tenant and on behalf of all directors, officers, shareholders, partners, principals, employees, agents, contractors, subtenants, licensees or concessionaires of Tenant and on behalf of any other party claiming any right to use the Leased Premises by, through or under Tenant, hereby: (i) agrees that Landlord has the right to sponsor any or all Special Events and to allow use of portions of the Airport therefore even if the same limit or obstruct access to the Premises and/or to the Airport; (ii) releases, waives and discharges Landlord and Airport Manager, and their respective officials, officers, employees and agents, from all liability for any loss, damage, cost, expense or claim arising or resulting from or pertaining to the limitation or obstruction of access to the Leased Premises and/or to the Airport from the conduct of Special Events and/or activities relating or pertaining thereto, including, without limitation, death, injury to person or property or loss of business or revenue (the "Released Claims"); (iii) covenants not to sue the Landlord or Airport Manager or their respective officials, officers, employees and agents (whether in their official or private capacities) for any Released Claims; (iv) agrees that the terms contained in this Section are intended and shall be construed to be as broad and inclusive as possible under the laws of the State of Texas; and (v) agrees that if any portion of this Section is held to be invalid or unenforceable, the remainder of this Section shall not be affected thereby but shall continue in full force and effect.

Section 41. Independent Contractor: It is understood and agreed that in leasing and operating the Leased Premises, Tenant is acting as an independent contractor and is not acting as agent, partner, joint venturer or employee of Landlord or Airport Manager.

Section 42. Force Majeure: In the event performance by Landlord of any term, condition or covenant in this Lease is delayed or prevented by an 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.

Section 43. Force Majeure: In the event performance by Tenant of any term, condition or covenant in this Lease is delayed or prevented by an 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 Tenant, the period for performance of such term, condition or covenant shall be extended for a period equal to the period Tenant is so delayed or hindered.

Section 44. 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.

Section 45. 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.

Section 46. Captions: The captions or headings, sections, 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.

Section 47. 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.

Section 48. Severability: If any provision in this Lease should be held to be invalid, illegal, or unenforceable, the validity and enforceability of the remaining provisions of this Lease shall not be affected thereby, and the invalid, illegal, or unenforceable term will be reformed to give effect (to the fullest extent possible) to the parties' intentions in a manner that is legal, valid, and enforceable. It is the parties intent that the term of this Lease not exceed 40 years (480 months); if it should be determined that the term of this Lease exceeds such period of time, the term hereof shall be reformed so as to make the term hereof not exceed such period of time.

Section 49. Notices: Any notice or document required 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.

TO LANDLORD:

Town of Addison, Texas
c/o Washington Staubach Addison Airport
Venture
16051 Addison Road, Suite 220
Addison, Texas 75001
Attn: Real Estate Manager

TO TENANT:

Encore FBO Acquisition, LLC
2700 East Rudder Freeway, Suite 5100
College Station, Texas 77845

and,

Town of Addison, Texas
Attn: City Attorney
P.O. Box 9010
Addison, TX 75001-9010

Section 50. 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.

Section 51. 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.

Section 52. Consent; "Includes" and "Including": Where Landlord consent or approval is required in this Lease, such consent or approval may be given by the City Council of the Town of Addison, Texas or by the City Manager of the Town of Addison. For purposes of this Lease, "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.

Section 53. Governing Law and Venue; Survivability of Rights and Remedies: 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 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 interpretation, validity and enforcement of this Agreement, 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. Any rights and remedies either party may have with respect to the other arising out of the performance of or failure to perform this Lease during the term hereof shall survive the cancellation, expiration or termination of this Lease.

Section 54. Entire Agreement and Amendments: This Lease, consisting of fifty-four (54) Sections and Exhibits 1, 2.2, 2.3, 3, 4 and 5 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 any related fuel farm license. 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.

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

LANDLORD:

TOWN OF ADDISON, TEXAS

TENANT:

Encore FBO Acquisition, LLC

By: _____
Ron Whitehead, City Manager

By: _____
Printed Name: _____
Its: _____

**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 the said municipal corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the ____ day of _____, 2007.

Notary Public, State of Texas

**STATE OF TEXAS
COUNTY OF DALLAS**

This instrument was acknowledged before me on _____, 2007 by _____ of _____, a _____, on behalf of the said _____.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the ____ day of _____, 2007.

Notary Public, State of Texas

Exhibit 1 – Legal Description of Addison Airport

Exhibit 2.1 – Boundary Survey of Leased Premises

Exhibit 2.2 – Legal Description of Leased Premises

Exhibit 2.3 – Approved Site Plan

Exhibit 3– Description of Building Improvements To Be Constructed

Tenant may cause to have erected and/or constructed to or on the Leased Premises the Building Improvements generally described in this Exhibit 3.

Narrative Description to be inserted here

This Exhibit 3 hereby includes by reference the complete set of construction documents approved by the Town of Addison for the Building Improvements including but not limited to all architectural, civil, mechanical, and electrical and landscape drawings and specifications, together with all change orders and as-built modifications, warranties and guaranties procured by Tenant.

EXHIBIT 4



Addison Airport

Fuel Farm License Agreement



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ADDISON AIRPORT FUEL FARM LICENSE AGREEMENT

SECTION 1

DEFINITIONS AND CERTAIN BASIC PROVISIONS

1.1 The following list sets out certain defined terms and certain financial and other information pertaining to this License Agreement (“License” and “Agreement” are interchangeably used herein to mean one and the same):

- (a) “Licensor”: TOWN OF ADDISON, a Texas home-rule municipality.
 - (b) Licensor's Address: 5300 Belt Line Road, Dallas, Texas 75254.
 - (c) “Manager”: Washington Staubach Addison Airport Joint Venture
 - (d) Manager’s Address: 16051 Addison Road, Suite #220, Addison, Texas 75001
 - (e) “Licensee”: Encore FBO Acquisitions, LLC
 - (f) Licensee's Address: 2700 East Rudder Freeway, Suite 5100, College Station, TX 75845
Primary Contact: Donald Prescott, Executive Vice President Phone Number: 888-362-6738
 - (g) Licensee's Trade Name:
 - (h) Licensee's Guarantor (if applicable, attach Guaranty as an exhibit): _____
-
- (i) “Fuel Farm”: Licensor's property located in the Town of Addison, Dallas County, Texas, which property is described on Exhibit “A” and shown on Exhibit “B” attached to this License. With regard to Exhibits “A” and “B”, the parties agree that they are attached solely for the purpose of depicting the location of the Fuel Farm and the Fuel Tanks within the Fuel Farm and that no representation, warranty, or covenant is to be implied by any information shown on such exhibits.
 - (j) “Fuel Tanks”: The **three (3)** above-ground storage tanks, together with all equipment attached thereto necessary for Licensee’s use of the Fuel Tank in accordance with this License, situated in the Fuel Farm and identified on Exhibit “C” attached hereto, with a stipulated combined capacity of **65,000** gallons (“Total Licensee Gallon Capacity”) of fuel, also being known as

Tank #	Designated Fuel Type	Licensee Gallon Capacity	% Of Total Fuel Farm Combined Capacity
#06	Jet A	25,000.00	.07937
#07	Jet A	25,000	.07937
#08	100 LL	15,000	.04762
Total		65,000	.20636 **

** The “Licensee's Proportionate Share”, calculated accordance with Section 4.10, on the Commencement Date is established to be **20.636** Percent (%).

- (k) “Commencement Date”: The earlier of (i) the date upon which Licensee commences use of the Fuel Tanks; or (ii) **December 1, 2007**.
- (l) “Term”: The period of time commencing on the Commencement Date and continuing until the last day of the calendar month sixty (60) months from the Commencement Date or the last month of any properly exercised Term Extension (as described in Exhibit “D” attached hereto),

whichever is later (i.e., if Commencement Date is March 10, 2006, the Term shall then expire no later than March 31, 2011 if no Term Extension is exercised).

NOTWITHSTANDING THE FOREGOING OR ANY OTHER PROVISION OF THIS AGREEMENT, THIS AGREEMENT IS HEREBY GRANTED BY LICENSOR ON THE CONDITION THAT, PURSUANT TO AND AS SET FORTH IN THE LETTER OF INTENT BY AND BETWEEN THE TOWN OF ADDISON AND LICENSEE EXECUTED ON AUGUST 31, 2007 (THE ORIGINAL OF WHICH LETTER OF INTENT IS ON FILE IN THE OFFICE OF THE MANAGER), (i) LICENSEE CONSUMMATES ITS ACQUISITION OF THE R. STERN FBO, LTD. LEASEHOLD INTERESTS (THE "STERN PROPERTY") LOCATED AT 4553 JIMMY DOOLITTLE AT THE AIRPORT; (ii) LICENSEE ENTERS INTO A NEW GROUND LEASE AGREEMENT WITH THE TOWN OF ADDISON TO INCLUDE, AMONG OTHER THINGS, ALL OR A PORTION OF CERTAIN VACANT LAND ADJACENT TO THE STERN PROPERTY SO THAT LICENSEE'S TOTAL LAND AREA INCLUDED WITHIN ITS LEASED PREMISES IS NO LESS THAN FOUR (4) CONTIGUOUS ACRES; AND (iii) LICENSEE COMPLETES THE AFOREMENTIONED TRANSACTIONS ((i) AND (ii)) NO LATER THAN DECEMBER 31, 2007. SHOULD LICENSEE FAIL TO COMPLETE THE ABOVE TRANSACTIONS BY DECEMBER 31, 2007, AS DETERMINED BY LICENSOR, LICENSOR RESERVES THE RIGHT, IN ITS SOLE DISCRETION, TO IMMEDIATELY SUSPEND, REVOKE OR TERMINATE THIS AGREEMENT (LICENSEE HAVING NO RIGHT TO CURE OR REMEDY SUCH FAILURE) WITHOUT ANY FURTHER OBLIGATION OR DUTY TO LICENSEE.

- (m) **"Base Fee"**: Annual Consideration for this License equal to the Total Licensee Gallon Capacity, multiplied by **\$0.2651** per gallon, payable in equal monthly installments as provided for in Section 4.
- (n) **"Additional Fee"**: Annual Consideration for this License equal to the Total Licensee Gallon Capacity, multiplied by **\$.3290** per gallon, payable in equal monthly installments as provided for in Section 4.
- (o) **"Fuel Flowage Fee"**: Consideration for this License to receive and dispense aircraft fuel, equal to the Fuel Flowage Rate (as defined in Section 7.1 of this License) for each gallon of aviation fuel received by Licensee during the Term, payable in monthly installments as provided for in Section 7.
- (p) **"Security Deposit"**: \$ **.00**. Such Security Deposit is due and payable upon execution of this License and held on account on behalf of Licensee by Licensor in accordance with Section 28.4.
- (q) **"Permitted Use of Fuel Tanks"**: Exclusively for the storage of fuel in support of aeronautical operations of type and grade approved in writing by Licensor in the capacity of a:

(Check only one)

- XX** **Public Fixed Based Operator** for retail delivery into aircraft at the Airport, for delivery into aircraft at the Airport owned, leased or otherwise operated by Licensee and for the purpose of fueling ground equipment at the Airport used in the support of Licensee's aeronautical operations at the Airport and for no other purpose, except for any such delivery to aircraft of holders of valid off-airport access permits or as otherwise approved in writing by Licensor.
- Non-public Operator** with delivery to aircraft owned or leased by Licensee and for the purpose of fueling ground equipment at the Airport used in the support of Licensee's aeronautical operations and for no other purpose.
- (r) **"Airport"**: The Addison Airport situated in the Town of Addison, Dallas County, Texas.
- (s) **"Quarterly Minimum Gallons Received"**: **320,000** gallons of aviation fuel (excluding diesel and mobile fuel), as described in Section 7.7 but subject to certain conditions set forth in a letter from

the Town of Addison to Encore dated August 31, 2007, (Town of Addison's Conditional Waiver Letter") a copy of which is attached hereto and incorporated herein as Exhibit G.

- (t) **“Includes”** and **“including”**, for purposes of this Agreement, 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.

1.2 The following chart is provided as an estimate of Licensee’s monthly and annual payment to Licensor as Consideration (as defined in Section 4.1). This chart, however, does not supersede the specific provisions contained elsewhere in this License.

PAYMENTS IN ADVANCE:	Annual	Monthly
Base Fee (Section 1.1(m) and 4.3)	\$ 17,231.50	\$ 1,435.96
Additional Fee (Section 1.1(n) and 4.4)	\$ 21,385.00	\$ 1,782.08
Subtotal of Payments in Advance	\$ 38,616.50	\$ 3,218.04
PAYMENT IN ARREARS:		
Fuel Flowage Fee \$0.12 x _____ total gallons received during the preceding month (Section 7).	\$ <u>TBD</u>	\$ <u>TBD</u>
TOTAL MONTHLY CONSIDERATION (Payment In Advance plus Payment In Arrears)	\$ <u>TBD</u>	\$ <u>TBD</u>

SECTION 2

GRANTING CLAUSE

2.1 Licensor licenses the Fuel Tanks to Licensee, subject to and only upon the terms and conditions set forth in this License and further subject to all laws, codes, ordinances, rules, standards, policies, permits, and regulations now in effect or hereafter adopted, modified, or amended by Licensor or any governmental or quasi-governmental authority having jurisdiction over the Airport or any part thereof, and all requirements, conditions, and standards of any Airport grant or funding or any grant agreements or grant assurances of the Airport now in effect or as hereafter agreed to, adopted, issued, modified, amended, or established. This License is not a lease and grants no interest or estate in the Fuel Farm, including, without limitation, any leasehold interest.

SECTION 3

DELIVERY OF PREMISES

3.1 BY ACCEPTANCE OF THIS LICENSE, LICENSEE HEREBY AGREES THE FUEL FARM IS BEING DELIVERED TO LICENSEE IN GOOD WORKING CONDITION AND UNDERSTANDS THAT THE FUEL TANKS ARE BEING LICENSED TO LICENSEE, ON AN **“AS IS”**, **“WHERE IS”** AND **“WITH ALL FAULTS”** BASIS, WITH LICENSEE ACCEPTING ALL DEFECTS, IF ANY AND LICENSOR MAKES NO REPRESENTATIONS (OTHER THAN AS TO LICENSOR'S OWNERSHIP OF THE FUEL FARM), WARRANTIES OR COVENANTS OF ANY KIND OR NATURE, WHETHER EXPRESS OR IMPLIED, AS TO THE HABITABILITY, FITNESS OR SUITABILITY OF THE FUEL FARM FOR A PARTICULAR PURPOSE, INCLUDING, BUT NOT LIMITED TO (AND LICENSOR HEREBY EXPRESSLY DISCLAIMS THE SAME), ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. LICENSEE ACKNOWLEDGES AND AGREES THAT LICENSEE HAS HAD THE OPPORTUNITY TO INSPECT THE FUEL FARM, AND THAT ANY SUCH INSPECTION HAS BEEN ADEQUATE TO ENABLE LICENSEE TO MAKE LICENSEE’S OWN DETERMINATION REGARDING THE SUITABILITY OR FITNESS OF THE

FUEL TANKS AND FUEL FARM. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, LICENSEE HEREBY ASSUMES ALL RISK AND LIABILITY (AND AGREES THAT LICENSOR SHALL NOT BE LIABLE FOR ANY SPECIAL, DIRECT, INDIRECT, CONSEQUENTIAL OR OTHER DAMAGE) RESULTING OR ARISING FROM OR RELATING TO THE USE, CONDITION, LOCATION, MAINTENANCE, REPAIR OR OPERATION OF THE FUEL FARM, EXCEPT TO THE EXTENT OTHERWISE EXPRESSLY HEREIN AGREED AND CONSENTED TO BY LICENSOR.

3.2 Licensor shall have the right upon ninety (90) day's prior written notice, to relocate Licensee to another Fuel Tank or Fuel Tanks (the "**Replacement Fuel Tank(s)**") in the Fuel Farm as Licensor deems, at its sole discretion, to be reasonably necessary. In the event of such relocation, the cost of relocating Licensee and the cost of altering the Replacement Fuel Tanks to make them comparable to the current Fuel Tanks shall be borne by Licensor (except for those alterations or improvements made to the Fuel Tanks by Licensee with or without Licensor's prior consent). If Licensor exercises such right of relocation, this License shall continue in full force and effect without any change to the terms or other conditions, except that the Replacement Fuel Tanks shall be deemed substituted in Section 1.1(j) and an appropriate adjustment shall be made to the amount of the Consideration and any Security Deposit.

SECTION 4

PAYMENT OF BASE FEE AND ADDITIONAL FEE

4.1 The Base Fee and all other sums or charges payable by Licensee, including but not limited to Additional Fee and Fuel Flowage Fees and other fees required by this License, are sometimes herein referred to collectively as "**Consideration**". All payments of Consideration are to be paid by corporate, personal or cashier's check or money order. Payments of Consideration are not to be made in cash. The Licensor shall have the same remedies in the case of a default in the payment of Additional Fee and Fuel Flowage Fees and any other Consideration as are available to Licensor in the case of a default in the payment of the Base Fee.

4.2 The Consideration shall be payable to Licensor at Licensor's address set forth in Section 1.1(b) or, such other address designated by Licensor with prior written notice given to Licensee. Consideration shall not be considered paid until actually received by Licensor or Licensor's designee.

4.3 Beginning with the Commencement Date and continuing throughout the Term of this License, Licensee shall pay an annual Base Fee in the amount specified in Section 1.1(m), which Base Fee shall be paid by Licensee (separately or together with other Consideration due and payable) in equal monthly installments as required herein, without any interruption, offset or deduction of any nature. The first such monthly installment shall be due and payable on or before the Commencement Date, and subsequent installments shall be due and payable on or before the first day of each succeeding calendar month during the Term. If the Term of this License commences on a day other than the first day of a calendar month, or terminates on a day other than the last day of a calendar month, the Base Fee installment of such partial month as provided for under this Section 4.3 shall be prorated and such installment or installments so prorated shall be paid in advance (i.e., the quotient that results from dividing the number of calendar days of such partial month included in the Term by the total number of days in that month, then multiplying such quotient by one-twelfth of the Base Fee).

4.4 In addition to the Base Fee and any other Consideration required under this License, Licensee shall pay an Additional Fee which is to be assessed by Licensor annually for each fiscal year of Licensor, but said amount shall never be less than that specified in Section 1.1(n).

4.5 The Additional Fee payable by the Licensee under this License shall be equivalent to Licensee's Proportionate Share of Licensor's cost of operating and maintaining the Common Area and the Replacement Recovery Allowance provided for under Section 4.6. Such costs, hereinafter referred to as the "**Common Area Charge**", may include but not be limited to: all utilities which serve the Fuel Farm including water, sewer, electricity, gas and data/tele-communications; all systems and system components necessary and appurtenant to the operation of the Fuel Farm (i.e., motors, pumps, pipes, hoses, valves, regulators, vents, safety systems, separators, auxiliary power supply); structural systems including roof and canopy repair and maintenance; the costs of any third-party service agreement which may include the repair, maintenance and inspection of the Fuel Farm and any of its systems and system components; painting, cleaning, sweeping, landscaping, inspecting, repairing and replacing the Fuel Farm or any portion thereof; Licensor's reasonable overhead costs for administration and management; and

the cost of any Real Estate Charges or Insurance Expenses for which Licensor is not reimbursed pursuant to Section 5, but specifically excluding all expenses paid or reimbursed by Licensee to Licensor pursuant to Section 6.

4.6 Licensor and Licensee agree that Licensor may include in the Additional Fee a reasonable reserve sufficient to pay the costs of the future replacement of the Fuel Tanks and Roofing System (the “**Replacement Recovery Allowance**”), which costs are to be amortized over a twenty-five (25) year and ten (10) year useful lifespan, respectively. Licensor, in its sole discretion, may adjust the monthly amount collected from Licensee for the Replacement Recovery Allowance from time to time to coincide with the industry’s generally accepted replacement values for fuel tanks and roofing systems comparable to the Fuel Tanks and Roofing System.

4.7 If the Term of this License commences on a day other than the first day of a calendar month, or terminates on a day other than the last day of a calendar month, the Additional Fee for such partial month shall be pro-rated and paid in advance similarly as provided for the Base Fee under Section 4.3.

4.8 Prior to the commencement of Licensor's fiscal year beginning October 1, 2007 and prior to the commencement of each fiscal year of Licensor thereafter, Licensor shall provide Licensee an estimate of the Additional Fee for such fiscal year. The Additional Fee shall be due and payable by Licensee (separately or together with other Consideration due and payable) in equal monthly installments during such fiscal year, without any interruption, offset or deduction of any nature. The first such monthly installment shall be due and payable on the Commencement Date, and subsequent installments, as adjusted for each fiscal year during the Term, shall be due and payable on or before the first day of each succeeding calendar month during the Term. If the Term of this License commences on a day other than the first day of a calendar month, or terminates on a day other than the last day of a calendar month, the Additional Fee installment of such partial month as provided for under this Section 4.8 shall be prorated and such installment so prorated shall be paid in advance (i.e., the quotient that results from dividing the number of calendar days of such partial month included in the Term by the total number of days in that month, then multiplying such quotient by one-twelfth of the Additional Fee).

4.9 Within one hundred twenty (120) days following the conclusion of the Licensor’s fiscal year ending September 30, 2008, and within one hundred twenty (120) days following the conclusion of each fiscal year of Licensor thereafter, or as soon thereafter as reasonably possible, Licensor shall furnish to Licensee an itemized statement reconciling the actual Common Area Charge and other costs for that fiscal year (or part thereof during the Term of this License) against the Additional Fee for such fiscal year or partial fiscal year. Within thirty (30) days of the delivery of such statement to Licensee, Licensee shall pay to Licensor the Licensee's Proportionate Share of the positive difference, if any, resulting from subtracting the Additional Fee paid by Licensee for such fiscal year from the Licensee's Proportionate Share of the actual Common Area Charge and other costs for such fiscal year. If such Additional Fee paid by Licensee exceeds Licensee's Proportionate Share of such Common Area Charge and other costs for such fiscal year or partial fiscal year, Licensor shall have the right, at its option, to credit such excess against the next accruing payment(s) of the Additional Fee due under this License or return such excess to Licensee.

4.10 The Licensee's Proportionate Share is that percentage, at the time when the applicable cost was incurred, determined by dividing the Total Licensee Gallon Capacity by the combined capacity of the fuel tanks in the Fuel Farm, as reasonably determined by Licensor. Licensee’s Proportionate Share on the Commencement Date is stipulated by the parties in Section 1.1(j).

4.11 The amount of the actual Common Area Charge and other costs determined by Licensor under Section 4.9 shall be final, conclusive and binding upon the parties hereto on the date which is one hundred-eighty (180) calendar days following the date Licensor provides such itemized statement of reconciliation to Licensee.

4.12 In the event any Consideration due is not actually received by Licensor by the fifth (5th) day after such amount is due, or if any Consideration payment is made by check, which check is returned for insufficient funds, then in addition to the past due amount, immediately on Licensor’s demand, Licensee shall pay to Licensor one of the following (the choice to be at the sole option of Licensor unless one of the choices is improper under applicable law, in which event the other alternative, if proper under applicable law, will automatically be deemed to have been selected): (a) a late charge in an amount equal to ten percent (10%) of such late Consideration, in order to compensate Licensor for its administrative and other overhead expenses; or (b) interest on such late Consideration then due at the maximum rate of interest which could legally be charged in the event of a loan of such late Consideration to Licensee (but in no event to exceed 1 ½% per month), such interest to accrue continuously on any unpaid balance of such Consideration due to Licensor by Licensee during the period commencing with the due date of such late Consideration and terminating with the date on which Licensee makes full payment of all such late

Consideration. Any such late charge or interest payment shall be payable immediately on demand as additional Consideration. It is hereby agreed that in no event shall any charges permitted under this License, to the extent the same are considered to be interest under applicable law, ever exceed the maximum lawful rate of interest allowed under applicable law.

4.13 If Licensor fails to receive from Licensee any installment of Base Fee or Additional Fee within ten (10) days after the same is due for any two (2) consecutive calendar months, or if the payment of any Consideration is made by check, which check is returned for insufficient funds twice within any consecutive twelve (12) month period, Licensor may, by giving written notice to Licensee, and in addition to any late charge or interest accruing pursuant to Section 4.12 above, as well as any other rights and remedies accruing pursuant to Section 20 or Section 22 below, or any other provision of this License, at law or in equity, require subsequent Base Fee and Additional Fee installments to be paid quarterly in advance by cashier's check or money order and the delivery of Licensee's corporate or personal check will no longer constitute a payment of such Consideration. Any acceptance of a corporate or personal check for such Consideration shall not be construed as a subsequent waiver of said right to require payment by cashier's check or money order.

4.14 The obligation of Licensee to pay Consideration shall survive the expiration or earlier termination of this License.

SECTION 5

LICENSEE'S RESPONSIBILITY FOR PERSONAL PROPERTY TAXES AND REAL PROPERTY TAXES

5.1 Licensee shall be liable for all taxes, if any, levied against personal property owned by Licensee and placed within or used by Licensee within the Fuel Farm. If any personal property taxes are validly levied against Licensor or Licensor's property and Licensor pays the same, such taxes shall be included in the Common Area Charge.

5.2 If any Real Estate Charges (as defined below) are validly levied against Licensor or Licensor's property and Licensor pays the same, such Real Estate Charges shall be included in the Common Area Charge. All Insurance Expenses (as defined below) related to the Fuel Farm or Licensor's ownership of the Fuel Farm shall be included in the Common Area Charge. "**Real Estate Charges**" shall include, if any, ad valorem taxes, general and special assessments, any tax or excise on fees including Consideration, any tax or charge for governmental services (such as street maintenance or fire protection) and any tax or charge which replaces any of such above-described Real Estate Charges; provided, however, that Real Estate Charges shall not be deemed to include any franchise, estate, inheritance or general income tax. "**Insurance Expenses**" shall include all premiums and other expenses incurred by Licensor for liability insurance, and fire and extended coverage property insurance (plus whatever endorsements or special coverages which Licensor, in Licensor's sole discretion, may consider appropriate) and the amount of any deductible paid by Licensor in connection with any claim thereunder.

SECTION 6

COMMON AREA OF THE FUEL FARM

6.1 The term "**Common Area**" is defined for all purposes of this License as that part of the Fuel Farm which is maintained by Licensor, the expense of which may be incurred by Licensor and included as Common Area Expenses as provided for in Section 4.5, intended for the common use of all licensees of the Fuel Farm and other authorized persons. The Common Area includes all systems that comprise the Fuel Farm and are appurtenant thereto including but not limited to all utilities (water, sewer, electricity, gas and data/tele-communications); all systems and system components necessary to the operation and function of the Fuel Farm (i.e., motors, pumps, pipes, hoses, valves, regulators, vents, life and safety systems, separators, auxiliary power, lights, switches, meters, tanks), building infrastructures, parking areas, driveways, landscaping, curbs, loading area, lighting facilities, roofs and the like. Licensor reserves the right to change from time to time the rights and interests to, and the dimensions and location of, the Common Area, as well as the rights and interests to and the dimensions, identities, locations and types of any improvements in the Fuel Farm.

6.2 Licensee shall have the nonexclusive right to use the Common Area as constituted from time to time for the purpose or purposes described in Section 1.1(q), such use to be in common with Licensor, other licensees in the Fuel

Farm and other authorized persons subject to such reasonable rules and regulations governing use as Licensor may from time to time prescribe.

SECTION 7

FUEL RECEIPT, REPORTING AND FUEL FLOWAGE FEES

7.1 As additional Consideration under this License, Licensee shall pay to Licensor the Fuel Flowage Fee at the Flowage Fee Rate. The "Flowage Fee Rate" (herein so called) is twelve cents (\$0.12) for each gallon of aviation fuel received by Licensee at the Airport during the Term, excluding any fuel not intended for aeronautical use (i.e., diesel and mobile fuel used in connection with ground support operations) during the Term; provided, however, the Town of Addison, Texas reserves the right to increase or decrease the Flowage Fee Rate as, in its sole discretion, may be necessary or reasonably appropriate. This License is conditioned upon the payment of the Fuel Flowage Fee at the Flowage Fee Rate, and such payment is required as set forth in and in accordance with Chapter 14, Article III, Division 2 of the Code of Ordinances of the Town of Addison, Texas (as the same may be amended or superseded). Licensor and Licensee herein agree and acknowledge that any payment made by Licensee of said Fuel Flowage Fee required hereunder is in satisfaction of the Fuel Flowage Fee at the Flowage Fee Rate established by the City Council of the Town of Addison, Texas. Licensor shall give Licensee at least thirty (30) days prior written notice before any change in the Flowage Fee Rate becomes effective.

7.2 The Fuel Flowage Fee shall be paid, with respect to each calendar month during the Term beginning with the month in which the Commencement Date occurs, on or before the fifth (5th) day of the calendar month following such month, without offset or deduction of any nature, at a sum equal to the product of the applicable Flowage Fee Rate multiplied by the total amount of fuel received at the Airport by Licensee during the preceding full or partial calendar month.

7.3 Licensee shall submit to Licensor with each monthly payment of the Fuel Flowage Fee, but in no event later than the fifth (5th) day of each month during the Term, a monthly fuel report (the "**Monthly Report**"), certified as being true and correct by a duly authorized representative of Licensee, showing for the preceding calendar month the amount of fuel received, sold or dispensed.

7.4 On or before the sixtieth (60th) day after the expiration of each calendar year, and the thirtieth (30th) day after the expiration or termination of this License, Licensee shall deliver to Licensor an annual fuel report (the "**Annual Report**"), certified as being true and correct by an authorized representative of Licensee, showing the amount of aviation fuel received, sold or dispensed during the calendar year preceding the date on which the Annual Report is due. In the event any provision of this License or the enforcement thereof by the Licensor, requires accounting of the Fuel Flowage Fee and the payment thereof for a period less than twelve (12) months, such shorter period shall be treated as one (1) year for the purpose of an Annual Report, and such Annual Report shall be delivered to Licensor within thirty (30) days after termination of such shorter period.

7.5 In addition to the information described in Section 7.4, each Monthly Report and each Annual Report shall include any and all additional information required by Licensor, and shall be in the form established by Licensor (which form may be modified, revised, or amended by Licensor in its sole discretion at any time). Each of the Monthly Reports and the Annual Reports are hereinafter referred to as a "**Fuel Report**." In the event Licensor is not satisfied with any Fuel Report provided by Licensee, Licensor shall have the right to cause its auditors or designated representative to inspect Licensee's books and records, wherever located, evidencing and accounting for all aviation fuel received, sold or dispensed in or from the Airport for the reporting period or periods in question. Licensee hereby agrees to make available all books and records, including but not limited to its bills of lading, general ledgers, bank accounts and fuel sales receipts available for inspection during Licensee's normal business hours within five (5) days upon receipt of written demand by Licensor. If it is determined by the auditors that the amount of fuel received, sold or dispensed during such period(s) is understated by more than two percent (2%), the reasonable expense of such audit shall be borne by Licensee. Licensee shall promptly pay to Licensor any deficiency, or Licensor shall promptly refund to Licensee any overpayment, as the case may be, which is established by such audit.

7.6 If Licensee fails to prepare and deliver promptly any Fuel Report or other document required under this License, Licensor may, in addition to exercising any of the remedies provided to Licensor under this License or any law, rule, or regulation, engage a Certified Public Accountant to make an audit of all books and records of Licensee,

including (without limitation) Licensee's bank accounts, which in any way pertain to or show the aviation fuel received, sold or dispensed and prepare the Fuel Report or other document that Licensee failed to prepare and deliver to Licensor. The Fuel Report or other document prepared by such Certified Public Accountant shall be conclusively binding on Licensee, and Licensee shall pay upon demand all expenses of the audit and other services in regard to preparing such Fuel Report or other document.

7.7 Licensee shall continuously during the Term of this License use its best efforts to maximize the quantity of fuel it receives at the Fuel Tanks at the Fuel Farm. Under no circumstance, however, shall Licensee fail to receive at least the following quantities of fuel at the Fuel Farm (“**Licensee’s Minimum Standard to Operate Fuel Tanks**”), except as expressly provided under this Section 7.7:

- (a) If the Permitted Use of the Fuel Tanks is for a Public Fixed Based Operator as described in Section 1.1(q), Licensee's Minimum Standard to Operate Fuel Tanks is 320,000 gallons of fuel received at the Fuel Farm over each three (3) consecutive calendar month period during the Term (the “**Quarterly Minimum Gallons**”); provided, however, that
 - (i) during the first six (6) calendar months immediately following the Commencement Date, Licensee shall exercise its best efforts to receive no less than 320,000 gallons of fuel, and
 - (ii) during the first year of this License (“**Licensee’s Start-up Period**”), Licensee shall exercise its best efforts to receive no less than 896,000 gallons of fuel (the “**Start-up Period Minimum Gallons**”).

Licensee’s

- (i) failure to receive the Start-up Period Minimum Gallons during the Licensee's Start-up Period (the difference between the Start-up Period Minimum Gallons and the amount of fuel actually received during Licensee's Start-up Period being the “**Start-up Deficiency**”), or
- (ii) failure after the Start-up Period to receive at least the Quarterly Minimum Gallons (the difference between the Quarterly Minimum Gallons and the amount of fuel actually received by Licensee during any three (3) month period (following the Start-up Period) that Licensee failed to receive at least the Quarterly Minimum Gallons being the “**Quarterly Deficiency**”),

shall not constitute an event of default under this License if, during the three (3) consecutive calendar months immediately after Licensee receives written notice from Licensor of such failure (the “**FBO Notice Period**”, beginning on the first day of the first calendar month following Licensee's receipt of the written notice), Licensee receives in the Fuel Tanks at the Fuel Farm an amount of fuel equal to or greater than the Start-up Deficiency or the Quarterly Deficiency, as the case may be, in addition to the Quarterly Minimum Gallons for the FBO Notice Period.

- (b) If the Permitted Use of the Fuel Tanks is for a Non-public Operator as described in Section 1.1(q), Licensee's Minimum Standard to Operate Fuel Tanks is 180,000 gallons received at the Fuel Farm over each six (6) consecutive calendar month period during the Term (the “**Semi-annual Minimum Gallons**”); provided, however, Licensee's failure to receive at least the Semi-annual Minimum Gallons (the difference between the Semi-annual Minimum Gallons and the amount of fuel actually received by Licensee during any six (6) month period that Licensee failed to receive at least the Semi-annual Minimum Gallons being the “**Semi-annual Deficiency**”) shall not constitute an event of default under this License if, during the six (6) consecutive calendar months immediately after Licensee receives written notice from Licensor of such failure (the “**Non-public Notice Period**”, beginning on the first day of the first calendar month following Licensee's receipt of the written notice), Licensee receives in the Fuel Tanks at the Fuel Farm an amount of fuel equal to or greater than the Semi-annual Deficiency, in addition to the Semi-annual Minimum Gallons for the Non-public Notice Period.
- (c) Licensee’s cure rights under Section 20.1 shall not apply to the occurrence of any failure to satisfy the Licensee’s Minimum Standard to Operate Fuel Tanks under this Section 7.7. Except as provided for in this Section 7.7, any such failure to perform under this Section 7.7 shall constitute an immediate event of default entitling Licensor to exercise its remedies under this License, at law, in equity, or otherwise.

- (d) Licensor reserves the right, in its sole discretion, to decrease the Quarterly Minimum Gallons or the Semi-Annual Minimum Gallons, or temporarily suspend or waive, and then reinstitute, the Licensee's Minimum Standard to Operate Fuel Tanks, as Licensor may deem to be necessary or appropriate, in its sole discretion, based upon but not limited to, a *force majeure* event that has prevented Licensee from receiving the minimum quantity of fuel required under this Section 7.7.
- (e) Licensor reserves the right, in its sole discretion, to uniformly increase for all Licensees the Quarterly Minimum Gallons or the Semi-Annual Minimum Gallons effective as of the 1st day of January of 2012 and on the 1st day of January every third (3rd) year thereafter during the Term, provided that Licensor has given Licensee three (3) years prior written notice of the increase.

SECTION 8

USES AND CARE OF THE FUEL FARM

8.1 Licensee shall commence all of its fueling operations at the Fuel Farm on or immediately after the Commencement Date and shall perform such operations in a commercially reasonable manner so as to produce the maximum amount of sales from the Fuel Tanks.

8.2 Licensee shall not use the Fuel Farm or the Fuel Tanks for any purpose other than the purpose authorized by Section 1.1(q). Licensee, without Licensor's prior written consent, shall not store anything in the Fuel Tanks, other than the designated fuel type and grade of fuel authorized in Section 1.1(j), or use the Fuel Farm for any purpose which creates a risk of release of toxic or otherwise Hazardous Substances or increases the insurance premium cost for the Fuel Farm or the Airport or invalidates any insurance policy carried on the Fuel Farm or the Airport, other than the ordinary risk associated with the prudent use of any substantially similar aircraft fuel farm. All fuel kept, stored or maintained in the Fuel Tanks by Licensee, and all other property of Licensee that is maintained or used at the Fuel Farm shall be delivered, kept, stored, maintained, transported, dispensed and otherwise used at Licensee's sole risk. Without limiting the generality of the foregoing, Licensee covenants and agrees that Licensee shall not, nor shall Licensee allow or permit any of Licensee's owners, officers, employees, agents, contractors or other representatives, or any other person for whom Licensee may be responsible or liable (Licensee, together with such other persons and entities being sometimes hereinafter collectively referred to as "**Licensee Parties**"), to cause, directly or indirectly, any release or discharge of any Hazardous Substances (as defined in Section 8.4) at the Fuel Farm or any other portion of the Airport or premises adjacent thereto. Without limiting the generality of the foregoing, Licensee further covenants and agrees that Licensee shall not, nor shall Licensee allow or permit any of the Licensee Parties to, bring into, maintain upon, generate, use, store, dispense or dispose of any Hazardous Substances in or about the Fuel Farm or any other portion of the Airport or premises adjacent thereto, unless such Hazardous Substances are maintained upon, generated, used, stored, dispensed or disposed of only (a) in such quantities as are reasonably necessary for Licensee's operations, (b) in accordance with the standards and instructions of the producer and distributor of such Hazardous Substances and, if fuel, the manufacturer of the Fuel Tanks and in compliance with all applicable laws, and (c) in such a manner as would prevent a release or discharge thereof in violation of applicable laws. Upon request of Licensor at any time, Licensee shall provide Licensor with a written list, certified to by Licensee in writing, identifying any Hazardous Substances then maintained upon, generated, used, stored, dispensed or disposed of at the Fuel Farm or elsewhere at the Airport or premises adjacent thereto by Licensee and the approximate quantity of same, together with a representation that neither Licensee nor any other Licensee Parties have released or discharged any Hazardous Substances in or about the Fuel Farm or any other portion of the Airport or adjacent premises in violation of these provisions, all certified as being true and correct by a duly authorized representative of Licensee. Upon any violation of the foregoing covenants, Licensee shall be obligated, at Licensee's sole cost, to immediately cease such violation and, if any Hazardous Substance has been released or discharged, remediate, clean-up and remove from the Fuel Farm or other portions of the Airport or premises adjacent thereto all such Hazardous Substances; provided, however, that any such remediation, clean-up and removal shall be undertaken only after written notice of the release or discharge has been given by Licensee to Licensor and Licensor has approved the method of remediation, clean-up and removal. Notwithstanding the proceeding or any other provision of this Agreement, the introduction, receipt, delivery, creation, use, storage, dispensing or disposal of any Hazardous Substances at the Fuel Farm or elsewhere at the Airport or premises adjacent thereto, and any remediation, clean-up or removal of released or discharged Hazardous Substances, by or on behalf of Licensee or any other Licensee Parties shall be conducted to the satisfaction of Licensor.

8.3 **INDEMNITY.** LICENSEE SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS THE LICENSOR, ITS OFFICIALS, OFFICERS, EMPLOYEES, AGENTS AND OTHER REPRESENTATIVES, AND THEIR RESPECTIVE HEIRS, SUCCESSORS AND ASSIGNS (TOGETHER, "LICENSOR INDEMNIFIED PERSONS"), FROM AND AGAINST ANY AND ALL CLAIMS, LIABILITIES, LOSSES, JUDGMENTS, DAMAGES (INCLUDING DIRECT, INDIRECT, SPECIAL, CONSEQUENTIAL, AND OTHER DAMAGES), ACTIONS, FINES, PENALTIES, COSTS AND EXPENSES (INCLUDING ATTORNEYS' FEES AND COSTS OF DEFENSE) (TOGETHER, "INDEMNIFIED DAMAGES") INCURRED BY LICENSOR OR OTHER SUCH LICENSOR INDEMNIFIED PERSONS, OR ANY OF THEM, AS A RESULT OF, ARISING OUT OF, OR IN CONNECTION WITH ANY BREACH OF ANY PROVISION OF SECTION 8.2 OR ANY ACT OR OMISSION OF LICENSEE OR OF ANY OF LICENSEE PARTIES UNDER, RELATED TO, OR IN CONNECTION WITH THE RECEIPT, DELIVERY, STORAGE, MAINTENANCE, TRANSPORTATION, DISPENSING, OR OTHER USE OF ANY HAZARDOUS SUBSTANCES, **INCLUDING ANY INDEMNIFIED DAMAGES CAUSED BY THE NEGLIGENCE OF THE LICENSOR OR ANY OF THE OTHER LICENSOR INDEMNIFIED PERSONS, BUT LICENSEE SHALL HAVE NO DUTY TO INDEMNIFY LICENSOR OR ANY LICENSOR INDEMNIFIED PERSON FOR INDEMNIFIED DAMAGES CAUSED BY THE SOLE NEGLIGENCE OF LICENSOR OR SUCH LICENSOR INDEMNIFIED PERSON, UNLESS THE INSURANCE OF LICENSEE COVERS THE INDEMNIFIED DAMAGES CAUSED BY SUCH SOLE NEGLIGENCE.**

8.4 As used in this Section 8, "**Hazardous Substances**" shall include, without limitation, any and all hazardous or toxic substances, materials, contaminants, pollutants, or wastes pertaining to health or the environment as are identified, defined or listed elsewhere in any applicable local, state and federal ordinances, rules, regulations, laws and statutes, as the same may hereafter be passed, issued, enacted and/or amended, such as asbestos, petroleum products, hazardous materials, hazardous wastes and hazardous and/or toxic substances as defined or used in the Comprehensive Environmental Response, Compensation And Liability Act Of 1980, as amended (42 U.S.C. §9601 Et Seq.) and The Resource Conservation And Recovery Act, as amended (42 U.S.C. §6901 Et Seq.).

8.5 Licensee shall not, nor shall Licensee permit or allow any other Licensee Parties to, (a) cause any damage or waste at or about the Fuel Farm; (b) overload the Fuel Tanks; (c) cause any objectionable or unpleasant odors to emanate from the Fuel Tanks, except odors ordinarily emanating from a substantially similar aircraft fuel farm; (d) take any other action which would constitute a nuisance or would disturb or endanger Licensor, its employees, agents and other representatives, other licensees of the Fuel Farm, other occupants or users of the Airport or any neighbors of the Airport; or (e) permit any unlawful practice to be carried on or committed on the Fuel Farm.

8.6 Licensee shall procure, at its sole expense, any permits and licenses required for the use of the Fuel Farm including, without limitation, any permit or license required by the fire department of Licensor. At Licensor's request, Licensee shall deliver to Licensor copies of all such permits and licenses.

8.7 Only authorized and properly trained personnel of Licensee shall use the Fuel Farm pursuant to Licensee's rights under this License. In addition, if Licensee's business makes it advisable for Licensee to take any extra precautions at the Fuel Farm, Licensee shall take all such extra precautions.

SECTION 9

MAINTENANCE AND REPAIR OF FUEL TANKS AND OTHER EQUIPMENT

9.1 During the Term, Licensee, at Licensee's sole expense, shall maintain, repair and replace, as reasonably and prudently required, all equipment at the Fuel Farm diagonally cross-hatched on Exhibit "F" attached hereto (collectively, the "**Licensee Equipment**"). Without limiting the generality of the forgoing, the Licensee Equipment shall include all fuel loading and unloading equipment, such as hoses, couplings, swivels and such devices used in connection with the Fuel Tanks, and all filters, separators or other filtering medium or such devices related to the Fuel Tanks. With regard to Exhibit "F", the parties agree that no representation, warranty, or covenant is to be implied by Exhibit "F". If any such maintenance, repairs or replacements required to be made by Licensee are not made within ten (10) days after written notice delivered to Licensee by Licensor (except in the event of an emergency, in which case such repairs, replacements, changes or upgrades shall be required to be made by Licensee,

as quickly as reasonably possible under the circumstances), then Licensor may perform such maintenance, repairs and replacements, and Licensee shall pay to Licensor, on demand, the costs of such maintenance, repairs and replacements, plus 15% for Licensor's overhead, plus interest on such sums). If Licensor elects to perform such maintenance, repairs or replacements, Licensor shall have no liability to Licensee for any loss or damage that may result to Licensee's business by reason of the same.

9.2 Except for the obligations of Licensee to be responsible for the continued maintenance, repairs and replacements of the Licensee Equipment described in Section 9.1 and Licensee's obligations under Section 9.3, and subject to the other obligations of Licensee under this License, Licensor shall at all times keep the Fuel Farm in good condition and repair generally in keeping with the standards of Licensor for the Airport and prevailing industry standards. Licensor, however, shall not be required to make any repairs occasioned by the act, omission, damage or negligence of Licensee, its employees, agents or other representatives, or any other person entering or using the Fuel Farm allegedly through the rights granted to Licensee under this License; and the provisions of the previous sentence are expressly recognized to be subject to the provisions of Section 15 and Section 16 of this License. In the event that the Fuel Tanks or other parts of the Fuel Farm should become in need of repair required to be made by Licensor hereunder, Licensee shall give immediate written notice thereof to Licensor and Licensor shall have a commercially reasonable time after receipt of such written notice in which to make such repairs. The costs of Licensor incurred pursuant to this Section 9.2 shall be included in the Common Area Charge.

9.3 During the Term, Licensee shall keep the Fuel Tanks, and cooperate with Licensor and other licensees of the Fuel Farm in keeping the Fuel Farm sidewalks, service-ways and loading areas, neat, clean and free from debris.

SECTION 10

ALTERATIONS

10.1 Licensee shall not make any installations, alterations or replacements of improvements, fixtures or equipment at the Fuel Farm without the prior written consent of Licensor, which consent may be withheld in Licensor's sole discretion. Without limiting the generality of the immediately preceding sentence, any installation, alteration or replacement consented to by Licensor must be effected strictly in accordance with Licensor's instructions and shall not unreasonably interfere with or disrupt the activities of Licensor or any other licensees of fuel tanks at the Fuel Farm. Licensee shall, promptly following the completion of any installations, alterations or replacements consented to by Licensor, deliver to Licensor "as built" plans and specifications with respect to any such installations, alterations and replacements. Any permitted installation, alteration or replacement which may be made or installed by Licensee in connection with the Fuel Farm shall remain upon and become the property of Licensor on completion of such installation, alteration or replacement; provided, however, that Licensor may request their removal upon the expiration or earlier termination of this License, in which event Licensee shall remove the same and restore the Fuel Farm to its condition immediately preceding such installation, alteration or replacement, ordinary wear and tear excepted and subject to Sections 9.2, 15 and 16, at Licensee's sole cost and expense. In the event that Licensee fails to remove such installation, alteration and replacement from the Fuel Farm within ten (10) days after the date of expiration or earlier termination of this License, Licensor may, at its option, keep or dispose of the same as Licensor shall determine at its sole discretion, without any liability or obligation to Licensee whatsoever. Licensee shall be obligated to reimburse Licensor for any costs incurred by Licensor in removing and disposing of such installation, alteration and replacement, and restoring the Fuel Farm to its original condition immediately preceding such construction, ordinary wear and tear excepted and subject to Sections 9.2, 15 and 16.

10.2 **INDEMNITY.** All construction work done by Licensee on the Fuel Farm shall be performed in a good and workmanlike manner, lien-free and in compliance with all applicable laws, and in such manner as to cause a minimum of interference with other construction in progress at the Fuel Farm or the use of the Fuel Farm by Licensor or any other licensees of fuel tanks at the Fuel Farm. **LICENSEE AGREES TO DEFEND AND INDEMNIFY LICENSOR AND LICENSOR INDEMNIFIED PERSONS AND HOLD LICENSOR AND THE OTHER LICENSOR INDEMNIFIED PERSONS HARMLESS FROM AND AGAINST ANY INDEMNIFIED DAMAGES RESULTING FROM SUCH WORK, INCLUDING ANY INDEMNIFIED DAMAGES CAUSED BY THE NEGLIGENCE OF THE LICENSOR OR ANY OF THE OTHER LICENSOR INDEMNIFIED PERSONS, BUT LICENSEE SHALL HAVE NO DUTY TO INDEMNIFY LICENSOR OR ANY LICENSOR INDEMNIFIED PERSON FOR INDEMNIFIED DAMAGES CAUSED BY THE SOLE**

NEGLIGENCE OF LICENSOR OR SUCH LICENSOR INDEMNIFIED PERSON, UNLESS THE INSURANCE OF LICENSEE COVERS THE INDEMNIFIED DAMAGES CAUSED BY SUCH SOLE NEGLIGENCE.

10.3 In the event Licensee uses a general contractor to perform any installations, alterations or replacements on the Fuel Farm, Licensee shall, prior to the commencement of such work, require said general contractor to execute and deliver to Licensor a waiver and release of lien (in form and content reasonably satisfactory to Licensor) of any and all claims against Licensor and liens against the Fuel Farm to which such contractor might at any time be entitled, and to execute and record a Bond to Pay Claims (the “**Bond**”) in accordance with Chapter 53, Subchapter I of the Texas Property Code, as such may be amended, superseded or replaced from time to time, and shall deliver a copy of the recorded Bond to Licensor. The delivery of the waiver and release of lien and the Bond within the time period set forth above shall be a condition precedent to Licensee's ability to enter on and begin its installation, alteration or replacement work on the Fuel Tanks and, if applicable, to any reimbursement from Licensor for Licensee's work.

10.4 In the event that Licensor elects to modify all or any portion of the Fuel Farm, Licensee will cooperate with Licensor during such modification, including Licensee's tolerating temporary inconveniences.

SECTION 11

ACCESS TO FUEL FARM, FUEL TANKS AND EQUIPMENT

11.1 Licensor shall have the right to enter upon the Fuel Farm at any time for any purpose consistent with this License.

11.2 Neither Licensee nor any Licensee Parties shall enter onto the roof of the Fuel Farm.

11.3 Neither Licensee nor any Licensee Parties shall use or manipulate in any manner any fuel tanks at the Fuel Farm (other than the Fuel Tanks), or any equipment used solely therewith.

11.4 Licensor shall have no liability to Licensee for any loss of access by Licensee to the Fuel Farm or the Fuel Tanks by reason of any security requirement, legal requirement, casualty, accident, condemnation, alteration, maintenance, repair, strike, act of God, force majeure, or cause beyond the reasonable control of Licensor.

SECTION 12

UTILITIES

12.1 Failure by Licensor to furnish, or the interruption or termination of utility services in whole or in part, resulting from any security requirement, legal requirement, casualty, accident, condemnation, alteration, maintenance, repair, strike, act of God, force majeure, or cause beyond the reasonable control of Licensor, shall not render Licensor liable in any respect nor be construed as a breach of this License, nor work as an abatement of the Consideration, nor relieve Licensee from the obligation to fulfill any covenant or agreement hereof. Should any of the equipment or machinery used in providing such services for any cause cease to function properly, Licensor shall use reasonable diligence to repair such equipment or machinery but, except as otherwise expressly provided herein, Licensee shall have no claim for offset, abatement of the Consideration, damages or termination of this License on account of an interruption in service thereby or resulting therefrom.

SECTION 13

INSURANCE COVERAGE

13.1 Licensor shall procure and maintain throughout the Term of this License a policy or policies of insurance, causing the Fuel Farm to be insured under standard fire and extended coverage insurance and liability insurance or

that which is typically available to a municipality for such purposes in the State of Texas (plus whatever endorsements or special coverages Licensor, at its sole and reasonable discretion, may consider appropriate), to the extent necessary to comply with Licensor's obligations pursuant to the provisions set forth in this License.

13.2 Licensee shall procure and maintain throughout the Term a policy or policies of insurance, at its sole cost and expense to meet or exceed the requirements specified in the then prevailing "Addison Airport Minimum Standards and Requirements For Commercial Aeronautical Service Providers" (the "**Minimum Licensee Insurance Standards**") which may be amended or modified by Licensor from time to time.

13.3 In the event no Minimum Licensee Insurance Standards are known to be in effect, Licensee shall procure and maintain throughout the Term, at the minimum, at its sole cost and expense: (a) a policy or policies of insurance causing the Licensee Equipment and Licensee's personal property at the Fuel Farm to be insured under standard Special Form or similar property insurance; (b) business automobile liability insurance for all owned and non-owned automobiles with a combined single limit of \$5,000,000 for bodily injury and property damage; and (c) commercial general liability insurance insuring Licensee on an occurrence basis against all claims, demands or actions arising out of or in connection with Licensee's use or occupancy of the Fuel Farm, or by the condition of the Fuel Farm. Licensee's commercial general liability policy or policies must provide coverage with a combined single limit of not less than \$5,000,000 per occurrence (with no offset for occurrences on property other than the Fuel Tanks), and Licensee's insurance policy or policies must list Licensor as a loss payee (as to the Special Form or similar property insurance) as to Licensor's interest in any of Licensee's property and as an "Additional Insured" as to all other insurance including, without limitation, the commercial general liability insurance, which shall also name as Additional Insured's any management personnel or company retained by Licensor to operate or manage the Fuel Farm and/or the Airport.

13.4 All such insurance must be written by insurance companies and on forms and with deductibles satisfactory to Licensor, and Licensee's insurance shall be primary (with any policies of Licensor being excess, secondary and non-contributory). If it becomes customary or otherwise a prudent business practice within Licensee's industry to provide insurance policies with limits higher than the foregoing limits or with coverages other than the foregoing coverages, then Licensee will provide Licensor with such additional insurance as may be requested by Licensor. Licensee also agrees to provide and maintain adequate workers' compensation insurance insuring against and satisfying Licensee's obligations and liabilities under the workers' compensation laws of the State of Texas in no less than statutorily required amounts, covering Licensee's agents and employees in the Fuel Tanks, and containing a waiver of subrogation in favor of Licensor.

13.5 **INDEMNITY. LICENSEE** HEREBY INDEMNIFIES, AGREES TO HOLD HARMLESS AND DEFEND LICENSOR AND THE OTHER LICENSOR INDEMNIFIED PERSONS FROM AND AGAINST ANY AND ALL INDEMNIFIED DAMAGES SUFFERED BY LICENSEE OR ANY OF LICENSEE'S EMPLOYEES, AGENTS OR OTHER REPRESENTATIVES AT OR ABOUT THE FUEL FARM WHICH WOULD HAVE BEEN OR IS COVERED BY AN APPROPRIATE WORKERS' COMPENSATION INSURANCE POLICY (AS MAY BE REQUIRED BY LAW TO BE CARRIED BY LICENSEE) AND/OR EMPLOYER'S LIABILITY INSURANCE POLICY, **INCLUDING ANY INDEMNIFIED DAMAGES CAUSED BY THE NEGLIGENCE OF THE LICENSOR OR ANY OF THE OTHER LICENSOR INDEMNIFIED PERSONS, BUT LICENSEE SHALL HAVE NO DUTY TO INDEMNIFY LICENSOR OR ANY LICENSOR INDEMNIFIED PERSON FOR INDEMNIFIED DAMAGES CAUSED BY THE SOLE NEGLIGENCE OF LICENSOR OR SUCH LICENSOR INDEMNIFIED PERSON, UNLESS THE INSURANCE OF LICENSEE COVERS THE INDEMNIFIED DAMAGES CAUSED BY SUCH SOLE NEGLIGENCE.**

13.6 Licensee shall obtain a written obligation on the part of each insurance company to notify Licensor at least thirty (30) days prior to cancellation, non-renewal or modification of all such insurance described above. Such policies or duly executed certificates or other evidence of such insurance (in any event in form and content reasonably satisfactory to Licensor) shall be delivered to Licensor prior to the Commencement Date. Renewals of insurance shall be delivered to Licensor at least thirty (30) days prior to the expiration of the respective policy term(s). If Licensee should fail to comply with the foregoing requirement relating to insurance, Licensor may obtain such insurance on Licensee's behalf, and Licensee shall pay to Licensor on demand as additional Consideration the premium cost plus interest on such additional Consideration at the maximum contractual rate which could legally be charged in the event of a loan of such late Consideration to Licensee (but in no event to exceed 1 ½% per month).

SECTION 14

WAIVER OF LIABILITY; MUTUAL WAIVER OF SUBROGATION

14.1 Licensors and its agents, employees or authorized representatives shall not (a) be liable to Licensee, nor to Licensee's officers, owners, employees, representatives, contractors, agents or visitors, nor to any other person whomsoever, for any injury to person (including, without limitation, death) or damage to or destruction of property caused by the Fuel Tanks or other portion of the Fuel Farm becoming out of repair or by defect or failure of any structural element of the Fuel Tanks or of any equipment, pipes or wiring, or broken glass, or by the backing up of drains, or by fuel, gas, water, steam, electricity or oil leaking, escaping or flowing into the Fuel Tanks or the Fuel Farm, except where due to Licensor's willful acts or gross negligence in failing to maintain or make repairs required to be made hereunder, after the expiration of a reasonable time after written notice to Licensor of the need for such repairs and Licensor failed to remedy said condition; and (b) be liable to Licensee, nor to Licensee's officers, owners, employees, representatives, contractors, agents or visitors, nor to any other person whomsoever, for any loss or damage that may be occasioned by or through the acts or omissions of other licensees of fuel tanks at the Fuel Farm or of any other persons whomsoever, except for the willful misconduct or gross negligence of authorized employees, agents or authorized representatives of Licensor.

14.2 **INDEMNITY.** Licensor shall not be liable to Licensee, any Licensee Parties or any other person for (a) any injury to person (including, without limitation, death) or damage to or destruction of property on or about the Fuel Farm or any other portion of the Airport or premises adjacent thereto caused by the act or omission of Licensee, any Licensee Parties or any other person using the Fuel Farm or any equipment used in connection therewith under the express or implied invitation of Licensee; or (b) events, acts or occurrences arising out of any breach or default by Licensee in the performance of its obligations under this License. LICENSEE AGREES TO AND SHALL DEFEND AND INDEMNIFY LICENSOR AND THE OTHER LICENSOR INDEMNIFIED PERSONS AND HOLD LICENSOR AND THE OTHER LICENSOR INDEMNIFIED PERSONS HARMLESS FROM AND AGAINST ANY AND ALL INDEMNIFIED DAMAGES ARISING OUT OF SUCH INJURY, INDEMNIFIED DAMAGES OR DESTRUCTION, OR INDEMNIFIED DAMAGES CAUSED BY (I) LICENSEE'S PERFORMANCE OF THIS AGREEMENT, (II) THE USE OF THE FUEL FARM, FUEL TANKS, OR ANY OTHER PORTION OF THE AIRPORT OR PROPERTY ADJACENT THERETO BY LICENSEE OR BY ANY LICENSEE PARTIES; (III) THE CONDUCT OF LICENSEE'S BUSINESS OR ANYTHING ELSE DONE OR PERMITTED BY LICENSEE (OR ANY OF LICENSEE PARTIES) TO BE DONE IN OR ABOUT THE FUEL FARM, FUEL TANKS, OR ANY OTHER PORTION OF THE AIRPORT OR PROPERTY ADJACENT THERETO; (IV) ANY MISREPRESENTATION OR BREACH OF WARRANTY BY LICENSEE UNDER THIS AGREEMENT; OR (V) WITHOUT LIMITING ANY OF THE FOREGOING, ANY ACT OR OMISSION OF LICENSEE OR OF ANY OF LICENSEE PARTIES UNDER, RELATED TO, OR IN CONNECTION WITH THIS AGREEMENT, **INCLUDING ANY INDEMNIFIED DAMAGES CAUSED BY THE NEGLIGENCE OF THE LICENSOR OR ANY OF THE OTHER LICENSOR INDEMNIFIED PERSONS, BUT LICENSEE SHALL HAVE NO DUTY TO INDEMNIFY LICENSOR OR ANY LICENSOR INDEMNIFIED PERSON FOR INDEMNIFIED DAMAGES CAUSED BY THE SOLE NEGLIGENCE OF LICENSOR OR SUCH LICENSOR INDEMNIFIED PERSON, UNLESS THE INSURANCE OF LICENSEE COVERS THE INDEMNIFIED DAMAGES CAUSED BY SUCH SOLE NEGLIGENCE.**

14.3 Licensor and Licensee each hereby waives all right of recovery against the other, and releases the other from any and all liability or responsibility to the other, or to any other party claiming through or under them by way of subrogation or otherwise, for any loss or damage to property arising from any cause that is insurable under standard Special Form or similar property insurance or which is required herein to be insured thereby (and each party agrees to obtain an endorsement to that effect in their respective Special Form or similar property insurance policies), **EVEN IF SUCH LIABILITY OR LOSS IS CAUSED BY THE NEGLIGENCE OF THE OTHER PARTY**; provided, however, that this mutual waiver and release is applicable only with respect to any loss or damage occurring during the time when such Special Form or similar property insurance policies which are readily available in the marketplace contain a clause or permitted endorsement to the effect that any such waiver and release does not adversely affect or impair the policy or the right of the insured party to proceeds under such policy and further provided that this waiver and release shall be applicable only to the extent that insurance proceeds are actually paid and collected to cover for such loss or damage and shall not be applicable to the portion of any such

loss or damage which is not reimbursed by the damaged party's insurer because of the "deductible" in the damaged party's insurance coverage. The release specified in this Section 14.3 is cumulative with any releases or exculpations, which may be contained in any other provisions of this License.

SECTION 15

DAMAGES BY CASUALTY

15.1 Licensee shall give immediate written notice to the Licensor of any damage caused to the Fuel Farm or any Fuel Tank by fire or other casualty.

15.2 In the event that the Fuel Farm or any Fuel Tank is damaged or destroyed by fire or other casualty insurable under standard fire and extended coverage insurance, and Licensor does not elect to terminate this License as hereinafter provided, Licensor shall proceed with reasonable diligence and at its sole cost and expense (to the extent that insurance proceeds are available therefore, and provided that Licensee shall reimburse Licensor for any such costs and expenses for which Licensee may be liable under this License) to rebuild and repair the Fuel Farm or any Fuel Tank. In the event (a) the Fuel Farm or any Fuel Tank is destroyed or substantially damaged by a casualty not covered by Licensor's insurance or (b) the Fuel Farm or any Fuel Tank is destroyed or rendered unusable (as determined by Licensor), then Licensor may elect either to terminate this License as to all Fuel Tanks or just the damaged, destroyed or unusable Fuel Tank(s) or to proceed to rebuild and repair the Fuel Farm or any damaged, destroyed or unusable Fuel Tank. Licensor shall give written notice to Licensee of any such election within sixty (60) days' after the occurrence of such casualty and, if Licensor elects to rebuild and repair, shall proceed to do so with commercially reasonable diligence.

15.3 Licensor's obligation to rebuild and repair under this Section 15 shall, in any event, be limited to restoring the Fuel Farm or any Fuel Tank to substantially the condition in which the same existed prior to such fire or other casualty, exclusive of any Licensee Equipment, alterations, additions, improvements, fixtures and other equipment installed by Licensee. Licensee agrees that promptly after completion of such work by Licensor, Licensee will proceed with reasonable diligence and at Licensee's sole cost and expense to restore, repair and replace all Licensee Equipment and all alterations, additions, improvements, fixtures, signs and equipment installed by Licensee.

15.4 Licensee agrees that during any period of reconstruction or repair of the Fuel Farm or any Fuel Tank pursuant to this Section 15, it will continue the operation of its business within the Fuel Farm to the extent practical.

SECTION 16

EMINENT DOMAIN

16.1 If less than all of the Fuel Farm should be taken for any public or quasi-public use under any governmental law, ordinance or regulation or by right of eminent domain or by private purchase in lieu thereof, at Licensor's election, this License shall terminate and Licensor shall credit Licensee for unearned Consideration, if any, effective on the date physical possession is taken by the condemning authority.

16.2 If less than all of the Fuel Farm should be taken for any public or quasi-public use under any governmental law, ordinance or regulation or by right of eminent domain or by private purchase in lieu thereof, and Licensor elects not to terminate this License, Licensor shall make all necessary repairs or alterations to the remaining Fuel Farm and, promptly after completion of such work by Licensor, Licensee shall restore, repair and replace all Licensee Equipment and all alterations, additions, improvements, fixtures, signs and equipment installed by Licensee.

16.3 If all of the Fuel Farm should be taken for any public or quasi-public use under any governmental law, ordinance or regulation or by right of eminent domain or by private purchase in lieu thereof, this License shall terminate effective on the date physical possession is taken by the condemning authority.

16.4 All compensation awarded for any taking (or the proceeds of private sale in lieu thereof) of the Fuel Farm shall be the property of Licensor, and Licensee hereby assigns its interest in any award related to such taking to Licensor.

16.5 Licensee agrees that during any period of reconstruction or repair of the Fuel Farm or any Fuel Tank pursuant to this Section 16, it will continue the operation of its business within the Fuel Farm to the extent practical.

SECTION 17

ASSIGNMENT AND SUBLETTING

17.1 Licensee shall not and has no authority to assign or in any manner transfer this License or any interest herein, sublicense its interest under this License or any part thereof, or grant any license, concession or other right of use of any portion of the Fuel Farm without Licensor's prior written consent, which may be withheld in Licensor's sole discretion. Any attempted assignment or transfer, or any attempt to grant any sublicense, concession or other right of use, in violation of the preceding sentence shall be null and void, *ab initio*. In determining whether or not to grant its consent, Licensor shall be entitled to take into consideration all factors including, without limitation, Licensor's desired Licensee mix, the reputation and net worth of the proposed transferee, purported intent and use of the facilities by the proposed transferee (even beyond what is specified in Section 1.1(q)) and the then-current market conditions (including market consideration). In addition, Licensor shall also be entitled to charge an assignment fee for processing and considering, but not necessarily consenting to, Licensee's request. Consent by Licensor to one or more assignments, transfers, or sublicenses shall not constitute a novation or waiver of Licensor's rights as to any subsequent assignments, transfers, and sublicenses. If Licensor consents, any unexercised extension options of Licensee described on Exhibit "D" attached hereto shall be deemed null and void, *ab initio*, and of no force or effect.

17.2 If Licensee is a corporation, partnership or other entity (other than a publicly traded entity), and if at any time during the Term of this License the person or persons who own a majority of either the outstanding voting rights or controlling interests of Licensee at the time of the execution of this License cease for any reason to own a majority of such voting rights or controlling interests (except as a result of transfers by devise or descent) of Licensee, the loss of a majority of such voting rights or controlling interests shall be deemed an assignment of this License by Licensee and, therefore, subject in all respects to the provisions of Section 17.1 above. For purposes hereof, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities or partnership interests, by contract, or otherwise. Licensee shall give to Licensor, upon Licensor's request, a list of such person or persons.

17.3 Any assignee or other transferee of an interest in and to this License shall be deemed, by acceptance of such assignment or other transfer or by use of the Fuel Farm, to have assumed all of the obligations set forth in or arising under this License. Such assumption shall be effective as of the earlier of the date of such assignment or other transfer, or the date on which the assignee or other transferee commences use of the Fuel Farm.

17.4 Notwithstanding any assignment, other transfer or subletting, Licensee shall at all times remain fully responsible and liable for the payment of the Consideration herein specified and for compliance with all of its other obligations under this License (even if future assignments, transfers and sublicenses occur subsequent to the assignment, transfer or sublicensing by Licensee, and regardless of whether or not Licensee's approval has been obtained for such future assignments, transfers and sublicensing). In the event that for any reason any assignment or transfer, or sublicense, concession or other right of use of any portion of the Fuel Farm, prohibited by this Section 17 is consummated without the prior written consent of Licensor, or if an assignment, sublicense or other transfer by Licensee is permitted by Licensor, and the consideration paid and/or payable by an assignee, transferee, sublicensee or other user by reason of this License exceeds the Consideration paid payable under this License, then Licensee shall be bound and obligated to pay Licensor all such excess consideration within ten (10) days following receipt thereof by Licensee from such assignee, transferee, sublicensee or other user. Finally, in the event of any assignment or transfer, or sublicense, concession or other right of use of any portion of the Fuel Farm, whether permitted by Licensor or otherwise consummated without Licensor's consent, it is understood and agreed that all consideration paid to Licensee by the assignee, transferee, sublicensee or other user shall be received by Licensee in trust for Licensor to be forwarded immediately to Licensor without offset or reduction of any kind, and upon election by Licensor such consideration shall be paid directly to Licensor as specified in Section 4.2 of this License (to be applied as a credit and offset to Licensee's Consideration obligation).

17.5 Licensee shall not and has no authority to mortgage, pledge or otherwise encumber its interest in this License, without the prior written consent of Licensor, which consent may be withheld in Licensor's sole discretion.

Any such mortgage, pledge or other encumbrance in violation of the preceding sentence shall be null and void, *ab initio*.

17.6 In the event of the transfer and assignment by Licensor of its interest in this License to a person or persons expressly assuming Licensor's obligations under this License, Licensor shall thereupon be released from any further obligations hereunder, and Licensee agrees to look solely to such successor in interest of the Licensor for performance of such obligations. Any security given by Licensee to secure performance of Licensee's obligations hereunder may be assigned and transferred by Licensor to such successor in interest and Licensor shall thereby be discharged of any further obligation relating thereto.

SECTION 18

ESTOPPELS

18.1 Licensee agrees that it will, from time to time upon request by Licensor, execute and deliver to Licensor a written statement addressed to Licensor (or to a party designated by Licensor), which statement shall identify Licensee and this License, shall certify that this License is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as so modified), shall confirm that Licensor is not in default as to any obligations of Licensor under this License (or if Licensor is in default, specifying any default), shall confirm Licensee's agreements contained in this License, and shall contain such other information or confirmations as Licensor may reasonably request. Licensor is hereby irrevocably appointed and authorized as the agent and attorney in fact of Licensee to execute and deliver any such written statement on Licensee's behalf if Licensee fails to do so within fourteen (14) business days after the delivery of a written request from Licensor to Licensee.

SECTION 19

NON-COMPETE

19.1 Licensee covenants and agrees that during the Term of this License, neither Licensee nor any person, firm or corporation, directly or indirectly controlling, controlled by or under common control with Licensee (and also, in the event Licensee is a corporation, if any officer or director thereof or shareholder owning more than ten percent (10%) of the outstanding stock thereof, or parent, subsidiary or related or affiliated corporation) either directly or indirectly shall operate or commence operation of any facility selling or that otherwise offers for sale any aircraft fuel of the type to be used by Licensee in the Fuel Tanks or similar or related items, or in any manner competes with the business of the Fuel Farm, within a straight-line radius of seven (7) miles of the Fuel Farm, which Licensee acknowledges is a reasonable area for the purpose of this provision. It is acknowledged that Licensor will incur damages by reason of the diversion of business from the Fuel Tanks and Fuel Farm to such other facility within such radius, as a proximate result of the establishment of such other facility.

SECTION 20

DEFAULT AND REMEDIES

20.1 Default by Licensee. The following events shall be deemed to be events of default by Licensee under this License:

- (a) Licensee shall fail to pay when due any Base Fee or other sum of Consideration including, but not limited to, Licensee's Additional Fee or adjusted Additional Fee and Fuel Flowage Fees as required to be paid by Licensee to Licensor under this License (hereinafter sometimes referred to as a "**Monetary Default**").
- (b) Licensee shall fail to comply with any term, provision or covenant of this License (other than a Monetary Default) and shall not cure such failure within thirty (30) days after delivery to Licensee notice of the occurrence of such default.

- (c) Licensee shall become insolvent, or shall make a transfer in fraud of creditors, or shall seek relief under Title 11 of the Bankruptcy Code (defined in Section 20.3 below) or shall make an assignment for the benefit of creditors, or Licensee shall admit in writing its inability to pay its debts as they become due.
- (d) Licensee shall file a petition under any section or chapter of the Bankruptcy Code, as amended, pertaining to bankruptcy or under any similar insolvency or debtor-relief law or statute of the United States or any state thereof, or Licensee shall be adjudged bankrupt or insolvent in proceedings filed against Licensee thereunder; or an involuntary case is commenced under 11 U.S.C. § 303 as amended or an insolvency, receivership or any similar proceedings are commenced under Federal or State law and such proceedings are not fully and finally dismissed, or a petition or answer proposing the adjudication of Licensee as bankrupt or its reorganization under any present or future federal or state bankruptcy or similar insolvency or debtor-relief law shall be filed in any court and such petition or answer shall not be discharged or denied within sixty (60) days after the filing thereof.
- (e) A receiver or trustee shall be appointed for all or substantially all of the assets of Licensee, or for the Fuel Tanks or any of Licensee's property located therein, in any proceeding brought by Licensee; or any such receiver or trustee shall be appointed in any proceeding brought against Licensee and shall not be discharged within sixty (60) days after such appointment or Licensee shall consent to or acquiesce in such appointment.
- (f) The license hereunder shall be revoked upon execution or other process of law in any action against Licensee.
- (g) The liquidation, termination, or default of a lease, license, or other written agreement with the Town of Addison, dissolution, forfeiture of right to do business or death of Licensee.

20.2 Remedies of Licensor. Upon the occurrence of any event of default by Licensee under this License, Licensor may:

- (a) immediately terminate this License and at the expense and liability of the Licensee, alter or change any or all locks or other security or power devices controlling access to the Fuel Farm or Fuel Tanks without posting or giving notice of any kind to Licensee.
- (b) do whatever Licensee is obligated to do under the terms of this License; and Licensee agrees to reimburse Licensor on demand for any expense which Licensor may incur in thus effecting compliance with Licensee's obligations under this License together with interest at the lesser of (i) the maximum rate permitted under applicable law or (ii) eighteen percent (18%) per annum.

20.3 Event of Bankruptcy. In addition to, and in no way limiting the other remedies set forth in this Section 20, Licensor and Licensee agree that if Licensee ever becomes the subject of a voluntary or involuntary bankruptcy, reorganization or other similar type proceeding under the federal bankruptcy laws, as now enacted or hereinafter amended, then:

- (a) "adequate protection" and "adequate assurance" of Licensor's interest under this License pursuant to the provisions of Sections 361, 362, 363, 364 and 365 (or their successor sections) of the Bankruptcy Code, 11 U.S.C. Paragraph 101, et seq. (such Bankruptcy Code as amended from time to time being herein referred to as the "**Bankruptcy Code**"), prior to assumption and/or assignment of this License by Licensee shall include, but not be limited to, all or any part of the following:
 - (1) curing all monetary and non-monetary defaults, including, without limitation, payment of attorneys' fees incurred by Licensor related to enforcing the terms and conditions of this License and the continued payment by Licensee of the Base Fee and all other Considerations due and owing hereunder and the performance of all other covenants and obligations hereunder by Licensee;
 - (2) the furnishing of an additional and/or new security deposit by Licensee in the amount of three (3) times the then-current monthly Base Fee and other Considerations payable hereunder; and

(3) in addition, the Licensee shall provide financial statements evidencing the financial condition and operating performance of any proposed assignee and guarantors, if any, which is sufficient to show that the proposed assignee is capable of performing in Licensor's sole discretion, all of the Licensee's obligations under the terms and conditions of this License, including, without limitation, the "adequate assurance" and "adequate protection" requirements set forth herein.

(b) in the event Licensor consents, in its sole discretion, to the assignment of this License, any person or entity, to which this License is assigned pursuant to the provisions of the Bankruptcy Code, shall be deemed without further act or deed to have assumed all of the obligations of Licensee arising under this License on and after the effective date of such assignment, including, without limitation, adequate protection and adequate assurance requirements under Section 20.3(a). Any such assignee shall, upon demand by Licensor, execute and deliver to Licensor an instrument confirming such assumption of liability, along with applicable guaranties of any principals of the assignee.

(c) notwithstanding the prohibition against assignment contained in Section 17.1 herein, if this License is assigned to any person or entity pursuant to the provisions of the Bankruptcy Code, any and all monies or other considerations payable or otherwise to be delivered to Licensor including Base Fees and other Considerations hereunder, shall be and remain the exclusive property of Licensor and shall not constitute property of Licensee or of the bankruptcy estate of Licensee. Any and all monies or other considerations constituting Licensor's property under the preceding sentence not paid or delivered to Licensor shall be held in trust by Licensee or Licensee's bankruptcy estate for the benefit of Licensor and shall be promptly paid to or turned over to Licensor.

(d) to the extent permitted by law, Licensor and Licensee agree that this License is a contract under which applicable law excuses Licensor from accepting performance from, or rendering performance to, any person or entity other than Licensee within the meaning of the Bankruptcy Code, 11 U.S.C. Paragraph 101, et seq.

20.4 No Waiver. The following do not constitute a waiver of any rights Licensor may have under the License: (a) failure of Licensor to declare any default immediately upon its occurrence, or delay in taking any action in connection with an event of default, shall not constitute a waiver of such default, nor shall it constitute an estoppel against Licensor, but Licensor shall have the right to declare the default at any time and take such action as is lawful or authorized under this License; (b) failure by Licensor to enforce its rights with respect to any one default shall not constitute a waiver of its rights with respect to any subsequent default; (c) receipt by Licensor of Licensee's keys to the Fuel Tanks or the Fuel Farm shall not constitute a termination of this License; and (d) no payment by Licensee or receipt by Licensor of (i) a lesser amount than the Consideration due under this License shall be deemed to be other than on account of the earliest Consideration due hereunder; and (ii) any endorsement or statement on any check or any letter accompanying any check or payment as Consideration shall not be deemed an accord and satisfaction and Licensor may accept such check or payment without prejudice to Licensor's right to recover the balance of such Consideration or pursue any other remedy in this License provided.

20.5 Remedies Cumulative. No right or remedy herein conferred upon or reserved to Licensor is intended to be exclusive of any other right or remedy it may have, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder or now or hereafter existing by agreement, applicable law, common law, in equity, or otherwise. In addition to other remedies provided in this License, Licensor shall be entitled, to the extent permitted by applicable law, but without the requirement of a bond or evidence of irreparable harm, to injunctive relief in case of the violation, or attempted or threatened violation, of any of the covenants, agreements, conditions or provisions of this License, or to a decree compelling performance of any of the other covenants, agreements, conditions or provisions of this License, or to any other remedy allowed to Licensor by law, common law, in equity, or otherwise.

20.6 Evidence of Termination. To the extent any provision of applicable law requires some action by Licensor to evidence or effect the termination of this License or to evidence the termination of Licensee's right of occupancy, Licensee and Licensor hereby agree that written notice by Licensor to Licensee or to any of Licensee's agents, servants or employees, which states, in substance, that Licensor has elected to and has terminated this License, shall be sufficient to evidence and effect the termination herein provided for.

20.7 Licensor Default. Licensee shall not exercise any remedy for any breach or default by Licensor under this License without first giving written notice of such breach or default to Licensor and a commercially reasonable opportunity to cure such breach or default of not less than thirty (30) days from the date Licensor receives such notice.

SECTION 21

HOLDING OVER

21.1 In the event Licensee continues use of the Fuel Farm after the termination or expiration of this License and without the execution of a new license, it will be deemed to be using the Fuel Farm as a licensee under a license terminable at will at a daily fee equal to the Consideration herein provided plus one hundred percent (100%) of such amount, pro-rated on a daily basis, otherwise subject to all the conditions, provisions and obligations of this License insofar as the same are applicable to a license terminable at will.

SECTION 22

EXPIRATION OR TERMINATION OF LICENSE

22.1 Immediately prior to the expiration or earlier termination of Licensee's right to use the Fuel Farm pursuant to this License, Licensee shall:

- a) deliver the Fuel Tanks back to Licensor in good repair, excepting reasonable wear and tear and losses required to be restored by Licensor provided for in Section 9.1, Section 15 and Section 16;
- b) completely remove all sludge, solids, and residual substances from inside of the Fuel Tanks, piping and filtration devices in accordance with state and federal guidelines;
- c) dispose of tank bottom sludge according to state and federal laws and regulations;
- d) remove and replace all filters, separators or other filtering medium or such devices typically required under Section 9.1;
- e) secure the Fuel Tanks by bolting and locking all manways, valves and cap or plug fill lines, gauge openings or pump lines; and
- f) take all other actions reasonably necessary to empty, secure and stabilize the Fuel Tanks as instructed by Licensor.

22.2 On the surrender of the Fuel Tanks at the expiration or earlier termination of this License, Licensee shall give Licensor at least seventy-two (72) hours advance notice that the Fuel Tanks are ready for Licensor's inspection and acceptance. Upon this notification, Licensor shall then inspect the Fuel Tanks and call for the inspection by the Town of Addison Fire Department and any other regulatory entity having jurisdiction over such matters. Licensee agrees to remedy, at first reasonable opportunity, any exception or exceptions reported as a result of said inspections. Once all exceptions have been resolved and accepted by Licensor, Licensor shall deliver written notice to Licensee that Licensor has accepted the surrender of the Fuel Tanks pursuant to this Section 22, and Licensee's right to access and use of the Fuel Tanks and Fuel Farm is terminated.

SECTION 23

NOTICES

23.1 Wherever any notice is required or permitted hereunder, such notice shall be in writing. Any notice or document required or permitted to be delivered hereunder shall be deemed to be delivered when actually received by the designated addressee or, if earlier and regardless of whether actually received or not, when deposited in the United States mail, postage prepaid, certified mail, return receipt requested, addressed to the parties hereto at the respective addresses set out in Section 1.1 above, or at such other address as they might specify by written notice.

23.2 If and when included within the term "Licensor" as used in this License there are more than one person, firm or corporation, all shall jointly arrange among themselves for their joint execution of such notice specifying some individual at some specific address for the receipt of notices and payments to the Licensor; if and when included within the term "Licensee" as used in this instrument there are more than one person, firm or corporation, all shall jointly arrange among themselves for their joint execution of such a notice specifying some individual at some specific address for the receipt of notices and payments to Licensee. All parties included within the terms "Licensor" and "Licensee", respectively, shall be bound by notices and payments given in accordance with the provisions of this Section. 23.2 to the same effect as if each had received such notice or payment. In addition, Licensee agrees that Licensor's attorney, property manager or other agent may give notices to Licensee on Licensor's behalf.

SECTION 24

COMMISSIONS

24.1 EACH PARTY HERETO REPRESENTS TO THE OTHER THAT IT HAS NOT AUTHORIZED ANY BROKER OR FINDER TO ACT ON ITS BEHALF IN CONNECTION WITH THE NEGOTIATION AND EXECUTION OF THIS LICENSE, AND LICENSOR AND LICENSEE EACH AGREE TO INDEMNIFY, DEFEND AND HOLD HARMLESS THE OTHER FROM AND AGAINST ANY AND ALL INDEMNIFIED DAMAGES ARISING OUT OF OR RESULTING FROM ANY AGREEMENT, ARRANGEMENT OR UNDERSTANDING MADE OR ALLEGED TO HAVE BEEN MADE BY SUCH INDEMNIFYING PARTY WITH ANY SUCH OTHER BROKER OR FINDER IN CONNECTION WITH THIS LICENSE, INCLUDING ANY SUCH CLAIM, LOSS, DAMAGE, COST OR EXPENSE ARISING OUT OF THE NEGLIGENCE OF THE INDEMNIFIED PARTY, PROVIDED THAT INDEMNIFYING PARTY SHALL HAVE NO DUTY TO INDEMNIFY THE INDEMNIFIED PARTY FOR INDEMNIFIED DAMAGES CAUSED BY THE SOLE NEGLIGENCE OF THE INDEMNIFIED PARTY.

SECTION 25

CHANGES DUE TO LEGAL REQUIREMENTS

25.1 If for any reason the Fuel Farm was not constructed in compliance with any legal requirements in existence at the time of construction, Licensor shall have no liability to Licensee or any Licensee Parties as a result thereof, except that Licensor shall have a reasonable period of time after notification from Licensee of such noncompliance to cause the Fuel Farm to comply with such legal requirements. If there are any changes to such legal requirements after the date of completion of Licensor's construction of the Fuel Farm that require changes thereto, Licensor shall have a reasonable period of time after notification from Licensee to make such changes. All costs incurred by Licensor in causing the Fuel Farm to comply with applicable laws may be included in the Common Area Charge.

SECTION 26

APPLICABLE LAWS

26.1 Licensors and Licensees acknowledge that there are in effect federal, state, county and municipal laws, rules, regulations, standards, and policies (together, "laws") and that the same may hereafter be modified or amended and additional laws may hereafter be enacted or go into effect, relating to or affecting the Fuel Farm or the Fuel Tanks. Licensee shall not cause, or permit or allow the Licensee Parties to cause, any violation of any applicable laws. Moreover, Licensee shall have no claim against Licensor by reason of any changes Licensor may make in the Fuel Farm or the Fuel Tanks required by any applicable laws or any charges imposed upon Licensee, Licensee's customers or other invitees as a result of applicable laws.

26.2 If any provision in this License is held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this license shall not be affected thereby.

26.3 Licensee hereby acknowledges that Licensor is bound by the terms and conditions of any and all Federal Aviation Administration, Texas Department of Transportation, and other grant agreements, grant assurances and regulations regarding the Airport, and the terms of any grant, loan, regulation, or agreement under Section 22.055 of the Texas Transportation Code, as amended or superseded, whether now existing or made in the future. Without limiting the generality of Section 26.1, Licensee agrees not to take any action or omit to take any action in relation to the Fuel Farm that would cause Licensor to be in violation of such terms, conditions, agreements, assurances, regulations, grant or loan.

26.4 Licensor and Licensee hereby specifically acknowledge that U.S. Code of Federal Regulations Title 40 Part 112 – *Oil Pollution Prevention*, governs the conduct of the parties under the License. Licensor and Licensee hereby further specifically acknowledge that the National Fire Protection Association, Inc. (NFPA) 407, *Standard for Aircraft Fuel Servicing*, governs the conduct of the parties under the License. Without limiting the generality of Section 26.1, Licensee agrees not to take any action or omit to take any action in relation to the Fuel Farm that would cause Licensor to be in violation of such regulations or standards.

26.5 If, by reason of any applicable laws, the payment to, or collection by, Licensor of any Consideration or other charges payable by Licensee to Licensor pursuant to the provisions of this License is in excess of the amount (the "**Maximum Charge**") permitted by laws, then Licensee, during the period when such laws shall be in force and effect (the "**Freeze Period**"), shall not be required to pay, nor shall Licensor be permitted to collect, any sum in excess of the Maximum Charge. Upon the earlier of (i) the expiration of the Freeze Period, or (ii) the issuance of a final order or judgment of a court of competent jurisdiction declaring such laws to be invalid or not applicable to the provisions of this License, Licensee, to the extent not then proscribed by applicable law, and commencing with the first day of the month immediately following, shall pay to Licensor as additional Consideration, prorated in equal monthly installments over the balance of the Term of this License, a sum equal to the cumulative difference between the Maximum Charge and such Consideration or other charge during the Freeze Period. If any provision of this Section 26.5, or the application thereof, shall to any extent be declared to be invalid and unenforceable, the same shall not be deemed to effect the validity and enforceability of any of the other provisions of this Section 26.5 or of this License, all of which shall remain in effect to the fullest extent permitted by law.

SECTION 27

MANDATORY NON-BINDING MEDIATION

27.1 The parties have entered into this License in the belief that it is mutually advantageous to them. It is with that same spirit of cooperation that they pledge to attempt to resolve any dispute (unless the Dispute involves an event of default of a payment obligation under this License) amicably without the necessity of litigation. Accordingly, they agree if any dispute arises between them relating to this License (the "**Dispute**"), they will first utilize the following procedures specified in this Section 27 (the "**Procedure**") before resorting to any court proceedings, unless the lack of immediate court proceedings would cause irreparable harm without an adequate remedy at law:

(a) The party seeking to initiate the Procedure (the “**Initiating Party**”) will give Notification to the other party. The Notification must describe in general terms the nature of the Dispute and the Initiating Party’s requested relief. Additionally, the Notification must identify one or more individuals with authority to settle the Dispute on the Initiating Party’s behalf. The party receiving the Notification (the “**Responding Party**”) will have five (5) business days within which to designate by reply Notification to the Initiating Party one or more individuals with authority to settle the Dispute on the Responding Party’s behalf. The individuals so designated will be known as the “**Authorized Individuals**”. The Initiating Party and the Responding Party will collectively be referred to as the “**Disputing Parties**” or individually as a “**Disputing Party**”.

(b) The Authorized Individuals may investigate the Dispute as they deem appropriate, but they agree to promptly, and in no event not later than fourteen (14) days from the date of the Initiating Party’s Notification, meet to discuss the resolution of the Dispute. The Authorized Individuals will meet at the times and places and with the frequency as they may agree. If the Dispute has not been resolved within fourteen (14) days from their initial meeting date, the Disputing Parties will cease direct negotiations and will submit the Dispute to mediation in accordance with the following procedure:

(i) The Authorized Individuals will have five (5) business days from the date they cease direct negotiations to submit to each other by Notification a written list of acceptable qualified attorney-mediators not affiliated with any party. Within five (5) days from the date the list is received, the Authorized Individuals will rank the mediators in numerical order of preference and exchange the rankings. If one or more names are on both lists, the highest-ranking person will be designated as the mediator. If no mediator has been selected under this procedure, the Disputing Parties agree jointly to request a state district or federal district judge of their choosing, from the State of Texas, to supply a list of potential qualified attorney-mediators. Within five (5) days from the date the list is received, the Authorized Individuals will rank the mediators in numerical order of preference and exchange the rankings. If one or more names are on both lists, the highest-ranking person will be designated as the mediator. If no mediator has been selected under this procedure, either of the Disputing Parties may unilaterally request a local state district judge for Dallas County, Texas, to supply the list. Within five (5) business days from the date the list is received, the Authorized Individuals will again rank the proposed mediators in numerical order of preference and will simultaneously exchange the list and will select as the mediator the individual receiving the highest combined ranking. If the mediator is not available to serve, they will proceed to contact the mediator who was next highest in ranking until they are able to select a mediator.

(ii) In consultation with the mediator selected, each Disputing Party will cause its Authorized Individual to cooperate with the other Authorized Individual in promptly designating a mutually convenient time and place for the mediation. Unless circumstances require otherwise, the time for mediation shall not be later than thirty (30) days after selecting the mediator.

(iii) If any Disputing Party has substantial need for information in another Disputing Party’s possession or control in order to prepare for the mediation, all Disputing Parties will attempt to agree to procedures to expeditiously request and exchange the information and the scope of such request with the mediator’s help if required.

(iv) At least seven (7) days before the first scheduled mediation session, each Disputing Party will deliver to the mediator, and by Notification deliver to the other Disputing Party, a general and concise written summary of its views on the Dispute and any other matters required by the mediator. The mediator may also request that a confidential issue paper be submitted by each Disputing Party to the mediator.

(v) In the mediation, each Disputing Party will be represented by its Authorized Individual and may also be represented by counsel. In addition, each Disputing Party may, with the mediator’s permission and subject to the confidentiality provisions of this Section 27, bring additional persons as needed to respond to questions, contribute information and participate in the negotiations.

(vi) The mediator will determine the format for the meetings. The format must be designed to insure that (A) both the mediator and the Authorized Individuals have an opportunity to hear an

oral presentation of each Disputing Party's views on the Dispute, and (B) the Authorized Individuals attempt to negotiate to resolve the Dispute, with or without the assistance of counsel or others permitted to attend, but with the mediator's assistance. To this end, the mediator is authorized to conduct both joint meetings and separate private caucuses with the Disputing Parties. The mediation session will be private and the Disputing Parties agree to not disclose or release any information to third-parties (except as allowed under Subsection (x) below). The Parties will require the mediator to keep confidential all information learned in private caucus with any Disputing Party unless specifically authorized by the Disputing Party to disclose the information to the other Disputing Party. The Disputing Parties commit to participate in the proceedings with the intention of resolving the Dispute if at all possible.

(vii) The Disputing Parties agree to participate in the mediation procedure to its conclusion. The mediation will be terminated by (a) executing a settlement agreement between the Disputing Parties, (b) declaring to the mediator that the mediation is terminated, or (c) a Disputing Party declaring in writing that the mediation process is terminated when one (1) full day's mediation session is concluded.

(viii) Even if the mediation is terminated without the resolution of the Dispute, the Disputing Parties agree not to terminate negotiations and not to commence any court proceedings before five (5) days following the termination of the mediation. In any event, any Disputing Party may terminate the mediation procedure if the other Disputing Party fails to comply with this Procedure or if any claim in the Dispute, in the absence of such termination, could be barred by any applicable statute of limitations.

(ix) The mediator's fees and expenses will be shared equally among the Disputing Parties. The mediator will be disqualified as a witness, consultant, expert, or counsel for any Disputing Party with respect to the Dispute and any related matters.

(x) Mediation is a compromise and offer to compromise subject to Rule 408 of the Texas and Federal Rules of Evidence. The entire mediation process is confidential, and no stenographic, visual or audio record will be made. Subject to Rule 408 of the Texas and Federal Rules of Evidence, all conduct, statements, promises, offers, views and opinions, whether oral or written, made in the course of the mediation by any Disputing Party, their Authorized Individuals or any of their agents, employees, representatives or other invitees and by the mediator are confidential and, in addition and where appropriate, will be deemed privileged, and shall not be disclosed to anyone who is not (A) a party's agent, employee, expert, witness, or representative and (B) bound by the same confidentiality standards as the parties hereto. Evidence otherwise discoverable or admissible, however, is not excluded from discovery or admission as a result of its use in the mediation.

SECTION 28

MISCELLANEOUS

28.1. **INDEMNITY.** LICENSEE SHALL ALSO DEFEND AND INDEMNIFY LICENSOR AND THE LICENSOR INDEMNIFIED PERSONS AGAINST AND HOLD LICENSOR AND THE LICENSOR INDEMNIFIED PERSONS HARMLESS FROM ALL COSTS, EXPENSES, DEMANDS AND LIABILITY LICENSOR OR THE LICENSOR INDEMNIFIED PERSONS MAY INCUR IF LICENSOR OR ANY OF THE LICENSOR INDEMNIFIED PERSONS BECOME OR ARE MADE A PARTY TO ANY CLAIM OR ACTION (A) INSTITUTED BY LICENSEE AGAINST ANY THIRD PARTY, OR BY ANY THIRD PARTY AGAINST LICENSEE, OR AGAINST ANY PERSON HOLDING ANY INTEREST UNDER OR USING THE FUEL FARM BY LICENSE OR BY AGREEMENT WITH LICENSEE; (B) FOR FORECLOSURE OF ANY LIEN FOR LABOR OR MATERIAL FURNISHED TO OR FOR LICENSEE OR SUCH OTHER PERSON; (C) OTHERWISE ARISING OUT OF OR RESULTING FROM ANY ACT, OMISSION OR TRANSACTION OF LICENSEE, ANY OF LICENSEE PARTIES, OR SUCH OTHER PERSON; OR (D) NECESSARY TO PROTECT LICENSOR'S INTEREST UNDER THIS LICENSE IN A BANKRUPTCY

PROCEEDING, OR OTHER PROCEEDING UNDER THE BANKRUPTCY CODE, 11 U.S.C. PARAGRAPH 101, ET SEQ., INCLUDING SUCH COSTS, EXPENSES, DEMANDS, AND LIABILITIES AS ARE OR MAY BE CAUSED BY THE NEGLIGENCE OF THE LICENSOR OR ANY OF THE LICENSOR INDEMNIFIED PERSONS, BUT LICENSEE SHALL HAVE NO DUTY TO INDEMNIFY LICENSOR OR ANY LICENSOR INDEMNIFIED PERSON FOR INDEMNIFIED DAMAGES CAUSED BY THE SOLE NEGLIGENCE OF LICENSOR OR SUCH LICENSOR INDEMNIFIED PERSON, UNLESS THE INSURANCE OF LICENSEE COVERS THE INDEMNIFIED DAMAGES CAUSED BY SUCH SOLE NEGLIGENCE.

28.2 Nothing in this License shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture or joint enterprise between the parties hereto, it being understood and agreed that neither the method of computation of Consideration, nor any other provision contained herein, nor any acts of the parties hereto, shall be deemed to create any relationship between the parties hereto other than the relationship of Licensor and Licensee.

28.3 Licensee shall not, for any reason, withhold or reduce Licensee's required payments of Consideration and other charges provided in this License, it being agreed that the obligations of Licensor under this License are independent of Licensee's obligations except as may be otherwise expressly provided herein.

28.4 Licensee shall deposit the Security Deposit with Licensor upon Licensee's execution of this Lease. Licensor shall hold the Security Deposit without interest as security for the performance by Licensee of Licensee's covenants and obligations under this License. Licensor shall not be required to keep the Security Deposit separate from its other accounts and no trust relationship is created with respect to the Security Deposit. The Security Deposit is not an advance payment of rental or a measure of liquidated damages in case of an event of default by Licensee. Upon the occurrence of an event of default by Licensee, Licensor, from time to time, in addition to and without prejudice to any other remedy provided herein or provided by law, may use the Security Deposit to the extent necessary to make good any arrearages of Consideration and any other damage, injury, expense or liability caused to Licensor by any events of default by Licensee. If at any time during this License the Security Deposit then being held by Licensor is less than one monthly installment of the Base Fee plus the then prevailing Additional Fee, Licensee will be required to make an additional payment to Licensor so that the Security Deposit being held by Licensor is always equal to one monthly installment of the Base Fee plus the then prevailing Additional Fee. If an event of default by Licensee does not exist, and no condition exists, which, with the passage of time or the giving of notice, or both, would constitute an event of default, when this License expires or terminates, any remaining balance of such Security Deposit not used by Licensor in accordance with this License and applicable law shall be returned by Licensor to Licensee at the last address of Licensee according to the records of Licensor within a commercially reasonable time following such expiration or termination. Licensee's actual or attempted assignment, transfer, or encumbrance of the Security Deposit will not bind Licensor.

28.5 One or more waivers of any covenant, term or condition of this License by either party shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition. The consent or approval by either party to or of any act by the other party requiring such consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act.

28.6 If any provision of this License is held to be illegal, invalid, or unenforceable, under present or future governmental laws, rules, or regulations, such provision shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision is not a part hereof, and the remaining provisions shall remain in full force and effect. Licensee shall not record this License or any memorandum or short form hereof, nor shall Licensee permit or cause this License or any memorandum or short form hereof to be recorded. Any attempt at recordation of this License or of a memorandum or short form hereof by Licensee without having first obtained Licensor's written approval shall, at Licensor's option, constitute an automatic event of default by Licensee and, at Licensor's option, may void this License and Licensee's rights hereunder.

28.7 THE LAWS OF THE STATE OF TEXAS (WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS) SHALL GOVERN THE INTERPRETATION, VALIDITY, PERFORMANCE AND ENFORCEMENT OF THIS LICENSE. THIS LICENSE IS PERFORMABLE IN DALLAS COUNTY, TEXAS. 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.

28.8 The captions used herein are for convenience only and do not limit or amplify the provisions hereof.

28.9 Whenever herein the singular number is used, the same shall include the plural, and words of any gender shall include each other gender.

28.10 The terms, provisions and covenants contained in this License shall apply to, inure to the benefit of and be binding upon the parties and their respective heirs, successors in interest, legal representatives and permitted assigns except as otherwise herein expressly provided. Neither party shall be bound by this License in any way until both parties have executed this License and each party has received a copy of this License duly executed by the other. No provision of this License is intended to inure to the benefit of any third party.

28.11 This License and the schedules, riders and exhibits attached, if any (all of which are hereby incorporated by reference herein and made a part hereof), together with the rules and regulations adopted and promulgated by Licensor pursuant to the provisions of this License, contain the entire agreement between the parties, and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties, and no rights are created in favor of either party other than as specified or expressly contemplated in this License, and this License supersedes and revokes all previous negotiations, arrangements, letters of intent, offers to lease or license, lease or license proposals, brochures, representations and information conveyed, whether oral or in writing, between the parties or their respective representatives or any other person purporting to represent Licensor or Licensee. Licensee acknowledges that it has not been induced to enter into this License by any representations or warranties not set forth in this License, that Licensee has not relied upon any representations or warranties not contained in this License and that any rules of interpretation which would otherwise guide the interpretation of this License by virtue of the identity of the party drafting the terms and provisions of this License shall not apply (it being acknowledged and agreed that each party has been represented or had the opportunity to be represented by able counsel in connection with the negotiation and interpretation of this License and all terms and provisions hereof). No brochure, rendering, information, correspondence, representation, warranty or discussion shall be deemed to be a part of this License unless specifically set forth herein or specifically incorporated herein by reference. In addition, no agreement, discussion, course of dealing or course of performance between the parties shall be effective to change, modify or terminate this License or to release Licensee or any other obligated party with respect to liability for this License, either in whole or in part unless the same shall be in writing and duly signed by the party against whom enforcement of such change, modification or termination is sought.

28.12 Licensee agrees to treat the financial terms of this License as confidential and shall not allow disclosure of such financial terms without the prior written consent of Licensor unless required to undertake such disclosure by applicable law. The parties acknowledge that the financial terms of this License are confidential to the maximum extent allowed under applicable law, and any disclosure of it by Licensee would cause Licensor irreparable harm, which could not be measured in actual damages.

28.13 This License consists of twenty-eight (28) Sections and Exhibits "A" through "F". In the event any provision of an exhibit or other attached page shall be inconsistent with a provision in the body of this License, the provision set forth in the License shall be deemed to control.

28.14 If Licensee executes this License as a corporation or partnership, each of the persons executing this License on behalf of Licensee does hereby personally represent and warrant that Licensee is a duly authorized and existing corporation or partnership, that Licensee is qualified to do business in the state in which the Fuel Farm is located, that such corporation or partnership has full right and authority to enter into this License, and that each person signing this License on behalf of such corporation or partnership is authorized to do so. The undersigned 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, and each party hereby certifies to the other that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect. In the event any representation or warranty set forth in this Section 28.14 is materially false, all persons who execute this License on behalf of, or as the act and deed of Licensee, shall be individually liable as Licensee.

28.15 In addition to provisions of this Agreement expressly providing for the survival of provisions of this Agreement following the expiration or earlier termination of this Agreement, any other provision of this Agreement, including, without limitation, remedies for a breach or default under this Agreement or the payment of Compensation, that could be reasonably construed to be intended by the parties to survive such expiration or termination shall so survive. The undersigned 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, and each party hereby certifies to the other that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect.

28.16 Licensor and Licensee hereby acknowledge and agree that they are knowledgeable and experienced in commercial transactions and further hereby acknowledge and agree that the provisions of this License for determining Consideration and other charges payable by Licensee are commercially reasonable and valid even though such methods may not state precise mathematical formulae for determining such charges. ACCORDINGLY, LICENSEE HEREBY VOLUNTARILY AND KNOWINGLY WAIVES ALL RIGHTS AND BENEFITS TO WHICH LICENSEE MAY BE ENTITLED UNDER SECTION 93.004 OF THE TEXAS PROPERTY CODE, AS ENACTED BY HOUSE BILL 2186, 77TH LEGISLATURE, AS SUCH SECTION NOW EXISTS OR AS SAME MAY BE HEREAFTER AMENDED OR SUCCEEDED, TO THE EXTENT SUCH SECTION IS APPLICABLE.

NOTICE OF INDEMNIFICATION

THE PARTIES TO THIS LICENSE AGREEMENT HEREBY ACKNOWLEDGE AND AGREE THAT THIS LICENSE CONTAINS CERTAIN INDEMNIFICATION PROVISIONS FOR THE LICENSEE TO INDEMNIFY THE LICENSOR AND OTHER LICENSOR INDEMNIFIED PERSONS. IF A CLAIM IS MADE AGAINST LICENSOR OR ANY OTHER LICENSOR INDEMNIFIED PERSON THAT IS INDEMNIFIED BY LICENSEE UNDER THIS AGREEMENT, LICENSEE SHALL DEFEND LICENSOR OR SUCH LICENSOR INDEMNIFIED PERSON AT LICENSEE'S SOLE COST AND EXPENSE WITH COUNSEL REASONABLY ACCEPTABLE TO LICENSOR OR SUCH LICENSOR INDEMNIFIED PERSON, OR, AT LICENSEE'S ELECTION, LICENSEE SHALL REIMBURSE LICENSOR OR SUCH LICENSOR INDEMNIFIED PERSON FOR ANY FEES OR COSTS LICENSOR OR SUCH LICENSEE INDEMNIFIED PERSON INCURS IN DEFENDING ANY SUCH CLAIM. LICENSEE'S DEFENSE, INDEMNITY AND HOLD HARMLESS OBLIGATIONS UNDER THIS AGREEMENT SHALL SURVIVE THE TERMINATION OR EXPIRATION OF THIS AGREEMENT.

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EXECUTED effective as of _____, 2007.

LICENSOR:

TOWN OF ADDISON, TEXAS

By: _____
Ron Whitehead, City Manager

ATTEST:

By: _____,
Mario Canizares, City Secretary

LICENSEE:

ENCORE FBO, LLC

By: _____

Print Name: _____

Title: _____

Date of Signature: _____

Taxpayer Identification No. _____

ATTEST:

By: _____

Print Name: _____

Title: _____

EXHIBIT "A"

LEGAL DESCRIPTION OF ADDISON AIRPORT FUEL FARM

DESCRIPTION:

BEING 106,831 Square Feet or 2.4525 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:

COMMENCING 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 a 0.6983 acres Addison Airport lease Tract; THENCE South 00° 52' 49" East and along said West line of Addison Road, a distance of 129.60 feet to a 5/8 inch iron rod set for the POINT OF BEGINNING, said point also being the northeast corner of said 2.4525 subject tract;

THENCE South 00° 52' 49" East and continuing along the said West line of Addison Road, a distance of 598.6 feet to a 5/8 inch iron rod set for corner;

THENCE South 89° 07' 11" West and departing said West line of Addison Road, a distance of 104.06 feet to a 5/8 inch iron rod set for corner;

THENCE North 14° 20' 57" West a distance of 390.27 feet to a PK Nail set for corner;

THENCE North 21° 29' 45" West a distance of 130.61 feet to a PK Nail set for corner;

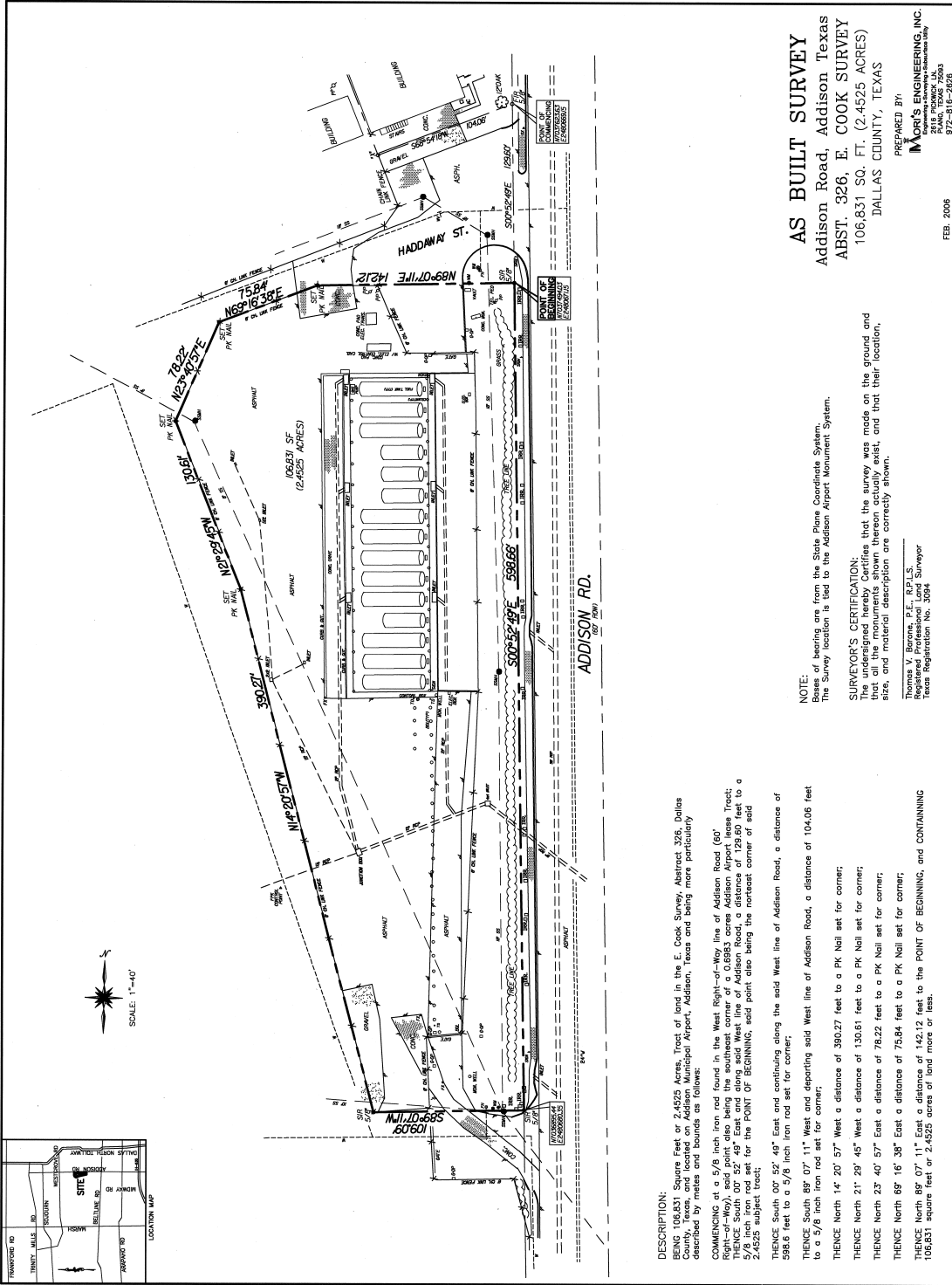
THENCE North 23° 40' 57" East a distance of 78.22 feet to a PK Nail set for corner;

THENCE North 69° 16' 38" East a distance of 75.84 feet to a PK Nail set for corner;

THENCE North 89° 07' 11" East a distance of 142.12 feet to the POINT OF BEGINNING, and CONTAINING 106,831 square feet or 2.4525 acres of land more or less.

EXHIBIT "B"

SURVEY OF ADDISON AIRPORT FUEL FARM



AS BUILT SURVEY

Addison Road, Addison Texas
 ABST. 326, E. COOK SURVEY
 106,831 SQ. FT. (2.4525 ACRES)
 DALLAS COUNTY, TEXAS

PREPARED BY:
MORRIS ENGINEERING, INC.
 2114 PARKWAY, SUITE 100
 FORT WORTH, TEXAS 76102
 972-816-2828

FEB. 2006

NOTE:
 All bearings are from the State Plane Coordinate System.
 The Survey location is tied to the Addison Airport Monument System.

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, P.E., R.P.L.S.
 Registered Professional Land Surveyor
 Texas Registration No. 5984

DESCRIPTION:
 BEING 106,831 Square Feet or 2.4525 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:

COMMENCING 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 a 0.6893 acre Addison Airport lease Tract;

THENCE South $00^{\circ} 52' 49''$ East and along said West line of Addison Road, a distance of 129.60 feet to a 5/8 inch iron rod set for the POINT OF BEGINNING, said point also being the northeast corner of said 2.4525 subject tract;

THENCE South $09^{\circ} 59' 48''$ East and continuing along the said West line of Addison Road, a distance of 598.6 feet to a 5/8 inch iron rod set for corner;

THENCE South $89^{\circ} 07' 11''$ West and departing said West line of Addison Road, a distance of 104.06 feet to a 5/8 inch iron rod set for corner;

THENCE North $14^{\circ} 20' 57''$ West a distance of 380.27 feet to a PK Nail set for corner;

THENCE North $21^{\circ} 29' 45''$ West a distance of 130.61 feet to a PK Nail set for corner;

THENCE North $23^{\circ} 40' 57''$ East a distance of 78.22 feet to a PK Nail set for corner;

THENCE North $68^{\circ} 16' 38''$ East a distance of 75.84 feet to a PK Nail set for corner;

THENCE North $89^{\circ} 07' 11''$ East a distance of 142.12 feet to the POINT OF BEGINNING, and CONTAINING 106,831 square feet or 2.4525 acres of land more or less.

EXHIBIT "D"

TERM EXTENSIONS

Licensee (but not any assignee, sublicensee or other transferee of Licensee, even if Licensor's consent thereto is obtained in accordance with the terms and conditions of Section 17 of this License) is granted the option(s) to extend the Term of this License for four (4) consecutive term(s) of sixty (60) months each (each, a "Term Extension"), provided (a) Licensee is not in default under the License or any other agreement with the Town of Addison at Addison Airport at the time of its exercise of the Term Extension, nor at the commencement date of the applicable Term Extension, and (b) Licensee gives written notice to Licensor of its exercise of the option to extend the Term between that period of time being sixty (60) months prior to the end of Term and six (6) months prior to the end of Term or Term Extension (the "Option Period"). Each Term Extension shall commence on the day immediately following the date of expiration of the immediately preceding original Term or Term Extension and shall be upon the same terms, conditions and Consideration as were in effect hereunder during such immediately preceding original Term or Term Extension, except (i) Licensee shall have no further right of renewal after the last Term Extension described above; and (ii) the monthly Base Fee during such each Term Extension will be as follows:

(a) the first Term Extension, from December 1, 2012 to November 30, 2017, shall be at the monthly Base Fee rate of \$.2786 per gallon/yr.; and

(b) the second Term Extension, from December 1, 2017 to November 30, 2022, shall be at the monthly Base Fee rate of \$.2928 per gallon/yr.; and

(c) the third Term Extension, from December 1, 2022 to November 30, 2027, shall be at the monthly Base Fee rate of \$.3078 per gallon/yr.; and

(d) the fourth Term Extension, from December 1, 2027 to November 30, 2032, shall be at the monthly Base Fee rate of \$.3235 per gallon/yr.

Licensee's rights under this Exhibit "D" shall terminate if the License or Licensee's right to use of the Fuel Tanks is terminated, or if Licensee fails to timely exercise Licensee's option to extend the Term of this License in accordance with the terms and conditions of this Exhibit "D" with TIME BEING OF THE ESSENCE WITH RESPECT TO LICENSEE'S EXERCISE THEREOF.

EXHIBIT "E"

STATEMENT OF LICENSOR'S INITIAL CONSTRUCTION RESPONSIBILITY

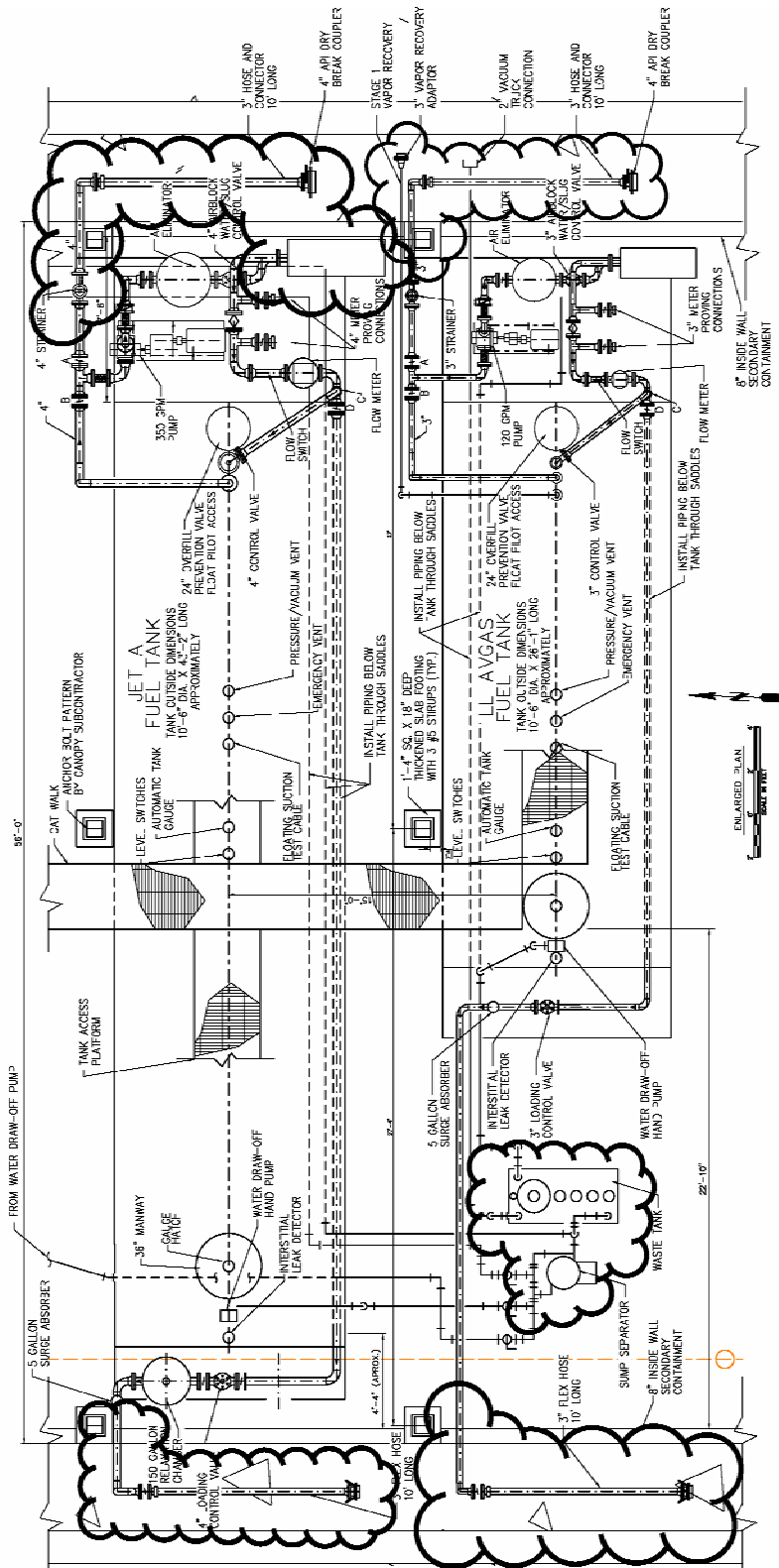
Description of Bulk Fuel and Dispensing System For Addison Airport

The proposed Bulk Fuel Storage and Dispensing System is to be centrally located with fifteen (15) individual bulk fuel storage tanks, with off-load and five (5) Fixed Base Operator (FBO) metered dispensing systems, in a consolidated, environmentally protected site, including tanks and operating equipment, with suitable architectural considerations to blend into the site. The horizontal mounted cylindrical tanks will have an approximate dimension of ten and one-half feet (10.5' W) diameter by forty-three feet (43' L) in length (25,000 gal), or alternatively, ten and one half feet (10.5') diameter by twenty-six feet (26') in length (15,000 gal). Fuel storage tanks will be double wall, 2-hour fire rated, protected tanks. Primary products to be dispensed are Low Lead AVGAS and Jet A Fuel, with one two-compartment tank of 10,000 and 15,000 gallon, with dispensing equipment for LL MoGas and Diesel. The Jet A off-load systems will be capable of off-loading 8,000 gallons to an over-the-road fuel tanker truck within 20 minutes at approximately 350 gallons/minute and the dispensing systems into the Airport refueling vehicles will be rated at approximately 300 gallons/minute. Industry standard filtration systems with automatic shutdown and alarms will be installed on the off-load side of the storage tanks, to protect product in the fuel storage tanks. Overflow protection devices will be installed on all fuel storage tanks and connected to the pump control panel. Pump/dispensing control panel or panels, will be logically sequenced, gauged to fuel storage tanks for fuel level indication, and clearly marked for ease of operations. An oil/water separator will be installed and connected to the secondary containment dike area, using a valve connection and the off-load/dispensing pad to allow for immediate wash-down of any spilled product. The off-load/dispensing pad will be large enough to provide a designated parking spot for any aircraft-refueling vehicle that develops a leak. Fuel storage area will have explosion proof electrical fixtures and control panel. A fresh water line will be required for emergency eye wash unit and a 1" hose and reel unit installed for wash down. The hose must reach all areas of the facility, including the oil/water separator. An emergency telephone/intercom/transmitter device will be installed with direct link to the Main Fire Station alarm room located at 4798 Airport Parkway, Addison, Texas 75001-3364. Fuel storage tanks will be mounted in an 18" high concrete low wall secondary containment area, connected to the oil/water separator so that any major spill in the containment area can be washed down and pumped out through the oil/water separator. Design will include area lighting, site storm drainage and connection, any required utilities relocation, and site appearance considerations. Access from the outside (airport land side) will be controlled with electrically operated gates and/or a code or key access pad. Paved access will be required from the street and from the airfield areas. Street connection will include driveways, curb and gutter.

Source: *Addison Airport Project Specification Book for Bulk Fuel Storage and Dispensing System, Section 01000A, Paragraph 9, Page 5*

EXHIBIT "F"

LICENSEE'S GENERAL AREAS OF RESPONSIBILITY FOR MAINTENANCE AND REPAIR



LL AVGAS AND JET A FUEL TANK LAYOUT PLAN

This diagram is intended for the purpose of depicting Licensee's general area of responsibility for the maintenance and repair within the Fuel Farm and with the Fuel Farm. Licensee is to be held responsible for the installation, location, and maintenance of all piping and equipment shown on this diagram. Other information shown including dimensions, locations, title, reference or classification. Should a arise between this Exhibit and the meaning of the License Agreement, the License Agreement shall prevail.

EXHIBIT G



Lisa A. Pyles AAE
Airport Director
16051 Addison Road, Suite 220
Addison, Texas 75001

Main: 972-392-4850
Direct: 972-392-4851
Fax: 972-788-9334
Lisa.Pyles@AddisonAirport.net

November 6, 2007

Mr. Don Prescott
Executive Vice President
Encore FBO Acquisition, LLC
2700 East Rudder Freeway, Suite 5100
College Station, Texas 77845

RE: Letter of Intent by and between Town of Addison and
Encore FBO Acquisition, LLC

Dear Mr. Prescott:

The Town of Addison (the "City") and Encore FBO Acquisition, LLC ("Encore") have entered into a non-binding Letter of Intent by and between the two parties dated August 21, 2007 with an Effective Date of August 30, 2007.

In connection with the aforementioned Letter of Intent, please accept this letter as the Town of Addison's affirmation that if the parties do, in fact, enter into a new lease agreement as contemplated in said Letter of Intent, the Town of Addison will agree to temporarily suspend the Public Fixed Based Operator Quarterly Minimum Requirements imposed on Encore as stipulated in the Addison Airport Fuel Farm License Agreement for that period time when Encore's redevelopment program is in process and then sufficiently long enough thereafter for Encore to normalize its operations. The City recognizes that this period could be as long as forty-eight months.

If we may be of further assistance to you, please give me a call.

Sincerely,

Lisa A. Pyles AAE
Airport Director

Cc: Mark Acevedo, Director of General Services, Town of Addison
Bill Dyer, Real Estate Manager
John Hill, City Attorney