



- MEMORANDUM -

To: Lisa Pyles, Director of Infrastructure, Operations & Services
From: Bill Dyer
CC: Joel Jenkinson, Airport Director
Date: February 14, 2014
Re: Ground Lease #070B; Mission Aire V, L.P. as Ground Tenant to
4400 Westgrove Plaza Drive

Mission Aire, V, L.P., ground tenant of the leasehold interest to 4400 Westgrove Plaza Dr., is requesting the Town's consideration and consent to their creation of a first-lien leasehold mortgage and deed of trust in the sum of \$744,000 to be evidenced by an estoppel letter (to be substantially in the form of the attached) in favor of the lender, Frost Bank. The purpose of the loan is to refinance the existing loan and to cause the release of its lien with Comerica Bank (being that certain Deed of Trust, Security Agreement and Assignment of Rents recorded in the Dallas County, Texas Official Public Records as Instrument #200403050545), the proceeds of which were used for the purpose of constructing the building improvements on the Demised Premises or for the refinancing thereof as permitted under the lease.



Airport Management is recommending the Town give its consent thereby authorizing the city manager to execute the estoppel letter on behalf of the Town.

The city attorney has reviewed the proposed estoppel letter and finds it acceptable for the Town's purposes.

On Bank Letterhead

_____ , _____

Town of Addison
P.O. Box 9010
Addison, Texas 75001-9010

RE: Ground Lease dated January 1, 2000 (the "Ground Lease"), by and among the Town of Addison, Texas, a home-rule municipality (the "City", the same being the Town of Addison, Texas) and Addison Airport of Texas, Inc., a Texas corporation, as Landlord (the City now being the sole Landlord under the Ground Lease, the "Base Lease" (as defined in the Ground Lease) having expired, and the City alone being referred to herein as the "Landlord") and Mission Aire V, L.P., a Texas limited partnership as "Tenant"; by which Ground Lease Landlord leases to Tenant certain real property located at 4400 Westgrove Drive at Addison Airport in Dallas County, Texas, as specifically described in the Ground Lease, and being generally described as the "Demised Premises" in the Terms and Conditions set forth in the Ground Lease and so called herein.

Gentlemen:

Frost Bank (the "Bank") intends to make a loan to Mission Aire V, L.P., a Texas Limited Partnership, to refinance its existing loan and cause the release of its lien with Comerica Bank (being that certain Deed of Trust, Security Agreement and Assignment of Rents recorded in the Dallas County, Texas Official Public Records as Instrument #200403050545), the proceeds of which were used for the purpose of constructing certain improvements on the Demised Premises or, for the refinancing thereof), which loan (the "Loan") in the amount of Seven Hundred Forty-Four Thousand Dollars (\$744,000.00) will be secured by, among other things a lien against the leasehold interest of Tenant in the Demised Premises created pursuant to a leasehold deed of trust (the "Leasehold Deed of Trust") to be executed by Tenant to Jimmy R. Locke, as Trustee for the benefit of Bank, which Leasehold Deed of Trust shall be subordinate and inferior to the Ground Lease and Landlord's lien (contractual and statutory) and other rights thereunder and all terms and conditions thereof, which Leasehold Deed of Trust shall be in substantially the form of the Leasehold Deed of Trust attached hereto.

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

Therefore, by executing the enclosed copy of this letter and returning it to the undersigned, Landlord hereby specifically states as follows (and notwithstanding any statement or provision hereof, Landlord's statements herein do not constitute approval by or consent of Landlord of the Leasehold Deed of Trust or of any of the terms and conditions set forth therein, and nothing herein contained shall be deemed a waiver or release of any of the Landlord's rights under the

Ground Lease or otherwise) (when the actual knowledge of the Landlord is referred to herein, the same means the actual knowledge of Bill Dyer, real estate manager for the Addison Airport, with the firm of SAMI Management, Inc.):

1. Landlord takes notice of the Leasehold Deed of Trust and the subordinate and inferior lien provided for therein being impressed solely against the leasehold interest of Tenant in the Demised Premises.
2. The Ground Lease has not been modified, altered or amended to the best of Landlord's actual knowledge except as described herein.
3. Landlord has no actual knowledge of the existence of any default by Tenant under the Ground Lease, or of any lien against the Demised Premises other than that created by the Ground Lease, any lien for taxes, or as may be otherwise created or provided by law.
4. Landlord will give to Bank, at the address of Bank specified in this letter or at such other address as Bank may hereafter designate in writing to Landlord, prompt written notice of any default by Tenant under the Ground Lease simultaneously with the giving of such notice to Tenant (if such notice is required under the Ground Lease), and Bank shall have the right, but not the obligation, for a period of fifteen (15) days after its receipt of such notice or within any longer period of time specified in such notice, to take such action or to make such payment as may be necessary or appropriate to cure any such default so specified. Landlord shall not exercise Landlord's right to terminate the Ground Lease without first giving Bank the notice provided for herein and affording Bank the right to cure such default as provided for herein.
5. For the purposes of this letter, any notice to Bank may be delivered in person or shall be deemed to be delivered, whether actually received or not, when deposited in United States mail, postage prepaid, registered, or certified mail, return receipt requested, addressed to Bank at the above-described address.
6. If Bank or a third party (provided such third party is approved by Landlord in accordance with the terms of the Ground Lease for approval of an assignee) succeeds to the interest of Tenant in and to the Ground Lease by means of foreclosure under the Leasehold Deed of Trust, by means of a transfer in lieu of such foreclosure, or by any other lawful means due to the failure or inability of Tenant to pay the Loan secured by the Leasehold Deed of Trust, Landlord shall thereafter accept, recognize and treat Bank or such approved third party as the tenant under the Ground Lease and Landlord shall continue to perform all of its obligations under the Ground Lease subject, however, to the terms and conditions of the Ground Lease. Bank may thereafter, with the written consent of the Landlord, which consent shall not be unreasonably withheld or delayed, assign its leasehold right, title, and interest in and to the Ground Lease. For purposes hereof and any applicable law, and without limitation as to other grounds for Landlord withholding consent, it shall be deemed to be reasonable for Landlord to withhold its consent when any one or more of the following apply:

(a) the proposed assignee is of a character or of a reputation or is engaged in a business which is not consistent with the master or strategic plan (or then current draft thereof if the same is under review by Landlord) of Addison Airport as determined by Landlord;

(b) the proposed assignee has not demonstrated sufficient financial responsibility or creditworthiness to the satisfaction of Landlord in light of the duties, obligations, and responsibilities of the tenant under the Ground Lease at the time when the consent is requested;

(c) the proposed assignee's intended use of the demised premises as defined in the Ground Lease is inconsistent with the Ground Lease;

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

(e) if at any time consent is requested or at any time prior to the granting of consent, tenant is in default under the Ground Lease or would be in default under the Ground Lease but for the pendency of a grace or cure period, provided that if such default is cured within such grace or cure period, then Landlord may not continue to withhold its consent solely for this circumstance; or

(f) the proposed assignee does not intend to occupy the entire demised premises as described in the Ground Lease and conduct its business therefrom for a substantial portion of the then remaining term of the Ground Lease.

For purposes hereof and any applicable law, and without limitation as to other grounds for Landlord delaying consent, it shall be deemed to be reasonable for Landlord to delay its consent for a period of 45 days after the receipt by Landlord of all information requested by Landlord regarding or in connection with the proposed assignment and the proposed assignee.

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

Very truly yours,

Frost Bank

By: _____
Ken Presley, Senior Vice President

Acknowledged and consented to the _____ day of _____, 20__.

TOWN OF ADDISON, TEXAS

By: _____

By: _____

By: _____

By: _____

Name: _____

Name: _____

Its: _____

Its: _____

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