



Post Office Box 9010 Addison, Texas
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AGENDA

REGULAR MEETING OF THE CITY COUNCIL

AND / OR

WORK SESSION OF THE CITY COUNCIL

6:30 PM

May 27, 2014

ADDISON TOWN HALL

5300 BELT LINE RD., DALLAS, TX 75254

6:30PM WORK SESSION

7:30PM REGULAR MEETING

WORK SESSION

- WS1 Discussion regarding the City Council's policies and procedures and the Town code of ethics.

Attachments

Rules of Procedure and Ethics Policy

-
- WS2 Presentation and discussion of special assignments of members of the Council regarding various non-profit entities, Town facilities and projects, and local, regional and Statewide organizations to which the Council members serve as liaisons.

Attachments

Council Liaison Matrix

Council Liaison Descriptions

REGULAR MEETING

Pledge of Allegiance

R1 Announcements and Acknowledgements regarding Town and Council Events and Activities

Discussion of Events/Meetings

Consent Agenda.

R2a Approval of the Minutes for the May 13, 2014 Regular City Council Meeting.

RECOMMENDATION:

Administration recommends approval.

Attachments

May 13 Minutes

R2b Approval of the Minutes for the May 19, 2014 Special City Council Meeting.

RECOMMENDATION:

Administration recommends approval.

Attachments

May 19 Minutes

R2c Approval of ratification of the action taken by the Council on item S1 in the Special Meeting of the City Council held on May 19, 2014 approving an ordinance canvassing the results of the general municipal election held on May 10, 2014, and the approval of the said ordinance.

Attachments

Election Ordinance

Regular Items

R3 Presentation of the Government Finance Officers Association (GFOA) "Distinguished Budget Presentation Award" for the fiscal year beginning October 1, 2013.

Attachments

Budget Award Letter

Budget Award Press Release

R4 Discussion, consider and take action regarding appointment of a Member to the Planning and Zoning Commission.

R5 Discussion, consider and take action regarding the appointment of Mayor Pro Tempore and Deputy Mayor Pro Tempore.

R6 Presentation of and discussion regarding the summary report of the Addison Dog Park Committee.

R7 Presentation and discussion regarding contracts for services with non-profits and their annual funding requests for Fiscal Year 2014-2015.

Attachments

FY15 Request Summary

R8 Discussion, consider and take action regarding an integrated and concurrent transaction affecting two ground-leased tracts of land at Addison Airport - 4570 Westgrove Drive (known as Westgrove Air Plaza) and an unimproved tract adjacent to Westgrove Air Plaza at the southwest corner of Addison Road and Westgrove Drive, including: (1) consenting to and authorizing the City Manager to

execute an Assignment of Ground Lease from Guardian Texas Management, LLC, assignor, to Westgrove Air Plaza I, LLC for the tract located at 4570 Westgrove Drive, and an Assignment of Ground Lease from Guardian Texas Management, LLC, assignor, to Westgrove Air Plaza II, LLC for the unimproved tract; (2) approving and authorizing the City Manager to execute a Third Amendment to Ground Lease for each tract; (3) consenting to a Reciprocal Driveway and Aircraft Ramp Ingress and Egress Agreement; and (4) other matters pertaining to the transaction.

RECOMMENDATION:

Administration recommends approval.

Attachments

Westgrove Memo

R9 **PUBLIC HEARING** Case 1692-Z/Westgrove Air Plaza I. Public hearing, discussion, consider and take action regarding approval of an ordinance amending the zoning on a tract of land, located at 4570 Westgrove Drive and zoned Planned Development Ordinance 85-083, by providing for a revised (amended) development plan that modifies the existing brick façade of the building located on the tract and adds to the tract a tower as an architectural feature, on application from Guardian Texas Management, LLC, represented by Mr. Cameron Jones.

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on April 24, 2014, voted to recommend approval of the request for approval of an ordinance changing the zoning on property located 4570 Westgrove Drive, which property is currently zoned PD, Planned Development for office/hangar use, through Ordinance 85-083, by amending the currently approved development plans as to modify the existing brick façade and by adding a tower as an architectural feature, subject to the following conditions:

- A revised site plan should be submitted to reflect the location of the tower and the removal of existing parking spaces.
- The mature trees located in the landscaping area on the corner of the building should not be removed or damaged.

Voting Aye: Groce, Hewitt, Hughes, Oliver, Smith, Wheeler
Voting Nay: none

Absent: Doherty

RECOMMENDATION:

Administration recommends approval.

Attachments

Case 1692-Z Council Packet

- R10 Discussion regarding sponsorship of Addison residents and/or employees for the 26th class of Leadership Metrocrest.

Attachments

Leadership Metrocrest Application

Leadership Metrocrest Calendar

2013 Leadership Metrocrest Sponsorships

- R11 Presentation, discussion, consider and take action authorizing the City Manager to send a letter of support to the City of Farmers Branch for the Marsh Lane Pedestrian Bridge and Valley View/Rosser Pedestrian Crosswalk project located in Farmers Branch.

RECOMMENDATION:

Administration recommends approval.

Attachments

Draft Letter of Support

Aerial of trail

Bridge aerial zoomed

- R12 Discussion, consider and take action regarding proceeding with the Belt Line Road utility undergrounding project.
-

Adjourn Meeting

Posted:

Matthew McCombs, May 23, 2014, 5:00pm

**THE TOWN OF ADDISON IS ACCESSIBLE TO PERSONS WITH DISABILITIES.
PLEASE CALL (972) 450-7090 AT LEAST
48 HOURS IN ADVANCE IF YOU NEED ASSISTANCE.**

Combined Meeting

WS1

Meeting Date: 05/27/2014

Council Goals: Identify opportunities for improved governance

AGENDA CAPTION:

Discussion regarding the City Council's policies and procedures and the Town code of ethics.

FINANCIAL IMPACT:

N/A

BACKGROUND:

N/A

RECOMMENDATION:

Attachments

Rules of Procedure and Ethics Policy

CITY COUNCIL PROCEDURES

SECTION 1. MEETINGS

Three types of meetings are recognized:

- A. Regular Meetings will be held on the second and fourth Tuesday of each month. Meetings will be held at Town Hall in the Council Chambers commencing at 7:30 p.m., unless otherwise posted.
- B. Special Meetings are subject to call by the Mayor, City Manager, or three members of the City Council with written notice to the City Secretary. These meetings will be held at Town Hall unless otherwise posted, at a stated time.
- C. Work Session Meetings are subject to call by the Mayor, City Manager, or three members of the City Council with written notice to the City Secretary. The time, place, and purpose will be stated in each instance. Ordinarily, no official Council action will be taken at a work session meeting.

SECTIONS 2. AGENDAS

The following procedures relate to the agenda for meetings of the Council.

- A. The Mayor, working with the City Manager, will determine what items of business should come before the Council. If, at a meeting of the Council, a member of the Council (i.e., the Mayor and each Council member) or the public inquires about a subject for which notice has not been given as required by law, only the following may be provided unless otherwise allowed by law: (1) a statement of specific factual information given in response to the inquiry, or (2) a recitation of existing policy in response to the inquiry. Unless otherwise allowed by law, any deliberation of or decision about the subject of such inquiry shall be limited to a proposal to place the subject on the agenda for a subsequent meeting.
- B. Any Council member may ask the Mayor to place an item on the agenda for discussion.
- C. An item may be placed on the agenda at the request of two or more Council members. The Council members requesting the agenda item may present or participate in the presentation of the item at the meeting. Any Town staff assistance should be requested through the City Manager's Office. Such agenda items must reach the City Secretary's office at Town Hall by 1:00 p.m., Tuesday, of the week preceding the meeting for which the request is made.
- D. Any member of the Town staff wishing to have an item placed on the agenda shall submit that item to the City Manager's Office for approval. The City Manager may establish procedures for submission of routine items without his approval.

E. The agenda packets for all Regular Meetings will be delivered electronically by Town staff to members of the Council no later than the Thursday preceding the meetings.

F. The City Secretary's office is responsible for seeing that notices for all meetings of the Council comply with the Open Meetings Law.

SECTION 3. COUNCIL MEETING PROCEDURES

The Council will use the following procedures as a general guide for parliamentary procedure, and may consult Robert's Rules of Order as a guide in instances not addressed by these procedures.

A. The Mayor shall be the presiding officer at all meetings. The Mayor Pro-Tempore shall preside at meetings in the absence of the Mayor, and the Deputy Mayor Pro-Tempore shall preside at meetings in the absence of the Mayor Pro-Tempore.

B. The Mayor shall have a voice in all matters before the Council and may vote on all matters.

C. When an item is presented to the Council, the Mayor (or presiding officer) shall recognize the appropriate individual to present the item. When two or more members are presenting an item, the Mayor shall choose which member is to speak first.

D. The Mayor (or presiding officer) shall preserve order and shall require Council members engaged in debate to limit discussion to the question under consideration.

E. The Mayor (or presiding officer) will give all members of the Council a full opportunity to speak on an item.

F. Should a conflict arise between Council members, the Mayor (or presiding officer) shall serve as the mediator.

G. The Mayor shall be recognized as head of the Town government for all ceremonial purposes and by the governor for purposes of military law but shall have no administrative duties. If the Mayor is absent, the Mayor Pro-Tempore, and in the absence of the Mayor Pro-Tempore the Deputy Mayor Pro-Tempore, shall be so recognized.

H. Members of the Council shall confine their remarks to the item under consideration and shall avoid references to personality, integrity, or motives of any other members of the Council or Town staff members.

I. Any Council member may ask the Mayor (or presiding officer) to enforce the procedures established by the Council. Should the Mayor (or presiding officer) fail to do so, a majority of the Council may direct him/her to enforce the procedures.

SECTION 4. CODE OF CONDUCT FOR MAYOR AND COUNCIL MEMBERS

A. During Council meetings, Members of the Council shall preserve order and decorum, shall not interrupt or delay proceedings, and shall not refuse to obey the orders of the Mayor (or presiding officer) or the rules of the Council. Members of the Council shall demonstrate respect and courtesy to each other, Town staff members, and citizens appearing before the Council. Members of the Council shall refrain from rude and derogatory remarks.

B. The Mayor and Council members should comply with the Town's Code of Ethics (included in Chapter 2, Article III, Division 2 of the Town's Code of Ordinances and attached hereto as Appendix A) and with all conflict of interest laws.

C. In accordance with the Town's Code of Ethics and with applicable law, the Mayor and Council members shall abstain from participating in or voting on items in which they have a conflict of interest as set forth in the Code of Ethics or applicable law. If the Mayor or a Council member has such a conflict of interest, he or she shall file a "Conflict of Interest Affidavit" with the City Secretary's office. Upon introduction of the agenda item in which the Mayor or Council member has a conflict of interest, the Mayor or Council member should announce that he or she has a conflict of interest, and must refrain from participation in or voting on the agenda item, but shall not be required to leave the meeting room.

SECTION 5. CITIZEN PARTICIPATION AT MEETINGS

A. The Council is, in certain instances (e.g., changes in zoning), required to hold public hearings. If an item is identified on the agenda of a Council meeting as a public hearing, persons attending the Council meeting will be given the opportunity to speak regarding the item after being recognized by the Mayor (or presiding officer). The Mayor (or presiding officer) may set time limits on persons who speak at a public hearing.

B. Except as set forth in paragraph A of this Section, as a general rule, persons attending a meeting of the Council may not participate in the discussions of the Council.

SECTION 6. COUNCIL AND STAFF RELATIONS

A. Members of the Council should attempt to ask questions to the City Manager about the Council agenda packet issued for a Council meeting prior to the meeting. This will allow the Town staff time to respond to the Council member's questions and, if necessary, to provide additional information to all members of the Council.

B. The City Manager shall designate the appropriate Town staff member to address each agenda item and shall see that each presentation informs the Council on the issues which require Council action. The presentations should be professional and timely, and should list options available for resolving any issue.

C. The City Manager is directly responsible for providing information to all members of the Council concerning any inquiries by a specific member of the Council.

Should the City Manager find his or his staff's time being dominated by a single member, he should inform the Mayor of the concern.

D. Any conflicts between the staff and the Council will be addressed by the Mayor and the City Manager.

E. The City Manager is responsible for the professional and ethical behavior of himself and his staff. He is also responsible for seeing that his staff remains educated and informed on the issues facing municipal government.

F. All members of the Council and Town staff members shall show respect and courtesy to each other and citizens at all times.

G. The City Manager is responsible for seeing that all newly (first time) elected members of the Council are provided with a thorough orientation on Town staff procedures, municipal facilities, and other information of interest to municipal officials.

SECTION 7. COUNCIL AND MEDIA RELATIONS

A. Agenda packets shall be provided upon request to all interested news media in advance of the Council meetings.

B. Responses to media inquiries concerning Town matters will be made as determined by the Mayor (or Mayor Pro-Tempore in the absence of the Mayor, or in the absence of the Mayor Pro-Tempore, the Deputy Mayor Pro-Tempore) and the City Manager.

APPENDIX A

PART II - CODE OF ORDINANCES
Chapter 2 - ADMINISTRATION
ARTICLE III. - OFFICERS AND EMPLOYEES
DIVISION 2. - CODE OF ETHICS

DIVISION 2. - CODE OF ETHICS ^[8]

⁽⁸⁾ **Charter reference**— Restrictions on acceptance of gifts, § 11.01; prohibited interests in contracts, § 11.02.

[Sec. 2-91. - Definitions.](#)

[Sec. 2-92. - Policy.](#)

[Sec. 2-93. - Standards of conduct.](#)

[Sec. 2-94. - Prohibition on conflict of interest.](#)

[Sec. 2-95. - Restrictions on former town officers and employees.](#)

[Sec. 2-96. - Accepting employment from an entity regulated by town prohibited.](#)

[Secs. 2-97—2-115. - Reserved.](#)

Sec. 2-91. - Definitions.

The following words, terms and phrases when used in this division, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Board means a board, commission or committee which is established by town ordinance, town Charter, interlocal contract or state law and any part of whose membership is appointed by the city council.

Business entity or *entity* mean a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust or any other entity recognized in law.

Employee means a person employed or paid a salary by the town on a full-time basis excluding officers.

Incidental interest means an interest in a person, entity or property which is not a substantial interest and which has insignificant value, or which would be affected only in a de minimis fashion by a decision. This division does not establish dollar limits on the terms "insignificant value" and "de minimis," which shall have their usual meanings and be subject to interpretation on a case by case basis.

Interest or *benefit* means anything reasonably regarded as economic gain or economic advantage, other than incidental or remote interests. The term applies to the official and also to any person who is related to such official within the second degree by consanguinity or affinity.

Officer means the mayor and members of the city council.

Official means officers, employees and members of any board which is established by

town ordinances, town charter, interlocal contract, or state law and any part of whose membership is appointed by the city council.

Remote interest means an interest of a person or entity, including an official who would be affected in the same way as the general public. The interest of a councilmember in the property tax rate, general town fees, town utility charges or a comprehensive zoning ordinance or similar decisions is incidental to the extent that the councilmember would be affected in common with the general public.

(Code 1982, § 2-2)

Cross reference— Definitions generally, § 1-2.

Sec. 2-92. - Policy.

(a) It is hereby declared to be the policy of the town that the proper operation of democratic government requires that:

- (1) Officials be independent, impartial and responsible only to the people of the town;
- (2) Governmental decisions and policy be made using the proper procedures of the governmental structure;
- (3) No official have any interest, direct or indirect, or engage in any business transaction or professional activity or incur any obligation of any nature which is in conflict with the proper discharge of his duties in the public interest;
- (4) Public office not be used for personal gain;
- (5) The city council at all times be maintained as a nonpartisan body; and
- (6) Officials fully comply with state statutes, as amended, concerning conflicts of interest.

(b) To implement this policy, the city council has determined that it is advisable to enact this code of ethics for all officials, whether elected or appointed, paid or unpaid, advisory or administrative, to serve not only as a guide for official conduct of the town's public servants, but also as a basis for discipline for those who refuse to abide by its terms.

(Code 1982, § 2-3)

Sec. 2-93. - Standards of conduct.

No official shall:

- (1) Accept or solicit any money, property, service or other thing of value by way of gift, favor, loan or otherwise which he knows or should know is being offered or given with the intent to unlawfully influence such person in the discharge of official

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duties, or in return for having exercised or performed official duties.

State law reference— Bribery, V.T.C.A., Penal Code § 36.02; gift to public servant by person subject to his jurisdiction, V.T.C.A., Penal Code § 36.08.

(2) Use his official position to secure special privileges or exemptions for himself or others.

(3) Grant any special consideration, treatment or advantage to a person or organization beyond that which is available to every other person or organization. (This shall not prohibit the granting of fringe benefits to town employees as part of their contract of employment or as an added incentive to the securing or retaining of employees).

(4) Disclose information deemed confidential by law that could adversely affect the property or affairs of the town, or directly or indirectly use any information understood to be confidential which was gained by reason of his official position or employment for his own personal gain or benefit or for the private interest of others.

(5) Transact any business on behalf of the town in his official capacity with any entity with which he is an officer, agent or member or in which he has an interest. In the event that such a circumstance should arise, no violation of this subsection occurs if he shall make known his interest, and:

a. In the case of an officer or board member, refrain from discussing the matter at any time with members of the body of which he is a member or any other body which will consider the matter and abstain from voting on the matter; or

b. In the case of an employee, turn the matter over to his superior for reassignment, state the reasons for doing so and have nothing further to do with the matter involved.

(6) Accept other employment or engage in outside activities incompatible with the full and proper discharge of his duties and responsibilities with the town, or which might impair his independent judgment in the performance of his public duty.

(7) Personally provide services for compensation, directly or indirectly, to a person, entity or organization who is requesting an approval, investigation, or determination from the body or department of which the officer or employee is a member. This restriction does not apply to outside employment of an officer if the employment is the officer's primary source of income.

(8) Receive any fee or compensation for his service as an officer or employee of the town from any source other than the town, except as may be otherwise provided by law. This shall not prohibit his performing the same or other services for a public or private organization that he performs for the town if there is no conflict with his town duties and responsibilities.

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(9) In the case of a member of the city council or an employee, personally represent, or appear in behalf of, the private interests of others:

- a. Before the city council or any town board or department;
- b. In any proceeding involving the town; or
- c. In any litigation to which the town is a party.

(10) In the case of a board member, personally represent, or appear in behalf of, the private interests of others:

- a. Before the board of which he is a member;
- b. Before the city council;
- c. Before a board which has appellate jurisdiction over the board of which he is a member; or
- d. In litigation to which the town is a party if the interests of the person being represented are adverse to the town and the subject of the litigation involves the board on which the board member is serving or the department providing support services to that board.

(11) Use his official position or town-owned facilities, personnel, equipment, supplies, vehicles, printing facilities, postage facilities, long-distance telephone services or any other resources for private purposes, personal advantage, pecuniary gain for such official or for others or for any political campaign for himself or others. However, this shall not prohibit an official from using his official position to promote or encourage economic development and businesses within the town, provided (a) the official, and any person related to the official within the second degree by consanguinity or affinity, does not receive a benefit from such promotion or encouragement, and (b) the promotion or encouragement of economic development and businesses is not for the purpose of promoting, and does not promote, other than incidentally, the official or any person related to the official within the second degree by consanguinity or affinity

(12) Use the prestige of his position with the town in behalf of any political party.

(13) Knowingly perform or refuse to perform any act in order to deliberately thwart the execution of valid town ordinances, rules or regulations or the achievement of official town programs.

(14) Engage in any dishonest or criminal act or any other conduct prejudicial to the government of the town or that reflects discredit upon the government of the town.

(Code 1982, § 2-4(a)—(n))

Charter reference— Prohibited interests in contracts, § 11.02.

Sec. 2-94. - Prohibition on conflict of interest.

An official may not participate in a vote or decision on a matter affecting a person, entity or property in which the official has an interest. In addition, an official who serves as a corporate officer or member of the board of directors of a nonprofit entity which is not appointed by the city council may not participate in a vote or decision regarding funding by or through the town for the entity. Where the interest of an official in the subject matter of a vote or decision is remote or incidental, such official may participate in the vote or decision and need not disclose the interest.

(Code 1982, § 2-5)

Sec. 2-95. - Restrictions on former town officers and employees.

(a) When used in this section, the terms "before the town" shall mean before any official of the town.

(b) When used in this section, the term "represent" shall include all communications with and appearances before the town in which the town is asked to make a decision, as that term is defined in this chapter. The term "represent" does not include communications and appearances involving only ministerial action on the part of the town.

(c) When used in this section, the term "case, project or matter" shall refer to specific cases, projects or regulatory matters, rather than generic policies, procedures or legislation of general application. For instance, the zoning process or site plan review process is not a "case, project or matter" within the meaning of this section; however, a specific zoning case or site plan would constitute a "case, project or matter" subject to the restrictions imposed in this section. It is not the intent of this division, and this division shall not be construed, to proscribe the practice of any profession or occupation by former town officials and employees other than before the town and as provided in section 2-96

(d) An employee in a position which involves significant decision-making, advisory, or supervisory responsibility, or an officer who leaves the service or employment of the town shall not, within 12 months after leaving that employment or service, represent any other person or entity in any formal or informal appearance, if the officer or employee has received or shall receive remuneration from the person, entity or members of the entity being represented:

- (1) Before the town concerning a case, project or matter over which the person exercised discretionary authority as an employee or officer; or
- (2) Before any other agency on a case, project or matter over which the person exercised discretionary authority as an employee or officer.

(e) A former employee or officer who is subject to the requirements of subsection (d) of this section shall, during the 24 months after leaving the service or employment of the

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town, disclose his previous position and responsibilities with the town and the work performed, if any, as an employee or officer regarding the matter for which he is appearing before the town whenever he represents any other person or entity in any formal or informal appearance before the town.

(f) In any formal or informal appearance before the town, a person representing a person or entity which employs a former officer or employee who had discretionary authority over the project or matter for which the person or entity is appearing before the town shall disclose any former involvement of such former officer or employee in the project or matter. This disclosure requirement shall be in effect for 24 months after the former officer or employee leaves town service or employment.

(g) No employee or officer shall approve or vote to approve any oral or written contract for land services, supplies or materials between the town and either a former employee or officer or an entity which employs such former employee or officer during the 12-month period following such former employee's or officer's departure from the town's employment or service. Notwithstanding the foregoing, upon a finding by the city council that the economic or other benefit to the former employee or officer is minimal or insignificant, the city council may vote to waive the prohibition contained in this subsection.

(Code 1982, § 2-6)

Sec. 2-96. - Accepting employment from an entity regulated by town prohibited.

An employee in a position which involves significant reporting, decision-making, advisory, regulatory or supervisory responsibility who leaves the service or employment of the town shall not, within six months after leaving that service or employment, seek or accept employment from an entity which had appeared for formal action or decision before the body of which such employee was a member or which had been subject to the employee's regulation or inspection during such employee's employment with the town.

(Code 1982, § 2-7)

Secs. 2-97—2-115. - Reserved.

Combined Meeting

WS2

Meeting Date: 05/27/2014

Council Goals: N/A

AGENDA CAPTION:

Presentation and discussion of special assignments of members of the Council regarding various non-profit entities, Town facilities and projects, and local, regional and Statewide organizations to which the Council members serve as liaisons.

FINANCIAL IMPACT:

There is no direct financial impact associated with this item.

BACKGROUND:

Historically, a series of "liaison" assignments have been divided up between Council Members. These assignments are intended to provide a greater depth of understanding about the technical nature of certain community features, issues, or programs such as the Airport, Economic Development, or the Arbor Foundation.

Provided as attachments are 1) a matrix-style listing of each assignment, and 2) a document containing brief descriptions of each liaison assignment.

RECOMMENDATION:

Attachments

Council Liaison Matrix

Council Liaison Descriptions

Fiscal Year 2014 - 2015

In an effort to focus the time and efforts of each Council Member more efficiently and effectively with the liaison process, it's recommended that the various non-profits be grouped together and that a new citizens committee be formed from Council appointments. This new committee may attend the non-profit board meetings, participate in non-profit programs and produce reports to the City Council on the non-profit activities.

City Council Liaisons

Council Activities	Council Member(s)
Addison Airport/ATTAC/Cavanaugh	
Aviation Issues	
Addison Arbor Foundation	
Addison Business Association	
Addison CARES	
Addison Legacy Foundation	
Belt Line Infrastructure	
Community Partners Bureau	
DART	
ED/Business Growth & Retention	
Education	
Employee Benefits	
Finance Committee	
Franchise Utilities (Atmos, Oncor)	
Greater Dallas Regional Chamber	
Intergovernmental Relations	
Metrocrest Chamber of Commerce	
Metroplex Mayors	
NCTCOG	
North Dallas Chamber	
North Texas Commission	
RTC	
Redevelopment & Repositioning/Retail Initiatives	
Safer Addison	
Special Studies	
State and Federal Legislation	
Sustainability/Recycling	
TEX-21	
TML	
TMRS	
Vision North Texas	

Fiscal Year 2014 - 2015

In an effort to focus the time and efforts of each Council Member more efficiently and effectively with the liaison process, it's recommended that the various non-profits be grouped together and that a new citizens committee be formed from Council appointments. This new committee may attend the non-profit board meetings, participate in non-profit programs and produce reports to the City Council on the non-profit activities.

City Council Liaisons

WaterTower Theatre	
World Affairs Council	
Zip Code Project	

Description of Council Liaison Assignments
(Updated 5-21-2014)

Addison Airport/ATTAC/Cavanaugh Flight Museum

Tracks and researches issues related to Addison Airport. Also keeps tabs on the Air Transportation Technical Advisory Committee. This is a committee based out of the North Central Texas Council of Governments which is charged with looking at looking at regional and multi-jurisdictional aviation issues. Addison Airport Director Joel Jenkinson is currently chair of this committee. The Cavanaugh Flight Museum (located at 4572 Claire Chennault) is a non-profit educational organization devoted to promoting the study and cultural heritage of aviation.

Aviation Issues

Tracks broader aviation issues on a regional, state, and federal level. Potentially includes issues related to Love Field, D/FW Airport, and the Federal Aviation Administration.

Addison Arbor Foundation

The Addison Arbor Foundation is a non-profit organization which promotes sustainable natural environments within Addison and enhances public spaces with plantings and public art.

Addison Business Association

The ABA is a membership organization that includes active executives from retail, financial, manufacturing, construction professional, hospitality and the numerous other industries in the area. The ABA has represented the business community and its concerns in Addison since its creation in 1975.

Addison CARES

An ad-hoc committee charged with developing policy recommendations for the naming of municipal facilities, parks, and so forth.

Addison Legacy Foundation

A non-profit entity which was created in order to allow citizens to donate money towards specific ends, such as a dog park or the restoration of a historical fire truck.

Belt Line Infrastructure

Tracks infrastructure improvements along Belt Line Road, including utility undergrounding, bus stops, and the reconstruction/repair of the road itself.

Community Partners Bureau

An ad-hoc committee charged with engaging the various non-profit groups with which the Town contracts for social services or community enrichment.

DART

DART is the mass transit authority for the greater Dallas area. Addison was a charter member of DART when it was created in 1983, and has since allocated a 1% sales tax for the provision of transit services. The Cotton Belt Railway, extending 52 miles from Wylie all the way to Fort Worth, crosses Addison just south of Addison Circle Park and parallels Arapaho Road to the City limits. This rail corridor is under the purview of DART and construction of a cross-town railway on those tracks is currently on their 2030 Transit Plan.

ED/Business Growth and Retention

Tracks various Economic Development initiatives and assists with outreach to both current and prospective businesses.

Education

Tracks education related initiatives and activities at the town's private and public schools. Private schools in Addison include Trinity Christian Academy and Greenhill School. Public schools include Dallas ISD's Bush Elementary, and Carrollton-Farmers Branch ISD's McLaughlin-Strickland and Janie Stark Elementary Schools.

Employee Benefits

Tracks issues related to health care benefits enjoyed by Town employees. Also tracks issues related to the Texas Municipal Retirement System. TMRS is the designated retirement program for Town employees. Established in 1947, it is a hybrid "cash-balance defined benefit" retirement plan, rather than the traditional defined benefit plan, which is participated in by more than 850 Texas cities.

Finance Committee

A special subcommittee of Council members tasked with review of Town financial policy.

Franchise Utilities (Atmos, Oncor)

Tracks issues related to certain Franchised Utilities, including Atmos Energy (natural gas) and Oncor (electricity).

Greater Dallas Regional Chamber

The Dallas Regional Chamber's goal is to ensure the prosperity of Dallas area businesses. They list as their goals 1) Leading Economic Development; 2) Driving Improvements in Public Education; 3) Influencing Public Policy; 4) Catalyzing and advocating for regional partnership; and 5) Providing value to their members. The organization publishes the Dallas Economic Development Guide, a thorough, comprehensive, and easy-to-read guide on the regional economy.

Intergovernmental Relations

Tracks and reports on issues, developments, and opportunities that are being addressed by two or more government jurisdictions. Included in this assignment is advising regarding shared service opportunities, such as the recent Joint Dispatch agreement.

Metrocrest Chamber of Commerce

A chamber of commerce focusing on the four Metrocrest Cities (Addison, Carrollton, Coppell, and Farmers Branch). The Metrocrest Chamber's offices are located in Suite 430 of the Town's Visit Addison building.

Metroplex Mayors

A gathering of D/FW mayors which takes place at 7:30 am on the second Tuesday of the month at the Marriott Quorum. Guest speakers are brought in from various sectors to discuss issues of relevance to local jurisdictions. The Town handles administrative and treasury functions for this program.

NCTCOG

The North Central Texas Council of Governments is a voluntary association of, by, and for local governments, established to assist them in planning for common needs, cooperating for mutual benefit, and coordinating for sound regional development.

North Dallas Chamber

A chamber of commerce which focuses specifically on the North Dallas Area. The NDC fields several committees (Aviation, Education, Governmental Affairs, Power and Energy, and Transportation), each of which focuses on a specific area of attention.

North Texas Commission

A non-profit, membership-supported organization whose stated goal is to unify the North Texas region to maximize the visibility of the area as an excellent place to live and do business. The NTC was created in the 1970s as a means of leveraging the brand new D/FW Airport in promoting the North Texas as a business destination. Today, they have a particular focus on public-private partnerships and innovative approaches to regional problems.

RTC

The Regional Transportation Council is an independent transportation policy body operated administratively by NCTCOG personnel. The Dallas Metropolitan Planning Organization (or MPO) is a federally mandated organization through which funding for transportation projects and programs are channeled. It is comprised of 44 member representatives from local government and governmental transportation authorities.

Redevelopment & Repositioning / Retail Initiatives

Tracks issues related to redevelopment of Town real estate, businesses, and community assets. Also examines various opportunities to enhance retail offerings in Addison to both residents and businesses.

Public Safety the Addison Way

A community initiative aimed at providing support for Addison's Public Safety departments. This includes technology, equipment, or other items that directly impact safety needs. Activities related to

the purchase or granting of these items are communicated to and coordinated with Addison Police and Fire Department Officials.

Special Studies

These are ad-hoc committees comprised of council members, staff, residents, and local business people, charged with the development review of key areas of the town. The goal is to engage all stakeholders in a given area to promote and realize its potential. Ideally, the end result would be the area attaining an innovative, highest, and best use.

State and Federal Legislation

Tracks legislation affecting local governments at the state and federal level. This assignment is currently performed by Town Staff.

Sustainability / Recycling

Tracks and researches sustainability issues affecting Addison, the most notable of which is multifamily recycling.

TEX-21

An organization committed to finding comprehensive solutions to transportation challenges. The organization's title is somewhat misleading: TEX-21 is an extended acronym for "Transportation Excellence for the 21st century." It does not just look at these issues from a Texas perspective. Rather, it has a national and even international focus, such as how increased shipping traffic through the Panama Canal leads to a greater volume of freight traveling along Texas rail corridors.

TML

A membership organization which serves the needs and advocates the interests of cities and elected officials. TML puts on an annual conference, usually in the fall, at which elected officials from around the state attend educational seminars and networking events. TML also houses the Intergovernmental Risk Pool (IRP) which provides workers compensation, liability, and property coverage for local governments in Texas.

Vision North Texas

Vision North Texas is a public-private partnership headed by the Urban Land Institute, the North Central Texas Council of Governments, and the University of Texas at Arlington. Its mission is to increase public awareness about important regional land use issues that affect mobility, air quality, water supply, and other economic and environmental resources.

WaterTower Theatre

A non-profit professional theatre company, housed in a theater venue of the same name, directly adjacent to the Addison Conference Centre. Founded in 1996, it produces five main stage show each season in a flexible, "black box" style performing arts space. The Town owns the facility itself, and has been a principal sponsor (with Hotel Fund dollars) of the company since its inception in 1996.

World Affairs Council

A non-profit, non-partisan organization aimed at promoting awareness of international business, politics, culture, and foreign policy. Addison currently engages with the World Affairs Council on our Spotlight Series, which is a year-long program comprised of several events geared towards a single country. Currently, the spotlighted country is Mexico, and China was featured last year.

Zip Code Project

Addison currently has two zip codes. For the majority of the Town, the code is 75001. However, there is a part of Town, which extends roughly from just west of the Tollway to the eastern and southeastern city limits, which has a Dallas zipcode (75254). This is a recent initiative to consolidate all Addison addresses to 75001 for general consistency, as well as to curb any potential misallocations of sales and property tax revenue.

Combined Meeting

R2a

Meeting Date: 05/27/2014

Council Goals: N/A

AGENDA CAPTION:

Approval of the Minutes for the May 13, 2014 Regular City Council Meeting.

FINANCIAL IMPACT:

N/A

BACKGROUND:

N/A

RECOMMENDATION:

Administration recommends approval.

Attachments

May 13 Minutes

DRAFT

OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL REGULAR MEETING

May 13, 2014

7:30 PM

Addison Town Hall, 5300 Belt Line Rd., Dallas, TX 75254

7:30 PM Regular Agenda

Posted by: Matthew McCombs, May 9, 2014, 5:00pm

Present: Arfsten; Clemens; DeFrancisco; Gunther; Meier; Moore; Resnik

REGULAR MEETING

Pledge of Allegiance

Announcements and Acknowledgements regarding Town and Council Events and Activities

Discussion of Events/Meetings

Consent Agenda.

R2a Approval of the Minutes for the April 22, 2014 Work Session and Regular Council Meeting.

RECOMMENDATION:

Administration recommends approval.

Motion made by Clemens to approve, as submitted,

Seconded by DeFrancisco

AYE: Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore,
Resnik

Passed

- R2b Approval of the addition of three full-time positions to serve as jailers for the Addison Jail.

RECOMMENDATION:

Administration recommends approval.

Motion made by Clemens to approve, as submitted,
Seconded by DeFrancisco

AYE: Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore,
Resnik

Passed

Regular Items

- R3 Discussion regarding recent Oncor power outages in the Town of Addison.

Charles Elk, Oncor Vice President of Dallas Customer Operations, spoke regarding this item.

- R4 **PUBLIC HEARING.** Public hearing, discussion, consider and take action regarding the annual approval of an ordinance of the Town establishing standards of care for youth programs conducted by the Town for elementary age children ages 5 through 13; providing for compliance with Section 42.041(b)(14) of the Texas Human Resources Code

RECOMMENDATION:

Administration recommends approval.

Randy Rogers, Recreation Manager, spoke regarding this item.

There were no individuals who spoke at the public hearing.

Motion made by DeFrancisco to approve, as submitted,
Seconded by Moore

AYE: Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore,
Resnik

Passed

R5 **PUBLIC HEARING** Case 1690-SUP/AMC Theater. Public hearing, discussion, consider and take action regarding approval of an ordinance changing the zoning on property located at 5100 Belt Line Road, Suite 220, which property is currently zoned PD, Planned Development, through Ordinance 012-001, by approving for that property a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only, on application from AMC ITD, Inc. represented by Mr. Alex Heckathorn.

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on April 24, 2014, voted to recommend approval of the request for approval of an ordinance changing the zoning on property located at 5100 Belt Line Road, Suite 220, which property is currently zoned PD, Planned Development, through Ordinance 012-001, by approving for that property a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only, subject to the following condition:

- The applicant shall not use any terms or graphic depictions that relate to alcoholic beverages in any exterior signs that are visible from the public right of way.

Voting Aye: Groce, Hewitt, Hughes, Oliver, Smith, Wheeler
Voting Nay: none
Absent: Doherty

RECOMMENDATION:

Administration recommends approval.

Charles Goff, Assistant to the City Manager, spoke regarding this item.

There were no individuals who spoke regarding this item.

Motion made by Arfsten to approve, subject to the conditions listed,
Seconded by Moore

AYE: Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore,
Resnik

Passed

R6 **PUBLIC HEARING** Case 1691-SUP/Holiday Inn Express. Public hearing, discussion, consider and take action regarding approval of an ordinance approving a Special Use Permit for a hotel, located in a Commercial-1 district (C-1), at 14930 Landmark Boulevard, on application from Whitestone Hospitality/Addison Hotels, represented by Mr. Maxwell Fisher.

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on April 24, 2014, voted to recommend approval of an ordinance amending the zoning on a piece of property located at 14930 Landmark Blvd, which is currently zoned Commercial-1 (C-1) by approving for that property a Special Use Permit for a hotel, subject to the following conditions:

- The applicant shall provide the Town with an official height determination from the FAA (form 7460-1) before a building permit is issued.
- The property owner shall provide an Avigation Easement to the Town prior to the issuance of a building permit for the project.

Voting Aye: Groce, Hewitt, Hughes, Oliver, Smith, Wheeler
Voting Nay: none
Absent: Doherty

RECOMMENDATION:

Administration recommends approval.

Charles Goff, Assistant to the City Manager, spoke regarding this item.

Maxwell Fisher, Whitestone Hospitality/Addison Hotels representative, also spoke regarding this item.

There were no individuals who spoke at the public hearing.

Motion made by DeFrancisco to approve, subject to the conditions listed,

Seconded by Gunther

AYE: Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore,
Resnik

Passed

- R7 Presentation, discussion, consider and take action approving and authorizing the City Manager to execute a Professional Services Agreement with a consulting team comprised of Strategic Community Solutions LLC, Jacobs, Inc., and Ricker-Cunningham, Inc. to provide professional support with the special area study for the Sam's Club site and areas south in an amount not to exceed \$104,000.

RECOMMENDATION:

Administration recommends approval.

Charles Goff, Assistant to the City Manager, and Lea Dunn, City Manager, spoke regarding this item.

Motion made by Moore to approve, subject to final approval of the City Manager and City Attorney,

Seconded by Clemens

AYE: Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore,
Resnik

Passed

- R8 Discussion, consider and take action approving and authorizing the City Manager to enter into an agreement with Strategic Government Resources (SGR) to conduct national searches for the Deputy City Manager and Building Official positions in an amount not to exceed \$48,000.

RECOMMENDATION:

Administration recommends approval.

Passion Hayes, Director of Human Resources, and Lea Dunn, City Manager, spoke regarding this item.

Ron Holifield, Chief Executive Officer of Strategic Government Resources (SGR), spoke regarding this item.

Motion made by Arfsten to approve, as submitted,

Seconded by Clemens

AYE: Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore,
Resnik

Passed

- R9 Discussion regarding a staffing update of the City Manager's Office and/or Town employees.

Lea Dunn, City Manager, spoke regarding this item.

-
- R10 Discussion, consider and take action approving and authorizing the City Manager to execute a contract with Landmark Structures to remove the wind energy system to include the wind turbines and associated system elements from the Surveyor Elevated Water Storage Tank for an amount not to exceed \$112,000.

RECOMMENDATION:

Administration recommends approval.

Lisa Pyles, Director of Infrastructure Operations and Services, Lea Dunn, City Manager, and Ron Davis, Chief of Police, spoke regarding this item.

Motion made by Resnik to approve, as submitted but to continue the investigation of the damage regarding the wind energy system,
Seconded by DeFrancisco

AYE: Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore,
Resnik

Passed

-
- R11 Discussion, consider and take action regarding releasing the retainage and final payment to Landmark Structures for the completion of the Surveyor Elevated Storage tank project in the amount of \$329,773.71.

RECOMMENDATION:

Administration recommends approval.

Lisa Pyles, Director of Infrastructure Operations and Services, and Lea Dunn, City Manager, spoke regarding this item.

Jim Salvitti with Landmark Structures spoke regarding this item.

Motion made by Meier to withhold the retainage until investigation is completed.

There was no second to Mayor Meier's motion.

Motion made by DeFrancisco to approve, as submitted,
Seconded by Resnik

AYE: Arfsten, Clemens, DeFrancisco, Gunther, Moore, Resnik

NAY: Meier

Passed

- R12 Discussion, consider and take action approving and authorizing the City Manager to execute a construction contract with John Burns Construction Company of Texas, Inc. for the construction of the Belt Line Road Underground Utilities and Right-of-Way Enhancement project for an amount not to exceed \$8,820,802.

RECOMMENDATION:

Administration recommends approval.

Lisa Pyles, Director of Infrastructure Operations and Services, and Lea Dunn, City Manager, spoke regarding this item.

Motion made by Arfsten to approve, as submitted,
Seconded by Resnik

AYE: Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore,
Resnik

Passed

- R13 Discussion, consider and take action approving and authorizing the City Manager to execute a contract with Alliance Geotechnical Group for the construction materials testing and geotechnical services associated with the Belt Line Road Underground Utilities and Right-of-Way Enhancement project for an amount not to exceed \$60,834.

RECOMMENDATION:

Administration recommends approval.

Lisa Pyles, Director of Infrastructure Operations and Services, spoke regarding this item.

Motion made by DeFrancisco to approve, as submitted,
Seconded by Gunther

AYE: Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore,
Resnik

Passed

- R14 Presentation, discussion, consider and take action regarding an ordinance amending the Town of Addison, Employee Handbook sections 6.01, 6.02, 6.04 and 6.05 relating to dispatcher work hours.

RECOMMENDATION:

Administration recommends approval.

Paul Spencer, Police Captain, spoke regarding this item.

Motion made by Clemens to approve, as submitted,

Seconded by Arfsten

AYE: Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore,
Resnik

Passed

- R15 **PUBLIC HEARING.** Public hearing, Discussion, consider and take action on a resolution denying the rate increase requested by ATMOS Energy Corp., Mid-Tex Division under the company's 2014 annual rate review mechanism filing in all cities exercising original jurisdiction and providing for other materials related thereto.

RECOMMENDATION:

Administration recommends approval.

Eric Cannon, Chief Financial Officer, spoke regarding this item.

There were no individuals who spoke at the public hearing.

Motion made by Clemens to approve, as submitted,

Seconded by Arfsten

AYE: Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore,
Resnik

Passed

- R16 Presentation and discussion of the Finance Department Quarterly Financial Review and Capital Projects Update of the Town for the quarter and year-to-date ended March 31, 2014.

RECOMMENDATION:

Eric Cannon, Chief Financial Officer, Lisa Pyles, Director of Infrastructure Operations and Services, and Slade Strickland, Director of Parks and Recreation, spoke regarding this item.

Executive Session

- ES1 Closed (Executive) session of the Addison City Council pursuant to Section 551.087, Texas Government Code, to discuss or deliberate regarding commercial or financial information that the City Council has received from a business prospect or business prospects that the City Council seeks to have locate, stay, or expand in or near the territory of the Town of Addison and with which the City Council is conducting economic development negotiations, and/or to deliberate the offer of a financial or other incentive to such business prospect or business prospects.

RECOMMENDATION:

The City Council entered Executive Session at 10:53 pm.
The City Council closed Executive Session at 11:02 pm.

Regular Items Continued

- R17 Discussion, consider, and take action regarding a business prospect or business prospects that the City Council seeks to have locate, stay, or expand in or near the territory of the Town of Addison and with which the City Council is conducting economic development negotiations, and/or regarding the offer of a financial or other incentive to such business prospect or business prospects.

RECOMMENDATION:

Motion made by Clemens to approve, as discussed in the executive session,

Seconded by Moore

AYE: Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore,
Resnik

Passed

Adjourn Meeting

Mayor-Todd Meier

Attest:

City Secretary-Matthew McCombs

Combined Meeting

R2b

Meeting Date: 05/27/2014

Council Goals: N/A

AGENDA CAPTION:

Approval of the Minutes for the May 19, 2014 Special City Council Meeting.

FINANCIAL IMPACT:

N/A

BACKGROUND:

N/A

RECOMMENDATION:

Administration recommends approval.

Attachments

May 19 Minutes

DRAFT

OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL SPECIAL MEETING

May 19, 2014

6:30 PM

Addison Town Hall, 5300 Belt Line Rd., Dallas, TX 75254

6:30 PM Special Meeting

Posted by: Matthew McCombs, May 16, 2014, 5:00 pm

Present: Arfsten; Clemens; Meier; Moore

Absent: DeFrancisco; Gunther; Resnik

SPECIAL MEETING

- S1 Discussion, consider, and take action approving an Ordinance canvassing the results of the general Municipal Election held on May 10, 2014.

Council Member Clemens moved approval of an ordinance canvassing the 2014 General Election.

Motion made by Clemens to approve, as submitted,
Seconded by Arfsten

AYE: Arfsten, Clemens, Meier, Moore

Passed

-
- S2 Administration of the Oath of Office to the newly elected Council Members of the City.

Mayor Meier administered the oath of office to Janelle Moore, Mary Carpenter, and David Heape.

There was no action taken.

ADJOURN MEETING

Mayor-Todd Meier

Attest:

City Secretary-Matthew McCombs

Combined Meeting

R2c

Meeting Date: 05/27/2014

Council Goals: N/A

AGENDA CAPTION:

Approval of ratification of the action taken by the Council on item S1 in the Special Meeting of the City Council held on May 19, 2014 approving an ordinance canvassing the results of the general municipal election held on May 10, 2014, and the approval of the said ordinance.

FINANCIAL IMPACT:

N/A

BACKGROUND:

N/A

RECOMMENDATION:

Attachments

Election Ordinance

TOWN OF ADDISON, TEXAS

ORDINANCE NO. _____

AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS, CANVASSING AND DECLARING THE RESULTS OF THE GENERAL ELECTION OF OFFICERS HELD ON MAY 10, 2014 FOR THE PURPOSE OF ELECTING THREE (3) COUNCIL MEMBERS FOR TWO (2) YEAR TERMS OF OFFICE EACH; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the Town of Addison, Texas (the "City") heretofore ordered and called a general election to be held on the 10th day of May, 2014 within the City for the purpose of electing one three Council Members for two (2) year terms of office each (the "Election"); and

WHEREAS, notice of the Election was given pursuant to and in accordance with applicable law, and the Election was duly and lawfully conducted and held on May 10, 2014, and the returns of the Election have been delivered in accordance with law to the City Council as the canvassing authority for the Election; and

WHEREAS, a quorum of the City Council as required by law met on May 19, 2014 for the purpose of canvassing the returns and declaring the results of the Election as set forth herein.

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

Section 1. The above and foregoing recitals to this Ordinance are true and correct and are incorporated herein and made a part of this Ordinance for all purposes.

Section 2. Canvass of General Election.

A. A tabulation of the returns of the general election of officers of the City held on May 10, 2014, called and ordered for the purpose of electing three Council Members for two (2) year terms of office each, is attached hereto as Exhibit A and incorporated herein and made a part hereof for all purposes. A summary of the said tabulation of returns for the general election set forth in the attached Exhibit A, showing the total votes received by each of the candidates, is as follows:

Council Member, Two Year Term:

<u>Name of Candidate</u>	<u>Total Votes</u>
Mary Carpenter	582
Diane Mallory	343
Margie Gunther	420
Janelle Moore	678
David Heape	588
Neil Resnik	443

B. In accordance with the foregoing and pursuant to applicable law, including the Texas Election Code and the City's Home Rule Charter, the City Council finds, determines and declares the results of said general election to be that:

Janelle Moore, David Heape, and Mary Carpenter are each elected to the office of Council Member of the City for a term of (2) years.

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

Section 4. Effective Date. This Ordinance shall take effect immediately from and after its passage and approval.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas, on this the 19th day of May, 2014.

Todd Meier, Mayor

ATTEST:

By: _____
Matt McCombs, City Secretary

APPROVED AS TO FORM:

By: _____
John Hill, City Attorney

**EXHIBIT A
TO ORDINANCE NO. _____**

Town of Addison, Texas
General Election – May 10, 2014
Tabulation of Returns (Unofficial)

FOR THE PURPOSE OF ELECTING THREE (3) COUNCIL MEMBERS:

	Precinct 2900- 5987 <u>Early</u> <u>Voting</u>	Precinct 2900- 5987 <u>Election</u> <u>Day</u> <u>Voting</u>	Precinct 2900- 5987 <u>Prov</u> <u>EV/ED</u>	Precinct 2901- 5988 <u>Early</u> <u>Voting</u>	Precinct 2901- 5988 <u>Election</u> <u>Day</u> <u>Voting</u>	Precinct 2901- 5988 <u>Prov</u> <u>EV/ED</u>	Precinct 2902- 5991 <u>Early</u> <u>Voting</u>	Precinct 2902- 5991 <u>Election</u> <u>Day</u> <u>Voting</u>	Precinct 2902- 5991 <u>Prov</u> <u>EV/ED</u>	Precinct 2903- 5993 <u>Early</u> <u>Voting</u>	Precinct 2903- 5993 <u>Election</u> <u>Day</u> <u>Voting</u>	Precinct 2903- 5993 <u>Prov</u> <u>EV/ED</u>	Precinct 2904- 5994 <u>Early</u> <u>Voting</u>	Precinct 2904- 5994 <u>Election</u> <u>Day</u> <u>Voting</u>	Precinct 2904- 5994 <u>Prov</u> <u>EV/ED</u>	Precinct 2905- 5997 <u>Early</u> <u>Voting</u>	Precinct 2905- 5997 <u>Election</u> <u>Day</u> <u>Voting</u>	Precinct 2905- 5997 <u>Prov</u> <u>EV/ED</u>	<u>Total</u> <u>Votes</u>
Mary Carpenter	254	140	0	1	2	0	25	17	0	22	12	0	0	0	0	81	28	0	582
Diane Mallory	124	103	0	5	1	0	23	10	0	26	8	0	0	0	0	29	14	0	343
Margie Gunther	154	108	0	10	1	0	25	21	0	27	11	0	0	0	0	45	18	0	420
Janelle Moore	296	143	0	6	2	0	31	23	0	27	17	0	0	0	0	101	32	0	678
David Heape	247	150	0	2	2	0	26	15	0	26	13	0	0	0	0	78	29	0	588
Neil Resnik	162	111	0	11	1	0	27	24	0	34	14	0	0	0	0	42	17	0	443

Combined Meeting

R3

Meeting Date: 05/27/2014

Council Goals: N/A

AGENDA CAPTION:

Presentation of the Government Finance Officers Association (GFOA) "Distinguished Budget Presentation Award" for the fiscal year beginning October 1, 2013.

FINANCIAL IMPACT:

There is no financial impact associated with this recognition.

BACKGROUND:

The Government Finance Officers Association (GFOA) created a Distinguished Budget Presentation Award in 1984 to encourage governments to prepare budget documents of the highest quality to meet the needs of decision-makers and citizens. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

The Town of Addison has received the Distinguished Budget Presentation Award every year since 1987 and has received notice that the annual budget for the Fiscal Year beginning October 1, 2013 has also received this distinction.

There were several comments made by the GFOA reviewer that highlight the quality of the 2014 Budget document. The include:

- "The budget looks very nice. A very professional product. Nice job!"
- "Very good explanation of fund balance at each fund summary."
- "The budget message is good and clear, articulating the issues, concerns, and priorities for the upcoming budget year."

RECOMMENDATION:

Attachments

Budget Award Letter

Budget Award Press Release



Government Finance Officers Association
203 North LaSalle Street, Suite 2700
Chicago, Illinois 60601-1210
312.977.9700 fax: 312.977.4806

May 3, 2014

Ron Whitehead
City Manager
Town of Addison
5350 Belt Line Road
Dallas, TX 75254

Dear Mr. Whitehead:

I am pleased to notify you that Town of Addison, Texas has received the Distinguished Budget Presentation Award for the current budget from the Government Finance Officers Association (GFOA). This award is the highest form of recognition in governmental budgeting and represents a significant achievement by your organization.

When a Distinguished Budget Presentation Award is granted to an entity, a Certificate of Recognition for Budget Presentation is also presented to the individual or department designated as being primarily responsible for its having achieved the award. This has been presented to:

Eric Cannon, Chief Financial Officer

We hope you will arrange for a formal public presentation of the award, and that appropriate publicity will be given to this notable achievement. A press release is enclosed for your use.

We appreciate your participation in GFOA's Budget Awards Program. Through your example, we hope that other entities will be encouraged to achieve excellence in budgeting.

Sincerely,

Stephen J. Gauthier, Director
Technical Services Center

Enclosure



Government Finance Officers Association
203 North LaSalle Street, Suite 2700
Chicago, Illinois 60601-1210
312.977.9700 fax: 312.977.4806

May 3, 2014

PRESS RELEASE

For Further Information Contact
Stephen J. Gauthier (312) 977-9700

Chicago--The Government Finance Officers Association of the United States and Canada (GFOA) is pleased to announce that **Town of Addison, Texas** has received the GFOA's Distinguished Budget Presentation Award for its budget.

The award represents a significant achievement by the entity. It reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting. In order to receive the budget award, the entity had to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well an entity's budget serves as:

- a policy document
- a financial plan
- an operations guide
- a communications device

Budget documents must be rated "proficient" in all four categories, and the fourteen mandatory criteria within those categories, to receive the award.

When a Distinguished Budget Presentation Award is granted to an entity, a Certificate of Recognition for Budget Presentation is also presented to the individual or department designated as being primarily responsible for its having achieved the award. This has been presented to **Eric Cannon, Chief Financial Officer**

For budgets including fiscal period 2012, 1,353 participants received the Award. Award recipients have pioneered efforts to improve the quality of budgeting and provide an excellent example for other governments throughout North America.

The Government Finance Officers Association is a nonprofit professional association serving nearly 18,000 government finance professionals throughout North America. The GFOA's Distinguished Budget Presentation Awards Program is the only national awards program in governmental budgeting.

Combined Meeting**R4****Meeting Date:** 05/27/2014**Council Goals:** Create and implement a Comprehensive Land Use/Revitalization Plan

AGENDA CAPTION:

Discussion, consider and take action regarding appointment of a Member to the Planning and Zoning Commission.

FINANCIAL IMPACT:

N/A

BACKGROUND:

Commissioner Jennifer Hewitt's third and final term on the Planning and Zoning Commission expired on May 22nd. Historically, each council member recommends an individual to appoint to a certain seat on the Commission, which is considered and voted on by the rest of Council. The recommendation for the seat currently occupied by Commissioner Hewitt belongs to Council Member Clemens.

RECOMMENDATION:

Combined Meeting

R5

Meeting Date: 05/27/2014

Council Goals: N/A

AGENDA CAPTION:

Discussion, consider and take action regarding the appointment of Mayor Pro Tempore and Deputy Mayor Pro Tempore.

FINANCIAL IMPACT:

N/A

BACKGROUND:

N/A

RECOMMENDATION:

Combined Meeting

R6

Meeting Date: 05/27/2014

Council Goals: Create raving fans of the Addison Experience.

AGENDA CAPTION:

Presentation of and discussion regarding the summary report of the Addison Dog Park Committee.

FINANCIAL IMPACT:

N/A

BACKGROUND:

N/A

RECOMMENDATION:

Combined Meeting

R7

Meeting Date: 05/27/2014

Council Goals: Mindful stewardship of Town Resources.

AGENDA CAPTION:

Presentation and discussion regarding contracts for services with non-profits and their annual funding requests for Fiscal Year 2014-2015.

FINANCIAL IMPACT:

For Fiscal Year 2014 (October 1 2013-September 30, 2014), the Town of Addison received 12 requests for funding totaling \$715,400 from various non-profit agencies which deliver special services to Addison residents. Council funded these requests in the amount of \$627,900.

This year, the Town has received 10 requests totaling \$670,500. Included in this figure is a \$5,000 request for tuition assistance from Trinity Christian Academy for Addison residents. A similar request was made by TCA last year. At that time, it was thought that, since they are a private school, Article 3, Section 52 of the Texas Constitution (which prohibits payments that do not serve a public purpose), might apply. Out of an abundance of caution, the request was therefore not considered.

Please note that funding levels need not be set at this time. Council's direction with regard to non-profit funding will be included in the City Manager's proposed budget, which is filed with the City Secretary no later than July 31. Final non-profit funding decisions can be made during budget deliberations in August.

Given its size, the funding request attachment could not be uploaded with the agenda packet. In each Council Member's drop box is a file named "2014-2015 Non-Profit Applications (opt).pdf." Within, each non-profit funding application and Community Partners Bureau report (as available) has been bookmarked for Council's convenience.

BACKGROUND:

Historically, Addison has contracted with several non-profit agencies for the provision of social services (such as The Family Place, Launchability, or Metrocrest Services) or art and community enrichment (such as the Dance Council or WaterTower Theatre). Rather than provide these services directly, we rely on these agencies and leverage their skills as experts in their particular fields. This is part of a recent trend by Councils and staff to both know the businesses we are in and recognize businesses that others can do better.

Several years ago, Council determined that not enough time was being given to each non-profit agency to fully understand their business and articulate the precise value of each organization to the Town. As this role had historically been accomplished through the Council Liaison process, Council Members created an ad-hoc committee, known as the Community Partners Bureau, to engage and report on the activities of each contracted non-profit agency. This committee consists of several citizen appointees who engage a given organization throughout the year and then files a report with staff each April or May. These reports, which are attached below, offer an evaluation of the organization, as well as what kinds of activities it performs. There are no direct funding recommendations, as that is the sole purview of the council. The report is simply an analysis aimed at aiding Council's deliberations regarding appropriate levels of funding.

If there are questions that Council has of any of the non-profit agencies, a representative from that organization can be summoned to the June 24 council meeting. Requests for their presence can be made either during discussion for this item or later via email to Matt McCombs. To allow sufficient time for our non-profit partners to prepare for any questions Council may have of them, we would ask that all requests for personal appearances be made by June 10.

RECOMMENDATION:

Attachments

FY15 Request Summary

Summary of Nonprofit Grant Requests FY 2014-2015

Organization	Budgeted 13-14	Requested 14-15	Recommended 14-15
CONTACT Crisis Line	\$ 7,500	\$ 15,000	
The Family Place	\$ 10,000	\$ 25,000	
Launchability	\$ 5,000	\$ 5,000	
Metrocrest Chamber of Commerce	\$ 35,000	\$ 35,000	
Metrocrest Family Medical Clinic*	\$ 3,000	\$ -	
Metrocrest Services**	\$ 50,000	\$ 61,000	
UBL - Texas Wranglers	\$ 2,000	\$ 30,000	
Dance Council	\$ 7,000	\$ 7,000	
WaterTower Theatre	\$ 445,000	\$ 445,000	
Addison Arbor Foundation	\$ 53,400	\$ 47,500	
Trinity Christian Academy***	\$ -	\$ 5,000	
Total	\$617,900	\$670,500	\$0

*Metrocrest Community Clinic declined to submit a request this year.

**Funding request was consolidated with Senior Adult Services for FY13-14

***Cannot be awarded funding under Article 3, Section 52 of the Texas Constitution

Contract Done	Contract Rec'd	Contract Sent	Payment Sent

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Combined Meeting

R8

Meeting Date: 05/27/2014

Council Goals: N/A

AGENDA CAPTION:

Discussion, consider and take action regarding an integrated and concurrent transaction affecting two ground-leased tracts of land at Addison Airport - 4570 Westgrove Drive (known as Westgrove Air Plaza) and an unimproved tract adjacent to Westgrove Air Plaza at the southwest corner of Addison Road and Westgrove Drive, including: (1) consenting to and authorizing the City Manager to execute an Assignment of Ground Lease from Guardian Texas Management, LLC, assignor, to Westgrove Air Plaza I, LLC for the tract located at 4570 Westgrove Drive, and an Assignment of Ground Lease from Guardian Texas Management, LLC, assignor, to Westgrove Air Plaza II, LLC for the unimproved tract; (2) approving and authorizing the City Manager to execute a Third Amendment to Ground Lease for each tract; (3) consenting to a Reciprocal Driveway and Aircraft Ramp Ingress and Egress Agreement; and (4) other matters pertaining to the transaction.

FINANCIAL IMPACT:

There is no financial impact.

BACKGROUND:

Guardian Texas Management, LLC ("Guardian") is the current ground lease tenant of the airport property and building improvements located at 4570 Westgrove Drive, Westgrove Air Plaza, and the vacant, unimproved lot located at the southwest corner of Addison Road and Westgrove Drive that is immediately east and adjacent to Westgrove Air Plaza. The original two ground leases were first executed on March 2, 1981. Guardian is requesting the Town's consideration of and consent to an integrated and concurrent set of transactions and agreements between the Town, Guardian, and two proposed assignees (collectively the "Transaction Documents") including:

- The assignment of Ground Lease #080A-27, which is the existing office/hangar building, to Westgrove Air Plaza I, LLC, specifically formed and organized for the purpose of taking assignment and ownership of Guardian's existing leasehold interests and building improvements subject to the terms and conditions set forth in the Assignment of Ground Lease Agreement and
- The assignment of Ground Lease #080A-29, which is the unimproved lot, to Westgrove Air Plaza II, LLC, specifically formed and organized for the purpose of taking assignment of Guardian's existing leasehold interests in the

property subject to the terms and conditions set forth in the Assignment of Ground Lease Agreement.

The assignment of the leasehold interests in each of the agreements is subject to the Town also agreeing to and executing:

- An assignment of the lease on the unimproved lot to Westgrove Air Plaza II, LLC,
- The execution of a third amendment to the ground lease on the unimproved lot that provides for, among other things, the modification of the lease term, the demised premises description, the rental payment, and provision for the construction of a conventional hangar with attached office space;.
- The third amendment to the ground lease for property on which the building improvements sit that provides for, among other things, the modification of the lease term, the demised premises description, and the rental payment.;
- The Estoppel Letter Agreement between the Town of Addison and the Bank, to be named, for the creation of a leasehold mortgage for the purpose of financing the construction of the hangar/office improvements on the unimproved lot as provided for under the Ground Lease; and
- A proposed Reciprocal Driveway and Aircraft Ramp Easement Agreement that provides for the shared use and ongoing maintenance of the common areas of the demised premises.

Westgrove Air Plaza I is proposing to spend at least \$500,000 in building improvements to update and renovate Westgrove Air Plaza. The fascia will be updated by removing the existing "weeping mortar," clean and stain the brick to brighten and provide with stucco accent to bring a more contemporary look to the building. A detached belfry tower will be constructed at the northeast corner of the building to provide better identity and visual appeal. The lobbies and other common areas will also be updated to provide a more contemporary and inviting appearance for tenants and their guests. In consideration of these and other modifications to the terms and conditions of the ground leases, the assignee, Westgrove Air Plaza I, LLC, Guardian will be granted a 22-year lease term extension on the ground lease.

Westgrove Air Plaza II, is proposing to construct improvements that will include a 14,440 square-foot conventional hangar/office facility with a 28' high hangar door clearance, the final design of which will be subject to the Town's review and consent prior to the commencement of any construction. The building improvements must begin on or before June 30, 2017 and are to have a minimum new construction value of \$1.5 million dollars . They will be constructed at Westgrove Air Plaza II's sole cost and expense.

The Reciprocal Driveway and Aircraft Ramp Ingress and Egress Agreement is needed in order to maximize the use of the property for aviation related uses and

provides that such access is being granted and the cost to maintain and repair the access areas is being shared between the two entities.

One of the goals articulated in the Addison Airport Strategic Plan is to "to continue to enhance the airport's overall value for the benefit of the stakeholders." One of the strategies identified to achieve this goal is to identify and pursue alternative revenue sources by optimizing the airport real estate portfolio using value-driven management techniques.

The ground proposed improvements will generate higher revenue and increased aeronautical operations. The improvements contemplated at Westgrove Air Plaza will improve the street appeal of the building as well as the interior common areas that will command higher office lease rates, resulting in higher property values that will benefit the Town and surrounding community. Similarly, the construction of a new corporate hangar and office facility on now vacant airport land will add value and much needed hangar space on the airport. The proposed hangar development is to have a minimum construction value of \$1.5 million that will enhance the Town's property and business tax base benefiting the Town, which should exceed that value several times over. The airport will realize a 14% increase in annual ground rental, added jet hangar capacity and real property improvements which should serve the Airport for years to come.

RECOMMENDATION:

Administration recommends approval.

Attachments

Westgrove Memo



William M. Dyer
Real Estate Manager
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- M E M O R A N D U M -

To: Lisa Pyles
From: Bill Dyer
CC: Joel Jenkinson
Date: May 19, 2012
Re: Ground Tenant Guardian Texas Management, LLC's Request for the Town's Consideration of and Consent to an Integrated and Concurrent Transaction Affecting Two Ground-leased Properties at Addison Airport - 4570 Westgrove Drive (known as Westgrove Air Plaza) and an unimproved tract adjacent to Westgrove Air Plaza at the southwest corner of Addison Road and Westgrove Drive;.

Guardian Texas Management, LLC ("Guardian") is the current ground lease tenant of the airport property and building improvements located at 4570 Westgrove Drive (commonly known as the Westgrove Air Plaza, and Ground Lease #080A-27) and the vacant, unimproved lot located at the southwest corner of Addison Road and Westgrove Drive (Ground Lease #080A-29), which is immediately east and adjacent to Westgrove Air Plaza. Guardian is requesting the Town's consideration of and consent to an integrated and concurrent set of transactions and agreements between the Town, Guardian and two proposed assignees (collectively the "Transaction Documents") including:

- The assignment of Ground Lease #080A-27 (existing office/hangar building) to Westgrove Air Plaza I, LLC, a Texas limited liability company, specifically formed and organized for the purpose of taking assignment and ownership of Guardian's existing leasehold interests and building improvements subject to the terms and conditions set forth in the Assignment of Ground Lease Agreement attached hereto as Exhibit "A"; and
- The assignment of Ground Lease #080A-29 (unimproved lot) to Westgrove Air Plaza II, LLC, a Texas limited liability company, specifically formed and organized for the purpose of taking assignment of Guardian's existing leasehold interests in the property subject to the terms and conditions set forth in the Assignment of Ground Lease Agreement attached hereto as Exhibit "B"; and

Each assignment of leasehold interests is subject to the Town also agreeing to and executing:

- The proposed Third Amendment to Ground Lease (#080A-27) by and between the Town and assignee Westgrove Air Plaza I, LLC to be substantially in the form of Exhibit "C", which, among other things, provides for the modification of term, demised premises description and rental payable under the Lease; and
- The proposed Third Amendment to Ground Lease (#080A-29) by and between the Town and assignee Westgrove Air Plaza II, LLC to be substantially in the form of Exhibit "D", which, among other things, provides for the modification of term, description of the demised premises, rental payable under the Lease and the construction of a conventional hangar with attached office; and



Finally, the two proposed assignees and Airport Management are requesting the Town give its consent to the creation of the Reciprocal Driveway and Aircraft Ramp Easement Agreement, which provides for the shared use and ongoing maintenance of certain common areas of the demised premises substantially in the form of the agreement attached as Exhibit "E."

Background Information:

Description of the Ground Leases:

The original two ground leases were first entered into on March 2, 1981, by and among the Town and Addison Airport of Texas, Inc. as the landlord, and Texas Federal Savings and Loan as the tenant. At their inception, Ground Lease #080A-27 consisted of 2.37 acres of unimproved land and Ground Lease #080A-29 consisted 2.831 acres of unimproved land. Both leases were amended in 1984 to, among other things; reapportion the leased premises to 3.95 acres and 1.43

acres respectively, to accommodate the development of the Westgrove Air Plaza office and hangar building (see description below). Over the term of the leases, both have been jointly assigned 11 times, three of which have been by way of foreclosure or deed-in-lieu of foreclosure. Guardian Texas Management, LLC is the current ground tenant who took assignment in July 2012 from Regions Bank, an Alabama chartered bank and successor in interests to Jefferson Heritage Bank.

	Ground Lease #080A-27		Ground Lease #080A-29	
	Currently	Proposed Change	Currently	Proposed Change
Land Area	171,857 SF	166,617 SF	62,374 SF	63,510 SF
Hangar Area	31,945 SF		NA	14,400 SF Conventional
Office Area	47,536 SF		NA	6,600 SF
Total Building Area	79,481		NA	21,000 SF
Year Built	1985		NA	Within 48 months of Amend. Date
Lease Commenced	2/28/1982		2/28/1982	
Lease Expiration	2/27/2022	2/27/2044 (extension of 22 years)	2/27/2022	2/27/2044 (an extension of 22 years provided Bldg. Improvements are completed as agreed.
Term Remaining	7 years 9 mos.	29 years 9 mos.	7 years 9 mos.	29 years 9 mos.
Monthly Ground Rental	\$7,627.14	\$8,653.20	\$2,688.88	\$2,992.55
Current Annual Rent	\$91,525.68 (\$.53/SFL)	\$102,837.68 (\$.617/SFL)	\$32,266.56 (.52/SFL)	\$39,199.01 (\$.617/SFL)
DCAD 2013 Valuation	\$3,200,000		\$0.00	

Description of the Improvements:

Ground Lease #080A-27 is the larger of the two tracts containing approximately 3.8 acres of airport land. The land was rezoned in 1985 pursuant to Ordinance #085-083, which changed its zoning from "I" Industrial to "PD" Planned Development. The property is improved with a two-story, multi-tenant office/hangar building constructed in 1985. The office portion contains



approximately 47,536 square feet of rentable space. There are three attached conventional hangar bays, two of which are approximately 120' x 79' and the third is 124' x 94' for a total of 30,616 square feet of shop and aircraft storage space. The hangar doors are 26' high and are sufficient to accommodate most Design Group III aircraft. The building is constructed on concrete slab with steel framing, brick veneer accented with a weeping mortar joint and glass curtain wall for the office facade. The roof over the office space is a Spanish-style terra cotta tile and flat built-up roofing over trussed clear span for the hangars. The hangars are equipped with gas-fired space heaters suspended from the roof trusses and industrial A/C units are mounted inside the hangars for cooling. The concrete aircraft apron immediately outside the hangars is approximately 31,000 square feet and irregular in shape. The offices are heated and cooled by five natural gas and electric cooled roof-top mounted HVAC units. The office area is finished with painted gypsum walls; 2' x 4' suspended ceiling tiles, fluorescent lighting, vinyl and ceramic tile and commercial-grade carpet. Off-street parking (of which 59 are covered) meets or exceeds the PD requirements. The street frontage is attractively landscaped and well maintained.

Generally, the hangar space has remained fully leased over the past several years with rentals ranging \$6.50-\$8.00 net per hangar square foot. The office space, which has been more difficult

to lease in recent years, is averaging 50% occupancy, with quoted full-service lease rates ranging \$15-\$17 per rentable square foot.

Ground Lease #080A-29 consists of approximately 1.43 acres of unimproved land fronting the Addison Road and Westgrove Drive intersection. Unlike the previous property's Planned Development classification, this property is zoned "I" Industrial as is much of the Airport. Permitted use of the land pursuant to the terms of the ground lease includes most conventional aeronautical uses including hangar, office, shop, aircraft apron and vehicle parking. All construction documents are required to be approved by the Town prior to any commencement of construction. The current lease agreement does not specify when or if the improvements must be constructed during the lease term.

About the Proposed Transaction(s):

Guardian is requesting the Town to give consent to its assignment of each of the ground leases to a single-asset entity formed and organized specifically for the purpose of taking assignment of the respective leasehold interests and title to any building improvements made to the demised premises now or during the lease term pursuant to the proposed Assignment of Ground Lease Agreements attached as Exhibit "A" and Exhibit "B". *However, this proposed transaction is wholly contingent upon and subject to the Town also agreeing to enter into and execute the proposed Third Amendment to Ground Lease to each ground lease together with the shared ingress/egress agreement pursuant to the terms and conditions summarized below.*

Ground Lease #080A-27 (the office/hangar facility) is to be assigned to Westgrove Air Plaza I, LLC, a Texas limited liability company. Similarly, Ground Lease #080A-29 (the unimproved vacant lot) is to be assigned to Westgrove Air Plaza II, LLC, a Texas limited liability company. Each of the two entities is managed by MM Aviation Holdings, LLC, a Delaware limited liability company, Mr. Mehrdad Moayedi as Manager. MM Aviation Holdings is the sole shareholder of each of the assignees. Mr. Moayedi is currently the sole shareholder of MM Aviation Holdings.

1. **Ground Lease #080A-27** – immediately subsequent to the assignment, Westgrove Air Plaza I, LLC ("Air Plaza I") and the Town will enter into the proposed Third Amendment to Ground Lease attached as Exhibit "C" further modifying the terms of the Ground Lease including:
 - a. Term Adjustment – subject to the termination provisions of the Ground Lease, extending the lease term 264 months so it shall now end on 2/27/2044 provided Air Plaza I agrees to complete certain remodeling and renovation of the existing building improvements at its sole cost and expense within the first twenty-four (24) months after the Effective Date of the Third Amendment to Ground Lease as outlined below:
 1. The improvements must be presented and approved by Landlord in advance of commencing any construction;
 2. The improvements are to have a construction value of no less than \$500,000.
 3. Tenant's failure to complete the improvements as agreed will cause the extended lease term to be automatically reduced to 120 months so that it shall instead expire 2/27/2034.
 4. Accordingly, the parties agree to execute and file as public record a Memorandum of Lease evidencing the new lease term.

- b. Amendment to the Description of the Demised Premises – Regions and its predecessors apparently relied upon an incorrect legal description; the Amendment will affirm the new and correct legal description of the Demised Premises consisting of 3.825 acres¹ using the Airport’s current property survey specifications.
- c. Amendment to Rental – also in consideration of the extended lease term, Tenant agrees to adjust the rental rate as of the Amendment Effective Date from \$.53 to \$.6172 (approx. 12.4%) per gross square foot of land comprising the Demised Premises.
- d. Modification of other various terms and conditions contained within the Ground Lease to meet the Town’s current prevailing lease standards.

In general, Air Plaza I is proposing to spend at least \$500,000 in building improvements to update and renovate Westgrove Air Plaza. Preliminary plans include constructing a belfry tower to improve visibility of the building and increase identity. The exiting fascia will be updated by removing the weeping mortar, clean and stain the brick to brighten its appearance and offer a more contemporary look to the building. The lobbies and other common areas will also be updated and appointed to provide a more contemporary and inviting appearance for tenants and their guests. Additionally, Guardian agrees to increase their ground rental nearly 13%, from \$.53 to \$.617 per gross square feet of land contained in the Leased Premises for both properties. In consideration of these and other modifications to the terms and conditions of the ground leases, Guardian will be granted a 22-year lease term extension affecting GL#080A-27.



Figure 2: Artist rendering of exterior modifications to Westgrove Air Plaza building improvements

- 2. **Ground Lease #080A-29** – immediately subsequent to the assignment, Westgrove Air Plaza II, LLC ("Air Plaza II") and the Town will enter into the proposed Third Amendment to Ground Lease attached hereto as Exhibit “D” further modifying the terms of the Ground Lease including:
 - a. Amendment to the Description of the Demised Premises – because Regions and its predecessors apparently relied on an incorrect legal description, the Amendment will affirm the new and correct legal description of the Demised Premises consisting of 1.458 acres² using the Airport’s current property survey specifications.

¹ Sparr Survey Job#17265B, Revised 4, 2014

² Sparr Survey Job#17265B, Revised 4, 2014

- b. Amendment to Rental – also in consideration to of the extended lease term, Tenant agrees to increase the rental rate as of the Amendment Effective Date from \$.52 to \$.6172 (approx. 21.5%) per gross square foot of land comprising the Demised Premises.
- c. Construction of Improvements – Air Plaza II agrees to construct certain Building Improvements to include a 14,440 square-foot conventional hangar/office facility with 28' high hangar door clearance with the final design subject to the Town's review and consent prior to the commencement of any construction.
 - i. Building Improvements are to have a new construction value of \$1.5 million dollars and constructed at Air Plaza II's sole cost and expense;
 - ii. Building Improvements must be designed by a licensed architect and/or engineer;
 - iii. Building Improvements must commence on or before June 30, 2017; otherwise,
 - 1. if Air Plaza II is in good standing with the Town in every other respect, the Town has the option to early terminate the lease with no further obligation of either party;
 - 2. If Air Plaza II is in default of the ground lease, the Town may exercise all of its legal rights and remedies accordingly.
 - iv. If construction of the Building Improvements commenced but are not substantially complete on or before June 30, 2018, the Town may exercise all of its legal rights and remedies including terminating the lease and taking possession of the demised premises.

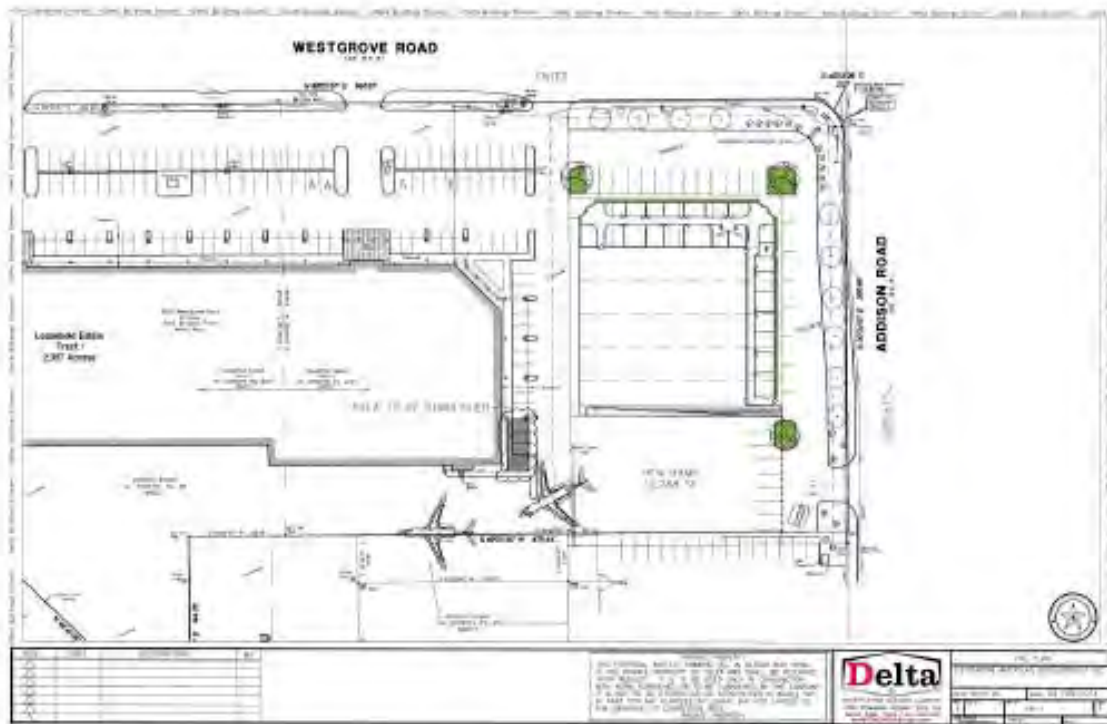


Figure 3: Site Plan for the Proposed New Building



Figure 4: Artist Rendering of Proposed New Building

- d. Modification of other various terms and conditions contained within the Ground Lease to meet the Town’s current prevailing lease standards.

3. **Reciprocal Driveway and Aircraft Ramp Ingress and Egress Agreement:** In order to maximize the use of the subject property for aviation related uses, it is necessary to provide for the shared-use and maintenance of a portion of each property. To reduce the number of curb cuts along Addison Road and Westgrove Plaza, it is proposed the two properties share the private drive that currently divides the two properties. Furthermore, Westgrove Plaza I agrees to provide unrestricted access to and across a portion of its dedicated aircraft apron to Westgrove Plaza II aircraft, giving it access to the airport common area and public-use facilities. The Ingress and Egress agreement provides that such access is being granted and the cost to maintain and repair the access areas is being shared between the two entities.



Figure 5: Yellow shaded areas depict area of the shared driveway and aircraft apron

About the Proposed Assignees: Westgrove Air Plaza I, LLC and Westgrove Air Plaza II, LLC

The two proposed assignees are each single-asset entities formed as Texas limited liability companies managed by MM Aviation Holdings, LLC, a Delaware limited liability company, Mr. Mehrdad Moayedi as Manager. MM Aviation Holdings is the sole shareholder of each of the assignees. Mr. Moayedi is currently the sole shareholder of MM Aviation Holdings.

Mr. Moayedi is president and CEO of Centurion American Development Group based in Carrollton, Texas. Centurion American Development Group acquires and improves land for the development of residential housing communities in the state of Texas. Mr. Moayedi has over 20 years of experience in the development industry with a background in construction and real estate. He formed JBM Development in 1986 and, along with Centurion American Custom Homes, formed Centurion American Development Group in 1990. The company has since diversified with residential developments ranging from affordable housing for first-time home buyers to upscale high-rise residential towers. A recent Centurion success is the completion the acquisition and completion of Dallas' Uptown Stoneleigh condo tower that sat abandoned for nearly eight years after its prior ownership ran out of funds. Most recently, the City of Dallas extended \$46.5 million in downtown TIF funds to Centurion American to aide in their proposed mixed-use redevelopment of the former Statler Hilton Hotel.

Strategic Considerations:

The Addison Airport Strategic Plan (2013) sets forth certain goals and strategies for the Town and airport management to aspire to, to further the development and improvement of Addison Airport. Among the stated goals is "to continue to enhance the airport's overall value for the benefit of the stakeholders." Among the strategies identified to achieve this goal is identifying and pursuing alternative revenue sources consistent with the Town's values as articulated in the city council's policies including, but not limited to, optimizing the airport real estate portfolio using value-driven management techniques.

The ground tenant for each property subject to this proposal intends to make improvements to their respective demised premises for the purpose of generating higher revenue and increased aeronautical operations. Westgrove Air Plaza I is proposing to expend a minimum of \$500,000 to improve the street appeal of the Westgrove Air Plaza office building as well as the interior common areas with the objective to command higher office lease rates, which translates to higher property values benefiting the Town and surrounding community. Similarly, Westgrove Air Plaza II is proposing to construct a new corporate hangar and office facility on airport land, which has remained vacant and unimproved for as long as can be remembered. The proposed hangar development is to have a minimum construction value of \$1.5 million that will enhance the Town's property and business tax base benefiting the Town, which should exceed that value several times over. Additionally, the Airport will benefit from the 14% increase in annual ground rental, added jet hangar capacity and real property improvements which should serve the Airport for years to come.

Also to be considered, unlike the original ground lease, should the ground tenant fail to commence construction on the new hangar facility within 36-months of the Amendment effective date, the Town will have the right to terminate the ground lease and take early possession of the vacant lot for its own use if so desired.

Alternatively to the proposed transaction, the Town could withhold its consent and begin planning for the reversion and takeover of the two properties upon the expiration of their current lease term in about eight years. However, after much consideration, there does not appear to be

another alternative or higher use for the properties other than the proposed use in their improved state. If the Town took possession of the properties, it would have to allocate extensive financial and operational resources to manage, improve and/or operate the properties while absorbing the market risk in doing so. Given other priorities for the Airport, the proposed transaction offers the Town and the Airport the very best opportunity by optimizing the value of the Airport's real estate portfolio in terms of increased revenue, increased hangar capacity and real property improvements made to the Airport while mitigating its operational and financial risk.

Airport Management's Conclusion and Recommendation:

Guardian Texas Management, LLC ("Guardian") is the current ground lease tenant of the airport property and building improvements located at 4570 Westgrove Drive (commonly known as the Westgrove Air Plaza, and Ground Lease #080A-27) and the vacant, unimproved lot located at the southwest corner of Addison Road and Westgrove Drive (Ground Lease #080A-29). Guardian is requesting the Town's consideration of and consent to an integrated and concurrent set of transactions and agreements between the Town intended to facilitate the improvement of Westgrove Air Plaza and the construction of a new corporate hangar/office facility on the Westgrove Drive /Addison Road corner lot.

Guardian's proposal is to assign the two properties to two single-asset entities formed and organized in the state of Texas. Each entity would simultaneously enter into, with the Town of Addison, a ground lease amendment that, among other things, provides for a lease term extension of 22 years, increased annual rental of nearly 14%, and the completion of certain building improvements to each of the demised premises. Finally, it is proposed the Town give its consent to the creation of a shared driveway and aircraft apron easement agreement to facilitate the ongoing use and maintenance of certain portions of the property common to both.

Airport Management is recommending the Town Council give its consent to the proposed transaction and authorize the City Manager to execute the required documents on behalf of the Town to facilitate the above transactions, subject to the City Attorney's review and oversight.

Exhibit "A"

Assignment of Ground Lease to Westgrove Air Plaza I, LLC

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

This Assignment of Ground Lease (the “Assignment”) is entered into and effective as of _____ 2014, by and between Guardian Texas Management, LLC, a Texas limited liability company (herein referred to as “Assignor”) and Westgrove Air Plaza I, LLC, a Texas limited liability company (herein referred to as “Assignee”).

WHEREAS, a leasehold estate was created by that certain Ground Lease dated March 2, 1981, by and among the City of Addison, Texas (the same being the Town of Addison, Texas) (the “City”) and Addison Airport of Texas, Inc., a Texas corporation (“AATI”), collectively as “Landlord”, and Texas Federal Savings & Loan, as tenant, recorded in Volume 81089, Page 1232, of the Official Public Records of Dallas County, Texas (the “OPR”), (which lease, as subsequently amended, is referred to herein as the “Lease”, the same being Ground Lease #080A-27), by the terms of which certain real property located at Addison Airport in Dallas County, Texas (being more specifically described, as amended and modified, in Exhibit “B” attached hereto and incorporated herein) was leased to Texas Federal Savings & Loan; and

WHEREAS, by that Assignment of Lease dated June 30, 1983, the Lease was assigned from Texas Federal Savings and Loan Association, as assignor, to Blakely Airport Joint Venture, as assignee, recorded in Volume 83133, Page 2164, of the OPR; and

WHEREAS, by that Assignment of Lease dated June 30, 1983, the Lease was assigned from Blakely Airport Joint Venture, as assignor, to Raleigh Blakely & Associates, Inc., as assignee, recorded in Volume 83146, Page 4024, of the OPR; and

WHEREAS, by that certain Final Plat, Blakely Airport Addition, a Replatting of Texas Federal Subdivision No. Two and Three Lease Tracts, Addison Airport recorded in Volume 84088, Page 4359 of the OPR, which plat was approved by the City on March 13, 1984 (the “Final Plat”), the land that is the subject of the Lease (identified therein as “Lease Tract No. 2” (the “Revised Property”) and certain adjacent tracts were platted as shown therein;

WHEREAS, the Lease was modified by that Amendment to Ground Lease dated May 31, 1984, between the City, AATI, and Raleigh Blakely & Associates, Inc. (the “First Amendment”), a copy of which is included at Pages 801 through 804 of that certain Assignment of Lease recorded in Volume 91211, Page 779 of the OPR, which First Amendment in part amended the description of the demised premises subject to the Lease; and

WHEREAS, by that Assignment of Lease dated May 1, 1985, the Lease was assigned from Raleigh Blakely & Associates, Inc., as assignor, to Westgrove Air Plaza Joint Venture, as assignee, a copy of a portion of which is included at Pages 797 through 798 of that certain Assignment of Lease recorded in Volume 91211, Page 779 of the OPR; and

WHEREAS, by that Substitute Trustee's Deed dated February 2, 1988, recorded in Volume 88021, Page 37 of the OPR, the Lease was conveyed to the Federal Savings and Loan Insurance Corporation, as Sole Receiver for Vernon Savings and Loan Association, FSA; and

WHEREAS, by that Assignment of Lease dated July 8, 1991, recorded in Volume 91211, Page 779 of the OPR¹ the FDIC as Receiver for Vernon Savings & Loan assigned its leasehold interest to ITEX Companies/ITEX Enterprises, Inc.; and

WHEREAS, by that Assignment and Assumption of Ground Lease dated October 8, 1991, the Lease was assigned from the Federal Deposit Insurance Corporation, as Manager of the FSLIC Resolution Fund, as Receiver for Vernon Savings and Loan Association, FSA to ITEX Enterprises, Inc., as recorded in Volume 91211, Page 635, of the OPR, and re-recorded in part in Volume 92095, Page 3294, of the OPR; and

WHEREAS, by that Assignment of Lease dated August 22, 1994, the Lease was assigned from ITEX Enterprises, Inc., as assignor, to Sky/RGS Properties Limited, as assignee, as recorded in Volume 94169, Page 171, of the OPR; and

WHEREAS, the First National Bank & Trust Co. of McAlester assumed Sky/RGS Properties, Inc.'s leasehold interest in the Lease on May 7, 1996, pursuant to that certain Trustee's Deed recorded in Volume 96090, Page 1835 of the OPR; and

WHEREAS, by that Assignment of Ground Lease dated October 15, 1997, the Lease was assigned from First National Bank & Trust Co. of McAlester (which through foreclosure assumed Sky/RGS Properties, Inc.'s interest in the Lease), as assignor, to Continental Mortgage and Equity Trust, which Assignment of Ground Lease is recorded in Volume 97206, Page 5404, of the OPR; and

WHEREAS, Transcontinental Realty Investors, Inc., successor by merger to Continental Mortgage and Equity Trust, assigned its interest in the Lease to Westgrove Air Plaza, Ltd., pursuant to that certain Assignment of Lease dated October 31, 2000, evidenced by that certain Memorandum of Lease Assignment, recorded in Volume 2000249, Page 5671, of the OPR; and

WHEREAS, the Lease was modified by that Amendment to Ground Lease made and entered into in 2000, modifying Section 9 of the Lease; and

¹ See also Assignment of Lease, recorded in Volume 91211, Page 549 of the OPR.

WHEREAS, on December 19, 2000, Westgrove Air Plaza, Ltd. executed and delivered, for the benefit of Jefferson Heritage Bank, a Deed of Trust (with a security agreement and assignment of rents), recorded in Volume 2000249, Page 5676 of the OPR, that provided for a leasehold mortgage of the Lease; and

WHEREAS, by that certain Substitute Trustee's Deed, recorded as Instrument #201100027960 of the OPR, Regions Bank, as successor in interest to Jefferson Heritage Bank, assumed Westgrove Air Plaza, Ltd.'s leasehold interest in the Lease; and

WHEREAS, by that Assignment of Ground Lease dated July 26, 2012, the Lease was assigned from Regions Bank to Guardian Texas Management, LLC, which Assignment of Ground Lease was recorded in the OPR as Document No. 201200221312; and

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

WHEREAS, a true and correct copy of the Lease, as amended, is attached hereto as Exhibit A and incorporated herein by this reference, and the correct description of the tract of land subject to the Lease (being the Revised Property) is described in Exhibit B attached hereto and incorporated herein by this reference (the said attached Lease being sometimes referred to as "Ground Lease #080A-27"); and

WHEREAS, the Lease provides that, upon the expiration or termination of the Base Lease (as defined in the Lease), 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 Lease; and

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

WHEREAS, the Assignor desires to assign its leasehold interest in the Lease to the Assignee, and the Assignee desires to accept the assignment thereof in accordance with the terms and conditions of this Assignment; and

WHEREAS, the Lease provides in Section 9 thereof that, without the prior written consent of the Landlord, the Tenant may not assign the Lease or any rights of Tenant under the Lease (except as provided therein), and that any assignment must be expressly subject to all the terms and provisions of the 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 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 Lease a true and correct copy of which is attached hereto as Exhibit A, TO HAVE AND TO HOLD the same, for the remaining term thereof, and Assignor does hereby bind itself and its successors and assigns to warrant and forever defend the same unto Assignee against every person or persons lawfully claiming an part thereof through Assignor.

2. Prior to the effective date of this Assignment, Assignee agrees to pay an Assignment Fee in the amount of Four Hundred Fifty Dollars and no/100 (\$450.00) to Landlord.

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

Westgrove Air Plaza I, LLC
c/o MM Aviation Holdings, LLC, Manager
1221 N. Interstate 35E, Suite 200
Carrollton, Texas 75006
Attention: Mehrdad Moayedi

4. Nothing in this Agreement shall be construed or be deemed to modify, alter, amend or change any term or condition of the Lease.

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

6. In the event that Assignee breaches the lease, or any portion thereof, and Assignor is called upon to perform the duties, obligations and/or responsibilities set forth in the Lease, Assignor shall have the right to cure the default. If Assignor cures such default, Assignor shall provide Assignee with written notice of the cured default, together with evidence of such cure, and Assignee shall have thirty (30) days to cure Assignor's cured default. In the event Assignee fails to cure the default within the thirty (30) day time period, this Assignment, at Assignor's sole discretion, may be deemed void and the Lease, without further action, shall be automatically re-assigned to Assignor (this Assignment being deemed void and the automatic re-assignment being subject, however, to Landlord's prior written approval in accordance with the Lease). Assignee hereby grants Assignor a power of attorney to execute any document deemed necessary by Assignor to re-assign the Lease for recordation purposes in accordance with this section.

7. The above and foregoing premises and recitals to this Assignment and all other statements made herein are true and correct and are incorporated herein and made a part hereof, and Assignor and Assignee, each for itself alone, represents (a) that the Lease history set forth in

the foregoing Recitals is true and correct to the best of their actual knowledge; and (b) that the other portions of the foregoing Recitals and all other statements included herein 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 statement. The representations and warranties contained in this Paragraph 7 are for the sole benefit of Landlord, and no other person or entity shall have any right to rely thereon.

8. The undersigned officers and/or agents of the parties hereto are the properly authorized persons and have the necessary authority to execute this Assignment on behalf of the parties hereto, 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.

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

ASSIGNOR:

ASSIGNEE:

Guardian Texas Management LLC

Westgrove Air Plaza I, LLC

By: Mehrdad Moayedi, Manager

**By: MM Aviation Holdings, LLC, Manager
Mehrdad Moayedi, Manager**

ACKNOWLEDGMENT

STATE OF TEXAS §

DALLAS COUNTY §

Before me, the undersigned, a Notary Public in and for said county in said State, on this day personally appeared Mehrdad Moayedi, Manager of Guardian Texas Management, LLC, a Texas limited liability company, and acknowledged to me that he executed said instrument for the purposes and consideration therein expressed, and as the act of said corporation.

GIVEN under my hand and seal of office this _____ day of _____, 2014.

[SEAL]

Notary Public

STATE OF TEXAS §

COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared Mehrdad Moayedi, Manager of MM Aviation Holdings, LLC, Manager of Westgrove Air Plaza I, LLC, a Texas limited liability company 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 _____, 2014.

[SEAL]

Notary Public, State of Texas

EXHIBIT A

**COPY OF GROUND LEASE AS
AMENDED AND MODIFIED**

Due to the voluminous size of the historical documents, they are not included herein.

However, they are available for review upon request.

EXHIBIT B

Legal Description and Property Survey

**LEASEHOLD ESTATE
TRACT I**

BEING a tract of land situated in the William Lomax Survey Abstract No. 792, Town of Addison, Dallas County, Texas, being a part of Addison Airport, an addition to the Town of Addison, Texas, according to the plat thereof recorded in Volume 2005131, Page 82 in the Map Records of Dallas County, Texas (MRCCT), and being all of that same tract of land identified as Tract I in Non-Disturbance Agreement recorded in Volume 2000244, Page 3227 in the Deed Records of Dallas County, Texas (DRDCT), and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod found at the intersection of the south line of Westgrove Road (60 foot right-of-way), with the east line of Claire Chennault (60 foot ingress and egress easement);

THENCE North 89 Degrees 25 Minutes 57 Seconds East, along the south line of said Westgrove Road, 300.36 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

THENCE South 00 Degrees 26 Minutes 28 Seconds East, departing the south line of said Westgrove Road, 305.68 feet to a "PK" nail set in concrete in the north line of Taxiway U;

THENCE South 89 Degrees 25 Minutes 50 Seconds West, along the north line of said Taxiway U, 69.24 feet to a "PK" nail set in concrete;

THENCE South 00 Degrees 39 Minutes 09 Seconds East, along the west line of said Taxiway U, 144.76 feet to a 60d nail found;

THENCE North 46 Degrees 41 Minutes 09 Seconds West, departing the west line of said Taxiway U, 208.29 feet to a cut 'x' found in concrete;

THENCE South 89 Degrees 56 Minutes 35 Seconds West, 88.59 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" in the east line of said Claire Chennault and lying in a non-tangent circular curve to the left having a radius of 130.00 feet;

THENCE northeasterly, along the east line of said Claire Chennault and along said curve to the left, through a central angle of 20 Degrees 43 Minutes 19 Seconds, an arc distance of 47.02 feet and having a chord which bears North 09 Degrees 43 Minutes 43 Seconds East, 46.76 feet to a "PK" nail set in concrete;

THENCE North 00 Degrees 37 Minutes 57 Seconds West, along the east line of said Claire Chennault, 259.26 feet to the **POINT of BEGINNING** and containing 2.357 acres of land.

WESTGROVE ROAD
(60' R.O.W.)

LEASEHOLD ESTATE TRACT I

BEG a tract of land situated in the William Lomax Survey Abstract No. 792, Town of Addison, Dallas County, Texas, being a part of Addison Airport, an addition to the Town of Addison, Texas, according to the plat thereof recorded in Volume 2005131, Page 82 in the Map Records of Dallas County, Texas (MRDCT), and being all of that same tract of land identified as Tract I in Non-Disturbance Agreement recorded in Volume 2000244, Page 3227 in the Deed Records of Dallas County, Texas (DRDCT), and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod found at the intersection of the south line of Westgrove Road (60' foot right-of-way), with the east line of Claire Chennault (60' foot ingress and egress easement);

THENCE North 89 Degrees 25 Minutes 57 Seconds East, along the south line of said Westgrove Road, 300.36 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

THENCE South 00 Degrees 26 Minutes 28 Seconds East, departing the south line of said Westgrove Road, 305.68 feet to a "PK" nail set in concrete in the north line of Taxway U;

THENCE South 89 Degrees 25 Minutes 50 Seconds West, along the north line of said Taxway U, 69.24 feet to a "PK" nail set in concrete;

THENCE South 00 Degrees 39 Minutes 09 Seconds East, along the west line of said Taxway U, 144.76 feet to a 60x1 nail found;

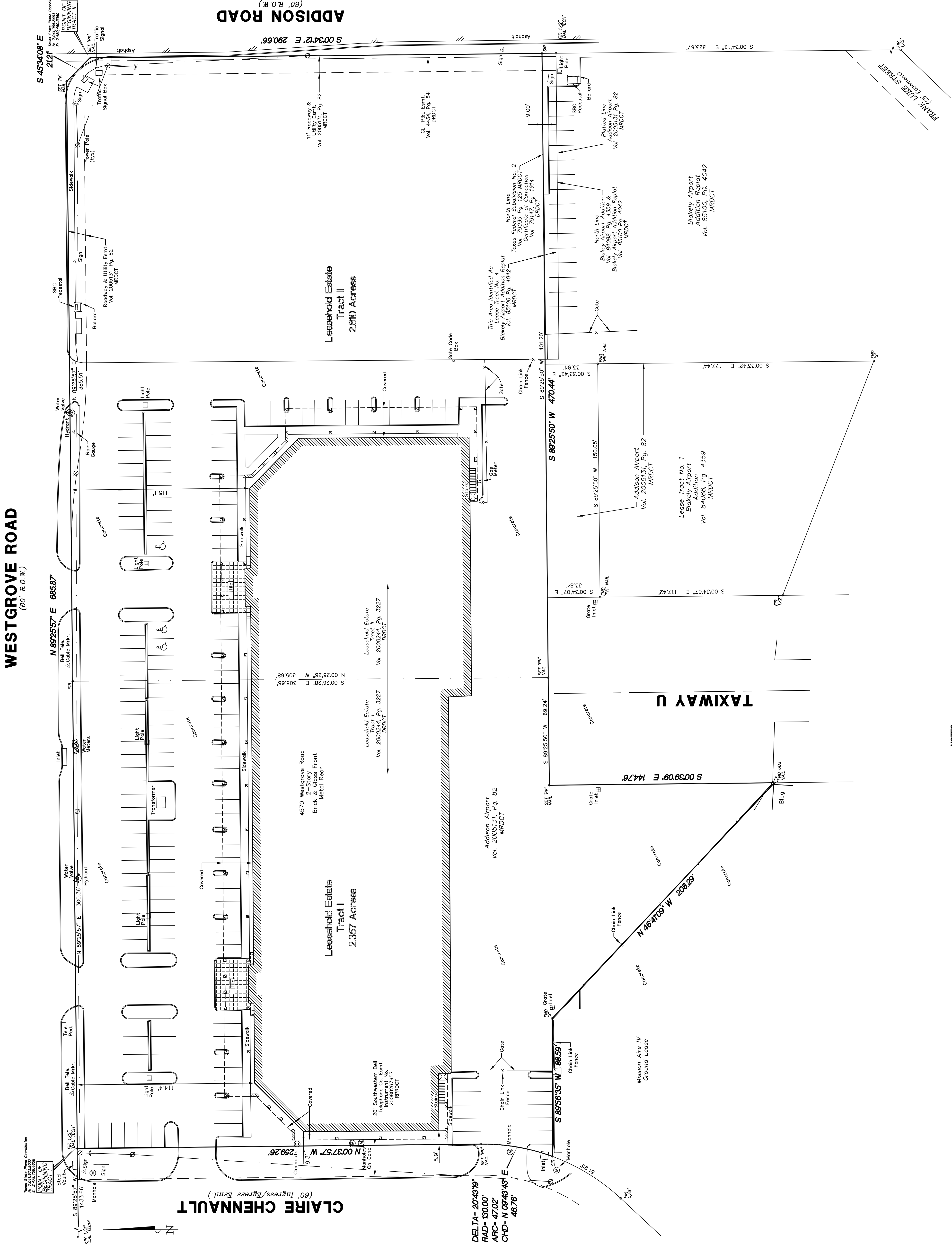
THENCE North 46 Degrees 41 Minutes 09 Seconds West, departing the west line of said Taxway U, 208.29 feet to a cut "X" found in concrete;

THENCE South 89 Degrees 56 Minutes 35 Seconds West, 86.59 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" and lying in a non-eject circular curve to the left having a radius of 130.00 feet;

THENCE northeasterly, along the east line of said Claire Chennault and along said curve to the left, through a central angle of 20 Degrees 43 Minutes 19 Seconds, an arc distance of 47.02 feet and having a chord which bears North 09 Degrees 43 Minutes 43 Seconds East, 46.76 feet to a "PK" nail set in concrete;

THENCE North 00 Degrees 57 Minutes 57 Seconds West, along the east line of said Claire Chennault, 235.20 feet to the **POINT OF BEGINNING** and containing 2.357 acres of land.

CLAIRE CHENNAULT
(60' Ingress/Egress Easmt.)



LEASEHOLD ESTATE TRACT II

BEG a tract of land situated in the William Lomax Survey Abstract No. 792, Town of Addison, Dallas County, Texas, being a part of Addison Airport, an addition to the Town of Addison, Texas, according to the plat thereof recorded in Volume 2005131, Page 82 in the Map Records of Dallas County, Texas (MRDCT), and being all of that same tract of land identified as Tract II in Non-Disturbance Agreement recorded in Volume 2000244, Page 3227 in the Deed Records of Dallas County, Texas (DRDCT), and being more particularly described as follows:

BEGINNING at a "PK" nail set in concrete at the south end of a corner clip at the intersection of the south line of Westgrove Road (60' foot right-of-way), with the west line of Addison Road (60' foot right-of-way);

THENCE South 00 Degrees 34 Minutes 12 Seconds East, along the west line of said Addison Road, 290.66 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" at the northeast corner of the Texas Federal Subdivision No. 2, an addition to the Town of Addison according to the plat thereof recorded in Volume 79039, Page 125 MRDCT;

THENCE South 89 Degrees 25 Minutes 50 Seconds West, departing the west line of said Addison Road, along the north line of said Texas Federal Subdivision No. 2, at 199.80 feet passing the northwest corner of said Texas Federal Subdivision No. 2, at 349.85 feet passing the east line of Taxway U, in all a distance of 401.20 feet to a "PK" nail set in concrete in the north line of said Taxway U;

THENCE North 00 Degrees 26 Minutes 28 Seconds West, departing the north line of said Taxway U, 305.68 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" in the south line of said Westgrove Road;

THENCE North 89 Degrees 25 Minutes 57 Seconds East, along the south line of said Westgrove Road, 305.68 feet to a "PK" nail set in concrete at the north end of said corner clip;

THENCE South 45 Degrees 34 Minutes 08 Seconds East, along said corner clip, 21.21 feet to the **POINT OF BEGINNING** and containing 2.810 acres of land.

To: Addison Airport, Guardian Texas Management, LLC and, Sendera Title, exclusively;
I, Brad Sparr, a Registered Professional Land Surveyor for Sparr Surveys, do hereby certify that this survey was made on the ground, that this drawing correctly represents the facts found at the time of survey and that this professional service conforms to the current Texas Society of Professional Land Surveyors Standards and Specifications for a Category 1A Condition II Survey.

Brad Sparr
Registered Professional
Land Surveyor No. 3701

LEASEHOLD SURVEY
A PART OF
ADDISON AIRPORT
WILLIAM LOMAX SURVEY
ABSTRACT NO. 792
TOWN OF ADDISON
DALLAS COUNTY, TEXAS

DRAWN BY: B.D.S./CAD
CHECKED BY: B.D.S.
SCALE: 1" = 20'
DATE: MAY 25, 2012
JOB NO. 17265

Sparr Surveys
2553 C.R. 722
McKinney, Texas 75069
(214) 544-2297

NOTES:
BEARINGS ORIENTED TO TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD 83 BASED ON ADDISON AIRPORT CONTROL MONUMENTS.
SIR DENOTES A 5/8" IRON ROD SET WITH PLASTIC CAP STAMPED "SPARR SURVEYS".
FR DENOTES A FOUND IRON ROD.
THIS SURVEY WAS PERFORMED IN CONNECTION WITH THE ORIGINAL SURVEY AND ERECTED SETBACKS OF SENDERA TITLE. THIS PLAT IS INVALID UNLESS IT BEARS AN ORIGINAL SIGNATURE AND ERECTED SETBACKS OF SENDERA TITLE. NO ADDITIONAL RESEARCH OR RIGHTS-OF-WAY AFFECTING THE SUBJECT PROPERTY, NO ADDITIONAL RESEARCH OR REVISIONS TO THIS SURVEY HAS BEEN PERFORMED BY SPARR SURVEYS.

CONSENT OF LANDLORD

The Town of Addison, Texas ("Landlord") is the Landlord in the Lease described in the above and foregoing Assignment of Lease (the "Assignment") entered into and effective as of the ____ day of _____, 2014, at Addison, Texas, by and between Guardian Texas Management, LLC, a Texas limited liability company, (herein referred to as "Assignor") and Westgrove Air Plaza I, LLC, a Texas limited liability company (herein referred to as "Assignee"). In executing this Consent of Landlord ("Consent"), Landlord is relying upon the provisions in the foregoing Assignment, including but not limited to the representations, statements and warranties of Assignor and Assignee, and in relying upon the same Landlord hereby consents to the foregoing Assignment from Assignor to Assignee; provided, however that notwithstanding the Assignment or any of its terms, provisions, or conditions, Landlord does not by this Consent waive any of its rights under the 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 Lease, and Assignor shall be and remain fully liable and responsible for all such covenants obligations, duties, or responsibilities. In addition, notwithstanding any provisions 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 Lease or the premises described therein without Landlord's prior written consent.

This Consent shall be and remain valid only if and provided that, by no later than 6:00 o'clock p.m. on _____, 2014:

(i) the Assignment has been fully executed and notarized by both Assignor and Assignee, and such executed and notarized original has been delivered to Bill Dyer at the address set forth below; and

(ii) all other matters in connection with the transfer, sale, and/or conveyance by Assignor to Assignee of the Assignor's interest in the Lease have been fully consummated and completed and the transaction closed as reasonably determined by Landlord (such matters including, without limitation, the full execution and finalization of this Assignment and any other documentation so required by Landlord relating to this transaction) and delivered to Landlord c/o Mr. Bill Dyer, Addison Airport Real Estate Manager, at 16051 Addison Road, Suite 220, Addison, Texas 75001. Otherwise, and failing compliance with and satisfaction of each all of paragraphs (i) and (ii) above, this Consent shall be null and void *ab initio* as if it had never been given and executed.

Signed this ____ day of _____, 2014

**LANDLORD:
TOWN OF ADDISON, TEXAS**

By: _____
Lea Dunn, City Manager

Exhibit "B"

Assignment of Ground Lease to Westgrove Air Plaza II, LLC

STATE OF TEXAS

§

ASSIGNMENT OF GROUND LEASE

§

COUNTY OF DALLAS

§

This Assignment of Ground Lease (the “Assignment”) is entered into and effective as of _____ 2014, by and between Guardian Texas Management, LLC, a Texas limited liability company (herein referred to as “Assignor”) and Westgrove Air Plaza II, LLC, a Texas limited liability company (herein referred to as “Assignee”).

WHEREAS, a leasehold estate was created by that certain Ground Lease (the “Lease”) dated March 2, 1981, by and among the City of Addison, Texas (the same being the Town of Addison, Texas) (the “City”) and Addison Airport of Texas, Inc., a Texas corporation (“AATI”), collectively as “Landlord”, and Texas Federal Savings & Loan, as tenant, recorded in Volume 81089, Page 1208, of the Official Public Records of Dallas County, Texas (the “OPR”), (which lease, as subsequently amended, the same being Ground Lease #080A-29), by the terms of which certain real property located at Addison Airport in Dallas County, Texas, as described in the lease, was leased to Texas Federal Savings & Loan; and

WHEREAS, by that Assignment of Lease dated June 30, 1983, the Lease was assigned from Texas Federal Savings and Loan Association, as assignor, to Blakely Airport Joint Venture, as assignee, recorded in Volume 83133, Page 2185, of the OPR; and

WHEREAS, by that Assignment of Lease dated June 30, 1983, the Lease was assigned from Blakely Airport Joint Venture, as assignor, to Raleigh Blakely & Associates, Inc., as assignee, recorded in Volume 83146, Page 4045, of the OPR; and

WHEREAS, by that certain Final Plat, Blakely Airport Addition, a Replatting of Texas Federal Subdivision No. Two and Three Lease Tracts, Addison Airport recorded in Volume 84088, Page 4359 of the OPR, which plat was approved by the City on March 13, 1984 (the “Final Plat”), the land that is the subject of the Lease (identified therein as “Lease Tract No. 3” (the “Revised Property”) and certain adjacent tracts were platted as shown therein;

WHEREAS, the Lease was modified by that Amendment to Ground Lease dated May 31, 1984, between the City, AATI, and Raleigh Blakely & Associates, Inc. (the “First Amendment”), a copy of which is included at Pages 809 through 812 of that certain Assignment of Lease recorded in Volume 91211, Page 779 of the OPR, which First Amendment in part amended the description of the demised premises subject to the Lease; and

WHEREAS, by that Assignment of Lease dated May 1, 1985, the Lease was assigned from Raleigh Blakely & Associates, Inc., as assignor, to Westgrove Air Plaza Joint Venture, as assignee, a copy of a portion of which is included at Pages 805 through 806 of that certain Assignment of Lease recorded in Volume 91211, Page 779 of the OPR; and

WHEREAS, by that Substitute Trustee's Deed dated February 2, 1988, recorded in Volume 88021, Page 37 of the OPR, the Lease was conveyed to the Federal Savings and Loan Insurance Corporation, as Sole Receiver for Vernon Savings and Loan Association, FSA; and

WHEREAS, by that Assignment of Lease dated July 8, 1991, recorded in Volume 91211, Page 549 of the OPR¹ the FDIC as Receiver for Vernon Savings & Loan assigned its leasehold interest to ITEX Companies/ITEX Enterprises, Inc.; and

WHEREAS, by that Assignment and Assumption of Ground Lease dated October 8, 1991, the Lease was assigned from the Federal Deposit Insurance Corporation, as Manager of the FSLIC Resolution Fund, as Receiver for Vernon Savings and Loan Association, FSA to ITEX Enterprises, Inc., as recorded in Volume 91211, Page 635, of the OPR, and re-recorded in part in Volume 92095, Page 3294, of the OPR; and

WHEREAS, by that Assignment of Lease dated August 22, 1994, the Lease was assigned from ITEX Enterprises, Inc., as assignor, to Sky/RGS Properties Limited, as assignee, as recorded in Volume 94169, Page 123, of the OPR; and

WHEREAS, the First National Bank & Trust Co. of McAlester assumed Sky/RGS Properties, Inc.'s leasehold interest in the Lease on May 7, 1996, pursuant to that certain Trustee's Deed recorded in Volume 96090, Page 1835 of the OPR; and

WHEREAS, by that Assignment of Ground Lease dated October 15, 1997, the Lease was assigned from First National Bank & Trust Co. of McAlester (which through foreclosure assumed Sky/RGS Properties, Inc.'s interest in the Lease), as assignor, to Continental Mortgage and Equity Trust, which Assignment of Ground Lease is recorded in Volume 97206, Page 5356, of the OPR; and

WHEREAS, Transcontinental Realty Investors, Inc., successor by merger to Continental Mortgage and Equity Trust, assigned its interest in the Lease to Westgrove Air Plaza, Ltd., pursuant to that certain Assignment of Lease dated October 31, 2000, evidenced by that certain Memorandum of Lease Assignment, recorded in Volume 2000249, Page 5666, of the OPR; and

WHEREAS, the Lease was modified by that Amendment to Ground Lease made and entered into in 2000, modifying Section 9 of the Lease; and

¹ See also Assignment of Lease, recorded in Volume 91211, Page 549 of the OPR.

WHEREAS, on December 19, 2000, Westgrove Air Plaza, Ltd. executed and delivered, for the benefit of Jefferson Heritage Bank, a Deed of Trust (with a security agreement and assignment of rents), recorded in Volume 2000249, Page 5676 of the OPR, that provided for a leasehold mortgage of the Lease; and

WHEREAS, by that certain Substitute Trustee's Deed, recorded as Instrument #201100027960 of the OPR, Regions Bank, as successor in interest to Jefferson Heritage Bank, assumed Westgrove Air Plaza, Ltd.'s leasehold interest in the Lease; and

WHEREAS, by that Assignment of Ground Lease dated July 26, 2012, the Lease was assigned from Regions Bank to Guardian Texas Management, LLC, which Assignment of Ground Lease was recorded in the OPR as Document No. 201200221311.

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

WHEREAS, a true and correct copy of the Lease, as amended, is attached hereto as Exhibit A and incorporated herein by this reference, and the correct description of the tract of land subject to the Lease (being the Revised Property) is described in Exhibit B attached hereto and incorporated herein by this reference (the said attached Lease being sometimes referred to as "Ground Lease #080A-29"); and

WHEREAS, the Lease provides that, upon the expiration or termination of the Base Lease (as defined in the Lease), 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 Lease; and

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

WHEREAS, the Assignor desires to assign its leasehold interest in the Lease to the Assignee, and the Assignee desires to accept the assignment thereof in accordance with the terms and conditions of this Assignment; and

WHEREAS, the Lease provides in Section 9 thereof that, without the prior written consent of the Landlord, the Tenant may not assign the Lease or any rights of Tenant under the Lease (except as provided therein), and that any assignment must be expressly subject to all the terms and provisions of the 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 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 Lease a true and correct copy of which is attached hereto as Exhibit A, TO HAVE AND TO HOLD the same, for the remaining term thereof, and Assignor does hereby bind itself and its successors and assigns to warrant and forever defend the same unto Assignee against every person or persons lawfully claiming an part thereof through Assignor.

2. Prior to the effective date of this Assignment, Assignee agrees to pay an Assignment Fee in the amount of Four Hundred Fifty Dollars and no/100 (\$450.00) to Landlord.

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

Westgrove Air Plaza II, LLC
c/o MM Aviation Holdings, LLC, Manager
1221 N. Interstate 35E, Suite 200
Carrollton, Texas 75006
Attention: Mehrdad Moayedi

4. Nothing in this Agreement shall be construed or be deemed to modify, alter, amend or change any term or condition of the Lease.

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

6. In the event that Assignee breaches the lease, or any portion thereof, and Assignor is called upon to perform the duties, obligations and/or responsibilities set forth in the Lease, Assignor shall have the right to cure the default. If Assignor cures such default, Assignor shall provide Assignee with written notice of the cured default, together with evidence of such cure, and Assignee shall have thirty (30) days to cure Assignor's cured default. In the event Assignee fails to cure the default within the thirty (30) day time period, this Assignment, at Assignor's sole discretion, may be deemed void and the Lease, without further action, shall be automatically re-assigned to Assignor (this Assignment being deemed void and the automatic re-assignment being subject, however, to Landlord's prior written approval in accordance with the Lease). Assignee hereby grants Assignor a power of attorney to execute any document deemed necessary by Assignor to re-assign the Lease for recordation purposes in accordance with this section.

7. The above and foregoing premises and recitals to this Assignment and all other statements made herein are true and correct and are incorporated herein and made a part hereof, and Assignor and Assignee, each for itself alone, represents (a) that the Lease history set forth in

the foregoing Recitals is true and correct to the best of their actual knowledge; and (b) that the other portions of the foregoing Recitals and all other statements included herein 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 statement. The representations and warranties contained in this Paragraph 7 are for the sole benefit of Landlord, and no other person or entity shall have any right to rely thereon.

8. The undersigned officers and/or agents of the parties hereto are the properly authorized persons and have the necessary authority to execute this Assignment on behalf of the parties hereto, 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.

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

ASSIGNOR:

ASSIGNEE:

Guardian Texas Management LLC

Westgrove Air Plaza II, LLC

By: Mehrdad Moayedi, Manager

**By: MM Aviation Holdings, LLC, Manager
Mehrdad Moayedi, Manager**

ACKNOWLEDGMENT

STATE OF TEXAS §

DALLAS COUNTY §

Before me, the undersigned, a Notary Public in and for said county in said State, on this day personally appeared Mehrdad Moayedi, Manager of Guardian Texas Management, LLC, a Texas limited liability company, and acknowledged to me that he executed said instrument for the purposes and consideration therein expressed, and as the act of said corporation.

GIVEN under my hand and seal of office this _____ day of _____, 2014.

[SEAL]

Notary Public

STATE OF TEXAS §

COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared Mehrdad Moayedi, Manager of MM Aviation Holdings, LLC, Manager of Westgrove Air Plaza II, LLC, a Texas limited liability company 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 _____, 2014.

[SEAL]

Notary Public, State of Texas

EXHIBIT A

**COPY OF GROUND LEASE AS
AMENDED AND MODIFIED**

Due to the voluminous size of the historical documents, they are not included herein.

However, they are available for review upon request.

EXHIBIT B

Legal Description and Property Survey

**LEASEHOLD ESTATE
TRACT II**

B E I N G a tract of land situated in the William Lomax Survey Abstract No. 792, Town of Addison, Dallas County, Texas, being a part of Addison Airport, an addition to the Town of Addison, Texas, according to the plat thereof recorded in Volume 2005131, Page 82 in the Map Records of Dallas County, Texas (MRDCT), and being all of that same tract of land identified as Tract II in Non-Disturbance Agreement recorded in Volume 2000244, Page 3227 in the Deed Records of Dallas County, Texas (DRDCT), and being more particularly described as follows:

B E G I N N I N G at a "PK" nail set in concrete at the south end of a corner clip at the intersection of the south line of Westgrove Road (60 foot right-of-way), with the west line of Addison Road (60 foot right-of-way);

T H E N C E South 00 Degrees 34 Minutes 12 Seconds East, along the west line of said Addison Road, 290.66 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" at the northeast corner of the Texas Federal Subdivision No. 2, an addition to the Town of Addison according to the plat thereof recorded in Volume 79039, Page 125 MRDCT;

T H E N C E South 89 Degrees 25 Minutes 50 Seconds West, departing the west line of said Addison Road, along the north line of said Texas Federal Subdivision No. 2, at 199.80 feet passing the northwest corner of said Texas Federal Subdivision No. 2, at 349.85 feet passing the east line of Taxiway U, in all a distance of 401.20 feet to a "PK" nail set in concrete in the north line of said Taxiway U;

T H E N C E North 00 Degrees 26 Minutes 28 Seconds West, departing the north line of said Taxiway U, 305.68 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" in the south line of said Westgrove Road;

T H E N C E North 89 Degrees 25 Minutes 57 Seconds East, along the south line of said Westgrove Road, 385.51 feet to a "PK" nail set in concrete at the north end of said corner clip;

T H E N C E South 45 Degrees 34 Minutes 08 Seconds East, along said corner clip, 21.21 feet to the **P O I N T o f B E G I N N I N G** and containing 2.810 acres of land.

WESTGROVE ROAD
(60' R.O.W.)

LEASEHOLD ESTATE TRACT I

BEG a tract of land situated in the William Lomax Survey Abstract No. 792, Town of Addison, Dallas County, Texas, being a part of Addison Airport, an addition to the Town of Addison, Texas, according to the plat thereof recorded in Volume 2005131, Page 82 in the Map Records of Dallas County, Texas (MRDCT), and being all of that same tract of land identified as Tract I in Non-Disturbance Agreement recorded in Volume 2000244, Page 3227 in the Deed Records of Dallas County, Texas (DRDCT), and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod found at the intersection of the south line of Westgrove Road (60' foot right-of-way), with the east line of Claire Chennault (60' foot ingress and egress easement);

THENCE North 89 Degrees 25 Minutes 57 Seconds East, along the south line of said Westgrove Road, 300.36 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

THENCE South 00 Degrees 26 Minutes 28 Seconds East, departing the south line of said Westgrove Road, 305.68 feet to a "PK" nail set in concrete in the north line of Taxway U;

THENCE South 89 Degrees 25 Minutes 50 Seconds West, along the north line of said Taxway U, 69.24 feet to a "PK" nail set in concrete;

THENCE South 00 Degrees 39 Minutes 09 Seconds East, along the west line of said Taxway U, 144.76 feet to a 60x1 nail found;

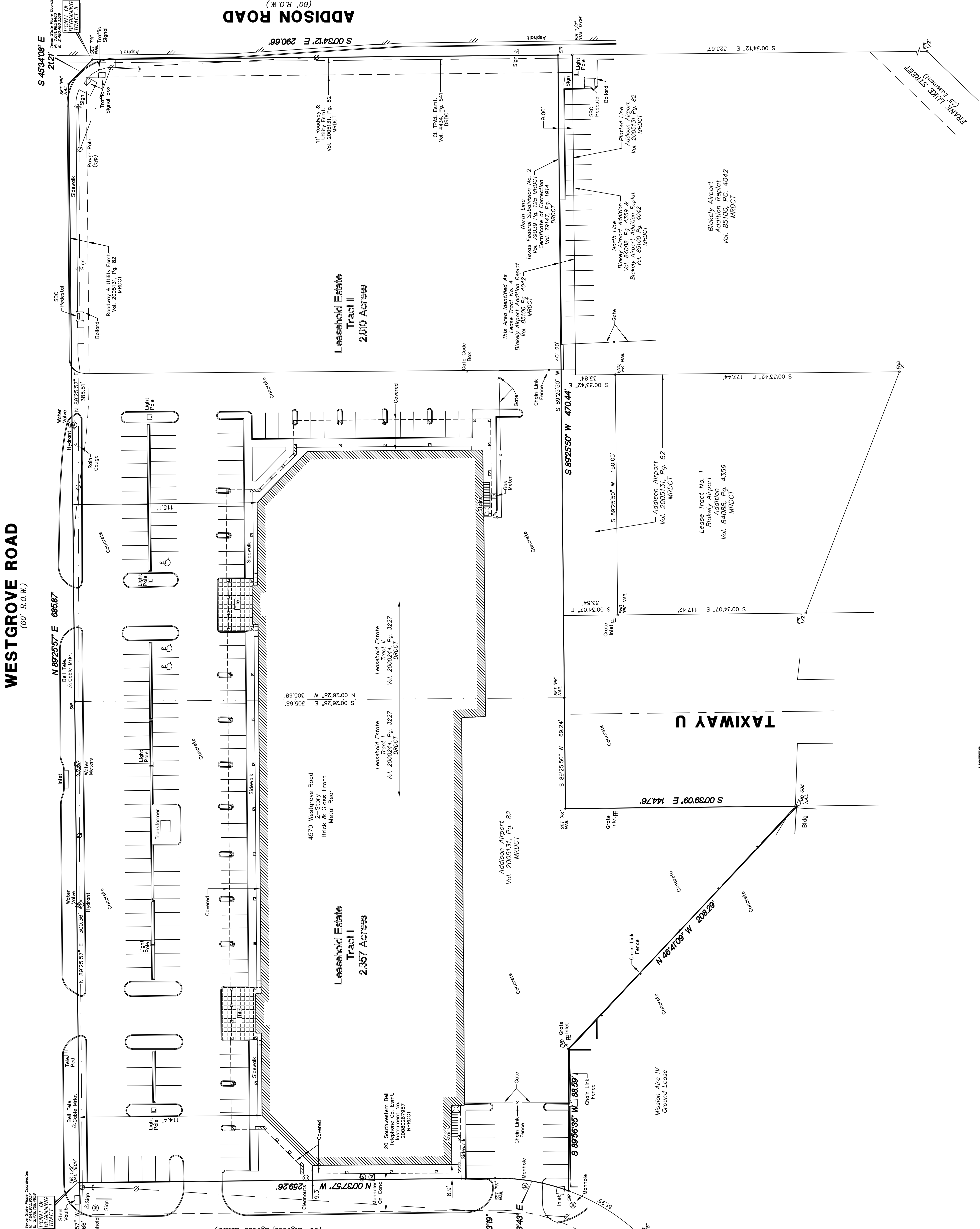
THENCE North 46 Degrees 41 Minutes 09 Seconds West, departing the west line of said Taxway U, 208.29 feet to a cut "X" found in concrete;

THENCE South 89 Degrees 56 Minutes 35 Seconds West, 86.59 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" and lying in a non-eject circular curve to the left having a radius of 130.00 feet;

THENCE northeasterly, along the east line of said Claire Chennault and along said curve to the left, through a central angle of 20 Degrees 43 Minutes 19 Seconds, an arc distance of 47.02 feet and having a chord which bears North 09 Degrees 43 Minutes 43 Seconds East, 46.76 feet to a "PK" nail set in concrete;

THENCE North 00 Degrees 57 Minutes 57 Seconds West, along the east line of said Claire Chennault, 235.20 feet to the **POINT OF BEGINNING** and containing 2.357 acres of land.

CLAIRE CHENNAULT
(60' Ingress/Egress Easmt.)



Leasehold Estate Tract I
2,357 Acres

Leasehold Estate Tract II
2,810 Acres

LEASEHOLD ESTATE TRACT II

BEG a tract of land situated in the William Lomax Survey Abstract No. 792, Town of Addison, Dallas County, Texas, being a part of Addison Airport, an addition to the Town of Addison, Texas, according to the plat thereof recorded in Volume 2005131, Page 82 in the Map Records of Dallas County, Texas (MRDCT), and being all of that same tract of land identified as Tract II in Non-Disturbance Agreement recorded in Volume 2000244, Page 3227 in the Deed Records of Dallas County, Texas (DRDCT), and being more particularly described as follows:

BEGINNING at a "PK" nail set in concrete at the south end of a corner clip at the intersection of the south line of Westgrove Road (60' foot right-of-way), with the west line of Addison Road (60' foot right-of-way);

THENCE South 00 Degrees 34 Minutes 12 Seconds East, along the west line of said Addison Road, 290.66 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" at the northeast corner of the Texas Federal Subdivision No. 2, an addition to the Town of Addison according to the plat thereof recorded in Volume 79039, Page 125 MRDCT;

THENCE South 89 Degrees 25 Minutes 50 Seconds West, departing the west line of said Addison Road, along the north line of said Texas Federal Subdivision No. 2, at 199.80 feet passing the northwest corner of said Texas Federal Subdivision No. 2, at 349.85 feet passing the east line of Taxway U, in all a distance of 401.20 feet to a "PK" nail set in concrete in the north line of said Taxway U;

THENCE North 00 Degrees 26 Minutes 28 Seconds West, departing the north line of said Taxway U, 305.68 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" in the south line of said Westgrove Road;

THENCE North 89 Degrees 25 Minutes 57 Seconds East, along the south line of said Westgrove Road, 305.68 feet to a "PK" nail set in concrete at the north end of said corner clip;

THENCE South 45 Degrees 34 Minutes 08 Seconds East, along said corner clip, 21.21 feet to the **POINT OF BEGINNING** and containing 2.810 acres of land.

LEASEHOLD SURVEY
A PART OF
ADDISON AIRPORT
WILLIAM LOMAX SURVEY
ABSTRACT NO. 792
TOWN OF ADDISON
DALLAS COUNTY, TEXAS

DRAWN BY: B.D.S./CAD
CHECKED BY: B.D.S.
SCALE: 1" = 20'
DATE: MAY 25, 2012
JOB NO. 17265

BRAD SPARR
Registered Professional
Land Surveyor No. 3701

Sparr Surveys
2553 C.R. 722
McKinney, Texas 75069
(214) 544-2297

NOTES:
BEARINGS ORIENTED TO TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD 83 BASED ON ADDISON AIRPORT CONTROL MONUMENTS.
SIR DENOTES A 5/8" IRON ROD SET WITH PLASTIC CAP STAMPED "SPARR SURVEYS".
FR DENOTES A FOUND IRON ROD.
THIS SURVEY WAS PERFORMED IN CONNECTION WITH THE TITLE COMMITMENT ISSUED BY SENECA TITLE COMPANY, INC. FOR THE REAR DRIVEWAY EASEMENT, RESTRICTIONS, OR RIGHTS-OF-WAY AFFECTING THE SUBJECT PROPERTY. NO ADDITIONAL RESEARCH OR REVISIONS TO THIS SURVEY WERE PERFORMED BY SPARR SURVEYS.

To: Addison Airport, Guardian Texas Management, LLC and, Sendera Title, exclusively;
I, Brad Sparr, a Registered Professional Land Surveyor for Sparr Surveys, do hereby certify that this survey was made on the ground, that this drawing correctly represents the facts found at the time of survey and that this professional service conforms to the current Texas Society of Professional Land Surveyors Standards and Specifications for a Category 1A Condition II Survey.

CONSENT OF LANDLORD

The Town of Addison, Texas ("Landlord") is the Landlord in the Lease described in the above and foregoing Assignment of Lease (the "Assignment") entered into and effective as of the ____ day of _____, 2014, at Addison, Texas, by and between Guardian Texas Management, LLC, a Texas limited liability company, (herein referred to as "Assignor") and Westgrove Air Plaza II, LLC, a Texas limited liability company (herein referred to as "Assignee"). In executing this Consent of Landlord ("Consent"), Landlord is relying upon the provisions in the foregoing Assignment, including but not limited to the representations, statements and warranties of Assignor and Assignee, and in relying upon the same Landlord hereby consents to the foregoing Assignment from Assignor to Assignee; provided, however that notwithstanding the Assignment or any of its terms, provisions, or conditions, Landlord does not by this Consent waive any of its rights under the 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 Lease, and Assignor shall be and remain fully liable and responsible for all such covenants obligations, duties, or responsibilities. In addition, notwithstanding any provisions 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 Lease or the premises described therein without Landlord's prior written consent.

This Consent shall be and remain valid only if and provided that, by no later than 6:00 o'clock p.m. on _____, 2014:

(i) the Assignment has been fully executed and notarized by both Assignor and Assignee, and such executed and notarized original has been delivered to Bill Dyer at the address set forth below; and

(ii) all other matters in connection with the transfer, sale, and/or conveyance by Assignor to Assignee of the Assignor's interest in the Lease have been fully consummated and completed and the transaction closed as reasonably determined by Landlord (such matters including, without limitation, the full execution and finalization of this Assignment and any other documentation so required by Landlord relating to this transaction) and delivered to Landlord c/o Mr. Bill Dyer, Addison Airport Real Estate Manager, at 16051 Addison Road, Suite 220, Addison, Texas 75001. Otherwise, and failing compliance with and satisfaction of each all of paragraphs (i) and (ii) above, this Consent shall be null and void *ab initio* as if it had never been given and executed.

Signed this ____ day of _____, 2014

**LANDLORD:
TOWN OF ADDISON, TEXAS**

By: _____
Lea Dunn, City Manager

Exhibit "C"

Proposed Third Amendment to Ground Lease with Westgrove Air Plaza I, LLC

STATE OF TEXAS §
 § **THIRD AMENDMENT**
COUNTY OF DALLAS § **TO GROUND LEASE**

This Third Amendment to Ground Lease (hereinafter referred to as the "Third Amendment") is entered into and effective as of _____ 2014, (the "Effective Date"), between the Town of Addison, Texas, a home-rule municipality (hereinafter sometimes referred to as the "Landlord" or the "City", and Westgrove Air Plaza I, LLC, a Texas limited liability company (herein referred to as "Tenant").

WHEREAS, a leasehold estate was created by that certain Ground Lease dated March 2, 1981, by and among the City of Addison, Texas (the same being the Town of Addison, Texas), Addison Airport of Texas, Inc., a Texas corporation ("AATI"), collectively as "Landlord", and Texas Federal Savings & Loan, as tenant, recorded in Volume 81089, Page 1232, of the Official Public Records of Dallas County, Texas (the "OPR"), (which lease, as subsequently amended or modified is referred to herein as the "Lease", the same being Ground Lease #080A-27), by the terms of which certain real property located at Addison Airport in Dallas County, Texas (being more specifically described, as amended and modified, in Exhibit "B" attached hereto and incorporated herein) was leased to Texas Federal Savings & Loan; and

WHEREAS, by that Assignment of Lease dated June 30, 1983, the Lease was assigned from Texas Federal Savings and Loan Association, as assignor, to Blakely Airport Joint Venture, as assignee, recorded in Volume 83133, Page 2164, of the OPR; and

WHEREAS, by that Assignment of Lease dated June 30, 1983, the Lease was assigned from Blakely Airport Joint Venture, as assignor, to Raleigh Blakely & Associates, Inc., as assignee, recorded in Volume 83146, Page 4024, of the OPR; and

WHEREAS, by that certain Final Plat, Blakely Airport Addition, a Replatting of Texas Federal Subdivision No. Two and Three Lease Tracts, Addison Airport recorded in Volume 84088, Page 4359 of the OPR, which plat was approved by the City on March 13, 1984 (the "Final Plat"), the land that is the subject of the Lease (identified therein as "Lease Tract No. 2" (the "Revised Property") and certain adjacent tracts were platted as shown therein;

WHEREAS, the Lease was modified by that Amendment to Ground Lease dated May 31, 1984, between the City, AATI, and Raleigh Blakely & Associates, Inc. (the "First Amendment"), a copy of which is included at Pages 801 through 804 of that certain Assignment of Lease recorded in Volume 91211, Page 779 of the OPR, which First Amendment in part amended the description of the demised premises subject to the Lease;

WHEREAS, by that Assignment of Lease dated May 1, 1985, the Lease was assigned from Raleigh Blakely & Associates, Inc., as assignor, to Westgrove Air Plaza Joint Venture, as assignee a copy of a portion of which is included at Pages 797 through 798 of that certain Assignment of Lease recorded in Volume 91211, Page 779 of the OPR; and

WHEREAS, by that Substitute Trustee's Deed dated February 2, 1988, recorded in Volume 88021, Page 37 of the OPR, the Lease was conveyed to the Federal Savings and Loan Insurance Corporation, as Sole Receiver for Vernon Savings and Loan Association, FSA; and

WHEREAS, by that Assignment of Lease dated July 8, 1991, recorded in Volume 91211, Page 779 of the OPR¹ the FDIC as Receiver for Vernon Savings & Loan assigned its leasehold interest to ITEX Companies/ITEX Enterprises, Inc.; and

WHEREAS, by that Assignment and Assumption of Ground Lease dated October 8, 1991, the Lease was assigned from the Federal Deposit Insurance Corporation, as Manager of the FSLIC Resolution Fund, as Receiver for Vernon Savings and Loan Association, FSA to ITEX Enterprises, Inc., as recorded in Volume 91211, Page 635, of the OPR, and re-recorded in part in Volume 92095, Page 3294, of the OPR; and

WHEREAS, by that Assignment of Lease dated August 22, 1994, the Lease was assigned from ITEX Enterprises, Inc., as assignor, to Sky/RGS Properties Limited, as assignee, as recorded in Volume 94169, Page 171, of the OPR; and

WHEREAS, the First National Bank & Trust Co. of McAlester assumed Sky/RGS Properties, Inc.'s leasehold interest in the Lease on May 7, 1996, pursuant to that certain Trustee's Deed recorded in Volume 96090, Page 1835 of the OPR; and

WHEREAS, by that Assignment of Ground Lease dated October 15, 1997, the Lease was assigned from First National Bank & Trust Co. of McAlester (which through foreclosure assumed Sky/RGS Properties, Inc.'s interest in the Lease), as assignor, to Continental Mortgage and Equity Trust, which Assignment of Ground Lease is recorded in Volume 97206, Page 5404, of the OPR; and

WHEREAS, Transcontinental Realty Investors, Inc., successor by merger to Continental Mortgage and Equity Trust, assigned its interest in the Lease to Westgrove Air Plaza, Ltd., pursuant to that certain Assignment of Lease dated October 31, 2000, evidenced by that certain Memorandum of Lease Assignment, recorded in Volume 2000249, Page 5671, of the OPR; and

¹ See also Assignment of Lease, recorded in Volume 91211, Page 549 of the OPR.

WHEREAS, the Lease was modified by that Amendment to Ground Lease made and entered into in 2000, modifying Section 9 of the Lease; and

WHEREAS, on December 19, 2000, Westgrove Air Plaza, Ltd. executed and delivered, for the benefit of Jefferson Heritage Bank, a Deed of Trust (with a security agreement and assignment of rents), recorded in Volume 2000249, Page 5676 of the OPR, that provided for a leasehold mortgage of the Lease; and

WHEREAS, by that certain Substitute Trustee's Deed, recorded as Instrument #201100027960 of the OPR, Regions Bank, as successor in interest to Jefferson Heritage Bank, assumed Westgrove Air Plaza, Ltd.'s leasehold interest in the Lease; and

WHEREAS, by that Assignment of Ground Lease dated July 26, 2012, the Lease was assigned from Regions Bank to Guardian Texas Management, LLC, which Assignment of Ground Lease was recorded in the OPR as Instrument No. 201200221312; and

WHEREAS, by that Assignment of Ground Lease dated _____, 2014, recorded as Instrument # _____ of the OPR, the Lease was assigned from Guardian Texas Management, LLC to Westgrove Air Plaza I, LLC a Texas limited liability company; and

WHEREAS, by virtue of such assignments, amendments and/or modifications made to the Lease, Westgrove Air Plaza I, LLC is the Tenant under the Lease; and

WHEREAS, the Lease provides that, upon the expiration or termination of that certain agreement referred to and defined in the 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 Lease; and

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

WHEREAS, a true and correct copy of the Lease, together with all the above referenced assignments, amendments and modifications thereto, is attached to this Third Amendment as Exhibit "A"; and

WHEREAS, Landlord and Tenant desire and mutually agree to amend this Ground Lease #080A-27 to affirm or modify the demised premises, rental, lease term and other terms and conditions of the Lease as set forth herein.

NOW, THEREFORE, for and in consideration of the above and foregoing premises, the sum of Ten and No/100 Dollars (\$10.00), and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Town of Addison,

Texas and Westgrove Air Plaza I, LLC, a Texas limited liability company, do hereby agree as follows:

Section 1. Incorporation of Premises; Tenant Representations. The above and foregoing premises and recitals are true and correct and are incorporated herein and made a part of this Third Amendment for all purposes.

In connection with the Ground Lease and this Third Amendment and as a part thereof, Tenant represents and warrants to Landlord that Tenant: (i) is a company duly organized, validly existing and in good standing under the laws of the State of Texas, and shall remain in good standing throughout the term of this Agreement; (ii) it has the requisite power and authority to carry on its business as it is now being conducted; (iii) it has the legal capacity to enter into this Agreement; and, (iv) the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated by this Agreement have been authorized and approved by all action required on the part of the Tenant.

Section 2. Amendments and Modifications to Ground Lease. The Ground Lease, as described in the above and foregoing recitals, is hereby amended and modified as follows:

A. Term Adjustment.

The Term of the Lease, currently scheduled to end on February 27, 2022, shall hereby be extended an additional 264 months so it shall now end on February 27, 2044 ("the First Lease Extension Period") but still subject to the termination provisions of the Ground Lease. The First Lease Extension Period shall become effective, provided Tenant first complies with each of the following terms and conditions:

1. Within twenty-four (24) months of the Effective Date set forth above (the "Improvement Period"), Tenant shall have completed at its sole cost and expense the remodeling and renovation of the existing building improvements upon the Demised Premises as further described in Exhibit "C" attached hereto and referenced herein (the "Improvements");

2. Tenant shall, prior to the construction of the Improvements or any other facilities or improvements on the Demised Premises, present to Landlord for Landlord's review and consideration of approval, the plans and specifications for the construction of the Improvements or any other improvements or facilities (the "Plans and Specifications"). For purposes of this subparagraph (ii), Plans and Specifications shall be approved by Landlord or, by the Town of Addison City Manager's designee, and all such approvals shall not be unreasonably withheld or delayed in any manner. All construction of the Improvements and any other facilities or improvements shall be substantially in accordance with the approved Plans and Specifications, and such construction shall be in a first class, workmanlike manner. Tenant shall promptly pay and discharge (or provide

adequate bond or escrow funds with regard to any disputed amounts) all costs, expenses, claims for damages, liens and any and all other liabilities and obligations that arise in connection with any such construction; completed upon the issuance by the Town of Addison, Texas of a Certificate of Occupancy for such Improvements, and the certification by Tenant's licensed architect or engineer that the Improvements have been completed in substantial conformance with the Plans and Specifications;

3. Tenant agrees that it will contribute no less than **\$500,000.00** towards the cost of the construction of the Improvements. If Landlord requests, Tenant shall provide Landlord with reasonable evidence of the costs and expenses contributed by Tenant to the construction and completion of the Improvements up to the completion of the Improvements;

4. Tenant shall not, at the time of the issuance of the letter described in subparagraph (7.) below, then be in default of any provisions of the Ground Lease beyond any applicable cure period;

5. Upon the final completion of the Improvements as defined in this Section 2 and, if requested, the presentation of evidence satisfactory to Landlord of the cost of the completed Improvements, the terms and conditions prerequisite to the First Lease Extension Period as stated above shall be deemed to have been fulfilled, and the Lease Extension Period shall thereafter be in effect;

6. Tenant's failure to complete the Improvements within the Improvement Period shall cause, without further action or notice by Landlord, the Term of the Lease to be extended by only **120 months** so that the Term of the Ground Lease shall end on February 27, 2032 but still subject to the termination provisions of the Ground Lease as amended or modified;

7. Within thirty (30) days following the end of the Improvement Period Landlord and Tenant mutually agree to execute and deliver a Memorandum of Lease Extension Period affirming the modified Term pursuant to this Section 2.A, which is to be filed in the Dallas County, Texas Official Public Records accordingly.

B. Amendment to Description of Demised Premises.

The description of the Demised Premises leased to Tenant as set forth in the Lease is hereby amended so that the Demised Premises shall hereafter comprise of 3.825 acres of land more fully described in Exhibit C attached to this Third Amendment and incorporated herein (the "Demised Premises"); provided, however, the said Demised Premises described in the attached Exhibit C and the lease thereof are subject to any and all (i) federal, state, and local laws, statutes, constitutional provisions, charters, ordinances, codes, rules, regulations, directives, policies, permits, standards, and orders (including, without limitation, court orders) 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, (ii) restrictive covenants, mortgages, taxes, easements, licenses, encroachments, leases, deeds of trust, liens, mortgages, restrictions, and all other encumbrances or title exceptions, whether of record or not, and including, without limitation, items or matters which are visible or apparent from an inspection, which affect the Demised Premises.

C. Amendment to Rental. Section 4 of the Ground Lease is modified in accordance with the following:

Rent for the Demised Premises as amended hereby shall be in an annual amount equal to the product of the number of gross square feet of the Demised Premises (the number of gross square feet of the demised premises as set forth in **Exhibit C** to this Third Amendment being 166,617 square feet) multiplied by \$0.61721 per gross square foot (**166,617** square feet times **\$0.61721** per gross square foot equals annual rent amount of One Hundred and Two Thousand Eight Hundred Thirty-Seven Dollars and 68/100 \$102,837.68) (the "Rent" or "Annual Rent"), which Rent is subject to adjustment as set forth in the Ground Lease. Without offset or deduction, Rent shall be paid in advance in monthly installments on or before the first day of each calendar month, each such installment determined by dividing the annual rental amount by twelve (12), with the first such installment due on or before the first day of the first calendar month following the Effective Date of this Third Amendment.

D. Amendment to Adjustment of Rental. Section 5 of the Ground Lease is amended in its entirety to read as follows:

Adjustment of Rental: Commencing on March 1, 2016 and on every second anniversary thereafter (hereinafter referred to as the "Adjustment Date"), the Annual Rent due under Section 4, as amended herein, shall be adjusted as follows:

1. Annual 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 Effective Date of this Amendment. The current index ("Current Index") is the Consumer Price Index on the first day of the calendar month preceding the then applicable Adjustment Date.
2. Beginning with the first full month following the then applicable Adjustment Date, the Annual Rent shall be adjusted so that it equals the product

of the Annual Rent amount during the first year of this Third Amendment (such amount being \$102,837.68) 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 Annual Rent ever be decreased below the Annual Rent set forth in Section 4., as amended (such Annual Rent being \$102,837.38). Without offset or deduction, Annual Rent shall be paid in advance in monthly installments on or before the first day of each calendar month, determined by dividing the Annual Rental amount by twelve (12), with the first such installment due on or before the first day of the first calendar month following the Adjustment Date

3. 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.

E. Amendment to Use of Demised Premises and Construction of Improvements.
Section 6 of the Ground Lease is amended in its entirety to read as follows:

A. Use of the Demised Premises:

1. The Demised Premises shall be used and occupied by Tenant only for the following purposes: sale of aircraft and aircraft parts; aircraft maintenance and repair, aircraft storage; aircraft training, aircraft charter; aircraft rentals; general commercial office; and not otherwise without the prior written consent of Landlord.

2. The Demised Premises shall not be used for any purpose or activity that (i) constitutes a violation of any federal, state, or local laws, ordinances, orders, directives, charters, rules, regulations, standards or policies), (ii) in Landlord's opinion, creates or would create a nuisance or waste, or unreasonably disturb, annoy or interfere with other tenants or users of the Airport, or (iii) increases insurance costs for Landlord.

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

4. Tenant acknowledges that Landlord is bound by, and this Ground Lease is subject to, 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, including, without limitation, 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. Tenant agrees not

to act or fail to act in any way or manner that would cause Landlord to be in violation of any of the foregoing.

5. 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 the Demised Premises; (ii) that in the construction of any improvements on, over or under the Demised Premises 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 Demised 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.

6. Tenant agrees to furnish service on a fair, equal, and not unjustly 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.

B. Construction of Improvements.

1. In connection with the use and occupancy of the Demised Premises by Tenant, Tenant shall cause to be constructed on the Demised 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 shall be submitted to and subject to the approval of Landlord. The term "Building Improvements" shall mean those real property and structural improvements that have been made and exist on the Demised Premises as of the Effective Date of this Third Amendment ("Existing Building Improvements"), and any other buildings or improvements made to, or installed, located or placed upon, the Demised Premises any time during the Term. Except as provided for in this Agreement, Tenant may not construct, locate, install, place or erect any other improvements upon the Demised Premises without the prior written consent of Landlord.

2. Except with regard to Existing Building Improvements now existing, the Building Improvements (including any modifications or changes to the Existing Building Improvements) shall be constructed on the Demised Premises in accordance with plans and specifications prepared by an architect and/or engineer selected by Tenant (the "Design Plan"), which Design Plan shall be submitted to Landlord and approved in writing by Landlord by the issuance of a Building Permit or other means as determined 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 incidental, special, and 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 MANAGER, AND THEIR RESPECTIVE OFFICIALS, OFFICERS, EMPLOYEES AND AGENTS (IN BOTH THEIR OFFICIAL AND PRIVATE CAPACITIES) (THE "INDEMNIFIED PARTIES")** FROM AND AGAINST ANY AND ALL SUCH COSTS, EXPENSES, CLAIMS, DAMAGES, PENALTIES, FINES, LIENS LIABILITIES, AND OBLIGATIONS (TOGETHER, FOR PURPOSES OF THIS SUBSECTION, THE "DAMAGES"), **INCLUDING SUCH COSTS, EXPENSES, CLAIMS, DAMAGES, PENALTIES, FINES, LIENS LIABILITIES, AND OBLIGATIONS WHICH ARE ALLEGED OR FOUND TO HAVE BEEN CAUSED BY OR RESULT FROM, IN WHOLE OR IN PART, THE NEGLIGENCE OF ANY OF THE INDEMNIFIED PARTIES (BUT NOT THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE INDEMNIFIED PARTIES), OR CONDUCT BY THE INDEMNIFIED PERSONS THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND, OR THE VIOLATION OF ANY TERM OF THE LEASE WITHOUT LIMITATION. HOWEVER, TO THE EXTENT GROSS NEGLIGENCE AND/OR WILLFUL MISCONDUCT ARE ALLEGED SIMULTANEOUSLY WITH CLAIMS REQUIRING DEFENSE AND INDEMNITY HEREIN, TENANT SHALL DEFEND ALL CLAIMS ALLEGED AGAINST THE INDEMNIFIED PARTIES. TENANT'S LIABILITY UNDER THIS INDEMNITY OBLIGATION SHALL BE REDUCED BY THAT PORTION OF THE TOTAL AMOUNT OF THE DAMAGES (EXCLUDING DEFENSE FEES AND COSTS) EQUAL TO THE INDEMNIFIED PARTIES' PROPORTIONATE SHARE OF THE NEGLIGENCE, OR CONDUCT THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND, THAT CAUSED THE DAMAGES. LIKEWISE, TENANT'S LIABILITY FOR THE INDEMNIFIED PARTIES' DEFENSE COSTS AND ATTORNEYS' FEES SHALL BE REDUCED BY A PORTION OF THE DEFENSE COSTS AND ATTORNEYS' FEES EQUAL TO THE INDEMNIFIED PARTIES' PROPORTIONATE SHARE OF THE NEGLIGENCE, OR CONDUCT THAT WOULD GIVE RISE TO THE STRICT LIABILITY OF ANY KIND, THAT CAUSED THE DAMAGES.** It is expressly understood and agreed that Tenant's construction of the Building Improvements shall include the finish-out 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, such approval not to be unreasonably withheld.

After commencement of construction, Tenant shall complete construction of any 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 reasonable approval of Landlord.

3. 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 and its contractors shall have full and complete responsibility.

4. 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 Demised Premises shall comply with all standards, codes, and rules adopted by Landlord or Manager and generally applicable to similar improvements located on and within the Airport, 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.

5. 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 7460-1), a TxDOT Airport Construction Emission Inventory, and such other forms and information as may be required by the FAA, TxDOT, or other governmental entity or agency having jurisdiction over Addison Airport.

6. Tenant further agrees that the Landlord shall be authorized at all times during any project of construction to enter upon the Demised 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, 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 Demised Premises.

7. 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 Demised Premises, (iii) Tenant shall have received (and shall have provided a true and correct copy to Landlord of) the Federal Aviation Administration's ("FAA's") determination to Tenant's filing of Form 7460 Notice of Proposed Construction or Alteration (if required), (iv) execution of

a contract to perform the work set forth in the Design Plan with a qualified general contractor, (v) proof of required Builder's Risk Insurance Policy and Payment Bond and Performance Bond required under Section 13 herein, and (vi) the initiation of actual mobilization of construction equipment on the Demised Premises (to perform the initial steps of construction of the Building Improvements, such as excavation for a foundation).

8. "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 (or other authorized design professional) who designed the Building Improvements in writing to Landlord that said Building Improvements are complete in accordance with the Design Plan (e.g., a certificate of substantial completion), and (ii) the issuance by the Town of Addison, Texas of a final, unconditional certificate of 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 (or other authorized design professional) 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 (or other authorized design professional) reflecting all approved changes and modifications to the originally approved Design Plan.

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

F. Amendment to Section 7 of the Ground Lease. Section 7 of the Ground Lease is amended in its entirety to read as follows:

7. Acceptance of Demised Premises: **TENANT ACKNOWLEDGES THAT TENANT HAS FULLY INSPECTED THE DEMISED PREMISES AND ACCEPTS THE DEMISED PREMISES AND THAT THE DEMISED 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 INCLUDING WITHOUT LIMITATION THE DEMISED PREMISES AND THE IMPROVEMENTS THEREON, 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**

DEMISED 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 DEMISED 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 ANY MATTER OR ITEM VISIBLE OR APPARENT FROM AN INSPECTION AFFECTING THE DEMISED PREMISES. TENANT WAIVES ANY EXPRESS OR IMPLIED WARRANTIES OF SUITABILITY, HABITABILITY, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND FURTHER WAIVES ALL CLAIMS BASED ON ANY DEFECT IN THE DEMISED PREMISES WHETHER OR NOT SUCH DEFECT 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 THEREOF TO LANDLORD, ALL AS MAY BE SPECIFIED IN MORE DETAIL IN SECTION 21.1 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 Demised Premises, Tenant acknowledges that this Lease shall be construed to provide Rent to Landlord on a Net Return Basis, as set out in Section 30, below.

G. Amendment to Section 8 of the Ground Lease. Section 8 of the Ground Lease is amended in its entirety to read as follows (intended to supersede and replace #1 in the Rider):

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 Demised 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 Demised 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 Demised 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. Landlord agrees to diligently and in good faith review and consider approval of the Design Plan, and once the Design Plan has been finally approved, to prosecute and expedite issuance of the associated permits.

Tenant agrees that any new construction or modification of existing improvements on the Demised Premises will comply with all standards and rules published by the Landlord or by the Airport Manager (as of the Effective Date, the Airport Manager is as set forth in the Recitals, above, but the Airport Manager may be changed or modified by the City, and for purposes of this Lease the Airport Manager shall also mean any person or entity authorized by Landlord to manage and/or operate the Airport), including, but not limited to, the Airport's published "Construction/Maintenance Standards and Specifications," will comply with the Town of Addison building and related 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 and related 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 after the initial construction of the Building Improvements pursuant to the Design Plan..

B. Tenant shall comply with all noise abatement standards at the Airport at all times, shall notify any employee, guest or invitee of Tenant, including any aircraft operator, using any portion of the Demised Premises of such standards and shall ensure compliance with such standards by such third party.

H. Amendment to Section 9 of the Ground Lease. Section 9 of the Ground Lease, subparagraphs A., B., and E. of the Ground Lease are amended in their entirety to read as follows (intended to supersede and replace the 2000 Amendment in its entirety):

9. Assignment, Subletting and Mortgaging of Leasehold Estates:

A. Without the prior written consent of Landlord (which consent may be granted or withheld in Landlord's sole and absolute discretion and opinion), Tenant shall have no power to and may not assign, sell, pledge, encumber, license, transfer, or otherwise convey in any manner whatsoever, including by merger, consolidation,

operation of law, or otherwise, (together, “assign” or “assignment,” and the person or entity to whom an assignment is made being an “assignee”), this Lease or any rights, duties, or obligations of Tenant hereunder (except to a leasehold mortgagee as hereinbelow provided and in accordance with and subject to all of the terms and conditions of this Lease) nor sublet in whole or in part any portion of the Demised 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 22 of this Lease. Any assignment or subletting shall be expressly subject to all the terms and provisions of this Lease, including the provisions of Section 6 pertaining to the use of the Demised Premises. In the event of any Landlord-approved assignment or subletting, Tenant shall not assign Tenant’s rights, duties, or obligations hereunder nor sublet the Demised Premises without first obtaining a written agreement from each such assignee or sublessee whereby each such transferee or sublessee agrees to be bound by the terms and provisions of this Lease. No such assignment or subletting shall constitute a novation. In the event of the occurrence of an event of default while the Demised Premises are assigned or sublet, Landlord, in addition to any other rights and remedies provided herein or by law, may at Landlord’s option, collect directly from such assignee or subtenant all rents becoming due under such assignment or subletting and apply such rent against any sums due to Landlord hereunder. No direct collection by Landlord from any such assignee or subtenant shall release Tenant from the payment or performance of Tenant’s obligations hereunder. Landlord’s consent to any assignment or subletting will not act as a waiver of any rights or remedies granted to or retained by Landlord under this Lease and shall not act as an election of remedies nor shall it prohibit Landlord from exercising its rights and remedies with respect to any other actual or proposed assignment or subletting, and Landlord’s consent to any assignment shall not relieve Tenant or any Guarantor of any liability to Landlord under this Lease or otherwise.

B. Notwithstanding the foregoing, Landlord hereby acknowledges and consents to Tenant’s subletting of the Leased Premises for the purpose of renting aircraft storage and multi-tenant commercial office space only, provided that each sublease is evidenced by written agreement (to be made available for Landlord’s review and inspection upon Landlord’s written request within 3 business days), signed and executed by Tenant and sublessee and fairly states:

1. Each sublessee agrees to be bound by the terms and provisions of this Ground Lease, including, without limitation, the provisions of Section 6 pertaining to the use of the Demised 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;
2. No such subletting shall constitute a novation;
3. In the event of occurrence of an event of default while the Demised Premises are assigned or sublet, Landlord, in addition to any other rights or remedies provided herein or by law, in equity, or otherwise, may at Landlord’s option, collect directly from such assignee or subtenant all rents becoming due under such subletting and apply such rent against any sums due to Landlord hereunder;

4. 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;
5. Any such sublease is to automatically terminate upon termination of the Ground Lease notwithstanding any other provision of the sublease to the contrary;
6. Landlord shall have no responsibility or obligation for the performance by Tenant of its obligations under the sublease;
7. 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; that 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; that any violation of any terms and conditions of the Ground Lease by a sublessee will constitute a default under the Ground Lease.

Subleases in effect on the Effective Date of this Third Amendment to Ground Lease shall not be required to be amended to specifically comply with the terms of this Section 9.B.

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) financial statements prepared or reviewed and certified by an independent CPA, or other evidence of the proposed assignee to perform its obligations under this Lease.

An assignment will be deemed to occur if the person or persons who own or have control of more than 50% of Tenant on the Effective Date of this Third Amendment to Ground Lease cease to own or have voting control of more than 50% 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 and/or 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 subletting shall be expressly subject to all the terms and provisions of this Lease, including, without limitation, the provisions of Section 6 pertaining to the use of the Demised Premises. Tenant shall not assign this Lease or any right, duty, liability, or obligation of Tenant hereunder, or sublet the Demised Premises or

any portion of the Demised Premises, without first obtaining a written agreement from each such assignee or sublessee whereby each such assignee or sublessee agrees to and shall be bound by and comply with all of the terms and provisions of this Lease (and Tenant shall provide a copy of such written agreement to Landlord). No assignment or subletting shall constitute a novation. In the event of the occurrence of an event of default while the Demised Premises are assigned or sublet, Landlord, in addition to any other remedies provided herein or by law, in equity, or otherwise, may at Landlord's option, collect directly from such assignee or subtenant all rents becoming due under such assignment or subletting and apply such rent against any sums due to Landlord hereunder. No direct collection by Landlord from any such assignee, transferee, pledgee, or person or entity to whom this Lease is otherwise conveyed or to such subtenant shall release Tenant from the payment or performance of Tenant's obligations hereunder.

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 other construction upon the Demised Premises approved from time to time by Landlord in writing, or (iii) for other purposes 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 rental 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.

E. Landlord further agrees to execute and deliver to any proposed leasehold mortgagee of Tenant a "Non-Disturbance Agreement" wherein Landlord agrees that Landlord will (i) recognize such mortgagee and its successors and assigns after foreclosure, or transfer in lieu of foreclosure, as Tenant hereunder, and (ii) continue to perform all of Landlord's obligations hereunder so long as such mortgagee or its successors and assigns performs all of the obligations of Tenant hereunder; provided, however, that notwithstanding the foregoing or any other provision of this Lease, such mortgagee shall not and does not have the right and shall not and does not have the power to assign, sell, transfer, pledge, encumber, mortgage, license, or otherwise convey this Lease, or any right, interest, obligation, or liability hereunder, or any part of the Demised Premises, or sublet the whole or any part of the Demised Premises without the prior written approval of the Landlord, and any such assignment, sale, transfer, pledge, encumbrance, mortgage, license, or other conveyance and any such subletting without the prior written consent of Landlord shall be null and void and may be deemed a default under Section 22.B. of this Lease, it being the intent of this provision that such mortgagee shall have no greater right than Tenant to assign, sell, transfer, pledge, encumber, mortgage, license, or otherwise convey this Lease (or any right, interest, obligation, or liability hereunder), or to sublet the Demised Premises (or any portion thereof), or to use the Demised Premises. Landlord also agrees to consider the execution and delivery to such proposed leasehold mortgagee any other documents which such proposed leasehold mortgagee may reasonably request concerning the mortgaging by Tenant of the leasehold estate created hereby; provided, however, that Landlord shall never be required to subordinate Landlord's interest in the Demised Premises to the mortgagee of such proposed leasehold mortgage.

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 Demised Premises. Tenant's failure to provide said information as prescribed constitutes a default of this Lease.

I. **Amendment to Section 10 of the Ground Lease.** Section 10 of the Ground Lease is amended its entirety to read as follows:

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 Demised Premises, the personal property and fixtures on the Demised Premises, and, if applicable, upon the leasehold estate of Tenant created hereby. Upon the request of Landlord, Tenant shall from time to time furnish to Landlord paid receipts or other written evidence that all such Taxes have been paid by Tenant. In the event Tenant fails to pay any such Taxes, Landlord shall have the right (but not the obligation) to pay or cause to be paid such Taxes, and the reasonable costs thereof expended by or caused to be expended by Landlord plus interest thereon as provided in Section 37 of the Ground Lease shall be paid by Tenant on demand.

If any buildings or other improvements located upon the Demised Premises are determined to be subject to property taxation by the Dallas Central Appraisal District (or any successor entity or agency thereto or other agency with the authority to make such determination) ("DCAD"), Tenant may, in accordance with law, contest the DCAD valuation of such buildings and/or improvements, but shall not contest the determination that the buildings and/or improvements are subject to taxation. Notwithstanding the foregoing if a final (non-appealable) determination is rendered by DCAD or a court of appropriate and competent jurisdiction that any such buildings or other improvements are not subject to property taxation, the rent (as the same may be adjusted) for the year in which such final determination becomes effective shall be increased by an amount equal to the property tax revenue from such buildings and improvements that Tenant would have paid to the Town of Addison, Texas in that year but for such final determination (and such initial increased amount shall be paid to Landlord on or before December 31 of such year, unless otherwise agreed to by Landlord); thereafter, the rent (as the same may be adjusted) as so increased shall continue, subject to adjustment as set forth in this Lease.

J. Amendment to Section 13 of the Ground Lease. Section 13 of the Ground Lease is amended in its entirety to read as follows:

13. Insurance; Bonds.

A. At all times Tenant shall during the term hereof purchase and maintain at Tenant's sole cost and expense and in a company or companies lawfully authorized to do business in Texas such insurance relating to the Demised Premises as follows:

- (i) 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 Demised 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, thereafter, proper adjustment in the limits of insurance coverage shall be effected.

(ii) Commercial General Liability insurance at minimum combined single limits of \$1,000,000 per-occurrence and \$1,000,000 general aggregate for bodily injury, death or property damage or destruction occurring on, in or about the Demised Premises, which coverage shall include products/completed operations (\$1,000,000 products/ completed operations aggregate). Coverage for products/completed operations must be maintained for at least two (2) years after construction work has been completed. Coverage must include contractual liability.

(iii) Statutory limits of workers compensation insurance and employer's liability, as required by State law, with limits of liability of not less than \$1,000,000.00 each-occurrence each accident/\$1,000,000.00 by disease each-occurrence/\$1,000,000.00 by disease aggregate.

(iv) If applicable, boiler and pressure vessel insurance on all steam boilers, parts thereof and appurtenances attached or connected thereto which by reason of their use or existence are capable of bursting, erupting, collapsing, imploding or exploding, in the minimum amount of \$500,000.00 for damage to or destruction of property resulting from such perils.

(v) Hangarkeepers Legal Liability insurance, at limits of \$1,000,000.00 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.

(vi) During any period of construction, a Builder's Risk Completed Value policy with an all risks endorsement in an amount equal to the greater of the full-completed value or the amount of the construction contract including any amendments or change orders thereto. The policy shall provide "All Risk" Builder's Risk Insurance (extended to include the perils of wind, collapse, vandalism/malicious mischief, and theft, including theft of materials whether or not attached to any structure).

(vii) 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 \$1,000,000.00 each occurrence (applies to the ownership, operation or use of aircraft by Tenant or any subtenant).

B. Tenant shall cause all such policies of insurance to comply with the following and be specifically endorsed as follows:

- (i) The Town of Addison, Texas, and the Airport Manager and their respective past and present officials, officers, employees and agents shall be named as additional insureds;
- (ii) All insurance policies which name the Town of Addison, Texas and the Airport Manager (and their respective past and present officials, officers, employees and agents) as additional insureds must be endorsed to read as primary coverage regardless of the application of other insurance;
- (iii) A waiver of subrogation in favor of the Town of Addison, Texas and the Airport Manager (and their respective past and present officials, officers, employees and agents) shall be contained in each policy required herein,;
- (iv) All insurance policies shall be endorsed to the effect that the Town of Addison, Texas and the Airport Manager will receive at least sixty (60) days written notice prior to cancellation or non-renewal of the insurance (except that if such insurance is canceled for non-payment of premium, such notice shall be ten (10) days);
- (v) All liability policies shall contain no cross liability exclusions or insured versus insured restrictions applicable to the claims of the Town of Addison or the Airport Manager;
- (vi) Tenant may maintain reasonable and customary deductibles; and
- (vii) Insurance must be purchased from insurers that are financially acceptable to Landlord and licensed to do business in the State of Texas.

C. All insurance must be written on forms filed with and approved by the Texas Department of Insurance. Certificates of insurance, satisfactory to Landlord, shall be prepared and executed by the insurance company or its authorized agent, promptly delivered to Landlord and updated as may be appropriate, and shall:

- (i) List each insurance coverage described and required herein. Such certificates will also include a copy of the endorsements necessary to meet the requirements and instructions contained herein; and
- (ii). Specifically set forth the notice-of-cancellation or termination provisions to the Town of Addison and the Airport Manager.

Upon request, Tenant shall furnish Landlord with complete copies of all insurance policies certified to be true and correct by the insurance carrier. 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.

D. In connection with any construction on the Demised Premises, Tenant shall obtain and keep in full force and effect at its sole cost and expense a Performance Bond and a Payment Bond guaranteeing, respectively, the faithful performance of all construction work and the payment of all obligations arising during the construction (including, without limitation, the payment of all persons performing labor or providing materials under or in connection with the Building Improvements), in the penal sum of one-hundred percent (100%) of the Construction Costs. Tenant shall pay or cause to have paid the premiums for such bonds. Bonds shall be issued by a surety company satisfactory to the Landlord, licensed by the State of Texas to act as a Surety, and listed on the current U.S. Treasury Listing of Approved Sureties. All forms shall be made on a form complying with the requirements of the laws of the State of Texas and satisfactory to Landlord. Such bonds shall be in conformance with the provisions of Chapter 2253, Tex. Gov. Code, and any successor statute thereto. Tenant and Landlord shall be named as joint obliges of all such bonds.

E. 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.

K. Amendment to Section 18 of the Ground Lease. Section 18 of the Ground Lease is amended its entirety to read as follows:

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 Demised 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 any 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.

L. Amendment to Section 21 of the Ground Lease. Section 21 of the Ground Lease is amended in its entirety to read as follows:

21. Indemnity and Exculpation and Release.

A. **Exculpation.** Landlord and the elected officials, the officers, employees, representatives, agents, and volunteers of Landlord, individually or collectively, in both their official and private capacities, (each a "Landlord Person" and collectively the "Landlord Persons"), and Airport Manager and Airport Manager's owner's, officers, employees, representatives, and agents, in both their official and private capacities, (each a "Manager Person" and collectively the "Manager Persons"), shall not be liable to Tenant or to any of Tenant's owners, directors, officers, shareholders, partners, managers, employees, agents, consultants, servants, customers, invitees, patrons, subtenants, licensees, concessionaires, contractors, subcontractors, or any other person or entity for whom Tenant is legally responsible, and their respective owners, directors, officers, shareholders, partners, managers, employees, agents, consultants, servants, customers, invitees, patrons, subtenants, licensees, concessionaires, contractors, and subcontractors, (each a "Tenant Person" and collectively "Tenant Persons"), 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 Demised Premises or any adjacent area owned by Landlord caused by or resulting from any act or omission of Tenant or any Tenant Persons, or arising out of the use or occupation of the Demised Premises by Tenant or any Tenant Persons 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'S INDEMNITY OBLIGATION.** Tenant shall DEFEND (with counsel reasonably acceptable to Landlord), INDEMNIFY, AND HOLD HARMLESS Landlord and all other Landlord Persons and Airport Manager and all Manager Persons (Landlord and all other Landlord Persons, and Airport Manager and all other Manager Persons, being collectively the "Indemnified Persons") from and against any and all claims, actions, proceedings, causes of action, demands, losses, harm, damages, penalties, fines, liability, expenses, lawsuits, judgments, costs, and fees (including reasonable attorney fees and court costs) of any kind and nature whatsoever made upon, incurred by, suffered by, or asserted against any of the Indemnified Persons, whether directly or indirectly (collectively for purposes of this Section, "Damages"), that result from, relate to, are based upon, or arise out of, in whole or in part, (I) any condition of the Demised Premises caused in whole or in part by Tenant or by any Tenant Persons; (II) any act or omission of Tenant or any Tenant Persons under, in connection with, or in the performance of, this Lease; (III) any representations or warranties by Tenant under this Lease; (IV) any personal injuries (including but not limited to death) to any Tenant Persons and to any third persons or parties arising out of or in connection with Tenant's use and occupancy of the Demised Premises under this Lease; and/or (V) the Demised Premises becoming out of repair due to the fault of Tenant or any Tenant Persons 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 Demised Premises, regardless of the source, or by dampness or by fire, explosion, falling plaster or ceiling. **THIS DEFENSE, INDEMNITY, AND HOLD HARMLESS**

OBLIGATION SHALL AND DOES INCLUDE DAMAGES ALLEGED OR FOUND TO HAVE BEEN CAUSED, IN WHOLE OR IN PART, BY THE NEGLIGENCE (BUT EXCLUDING THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT) OF THE INDEMNIFIED PERSONS (OR ANY OF THEM), OR CONDUCT BY THE INDEMNIFIED PERSONS (OR ANY OF THEM) THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND. HOWEVER, TO THE EXTENT GROSS NEGLIGENCE AND/OR WILLFUL CONDUCT ARE ALLEGED SIMULTANEOUSLY WITH CLAIMS REQUIRING DEFENSE AND INDEMNITY HEREIN, TENANT SHALL DEFEND ALL CLAIMS ALLEGED AGAINST THE INDEMNIFIED PERSONS. Tenant's liability under this indemnity obligation shall be reduced by that portion of the total amount of the Damages (excluding defense fees and costs) equal to the Indemnified Person's or Indemnified Persons' proportionate share of the negligence, or conduct that would give rise to strict liability of any kind, that caused the loss. Likewise, Tenant's liability for Indemnified Person's or Indemnified Persons' defense costs and attorneys' fees shall be limited to a portion of the defense costs and attorneys' fees equal to the Indemnified Person's or Indemnified Persons' proportionate share of the negligence, or conduct that would give rise to strict liability of any kind, that caused the loss.

Tenant shall promptly advise Landlord and Airport Manager in writing of any claim or demand against any Indemnified Persons, Tenant, or any Tenant Persons related to or arising out of Tenant's activities under this Lease and shall see to the investigation and defense of such claim or demand at Tenant's sole cost and expense. The Indemnified Persons shall have the right, at the Indemnified Person's or Indemnified Persons' option and own expense, to participate in such defense without relieving Tenant of any of its obligations hereunder.

C. Release. Tenant hereby RELEASES Landlord and all other Landlord Persons, and Airport Manager and all other Manager Persons, (i) for any death or injury to any person or persons or damage to or destruction of property of any kind resulting from the Demised Premises becoming out of repair or by defect in or failure of equipment, pipes, or wiring, or broken glass, or by the backing up of drains, or by gas, water, steam, electricity or oil leaking, escaping or flowing into the Demised Premises, regardless of the source, or by dampness or by fire, explosion, falling plaster or ceiling or for any other reason whatsoever, and (ii) any loss or damage that may result from or 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, INCLUDING, WITHOUT LIMITATION, ANY AND ALL CLAIMS WHICH ARISE FROM, OR ARE ALLEGED OR FOUND TO HAVE BEEN CAUSED BY, IN WHOLE OR IN PART, THE NEGLIGENCE [BUT EXCLUDING GROSS NEGLIGENCE OR WILLFUL MISCONDUCT] OF ANY OF THE INDEMNIFIED PERSONS, OR CONDUCT BY ANY OF THE INDEMNIFIED PERSONS THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND.

D. THE PROVISIONS OF THIS SECTION 21 SHALL SURVIVE THE EXPIRATION OR TERMINATION OF THIS LEASE.

M. Amendment to Section 21.1 of the Ground Lease. Section 21.1 of the Ground Lease is inserted in its entirety to read as follows:

Section 21.1. Environmental Compliance.

A. Tenant shall not install, store, use, treat, transport, discharge or dispose (or permit, allow, or acquiesce in the installation, storage, use, treatment, transportation, discharge or disposal by Tenant's owners, directors, shareholders, partners, managers, officers, employees, agents, representatives, engineers, consultants, contractors, subcontractors, tenants, licensees, invitees, patrons, concessionaires, or any other person or entity for whom Tenant is legally responsible, and/or their respective owners, directors, shareholders, partners, officers, managers, employees, agents, representatives, engineers, consultants, contractors, subcontractors, tenants, licensees, invitees, patrons, and concessionaires) on the Demised Premises or any portion of the common facilities (described in Section 17), 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 law, rule, regulation, order, standard, permit, directive or policy, or which, even if not so regulated may or could pose a hazard to the health and safety of the occupants of the Demised 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, regulation, order, standard, permit, directive or policy, or (ii) in any manner prohibited or deemed unsafe under applicable law, rule, regulation, order, standard, permit, directive or policy. (The substances referred to in (a), (b), (c) or (d) herein are collectively referred to hereinafter as "Hazardous Materials").

B. Cleanup Laws; Tenant's Indemnity Obligation.

1. Tenant shall, at Tenant's own expense, comply with any presently existing or hereafter enacted laws, rules, regulations, orders, standards, directives, permits, or notices relating to Hazardous Materials (collectively, "Cleanup Laws"). 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 Demised Premises and/or any portion of the common facilities (as described in Paragraph 17) by (i) Tenant, or by (ii) any of Tenant's owners, directors, shareholders, partners, managers, officers, employees, agents, representatives, engineers, consultants, contractors, subcontractors, tenants, licensees, invitees, patrons, concessionaires, or any other person or entity for whom Tenant is legally responsible, and/or their respective owners, directors, shareholders, partners, officers, managers, employees, agents, representatives, engineers, consultants, contractors, subcontractors, tenants, licensees, invitees, patrons, and concessionaires, or by (iii) any person acting by or under the authority or with the permission of Tenant, Tenant's tenants, or any other person entering the Demised Premises under express or implied invitation of Tenant during the Term of this Lease, Tenant shall, at Tenant's own cost and 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 cost or 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 Demised 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.

2. Tenant's Indemnity Obligation. Without limiting any other indemnity, hold harmless, and defense obligation of Tenant set forth in this Lease, Tenant agrees to and shall fully DEFEND (with counsel reasonably acceptable to Landlord), INDEMNIFY AND HOLD HARMLESS the Town of Addison, Texas and all other Addison Persons (as the term "Addison Persons" is defined in subsection B of Section 21, above), and the Manager Persons (as the term "Manager Persons" is defined in subsection B of Section 21, above), from and against, and reimburse the Town of Addison, Texas, all other Addison Persons, the Airport Manager and all other Manager Persons (as the case may be) for, any and all obligations, damages, injunctions, fines, penalties, demands, claims, costs, fees, charges, expenses, actions, causes of action, judgments, liabilities, suits, proceedings, harm, and losses of whatever kind or nature (including, without limitation, attorneys' fees and court costs), and all cleanup or removal costs and all actions of any kind arising out of or in any way connected with the installation, storage, use, treatment, transporting, disposal or discharge of Hazardous Materials in, on, under, above, or to the Demised Premises and/or any portion of the common facilities or any portion of the Airport or adjacent properties by Tenant or by any Tenant Persons (as the term "Tenant Persons" is defined in subsection B of Section 21, above); and from all fines, penalties, suits, judgments, procedures, proceedings, claims, actions, and causes of action of any kind whatsoever arising out of Tenant's or any of Tenant Persons' failure to provide all information, make all submissions and take all steps required by

the Authority under the Cleanup Laws or any other law, rules, regulation, standard, order, or policy (environmental or otherwise). SUCH DEFENSE, INDEMNITY, AND HOLD HARMLESS OBLIGATION SHALL AND DOES INCLUDE DAMAGES ALLEGED OR FOUND TO HAVE BEEN CAUSED, IN WHOLE OR IN PART, BY THE NEGLIGENCE OR GROSS NEGLIGENCE OF THE TOWN OF ADDISON, TEXAS, ANY OTHER ADDISON PERSONS, THE AIRPORT MANAGER OR ANY OTHER MANAGER PERSONS, OR BY ANY ACT OR OMISSION OF OR BY THE TOWN OF ADDISON, TEXAS, ANY OTHER ADDISON PERSONS, THE AIRPORT MANAGER OR ANY OTHER MANAGER PERSONS THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND.

Tenant's obligations and liabilities under this subparagraph shall continue (and survive the termination or expiration of this Lease) so long as there may be Hazardous Materials at the Demised Premises and/or any portion of the common facilities or any portion of the Airport or adjacent properties, that were installed, stored, used, treated, transported, disposed of or discharged during the Lease Term by Tenant or any of Tenant Persons. 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. Tenant shall promptly supply Landlord and Airport Manager 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. Tenant's obligations and liability pursuant to the terms of this Section 21.1 shall survive the expiration or earlier termination of this Lease.

N. **Amendment to Section 39 of the Ground Lease.** Section 39 of the Ground Lease is amended in its entirety to read as follows (intended to supersede and replace #6 in Rider):

Section 39. Force Majeure.

A. In the event performance by Landlord of any term, condition or covenant in this Lease is delayed or prevented by any Act of God, strike, lockout, shortage of material or labor, restriction by any governmental authority, civil riot, flood, or any other cause not within the control of Landlord, the period for performance of such term, condition or covenant shall be extended for a period equal to the period Landlord is so delayed or prevented.

B. Except for the payment of any rent or any other payment to be made by, or any other monetary obligation of, Tenant under this Lease, and the provision of insurance by Tenant under this Lease, in the event performance by Tenant of any term, condition or covenant in this Lease is delayed or prevented by any Act of God, strike, lockout, shortage of material or labor, restriction by any governmental authority, the delay of any governmental approvals, 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 prevented.

Section 3. No Other Amendments; Other Provisions. Except to the extent modified or amended herein, all other terms and obligations of the Ground Lease shall remain unchanged and in full force and effect. For purposes hereof this Agreement, "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 4. Applicable Law; Venue. In the event of any action under this Third Amendment, exclusive venue for all causes of action shall be instituted and maintained in Dallas County, Texas. The parties agree that the laws of the State of Texas shall govern and apply to the interpretation, validity and enforcement of this Third Amendment; and, with respect to any conflict of laws 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 Third Amendment. All obligations of the parties created by this Third Amendment are performable in Dallas County, Texas.

Section 5. No Third Party Beneficiaries. This Third Amendment and the Ground Lease and each of their provisions are solely for the benefit of the parties hereto and are not intended to and shall not create or grant any rights, contractual or otherwise, to any third person or entity.

Section 6. 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 Amendment 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 execute this Agreement this _____ day of _____, 2014

LANDLORD:

TENANT:

TOWN OF ADDISON, TEXAS

WESTGROVE AIR PLAZA I, LLC

By: _____
Lea Dunn, City Manager

By: _____

Name (*Print*): _____

Its: (*Title*): _____

[Acknowledgments Follow on Next Page]

ACKNOWLEDGMENT

STATE OF TEXAS §

COUNTY OF DALLAS §

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

Given under my hand and seal of office this _____ day of _____, 2014.

[SEAL]

Notary Public, State of Texas

Print Name:_____

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 executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this _____ day of _____, 2014.

[SEAL]

Notary Public, State of Texas

Print Name:_____

My commission expires:_____

EXHIBIT "A"

COPY OF GROUND LEASE AS AMENDED AND MODIFIED

Due to the voluminous size of the historical documents, they are not included herein.

However, they are available for review upon request.

Office/Hangar; Lease Tract #1

EXHIBIT "B"

**PROPERTY SURVEY AND LEGAL DESCRIPTION
OF DEMISED PREMISES**

(PRIOR TO THIS THIRD AMENDMENT)

**LEASEHOLD ESTATE
TRACT I**

BEING a tract of land situated in the William Lomax Survey Abstract No. 792, Town of Addison, Dallas County, Texas, being a part of Addison Airport, an addition to the Town of Addison, Texas, according to the plat thereof recorded in Volume 2005131, Page 82 in the Map Records of Dallas County, Texas (MRCCT), and being all of that same tract of land identified as Tract I in Non-Disturbance Agreement recorded in Volume 2000244, Page 3227 in the Deed Records of Dallas County, Texas (DRDCT), and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod found at the intersection of the south line of Westgrove Road (60 foot right-of-way), with the east line of Claire Chennault (60 foot ingress and egress easement);

THENCE North 89 Degrees 25 Minutes 57 Seconds East, along the south line of said Westgrove Road, 300.36 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

THENCE South 00 Degrees 26 Minutes 28 Seconds East, departing the south line of said Westgrove Road, 305.68 feet to a "PK" nail set in concrete in the north line of Taxiway U;

THENCE South 89 Degrees 25 Minutes 50 Seconds West, along the north line of said Taxiway U, 69.24 feet to a "PK" nail set in concrete;

THENCE South 00 Degrees 39 Minutes 09 Seconds East, along the west line of said Taxiway U, 144.76 feet to a 60d nail found;

THENCE North 46 Degrees 41 Minutes 09 Seconds West, departing the west line of said Taxiway U, 208.29 feet to a cut 'x' found in concrete;

THENCE South 89 Degrees 56 Minutes 35 Seconds West, 88.59 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" in the east line of said Claire Chennault and lying in a non-tangent circular curve to the left having a radius of 130.00 feet;

THENCE northeasterly, along the east line of said Claire Chennault and along said curve to the left, through a central angle of 20 Degrees 43 Minutes 19 Seconds, an arc distance of 47.02 feet and having a chord which bears North 09 Degrees 43 Minutes 43 Seconds East, 46.76 feet to a "PK" nail set in concrete;

THENCE North 00 Degrees 37 Minutes 57 Seconds West, along the east line of said Claire Chennault, 259.26 feet to the **POINT of BEGINNING** and containing 2.357 acres of land.

WESTGROVE ROAD
(60' R.O.W.)

LEASEHOLD ESTATE TRACT I

BEG a tract of land situated in the William Lomax Survey Abstract No. 792, Town of Addison, Dallas County, Texas, being a part of Addison Airport, an addition to the Town of Addison, Texas, according to the plat thereof recorded in Volume 2005131, Page 82 in the Map Records of Dallas County, Texas (MRDCT), and being all of that same tract of land identified as Tract I in Non-Disturbance Agreement recorded in Volume 2000244, Page 3227 in the Deed Records of Dallas County, Texas (DRDCT), and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod found at the intersection of the south line of Westgrove Road (60' foot right-of-way), with the east line of Claire Chennault (60' foot ingress and egress easement);

THENCE North 89 Degrees 25 Minutes 57 Seconds East, along the south line of said Westgrove Road, 300.36 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

THENCE South 00 Degrees 26 Minutes 28 Seconds East, departing the south line of said Westgrove Road, 305.68 feet to a "PK" nail set in concrete in the north line of Taxway U;

THENCE South 89 Degrees 25 Minutes 50 Seconds West, along the north line of said Taxway U, 69.24 feet to a "PK" nail set in concrete;

THENCE South 00 Degrees 39 Minutes 09 Seconds East, along the west line of said Taxway U, 144.76 feet to a 60x1 nail found;

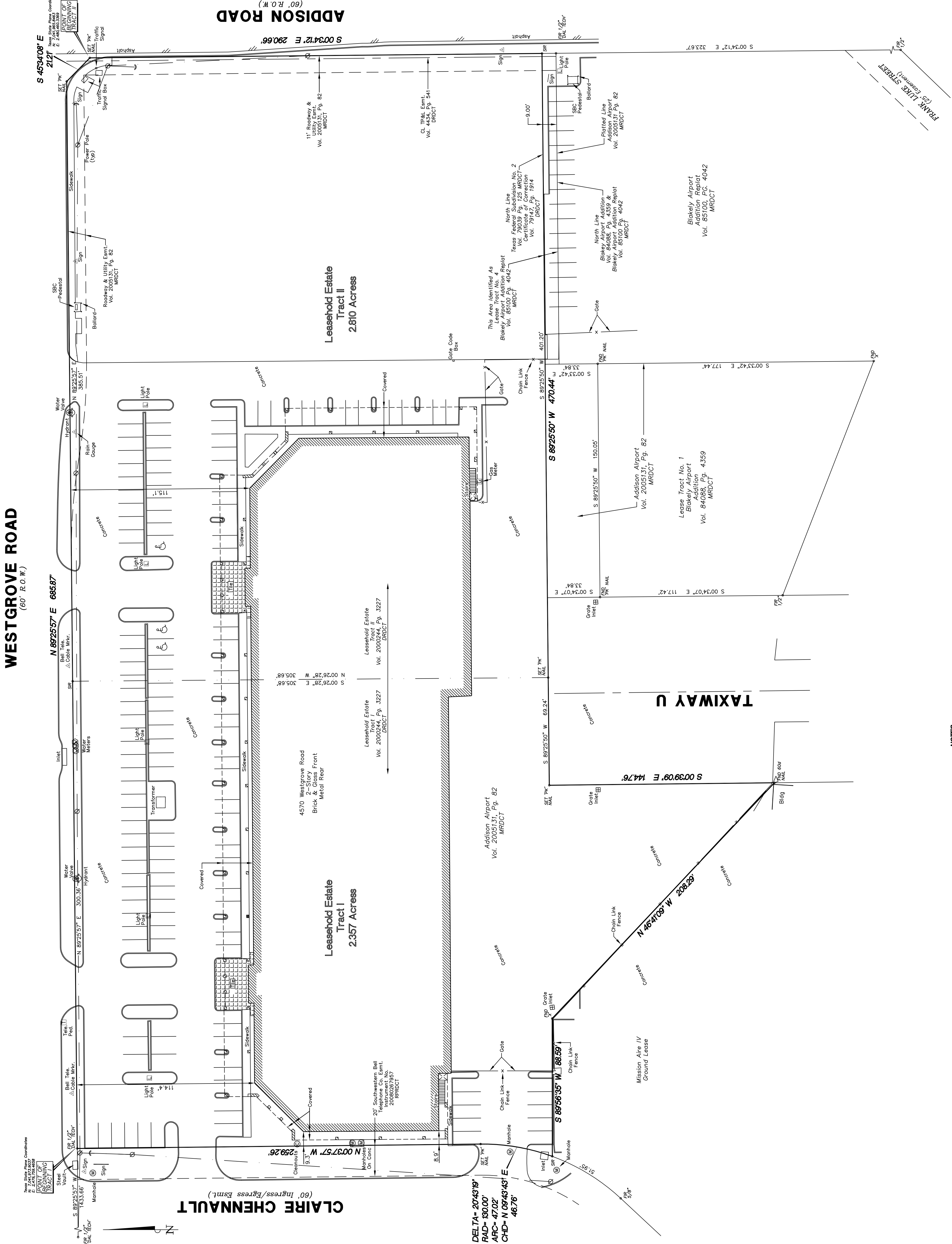
THENCE North 46 Degrees 41 Minutes 09 Seconds West, departing the west line of said Taxway U, 208.29 feet to a cut "X" found in concrete;

THENCE South 89 Degrees 56 Minutes 35 Seconds West, 86.59 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" and lying in a non-eject circular curve to the left having a radius of 130.00 feet;

THENCE northeasterly, along the east line of said Claire Chennault and along said curve to the left, through a central angle of 20 Degrees 43 Minutes 19 Seconds, an arc distance of 47.02 feet and having a chord which bears North 09 Degrees 43 Minutes 43 Seconds East, 46.76 feet to a "PK" nail set in concrete;

THENCE North 00 Degrees 57 Minutes 57 Seconds West, along the east line of said Claire Chennault, 235.20 feet to the **POINT OF BEGINNING** and containing 2.357 acres of land.

CLAIRE CHENNAULT
(60' Ingress/Egress Easmt.)



LEASEHOLD ESTATE TRACT II

BEG a tract of land situated in the William Lomax Survey Abstract No. 792, Town of Addison, Dallas County, Texas, being a part of Addison Airport, an addition to the Town of Addison, Texas, according to the plat thereof recorded in Volume 2005131, Page 82 in the Map Records of Dallas County, Texas (MRDCT), and being all of that same tract of land identified as Tract II in Non-Disturbance Agreement recorded in Volume 2000244, Page 3227 in the Deed Records of Dallas County, Texas (DRDCT), and being more particularly described as follows:

BEGINNING at a "PK" nail set in concrete at the south end of a corner clip at the intersection of the south line of Westgrove Road (60' foot right-of-way), with the west line of Addison Road (60' foot right-of-way);

THENCE South 00 Degrees 34 Minutes 12 Seconds East, along the west line of said Addison Road, 290.66 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" at the northeast corner of the Texas Federal Subdivision No. 2, an addition to the Town of Addison according to the plat thereof recorded in Volume 79039, Page 125 MRDCT;

THENCE South 89 Degrees 25 Minutes 50 Seconds West, departing the west line of said Addison Road, along the north line of said Texas Federal Subdivision No. 2, at 199.80 feet passing the northwest corner of said Texas Federal Subdivision No. 2, at 349.85 feet passing the east line of Taxway U, in all a distance of 401.20 feet to a "PK" nail set in concrete in the north line of said Taxway U;

THENCE North 00 Degrees 26 Minutes 28 Seconds West, departing the north line of said Taxway U, 305.68 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" in the south line of said Westgrove Road;

THENCE North 89 Degrees 25 Minutes 57 Seconds East, along the south line of said Westgrove Road, 305.68 feet to a "PK" nail set in concrete at the north end of said corner clip;

THENCE South 45 Degrees 34 Minutes 08 Seconds East, along said corner clip, 21.21 feet to the **POINT OF BEGINNING** and containing 2.810 acres of land.

To: Addison Airport, Guardian Texas Management, LLC and, Sendera Title, exclusively;
I, Brad Sparr, a Registered Professional Land Surveyor for Sparr Surveys, do hereby certify that this survey was made on the ground, that this drawing correctly represents the facts found at the time of survey and that this professional service conforms to the current Texas Society of Professional Land Surveyors Standards and Specifications for a Category 1A Condition II Survey.

Brad Sparr
Registered Professional
Land Surveyor No. 3701

LEASEHOLD SURVEY
A PART OF
ADDISON AIRPORT
WILLIAM LOMAX SURVEY
ABSTRACT NO. 792
TOWN OF ADDISON
DALLAS COUNTY, TEXAS

DRAWN BY: B.D.S./CAD
CHECKED BY: B.D.S.
SCALE: 1" = 20'
DATE: MAY 25, 2012
JOB NO. 17265

Sparr Surveys
2553 C.R. 722
McKinney, Texas 75069
(214) 544-2297

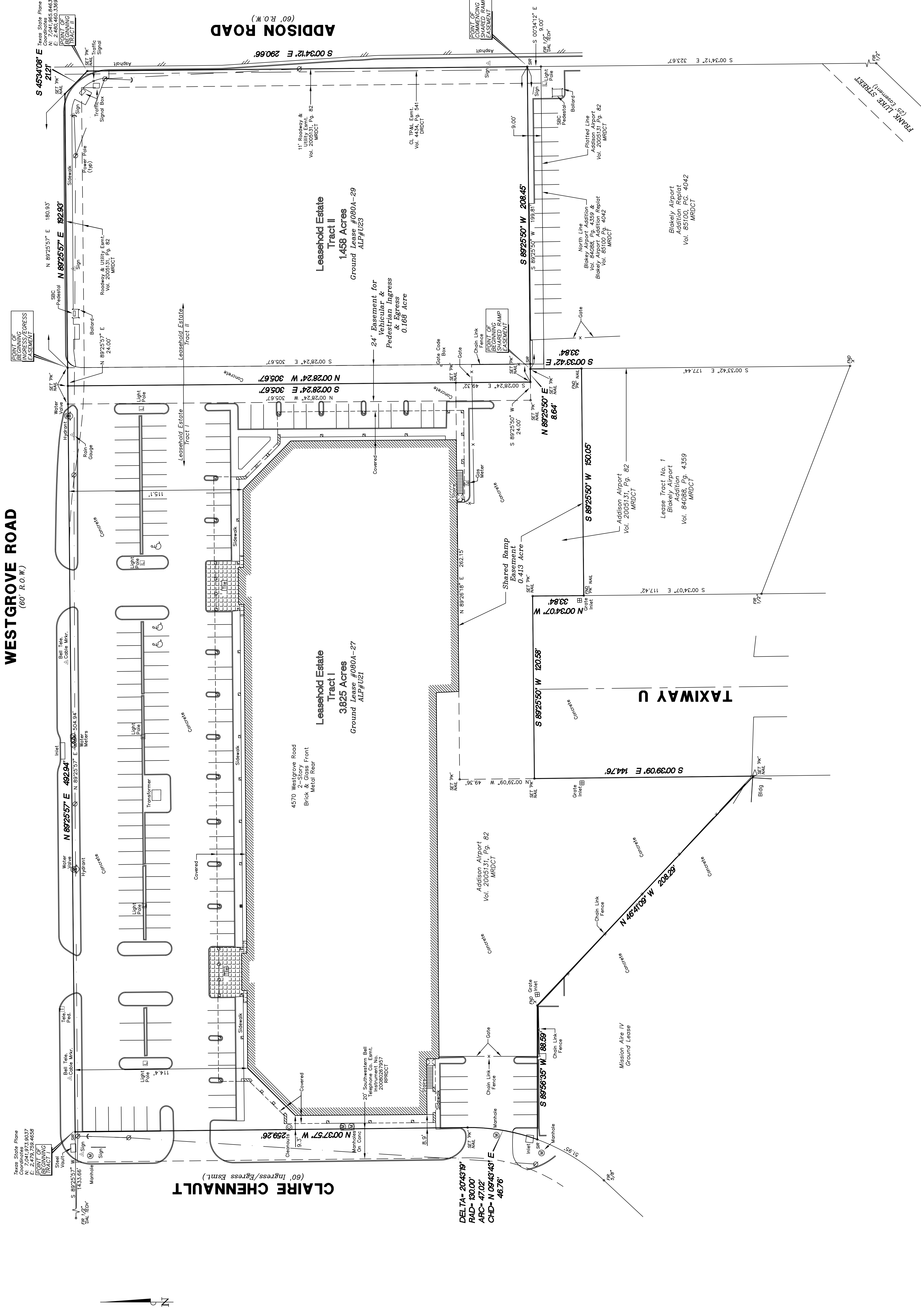
NOTES:
BEARINGS ORIENTED TO TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD 83 BASED ON ADDISON AIRPORT CONTROL MONUMENTS.
SIR DENOTES A 5/8" IRON ROD SET WITH PLASTIC CAP STAMPED "SPARR SURVEYS".
FR DENOTES A FOUND IRON ROD.
THIS SURVEY WAS PERFORMED IN CONNECTION WITH THE TITLE COMMITMENT ISSUED BY SENDERA TITLE UNDER SPARR SURVEYS HAS BEEN RELIED UPON BY SENDERA TITLE. SENDERA TITLE HAS BEEN ADVISED OF THE RESTRICTIONS OR RIGHTS-OF-WAY AFFECTING THE SUBJECT PROPERTY. NO ADDITIONAL RESEARCH OR REVISIONS TO THIS SURVEY HAS BEEN PERFORMED BY SPARR SURVEYS.

Office/Hangar; Lease Tract #1

EXHIBIT C

**PROPERTY SURVEY AND LEGAL DESCRIPTION OF DEMISED
PREMISES BY WAY OF THIS THIRD AMENDMENT**

WESTGROVE ROAD
(60' R.O.W.)



Texas State Plane
N: 7,041,923.8037
E: 2,479,259.4658
POINT OF BEGINNING
TRACT I

CLAIRE CHENNAULT
(60' Ingress/Egress Easmt.)
N 0037.57° W 259.26'

DELTA = 2043'9"
RAD = 130.00°
ARC = 47.02°
CHD = N 0948.43° E 46.76'

ADDISON ROAD
(60' R.O.W.)
S 0034.12° E 290.66'

LEASE TRACT SURVEY
A PART OF
ADDISON AIRPORT
WILLIAM LOMAX SURVEY
ABSTRACT NO. 792
TOWN OF ADDISON
DALLAS COUNTY, TEXAS

DRAWN BY: B.D.S./CAD
CHECKED BY: B.D.S.
SCALE: 1" = 30'
DATE: JUNE 6, 2012
REVISED 04-08-2014

JOB NO. 17265B

Sparr Surveys
2553 C.R. 722
McKinney, Texas 75069
(214) 544-2297

NOTES:
BEARINGS BASED ON TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD 83, BASED ON ADDISON AIRPORT CONTROL MONUMENTS.
SIR DENOTES A 5/8" IRON ROD SET WITH PLASTIC CAP STAMPED "SPARR SURVEYS".
FR DENOTES A FOUND IRON ROD.
THIS SURVEY WAS PREPARED FOR THE PURPOSE OF REVISION LEASE BOUNDARY IMPROVEMENTS. ALL DISTANCES AND BEARINGS ARE FROM PRIOR SURVEYS AND MAY NOT REFLECT CURRENT CONDITIONS.
SEE PAGE 2 OF 2 FOR DESCRIPTIONS.

LEASEHOLD ESTATE TRACT I
Ground Lease #080A-27
ALPHU21

BEING a tract of land situated in the William Lomax Survey Abstract No. 792, Town of Addison, Dallas County, Texas, being a part of Addison Airport, an addition to the Town of Addison, Texas, according to the plat thereof recorded in Volume 2005131, Page 82 in the Map Records of Dallas County, Texas (MRDCT), and being more particularly described as follows:

BEGINNING at a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" at the intersection of the south line of Westgrove Road (60 foot right-of-way), with the east line of Claire Chennault (60 foot ingress and egress easement);

THENCE North 89 Degrees 25 Minutes 57 Seconds East, along the south line of said Westgrove Road, 492.94 feet to a "PK" nail set in concrete;

THENCE South 00 Degrees 28 Minutes 24 Seconds East, departing the south line of said Westgrove Road, 305.67 feet to a "PK" nail set in concrete;

THENCE North 89 Degrees 25 Minutes 50 Seconds East, 8.64 feet to a "PK" nail set in concrete;

THENCE South 00 Degrees 33 Minutes 42 Seconds East, at 9.00 feet passing a "PK" nail set in concrete at an interior corner of said Addison Airport, same being the northwest corner of the Blakey Airport Addition Replat, an addition to the Town of Addison according to the replat thereof recorded in Volume 85100, Page 4042, MRDCT, continuing along the west line of said Blakey Airport Addition Replat, in all a distance of 33.84 feet to a "PK" nail found;

THENCE South 89 Degrees 25 Minutes 50 Seconds West, departing the west line of said Blakey Airport Addition Replat, 150.05 feet to a "PK" nail found in concrete in the east line of said Taxway U;

THENCE North 00 Degrees 34 Minutes 07 Seconds West, along the north line of said Taxway U, 33.84 feet to a "PK" nail set in concrete at the northeast corner of said Taxway U;

THENCE South 89 Degrees 25 Minutes 50 Seconds West, along the north line of said Taxway U, 120.58 feet to a "PK" nail set in concrete at the northwest corner of said Taxway U;

THENCE South 89 Degrees 25 Minutes 50 Seconds West, along the east line of said Taxway U, 144.76 feet to a "PK" nail set in concrete;

THENCE North 46 Degrees 41 Minutes 09 Seconds West, departing the west line of said Taxway U, 208.29 feet to a cut 'x' found in concrete;

THENCE South 89 Degrees 56 Minutes 35 Seconds West, 68.59 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" at the northeast corner of said Claire Chennault and lying in a non-tangent circular curve to the left having a radius of 130.00 feet;

THENCE northeasterly, along the east line of said Claire Chennault and along said curve to the left, through a central angle of 20 Degrees 43 Minutes 19 Seconds, an arc distance of 47.02 feet and having a chord which bears North 09 Degrees 43 Minutes 43 Seconds East, 46.76 feet to a "PK" nail set in concrete;

THENCE North 00 Degrees 37 Minutes 57 Seconds West, along the east line of said Claire Chennault, 239.26 feet to the **POINT OF BEGINNING** and containing 3.625 acres of land.

24' WIDE EASEMENT FOR VEHICULAR & PEDESTRIAN INGRESS & EGRESS

BEING a tract of land situated in the William Lomax Survey Abstract No. 792, Town of Addison, Dallas County, Texas, being a part of Addison Airport, an addition to the Town of Addison, Texas, according to the plat thereof recorded in Volume 2005131, Page 82 in the Map Records of Dallas County, Texas (MRDCT), and being more particularly described as follows:

BEGINNING at a "PK" nail set in concrete in the south line of Westgrove Road (60 foot right-of-way), from which a "PK" nail set in concrete at the north end of a corner clip at the intersection of the south line of said Westgrove Road, with the west line of Addison Road (60 foot right-of-way) bears North 89 Degrees 25 Minutes 57 Seconds East, 180.93 feet;

THENCE South 00 Degrees 28 Minutes 24 Seconds East, departing the south line of said Westgrove Road, 305.67 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

THENCE South 89 Degrees 25 Minutes 50 Seconds West, 24.00 feet to a "PK" nail set in concrete;

THENCE North 00 Degrees 28 Minutes 24 Seconds West, 305.67 feet to a "PK" nail set in concrete in the south line of said Westgrove Road;

THENCE North 89 Degrees 25 Minutes 57 Seconds East, along the south line of said Westgrove Road, 24.00 feet to the **POINT OF BEGINNING** and containing 0.168 acre of land.

SHARED RAMP EASEMENT

BEING a tract of land situated in the William Lomax Survey Abstract No. 792, Town of Addison, Dallas County, Texas, being a part of Addison Airport, an addition to the Town of Addison, Texas, according to the plat thereof recorded in Volume 2005131, Page 82 in the Map Records of Dallas County, Texas (MRDCT), and being more particularly described as follows:

COMMENCING at a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" in the west line of Addison Road (60 foot right-of-way), from which a 1/2-inch iron rod found with plastic cap stamped "DAL TECH" at an interior corner of said Addison Airport bears South 00 Degrees 34 Minutes 12 Seconds East, 9.00 feet;

THENCE South 89 Degrees 25 Minutes 50 Seconds West, departing the west line of said Addison Road, 199.81 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" at the **POINT OF BEGINNING**;

THENCE South 00 Degrees 33 Minutes 42 Seconds East, at 9.00 feet passing a "PK" nail set in concrete at an interior corner of said Addison Airport, same being the northwest corner of the Blakey Airport Addition Replat, an addition to the Town of Addison according to the replat thereof recorded in Volume 85100, Page 4042, MRDCT, continuing along the west line of said Blakey Airport Addition Replat, in all a distance of 33.84 feet to a "PK" nail found;

THENCE South 89 Degrees 25 Minutes 50 Seconds West, departing the west line of said Blakey Airport Addition Replat, 150.05 feet to a "PK" nail found in concrete in the east line of said Taxway U;

THENCE North 00 Degrees 34 Minutes 07 Seconds West, along the east line of said Taxway U, 33.84 feet to a "PK" nail set in concrete at the northeast corner of said Taxway U;

THENCE South 89 Degrees 25 Minutes 50 Seconds West, along the north line of said Taxway U, 120.58 feet to a "PK" nail set in concrete at the northwest corner of said Taxway U;

THENCE North 00 Degrees 39 Minutes 09 Seconds West, departing said Taxway U, 49.36 feet to a "PK" nail set in concrete;

THENCE North 89 Degrees 26 Minutes 18 Seconds East, 262.15 feet to a "PK" nail set in concrete;

THENCE South 00 Degrees 28 Minutes 24 Seconds East, 49.32 feet to a "PK" nail set in concrete;

THENCE North 89 Degrees 25 Minutes 50 Seconds East, 8.64 feet to the **POINT OF BEGINNING** and containing 0.413 acre of land.

To: Addison Airport, exclusively.

I, Brad Sparr, a Registered Professional Land Surveyor for Sparr Surveys, do hereby certify that this survey was made on the ground, that this drawing correctly represents the facts found at the time of survey and that this professional service conforms to the current Texas Society of Professional Land Surveyors Standards and Specifications for a Category 1B Condition II Survey.

Brad Sparr
Registered Professional
Land Surveyor No. 3701

DRAWN BY: B.D.S./CAD
CHECKED BY: B.D.S.
DATE: JUNE 6, 2012
REVISED: 04-06-2014
JOB NO. 17265B

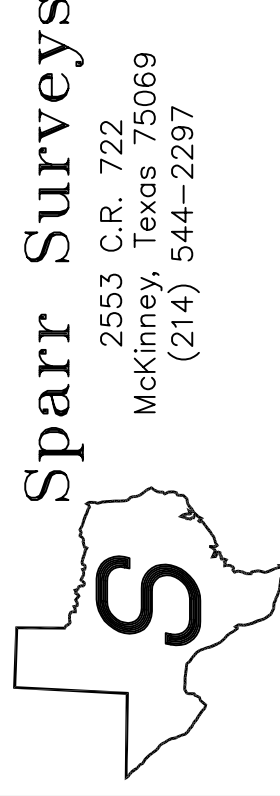
LEASE TRACT SURVEY
A PART OF

ADDISON AIRPORT

WILLIAM LOMAX SURVEY

ABSTRACT NO. 792

TOWN OF ADDISON
DALLAS COUNTY, TEXAS



Sparr Surveys
2553 C.R. 722
McKinney, Texas 75069
(214) 544-2297

EXHIBIT "D"

Description of the Building Improvements

Section 2.D. of this Third Amendment to Ground Lease amending, among other things, Section 6.B of the Ground Lease entitled Construction of Improvements.

The Third Amendment Design Plan includes all improvements made to the Existing Building Improvements (as defined herein) as proposed by Tenant in consideration of the terms and conditions of this Third Amendment to Ground Lease and shall be included and incorporate herein by reference upon written approval by Landlord:

Interior upgrades to the common usage hallways and entrances. Interior gypsum wall assemblies will be cleared, cleaned and painted using up to date color schemes. Existing tile flooring will be cleaned, grout will be etched and a new surface color applied and coordinated with the new wall color schemes. The existing lighting system will be upgraded to more efficient fixtures and bulbs. The existing glass and glazing system will be thoroughly cleaned as needed, insulated glass section found to be damaged will be replaced to restore the integrity of the glazing system. The exterior of the building will be upgraded pursuant to Planned Development Ordinance 85-083 as amended including but not limited to removing weeping brick mortar, clean and stain to brighten and provide more contemporary look. Add a belfry type tower at northeast corner of building to provide better identity and street-view appeal. The existing tile roof system will be cleaned, repaired and pointed followed with a bonded coating application to make the roof uniform and compliment the remainder of the building. Removal 4-6 parking spaces and covered parking at southeast corner to make room for aircraft movement as needed.

EXHIBIT "E"

MEMORANDUM OF LEASE

This Memorandum of Lease is dated as of _____, 2014, and executed by and between the Town of Addison, Texas ("Landlord" or "City") and Westgrove Air Plaza I, LLC, a Texas limited liability company ("Tenant").

WHEREAS, a leasehold estate was created by that certain Ground Lease (the "Lease") dated March 2, 1981, by and among the City of Addison, Texas (the "City"), Addison Airport of Texas, Inc., a Texas corporation ("AATI"), collectively as "Landlord", and Texas Federal Savings & Loan, as tenant, recorded in Volume 81089, Page 1232, of the Official Public Records of Dallas County, Texas (the "OPR"), by the terms of which certain real property located at Addison Airport in Dallas County, Texas (being more specifically described, as amended and modified, in Exhibit "A" attached hereto and incorporated herein) was leased to Texas Federal Savings & Loan; and

- assigned June 30, 1983 from Texas Federal Savings and Loan Association, as assignor, to Blakely Airport Joint Venture, as assignee, recorded in Volume 83133, Page 2164, of the OPR; and thereafter
- assigned June 30, 1983 from Blakely Airport Joint Venture, as assignor, to Raleigh Blakely & Associates, Inc., as assignee, recorded in Volume 83146, Page 4024, of the OPR; and
- that certain Final Plat, Blakely Airport Addition, a Replatting of Texas Federal Subdivision No. Two and Three Lease Tracts, Addison Airport recorded in Volume 84088, Page 4359 of the OPR, which plat was approved by the City on March 13, 1984 (the "Final Plat"), the land that is the subject of the Lease (identified therein as "Lease Tract No. 2"; and
- the Lease was modified by that Amendment to Ground Lease made and entered into May 31, 1984 (the "First Amendment"); and
- then the Lease was assigned May 1, 1985 from Raleigh Blakely & Associates, Inc., as assignor, to Westgrove Air Plaza Joint Venture, as assignee; and then
- by Substitute Trustee's Deed dated February 2, 1988, recorded in Volume 88021, Page 37 of the OPR, the Lease was conveyed to the Federal Savings and Loan Insurance Corporation, as Sole Receiver for Vernon Savings and Loan Association, FSA; and then

Office/Hangar; Lease Tract #1

- the Lease was assigned by that Assignment of Lease dated July 8, 1991, recorded in Volume 91211, Page 779 of the OPR² the FDIC as Receiver for Vernon Savings & Loan assigned its leasehold interest to ITEX Companies/ITEX Enterprises, Inc.; and
- on October 8, 1991, the Lease was assigned from the Federal Deposit Insurance Corporation, as Manager of the FSLIC Resolution Fund, as Receiver for Vernon Savings and Loan Association, FSA to ITEX Enterprises, Inc., as recorded in Volume 91211, Page 635, of the OPR, and re-recorded in part in Volume 92095, Page 3294, of the OPR; and then
- the Lease was assigned on August 22, 1994 from ITEX Enterprises, Inc., as assignor, to Sky/RGS Properties Limited, as assignee, as recorded in Volume 94169, Page 171, of the OPR; and then
- the First National Bank & Trust Co. of McAlester assumed Sky/RGS Properties, Inc.'s leasehold interest in the Lease on May 7, 1996, pursuant to that certain Trustee's Deed recorded in Volume 96090, Page 1835 of the OPR; and
- the First National Bank & Trust Co. of McAlester assigned its interest in the Lease October 15, 1997 to Continental Mortgage and Equity Trust by that Assignment of Lease, recorded in Volume 97206, Page 5404, of the OPR; and then
- Transcontinental Realty Investors, Inc., successor by merger to Continental Mortgage and Equity Trust, assigned its interest in the Lease to Westgrove Air Plaza, Ltd., on October 31, 2000 evidenced by that certain Memorandum of Lease Assignment, recorded in Volume 2000249, Page 5671, of the OPR; and
- the Lease was modified by that Amendment to Ground Lease made and entered into in 2000, modifying Section 9 of the Lease (the "Second Amendment"), and thereafter
- by substitute trustee's deed recorded as Instrument #201100027960 of the OPR, Regions Bank of Birmingham, Alabama as successor in interest to Jefferson Heritage Bank, assumed Westgrove Air Plaza, Ltd.'s leasehold interest in the Lease; and
- on July 26, 2012, the Lease was assigned from Regions Bank, to Guardian Texas Management, LLC, recorded in the OPR as Instrument No. 201200221312, and then
- by that Assignment of Ground Lease dated _____, 2014, recorded as Instrument # _____ of the OPR, the Lease was assigned from Guardian Texas Management, LLC to Westgrove Air Plaza I, LLC a Texas limited liability company, so that now Westgrove Air Plaza I, LLC is the current Tenant of the Demised Premises.

Now let it be known, the said Ground Lease is further amended by that Third Amendment to Ground Lease, entered into and made effective _____. 2014, which, among other things, (i) amends the description of the Demised Premises so that the Demised Premises shall thereafter comprise the land described in Exhibit "B"

² See also Assignment of Lease, recorded in Volume 91211, Page 549 of the OPR.

attached hereto, and (ii) modifies the rental as set forth therein subject, however, to the termination and all other provisions of the Ground Lease, and (iii) extends the Term so the Lease shall now expire _____ unless otherwise earlier terminated.

This Memorandum of Lease is solely for recording and notice purposes and shall not be construed to alter, modify, expand, diminish or supplement the provisions of the Ground Lease, as amended. In the event of any inconsistency between the provisions of this Memorandum of Lease and the provisions of the Ground Lease (as amended), the provisions of the Ground Lease, as amended, shall govern. Reference should be made to the Ground Lease (and all amendments thereto) for the full description of the rights and duties of Landlord and Tenant thereunder, and this Memorandum of Lease shall in no way affect the terms and conditions of the Ground Lease (including all amendments thereto) or the interpretation of the rights and duties of Landlord and Tenant thereunder.

Upon the expiration or earlier termination of the Ground Lease, Landlord and Tenant agree that they shall execute and record a termination of this Memorandum of Lease.

IN WITNESS WHEREOF, the undersigned parties execute this Memorandum of Lease this ____ day of _____, 2014.

LANDLORD:

TENANT:

TOWN OF ADDISON, TEXAS

WESTGROVE AIR PLAZA I, LLC

By: _____
Lea Dunn, City Manager

By: _____

Typed name: _____

Title: _____

(Intentionally left blank)

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

Before me, the undersigned authority, on this day personally appeared Lea Dunn, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that (s)he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this _____ day of _____, 20__.

[SEAL]

By: _____
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 (s)he executed the same for the purposes and consideration therein expressed.

[SEAL]

By: _____
Notary Public, State of Texas

My commission expires: _____

EXHIBIT "A"
to Memorandum of Lease

PROPERTY SURVEY AND LEGAL DESCRIPTION OF
DEMISED PREMISES

(PRIOR TO THIS THIRD AMENDMENT)

EXHIBIT "B"
to Memorandum of Lease

PROPERTY SURVEY AND LEGAL DESCRIPTION OF
DEMISED PREMISES BY WAY OF THIS THRID
AMENDMENT

Exhibit "D"

Proposed Third Amendment to Ground Lease with Westgrove Air Plaza II, LLC

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

**THIRD AMENDMENT
TO GROUND LEASE**

This Third Amendment to Ground Lease (hereinafter referred to as the “Third Amendment”) is entered into and effective as of _____ 2014, (the “Effective Date”), between the Town of Addison, Texas, a home-rule municipality (hereinafter sometimes referred to as the “Landlord” or the “City”, and Westgrove Air Plaza II, LLC, a Texas limited liability company (herein referred to as “Tenant”).

WHEREAS, a leasehold estate was created by that certain Ground Lease (the “Lease”) dated March 2, 1981, by and among the City of Addison, Texas (the “City”), Addison Airport of Texas, Inc., a Texas corporation (“AATI”), collectively as “Landlord”, and Texas Federal Savings & Loan, as tenant, recorded in Volume 81089, Page 1208, of the Official Public Records of Dallas County, Texas (the “OPR”), by the terms of which certain real property located at Addison Airport in Dallas County, Texas (being more specifically described, as amended and modified, in Exhibit “B” attached hereto and incorporated herein) was leased to Texas Federal Savings & Loan; and

WHEREAS, by that Assignment of Lease dated June 30, 1983, the Lease was assigned from Texas Federal Savings and Loan Association, as assignor, to Blakely Airport Joint Venture, as assignee, recorded in Volume 83133, Page 2185, of the OPR; and

WHEREAS, by that Assignment of Lease dated June 30, 1983, the Lease was assigned from Blakely Airport Joint Venture, as assignor, to Raleigh Blakely & Associates, Inc., as assignee, recorded in Volume 83146, Page 4045, of the OPR; and

WHEREAS, by that certain Final Plat, Blakely Airport Addition, a Replatting of Texas Federal Subdivision No. Two and Three Lease Tracts, Addison Airport recorded in Volume 84088, Page 4359 of the OPR, which plat was approved by the City on March 13, 1984 (the “Final Plat”), the land that is the subject of the Lease (identified therein as “Lease Tract No. 3” (the “Revised Property”) and certain adjacent tracts were platted as shown therein;

WHEREAS, the Lease was modified by that Amendment to Ground Lease dated May 31, 1984, between the City, AATI, and Raleigh Blakely & Associates, Inc. (the “First Amendment”), a copy of which is included at Pages 809 through 812 of that certain Assignment of Lease recorded in Volume 91211, Page 779 of the OPR, which First Amendment in part amended the description of the demised premises subject to the Lease; and

WHEREAS, by that Assignment of Lease dated May 1, 1985, the Lease was assigned from Raleigh Blakely & Associates, Inc., as assignor, to Westgrove Air Plaza Joint Venture, as assignee, a copy of a portion of which is included at Pages 805 through 806 of that certain Assignment of Lease recorded in Volume 91211, Page 779 of the OPR; and

WHEREAS, by that Substitute Trustee's Deed dated February 2, 1988, recorded in Volume 88021, Page 37 of the OPR, the Lease was conveyed to the Federal Savings and Loan Insurance Corporation, as Sole Receiver for Vernon Savings and Loan Association, FSA; and

WHEREAS, by that Assignment of Lease dated July 8, 1991, recorded in Volume 91211, Page 549 of the OPR¹ the FDIC as Receiver for Vernon Savings & Loan assigned its leasehold interest to ITEX Companies/ITEX Enterprises, Inc.; and

WHEREAS, by that Assignment and Assumption of Ground Lease dated October 8, 1991, the Lease was assigned from the Federal Deposit Insurance Corporation, as Manager of the FSLIC Resolution Fund, as Receiver for Vernon Savings and Loan Association, FSA to ITEX Enterprises, Inc., as recorded in Volume 91211, Page 635, of the OPR, and re-recorded in part in Volume 92095, Page 3294, of the OPR; and

WHEREAS, by that Assignment of Lease dated August 22, 1994, the Lease was assigned from ITEX Enterprises, Inc., as assignor, to Sky/RGS Properties Limited, as assignee, as recorded in Volume 94169, Page 123, of the OPR; and

WHEREAS, the First National Bank & Trust Co. of McAlester assumed Sky/RGS Properties, Inc.'s leasehold interest in the Lease on May 7, 1996, pursuant to that certain Trustee's Deed recorded in Volume 96090, Page 1835 of the OPR; and

WHEREAS, by that Assignment of Ground Lease dated October 15, 1997, the Lease was assigned from First National Bank & Trust Co. of McAlester (which through foreclosure assumed Sky/RGS Properties, Inc.'s interest in the Lease), as assignor, to Continental Mortgage and Equity Trust, as recorded in Volume 97206, Page 5356, of the OPR; and

WHEREAS, Transcontinental Realty Investors, Inc., successor by merger to Continental Mortgage and Equity Trust, assigned its leasehold interest in the Lease to Westgrove Air Plaza, Ltd., by way of the Assignment of Lease dated October 31, 2000, evidenced by that certain Memorandum of Leasehold Assignment, recorded in Volume 2000249 Page 5666, of the OPR; and

WHEREAS, the Lease was modified by that Amendment to Ground Lease made and entered into in 2000, modifying Section 9 of the Lease (the "Second Amendment"), and

WHEREAS, by substitute trustee's deed recorded as Instrument #201100027960 of the OPR, Regions Bank of Birmingham, Alabama as successor in interest to Jefferson Heritage Bank, assumed Westgrove Air Plaza, Ltd.'s leasehold interest in the Lease;

WHEREAS, by that Assignment of Ground Lease dated July 26, 2012, the Lease was assigned from Regions Bank, as Assignor to Guardian Texas Management, LLC, a Texas limited liability company which Assignment of Ground Lease was recorded in the OPR as Instrument No. 201200221311; and

¹ See also Assignment of Lease, recorded in Volume 91211, Page 549 of the OPR.

WHEREAS, by that Assignment of Ground Lease dated _____, 2014, recorded as Instrument # _____ of the OPR, the Lease was assigned from Guardian Texas Management, LLC to Westgrove Air Plaza I, LLC a Texas limited liability company; and

WHEREAS, by virtue of such assignments, amendments and/or modifications made to the Lease, Westgrove Air Plaza II, LLC is the Tenant under the Lease; and

WHEREAS, the Lease provides that, upon the expiration or termination of that certain agreement referred to and defined in the 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 Lease; and

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

WHEREAS, a true and correct copy of the Lease, together with all the above referenced assignments, amendments and modifications thereto, is attached to this Third Amendment as Exhibit "A" (and is referred herein as the “Ground Lease”, the “Lease” or “Ground Lease #080A-29”); and

WHEREAS, Landlord and Tenant desire and mutually agree to amend this Ground Lease to affirm and modify the demised premises, rental, lease term and other terms and conditions of the Lease as set forth herein.

NOW, THEREFORE, for and in consideration of the above and foregoing premises, the sum of Ten and No/100 Dollars (\$10.00), and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Town of Addison, Texas and Guardian Texas Management, LLC, a Texas limited liability company, do hereby agree as follows:

Section 1. Incorporation of Premises; Tenant Representations. The above and foregoing premises and recitals are true and correct and are incorporated herein and made a part of this Third Amendment for all purposes.

In connection with the Ground Lease and this Third Amendment and as a part thereof, Tenant represents and warrants to Landlord that Tenant: (i) is a company duly organized, validly existing and in good standing under the laws of the State of Texas, and shall remain in good standing throughout the term of this Agreement; (ii) it has the requisite power and authority to carry on its business as it is now being conducted; (iii) it has the legal capacity to enter into this Agreement; and, (iv) the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated by this Agreement have been authorized and approved by all action required on the part of the Tenant.

Section 2. Amendments and Modifications to Ground Lease. The Ground Lease, as described in the above and foregoing recitals, is hereby amended and modified as follows:

A. Term Adjustment.

1. The term of this Lease is currently scheduled to and shall end on February 27, 2022, subject, however, to the termination provisions of the Lease, including, without limitation, the termination provisions set forth in this Third Amendment, and all other terms, conditions, and provisions of this Lease. However, if:

(a) Tenant satisfies and completes to Landlord's reasonable satisfaction all of the terms, conditions, and provisions of this Lease, as amended, regarding construction of the Building Improvements (as defined and described herein) set forth in the amendments to Section 6 of this Lease (which amendments are included in Section 2.E. of this Third Amendment, below) (including, without limitation, satisfaction of the time period for achievement of Substantial Completion and Final Completion (as such terms are defined herein) of the Building Improvements);

(b) the Construction Costs Evidence (as defined herein) is timely submitted by Tenant to Landlord and the same equals or exceeds the Construction Cost Value (as defined herein); and

(c) Tenant is not in default of any provision of this Lease,

1. Tenant shall, prior to the construction of the Improvements or any other facilities or improvements on the Demised Premises, present to Landlord for Landlord's review and consideration of approval, the plans and specifications for the construction of the Improvements or any other improvements or facilities (the "Plans and Specifications"). For purposes of this subparagraph (ii), Plans and Specifications shall be approved by Landlord or, by the Town of Addison City Manager's designee, and all such approvals shall not be unreasonably withheld or delayed in any manner. All construction of the Improvements and any other facilities or improvements shall be substantially in accordance with the approved Plans and Specifications, and such construction shall be in a first class, workmanlike manner. Tenant shall promptly pay and discharge (or provide adequate bond or escrow funds with regard to any disputed amounts) all costs, expenses, claims for damages, liens and any and all other liabilities and obligations that arise in connection with any such construction; completed upon the issuance by the Town of Addison, Texas of a Certificate of Occupancy for such Improvements, and the certification by Tenant's licensed architect or engineer that the Improvements have been completed in substantial conformance with the Plans and Specifications;

2. Tenant agrees that it will contribute no less than **\$1,500,000.00** towards the cost of the construction of the Improvements. If Landlord requests, Tenant shall provide Landlord with reasonable

evidence of the costs and expenses contributed by Tenant to the construction and completion of the Improvements up the completion of the Improvements;

3. Within thirty (30) days following the end of the Improvement Period Landlord and Tenant mutually agree to execute and deliver a Memorandum of Lease Extension Period affirming the modified Term to be substantially in the form given in Exhibit "E" to this Third Amendment pursuant to this Section 2.A, which is to be filed in the Dallas County, Texas Official Public Records accordingly.

B. Amendment to Description of Demised Premises.

The description of the Demised Premises leased to Tenant as set forth in the Lease is hereby amended so that the Demised Premises shall hereafter comprise of 1.458 acres of land more fully described in Exhibit C attached to this Third Amendment and incorporated herein (the "Demised Premises"); provided, however, the said Demised Premises described in the attached Exhibit C and the lease thereof are subject to any and all (i) federal, state, and local laws, statutes, constitutional provisions, charters, ordinances, codes, rules, regulations, directives, policies, permits, standards, and orders (including, without limitation, court orders) 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, (ii) restrictive covenants, mortgages, taxes, easements, licenses, encroachments, leases, deeds of trust, liens, mortgages, restrictions, and all other encumbrances or title exceptions, whether of record or not, and including, without limitation, items or matters which are visible or apparent from an inspection, which affect the Demised Premises.

C. Amendment to Rental. Section 4 of the Ground Lease is modified in accordance with the following:

Rent for the Demised Premises as amended hereby shall be in an annual amount equal to the product of the number of gross square feet of the Demised Premises (the number of gross square feet of the demised premises as set forth in Exhibit "C" to this Third Amendment being 63,510 square feet) multiplied by \$0.61721 per gross square foot (63,510 square feet times \$0.61721 per gross square foot equals annual rent amount of **Thirty-nine Thousand One Hundred and Ninety-nine Dollars and 01/100, (\$39,199.01)** (the "Rent" or "Annual Rent"), which Rent is subject to adjustment as set forth in the Ground Lease. Without offset or deduction, Rent shall be paid in advance in monthly installments on or before the first day of each calendar month, each such installment determined by dividing the annual rental amount by twelve (12), with the first

such installment due on or before the first day of the first calendar month following the Effective Date of this Third Amendment.

D. Amendment to Adjustment of Rental. Section 5 of the Ground Lease is amended in its entirety to read as follows:

Adjustment of Rental: Commencing on March 1, 2016 and on every second anniversary thereafter (hereinafter referred to as the "Adjustment Date"), the Annual Rent due under Section 4, as amended herein, shall be adjusted as follows:

1. Annual 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 Effective Date of this Amendment. The current index ("Current Index") is the Consumer Price Index on the first day of the calendar month preceding the then applicable Adjustment Date.

2. Beginning with the first full month following the then applicable Adjustment Date, the Annual Rent shall be adjusted so that it equals the product of the Annual Rent amount during the first year of this Third Amendment (such amount being \$39,199.01) 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 Annual Rent ever be decreased below the Annual Rent set forth in Section 4., as amended (such Annual Rent being \$39,199.01). Without offset or deduction, Annual Rent shall be paid in advance in monthly installments on or before the first day of each calendar month, determined by dividing the Annual Rental amount by twelve (12), with the first such installment due on or before the first day of the first calendar month following the Adjustment Date

3. 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.

E. Amendment to Use of Demised Premises and Construction of Improvements. Section 6 of the Ground Lease is amended in its entirety to read as follows:

A. Use of the Demised Premises:

1. The Demised Premises shall be used and occupied by Tenant only for the following purposes: sale of aircraft and aircraft parts; aircraft maintenance and repair, aircraft storage; aircraft training, aircraft charter; aircraft rentals; aircraft ramps and vehicle parking; and not otherwise without the prior written consent of Landlord.

2. The Demised Premises shall not be used for any purpose or activity that (i) constitutes a violation of any federal, state, or local laws, ordinances, orders, directives, charters, rules, regulations, standards or policies), (ii) in Landlord's opinion, creates or would create a nuisance or waste, or unreasonably disturb, annoy or interfere with other tenants or users of the Airport, or (iii) increases insurance costs for Landlord.

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

4. Tenant acknowledges that Landlord is bound by, and this Ground Lease is subject to, 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, including, without limitation, 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. Tenant agrees not to act or fail to act in any way or manner that would cause Landlord to be in violation of any of the foregoing.

5. 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 the Demised Premises; (ii) that in the construction of any improvements on, over or under the Demised Premises 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 Demised 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.

6. Tenant agrees to furnish service on a fair, equal, and not unjustly 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.

B. Construction of Improvements.

1. In connection with the use and occupancy of the Demised Premises by Tenant, Tenant shall cause to be constructed on the Demised 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 shall be submitted to and subject to the approval of Landlord. The term "Building Improvements" shall mean those improvements described in **Exhibit D** 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 Demised Premises without the prior written consent of Landlord. The construction cost (separate and apart from the cost of design and any other costs or expenses (including, without limitation, those costs sometimes referred to as "soft costs") of the Building Improvements shall exceed **One Million Five Hundred Thousand Dollars and no/100** (\$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, the amount paid for the construction work and the Building Improvements, and such other records or information as Landlord may request to substantiate the Construction Cost.

2. The Building Improvements (including any modifications or changes to the Existing Building Improvements) shall be constructed on the Demised Premises in accordance with plans and specifications prepared by an architect and/or engineer selected by Tenant (the "Design Plan"), which Design Plan shall be submitted to Landlord and approved in writing by Landlord by the issuance of a Building Permit or other means as determined 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 incidental, special, and 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 MANAGER, AND THEIR RESPECTIVE OFFICIALS, OFFICERS, EMPLOYEES AND AGENTS (IN BOTH THEIR OFFICIAL AND PRIVATE CAPACITIES) (THE "INDEMNIFIED PARTIES") FROM AND AGAINST ANY AND ALL SUCH COSTS, EXPENSES, CLAIMS, DAMAGES, PENALTIES, FINES, LIENS LIABILITIES, AND OBLIGATIONS (TOGETHER, FOR PURPOSES OF THIS SUBSECTION, THE "DAMAGES"), INCLUDING SUCH COSTS, EXPENSES, CLAIMS, DAMAGES, PENALTIES, FINES,**

LIENS LIABILITIES, AND OBLIGATIONS WHICH ARE ALLEGED OR FOUND TO HAVE BEEN CAUSED BY OR RESULT FROM, IN WHOLE OR IN PART, THE NEGLIGENCE OF ANY OF THE INDEMNIFIED PARTIES (BUT NOT THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE INDEMNIFIED PARTIES), OR CONDUCT BY THE INDEMNIFIED PERSONS THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND, OR THE VIOLATION OF ANY TERM OF THE LEASE WITHOUT LIMITATION. HOWEVER, TO THE EXTENT GROSS NEGLIGENCE AND/OR WILLFUL MISCONDUCT ARE ALLEGED SIMULTANEOUSLY WITH CLAIMS REQUIRING DEFENSE AND INDEMNITY HEREIN, TENANT SHALL DEFEND ALL CLAIMS ALLEGED AGAINST THE INDEMNIFIED PARTIES. TENANT'S LIABILITY UNDER THIS INDEMNITY OBLIGATION SHALL BE REDUCED BY THAT PORTION OF THE TOTAL AMOUNT OF THE DAMAGES (EXCLUDING DEFENSE FEES AND COSTS) EQUAL TO THE INDEMNIFIED PARTIES' PROPORTIONATE SHARE OF THE NEGLIGENCE, OR CONDUCT THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND, THAT CAUSED THE DAMAGES. LIKEWISE, TENANT'S LIABILITY FOR THE INDEMNIFIED PARTIES' DEFENSE COSTS AND ATTORNEYS' FEES SHALL BE REDUCED BY A PORTION OF THE DEFENSE COSTS AND ATTORNEYS' FEES EQUAL TO THE INDEMNIFIED PARTIES' PROPORTIONATE SHARE OF THE NEGLIGENCE, OR CONDUCT THAT WOULD GIVE RISE TO THE STRICT LIABILITY OF ANY KIND, THAT CAUSED THE DAMAGES. It is expressly understood and agreed that Tenant's construction of the Building Improvements shall include the finish-out 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, such approval not to be unreasonably withheld.

After commencement of construction, Tenant shall complete construction of any 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 reasonable approval of Landlord.

3. 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 and its contractors shall have full and complete responsibility.

4. In the event (i) construction of the Building Improvements on the Demised Premises have not commenced (as defined below) on or before **June 30, 2017** (the "Drop Dead Date"), Landlord may, at its sole discretion, terminate this Lease by delivering written notice to Tenant and this Lease shall become null and void with neither party having any further rights one against the other.

Notwithstanding the foregoing, Tenant shall remain liable to perform all duties and obligations required under the Lease which have accrued up to and through the Drop Dead Date, including but not limited to, the payment of all rental, pro-rated ad valorem and personal property taxes, liens, insurance, service contracts, utilities, fines, assessments or any other such expense. Tenant's duty to continue to perform pursuant to this sub-paragraph shall survive beyond the Drop Dead Date until Landlord is satisfied no further claims are outstanding.

5. 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 Demised Premises, (iii) Tenant shall have received (and shall have provided a true and correct copy to Landlord 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 to perform the work set forth in the Design Plan with a qualified general contractor, (v) proof of required Builder's Risk Insurance Policy and Payment Bond and Performance Bond required under Section 13 herein, and (vi) the initiation of actual mobilization of construction equipment on the Demised Premises (to perform the initial steps of construction of the Building Improvements, such as excavation for a foundation).

6. 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 reasonable approval of Landlord. If (i) construction of the Building Improvements is not Substantially Complete ("Substantial Completion" being defined in subsection 10 of this Section 6.B) on or before **June 30, 2018**, and Final Completion ("Final Completion" being defined in subsection 10 of this Section 6.B) achieved no later than ninety (90) days after the date of Substantial Completion, and if (ii) the Construction Costs of the Building Improvements do not exceed the Construction Cost as established, if any, by the Construction Costs Evidence which Tenant shall submit to Landlord on or before the Final Completion date, such failure and/or omission constitutes a default or breach of this Agreement for which Landlord may pursue all rights and remedies available to Landlord under this Ground Lease or at law, in equity or otherwise (including, without limitation, termination of this Ground Lease and/or Tenant's right to possession of the Demised Premises). If Landlord terminates this Lease, Tenant shall (at its sole cost and expense) and at Landlord's request remove any portion of the Building Improvements requested by Landlord and leave the Demised Premises in a good condition.

7. 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 Demised Premises shall comply with all standards, codes, and rules adopted by Landlord or Manager and generally applicable to similar

improvements located on and within the Airport, 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.

8. 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 7460-1), a TxDOT Airport Construction Emission Inventory, and such other forms and information as may be required by the FAA, TxDOT, or other governmental entity or agency having jurisdiction over Addison Airport.

9. Tenant further agrees that the Landlord shall be authorized at all times during any project of construction to enter upon the Demised 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, 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 Demised Premises.

10. “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 (or other authorized design professional) who designed the Building Improvements in writing to Landlord that said Building Improvements are complete in accordance with the Design Plan (e.g., a certificate of substantial completion), and (ii) the issuance by the Town of Addison, Texas of a final, unconditional certificate of 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 (or other authorized design professional) 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 (or other authorized design professional) reflecting all approved changes and modifications to the originally approved Design Plan.

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

F. **Amendment to Section 7 of the Ground Lease.** Section 7 of the Ground Lease is amended in its entirety to read as follows:

7. Acceptance of Demised Premises: **TENANT ACKNOWLEDGES THAT TENANT HAS FULLY INSPECTED THE DEMISED PREMISES AND ACCEPTS THE DEMISED PREMISES AND THAT THE DEMISED 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 DEMISED PREMISES 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 DEMISED PREMISES HAVE BEEN ADEQUATE TO ENABLE TENANT TO MAKE TENANT'S OWN DETERMINATION WITH RESPECT TO THE SUITABILITY OR FITNESS OF THE DEMISED PREMISES, 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 DEMISED 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 DEMISED 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 21.1 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 Demised Premises, Tenant acknowledges that this Lease shall be construed to provide Rent to Landlord on a Net Return Basis, as set out in Section 30, below.

G. Amendment to Section 8 of the Ground Lease. Section 8 of the Ground Lease is amended in its entirety to read as follows (intended to supersede and replace #1 in Rider):

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 Demised Premises. This Lease is subject to and Tenant shall comply at all times with all federal, state, and local laws, statutes, ordinances, rules, regulations, directives, orders, permits, standards, codes (including, without limitation, building codes and standards), zoning requirements, grant assurances, grant agreements, the Charter of the Town of Addison, all court orders, opinions and decisions, and all interpretations of the foregoing, of and by any governmental authority, entity, branch, 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, and any successor entities thereto) applicable or related to, whether directly or indirectly, this Lease, the Addison Airport, the Demised Premises, and the use and occupancy thereof, and whether in existence or hereafter enacted, adopted or imposed (collectively, "Laws" and "Law" means any of the foregoing). Tenant shall promptly comply with all governmental orders and directives and all other Laws for the correction, prevention and abatement of nuisances in or upon, or connected with, the Demised Premises, all at Tenant's sole cost and expense, 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 and to the terms of a grant, loan, or agreement under Section 22.055 of the Texas Transportation Code (and as the same may be amended or superseded).

Tenant agrees that any new construction or modification of existing improvements on the Demised 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 or

any portion thereof or any function related thereto (such person and or entity, whether one or more, being the "Airport Manager" or "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, and will otherwise comply with all Laws. 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, and any other Laws, 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 Demised 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 Demised 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 Demised Premises of such standards.

H. Amendment to Section 9 of the Ground Lease. Section 9 of the Ground Lease, subparagraphs A., B., and E. of the Ground Lease are amended in their entirety to read as follows (intended to supersede and replace the 2000 Amendment in its entirety):

9. Assignment, Subletting and Mortgaging of Leasehold Estates:

A. Without the prior written consent of Landlord (which consent may be granted or withheld in Landlord's sole and absolute discretion and opinion), Tenant shall have no power to and may not assign, sell, pledge, encumber, license, transfer, or otherwise convey in any manner whatsoever, including by merger, consolidation, operation of law, or otherwise, (together, "assign" or "assignment," and the person or entity to whom an assignment is made being an "assignee"), this Lease or any rights, duties, or obligations of Tenant hereunder (except to a leasehold mortgagee as herein below provided and in accordance with and subject to all of the terms and conditions of this Lease) nor sublet in whole or in part any portion of the Demised 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 22 of this Lease. Any assignment or subletting shall be expressly subject to all the terms and provisions of this Lease, including the provisions of Section 6 pertaining to the use of the Demised

Premises. In the event of any Landlord-approved assignment or subletting, Tenant shall not assign Tenant's rights, duties, or obligations hereunder nor sublet the Demised Premises without first obtaining a written agreement from each such assignee or sublessee whereby each such transferee or sublessee agrees to be bound by the terms and provisions of this Lease. No such assignment or subletting shall constitute a novation. In the event of the occurrence of an event of default while the Demised Premises are assigned or sublet, Landlord, in addition to any other rights and remedies provided herein or by law, may at Landlord's option, collect directly from such assignee or subtenant all rents becoming due under such assignment or subletting and apply such rent against any sums due to Landlord hereunder. No direct collection by Landlord from any such assignee or subtenant shall release Tenant from the payment or performance of Tenant's obligations hereunder. Landlord's consent to any assignment or subletting will not act as a waiver of any rights or remedies granted to or retained by Landlord under this Lease and shall not act as an election of remedies nor shall it prohibit Landlord from exercising its rights and remedies with respect to any other actual or proposed assignment or subletting, and Landlord's consent to any assignment shall not relieve Tenant or any Guarantor of any liability to Landlord under this Lease or otherwise.

B. Notwithstanding the foregoing, Landlord hereby acknowledges and consents to Tenant's subletting of the Leased Premises for the purpose of renting aircraft storage and multi-tenant commercial office space only, provided that each sublease is evidenced by written agreement (to be made available for Landlord's review and inspection upon Landlord's written request within 3 business days), signed and executed by Tenant and sublessee and fairly states:

1. Each sublessee agrees to be bound by the terms and provisions of this Ground Lease, including, without limitation, the provisions of Section 6 pertaining to the use of the Demised 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;
2. No such subletting shall constitute a novation;
3. In the event of occurrence of an event of default while the Demised Premises are assigned or sublet, Landlord, in addition to any other rights or remedies provided herein or by law, in equity, or otherwise, may at Landlord's option, collect directly from such assignee or subtenant all rents becoming due under such subletting and apply such rent against any sums due to Landlord hereunder;
4. 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;
5. Any such sublease is to automatically terminate upon termination of the Ground Lease notwithstanding any other provision of the sublease to the contrary;
6. Landlord shall have no responsibility or obligation for the performance by Tenant of its obligations under the sublease;
7. 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; that 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; that any violation of any terms and conditions of the Ground Lease by a sublessee will constitute a default under the Ground Lease.

Subleases in effect on the Effective Date of this Third Amendment to Ground Lease shall not be required to be amended to specifically comply with the terms of this Section 9.B.

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) financial statements prepared or reviewed and certified by an independent CPA, or other evidence of the proposed assignee to perform its obligations under this Lease.

An assignment will be deemed to occur if the person or persons who own or have control of more than 50% of Tenant on the Effective Date of this Third Amendment to Ground Lease cease to own or have voting control of more than 50% 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 and/or 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 subletting shall be expressly subject to all the terms and provisions of this Lease, including, without limitation, the provisions of Section 6 pertaining to the use of the Demised Premises. Tenant shall not assign this Lease or any right, duty, liability, or obligation of Tenant hereunder, or sublet the Demised Premises or any portion of the Demised Premises, without first obtaining a written agreement from each such assignee or sublessee whereby each such assignee or sublessee agrees to and shall be bound by and comply with all of the terms and provisions of this Lease (and Tenant shall provide a copy of such written agreement to Landlord). No assignment or subletting shall constitute a novation. In the event of the occurrence of an event of default while the Demised Premises are assigned or sublet, Landlord, in addition to any other remedies provided herein or by law, in equity, or otherwise, may at Landlord's option, collect directly from such assignee or subtenant all rents becoming due under such assignment or subletting and apply such rent against any sums due to Landlord hereunder. No direct collection by Landlord from any such assignee, transferee, pledgee,

or person or entity to whom this Lease is otherwise conveyed or to such subtenant shall release Tenant from the payment or performance of Tenant's obligations hereunder.

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 other construction upon the Demised Premises approved from time to time by Landlord in writing, or (iii) for other purposes 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 rental 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.

E. Landlord further agrees to execute and deliver to any proposed leasehold mortgagee of Tenant a "Non-Disturbance Agreement" wherein Landlord agrees that Landlord will (i) recognize such mortgagee and its successors and assigns after

foreclosure, or transfer in lieu of foreclosure, as Tenant hereunder, and (ii) continue to perform all of Landlord's obligations hereunder so long as such mortgagee or its successors and assigns performs all of the obligations of Tenant hereunder; provided, however, that notwithstanding the foregoing or any other provision of this Lease, such mortgagee shall not and does not have the right and shall not and does not have the power to assign, sell, transfer, pledge, encumber, mortgage, license, or otherwise convey this Lease, or any right, interest, obligation, or liability hereunder, or any part of the Demised Premises, or sublet the whole or any part of the Demised Premises without the prior written approval of the Landlord, and any such assignment, sale, transfer, pledge, encumbrance, mortgage, license, or other conveyance and any such subletting without the prior written consent of Landlord shall be null and void and may be deemed a default under Section 22.B. of this Lease, it being the intent of this provision that such mortgagee shall have no greater right than Tenant to assign, sell, transfer, pledge, encumber, mortgage, license, or otherwise convey this Lease (or any right, interest, obligation, or liability hereunder), or to sublet the Demised Premises (or any portion thereof), or to use the Demised Premises. Landlord also agrees to consider the execution and delivery to such proposed leasehold mortgagee any other documents which such proposed leasehold mortgagee may reasonably request concerning the mortgaging by Tenant of the leasehold estate created hereby; provided, however, that Landlord shall never be required to subordinate Landlord's interest in the Demised Premises to the mortgagee of such proposed leasehold mortgage.

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 Demised Premises. Tenant's failure to provide said information as prescribed constitutes a default of this Lease.

I. **Amendment to Section 10 of the Ground Lease.** Section 10 of the Ground Lease is amended its entirety to read as follows:

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 Demised Premises, the personal property and fixtures on the Demised Premises, and, if applicable, upon the leasehold estate of Tenant created hereby. Upon the request of Landlord, Tenant shall from time to time furnish to Landlord "paid receipts" or other written evidence that all such Taxes have been paid by Tenant. In the event Tenant fails to pay any such Taxes, Landlord shall have the right (but not the obligation) to pay or cause to be paid such Taxes, and the reasonable costs thereof expended by or caused to be expended by Landlord plus interest thereon as provided in Section 37 of the Ground Lease shall be paid by Tenant on demand.

If any buildings or other improvements located upon the Demised Premises are determined to be subject to property taxation by the Dallas Central Appraisal District (or

any successor entity or agency thereto or other agency with the authority to make such determination) (“DCAD”), Tenant may, in accordance with law, contest the DCAD valuation of such buildings and/or improvements, but shall not contest the determination that the buildings and/or improvements are subject to taxation. Notwithstanding the foregoing if a final (non-appealable) determination is rendered by DCAD or a court of appropriate and competent jurisdiction that any such buildings or other improvements are not subject to property taxation, the rent (as the same may be adjusted) for the year in which such final determination becomes effective shall be increased by an amount equal to the property tax revenue from such buildings and improvements that Tenant would have paid to the Town of Addison, Texas in that year but for such final determination (and such initial increased amount shall be paid to Landlord on or before December 31 of such year, unless otherwise agreed to by Landlord); thereafter, the rent (as the same may be adjusted) as so increased shall continue, subject to adjustment as set forth in this Lease.

J. Amendment to Section 13 of the Ground Lease. Section 13 of the Ground Lease is amended in its entirety to read as follows:

13. Insurance; Bonds.

A. At all times Tenant shall during the term hereof purchase and maintain at Tenant’s sole cost and expense and in a company or companies lawfully authorized to do business in Texas such insurance relating to the Demised Premises as follows:

(i) 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 Demised 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, thereafter, proper adjustment in the limits of insurance coverage shall be effected.

(ii) Commercial General Liability insurance at minimum combined single limits of \$1,000,000 per-occurrence and \$1,000,000 general aggregate for bodily injury, death or property damage or destruction occurring on, in or about the Demised Premises, which coverage shall include products/completed operations (\$1,000,000 products/ completed operations aggregate). Coverage for products/completed operations must be maintained for at least two (2) years after construction work has been completed. Coverage must include contractual liability.

(iii) Statutory limits of workers compensation insurance and employer’s liability, as required by State law, with limits of liability of not less than

\$1,000,000.00 each-occurrence each accident/\$1,000,000.00 by disease each-occurrence/\$1,000,000.00 by disease aggregate.

(iv) If applicable, boiler and pressure vessel insurance on all steam boilers, parts thereof and appurtenances attached or connected thereto which by reason of their use or existence are capable of bursting, erupting, collapsing, imploding or exploding, in the minimum amount of \$500,000.00 for damage to or destruction of property resulting from such perils.

(v) Hangarkeepers Legal Liability insurance, at limits of \$1,000,000.00 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.

(vi) During any period of construction, a Builder's Risk Completed Value policy with an all risks endorsement in an amount equal to the greater of the full-completed value or the amount of the construction contract including any amendments or change orders thereto. The policy shall provide "All Risk" Builder's Risk Insurance (extended to include the perils of wind, collapse, vandalism/malicious mischief, and theft, including theft of materials whether or not attached to any structure).

(vii) 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 \$1,000,000.00 each occurrence (applies to the ownership, operation or use of aircraft by Tenant or any subtenant).

B. Tenant shall cause all such policies of insurance to comply with the following and be specifically endorsed as follows:

(i) The Town of Addison, Texas, and the Airport Manager and their respective past and present officials, officers, employees and agents shall be named as additional insureds;

(ii) All insurance policies which name the Town of Addison, Texas and the Airport Manager (and their respective past and present officials, officers, employees and agents) as additional insureds must be endorsed to read as primary coverage regardless of the application of other insurance;

(iii) A waiver of subrogation in favor of the Town of Addison, Texas and the Airport Manager (and their respective past and present officials, officers, employees and agents) shall be contained in each policy required herein;

(iv) All insurance policies shall be endorsed to the effect that the Town of Addison, Texas and the Airport Manager will receive at least sixty (60) days

written notice prior to cancellation or non-renewal of the insurance (except that if such insurance is canceled for non-payment of premium, such notice shall be ten (10) days);

(v) All liability policies shall contain no cross liability exclusions or insured versus insured restrictions applicable to the claims of the Town of Addison or the Airport Manager;

(vi) Tenant may maintain reasonable and customary deductibles; and

(vii) Insurance must be purchased from insurers that are financially acceptable to Landlord and licensed to do business in the State of Texas.

C. All insurance must be written on forms filed with and approved by the Texas Department of Insurance. Certificates of insurance, satisfactory to Landlord, shall be prepared and executed by the insurance company or its authorized agent, promptly delivered to Landlord and updated as may be appropriate, and shall:

(i) List each insurance coverage described and required herein. Such certificates will also include a copy of the endorsements necessary to meet the requirements and instructions contained herein; and

(ii). Specifically set forth the notice-of-cancellation or termination provisions to the Town of Addison and the Airport Manager.

Upon request, Tenant shall furnish Landlord with complete copies of all insurance policies certified to be true and correct by the insurance carrier. 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.

D. In connection with any construction on the Demised Premises, Tenant shall obtain and keep in full force and effect at its sole cost and expense a Performance Bond and a Payment Bond guaranteeing, respectively, the faithful performance of all construction work and the payment of all obligations arising during the construction (including, without limitation, the payment of all persons performing labor or providing materials under or in connection with the Building Improvements), in the penal sum of one-hundred percent (100%) of the Construction Costs. Tenant shall pay or cause to have paid the premiums for such bonds. Bonds shall be issued by a surety company satisfactory to the Landlord, licensed by the State of Texas to act as a Surety, and listed on the current U.S. Treasury Listing of Approved Sureties. All forms shall be made on a form complying with the requirements of the laws of the State of Texas and satisfactory to Landlord. Such bonds shall be in conformance with the provisions of Chapter 2253, Tex. Gov. Code, and any successor statute thereto. Tenant and Landlord shall be named as joint obliges of all such bonds.

E. 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.

K. **Amendment to Section 18 of the Ground Lease.** Section 18 of the Ground Lease is amended its entirety to read as follows:

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 Demised 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 any 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.

L. **Amendment to Section 21 of the Ground Lease.** Section 21 of the Ground Lease is amended in its entirety to read as follows:

21. **Indemnity and Exculpation and Release.**

A. **Exculpation.** Landlord and the elected officials, the officers, employees, representatives, agents, and volunteers of Landlord, individually or collectively, in both their official and private capacities, (each a “**Landlord Person**” and collectively the “**Landlord Persons**”), and Airport Manager and Airport Manager’s owner’s, officers, employees, representatives, and agents, in both their official and private capacities, (each a “**Manager Person**” and collectively the “**Manager Persons**”), shall not be liable to Tenant or to any of Tenant’s owners, directors, officers, shareholders, partners, managers, employees, agents, consultants, servants, customers, invitees, patrons, subtenants, licensees, concessionaires, contractors, subcontractors, or any other person or entity for whom Tenant is legally responsible, and their respective owners, directors, officers, shareholders, partners, managers, employees, agents, consultants, servants, customers, invitees, patrons, subtenants, licensees, concessionaires, contractors, and subcontractors, (each a “**Tenant Person**” and collectively “**Tenant Persons**”), 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 Demised Premises or any adjacent area owned by Landlord caused by or resulting from any act or omission of Tenant or any Tenant Persons, or arising out of the use or occupation of the Demised Premises by Tenant or any Tenant Persons 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'S INDEMNITY OBLIGATION. Tenant shall DEFEND (with counsel reasonably acceptable to Landlord), INDEMNIFY, AND HOLD HARMLESS Landlord and all other Landlord Persons and Airport Manager and all Manager Persons (Landlord and all other Landlord Persons, and Airport Manager and all other Manager Persons, being collectively the "Indemnified Persons") from and against any and all claims, actions, proceedings, causes of action, demands, losses, harm, damages, penalties, fines, liability, expenses, lawsuits, judgments, costs, and fees (including reasonable attorney fees and court costs) of any kind and nature whatsoever made upon, incurred by, suffered by, or asserted against any of the Indemnified Persons, whether directly or indirectly (collectively for purposes of this Section, "Damages"), that result from, relate to, are based upon, or arise out of, in whole or in part, (I) any condition of the Demised Premises caused in whole or in part by Tenant or by any Tenant Persons; (II) any act or omission of Tenant or any Tenant Persons under, in connection with, or in the performance of, this Lease; (III) any representations or warranties by Tenant under this Lease; (IV) any personal injuries (including but not limited to death) to any Tenant Persons and to any third persons or parties arising out of or in connection with Tenant's use and occupancy of the Demised Premises under this Lease; and/or (V) the Demised Premises becoming out of repair due to the fault of Tenant or any Tenant Persons 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 Demised Premises, regardless of the source, or by dampness or by fire, explosion, falling plaster or ceiling. THIS DEFENSE, INDEMNITY, AND HOLD HARMLESS OBLIGATION SHALL AND DOES INCLUDE DAMAGES ALLEGED OR FOUND TO HAVE BEEN CAUSED, IN WHOLE OR IN PART, BY THE NEGLIGENCE (BUT EXCLUDING THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT) OF THE INDEMNIFIED PERSONS (OR ANY OF THEM), OR CONDUCT BY THE INDEMNIFIED PERSONS (OR ANY OF THEM) THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND. HOWEVER, TO THE EXTENT GROSS NEGLIGENCE AND/OR WILLFUL CONDUCT ARE ALLEGED SIMULTANEOUSLY WITH CLAIMS REQUIRING DEFENSE AND INDEMNITY HEREIN, TENANT SHALL DEFEND ALL CLAIMS ALLEGED AGAINST THE INDEMNIFIED PERSONS. Tenant's liability under this indemnity obligation shall be reduced by that portion of the total amount of the Damages (excluding defense fees and costs) equal to the Indemnified Person's or Indemnified Persons' proportionate share of the negligence, or conduct that would give rise to strict liability of any kind, that caused the loss. Likewise, Tenant's liability for Indemnified Person's or Indemnified Persons' defense costs and attorneys' fees shall be limited to a portion of the defense costs and attorneys' fees equal to the Indemnified Person's or Indemnified Persons' proportionate share of the negligence, or conduct that would give rise to strict liability of any kind, that caused the loss.

Tenant shall promptly advise Landlord and Airport Manager in writing of any claim or demand against any Indemnified Persons, Tenant, or any Tenant Persons related to or arising out of Tenant's activities under this Lease and shall see to the investigation and defense of such claim or demand at Tenant's sole cost and expense. The Indemnified Persons shall have the right, at the Indemnified Person's or Indemnified Persons' option and

own expense, to participate in such defense without relieving Tenant of any of its obligations hereunder.

C. Release. Tenant hereby RELEASES Landlord and all other Landlord Persons, and Airport Manager and all other Manager Persons, (i) for any death or injury to any person or persons or damage to or destruction of property of any kind resulting from the Demised Premises becoming out of repair or by defect in or failure of equipment, pipes, or wiring, or broken glass, or by the backing up of drains, or by gas, water, steam, electricity or oil leaking, escaping or flowing into the Demised Premises, regardless of the source, or by dampness or by fire, explosion, falling plaster or ceiling or for any other reason whatsoever, and (ii) any loss or damage that may result from or 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, INCLUDING, WITHOUT LIMITATION, ANY AND ALL CLAIMS WHICH ARISE FROM, OR ARE ALLEGED OR FOUND TO HAVE BEEN CAUSED BY, IN WHOLE OR IN PART, THE NEGLIGENCE [BUT EXCLUDING GROSS NEGLIGENCE OR WILLFUL MISCONDUCT] OF ANY OF THE INDEMNIFIED PERSONS, OR CONDUCT BY ANY OF THE INDEMNIFIED PERSONS THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND.

D. THE PROVISIONS OF THIS SECTION 21 SHALL SURVIVE THE EXPIRATION OR TERMINATION OF THIS LEASE.

M. Amendment to Section 21.1 of the Ground Lease. Section 21.1 of the Ground Lease is inserted in its entirety to read as follows:

Section 21.1. Environmental Compliance.

A. Tenant shall not install, store, use, treat, transport, discharge or dispose (or permit, allow, or acquiesce in the installation, storage, use, treatment, transportation, discharge or disposal by Tenant's owners, directors, shareholders, partners, managers, officers, employees, agents, representatives, engineers, consultants, contractors, subcontractors, tenants, licensees, invitees, patrons, concessionaires, or any other person or entity for whom Tenant is legally responsible, and/or their respective owners, directors, shareholders, partners, officers, managers, employees, agents, representatives, engineers, consultants, contractors, subcontractors, tenants, licensees, invitees, patrons, and concessionaires) on the Demised Premises or any portion of the common facilities (described in Section 17), 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 law, rule, regulation, order, standard, permit, directive or policy, or which, even if not so regulated may or could pose a hazard to the health and safety of the occupants of the Demised 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, regulation, order, standard, permit, directive or policy, or (ii) in any manner prohibited or deemed unsafe under applicable law, rule, regulation, order, standard, permit, directive or policy. (The substances referred to in (a), (b), (c) or (d) herein are collectively referred to hereinafter as "Hazardous Materials").

B. Cleanup Laws; Tenant's Indemnity Obligation.

1. Tenant shall, at Tenant's own expense, comply with any presently existing or hereafter enacted laws, rules, regulations, orders, standards, directives, permits, or notices relating to Hazardous Materials (collectively, "Cleanup Laws"). 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 Demised Premises and/or any portion of the common facilities (as described in Paragraph 17) by (i) Tenant, or by (ii) any of Tenant's owners, directors, shareholders, partners, managers, officers, employees, agents, representatives, engineers, consultants, contractors, subcontractors, tenants, licensees, invitees, patrons, concessionaires, or any other person or entity for whom Tenant is legally responsible, and/or their respective owners, directors, shareholders, partners, officers, managers, employees, agents, representatives, engineers, consultants, contractors, subcontractors, tenants, licensees, invitees, patrons, and concessionaires, or by (iii) any person acting by or under the authority or with the permission of Tenant, Tenant's tenants, or any other person entering the Demised Premises under express or implied invitation of Tenant during the Term of this Lease, Tenant shall, at Tenant's own cost and 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 cost or 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 Demised 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.

2. Tenant's Indemnity Obligation. Without limiting any other indemnity, hold harmless, and defense obligation of Tenant set forth in this Lease, Tenant agrees to and shall fully DEFEND (with counsel reasonably acceptable to Landlord), INDEMNIFY AND HOLD HARMLESS the Town of Addison, Texas and all other Addison Persons (as the term "Addison Persons" is defined in subsection B of Section 21, above), and the Manager Persons (as the term "Manager Persons" is defined in subsection B of Section 21, above), from and against, and reimburse the Town of Addison, Texas, all other Addison Persons, the Airport Manager and all

other Manager Persons (as the case may be) for, any and all obligations, damages, injunctions, fines, penalties, demands, claims, costs, fees, charges, expenses, actions, causes of action, judgments, liabilities, suits, proceedings, harm, and losses of whatever kind or nature (including, without limitation, attorneys' fees and court costs), and all cleanup or removal costs and all actions of any kind arising out of or in any way connected with the installation, storage, use, treatment, transporting, disposal or discharge of Hazardous Materials in, on, under, above, or to the Demised Premises and/or any portion of the common facilities or any portion of the Airport or adjacent properties by Tenant or by any Tenant Persons (as the term "Tenant Persons" is defined in subsection B of Section 21, above); and from all fines, penalties, suits, judgments, procedures, proceedings, claims, actions, and causes of action of any kind whatsoever arising out of Tenant's or any of Tenant Persons' failure to provide all information, make all submissions and take all steps required by the Authority under the Cleanup Laws or any other law, rules, regulation, standard, order, or policy (environmental or otherwise). SUCH DEFENSE, INDEMNITY, AND HOLD HARMLESS OBLIGATION SHALL AND DOES INCLUDE DAMAGES ALLEGED OR FOUND TO HAVE BEEN CAUSED, IN WHOLE OR IN PART, BY THE NEGLIGENCE OR GROSS NEGLIGENCE OF THE TOWN OF ADDISON, TEXAS, ANY OTHER ADDISON PERSONS, THE AIRPORT MANAGER OR ANY OTHER MANAGER PERSONS, OR BY ANY ACT OR OMISSION OF OR BY THE TOWN OF ADDISON, TEXAS, ANY OTHER ADDISON PERSONS, THE AIRPORT MANAGER OR ANY OTHER MANAGER PERSONS THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND.

Tenant's obligations and liabilities under this subparagraph shall continue (and survive the termination or expiration of this Lease) so long as there may be Hazardous Materials at the Demised Premises and/or any portion of the common facilities or any portion of the Airport or adjacent properties, that were installed, stored, used, treated, transported, disposed of or discharged during the Lease Term by Tenant or any of Tenant Persons. 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. Tenant shall promptly supply Landlord and Airport Manager 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. Tenant's obligations and liability pursuant to the terms of this Section 21.1 shall survive the expiration or earlier termination of this Lease.

N. **Amendment to Section 39 of the Ground Lease** - Section 39 of the Ground Lease is amended in its entirety to read as follows (intended to supersede and replace #6 in the Rider):

Section 39. Force Majeure.

- A. In the event performance by Landlord of any term, condition or covenant in this Lease is delayed or prevented by any Act of God, strike, lockout, shortage of material or labor, restriction by any governmental authority, civil riot, flood, or any other cause not within the control of Landlord, the period for performance of such term, condition or covenant shall be extended for a period equal to the period Landlord is so delayed or prevented.
- B. Except for the payment of any rent or any other payment to be made by, or any other monetary obligation of, Tenant under this Lease, and the provision of insurance by Tenant under this Lease, in the event performance by Tenant of any term, condition or covenant in this Lease is delayed or prevented by any Act of God, strike, lockout, shortage of material or labor, restriction by any governmental authority, the delay of any governmental approvals, 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 prevented.

Section 3. No Other Amendments; Other Provisions. Except to the extent modified or amended herein, all other terms and obligations of the Ground Lease shall remain unchanged and in full force and effect. For purposes hereof this Agreement, "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 4. Applicable Law; Venue. In the event of any action under this Third Amendment, exclusive venue for all causes of action shall be instituted and maintained in Dallas County, Texas. The parties agree that the laws of the State of Texas shall govern and apply to the interpretation, validity and enforcement of this Third Amendment; and, with respect to any conflict of laws 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 Third Amendment. All obligations of the parties created by this Third Amendment are performable in Dallas County, Texas.

Section 5. No Third Party Beneficiaries. This Third Amendment and the Ground Lease and each of their provisions are solely for the benefit of the parties hereto and are not intended to and shall not create or grant any rights, contractual or otherwise, to any third person or entity.

Section 6. 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 Amendment 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 execute this Agreement this _____ day of _____, 2014

LANDLORD:

TENANT:

TOWN OF ADDISON, TEXAS

WESTGROVE AIR PLAZA II, LLC

By: _____
Lea Dunn, City Manager

By: _____

Name *(Print)*: _____

Its: *(Title)*: _____

[Acknowledgments Follow on Next Page]

ACKNOWLEDGMENT

STATE OF TEXAS §

COUNTY OF DALLAS §

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

Given under my hand and seal of office this _____ day of _____, 2014.

[SEAL]

Notary Public, State of Texas

Print Name: _____

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 executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this _____ day of _____, 2014.

[SEAL]

Notary Public, State of Texas

Print Name: _____

My commission expires: _____

EXHIBIT A

COPY OF GROUND LEASE AS AMENDED AND MODIFIED

Due to the voluminous size of the historical documents, they are not included herein.

However, they are available for review upon request.

EXHIBIT B

**PROPERTY SURVEY AND LEGAL DESCRIPTION
OF DEMISED PREMISES**

(PRIOR TO THIS THIRD AMENDMENT)

**LEASEHOLD ESTATE
TRACT II**

B E I N G a tract of land situated in the William Lomax Survey Abstract No. 792, Town of Addison, Dallas County, Texas, being a part of Addison Airport, an addition to the Town of Addison, Texas, according to the plat thereof recorded in Volume 2005131, Page 82 in the Map Records of Dallas County, Texas (MRDCT), and being all of that same tract of land identified as Tract II in Non-Disturbance Agreement recorded in Volume 2000244, Page 3227 in the Deed Records of Dallas County, Texas (DRDCT), and being more particularly described as follows:

B E G I N N I N G at a "PK" nail set in concrete at the south end of a corner clip at the intersection of the south line of Westgrove Road (60 foot right-of-way), with the west line of Addison Road (60 foot right-of-way);

T H E N C E South 00 Degrees 34 Minutes 12 Seconds East, along the west line of said Addison Road, 290.66 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" at the northeast corner of the Texas Federal Subdivision No. 2, an addition to the Town of Addison according to the plat thereof recorded in Volume 79039, Page 125 MRDCT;

T H E N C E South 89 Degrees 25 Minutes 50 Seconds West, departing the west line of said Addison Road, along the north line of said Texas Federal Subdivision No. 2, at 199.80 feet passing the northwest corner of said Texas Federal Subdivision No. 2, at 349.85 feet passing the east line of Taxiway U, in all a distance of 401.20 feet to a "PK" nail set in concrete in the north line of said Taxiway U;

T H E N C E North 00 Degrees 26 Minutes 28 Seconds West, departing the north line of said Taxiway U, 305.68 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" in the south line of said Westgrove Road;

T H E N C E North 89 Degrees 25 Minutes 57 Seconds East, along the south line of said Westgrove Road, 385.51 feet to a "PK" nail set in concrete at the north end of said corner clip;

T H E N C E South 45 Degrees 34 Minutes 08 Seconds East, along said corner clip, 21.21 feet to the **P O I N T o f B E G I N N I N G** and containing 2.810 acres of land.

WESTGROVE ROAD
(60' R.O.W.)

LEASEHOLD ESTATE TRACT I

BEG a tract of land situated in the William Lomax Survey Abstract No. 792, Town of Addison, Dallas County, Texas, being a part of Addison Airport, an addition to the Town of Addison, Texas, according to the plat thereof recorded in Volume 2005131, Page 82 in the Map Records of Dallas County, Texas (MRDCT), and being all of that same tract of land identified as Tract I in Non-Disturbance Agreement recorded in Volume 2000244, Page 3227 in the Deed Records of Dallas County, Texas (DRDCT), and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod found at the intersection of the south line of Westgrove Road (60' foot right-of-way), with the east line of Claire Chennault (60' foot ingress and egress easement);

THENCE North 89 Degrees 25 Minutes 57 Seconds East, along the south line of said Westgrove Road, 300.36 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

THENCE South 00 Degrees 26 Minutes 28 Seconds East, departing the south line of said Westgrove Road, 305.68 feet to a "PK" nail set in concrete in the north line of Taxway U;

THENCE South 89 Degrees 25 Minutes 50 Seconds West, along the north line of said Taxway U, 69.24 feet to a "PK" nail set in concrete;

THENCE South 00 Degrees 39 Minutes 09 Seconds East, along the west line of said Taxway U, 144.76 feet to a 60x1 nail found;

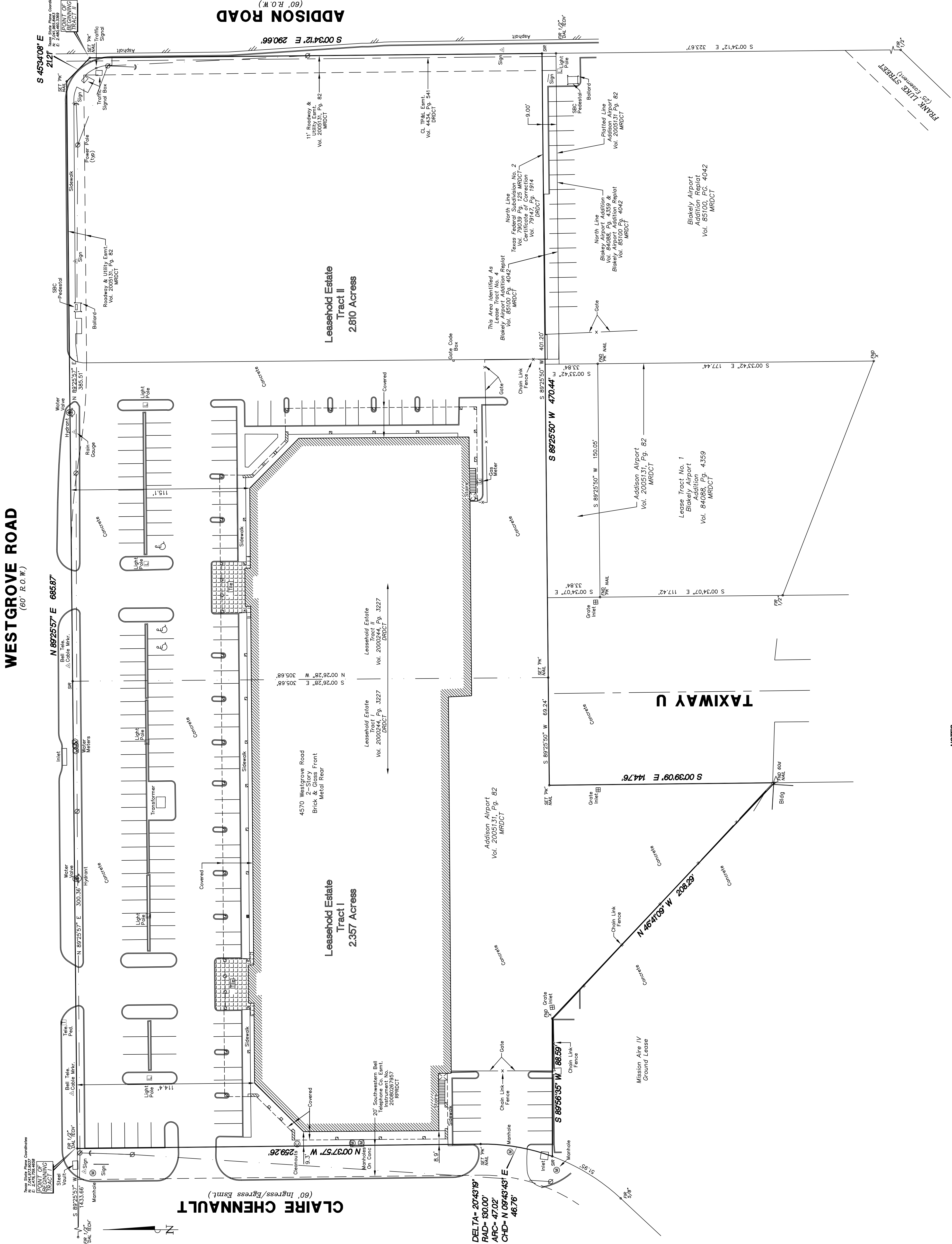
THENCE North 46 Degrees 41 Minutes 09 Seconds West, departing the west line of said Taxway U, 208.29 feet to a cut "X" found in concrete;

THENCE South 89 Degrees 56 Minutes 35 Seconds West, 86.59 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" and lying in a non-eject circular curve to the left having a radius of 130.00 feet;

THENCE northeasterly, along the east line of said Claire Chennault and along said curve to the left, through a central angle of 20 Degrees 43 Minutes 19 Seconds, an arc distance of 47.02 feet and having a chord which bears North 09 Degrees 43 Minutes 43 Seconds East, 46.76 feet to a "PK" nail set in concrete;

THENCE North 00 Degrees 57 Minutes 57 Seconds West, along the east line of said Claire Chennault, 235.20 feet to the **POINT OF BEGINNING** and containing 2.357 acres of land.

CLAIRE CHENNAULT
(60' Ingress/Egress Easmt.)



ADDISON ROAD
(60' R.O.W.)

LEASEHOLD ESTATE TRACT II

BEG a tract of land situated in the William Lomax Survey Abstract No. 792, Town of Addison, Dallas County, Texas, being a part of Addison Airport, an addition to the Town of Addison, Texas, according to the plat thereof recorded in Volume 2005131, Page 82 in the Map Records of Dallas County, Texas (MRDCT), and being all of that same tract of land identified as Tract II in Non-Disturbance Agreement recorded in Volume 2000244, Page 3227 in the Deed Records of Dallas County, Texas (DRDCT), and being more particularly described as follows:

BEGINNING at a "PK" nail set in concrete at the south end of a corner clip at the intersection of the south line of Westgrove Road (60' foot right-of-way), with the west line of Addison Road (60' foot right-of-way);

THENCE South 00 Degrees 34 Minutes 12 Seconds East, along the west line of said Addison Road, 290.66 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" at the northeast corner of the Texas Federal Subdivision No. 2, an addition to the Town of Addison according to the plat thereof recorded in Volume 79039, Page 125 MRDCT;

THENCE South 89 Degrees 25 Minutes 50 Seconds West, departing the west line of said Addison Road, along the north line of said Texas Federal Subdivision No. 2, at 199.80 feet passing the northwest corner of said Texas Federal Subdivision No. 2, at 349.85 feet passing the east line of Taxway U, in all a distance of 401.20 feet to a "PK" nail set in concrete in the north line of said Taxway U;

THENCE North 00 Degrees 26 Minutes 28 Seconds West, departing the north line of said Taxway U, 305.68 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" in the south line of said Westgrove Road;

THENCE North 89 Degrees 25 Minutes 57 Seconds East, along the south line of said Westgrove Road, 305.68 feet to a "PK" nail set in concrete at the north end of said corner clip;

THENCE South 45 Degrees 34 Minutes 08 Seconds East, along said corner clip, 21.21 feet to the **POINT OF BEGINNING** and containing 2.810 acres of land.

To: Addison Airport, Guardian Texas Management, LLC and, Sendera Title, exclusively;
I, Brad Sparr, a Registered Professional Land Surveyor for Sparr Surveys, do hereby certify that this survey was made on the ground, that this drawing correctly represents the facts found at the time of survey and that this professional service conforms to the current Texas Society of Professional Land Surveyors Standards and Specifications for a Category 1A Condition II Survey.

Brad Sparr
Registered Professional
Land Surveyor No. 3701

LEASEHOLD SURVEY
A PART OF
ADDISON AIRPORT
WILLIAM LOMAX SURVEY
ABSTRACT NO. 792
TOWN OF ADDISON
DALLAS COUNTY, TEXAS

DRAWN BY: B.D.S./CAD
CHECKED BY: B.D.S.
SCALE: 1" = 20'
DATE: MAY 25, 2012
JOB NO. 17265

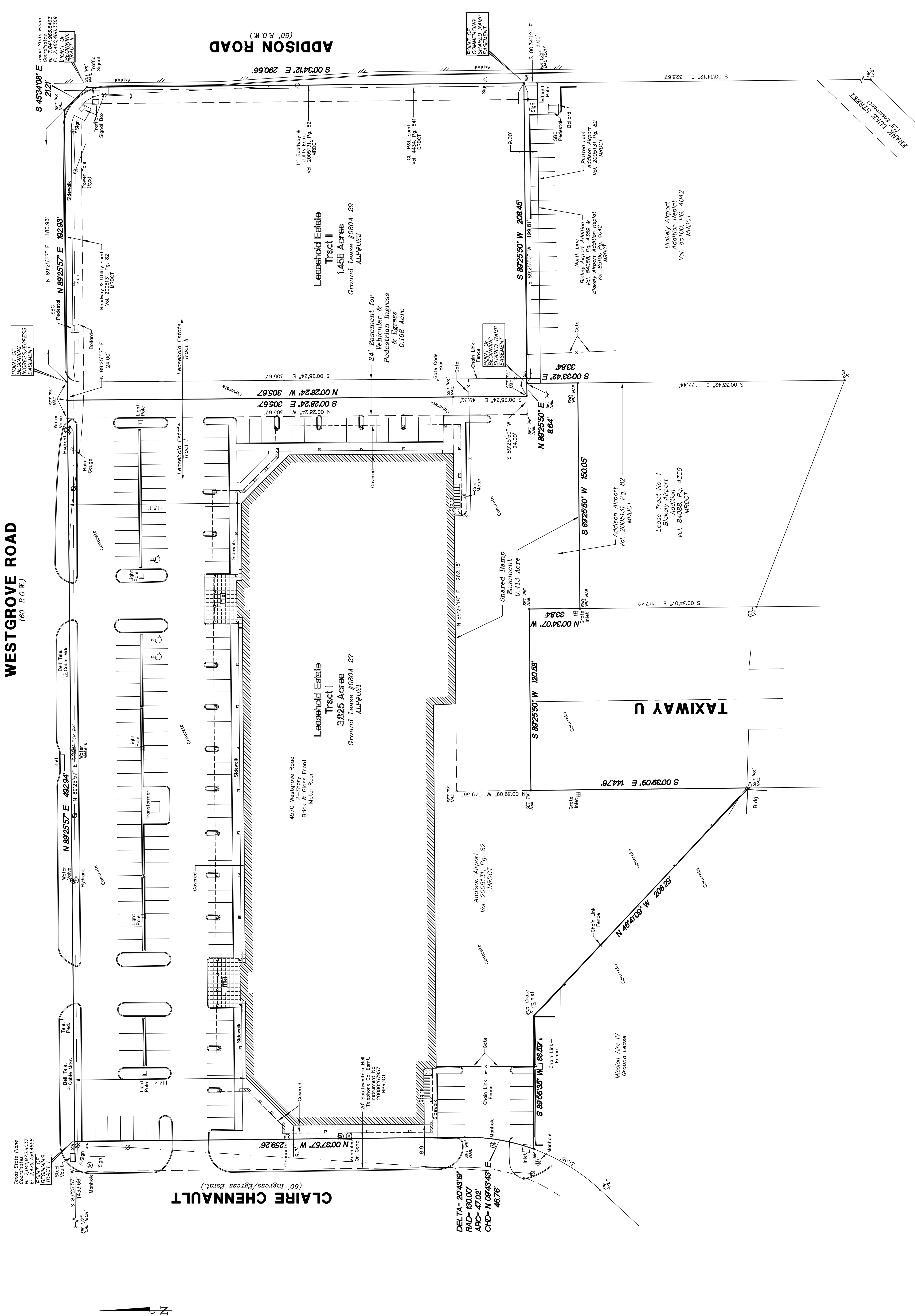
Sparr Surveys
2553 C.R. 722
McKinney, Texas 75069
(214) 544-2297

NOTES:
BEARINGS ORIENTED TO TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD 83 BASED ON ADDISON AIRPORT CONTROL MONUMENTS.
SIR DENOTES A 5/8" IRON ROD SET WITH PLASTIC CAP STAMPED "SPARR SURVEYS".
FR DENOTES A FOUND IRON ROD.
THIS SURVEY WAS PERFORMED IN CONNECTION WITH THE ORIGINAL SURVEY AND EGRESS OF SENDERA TITLE. THIS PLAT IS INVALID UNLESS IT BEARS AN ORIGINAL SIGNATURE AND EGRESS OF SENDERA TITLE. NO ADDITIONAL RESEARCH OR REVISIONS OR RIGHTS-UP-WAY HAS BEEN PERFORMED BY SPARR SURVEYS.

EXHIBIT C

**PROPERTY SURVEY AND LEGAL DESCRIPTION
OF DEMISED PREMISES BY WAY OF THIS THIRD AMENDMENT**

WESTGROVE ROAD
(60' R.O.W.)



Texas State Plane
N: 7,041,923.8037
E: 2,479,259.4658
POINT OF BEGINNING
TRACT I

CLAIRE CHENNAULT
(60' Ingress/Egress Easmt.)
N 0037.57° W 259.26'
S 8925.57° W 1433.86'
Mantole
Sign
20' Southwestern Bell Instrument No. 20002257 MRDCT

DELTA = 2043'9"
RAD = 130.00°
ARC = 47.02°
CHD = N 0948.43° E 46.76'

ADDISON ROAD
(60' R.O.W.)
S 0034.12° E 290.66'
S 0034.12° E 223.67'

LEASE TRACT SURVEY
A PART OF
ADDISON AIRPORT
WILLIAM LOMAX SURVEY
ABSTRACT NO. 792
TOWN OF ADDISON
DALLAS COUNTY, TEXAS

DRAWN BY: B.D.S./CAD
CHECKED BY: B.D.S.
SCALE: 1" = 30'
DATE: JUNE 6, 2012
REVISED 04-08-2014

JOB NO. 17265B

Sparr Surveys
2553 C.R. 722
McKinney, Texas 75069
(214) 544-2297

NOTES:
BEARINGS BASED ON TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD 83, BASED ON ADDISON AIRPORT CONTROL MONUMENTS.
SIR DENOTES A 5/8" IRON ROD SET WITH PLASTIC CAP STAMPED "SPARR SURVEYS".
FR DENOTES A FOUND IRON ROD.
THIS SURVEY WAS PREPARED FOR THE PURPOSE OF REVISION LEASE BOUNDARY AND EASEMENTS. ALL EASEMENTS AND IMPROVEMENTS SHOWN ARE FROM PRIOR SURVEYS AND MAY NOT REFLECT CURRENT CONDITIONS.
SEE PAGE 2 OF 2 FOR DESCRIPTIONS.

LEASEHOLD ESTATE TRACT I
Ground Lease #080A-27
ALPHU21

BEING a tract of land situated in the William Lomax Survey Abstract No. 792, Town of Addison, Dallas County, Texas, being a part of Addison Airport, an addition to the Town of Addison, Texas, according to the plat thereof recorded in Volume 2005131, Page 82 in the Map Records of Dallas County, Texas (MRDCT), and being more particularly described as follows:

BEGINNING at a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" at the intersection of the south line of Westgrove Road (60 foot right-of-way), with the east line of Claire Chennault (60 foot ingress and egress easement);

THENCE North 89 Degrees 25 Minutes 57 Seconds East, along the south line of said Westgrove Road, 492.94 feet to a "PK" nail set in concrete;

THENCE South 00 Degrees 28 Minutes 24 Seconds East, departing the south line of said Westgrove Road, 305.67 feet to a "PK" nail set in concrete;

THENCE North 89 Degrees 25 Minutes 50 Seconds East, 8.64 feet to a "PK" nail set in concrete;

THENCE South 00 Degrees 33 Minutes 42 Seconds East, at 9.00 feet passing a "PK" nail set in concrete at an interior corner of said Addison Airport, same being the northwest corner of the Blakey Airport Addition Replat, an addition to the Town of Addison according to the replat thereof recorded in Volume 85100, Page 4042, MRDCT, continuing along the west line of said Blakey Airport Addition Replat, in all a distance of 33.84 feet to a "PK" nail found;

THENCE South 89 Degrees 25 Minutes 50 Seconds West, departing the west line of said Blakey Airport Addition Replat, 150.05 feet to a "PK" nail found in concrete in the east line of said Taxway U;

THENCE North 00 Degrees 34 Minutes 07 Seconds West, along the north line of said Taxway U, 33.84 feet to a "PK" nail set in concrete at the northeast corner of said Taxway U;

THENCE South 89 Degrees 25 Minutes 50 Seconds West, along the north line of said Taxway U, 120.58 feet to a "PK" nail set in concrete at the northwest corner of said Taxway U;

THENCE South 89 Degrees 25 Minutes 50 Seconds West, along the east line of said Taxway U, 144.76 feet to a "PK" nail set in concrete;

THENCE North 46 Degrees 41 Minutes 09 Seconds West, departing the west line of said Taxway U, 208.29 feet to a cut 'x' found in concrete;

THENCE South 89 Degrees 56 Minutes 35 Seconds West, 68.59 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" at the northeast corner of said Claire Chennault and lying in a non-tangent circular curve to the left having a radius of 130.00 feet;

THENCE northeasterly, along the east line of said Claire Chennault and along said curve to the left, through a central angle of 20 Degrees 43 Minutes 19 Seconds, an arc distance of 47.02 feet and having a chord which bears North 09 Degrees 43 Minutes 43 Seconds East, 46.76 feet to a "PK" nail set in concrete;

THENCE North 00 Degrees 37 Minutes 57 Seconds West, along the east line of said Claire Chennault, 239.26 feet to the **POINT OF BEGINNING** and containing 3.625 acres of land.

24' WIDE EASEMENT FOR VEHICULAR & PEDESTRIAN INGRESS & EGRESS

BEING a tract of land situated in the William Lomax Survey Abstract No. 792, Town of Addison, Dallas County, Texas, being a part of Addison Airport, an addition to the Town of Addison, Texas, according to the plat thereof recorded in Volume 2005131, Page 82 in the Map Records of Dallas County, Texas (MRDCT), and being more particularly described as follows:

BEGINNING at a "PK" nail set in concrete in the south line of Westgrove Road (60 foot right-of-way), from which a "PK" nail set in concrete at the north end of a corner clip at the intersection of the south line of said Westgrove Road, with the west line of Addison Road (60 foot right-of-way) bears North 89 Degrees 25 Minutes 57 Seconds East, 180.93 feet;

THENCE South 00 Degrees 28 Minutes 24 Seconds East, departing the south line of said Westgrove Road, 305.67 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

THENCE South 89 Degrees 25 Minutes 50 Seconds West, 24.00 feet to a "PK" nail set in concrete;

THENCE North 00 Degrees 28 Minutes 24 Seconds West, 305.67 feet to a "PK" nail set in concrete in the south line of said Westgrove Road;

THENCE North 89 Degrees 25 Minutes 57 Seconds East, along the south line of said Westgrove Road, 24.00 feet to the **POINT OF BEGINNING** and containing 0.168 acre of land.

SHARED RAMP EASEMENT

BEING a tract of land situated in the William Lomax Survey Abstract No. 792, Town of Addison, Dallas County, Texas, being a part of Addison Airport, an addition to the Town of Addison, Texas, according to the plat thereof recorded in Volume 2005131, Page 82 in the Map Records of Dallas County, Texas (MRDCT), and being more particularly described as follows:

COMMENCING at a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" in the west line of Addison Road (60 foot right-of-way), from which a 1/2-inch iron rod found with plastic cap stamped "DAL TECH" at an interior corner of said Addison Airport bears South 00 Degrees 34 Minutes 12 Seconds East, 9.00 feet;

THENCE South 89 Degrees 25 Minutes 50 Seconds West, departing the west line of said Addison Road, 199.81 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" at the **POINT OF BEGINNING**;

THENCE South 00 Degrees 33 Minutes 42 Seconds East, at 9.00 feet passing a "PK" nail set in concrete at an interior corner of said Addison Airport, same being the northwest corner of the Blakey Airport Addition Replat, an addition to the Town of Addison according to the replat thereof recorded in Volume 85100, Page 4042, MRDCT, continuing along the west line of said Blakey Airport Addition Replat, in all a distance of 33.84 feet to a "PK" nail found;

THENCE South 89 Degrees 25 Minutes 50 Seconds West, departing the west line of said Blakey Airport Addition Replat, 150.05 feet to a "PK" nail found in concrete in the east line of said Taxway U;

THENCE North 00 Degrees 34 Minutes 07 Seconds West, along the east line of said Taxway U, 33.84 feet to a "PK" nail set in concrete at the northeast corner of said Taxway U;

THENCE South 89 Degrees 25 Minutes 50 Seconds West, along the north line of said Taxway U, 120.58 feet to a "PK" nail set in concrete at the northwest corner of said Taxway U;

THENCE North 00 Degrees 39 Minutes 09 Seconds West, departing said Taxway U, 49.36 feet to a "PK" nail set in concrete;

THENCE North 89 Degrees 26 Minutes 18 Seconds East, 262.15 feet to a "PK" nail set in concrete;

THENCE South 00 Degrees 28 Minutes 24 Seconds East, 49.32 feet to a "PK" nail set in concrete;

THENCE North 89 Degrees 25 Minutes 50 Seconds East, 8.64 feet to the **POINT OF BEGINNING** and containing 0.413 acre of land.

To: Addison Airport, exclusively.

I, Brad Sparr, a Registered Professional Land Surveyor for Sparr Surveys, do hereby certify that this survey was made on the ground, that this drawing correctly represents the facts found at the time of survey and that this professional service conforms to the current Texas Society of Professional Land Surveyors Standards and Specifications for a Category 1B Condition II Survey.

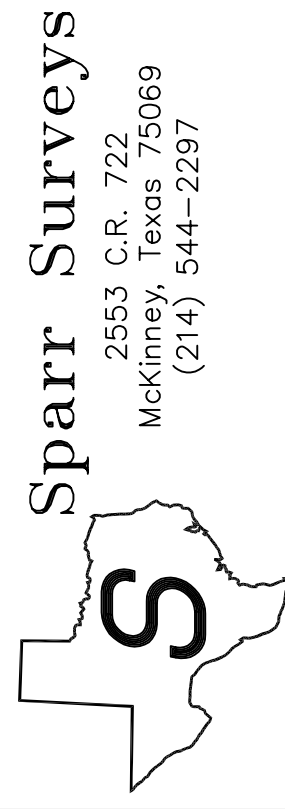
Brad Sparr
Registered Professional
Land Surveyor No. 3701

DRAWN BY: B.D.S./CAD
CHECKED BY: B.D.S.
DATE: JUNE 6, 2012
REVISED: 04-06-2014
JOB NO. 17265B

LEASE TRACT SURVEY
A PART OF

ADDISON AIRPORT

WILLIAM LOMAX SURVEY
ABSTRACT NO. 792
TOWN OF ADDISON
DALLAS COUNTY, TEXAS



Sparr Surveys
2553 C.R. 722
McKinney, Texas 75069
(214) 544-2297

EXHIBIT D

Description of the Building Improvements

The Design Plan is to be include and incorporate herein by reference upon written approval by Landlord:

Construct a 14,400 square foot corporate hangar with 6,600 square feet of attached offices and 28' clear height hangar with motorized hangar doors. Equipped with natural gas radiant heat; the interior of the hangar will be lighted with industrial grade high efficiency discharged fluorescent fixtures. The attached executive office interior finishes combine tile and carpet floor system, gypsum wallboard over hollow metal assemblies with acoustical grid ceilings and troffered high intensity discharge fluorescent lighting. The exterior building walls will be clad with architecturally colored masonry stucco, masonry; Low E insulated glass sections and metal fascia systems. The exterior glass systems will be shaded by canopy wall treatment attached to the exterior of the building. The architectural exterior lighting will provide aesthetic appeal for this prominent corner for Addison Airport. The roof system will be covered with a thirty year insulated standing seam system. The exterior green landscape surfaces will be bermed and planted with native grasses, drought tolerant plants and watered by an underground landscape sprinkler system. The balance of the site will be paved with concrete parking and drives. Concrete apron paving will be graded to connect to the existing concrete ramp and apron surfaces.

Section 2.D. of this Third Amendment to Ground Lease amending, among other things, Section 6.B of the Ground Lease entitled Construction of Improvements.

EXHIBIT E

MEMORANDUM OF LEASE

This Memorandum of Lease is dated as of _____, 2014, and executed by and between the Town of Addison, Texas (“Landlord” or “City”) and Westgrove Air Plaza II, LLC, a Texas limited liability company (“Tenant”).

WHEREAS, a leasehold estate was created by that certain Ground Lease (the “Lease”) dated March 2, 1981, by and among the City of Addison, Texas (the “City”), Addison Airport of Texas, Inc., a Texas corporation (“AATI”), collectively as “Landlord”, and Texas Federal Savings & Loan, as tenant, recorded in Volume 81089, Page 1208, of the Official Public Records of Dallas County, Texas (the “OPR”), by the terms of which certain real property located at Addison Airport in Dallas County, Texas (being more specifically described, as amended and modified, in Exhibit “A” attached hereto and incorporated herein) was leased to Texas Federal Savings & Loan; and

- assigned June 30, 1983 from Texas Federal Savings and Loan Association, as assignor, to Blakely Airport Joint Venture, as assignee, recorded in Volume 83133, Page 2185, of the OPR; and thereafter
- assigned June 30, 1983 from Blakely Airport Joint Venture, as assignor, to Raleigh Blakely & Associates, Inc., as assignee, recorded in Volume 83146, Page 4045, of the OPR; and then
- by that certain Final Plat, Blakely Airport Addition, a Replatting of Texas Federal Subdivision No. Two and Three Lease Tracts, Addison Airport recorded in Volume 84088, Page 4359 of the OPR, which plat was approved by the City on March 13, 1984 (the “Final Plat”), the land that is the subject of the Lease (identified therein as “Lease Tract No. 3” (the “Revised Property”));
- the Lease was modified by that Amendment to Ground Lease made and entered into May 31, 1984 (the “First Amendment”), a copy of which is included at Pages 809 through 812 of that certain Assignment of Lease recorded in Volume 91211, Page 779 of the OPR; and
- then the Lease was assigned May 1, 1985 from Raleigh Blakely and Associates, Inc., as assignor, to Westgrove Air Plaza Joint Venture, as assignee, copy of a portion of which is included at Pages 805 through 806 of that certain Assignment of Lease recorded in Volume 91211, Page 779 of the OPR; and then
- the FDIC as Receiver for Vernon Savings & Loan (pursuant to a Substitute Trustee’s Deed dated February 2, 1988, as sole receiver for Vernon Savings

and Loan Association) assigned its leasehold interest to ITEX Companies/ITEX Enterprises, Inc. on July 8, 1991 recorded in Volume 91211, Page 549 of the OPR; and thereafter

- on October 8, 1991, the Lease was assigned from the Federal Deposit Insurance Corporation to ITEX Enterprises, Inc. as recorded in Volume 91211, Page 635, of the OPR, and re-recorded in part in Volume 92095, Page 3294, of the OPR, and then

- the Lease was assigned on August 22, 1994 from ITEX Enterprises, Inc., as assignor, to Sky/RGS Properties Limited, as assignee, recorded in Volume 94169, Page 123, of the OPR; and then

- the First National Bank & Trust Co. of McAlester assumed Sky/RGS Properties, Inc.'s leasehold interest in the Lease on May 7, 1996, pursuant to that certain Trustee's Deed recorded in Volume 96090, Page 1835 of the OPR; and

- the First National Bank & Trust Co. of McAlester assigned its interest in the Lease) October 15, 1997 to Continental Mortgage and Equity Trust as recorded in Volume 97206, Page 5356, of the OPR; and then

- Transcontinental Realty Investors, Inc., successor by merger to Continental Mortgage and Equity Trust, assigned its interest in the Lease to Westgrove Air Plaza, Ltd., on October 31, 2000 evidenced by that certain Memorandum of Leasehold Assignment, recorded in Volume 2000249 Page 5666, of the OPR; and

- the Lease was modified by that Amendment to Ground Lease made and entered into in 2000, modifying Section 9 of the Lease (the "Second Amendment"), and

- by that Assignment of Ground Lease dated July 26, 2012, the Lease was assigned from Regions Bank, as Assignor to Guardian Texas Management, LLC, a Texas limited liability company which Assignment of Ground Lease was recorded in the OPR as Instrument No. 201200221311; and

- that Assignment of Ground Lease dated _____, 2014, recorded as Instrument # _____ of the OPR, the Lease was assigned from Guardian Texas Management, LLC to Westgrove Air Plaza I, LLC a Texas limited liability company; and by virtue of such assignments, amendments and/or modifications made to the Lease, Westgrove Air Plaza II, LLC is the Tenant under the Lease; and

Now let it be known, the said Ground Lease is further amended by that Third Amendment to Ground Lease, entered into and made effective _____. 2014, which, among other things, (i) amends the description of the Demised Premises so that the Demised Premises shall thereafter comprise the land described in Exhibit A attached hereto, and (ii) modifies the rental as set forth therein subject, however, to the termination and all other provisions of the Ground Lease, and (iii) extends the Term so the Lease shall now expire _____ unless otherwise earlier terminated.

This Memorandum of Lease is solely for recording and notice purposes and shall not be construed to alter, modify, expand, diminish or supplement the provisions of the Ground Lease, as amended. In the event of any inconsistency between the provisions of this Memorandum of Lease and the provisions of the Ground Lease (as amended), the provisions of the Ground Lease, as amended, shall govern. Reference should be made to the Ground Lease (and all amendments thereto) for the full description of the rights and duties of Landlord and Tenant thereunder, and this Memorandum of Lease shall in no way affect the terms and conditions of the Ground Lease (including all amendments thereto) or the interpretation of the rights and duties of Landlord and Tenant thereunder.

Upon the expiration or earlier termination of the Ground Lease, Landlord and Tenant agree that they shall execute and record a termination of this Memorandum of Lease.

IN WITNESS WHEREOF, the undersigned parties execute this Memorandum of Lease this ____ day of _____, 2014.

LANDLORD:

TENANT:

TOWN OF ADDISON, TEXAS

WESTGROVE AIR PLAZA I, LLC

By: _____
Lea Dunn, City Manager

By: _____

Typed name: _____

Title: _____

(Intentionally left blank)

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

Before me, the undersigned authority, on this day personally appeared Lea Dunn, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that (s)he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this _____ day of _____, 20__.

[SEAL]

of Texas

By: _____
Notary Public, State

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 (s)he executed the same for the purposes and consideration therein expressed.

[SEAL]

By: _____
Notary Public, State of Texas

My commission expires: _____

EXHIBIT A
to Memorandum of Lease

PROPERTY SURVEY AND LEGAL DESCRIPTION
OF DEMISED PREMISES
(Prior to This Third Amendment to Ground Lease)

Exhibit "E"

Proposed Reciprocal Driveway and Aircraft Ramp Easement Agreement

STATE OF TEXAS
COUNTY OF DALLAS

§
§
§

**RECIPROCAL DRIVEWAY AND AIRCRAFT RAMP
EASEMENT AGREEMENT**

This RECIPROCAL DRIVEWAY AND AIRCRAFT RAMP EASEMENT AGREEMENT (the "Agreement") is made and entered into as of the _____ day of _____, 2014 (the "Effective Date") by Westgrove Air Plaza I, LLC, a Texas limited liability company ("Air Plaza I") and Westgrove Air Plaza II, LLC, a Texas limited liability company (herein referred to as "Air Plaza II") (jointly referred to sometimes as the "Parties").

WHEREAS, the Town of Addison (the "City") is the owner of Addison Airport in Addison, Dallas County, Texas (the "Airport") within which are located those certain ground leased properties described on Page 1 of 2 in Exhibit "A" as "Tract I", with a demised premises consisting of 3.825 acres (also sometimes referred to as Ground Lease #080A-27) and "Tract II", with a demised premises consisting of 1.458 acres (also sometimes referred to as Ground Lease #080A-29) (Tract I and Tract II are collectively referred herein as the "Tracts"); and

WHEREAS, Westgrove Air Plaza I, LLC is, pursuant to that Assignment of Ground Lease dated _____, 2014 by and between Guardian Texas Management, LLC, as assignor, and Westgrove Air Plaza I, LLC, as assignee, the tenant of Tract I under a Ground Lease (as amended) in which the City is the landlord (and a true and correct copy of the Ground Lease, as amended, is on file with the City (the "Air Plaza I Ground Lease")); and

WHEREAS, Westgrove Air Plaza II, LLC is, pursuant to that Assignment of Ground Lease dated _____, 2014 by and between Guardian Texas Management, LLC, as assignor, and Westgrove Air Plaza II, LLC, as assignee, the tenant of Tract II under a Ground Lease (as amended) in which the City is the landlord (and a true and correct copy of the Ground Lease, as amended, is on file with the City (the "Air Plaza II Ground Lease")); and

WHEREAS, a portion of a certain private driveway for vehicle and pedestrian ingress and egress lies within the Air Plaza I demised premises and runs parallels to the Air Plaza I easternmost lease boundary ("Tract I-Shared Private Driveway") while, the remaining portion of the same private driveway lies within the Air Plaza II demised premises and runs parallel to the Air Plaza II westernmost lease boundary ("Tract II-Shared Private Driveway"); and

WHEREAS, the aforementioned private driveways are shown on Page 1 of 2 of Exhibit "A" as a "24' Easement for Vehicular and Pedestrian Ingress & Egress - 0.168 Acres" and is more fully described in Exhibit "B" attached hereto and incorporated herein by reference (hereinafter referred together as the "Shared Private Driveway"); and

WHEREAS, an irregular shaped portion of the Air Plaza I demised premises consists of aircraft ramp as shown on Page 1 of 2 of Exhibit "A" as "Shared Ramp Easement - .0413 Acre" and is more fully described in Exhibit "C" attached hereto and incorporated herein by reference (hereinafter referred to as the "Shared Ramp") used to facilitate ingress to, egress from, across and between the Tracts and common facilities of the Airport for aircraft, vehicles and pedestrians.

WHEREAS, Air Plaza I and Air Plaza II desire, for themselves and their successors, assigns, and successors in title to all or part of Tract I and Tract II, to have the mutual and reciprocal right to use the Shared Private Driveway and, or the Shared Ramp located on Tract I and, or Tract II for the purpose of aircraft, vehicular and pedestrian (as the case may be) for ingress to, egress from, and access across and between the Tracts and common facilities of the Airport.

NOW, THEREFORE, Air Plaza I and Air Plaza II, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties, hereby agree as follows:

ARTICLE I
Grant of Easements and Rights

1.01 Air Plaza I, for itself and its successors and assigns, does hereby grant, sell and convey to Air Plaza II, its successors and assigns, a perpetual, non-exclusive easement to, over and across the Tract I-Shared Private Driveway (as described in the Recitals to this Agreement, above) for the purpose of providing vehicular and pedestrian ingress to, egress from, and access over, across and between the Shared Private Driveway in order to allow for ingress to, egress from, and access over, across and between the Shared Private Driveway.

1.02 Air Plaza I, for itself and its successors and assigns, does hereby grant, sell, and convey to Air Plaza II, its successors and assigns, a perpetual, non-exclusive easement to, over and across the Shared Ramp (as described in the Recitals to this Agreement, above) for the purpose of providing aircraft, vehicular and pedestrian ingress to, egress from, and access over, across and between Tract I and Tract II in order to allow for ingress to, egress from, and access over, across and between Tract II and the common facilities of the Airport.

1.03 Air Plaza II, for itself and its successors and assigns, does hereby grant, sell and convey to Air Plaza I, its successors and assigns, a perpetual, non-exclusive easement to, over and across the Tract II-Shared Private Driveway (as described in the Recitals to this Agreement, above) for the purpose of providing vehicular and pedestrian ingress to, egress from, and access over, across and between the Shared Private Driveway in order to allow for ingress to, egress from, and access over, across and between the Shared Private Driveway.

ARTICLE II
Maintenance of Improvements

2.01 Air Plaza I and Air Plaza II hereby covenant and agree to maintain and repair the improvements that have either been or will be constructed on or within the Shared Private Driveway and, or Shared Ramp (the "Easement Improvements"). Such maintenance and repair shall include, but not be limited to, cleaning, sweeping, ice and snow removal, repair of paving and lighting, restriping of paving, and such other necessary maintenance and repairs, including the necessary safety measures, to the extent necessary to maintain the Easement Improvements on the Shared Private Driveway or Shared Ramp in a condition substantially equivalent to their condition and usefulness when newly constructed. Fifty percent (50%) of all costs and expenses incurred by either party in connection with the maintenance and repair of the Improvements located on the Shared Private Driveway and, or the Shared Ramp shall be paid by the other party within ten (10) days following receipt of written notice detailing such costs and expenses.

2.02 Air Plaza I's covenant to improve, repair and maintain the Easement Improvements on the Air Plaza I Shared Private Driveway and or the Shared Ramp shall be a covenant running with Tract I and shall be for the benefit of Tract II and the owner(s) of the leasehold thereof.

2.03 Air Plaza II's covenant to improve, repair and maintain the Easement Improvements on the Air Plaza II Shared Private Driveway shall be a covenant running with Tract II and shall be for the benefit of Tract I and the owner(s) of the leasehold thereof.

ARTICLE III General Provisions

3.01 The Parties agree that no aircraft, vehicle or other equipment will be left unattended on the Shared Private Driveway or Shared Ramp (collectively the "Easement Areas"), thereby hindering the other party's access to and from their respective property, other than during periods of normal loading, unloading and refueling. The Parties: (a) are prohibited from at any time erecting or permitting to be erected any sign, fence, wall, pole, pipe, post, structure or other improvement, structure or facility so as to prevent the free flow of traffic over and across the Easement Areas (except for the temporary purpose of making repairs or as otherwise set forth in this Section 3.01), and (b) shall supervise, operate, manage, repair, replace and maintain all of the Easement Areas lying within their particular portion of the properties subject to this Agreement.

3.02 Air Plaza I agrees to secure and maintain as to the Air Plaza I Shared Private Driveway and Shared Ramp and, Air Plaza II agrees to secure and maintain as to the Air Plaza II Shared Private Driveway, sufficient public liability insurance coverage against claims for bodily injury or death and property damage occurring on such areas and upon reasonable request, each shall furnish to the other a certificate of insurance, together with copies of any applicable endorsements, on or before the effective date of such coverage and each renewal date thereafter, evidencing such coverage, together with paid receipts evidencing payment of premiums for all such coverages obtained.

3.03 The Parties agrees that if they or any future owner or tenant of the Easement Areas shall be in default of any of the easements, covenants, agreements, terms or restrictions contained herein, then the non-defaulting party (hereinafter referred to as the "Non-Defaulting Party") shall have the right, but shall not be obligated, to cure such default, provided it is a curable default under this Agreement, and provided that such defaulting party (hereinafter referred to as the "Defaulting Party"), and any mortgagee having an interest in the Easement Areas upon which the default has occurred, are notified in writing of such intended cure in the manner provided hereinafter at least ten (10) days prior to the date of effecting any curative action. All expenses and costs incurred by the Non-Defaulting Party effecting such cure, shall be a demand obligation owing by the Defaulting Party to the Non-Defaulting Party, and such demand obligation shall bear interest at the lesser of eighteen percent (18%) per annum or the maximum rate then permitted under applicable law. The Non-Defaulting Party or any mortgagee of the Non-Defaulting Party electing to effect such cure, its directors, officers, employees, agents, servants, contractors, and workmen, shall have the right of entry and ingress and egress upon Easement Areas as is necessary for effecting any such cure. The Defaulting Party hereby agrees to INDEMNIFY AND HOLD HARMLESS ANY SUCH PARTY SO ENTERING

UPON SUCH EASEMENT AREAS FROM ALL CLAIMS, DEMANDS, LIABILITIES AND JUDGMENTS ARISING FROM ANY SUCH ENTRY FOR THE PURPOSE OF EFFECTING ANY SUCH CURE. Additionally, either party or a mortgagee effecting such cure, in the event that breach of such covenant, agreement or term is not subject to cure as provided herein, shall have the right to institute suit and obtain protective or mandatory injunction to prevent a continuing breach of or to enforce the continued observance by such Defaulting Party of the covenants, agreements, terms, conditions and restrictions contained herein, and the Non-defaulting Party and/or such mortgagee shall have the right to ordinary damages against such Defaulting Party occasioned by any such continuing default under this Agreement.

3.04 Air Plaza I and Air Plaza II each covenant and agree that the servitudes, easements, rights, rights-of-way, privileges, agreements, covenants and restrictions and all other terms hereof shall be binding upon their respective successors and assigns, and all other persons or entities having or hereafter acquiring any right, title or interest in Tract I or Tract II, and all other persons and entities claiming by, through or under said owners and their respective successors and assigns. In the event any owner or future owner of all or any part of either Tract I or Tract II shall convey either all or any portion of such Tract, such owner so conveying shall automatically be freed and relieved, from and after the date of recording of such conveyance, of all liability for future performance of any covenants, agreements or obligations on the part of such owner which are required by this Agreement to thereafter be performed with respect to any such Tract or the portion of any such Tract so conveyed, except as herein otherwise specified. It is intended hereby that the agreements and obligations contained in this Agreement shall be binding on such owner only as to that owner's period of ownership or subsequent periods of ownership, though such conveying owner shall remain liable after the date of recording of such conveyance for any obligations arising or incurred prior to such date of recording during such conveying owner's period of ownership.

3.05 No breach of the covenants, conditions, obligations or restrictions herein contained shall in any way impair, defeat or render invalid the lien or charge of any mortgage or deed of trust made in good faith and for good and valuable consideration encumbering any of the Easement Areas herein described, but all of such covenants, conditions, obligations and restrictions shall be binding upon and effective against the owner of any of such Easement Areas whose title is derived through foreclosure or sale under any such mortgage or deed of trust, or otherwise.

3.06 Air Plaza I and Air Plaza II hereby agree that in recognition of the fact that they, or their respective successors and assigns, as owners of the Tracts and, or Easement Areas may find it necessary from time to time to establish to banks, mortgagees, accountants or the like, the then current status of performance under this Agreement, that each, upon the written request of the other, will furnish from time to time, with reasonable promptness, a written statement in recordable form on the status of any matter relating to this Agreement.

3.07 Any notice, demand, request or communication required or permitted hereunder shall be in writing and hand delivered or sent by United States mail, postage prepaid, registered or certified mail returned receipt requested or by any recordable transmittal such as electronic mail (email) with time and date stamp, addressed as follows:

If to Air Plaza I: Westgrove Air Plaza I, LLC
c/o MM Aviation Holdings, LLC, Manager

1221 N. Interstate 35E, Suite 200
Carrollton, Texas 75006
Attention: Mehrdad Moayed

If to Air Plaza II: Westgrove Air Plaza II, LLC
c/o MM Aviation Holdings, LLC, Manager
1221 N. Interstate 35E, Suite 200
Carrollton, Texas 75006
Attention: Mehrdad Moayed

or such other address or to the attention of such other person as hereafter shall be designated in writing by the applicable parties sent in accordance herewith. Any such notice, demand, request or communication shall be deemed to have been given as of the date of receipt in the case of a hand delivery or, in the case of mailing, as of the first attempted delivery at the address and in the manner provided herein; provided, however, that all notices of completion of cure and creation of lien, in addition to being sent in the manner specified above, be recorded in the Official Public Records of Dallas County, Texas, and shall be deemed to be given on the later of (i) the date on which such notice is recorded or (ii) the date the notice of completion of cure is deemed received as provided in this Paragraph 3.07.

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

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

3.10 This Agreement contains the entire understanding and agreement between the parties hereto and supersedes any prior written or oral agreements between them respecting the subject matter contained herein. There are no representations, agreements, arrangements, or understandings, oral or written, between and among the parties hereto relating to the subject matter of this Agreement which are not fully expressed herein.

3.11 The failure of any party hereto or any mortgagee consenting hereto to insist upon strict performance of any of the servitudes, easements, privileges, rights, covenants, agreements, terms and conditions hereunder, irrespective of the length of time for which such failure continues, shall not be a waiver of any of such party's rights. No consent or waiver, express or implied, to or of any breach or default in the performance of any obligation hereunder shall constitute a consent or waiver to or of any other breach or default in the performance of the same or any obligation hereunder.

3.12 This Agreement may be changed, modified, amended, or rescinded only by an instrument in writing duly executed and acknowledged by all of the parties hereto or by the then owner(s) of Tract I and Tract II and consented to by all mortgagees which then hold a lien against Tract I or II or any part thereof and the prior written consent of the City. Any such amendment shall be effective as of such date as may be determined by the parties hereto.

3.13 This Agreement is subject to all applicable laws, ordinances, rules, codes, charters, regulations, directives, permits, orders, or standards of any governmental or quasi-governmental authority, entity, or agency (including, without limitation, the Town of Addison, Texas, the Federal Aviation Administration, and the Texas Commission on Environmental Quality), and including, without limitation, all grant agreements and/or grant assurances, whether in existence or hereafter enacted, adopted or imposed.

3.14 The Agreement shall be construed under and governed by the laws of the State of Texas, without regard to choice of law rules, and all obligations of the Parties created by this Agreement are performable in Dallas County, Texas. Venue for any action under this Amendment shall lie exclusively in Dallas County, Texas.

3.15 This Agreement may be executed in any number of counter parts with the same effect as if all parties hereto had signed the same document. All such counterparts shall be construed together and shall constitute one instrument, but in making proof hereof it shall only be necessary to produce one such counterpart.

ARTICLE IV
Termination of Agreement

4.01 This Agreement shall automatically terminate upon the expiration or earlier termination of the last of either Ground Lease #080A-27 or #080A-29.

4.02 This Agreement may be terminated by written mutual agreement of the Parties subject to the City's prior written consent.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date hereinabove set forth.

WESTGROVE AIR PLAZA I, LLC, a
Texas limited liability company

WESTGROVE AIR PLAZA II, LLC, a
Texas limited liability company

By: MM Aviation Holdings, LLC, Manager
Mehrdad Moayed, Manager

By: MM Aviation Holdings, LLC, Manager
Mehrdad Moayed, Manager

ACKNOWLEDGEMENTS

STATE OF TEXAS §

COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, a Notary Public in and for said county in said State, on this day personally appeared Mehrdad Moayedi Manager, of MM Aviation Holdings, LLC, Manager of Westgrove Air Plaza I, LLC 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, and as the act of said corporation.

GIVEN under my hand and seal of office this _____ day of _____, 2014.

[SEAL]

Notary Public, State of Texas

STATE OF TEXAS §

COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, a Notary Public in and for said county in said State, on this day personally appeared Mehrdad Moayedi Manager, of MM Aviation Holdings, LLC, Manager of Westgrove Air Plaza II, LLC 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, and as the act of said corporation.

GIVEN under my hand and seal of office this _____ day of _____, 2014.

[SEAL]

Notary Public, State of Texas

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[Acknowledgments on Next Page]

CONSENT OF LIENHOLDER

Lienholder, the undersigned _____ (formed and operating under the laws of the State of _____) , whose address is _____, as the holder of a Leasehold Deed of Trust on Tract A described in the above and foregoing Reciprocal Easement Agreement, consents to the above grant of the easement as set forth above, including the terms and conditions of the Agreement, and Lienholder hereby subordinates its leasehold lien(s) to the rights and interests of the City, its successors and assigns, so that a foreclosure of the lien(s) (or transfer in lieu of foreclosure, or Lienholder's succession to the interests of PlaneSmart!, its successors and assigns, by other lawful means) will not extinguish the rights and interests of the City, its successors and assigns. The person signing on behalf of Lienholder hereby represents that the person has authority and is duly authorized to sign this Consent on behalf of and to bind Lienholder Bank.

_____ **BANK**

By: _____

Typed/printed name: _____

Title: _____

STATE OF TEXAS §

§

COUNTY OF _____ §

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 (s)he executed the same for the purposes and consideration therein expressed.

[SEAL] Given under my hand and seal of office this _____ day of _____, 2009.

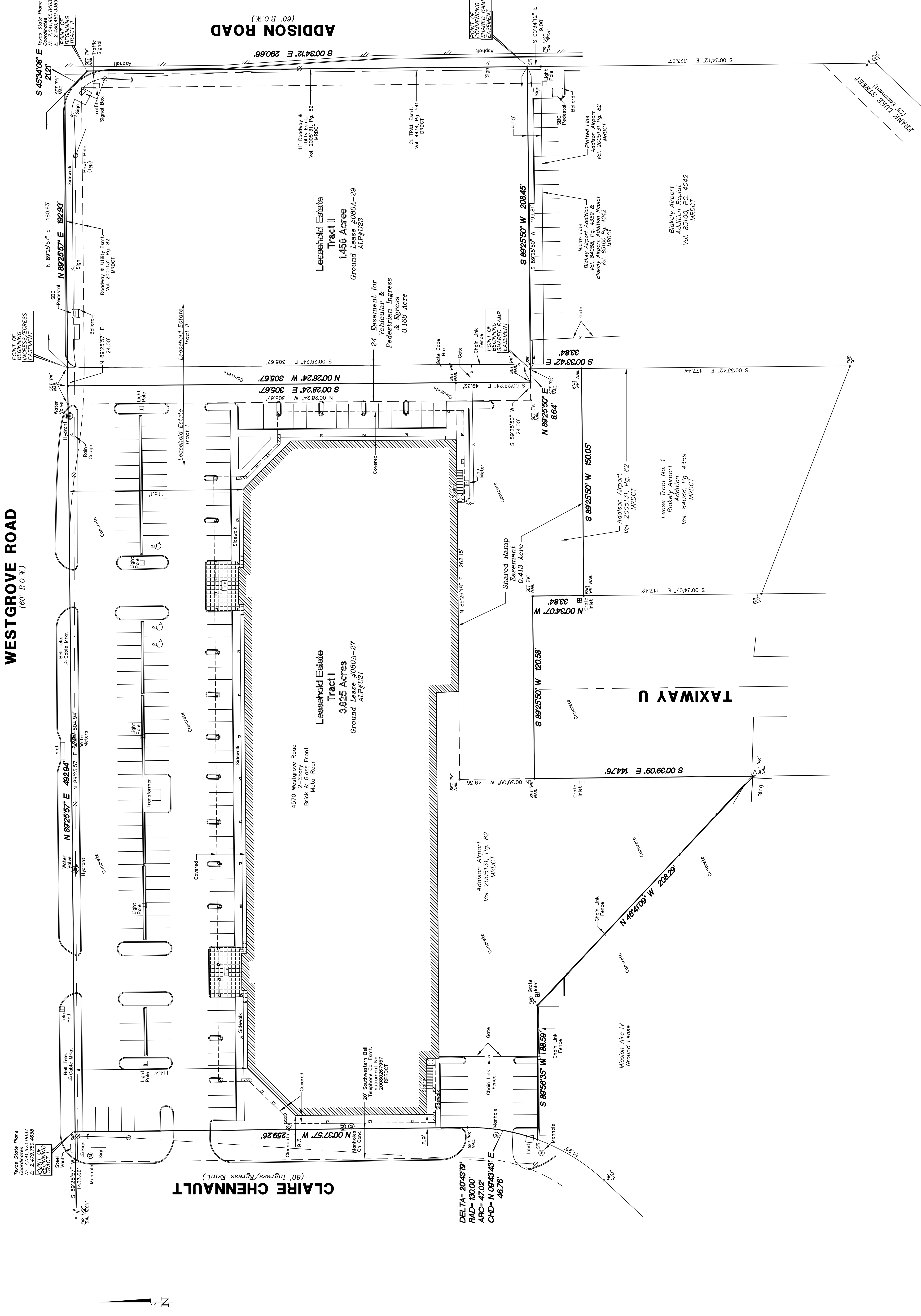
Notary Public, State of Texas

Print Name: _____

My commission expires: _____

Exhibit A

WESTGROVE ROAD
(60' R.O.W.)



NOTES:
 BEARINGS BASED ON TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE.
 NAD 83, BASED ON ADDISON AIRPORT CONTROL MONUMENTS.
 SIR DENOTES A 5/8" IRON ROD SET WITH PLASTIC CAP STAMPED "SPARR SURVEYS".
 FR DENOTES A FOUND IRON ROD.
 THIS SURVEY WAS PREPARED FOR THE PURPOSE OF REVISION LEASE BOUNDARY
 IMPROVEMENTS SHOWN ARE FROM PRIOR SURVEYS AND MAY NOT REFLECT CURRENT
 CONDITIONS.
 SEE PAGE 2 OF 2 FOR DESCRIPTIONS.

LEASE TRACT SURVEY
 A PART OF
ADDISON AIRPORT
 WILLIAM LOMAX SURVEY
 ABSTRACT NO. 792
 TOWN OF ADDISON
 DALLAS COUNTY, TEXAS

Sparr Surveys
 2553 C.R. 722
 McKinney, Texas 75069
 (214) 544-2297

DRAWN BY: B.D.S./CAD
 CHECKED BY: B.D.S.
 SCALE: 1" = 30'
 DATE: JUNE 6, 2012
 REVISED 04-08-2014

JOB NO. 17265B
 PAGE 1 OF 2

LEASEHOLD ESTATE TRACT I
Ground Lease #080A-27
ALPHU21

BEING a tract of land situated in the William Lomax Survey Abstract No. 792, Town of Addison, Dallas County, Texas, being a part of Addison Airport, an addition to the Town of Addison, Texas, according to the plat thereof recorded in Volume 2005131, Page 82 in the Map Records of Dallas County, Texas (MRDCT), and being more particularly described as follows:

BEGINNING at a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" at the intersection of the south line of Westgrove Road (60 foot right-of-way), with the east line of Claire Chennault (60 foot ingress and egress easement);

THENCE North 89 Degrees 25 Minutes 57 Seconds East, along the south line of said Westgrove Road, 492.94 feet to a "PK" nail set in concrete;

THENCE South 00 Degrees 28 Minutes 24 Seconds East, departing the south line of said Westgrove Road, 305.67 feet to a "PK" nail set in concrete;

THENCE North 89 Degrees 25 Minutes 50 Seconds East, 8.64 feet to a "PK" nail set in concrete;

THENCE South 00 Degrees 33 Minutes 42 Seconds East, at 9.00 feet passing a "PK" nail set in concrete at an interior corner of said Addison Airport, same being the northwest corner of the Blakey Airport Addition Replat, an addition to the Town of Addison according to the replat thereof recorded in Volume 85100, Page 4042, MRDCT, continuing along the west line of said Blakey Airport Addition Replat, in all a distance of 33.84 feet to a "PK" nail found;

THENCE South 89 Degrees 25 Minutes 50 Seconds West, departing the west line of said Blakey Airport Addition Replat, 150.05 feet to a "PK" nail found in concrete in the east line of said Taxway U;

THENCE North 00 Degrees 34 Minutes 07 Seconds West, along the north line of said Taxway U, 33.84 feet to a "PK" nail set in concrete at the northeast corner of said Taxway U;

THENCE South 89 Degrees 25 Minutes 50 Seconds West, along the north line of said Taxway U, 120.58 feet to a "PK" nail set in concrete at the northwest corner of said Taxway U;

THENCE South 89 Degrees 25 Minutes 50 Seconds West, along the east line of said Taxway U, 144.76 feet to a "PK" nail set in concrete;

THENCE North 46 Degrees 41 Minutes 09 Seconds West, departing the west line of said Taxway U, 208.29 feet to a cut 'x' found in concrete;

THENCE South 89 Degrees 56 Minutes 35 Seconds West, 68.59 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" at the northeast corner of said Claire Chennault and lying in a non-tangent circular curve to the left having a radius of 130.00 feet;

THENCE northeasterly, along the east line of said Claire Chennault and along said curve to the left, through a central angle of 20 Degrees 43 Minutes 19 Seconds, an arc distance of 47.02 feet and having a chord which bears North 09 Degrees 43 Minutes 43 Seconds East, 46.76 feet to a "PK" nail set in concrete;

THENCE North 00 Degrees 37 Minutes 57 Seconds West, along the east line of said Claire Chennault, 239.26 feet to the **POINT OF BEGINNING** and containing 3.625 acres of land.

24' WIDE EASEMENT FOR VEHICULAR & PEDESTRIAN INGRESS & EGRESS

BEING a tract of land situated in the William Lomax Survey Abstract No. 792, Town of Addison, Dallas County, Texas, being a part of Addison Airport, an addition to the Town of Addison, Texas, according to the plat thereof recorded in Volume 2005131, Page 82 in the Map Records of Dallas County, Texas (MRDCT), and being more particularly described as follows:

BEGINNING at a "PK" nail set in concrete in the south line of Westgrove Road (60 foot right-of-way), from which a "PK" nail set in concrete at the north end of a corner clip at the intersection of the south line of said Westgrove Road, with the west line of Addison Road (60 foot right-of-way) bears North 89 Degrees 25 Minutes 57 Seconds East, 180.93 feet;

THENCE South 00 Degrees 28 Minutes 24 Seconds East, departing the south line of said Westgrove Road, 305.67 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

THENCE South 89 Degrees 25 Minutes 50 Seconds West, 24.00 feet to a "PK" nail set in concrete;

THENCE North 00 Degrees 28 Minutes 24 Seconds West, 305.67 feet to a "PK" nail set in concrete in the south line of said Westgrove Road;

THENCE North 89 Degrees 25 Minutes 57 Seconds East, along the south line of said Westgrove Road, 24.00 feet to the **POINT OF BEGINNING** and containing 0.168 acre of land.

SHARED RAMP EASEMENT

BEING a tract of land situated in the William Lomax Survey Abstract No. 792, Town of Addison, Dallas County, Texas, being a part of Addison Airport, an addition to the Town of Addison, Texas, according to the plat thereof recorded in Volume 2005131, Page 82 in the Map Records of Dallas County, Texas (MRDCT), and being more particularly described as follows:

COMMENCING at a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" in the west line of Addison Road (60 foot right-of-way), from which a 1/2-inch iron rod found with plastic cap stamped "DAL TECH" at an interior corner of said Addison Airport bears South 00 Degrees 34 Minutes 12 Seconds East, 9.00 feet;

THENCE South 89 Degrees 25 Minutes 50 Seconds West, departing the west line of said Addison Road, 199.81 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" at the **POINT OF BEGINNING**;

THENCE South 00 Degrees 33 Minutes 42 Seconds East, at 9.00 feet passing a "PK" nail set in concrete at an interior corner of said Addison Airport, same being the northwest corner of the Blakey Airport Addition Replat, an addition to the Town of Addison according to the replat thereof recorded in Volume 85100, Page 4042, MRDCT, continuing along the west line of said Blakey Airport Addition Replat, in all a distance of 33.84 feet to a "PK" nail found;

THENCE South 89 Degrees 25 Minutes 50 Seconds West, departing the west line of said Blakey Airport Addition Replat, 150.05 feet to a "PK" nail found in concrete in the east line of said Taxway U;

THENCE North 00 Degrees 34 Minutes 07 Seconds West, along the east line of said Taxway U, 33.84 feet to a "PK" nail set in concrete at the northeast corner of said Taxway U;

THENCE South 89 Degrees 25 Minutes 50 Seconds West, along the north line of said Taxway U, 120.58 feet to a "PK" nail set in concrete at the northwest corner of said Taxway U;

THENCE North 00 Degrees 39 Minutes 09 Seconds West, departing said Taxway U, 49.36 feet to a "PK" nail set in concrete;

THENCE North 89 Degrees 26 Minutes 18 Seconds East, 262.15 feet to a "PK" nail set in concrete;

THENCE South 00 Degrees 28 Minutes 24 Seconds East, 49.32 feet to a "PK" nail set in concrete;

THENCE North 89 Degrees 25 Minutes 50 Seconds East, 8.64 feet to the **POINT OF BEGINNING** and containing 0.413 acre of land.

To: Addison Airport, exclusively.

I, Brad Sparr, a Registered Professional Land Surveyor for Sparr Surveys, do hereby certify that this survey was made on the ground, that this drawing correctly represents the facts found at the time of survey and that this professional service conforms to the current Texas Society of Professional Land Surveyors Standards and Specifications for a Category 1B Condition II Survey.

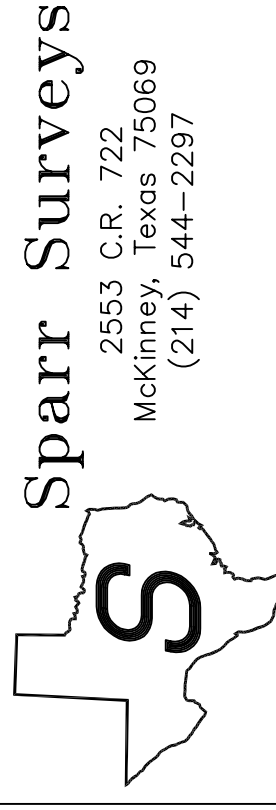
Brad Sparr
Registered Professional
Land Surveyor No. 3701

DRAWN BY: B.D.S./CAD
CHECKED BY: B.D.S.
DATE: JUNE 6, 2012
REVISED: 04-06-2014
JOB NO. 17265B

LEASE TRACT SURVEY
A PART OF

ADDISON AIRPORT

WILLIAM LOMAX SURVEY
ABSTRACT NO. 792
TOWN OF ADDISON
DALLAS COUNTY, TEXAS



2553 C.R. 722
McKinney, Texas 75069
(214) 544-2297

Shared Drive and Apron Easement

Write a description for your map.



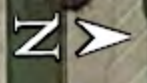
GL#080A-27

GL#080A-29

Addison Rd

Westgrove Dr

Claire Chennault St



200 ft

Exhibit B

**24' WIDE EASEMENT FOR VEHICULAR &
PEDESTRIAN INGRESS & EGRESS**

BEING a tract of land situated in the William Lomax Survey Abstract No. 792, Town of Addison, Dallas County, Texas, being a part of Addison Airport, an addition to the Town of Addison, Texas, according to the plat thereof recorded in Volume 2005131, Page 82 in the Map Records of Dallas County, Texas (MRDCT), and being more particularly described as follows:

BEGINNING at a "PK" nail set in concrete in the south line of Westgrove Road (60 foot right-of-way), from which a "PK" nail set in concrete at the north end of a corner clip at the intersection of the south line of said Westgrove Road, with the west line of Addison Road (60 foot right-of-way) bears North 89 Degrees 25 Minutes 57 Seconds East, 180.93 feet;

THENCE South 00 Degrees 28 Minutes 24 Seconds East, departing the south line of said Westgrove Road, 305.67 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

THENCE South 89 Degrees 25 Minutes 50 Seconds West, 24.00 feet to a "PK" nail set in concrete;

THENCE North 00 Degrees 28 Minutes 24 Seconds West, 305.67 feet to a "PK" nail set in concrete in the south line of said Westgrove Road;

THENCE North 89 Degrees 25 Minutes 57 Seconds East, along the south line of said Westgrove Road, 24.00 feet to the **POINT of BEGINNING** and containing 0.168 acre of land.

Exhibit C

SHARED RAMP EASEMENT

BEING a tract of land situated in the William Lomax Survey Abstract No. 792, Town of Addison, Dallas County, Texas, being a part of Addison Airport, an addition to the Town of Addison, Texas, according to the plat thereof recorded in Volume 2005131, Page 82 in the Map Records of Dallas County, Texas (MRDCT), and being more particularly described as follows:

COMMENCING at a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" in the west line of Addison Road (60 foot right-of-way), from which a 1/2-inch iron rod found with plastic cap stamped "DAL TECH" at an interior corner of said Addison Airport bears South 00 Degrees 34 Minutes 12 Seconds East, 9.00 feet;

THENCE South 89 Degrees 25 Minutes 50 Seconds West, departing the west line of said Addison Road, 199.81 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" at the **POINT of BEGINNING**;

THENCE South 00 Degrees 33 Minutes 42 Seconds East, at 9.00 feet passing a "PK" nail set in concrete at an interior corner of said Addison Airport, same being the northwest corner of the Blakely Airport Addition Replat, an addition to the Town of Addison according to the replat thereof recorded in Volume 85100, Page 4042 MRDCT, continuing along the west line of said Blakely Airport Addition Replat, in all a distance of 33.84 feet to a "PK" nail found;

THENCE South 89 Degrees 25 Minutes 50 Seconds West, departing the west line of said Blakely Airport Addition Replat, 150.05 feet to a "PK" nail found in concrete in the east line of said Taxiway U;

THENCE North 00 Degrees 34 Minutes 07 Seconds West, along the east line of said Taxiway U, 33.84 feet to a "PK" nail set in concrete at the northeast corner of said Taxiway U;

THENCE South 89 Degrees 25 Minutes 50 Seconds West, along the north line of said Taxiway U, 120.58 feet to a "PK" nail set in concrete at the northwest corner of said Taxiway U;

THENCE North 00 Degrees 39 Minutes 09 Seconds West, departing said Taxiway U, 49.36 feet to a "PK" nail set in concrete;

THENCE North 89 Degrees 26 Minutes 18 Seconds East, 262.15 feet to a "PK" nail set in concrete;

THENCE South 00 Degrees 28 Minutes 24 Seconds East, 49.32 feet to a "PK" nail set in concrete;

THENCE North 89 Degrees 25 Minutes 50 Seconds East, 8.64 feet to the **POINT of BEGINNING** and containing 0.413 acre of land.

Combined Meeting

R9

Meeting Date: 05/27/2014

Council Goals: Create a vision for the airport to maximize the value
Create and implement a Comprehensive Land Use/Revitalization
Plan

AGENDA CAPTION:

PUBLIC HEARING Case 1692-Z/Westgrove Air Plaza I. Public hearing, discussion, consider and take action regarding approval of an ordinance amending the zoning on a tract of land, located at 4570 Westgrove Drive and zoned Planned Development Ordinance 85-083, by providing for a revised (amended) development plan that modifies the existing brick façade of the building located on the tract and adds to the tract a tower as an architectural feature, on application from Guardian Texas Management, LLC, represented by Mr. Cameron Jones.

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on April 24, 2014, voted to recommend approval of the request for approval of an ordinance changing the zoning on property located 4570 Westgrove Drive, which property is currently zoned PD, Planned Development for office/hangar use, through Ordinance 85-083, by amending the currently approved development plans as to modify the existing brick façade and by adding a tower as an architectural feature, subject to the following conditions:

- A revised site plan should be submitted to reflect the location of the tower and the removal of existing parking spaces.
- The mature trees located in the landscaping area on the corner of the building should not be removed or damaged.

Voting Aye: Groce, Hewitt, Hughes, Oliver, Smith, Wheeler

Voting Nay: none

Absent: Doherty

FINANCIAL IMPACT:

N/A.

BACKGROUND:

See attached.

RECOMMENDATION:

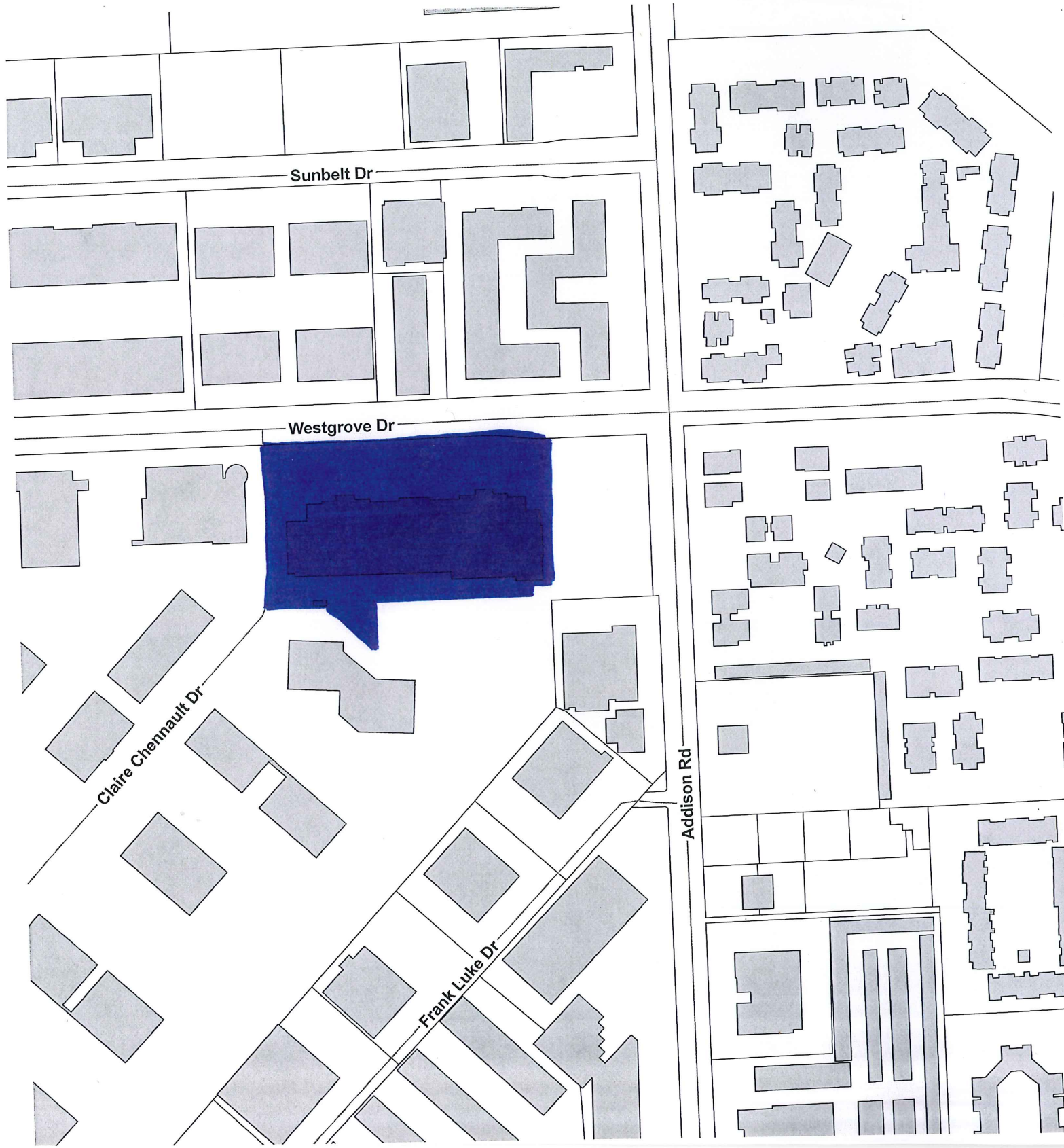
Administration recommends approval.

Attachments

Case 1692-Z Council Packet

1692-Z

PUBLIC HEARING Case 1692-Z/Westgrove Air Plaza I. Public hearing, discussion and consideration of approval of an ordinance amending Planned Development Ordinance 85-083 in order to revise the approved development plans as to allow the existing brick to be replaced with a new facade, located at 4570 Westgrove Drive, on application from Guardian Texas Management, LLC, represented by Mr. Ron Corcoran.



April 18, 2014

STAFF REPORT

RE: Case 1692-Z/Westgrove Air Plaza

LOCATION: 4570 Westgrove Drive

REQUEST: Approval of an amendment to the previously approved Planned Development Zoning Ordinance (085-083) in order to provide for revised development plans as to modify the existing brick façade and by adding a tower as an architectural feature.

APPLICANT: Guardian Texas Management, LLC, represented by Mr. Ron Corcoran

DISCUSSION:

Background. Westgrove Air Plaza was approved as a Planned Development and was constructed in 1985. The building includes 31,945 square feet of hangar and 47,536 of office space. At the time, it was a very nice development and featured a weeping mortar brick façade and tile roofing. This architectural style is no longer popular and makes the center appear dated.

The applicant owns the building and has a ground lease from the Town for the site. They also owns the adjacent vacant site on the southwest corner of Addison Road and Westgrove Drive and intend to construct a smaller office/hanger building. This is an important corner face to the airport, and the Town and the applicant want to make sure that both developments are visually appealing and complement each other.

Proposed Plan. The applicant is proposing to chip off the existing weeping mortar, and to power wash and stain the brick. They have tested this on a small portion of the building and feel that it will greatly enhance the look of the development.

Additionally, they would like to add a small tower architectural feature to the corner of the building closest to Addison Road. This tower would be shorter than the current building and would be constructed from stucco and have tile roofing like the main

building. This tower would be constructed in an area that current provides 3 parking spots.

The interior of the building will also be remodeled, but that does work not require zoning approval.

Parking. Planned Development zoning districts give the P&Z and Council the flexibility to establish unique parking requirements. There are currently 149 spaces provided in accordance with the existing Planned Development's standards.

The applicant is requesting to remove 3 parking spaces for the tower. Additionally, 1 space will be removed on the southeast corner of the building to allow enough space for airplanes to taxi to and from the new hangar that will be constructed next door.

This will leave the site with 145 spaces. This center does not have a history of parking issues and Town and Airport staff feel that 145 spaces is sufficient for this use in this location.

Landscaping. The Parks Department has reviewed the existing landscaping as well as the proposed plans, and the applicant meets the requirements of the landscaping ordinance. It should be noted that there are currently three mature trees located between the tower and the existing building. These should not be damaged or removed during the construction process.

RECOMMENDATION:

Staff agrees that the center's façade is in need of improving. The plan that is being requested is a cost effective way to update the look and the addition of the tower feature will add visual interest to the site. Staff would recommend approval of amending the current Planned Development ordinance, subject to the following condition:

- A revised site plan should be submitted to reflect the location of the tower and the removal of existing parking spaces.
- The three existing mature trees located in the landscaping area on the north east corner of the building not be removed or damaged.

Respectfully submitted,

Charles Goff
Assistant to the City Manager

Land Use Analysis

Attributes of Success Matrix

Westgrove Air Plaza, 4570 Westgrove Drive

1692-Z

Attribute	Comment	Score
Competitive	The current building is a successful office/hanger facility. These improvements will help the property demand higher rent rates.	
Safe	The project will be safe.	
Functional	The proposed development plan will be very functional.	
Visually Appealing	The proposed improvements will enhance and update the aesthetics of the development.	
Supported with Amenities	This site is on the corner of the airport and is not close to other attractive amenities. However, there are many businesses in that area that support aviation uses.	
Environmentally Responsible	The site currently meets the landscape ordinance and is well maintained.	
Walkable	There is a side walk on the opposite side of Westgrove, however there is not really anywhere to walk to in this area.	
Overall Assessment	The proposed upgrades to the façade and the architectural element will add visual interest to the site that will improve this important corner of the airport.	

Case 1692-Z/Westgrove Air Plaza 1
April 25, 2014

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on April 24, 2014, voted to recommend approval of the request for approval of an ordinance changing the zoning on property located 4570 Westgrove Drive, which property is currently zoned PD, Planned Development for office/hangar use, through Ordinance 85-083, by amending the currently approved development plans as to modify the existing brick façade and by adding a tower as an architectural feature, subject to the following conditions:

- A revised site plan should be submitted to reflect the location of the tower and the removal of existing parking spaces.
- The mature trees located in the landscaping area on the corner of the building should not be removed or damaged.

Voting Aye: Groce, Hewitt, Hughes, Oliver, Smith, Wheeler

Voting Nay: none

Absent: Doherty

Combined Meeting

R10

Meeting Date: 05/27/2014

Council Goals: Create raving fans of the Addison Experience.

AGENDA CAPTION:

Discussion regarding sponsorship of Addison residents and/or employees for the 26th class of Leadership Metrocrest.

FINANCIAL IMPACT:

Funds are available in the Fiscal Year 2014 General Fund. Fiscal Year 2013 costs totaled \$2,950.

BACKGROUND:

Two years ago, Council approved a scholarship "matrix" for determining the sponsorship level of Addison Residents to the Leadership Metrocrest program. The main idea was that the funding level increased based on several variables, including level of community involvement and length of residency.

Last year's class consisted of Ilene Cohen, Kathy Perkins, Nino Torres, and Shanna Nugent, with Fire Chief John O'Neal also attending as a sponsored Town employee.

A copy of the scholarship matrix from last year is attached for reference purposes.

Applications are due to the Chamber by June 6. A report will be brought forward to Council at the June 10 Council meeting identifying any Addison residents who have applied. Applicant notification does not occur until July 18, leaving several weeks for Council to review and adjust the matrix as necessary.

RECOMMENDATION:

Attachments

Leadership Metrocrest Application

Leadership Metrocrest Calendar

2013 Leadership Metrocrest Sponsorships



LEADERSHIP
METROCREST

CLASS XXVI APPLICATION FOR ENROLLMENT

Date of Application _____

Full Name _____

Company _____ Title _____

Position/Responsibilities _____

Company Address _____

City/St/Zip _____ Phone _____

E-Mail _____ Fax _____

Home Address _____

City/State/Zip _____ Phone _____

E-Mail _____ Cell _____

Birthday (mm/dd) _____ Male Female

Contact preference Home Work

Do you have full support of your employer for the time required to participate in this program?
 YES NO

The tuition for the program is \$1,000 for Chamber members (or individuals sponsored by Chamber members), and \$1,200 for non-members. Is your employer paying the tuition?
 YES NO

What specific leadership competencies do you hope to enhance through your participation in Leadership Metrocrest?

ALL APPLICATIONS DUE BY JUNE 6, 2014. APPLICANTS WILL BE NOTIFIED BY JULY 18, 2014
ON ACCEPTANCE TO LEADERSHIP METROCREST CLASS XXVI.

PLEASE INCLUDE RESUMÉ & BIO.

It is my understanding the Leadership Metrocrest program is to be a learning experience and requires attendance at the monthly meetings. I also understand that I will be automatically dropped from the program if I miss more than 16 hours from the remaining class.

Name

Date

Return to: Metrocrest Chamber of Commerce 5100 Belt Line Rd. #430 Addison, TX 75254
Fax: 469-587-0428 Email info@metrocrestchamber.com

LEADERSHIP METROCREST



Community.
Friendship.
Leadership.

CLASS XXVI - September 2014

Leadership Metrocrest is a program of the Metrocrest Chamber of Commerce which identifies, educates, and motivates future community leaders. The goal is to provide an extensive knowledge base of understanding and communication links that allow graduates to take leadership roles in Metrocrest civic, business and non-profit organizations.

Leadership Metrocrest offers...

- ❖ Participants an increased knowledge, understanding and sensitivity to community issues.
- ❖ Businesses an increased insight into the community and access to community leaders and resources.
- ❖ The community a pool of well-trained and energized leaders ready to serve.

Leadership Metrocrest is a nine month course where participants meet one day per month to study the various aspects of the Metrocrest's inner workings.

There are many ways to support Leadership Metrocrest. From attending the class to sponsoring sessions and the Graduate lunch, you can help this program and your Chamber, our chamber, The Metrocrest Chamber of Commerce.

Interested in...

- ...Learning more about your community?
- ...Building lifetime friendships?
- ...Being equipped to be the best leader possible?

Call 469-587-0420 or e-mail info@metrocrestchamber.com for more information on our next Leadership Metrocrest class.



LEADERSHIP
METROCREST

Metrocrest Chamber of Commerce 5100 Belt Line #430 Addison, TX 75254
469-587-0420 www.metrocrestchamber.com



LEADERSHIP METROCREST

Leadership Metrocrest Class XXVI Basic Calendar

<u>Session</u>		<u>Date</u>
Ropes Course	Friday	September 5, 2014
Leadership Skills (1/2 day)	Saturday	September 6, 2014
Regionalism	Friday	October 3, 2014
Local Government	Friday	November 7, 2014
Education	Friday	December 5, 2014
Culture and Diversity	Friday	January 9, 2015
Health and Human Services	Friday	February 6, 2015
Eco. Development/Business Excellence	Friday	March 6, 2015
Criminal Justice	Friday	April 3, 2015
SIMSOC	Thursday	April 16, 2015
Graduation	Wednesday	May 27, 2015

This Calendar is FINAL

1. Most classes will run from 8:00-4:00
2. Attending Sept. 6 and 7 is mandatory
3. A participant may not miss more than two full days (16 hours)



Town of Addison's Scholarship Matrix for Residents Participating in Leadership Metrocrest

Addison Board or Organization	Percentage of Scholarship Offered	Leadership Metrocrest Fee	ToA's Contribution
Council Member or P&Z Member	100%	\$1,000	\$1,000
Citizen Academy Graduate	80%	\$1,000	\$800
Volunteer for Arbor Foundation, Addison Addvocates, Water Tower Theatre	70%	\$1,000	\$700
Addison Residency greater than 5 years	50%	\$1,000	\$500
Addison Residency 4 years or less	25%	\$1,000	\$250

The scholarship received will be at the highest level that a resident qualifies.

Town of Addison Scholarship Contribution – Class XXV

Applicant	Highest Qualification Level	Percentage of Scholarship Offered	Leadership Metrocrest Fee	TOA Contribution
Ilene Cohen	Addison Resident 4 years or Less	25%	\$1,000	\$250
Kathy Perkins	Addison Resident 5 years or more	50%	\$1,000	\$500
Nino Torres	Volunteer for Addison Addvocates	70%	\$1,000	\$700
Shanna Nugent	Addison Resident 5 years or more	50%	\$1,000	\$500
TOTAL ADDISON CONTRIBUTION				\$1,950

Combined Meeting

R11

Meeting Date: 05/27/2014

Council Goals: N/A

AGENDA CAPTION:

Presentation, discussion, consider and take action authorizing the City Manager to send a letter of support to the City of Farmers Branch for the Marsh Lane Pedestrian Bridge and Valley View/Rosser Pedestrian Crosswalk project located in Farmers Branch.

FINANCIAL IMPACT:

There is no financial impact.

BACKGROUND:

The City of Farmers Branch has asked the Town of Addison to write a letter of support for the Marsh Lane Pedestrian Bridge at Valley View/Rosser Pedestrian Crosswalk that will provide another link to the Brookhaven College campus with both Vitruvian Park and many of the surrounding residential neighborhoods located in Addison and Farmers Branch. Farmers Branch is asking the North Central Council of Governments to support this project in this round of Transportation Alternative Program funding opportunities.

RECOMMENDATION:

Administration recommends approval.

Attachments

Draft Letter of Support

Aerial of trail

Bridge aerial zoomed

May 13, 2014

Gary Greer, City Manager
City of Farmers Branch
13000 William Dodson Parkway
Farmers Branch, Texas 752324

Re: Marsh Lane Pedestrian Bridge at Valley View/Rosser Pedestrian Crosswalk

Dear Mr. Greer:

On behalf of Town of Addison, I am writing to express our support of the Marsh Lane Pedestrian Bridge and Valley View Crosswalk Project. This bridge will provide another link with the Brookhaven College campus with both the mixed use development known as Vitruvian Park and many of the surrounding residential neighborhoods located in Addison and Farmers Branch.

We strongly urge the North Central Texas Council of Governments to support this project in this round of Transportation Alternative Program funding opportunities. Please know that I will do all that I can to maximize the programming potential of this trail project. Thank you for your consideration of this project.

Sincerely,



Brookhaven
Country Club

Vitruvian Park
Development

Addison Limits

New City Trail

New Dallas
County Trail

Proposed
Ped
Bridge

Brookhaven
College

Marsh
Lane

Proposed
Crosswalk

New City Trail

Valley View Lane

Farmers Branch
City Limits

Dallas City
Limits

I 635

Rosser
Bridge



New City Trail

Proposed Pedestrian Bridge

New Dallas County Trail

New City Trail

Marsh Lane

Combined Meeting

R12

Meeting Date: 05/27/2014

Council Goals: Implement bond propositions

AGENDA CAPTION:

Discussion, consider and take action regarding proceeding with the Belt Line Road utility undergrounding project.

FINANCIAL IMPACT:

The funds for Phase I are available in bond funds.

BACKGROUND:

In 2012, Addison voters approved a bond package that included the funds to move the utilities on Belt Line underground. The total amount of bond funds available for the undergrounding project from Marsh Lane to the Dallas North Tollway is \$20 million. Now that the cost of construction is known and other costs are being finalized, the available funds will not be sufficient to finish the project from Marsh to the Tollway. There are, however, sufficient funds to complete the project from Marsh to Midway.

Staff will brief council on the costs as they are known today and seek direction as whether to proceed with the project. We expect that Phase II costs will be known in the fall of 2014. At that point we will brief council and seek direction on that portion of the roadway.

RECOMMENDATION:
