



**REGULAR MEETING & WORK SESSION
OF THE CITY COUNCIL**

April 12, 2016

ADDISON TOWN HALL

**5300 BELT LINE RD., DALLAS, TX 75254
5:30 PM DINNER & EXECUTIVE SESSION
6:00 PM WORK SESSION
7:30 PM REGULAR MEETING**

Executive Session

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1. Closed (executive) session of the Addison City Council pursuant to:

Section 551.087, Tex. Gov. Code, to deliberate commercial or financial information that was received from a business prospect that seeks to locate, stay, or expand in or near the territory of the governmental body, and with which the governmental body is conducting economic development negotiations.

- **Addison Grove Development**

Section 551.072, Tex. Gov. Code, to deliberate the purchase, exchange, lease or value of real property

- **4460 Belt Line Road, Addison, TX 75001**

Reconvene from Executive Session

2. **RECONVENE INTO REGULAR SESSION:** In accordance with Texas Government Code, Chapter 551, the City Council will reconvene into Regular Session to consider action, if any, on any matter discussed in Executive Session.

WORK SESSION

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3. Discuss The **Naming Rights Policy For The Addison Theatre Centre.**
 4. Present An **Update On The Master Transportation Plan And Discuss Appointments To The Master Transportation Plan Advisory Committee.**
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REGULAR MEETING

Pledge of Allegiance

Announcements and Acknowledgements regarding Town and Council Events and Activities

Discussion of Events/Meetings

-
5. Public Comment.
The City Council invites citizens to address the City Council on any topic not on this agenda. Please fill out a **City Council Appearance Card** and submit it to a city staff member prior to Public Participation. Speakers are allowed **up to three (3) minutes per speaker** with **fifteen (15) total minutes** on items of interest or concern and not on items that are on the current agenda. In accordance with the Texas Open Meetings Act, the City Council cannot take action on items not listed on the agenda. The Council may choose to place the item on a future agenda.
 6. Present A **Proclamation Declaring April 11-16, 2016 As *National Volunteer Week* In Addison, Texas.**
-

Consent Agenda:

All items listed under the Consent Agenda are considered routine by the City Council and will be enacted by one motion with no individual consideration. If individual consideration of an item is requested, it will be pulled from the Consent Agenda and discussed separately.

7. Consider **Approval Of The March 22, 2016 Regular Meeting Minutes.**
 8. Consider Approval Of A **Resolution Adopting A Naming Rights Policy For The Addison Theatre Centre.**
 9. Discuss, Consider And Approve An **Ordinance Amending The Town's Annual Budgeted Full Time Equivalent (FTE) Count For The Fiscal Year Ending September 30, 2016.**
 10. Consider A **Resolution For The Proposed Assignments Of Lease From ADS US Sport Aircraft, LLC To ADS Importing, LLC At 4700 Airport Parkway And A Resolution For The Proposed Assignment Of Lease From ADS US Sport Aircraft, LLC To ADS Importing, LLC At 4660 Jimmy Doolittle Drive .**
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Regular Items

11. Hold A Public Hearing, Discuss, Consider And Approve An **Ordinance Amending Various Sections Of The Code Of Ordinances In Order To Revise The Terms For Existing And Future Members Of The Planning And Zoning Commission And Board Of Adjustment In Order To Align Terms In Accordance With Recently Adopted City Council Policy Regarding The Boards And Commissions Appointment Process.** Case 1730-Z/Town Of Addison.
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12. Hold A Public Hearing, Discuss, Consider And Approve An **Ordinance Amending Various Sections Of Appendix B - Subdivisions In Order To Grant The Planning And Zoning Commission Final Plat Approval Authority.** Case 1731-Z/Town Of Addison.
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13. Hold A Public Hearing, Discuss, Consider And Approve An **Ordinance Amending Various Sections Of Appendix A - Zoning And Appendix B - Subdivisions In Order To Delete Sections Pertaining To Administrative Fees.** Case 1732-Z/Town Of Addison.
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14. Hold A Public Hearing, Discuss, Consider And Approve An **Ordinance Moving Landscape Regulations From Appendix A - Zoning, Article XXI To A New Article VI In Chapter 34 (Environment) Of The Code Of Ordinances.** Case 1733-Z/Town Of Addison.
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15. Presentation And Discussion Regarding **The 2015 Annual Report For The Addison Police Department.**
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Adjourn Meeting

NOTE: The City Council reserves the right to meet in Executive Session closed to the public at any time in the course of this meeting to discuss matters listed on the agenda, as authorized by the Texas Open Meetings Act, Texas Government Code, Chapter 551, including §551.071 (private consultation with the attorney for the City); §551.072 (purchase, exchange, lease or value of real property); §551.074 (personnel or to hear complaints against personnel); §551.076 (deployment, or specific occasions for implementation of security personnel or devices); and §551.087 (economic development negotiations). Any decision held on such matters will be taken or conducted in Open Session following the conclusion of the Executive Session.

Posted:
Laura Bell, 4/8/2016, 5:00 pm

**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.**

AI-1635

1.

Work Session and Regular Meeting

Meeting Date: 04/12/2016

Department: City Manager

AGENDA CAPTION:

Closed (executive) session of the Addison City Council pursuant to:

Section 551.087, Tex. Gov. Code, to deliberate commercial or financial information that was received from a business prospect that seeks to locate, stay, or expand in or near the territory of the governmental body, and with which the governmental body is conducting economic development negotiations.

• Addison Grove Development

Section 551.072, Tex. Gov. Code, to deliberate the purchase, exchange, lease or value of real property

• 4460 Belt Line Road, Addison, TX 75001

BACKGROUND:

N/A

RECOMMENDATION:

N/A

AI-1634

2.

Work Session and Regular Meeting

Meeting Date: 04/12/2016

Department: City Manager

AGENDA CAPTION:

RECONVENE INTO REGULAR SESSION: In accordance with Texas Government Code, Chapter 551, the City Council will reconvene into Regular Session to consider action, if any, on any matter discussed in Executive Session.

BACKGROUND:

N/A

RECOMMENDATION:

N/A

AI-1620

3.

Work Session and Regular Meeting

Meeting Date: 04/12/2016

Department: Conference & Theatre

AGENDA CAPTION:

Discuss The **Naming Rights Policy For The Addison Theatre Centre.**

BACKGROUND:

The WaterTower Theatre will celebrate its 20th Anniversary in the 2016-17 season and would like to implement a donor campaign in exchange for naming recognition of rooms and spaces within the Addison Theatre Centre. WaterTower Theatre has requested a formal approval from the City Council establishing their authority to bestow naming rights within the Addison Theater Centre.

In the naming rights policy, the criteria and procedures are intended to:

- Establish a naming rights policy for the Addison Theatre Centre
- Establish the areas that may be named within the Addison Theatre Centre
- Provide potential donors, the WaterTower Theatre, and the Town of Addison with the criteria, standards, and process for approval or denial of proposal, duration of the naming rights, installation, and removal of the recognition.

RECOMMENDATION:

Information only.

Attachments

Policy



Addison Theatre Centre

Naming Rights

POLICY

It is the policy of the Town of Addison that the naming rights to areas within the Addison Theatre Centre be reserved for donors providing monetary gift donations to the WaterTower Theatre and that the naming process comply and adhere to the guidelines and procedures stated in this policy.

PURPOSE

These policies and procedures are intended to a) establish a consistent and systematic naming rights policy for the Addison Theatre Centre; b) establish the areas that may be named within the Addison Theatre Centre; c) provide potential donors, the WaterTower Theatre, and the Town of Addison with the criteria, standards, and process for 1) approval or denial of proposal; 2) duration of the naming rights; 3) installation; and 4) removal of the recognition.

NAMING CRITERIA & STANDARDS

The naming of areas within the Addison Theatre Centre is solely reserved for donors who have made substantial financial contributions to the WaterTower Theatre. The term “donors” comprises individuals, corporations and other organizations. The following criteria and standards will be incorporated into the process and procedures of this naming rights policy:

- 1) The Town will consider proposals from the WaterTower Theatre for naming rights, but it is under no obligation to approve a proposal.
- 2) The duration of the naming rights is a maximum of five years as agreed upon by the donor and the WaterTower Theatre. The duration begins the day of the recognition plaque installation.
- 3) Donor gifts are exclusive to the WaterTower Theatre and will be restricted to either its Endowment Fund or Cash Reserves Fund.
- 4) Names of the areas within the Addison Theatre Centre will portray a positive image of the Town of Addison.
- 5) Names shall not:
 - a. Be associated with a donor that will cast a negative image of the Town of Addison as the result of their actions or are derogatory or discriminatory in nature.
 - b. Improperly diminish the character, integrity of the community or aesthetic quality of the building, Town of Addison, or unreasonable interference with its enjoyment or use;
 - c. Have obscene connotations, be, or be perceived to be, of a sexual-oriented nature or business;
 - d. Result in inappropriate abbreviations or acronyms.

ELIGIBLE SPACES FOR THE ADDISON THEATRE CENTRE

- 1) The exterior of the Addison Theatre Centre building is not eligible for naming rights.
- 2) The areas eligible for naming within the building are:
 - a. Main Stage Theatre
 - b. Main Stage Lobby
 - c. Upper Main Stage Lobby
 - d. The Box Office
 - e. The Studio Theatre
 - f. The Administrative Offices
 - g. Dressing Rooms
 - h. The Rehearsal Room/Education Centre

- i. Individual seats in both the Main Stage and Studio Theatre

NAMING APPLICATION AND APPROVAL PROCESS

- 1) Donor must submit a proposal to WaterTower Theatre that will include but is not limited to:
 - a. Amount donated.
 - b. Restriction Donation donated to:
 - b.i. WaterTower Theatre Endowment
 - b.ii. WaterTower Theatre Cash Reserves Account
 - c. Space or area to be named.
 - d. Individual, corporation or organization after which it will be named.
 - e. Duration of the recognition, not to exceed five years.
- 2) The WaterTower Theatre Board must approve the donor’s proposal before submitting an approval application to the Town of Addison.
- 3) WaterTower Theatre will submit the related Addison Theatre Centre - Naming Rights Application to the Town for review and approval.
 - a. Application will be submitted to, and reviewed by, the Addison Conference and Theatre Centre General Manager and the Assistant Director of General Services.
 - b. If approved at the first level, the application will be submitted with a recommendation to the City Manager’s Office to be placed on the next possible Regular Agenda Meeting of the City Council for final approval.
 - b.i. If an application is denied, WaterTower Theatre may appeal the denial and request approval from the City Council at the next possible Regular Agenda Meeting.

POST-APPROVAL INSTALLATION

- 1) WaterTower Theatre will submit the final specs of the plaque for final review by the ACTC General Manager and General Services Assistant Director.
- 2) The Town will approve the final design, wording, and placement of any permanent signs, inscriptions or other recognitions with due consideration for the architectural style of a building and for consistency throughout the Addison Theatre Centre.
- 3) The Town will install the plaque and invoice the WaterTower Theatre to be reimbursed for the cost of the installation.

DURATION AND REMOVAL PROCEDURE

- 1) Recognition is limited to five years from the day it is installed.
- 2) If WaterTower Theatre is no longer the resident company at the Addison Theatre Centre, the recognition will be uninstalled the last day of WaterTower Theatre’s lease or the agreed upon move-out date with the Town.

- 3) If upon after recognition installation, the name or sponsor is associated with a crime, accused of a crime, or their actions may reflect negatively on the Town of Addison, the City Council may consider a temporary or permanent removal of the name at a Work Session and/or Regular City Council Agenda meeting based on the facts of the case and/or impact it has on the public image of the Town.
 - a. The naming rights may be reinstated by the City Council at a Work Session and/or Regular City Council Agenda meeting if the donor is exonerated of the crime of which they were accused.
- 4) Removal of the recognition plaque will be coordinated and paid for by the Town with one of its preferred vendors and will be reimbursed by the WaterTower Theatre.

AI-1573

4.

Work Session and Regular Meeting

Meeting Date: 04/12/2016

Department: Infrastructure- Development Services

AGENDA CAPTION:

Present An **Update On The Master Transportation Plan And Discuss Appointments To The Master Transportation Plan Advisory Committee.**

BACKGROUND:

Staff and consultants from Prologue Planning and Kimley-Horn will discuss the progress made to date on the Master Transportation Plan update.

Two community meetings were held in March to gather input from citizens and those that work in Addison regarding transportation related issues. Additionally, an online survey was conducted for those not in attendance . The presentation will include an overview of the findings of these efforts. This information and any direction from Council received during this discussion will guide the development of the new Master Transportation Plan.

Council will also discuss and make appointments to the Master Transportation Plan advisory committee. The advisory committee will work with staff and the consultants to provide more detailed feedback on the issues raised and give input as consultants discuss different approaches to address various issues as the Master Transportation Plan is being drafted.

RECOMMENDATION:

N/A

AI-1633

6.

Work Session and Regular Meeting

Meeting Date: 04/12/2016

Department: City Manager

AGENDA CAPTION:

Present A **Proclamation Declaring April 11-16, 2016 As *National Volunteer Week* In Addison, Texas.**

BACKGROUND:

n/a

RECOMMENDATION:

n/a

Attachments

Proclamation

WHEREAS, National Volunteer Week, April 11-16th, 2016, is about recognizing the many volunteers who generously donate their time and talents to the Town of Addison; and

WHEREAS, it is essential that we continue this tradition of giving and sharing to preserve and improve the quality of life for our Addison citizens; and

WHEREAS, volunteer service empowers both the giver and the recipient, and sets and example of good citizenship for our future generations; and

WHEREAS, the Town of Addison appreciates its volunteers and encourages citizens to become involved in our communities, neighborhoods and local government; and

WHEREAS, this is the time to celebrate our **Addison Addovcates** citizen volunteers who expend their time, energy and resources in an effort to improve, protect and sustain our community , and to honor the 142 volunteers who gave 3130 hours of their time to the great Town of Addison in 2015.

Now therefore I, Todd Meier, Mayor of the Town of Addison and on behalf of the City Council, do hereby recognize April 11-16th, 2016 as

National Volunteer Week

Dutifully executed this day April 12, 2016

Mayor, Town of Addison, State of Texas

AI-1636

7.

Work Session and Regular Meeting

Meeting Date: 04/12/2016

Department: City Secretary

AGENDA CAPTION:

Consider **Approval Of The March 22, 2016 Regular Meeting Minutes.**

BACKGROUND:

Staff has prepared the minutes for approval.

RECOMMENDATION:

Administration recommends approval.

Attachments

Minutes

OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL

WORK SESSION

March 22, 2016

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

5:30 PM Executive Session & Dinner

6:00 PM Work Session I 7:30 PM Regular Meeting

Present: Arfsten; Carpenter; Heape; Hughes; Mayor Meier; Moore; Wilcox

Executive Session

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1. Closed (executive) session of the Addison City Council pursuant to:

Section 551.071, Tex. Gov. Code, to conduct a private consultation with its attorney(s) on a matter in which the duty of the attorney(s) to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551, Tex. Gov. Code, pertaining to

- **Town of Addison v. Landmark Structures I, L.P. and Urban Green Energy Cause No. DC-15-0761 44th Judicial District Court, Dallas County, Texas**
- **Attorney Client Privilege In Regards To Open Records Requests**

Section 551.072, Tex. Gov. Code, to deliberate the purchase, exchange, lease or value of real property

- **Airport Development Update**

Council convened into Executive Session at 5:34 pm.

Council recessed from Executive Session at 6:20 pm.

Council reconvened into Executive Session at 9:42 pm

Council adjourned from Executive Session at 10:17 pm.

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2. **RECONVENE INTO REGULAR SESSION:** In accordance with Texas Government Code, Chapter 551, the City Council will reconvene into Regular Session to consider action, if any, on any matter discussed in Executive Session.

Coming out of the Executive Session, City Attorney Brenda McDonald stated "We have had a Public Information request that had a responsive document, a memo dated January 24, 2014, from the then City Manager Lea Dunn to the Finance Committee and City Attorney. In an effort to definitively get an opinion on that document, this specific document was included in the representative sample sent to the Attorney General office for a determination. That was done on March 11, 2016. We expect to get an Attorney General ruling on this specific document so we can move forward with either the release or withholding of it."

WORK SESSION

3. Present An Update On The Vitruvian Development.

Assistant Director of Development Services, Charles Goff, started the presentation with a history of the development including zoning cases, bond approvals, approved land uses and the current status of the properties.

Director of Infrastructure and Development Services, Lisa Pyles, continued the presentation with a brief review of the of the Master Facilities Agreement.

Charles Goff then presented the next steps for the Vitruvian development.

Mr. Tom Landreth with UDR gave Council an update on the upcoming phases of the development. He showed Council the proposed Concept Master Plan that will be going to the Planning & Zoning Commission in the next few months.

Council discussed the next phases, how the incentive agreement is managed and paid out, the development as a catalyst for the area, timeframe for the phases to come and and overall expectation for the development.

Council adjourned the Worksession at 7:23 pm.

4. Presentation And Discussion On Possible Funding Options For The Addison Grove Incentive Agreement.

Mayor Meier reconvened the Worksession at 9:10 pm.

Interim Chief Financial Officer, Dr. Scott Neils, presented the item to Council. He gave a power point presentation with the different funding options for the incentive agreement. Each option affected different funds depending on the amount appropriated.

Council discussed how each option affected certain funds. Discussion also revolved around which funds were appropriate to take money from to fund the incentive.

Council agreed option #5 would be the best option. Council also agreed to review the funds and amounts at each budget cycle and Council would have the ability to change the funding options if needed.

Option #5 included these points:

\$6.5 M total incentive.

\$2.5 M from the General Fund*

\$1.0 Stormwater Fund

\$1.0 Utility Fund

\$2.0 Infrastructure Fund

* includes \$250K for permit fees waived

REGULAR MEETING

Pledge of Allegiance

Announcements and Acknowledgements regarding Town and Council Events and Activities

Discussion of Events/Meetings

Public Comment.

The City Council invites citizens to address the City Council on any topic not on this agenda. Please fill out a **City Council Appearance Card** and submit it to a city staff member prior to Public Participation. Speakers are allowed **up to three (3) minutes per speaker** with **fifteen (15) total minutes** on items of interest or concern and not on items that are on the current agenda. In accordance with the Texas Open Meetings Act, the City Council cannot take action on items not listed on the agenda. The Council may choose to place the item on a future agenda.

Billy Dreis, 4025 Morman Lane, stated that he was in favor of the Kanter Financial project. He stated he would encourage Council to allow Mr. Kanter to complete the project in full to make sure that all areas needing attention were looked at and evaluated.

Consent Agenda:

All items listed under the Consent Agenda are considered routine by the City Council and will be enacted by one motion with no individual consideration. If individual consideration of an item is requested, it will be pulled from the Consent Agenda and discussed separately.

Mayor Pro Tem Moore made a motion to approve Item #6 as submitted.

Councilmember Carpenter seconded the motion. The vote was cast 7-0 in favor of the motion.

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6. Consider **Approval Of The March 8, 2016 Regular Meeting Minutes.**

Regular Items

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7. Presentation And Discussion Regarding **Fiscal Year 2016 Compensation Market Study Results And Recommendation.**

Human Resources Director, Passion Hayes, presented the item to Council. She reviewed the findings of the salary survey conducted. She included the positions that were significantly under the market rate. She also reviewed the difference in salary for the Police and Fire departments. She stated that staff recommended that the Police and Fire Departments be brought to market, approximately a 5% increase and the Civilian positions would receive an approximate 2% increase. This would result in approximately \$518,130 cost to the budget for salary adjustments. Staff did budget \$581,377 in the budget for the salary adjustments needed. These increases will be retroactive to January 1, 2016 for employees.

Council agreed with staff recommendations. Council discussed prior years adjustments and how the adjustment for this year wasn't as large as in years past. Council stated that the bigger adjustments

made in past years helped the gap for this year not be as large as it could have been. Council agreed that the positions needed to be at market rate to allow the Town to attract and keep quality employees.

Council thanked Ms. Hayes and staff for all the hard work on the study.

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8. Discuss, Consider, And Approve **Authorizing The Recommended Full Time Equivalent Position Changes And Associated Amounts.**

Interim Chief Financial Officer, Dr. Scott Neils, presented the item to Council. He stated that the Finance department was understaffed and needed to add several key positions to help with the workload and daily activities of the department. He stated that many of these positions were addressed within the Kanter Financial scope of work. He stated that staff has worked with the Human Resources department to get these positions added.

Council agreed with the recommendations and the specifications listed for the positions. Council thanked staff for working hard with the amount of staff in the past and they look forward to working with the new staff brought in.

Councilmember Carpenter moved to approve Item # 8 as submitted. Mayor Pro Tem Moore seconded the motion. The vote was cast 7-0 in favor of the motion.

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9. Discuss, Consider And Approve A **Resolution Authorizing The City Manager To Award A Construction Contract to Canary Construction, Inc. For The Construction Of The Les Lacs Pond Water Well Transfer Piping System** In The Amount Of \$120,325.00.

Director of Infrastructure and Development Services, Lisa Pyles, presented this item to Council. She stated that this item was the transfer piping for the pond. This would relocate the piping to help with the issue of the fresh water being immediately pumped out of the pond as happens now. She stated the fresh water is coming into the well and stays in the north end of the pond where it is pumped out quickly. This is helping to contribute to the water quality issue. Ms Pyles stated that the new piping would help the fresh water circulate within in the pond for a longer time.

Council discussed issues that may arise with limestone within the pond which can lead to issues with the boring. Council also discussed the timing of the project and communication with the neighborhood on this project and the next item associated with the pond also.

Staff stated that many different forms of communication and notification to the neighborhood would be used during the project.

Councilmember Arfsten moved to approve Item #9 as submitted. Councilmember Hughes seconded the motion. The vote was cast 7-0 in favor of the motion.

10. Discuss, Consider And Approve A **Resolution Authorizing The City Manager To Award A Construction Contract to Groves Electrical Services, Inc. For The Construction Of The Les Lacs Pond Well Rebuilding Project** In the Amount Of \$224,597.00.

Director of Infrastructure and Development Services, Lisa Pyles, presented the item to Council . She stated that this is the second part of the Les Lacs project. She stated that the well pump was replaced in 1982 and maintenance was done in 1992 & 2000. She stated that the flow rate for the pump is now degraded. This project will replace the pump, motor and piping associated with the area. This project will also relocate the electrical components to the north side of the masonry wall. The wall will be re-routed to block the view of the electrical components. A 10 foot rod iron gate will also be installed to allow access for staff and utility providers to the area. The project will also include a pedestrian gate to be installed at the south end of the wall for access by the neighborhood.

Council discussed the gate location and received clarification from the representative from Halff as to where the gates would be located. Council agreed that the project was a good thing for the pond.

City Manager, Wes Pierson, stated that he would like to remind citizens that the overall project for this area includes 3 separate smaller projects. Two were given at this meeting. The final project will be brought to Council as soon as possible. That project is for the landscape and esthetic portion of the pond.

Mayor Pro Tem Moore moved to approve Item #10 as submitted. Councilmember Carpenter seconded the motion. The vote was cast 7-0 in favor of the motion.

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11. Consider An **Ordinance Granting A Meritorious Exception For A Sign Located at 4875 Belt Line Road for Home2 Suites.**

Assistant Director of Development Services, Charles Goff, presented the item. Mr. Goff stated that this item was for a Meritorious Exception for the Home2Suites sign. He stated that the original owner of the property was the same through the retail and the hotel area. The hotel portion of the property was sold to a different owner. At that time, the land was not platted correctly to allow for an off-site sign in the landscape median in front of the retail. The Town's Code of Ordinances does not allow for an off-site sign and the Planning & Zoning Commission denied the request. Council is now asked for an exception for the sign for the hotel.

Council agreed that this was a hardship for the owners due to an error with the developer and the land owner. Council agreed that this was truly an exception to the sign code.

Councilmember Hughes moved to approve Item # 11 as submitted. Councilmember Arfsten seconded the motion. The vote was cast 7-0 in favor of the motion.

Mayor Meier adjourned the meeting at 10:19 pm.

NOTE: The City Council reserves the right to meet in Executive Session closed to the public at any time in the course of this meeting to discuss matters listed on the agenda, as authorized by the Texas Open Meetings Act, Texas Government Code, Chapter 551, including §551.071 (private consultation with the attorney for the City); §551.072 (purchase, exchange, lease or value of real property); §551.074 (personnel or to hear complaints against personnel); §551.076 (deployment, or specific occasions for implementation of security personnel or devices); and §551.087 (economic development negotiations). Any decision held on such matters will be taken or conducted in Open Session following the conclusion of the Executive Session.

Mayor-Todd Meier

Attest:

City Secretary-Laura Bell

AI-1621

8.

Work Session and Regular Meeting

Meeting Date: 04/12/2016

Department: Conference & Theatre

AGENDA CAPTION:

Consider Approval Of A **Resolution Adopting A Naming Rights Policy For The Addison Theatre Centre.**

BACKGROUND:

The WaterTower Theatre will celebrate its 20th Anniversary in the 2016-17 season and would like to implement a donor campaign in exchange for naming recognition of rooms and spaces within the Theatre Centre. WaterTower Theatre has requested a formal approval from the City Council establishing their authority to bestow naming rights within the Addison Theater Centre. The purpose of this resolution is to adopt a policy governing the naming rights activities of the WaterTower Theatre inside the Addison Theatre Centre.

In the naming rights policy, the criteria and procedures are intended to

- Establish a naming rights policy for the Addison Theatre Centre
- Establish the areas that may be named within the Addison Theatre Centre
- Provide potential donors, the WaterTower Theatre, and the Town of Addison with the criteria, standards, and process for approval or denial of proposal, duration of the naming rights, installation, and removal of the recognition.

RECOMMENDATION:

Administration recommends approval.

Attachments

Resolution

Exhibit A

TOWN OF ADDISON, TEXAS

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS APPROVING A NAMING RIGHTS POLICY FOR THE ADDISON THEATRE CENTRE, AND PROVIDING AN EFFECTIVE DATE.

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

Section 1. The Naming Rights Policy for the Addison Theatre Centre, a copy of which is attached to this Resolution as **Exhibit A**, is hereby approved.

Section 2. This Resolution shall take effect from and after its date of adoption.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas this the _____ day of _____, 2016.

Todd Meier, Mayor

ATTEST:

By: _____
Laura Bell, City Secretary

APPROVED AS TO FORM:

By: _____
Brenda N. McDonald, City Attorney



Addison Theatre Centre

Naming Rights

POLICY

It is the policy of the Town of Addison that the naming rights to areas within the Addison Theatre Centre be reserved for donors providing monetary gift donations to the WaterTower Theatre and that the naming process comply and adhere to the guidelines and procedures stated in this policy.

PURPOSE

These policies and procedures are intended to a) establish a consistent and systematic naming rights policy for the Addison Theatre Centre; b) establish the areas that may be named within the Addison Theatre Centre; c) provide potential donors, the WaterTower Theatre, and the Town of Addison with the criteria, standards, and process for 1) approval or denial of proposal; 2) duration of the naming rights; 3) installation; and 4) removal of the recognition.

NAMING CRITERIA & STANDARDS

The naming of areas within the Addison Theatre Centre is solely reserved for donors who have made substantial financial contributions to the WaterTower Theatre. The term “donors” comprises individuals, corporations and other organizations. The following criteria and standards will be incorporated into the process and procedures of this naming rights policy:

- 1) The Town will consider proposals from the WaterTower Theatre for naming rights, but it is under no obligation to approve a proposal.
- 2) The duration of the naming rights is a maximum of five years as agreed upon by the donor and the WaterTower Theatre. The duration begins the day of the recognition plaque installation.
- 3) Donor gifts are exclusive to the WaterTower Theatre and will be restricted to either its Endowment Fund or Cash Reserves Fund.
- 4) Names of the areas within the Addison Theatre Centre will portray a positive image of the Town of Addison.
- 5) Names shall not:
 - a. Be associated with a donor that will cast a negative image of the Town of Addison as the result of their actions or are derogatory or discriminatory in nature.
 - b. Improperly diminish the character, integrity of the community or aesthetic quality of the building, Town of Addison, or unreasonable interference with its enjoyment or use;
 - c. Have obscene connotations, be, or be perceived to be, of a sexual-oriented nature or business;
 - d. Result in inappropriate abbreviations or acronyms.

ELIGIBLE SPACES FOR THE ADDISON THEATRE CENTRE

- 1) The exterior of the Addison Theatre Centre building is not eligible for naming rights.
- 2) The areas eligible for naming within the building are:
 - a. Main Stage Theatre
 - b. Main Stage Lobby
 - c. Upper Main Stage Lobby
 - d. The Box Office
 - e. The Studio Theatre
 - f. The Administrative Offices
 - g. Dressing Rooms
 - h. The Rehearsal Room/Education Centre

- i. Individual seats in both the Main Stage and Studio Theatre

NAMING APPLICATION AND APPROVAL PROCESS

- 1) Donor must submit a proposal to WaterTower Theatre that will include but is not limited to:
 - a. Amount donated.
 - b. Restriction Donation donated to:
 - b.i. WaterTower Theatre Endowment
 - b.ii. WaterTower Theatre Cash Reserves Account
 - c. Space or area to be named.
 - d. Individual, corporation or organization after which it will be named.
 - e. Duration of the recognition, not to exceed five years.
- 2) The WaterTower Theatre Board must approve the donor’s proposal before submitting an approval application to the Town of Addison.
- 3) WaterTower Theatre will submit the related Addison Theatre Centre - Naming Rights Application to the Town for review and approval.
 - a. Application will be submitted to, and reviewed by, the Addison Conference and Theatre Centre General Manager and the Assistant Director of General Services.
 - b. If approved at the first level, the application will be submitted with a recommendation to the City Manager’s Office to be placed on the next possible Regular Agenda Meeting of the City Council for final approval.
 - b.i. If an application is denied, WaterTower Theatre may appeal the denial and request approval from the City Council at the next possible Regular Agenda Meeting.

POST-APPROVAL INSTALLATION

- 1) WaterTower Theatre will submit the final specs of the plaque for final review by the ACTC General Manager and General Services Assistant Director.
- 2) The Town will approve the final design, wording, and placement of any permanent signs, inscriptions or other recognitions with due consideration for the architectural style of a building and for consistency throughout the Addison Theatre Centre.
- 3) The Town will install the plaque and invoice the WaterTower Theatre to be reimbursed for the cost of the installation.

DURATION AND REMOVAL PROCEDURE

- 1) Recognition is limited to five years from the day it is installed.
- 2) If WaterTower Theatre is no longer the resident company at the Addison Theatre Centre, the recognition will be uninstalled the last day of WaterTower Theatre’s lease or the agreed upon move-out date with the Town.

- 3) If upon after recognition installation, the name or sponsor is associated with a crime, accused of a crime, or their actions may reflect negatively on the Town of Addison, the City Council may consider a temporary or permanent removal of the name at a Work Session and/or Regular City Council Agenda meeting based on the facts of the case and/or impact it has on the public image of the Town.
 - a. The naming rights may be reinstated by the City Council at a Work Session and/or Regular City Council Agenda meeting if the donor is exonerated of the crime of which they were accused.
- 4) Removal of the recognition plaque will be coordinated and paid for by the Town with one of its preferred vendors and will be reimbursed by the WaterTower Theatre.

Work Session and Regular Meeting**Meeting Date:** 04/12/2016**Department:** Finance

AGENDA CAPTION:

Discuss, Consider And Approve An **Ordinance Amending The Town's Annual Budgeted Full Time Equivalent (FTE) Count For The Fiscal Year Ending September 30, 2016.**

BACKGROUND:

On March 22, 2016, Council approved additional staffing in the Finance Department in order to address both the staffing and skills needed to adequately execute the department's core functions. Additionally, the new staffing levels were initiated to address functional needs identified by Kanter Forensics, LLC in order to provide the necessary internal controls, segregation of duties, fixed asset count and reconciliation, COSO implementation, and required reviews.

In addition to increasing the Full-Time Equivalent (FTE) count for Finance, staff has identified an immediate need for additional resources within the Human Resources department and Town Hall. To accomplish this, Council has approved the reclassification of the Human Resources Intern position (0.3) to a Human Resources Coordinator (1.0).

This position would be an integral part of the Town's Human Resources team, entering data into the master file and ensuring all payroll changes are successfully processed on a biweekly basis. In addition, the position would assist the Town in identifying training needs and implementing programs for our employees to ensure the successful transfer of the Addison culture and succession planning. Finally, the Human Resources Coordinator will serve as backup to the City Manager's Administrative Assistant position during absences.

This budget amendment formally recognizes the change in FTE counts in the Finance and Human Resource departments. While additional funds are not required for Fiscal Year 2016, existing funds will be allocated to the department budgets at the end of the fiscal year.

The new FTE's included in the proposed budget amendment are as follows:

Manager, Office of Management and Budget
Senior Accountant, Office of Management and Budget
Senior Accountant, Accounting Department
Accounting Specialist I (Adding 0.3 FTE to existing 0.7 FTE)

Utility Billing Accountant Specialist II
Human Resources Coordinator (Adding 0.7 FTE to existing 0.3 FTE)

The increase in FTE's will affect the following funds:

Adopted FTE Count	279.6
General Fund	4.0
Utility Fund	1.0
<u>Total</u>	<u>5.0</u>
Amended FTE Count	284.6

Exhibit A of the ordinance reflects the summary of the amended staffing count for all funds.

RECOMMENDATION:

Administration recommends approval.

Attachments

Ordinance

TOWN OF ADDISON, TEXAS

ORDINANCE NO. _____

AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS AMENDING THE ANNUAL BUDGET FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2016; PROVIDING THAT THE NUMBER OF FULL TIME EQUIVALENT POSITIONS SHALL BE IN ACCORDANCE WITH SAID BUDGET AS AMENDED; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the Town of Addison, Texas (the “City”) adopted a budget for the City for the fiscal year beginning October 1, 2015 and ending September 30, 2016 as set forth in Ordinance No. 015-018 of the City; and

WHEREAS, Section 5.08 of the City Charter provides that the budget may be amended or changed, under conditions which may arise and which could not reasonably have been foreseen in the normal process of planning the budget, to provide for any additional expense in which the general welfare of the citizenry is involved, that such amendments shall be by Ordinance, and that they shall become an attachment to the original budget; and

WHEREAS, Section 102.010 of the Texas Local Government Code authorizes the City Council to make changes in the adopted budget for municipal purposes, and the changes to the budget made herein are for municipal purposes; and

WHEREAS, the amendments and changes to the City’s 2015-2016 budget made herein are as a result of conditions that have arisen and could not reasonably have been foreseen in the normal process of planning the budget, provide for additional expenses in which the general welfare of the citizenry is involved, and the City Council finds that the amendments provided for herein are of a serious public necessity and an urgent need for the City.

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

Section 1. In accordance with Section 5.08 of the City Charter, Ordinance No. 015-018 of the Town of Addison, Texas (the “City”), adopting the 2015-16 annual budget, is hereby amended to approve a total of 284.6 full time equivalent positions in the particulars stated in Exhibit A attached hereto and made a part of this Ordinance.

Section 2. The above and foregoing recitals are true and correct and are incorporated herein and made a part of this Ordinance.

Section 3. This Ordinance shall take effect upon its passage and approval.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas this the 12th day of April, 2016.

Todd Meier, Mayor

ATTEST:

By: _____
Laura Bell, City Secretary

APPROVED AS TO FORM:

By: _____
Brenda McDonald, City Attorney

TOWN OF ADDISON
BUDGETED DEPARTMENTAL STAFFING SUMMARY
City Council Adopted FY2016 Annual Budget

City Council Adopted FY2016 Annual Budget With Comparisons to FY2015 Adopted Budget

	2016 Original	2016 Amendments	2016 Amended FTE Count
General Fund:			
City Manager	7.5	-	7.5
Finance	9.7	3.3	13.0
General Services	5.0	-	5.0
Municipal Court	5.7	-	5.7
Human Resources	3.3	0.7	4.0
Information Technology	7.0	-	7.0
Police*	79.8	-	79.8
Emergency Communications	14.5	-	14.5
Fire	55.3	-	55.3
Development Services	7.2	-	7.2
Code Enforcement	2.0	-	2.0
Streets	5.4	-	5.4
Parks	22.0	-	22.0
Recreation	15.1	-	15.1
Total General Fund	239.5	4.0	243.5
Hotel Fund	14.3	-	14.3
Economic Development Fund	4.0	-	4.0
Airport Fund	3.0	-	3.0
Utility Fund	16.6	1.0	17.6
Stormwater Fund	1.7	-	1.7
TOTAL ALL FUNDS	279.1	5.0	284.1

All positions are shown as full-time equivalent (FTE).

Work Session and Regular Meeting**Meeting Date:** 04/12/2016**Department:** Airport

AGENDA CAPTION:

Consider A **Resolution For The Proposed Assignments Of Lease From ADS US Sport Aircraft, LLC To ADS Importing, LLC At 4700 Airport Parkway And A Resolution For The Proposed Assignment Of Lease From ADS US Sport Aircraft, LLC To ADS Importing, LLC At 4660 Jimmy Doolittle Drive .**

BACKGROUND:

ADS US Sport Aircraft, LLC is requesting its two conventional hangar leases be assigned to its newly created affiliate, ADS Importing, LLC. All other terms and conditions of the original conventional hangar leases, as amended, will remain unchanged. The tenant is currently in good standing with the airport.

ADS US Sport Aircraft (US Sport) sells and leases light-sport aircraft and conducts flight training at Addison Airport. US Sport has been located at 4700 Airport Parkway since 2011 and at 4660 Jimmy Doolittle Drive since 2015. It also leases six patio hangars and one T-hangar in support of its operations.

Earlier this year, ADS US Sport Aircraft restructured its business entities in order to lessen potential liability against its various limited liability companies. This resulted in the creation of a new limited liability company, USSA Importing, which is owned and managed by Patrick Arnzen and Stuart Stevenson. ADS US Sport Aircraft, LLC will be the operating entity, leasing assets and sub-leasing facilities from ADS Importing, LLC. ADS Importing, LLC will own the assets (aircraft, furniture and equipment) and hold the master leases with Addison Airport.

The lease agreement for the 6,400sf hangar/office at 4800 Airport Parkway expires on January 31, 2017. The monthly rent is \$2,685.00. The lease agreement for the 8,200sf hangar/office at 4660 Jimmy Doolittle expires on July 31, 2018. The monthly rent is \$4,441.67. Each hangar/office location has associated ramp and parking area as part of the lease premises.

RECOMMENDATION:

Administration recommends approval.

Attachments

Resolution

Resolution

TOWN OF ADDISON, TEXAS

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS APPROVING AN ASSIGNMENT OF LEASE BETWEEN THE TOWN OF ADDISON AND ADS US SPORT AIRCRAFT, LLC AND ADS IMPORTING, LLC FOR COMMERCIAL AVIATION USE ON PROPERTY LOCATED AT 4700 AIRPORT PARKWAY, AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT, AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, ADS US Sport Aircraft, LLC is a tenant under the conventional hangar lease dated February 1, 2015, and amended on June 15, 2015, for the property located at 4700 Airport Parkway owned by the Town of Addison (the "Lease"); and

WHEREAS, ADS US Sport Aircraft, LLC desires to assign its rights under the Lease and the amendment to ADS Importing, LLC, an affiliated entity.

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

Section 1. The Assignment of Lease between the Town of Addison and ADS US Sport Aircraft, LLC and ADS Importing, LLC for commercial aviation use on property located at 4700 Airport Parkway, a copy of which is attached to this Resolution as **Exhibit A**, is hereby approved and the City Manager is authorized to execute the agreement.

Section 2. This Resolution shall take effect from and after its date of adoption.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas this the 12th day of April, 2016.

Todd Meier, Mayor

ATTEST:

By: _____
Laura Bell, City Secretary

APPROVED AS TO FORM:

By: _____
Brenda N. McDonald, City Attorney

EXHIBIT A

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

This Assignment of Lease (the "Assignment") is entered into and effective as of _____ 2016, at Addison, Texas, by and between ADS US Sport Aircraft, LLC, a Texas limited liability company (herein referred to as "Assignor") and ADS Importing, LLC, a Texas limited liability company (herein referred to as "Assignee").

WHEREAS, a Conventional Hangar Lease (the "Lease") was executed on February 1, 2015 between the Town of Addison, a home-rule municipality (the "City"), and ADS US Sport Aircraft, LLC by the terms of which certain real property located at 4700 Airport Parkway at Addison Airport within the Town of Addison, Texas (being more specifically described in Exhibit "A" attached hereto and incorporated herein) and owned by the City was leased to ADS US Sport Aircraft, LLC; and

WHEREAS, the Lease was amended on June 15, 2015 modifying the rental amount owed should Tenant continue to lease and occupy four (4) patio hangars commonly known as Units R10, R-12, R14 and R16 pursuant to the respective Aircraft Storage Rental Agreements; and

WHEREAS, the Lease provides in Section 8 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; and

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

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, as amended, attached hereto as Exhibit "B", 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.

EXHIBIT A

2. 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, as amended. For purposes of notice under the Lease, the address of Assignee is:

4700 Airport Parkway
Addison, TX 75001

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

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

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

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

7. The undersigned representatives of the Assignor and Assignee have the necessary authority to execute this Assignment on behalf of each of the respective parties hereto, and Assignor and Assignee certify one 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, Assignor and Assignee have executed and delivered this Assignment on the day and the year first set forth above.

Assignor: **ADS US Sport Aircraft, LLC**

ASSIGNEE: **ADS Importing, LLC**

By: _____

By: _____

Printed Name: Patrick Arzen

Printed Name: Patrick Arzen

Title: Manager

Title: Manager

EXHIBIT A

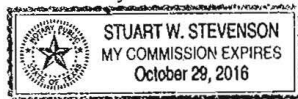
ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared Patrick Arzen 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 16th day of March, 2016.

[SEAL]



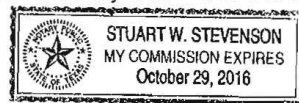
[Signature]
Notary Public, State of Texas

STATE OF TEXAS §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared Patrick Arzen 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 16th day of March, 2016.

[SEAL]



[Signature]
Notary Public, State of Texas

EXHIBIT A

CONSENT OF LANDLORD

The Town of Addison, Texas ("Landlord") is the Landlord in the Lease described in the Assignment of Lease (the "Assignment") entered into and effective as of _____ 2016, at Addison, Texas, by and between ADS US Sport Aircraft, LLC, a Texas limited liability company (herein referred to as "Assignor") and ADS Importing, LLC, a Texas limited liability company (herein referred to as "Assignee"). In executing this Consent of Landlord, Landlord is relying upon the warranty and representations made in the foregoing Assignment by both Assignor and Assignee, and in relying upon the same Landlord hereby consents to the foregoing Assignment from Assignor to Assignee. Notwithstanding this Consent, Landlord does not waive any of its rights under the 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 remain 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 Ground 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 _____, 2016:

(i) the Assignment has been executed and notarized by both Assignor and Assignee,

(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 _____, 2016

LANDLORD:

TOWN OF ADDISON, TEXAS

By: _____
Wesley S. Pierson, City Manager

EXHIBIT A

EXHIBIT "A"

4700 AIRPORT PARKWAY
PROPERTY # R1-A

BEING a tract of land situated in the Edward Cook Survey, Abstract No. 326, Dallas County, Texas, and being a part of the Final Plat of Addison Airport, an addition to the Town of Addison, Texas, according to the plat thereof recorded in Volume 2005131, Page 82 of the Deed Records of Dallas County, Texas (DRDCT) and being more particularly described as follows;

BEGINNING at a cut 'x' found in concrete in the west line of Addison Airport Property No. 0110;

THENCE S 07°16'34" E, along the west line of said Property No. 0110, 98.77 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

THENCE S 81°58'42" W, 147.61 feet to a 'PK' nail set with plastic cap stamped "Sparr Surveys";

THENCE S 07°58'34" E, 100.96 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

THENCE S 81°51'05" W, 27.19 feet to a cut 'x' found at the northeast corner of a tract of land known as 4650 Airport Parkway;

THENCE S 68°54'08" W, along the north line of said 4650 Airport Parkway, 44.04 feet to a cut 'v' set in concrete;

THENCE N 25°19'38" W, departing the north line of said 4650 Airport Parkway, 28.16 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" in the south line of Airport Parkway (60 foot wide unrecorded Ingress and Egress easement), and lying in a non tangent circular curve to the left having a radius of 130.00 feet;

THENCE northeasterly, along the south line of said Airport Parkway the following:

Northeasterly, along said curve to the left, through a central angle of 11°18'40", an arc distance of 25.66 feet and having a chord which bears N 24°52'14" E, 25.62 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

N 19°12'55" E, 137.83 feet to a cut 'x' found at the point of curvature of a circular curve to the right having a radius of 70.00 feet;

Northeasterly, along said curve to the right, through a central angle of 33°17'44", an arc distance of 40.68 feet and having a chord which bears N 35°51'46" E, 40.11 feet to a cut 'x' found at the point of reverse curvature of a non-tangent circular curve to the left having a radius of 248.00 feet;

Northeasterly, along said curve to the left, through a central angle of 16°35'53", an arc distance of 71.84 feet and having a chord which bears N 44°30'08" E, 71.59 feet to a 'PK' nail set;

THENCE N 86°13'59" E, departing the south line of said Airport Parkway, 66.39 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

THENCE S 07°15'10" E, at 12.96 feet passing a 1/2-inch iron rod found at the northwest corner of said Property No. 0110, continuing along the west line of said Property No. 0110, in all a distance of 28.73 feet to the POINT of BEGINNING and CONTAINING 0.547 acre of land.

EXHIBIT A

EXHIBIT “B”

Conventional Hangar Lease
as Amended and Modified

EXHIBIT A

Contract #: 013B-8102

TOWN OF ADDISON, TEXAS ADDISON AIRPORT

STATE OF TEXAS §
 § **FIRST AMENDMENT TO CONVENTIONAL HANGAR LEASE**
COUNTY OF DALLAS §

This First Amendment to Conventional Hangar Lease (hereinafter referred to as the "Amendment") is made and entered into by and between Landlord and Tenant. Landlord and the Tenant are as follows:

Landlord: Town of Addison, Texas, a home-ruled municipality
 c/o Airport Manager
 16051 Addison Road, Suite 220
 Addison, Texas 75001
 Attn: Real Estate Manager

 and

Tenant: ADS US Sport Aircraft, LLC
 4700 Airport Parkway
 Addison, Texas 75001
 Attn: Patrick Arnzen, Manager

WITNESSETH:

Whereas, Landlord and Tenant entered into that Conventional Hangar Lease dated February 1, 2015, (the "Hangar Lease") for the period set forth in the Hangar Lease (the "Original Term"), under which Landlord leases to Tenant and the Tenant leases from Landlord the following Leased Premises ("the Property") situated at Addison Airport within the Town of Addison, Texas:

Property-Building: 013B-81

Physical Address: 4700 Airport Parkway – Addison, TX 75001

Whereas, Landlord and Tenant desire to amend the Hangar Lease subject to the terms and conditions set forth herein.

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, in consideration of the terms, covenants and conditions set forth in the Hangar Lease and in this Amendment, the sum of Ten Dollars and No/100 (\$10.00), and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. **Recitals.** All of the above and foregoing recitals and premises are incorporated herein and made a part of this Amendment for all purposes.
2. **Amendment.** Landlord and Tenant do hereby agree to amend and modify the Hangar Lease pursuant to the following terms and conditions:

Paragraph 3 – Rent: Provided Tenant continues to lease and occupy four (4) patio hangars (commonly known as Units #R-10 #R-12, #R-14 #R-16 pursuant to its respective Aircraft Storage Rental Agreements (the "Patio Hangars") during the Term of this Hangar Lease without interruption, Tenant's annual rent under this Hangar Lease shall be decreased by \$3,120 per year to now reflect Thirty-Two Thousand Two Hundred Twenty Dollars and 00/100 (\$32,220.00) payable in twelve equal monthly installments of Two Thousand Six-Hundred Eighty-Five Dollars and 00/100 (\$2,685.00). This Modified Rent shall first become due and payable the first day of the calendar month immediately following the Effective Date of this First Amendment to Conventional Hangar Lease and shall continue each month thereafter subject to any further adjustments provided for in Paragraph 4 – Adjustment of Rental of the Lease.

Should Tenant cease leasing any of the Patio Hangars (by providing Landlord with its 30-day written notice to vacate pursuant to the terms of the Aircraft Storage Rental Agreements), or if any of the patio hangar leases are early terminated for any reason during the term of this Hangar Lease, Rent for this Hangar Lease shall revert to what it was immediately prior to this Amendment, notwithstanding any adjustments having been made pursuant to the Hangar Lease.

EXHIBIT A

3. **No Other Amendments.** Except to the extent modified or amended herein, all other terms, conditions, provisions and obligations of the Hangar Lease shall remain unchanged and in full force and effect for and during the Term of the Hangar Lease.

4. **Authority to Execute.** The undersigned individual, officer and/or agent of the parties hereto are authorized 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.

Effective Date. This Amendment is entered into effective as of March 1, 2015.

IN WITNESS WHEREOF, the undersigned parties execute this First Amendment to Conventional Hangar Lease as of the 15th day of June, 2015.

TENANT:

ADS US Sport Aircraft LLC
A Texas limited liability company

By: 
Patrick Amzen, Manager

LANDLORD:

Town of Addison, Texas
a home-ruled municipality

By: 

EXHIBIT A

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

ADDISON AIRPORT CONVENTIONAL HANGAR LEASE

This Hangar Lease (hereinafter referred to as the "Hangar Lease" or "Agreement") is made and entered into this 1st day of February, 2015 (the "Effective Date"), by and between the Town of Addison, Texas, a home-ruled municipality (hereinafter referred to as the "City" or "Landlord") and ADS US Sport Aircraft LLC, a Texas limited liability company, ("Tenant").

WITNESSETH:

WHEREAS, Landlord is the owner of the Addison Airport (hereinafter referred to as the "Airport") located in Dallas County, Texas; and

WHEREAS, the Airport is operated and managed for and on behalf of the City by URS Energy & Construction, Inc., an Ohio Corporation ("URS") and SAMI Management, Inc., a Texas corporation (severally and/or collectively hereinafter referred to as "Airport Manager" or "Manager"), pursuant to their respective operating agreements, as amended or modified, with the City; and

WHEREAS, Tenant desires to lease that certain hangar located within the Airport known as Building #013B with the public address known as 4700 Airport Parkway, Addison, Texas 75001 (hereinafter referred to as "the Premises" and as more fully described in Exhibits "A", "B" and "C" attached hereto and made a part hereof) and Landlord desires to lease the same to Tenant for the Term as defined below; and

WHEREAS, Landlord and Tenant hereby agree to enter into this Hangar Lease under the terms and conditions set forth hereinbelow.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is mutually acknowledged, Landlord and Tenant hereby agree as follows:

1. **Demise.** Landlord, for and in consideration of the rents, covenants and promises herein contained to be kept, performed and observed by Tenant and subject to the use of the Premises as described herein, by these presents does hereby lease unto Tenant, and Tenant, for and in consideration of the covenants and agreements herein reserved on the part of the Landlord to be kept and performed, does hereby lease and accept from Landlord, the Premises, subject to all matters of record in any way appertaining to the Premises.

2. **Term:** The term hereof shall commence the earlier of the date upon which Tenant is issued its Certificate of Occupancy by the Town of Addison or February 1, 2015 (the "Commencement Date"). The term shall end on January 31, 2017 (the "Expiration Date"), unless otherwise terminated as provided for herein.

EXHIBIT A

3. Rental:

A. Tenant agrees to pay to Landlord, without offset or deduction, an annual Base Rent of **Thirty-three Thousand Six Hundred Dollars and No/100 (\$35,340.00)** payable in twelve (12) equal monthly installments in the amount of **Two Thousand Nine Hundred Forty- Five Dollars and No/100 (\$2,945.00)**. The first such monthly installment shall be due and payable on or before the Commencement Date and then on or before the first day of each calendar month thereafter during the Term. The Base Rent is subject to periodic adjustments as provided herein.

B. **Prorated Rent:** If the Commencement Date is on a day other than the first day of a month, Tenant will pay Landlord as prorated rent, an amount equal to the Base Rent multiplied by the following fraction: the number of days from the Commencement Date to the first day of the following month divided by the number of days in the month in which this Lease commences. The prorated rent is due on or before the Commencement Date.

D. **Additional Rent:** In addition to the Base Rent and Prorated Rent, Tenant will pay Landlord all other amounts, as provided by the attached Utility Expense Reimbursement Addendum (Exhibit D). All amounts payable under the Addendum are deemed to be "rent" for the purpose of this Lease.

E. **Place of Payment:** Tenant will remit all amounts due Landlord under this Lease, checks made payable to "Addison Airport" to the following person at the place stated or to such other person or place as Landlord may later designate in writing:

Addison Airport
c/o Airport Manager
16051 Addison Road, Suite 220
Addison, Texas 75001

F. **Method of Payment:** Tenant must pay all rent timely without demand, deduction, or offset, except as permitted by law or this Lease. Tenant shall make payment of all rental owed by personal or corporate check, credit card or electronic transfer if acceptable to Landlord. Cash is not an acceptable form of payment of rent. If Tenant fails to timely pay any amounts due under this Lease, or if any check of Tenant is returned to Landlord by the institution on which it was drawn for insufficient funds, or if its credit card is denied more than three times in any twelve month period, Landlord, after providing written notice to Tenant, may require Tenant to pay subsequent amounts that become due under this Lease by cashier's check or money order only.

G. **Late Charges:** If Landlord does not actually receive a rent payment at the designated place of payment within ten (10) days after the date it is due, Tenant will pay Landlord a late charge equal to 5% of the amount due. In this paragraph, the mailbox is not the agent for receipt by Landlord. The Late Charge is a cost associated with the collection of rent and Landlord's acceptance of a late charge does not waive Landlord's right to exercise remedies under Paragraph 24 (Remedies of Landlord) herein.

If payment of a monthly installment of rental due under this Lease is made late (after the 10th day of the month) more than once in any three (3) month period, Tenant, upon the delivery of written notice to Tenant by Landlord ("Additional Deposit Notice"), of and among all other rights and remedies available to Landlord under this Agreement, shall be required to pay to Landlord an

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amount equal to the then-current monthly rental installment (the "Additional Deposit") to be held and applied by Landlord as an addition to the Security Deposit delivered by Tenant and held on account by Landlord upon Tenant's execution of this Lease pursuant to subparagraph 3.H., below. If Tenant does not deliver the Additional Deposit to Landlord within ten (10) days after the delivery of the Additional Deposit Notice, such failure shall be an event of default under this Lease.

H. **Security Deposit:** Tenant and Landlord acknowledge that Landlord is holding the sum of **Two Thousand Eight Hundred Dollars and No/100 (\$2,800.00)** on behalf of Tenant which said amount is being held on account as Tenant's "Security Deposit." Upon execution of this Agreement, Tenant agrees to pay to Landlord **One Hundred Forty-Four Dollars and 78/100 (\$144.78)** to bring the Security Deposit held on account to equal one month's rent. Going forward, such Security Deposit shall be equal to one monthly installment of the rent unless otherwise adjusted as provided for in 3.G above.

1. If at any time during this Agreement the Security Deposit then held on account by Landlord becomes less than the prevailing monthly installment of Base Rent, Tenant will make an additional payment to Landlord so that the Security Deposit held by Landlord is increased to equal one monthly installment of Base Rent, unless otherwise adjusted as provided for in 3.G. above.

2. Landlord shall hold such Security Deposit without interest as security for the performance by Tenant of Tenant's covenants and obligations under this Lease.

3. The Security Deposit is not an advance payment of rent or a measure of liquidated damages in case of default by Tenant. Upon the occurrence of any event of default, Landlord may, from time to time, without prejudice to any other remedy provided herein or provided by law, use the Security Deposit to the extent necessary to make good any arrearages of rent and any other damage, injury, expense or liability caused to Landlord by such event of default. Following any such application of the Security Deposit, Tenant shall pay to Landlord, on demand, the amount so applied in order to fully restore the Security Deposit to its required amount.

4. If Tenant is not then in default hereunder, such Security Deposit, less any lawful deductions by Landlord, shall be returned by Landlord to Tenant with an accounting of said deductions taken no later than thirty (30) days following the termination or expiration of this Hangar Lease. Permitted deductions from said Security Deposit may include but not be limited to: unpaid rent; unpaid utilities incurred by Tenant; unpaid service charges; damages by Tenant to the Premises (beyond normal wear) or repairs by Landlord; replacement cost of Landlord's property that was in or attached to the Premises and is missing; unreturned keys; agreed reletting charges; cost of cleaning the Premises to a broom-swept condition if required; removal of any trash or debris left in the Premises; cost of the removal and storage of Tenant's personal property left or abandoned by Tenant or otherwise disposed of by Landlord; removal of unauthorized vehicles or aircraft left on the Premises; government fees or fines against Landlord because of Tenant; late fees and other costs of collection, interest earned on unpaid balances; attorneys' fees, court costs and filing fees.

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4. Adjustment of Rental: Effective on each anniversary after the Commencement Date (hereinafter referred to as the "Adjustment Date"), the Base Rental due under Paragraph 3 shall be adjusted as follows:

1. A comparison shall be made between the Consumers' Price Index-All Items for the Dallas, Texas Metropolitan Area (hereinafter referred to as the "Price Index") as it existed on the Commencement Date (the "Base Consumer Price Index") and as it exists on the first day of the calendar month preceding the then applicable Adjustment Date (the "Adjustment Index").

2. The Base Rent for the two (2) year period beginning with and following the then applicable Adjustment Date shall be either increased or decreased, as the case may be, by the percentage of increase or decrease in the Price Index between the Base Consumer Price Index and the then applicable Adjustment Index, but in no event shall Base Rental ever be decreased below the Base Rental set forth in Paragraph 3.

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

5. Use of Premises: The Premises shall be used and occupied by Tenant only for Commercial Aviation Use as more fully described as follows:

Aircraft Sales, Aircraft Assembly, Flight Training, Aircraft Maintenance, Aircraft Storage and Aircraft Demonstration.

For the purpose herein, Commercial Aviation Use is defined as any operation of a business enterprise whereby its core competency is dedicated to the general aviation industry and any such business practice is providing goods, services, or facilities for a commercial aeronautical purpose (including, without limitation, any activity by the Tenant securing earning, income, compensation, [including exchange or barter of goods, and services], and/or profit from said activities, whether or not such objectives are accomplished).

Any use of the Premises other than that indicated above is not permitted at any time without the prior written consent of Landlord. The Premises shall not be used or occupied for any concession for the sale or distribution of food, drinks, tobacco products, oil, gas, petroleum products or any activity of a similar character. Tenant agrees that no aircraft, vehicle or other equipment will be left unattended at any time outside the boundaries of the Premises or within any common area of the Airport, including the safety area, operating area and/or non-obstruction area of the Airport without the prior written consent of the Airport Manager. Tenant further agrees to cooperate and coordinate with adjacent tenants and Airport Management, when necessary, to facilitate aircraft movement along nearby taxiways especially during periods of construction, maintenance and repair of Airport facilities.

6. Acceptance of Premises: Tenant acknowledges that Tenant has fully inspected the Premises and accepts the Premises as suitable for the purposes for which the same are leased in their present condition, "**AS IS, WHERE IS, WITH ALL FAULTS AND PATENT AND LATENT DEFECTS**". Without limiting anything in the foregoing, **THERE IS NO REPRESENTATION, PROMISE, COVENANT, AGREEMENT, GUARANTY OR WARRANTY OF ANY KIND**

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OR CHARACTER, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, OF THE CONDITION, QUALITY, SUITABILITY, MERCHANTABILITY, HABITABILITY, OR FITNESS OF THE PREMISES FOR ANY PARTICULAR PURPOSE WHATSOEVER GIVEN IN CONNECTION WITH THIS LEASE, 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.

7. 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 currently required for the use and occupancy of the Premises, as set forth in Paragraph 5 above.

B. Tenant shall, at Tenant's sole cost and expense, comply at all times with all governmental laws, codes, ordinances, rules, policies, and regulations applicable to the use and occupancy of the Premises, as set forth in Paragraph 5 above, as existing or as the same may be reasonably amended or modified.

C. Tenant shall, at Tenant's sole cost and expense, promptly comply with all governmental orders and directives for the correction, prevention and abatement of nuisances caused by Tenant and arising out of the use and occupancy of the Premises, as set forth in Paragraph 5 above.

D. Tenant shall comply with noise abatement standards at the Airport and shall notify any aircraft operator using the Premises of such standards.

8. Assignment and Subletting:

A. Without the prior written consent of Landlord, Tenant shall have no power to and may not assign, sell, pledge, encumber, license, transfer, or otherwise convey (together, "assign" or "assignment") this Lease or any rights or obligation of Tenant hereunder or sublet the whole or any part of the Premises. 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 Paragraph 23 (Default by Tenant) of this Lease. Any assignment or subletting shall be expressly subject to all the terms and provisions of this Lease, including the provisions of Paragraph 5 pertaining to the use of the Premises. In the event of any Landlord-approved transfer or subletting, Tenant shall not transfer Tenant's rights hereunder or sublet the Premises without first obtaining a written agreement from each such transferee or sublessee whereby each such transferee or sublessee agrees to be bound by the terms and provisions of this Hangar Lease. No such assignment or subletting shall constitute a novation. In the event of the occurrence of an event of default while the Premises are transferred or sublet, Landlord, in addition to any other remedies provided herein or by law, may, at Landlord's option, collect directly from such transferee 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 transferee or subtenant shall release Tenant from the payment or performance of Tenant's obligations hereunder. Landlord's consent to any transfer or

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

B. Notwithstanding the foregoing, if the Use of Premises defined in Paragraph 5 above is a Commercial Aviation Use, Landlord hereby acknowledges and consents to Tenant's subletting of the Premises for the purpose of renting hangar space for aircraft storage only, provided that each sublease is 1) is made available for Landlord's review and inspection upon written request, 2) said subleases are evidenced by written agreement, signed and executed by Tenant and Subtenant and has incorporated therein and fairly states:

1. each Subtenant agrees to be bound by the terms and provisions of the Hangar Lease, including the provisions of Paragraph 5 pertaining to the use of the Premises. In the event of any conflict between the terms of the Hangar Lease and the terms of the sublease, the terms of the Hangar Lease shall control;
2. no such subletting shall constitute a novation.
3. in the event of occurrence of an event of default while the Premises are assigned or sublet, Landlord, in addition to any other remedies provided herein or by law, may, at Landlord's option, collect directly from such assignee or subtenant all rents becoming due under such assignment or subletting and apply such rent against any sums due to Landlord hereunder.
4. Subtenant shall be obligated to obtain Landlord's consent to any action as to which Tenant is obligated to obtain such consent under the Hangar Lease;
5. any such sublease is to automatically terminate upon termination of the Hangar Lease notwithstanding any other provision of the sublease to the contrary;
6. Landlord shall have no responsibility or obligation for the performance by subtenant 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 Subtenant 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 subtenant.

Further, Tenant agrees that in no way does any sublease release Tenant from any of its covenants, agreements, liabilities and duties under the Hangar Lease; that this consent does not constitute approval by Landlord of the terms of any such sublease; nothing herein contained shall be deemed a waiver or release of any of the Landlord's rights under the Hangar 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 Hangar Lease including, without limitation, the duty to make any and all payments of rent. Any violation of any terms and conditions of the Hangar Lease by a subtenant may constitute a default under the Hangar Lease. Tenant shall provide to Landlord the names and addresses of any subtenants and the make, model, aircraft type and "N" number of any aircraft stored or located on or in the Premises.

9. Property Taxes and Assessments: Tenant shall pay any and all property taxes or assessments levied or assessed on: (i) all improvements, fixtures, equipment or personal property comprising a part of or located upon the Premises; and (ii), the leasehold estate of Tenant created

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hereby (hereinafter referred to as "Tenant's Taxes"). Upon the request of Landlord, Tenant shall, from time to time, furnish to Landlord "paid receipts" or other written evidence that all of Tenant's Taxes have been paid by Tenant. If any of Tenant's Taxes are included in tax statements delivered to Landlord, Tenant shall pay to Landlord that portion representing Tenant's Taxes within ten (10) days after Tenant's receipt of an invoice therefor from Landlord accompanied by evidence of Landlord's computation of the portion thereof representing Tenant's Taxes.

10. Maintenance and Repair of Premises:

A. Landlord shall, throughout the term hereof, except as otherwise expressly provided in this Lease and so long as Tenant is not in default of this Agreement beyond any applicable Cure Period, be responsible for all that is listed as Landlord's Responsibility in Exhibit E to this Agreement and incorporated herein by reference. Landlord shall, at Landlord's sole cost and expense, keep the Premises and all common facilities in compliance with all governmental laws, codes, ordinances, rules and regulations applicable hereto, except as otherwise provided in Paragraph 7 hereof. Landlord shall not be responsible for Tenant's or any third party's equipment and personal property comprising a part of or located upon the Premises.

B. Except as provided by subparagraph A. of this Paragraph 10, Tenant shall maintain the Premises in good order, condition and repair throughout the term of this Lease including, but not limited to, the "Tenant's Maintenance and Repair Responsibilities" itemized in Exhibit E to this Agreement and incorporated herein by reference. Tenant shall be responsible for any alterations, additions or improvements made by Tenant to the Premises and/or any improvements thereon. Tenant shall, throughout the term hereof, be responsible for all consumable supplies and repair of plumbing and water damage caused as a result of Tenant's failure to reasonably protect water pipes from freezing temperatures or misuse by Tenant, Tenant's employees, guests or invitees. Tenant shall be responsible for keeping the Premises free from waste and nuisance and shall, upon the expiration of the Lease Term, or any earlier termination of this Lease or repossession of the Premises by Landlord because of Tenant's default under this Lease, deliver the Premises clean and free of trash and in good condition, with all fixtures and equipment situated in or upon the Premises in the same condition as same existed on the Commencement Date, with reasonable wear and tear excepted.

C. In the event Tenant fails to so maintain the Premises and/or the improvements, fixtures, equipment and personal property comprising a part of or located upon the Premises, Landlord shall have the right (but not the obligation) to cause all repairs or other maintenance to be made, and the reasonable costs therefor expended by Landlord plus interest thereon as provided in Paragraph 39 shall be paid by Tenant to Landlord on demand.

D. If Tenant handles or stores flammable materials on the Premises, Tenant agrees to maintain proper safeguards with respect thereto and to comply with all requirements of Landlord's and Tenant's insurance companies and/or governmental authorities with respect to the storage, use and disposal of such materials.

11. Alterations, Additions and Improvements: Tenant shall not create any openings in the roof or exterior walls, or make any alterations, additions or improvements to the Premises without the prior written consent of Landlord. Landlord shall not unreasonably withhold its consent for non-structural alterations, additions or improvements. Tenant shall have the right to erect or

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install shelves, bins, machinery, and trade fixtures, provided that Tenant complies with all applicable governmental laws, ordinances and regulations. All alterations, additions and improvements in and to the Premises shall be performed in accordance with law and in a first-class, workmanlike manner, and Tenant shall promptly pay and discharge all costs, expenses, claims for damages, liens and any and all other liabilities and obligations which arise in connection therewith.

12. Insurance:

A. If the use of the Premises defined in Paragraph 5 herein is for Commercial Aviation Use, Tenant shall procure and maintain throughout the Term, without interruption, a policy or policies of insurance, at Tenant's sole cost and expense, to meet or exceed the requirements specified in the then prevailing Addison Airport Minimum Standards and Requirements for Commercial Aeronautical Service Providers (the "Airport Minimum Standards") which may be amended or modified by the City from time to time. At any time over the Term the Airport Minimum Standards are either suspended, repealed or otherwise modified to the extent Tenant's use and occupancy of the Premises no longer require such insurance policies under the Airport Minimum Standards, Tenant shall procure and maintain throughout the Term, without interruption, the following insurance policies:

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

2. Statutory limits of Workers Compensation insurance and employer's liability with limits of liability of not less than \$1,000,000.

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

4. Aircraft Liability insurance for all Tenant-owned or operated aircraft with a minimum bodily injury and property damage per occurrence limit of \$1,000,000 and \$1,000,000 for personal and advertising injury.

B. If the use of Premises is strictly for Non-commercial Aviation Use, then Tenant shall provide over the Term without interruption the following policies of insurance: Aircraft Liability Insurance or another acceptable form of comprehensive Personal Liability Insurance with limits of liability not less than \$1,000,000 each occurrence, Combined Single Limit (CSL) bodily injury and property damage of \$1,000,000 in general aggregate.

C. All insurance policies required under this Paragraph 12 shall be endorsed to provide the following, as applicable: (i) in all liability policies, name as additional insureds the Landlord and Manager and their officials, officers, agents, and employees; (ii) in all liability policies, provide that such policies are primary insurance to any other insurance available to the additional insureds, with respect to any claims arising out of activities conducted under the permit, and that insurance applies separately to each insured against whom claim is made or suit is brought; and (iii) waiver of

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subrogation in favor of Landlord and Manager must be included in all liability and Workers Compensation policies. All such policies shall be issued by an insurance company authorized to do business in Texas and in the standard form approved by the Texas Department of Insurance, if required, and shall be endorsed to provide for at least 30 days' advance written notice to Landlord of a material change in or cancellation of a policy. Certificates of insurance, satisfactory to Landlord, evidencing all coverage above, shall be furnished to Landlord prior to the Commencement Date, with complete copies of policies furnished to the Landlord upon request. Landlord reserves the right to review and revise from time to time the types of insurance and limits of liability required herein.

13. Casualty Damage or Destruction:

A. In case of any damage to or destruction of the buildings, structures, fixtures and equipment on the Premises, or any part thereof, Tenant shall promptly give written notice to Landlord, generally describing the nature and extent of such damage and/or destruction.

B. If the Premises (excluding Tenant's fixtures, furniture, equipment, personal property and leasehold improvements made by or on behalf of Tenant or any assignee, subtenant or other occupant of the Premises) should be substantially, totally, or partially destroyed or damaged by fire, tornado or other casualty, this Lease shall not terminate, but Landlord may, at Landlord's sole option and at Landlord's sole cost, expense and risk, proceed forthwith and use reasonable diligence to rebuild or repair the Premises (other than Tenant's fixtures, furniture, equipment, personal property and leasehold improvements made by or on behalf of Tenant or any permitted assignee, subtenant or other occupant or user of the Premises) to substantially the condition in which it existed prior to such destruction or damage; provided, however, that if Landlord elects not to rebuild or repair such damage or destruction, then this Lease shall terminate and rent shall be abated for the unexpired portion of this Lease, effective from the date of actual receipt by Landlord of the written notification of the damage from Tenant. If Landlord elects to rebuild or repair the Premises and the Premises is untenantable in whole or in part following such destruction or damage and during such period of rebuilding or repair, the rent payable hereunder shall be equitably adjusted for that period which it is untenantable. However, if the destruction was caused by the negligence, gross negligence, or willful or wanton act or omission of Tenant, its officers, employees, agents, subtenants, licensees, contractors, subcontractors, or invitees, rent shall not be abated and Tenant shall have the continuing obligation to pay rent during the period of such rebuilding or repair.

C. Landlord's election to pay for the cost of the repair or rebuilding of the Premises or any part thereof shall not extend beyond or exceed the proceeds of any casualty or property damage insurance payable and actually collected in connection with such damage or destruction. All insurance proceeds, if any, payable on account of such damage or destruction shall be held and retained by Landlord (whether or not such repair or rebuilding occurs or this Lease terminates).

14. Condemnation:

A. If, during the term hereof, any part of the Premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, or is sold to a condemning authority under threat of condemnation, and after such taking by or sale to said condemning authority the remainder of the Premises is not susceptible to efficient and economic occupation and operation by Tenant, this Lease shall automatically terminate as of the date said condemning

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authority takes possession of the Premises, and Landlord shall refund to Tenant any prepaid but unaccrued rental less any sum then owing by Tenant to Landlord.

B. If, after such taking by or sale to said condemning authority, the remainder of the Premises is susceptible to efficient and economic occupation and operation by Tenant, this Lease shall not terminate but the rental due hereunder shall be adjusted so that Tenant shall be required to pay for the remainder of the term hereof the sum obtained by multiplying each monthly rental installment due hereunder by a fraction, the numerator of which shall be the number of square feet remaining in the Premises after the taking by or sale to said condemning authority and the denominator of which shall be the square footage originally contained in the Premises. The rental adjustment called for herein shall either not commence or be suspended until said condemning authority actually takes possession of the condemned portion of the Premises. All other terms and provisions shall remain unchanged unless otherwise provided for herein.

C. Landlord shall receive the entire award or payment from any condemnation and Tenant shall have no claim to that award or for the value to Landlord of any unexpired term of this Lease; provided, however, that Tenant shall have the right to appear in any Condemnation proceeding or action to negotiate, prosecute and adjust any claim attributable to loss or damage to Tenant's trade fixtures and removable personal property, removal or relocation costs, and any loss to Tenant resulting from the unexpired portion of the Lease Term. If this Lease is not terminated pursuant to subparagraph A of this Paragraph, Landlord shall repair damage to the Premises caused by the condemnation (excluding Tenant's fixtures, furniture, equipment, personal property and leasehold improvements made by or on behalf of Tenant or any permitted assignee, subtenant or other occupant of the Premises), except that (i) Landlord shall not be obligated to repair any damage for which Tenant has been reimbursed by the condemning authority; and (ii) if the condemnation damages or payments received by Landlord are not sufficient to pay for such repair, Landlord shall have the right to terminate this Lease.

15. Utilities:

A. The party designated below will pay for the following utility charges serving the Premises and any connection/disconnection charges for the utilities. (Check or mark all that apply)

	<u>N/A</u>	<u>Landlord</u>	<u>Tenant</u>	<u>Provided by Landlord & Reimbursed By Tenant (See Exhibit D)</u>
1. Water	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. Sewer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. Storm Water	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5. Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Telephone/Data	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Trash	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Cable	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. All Other	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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B. All utilities to be provided by Landlord and reimbursed by Tenant as indicated above shall be pursuant to Exhibit D – Utility Expense Reimbursement Addendum attached hereto and incorporated herein by reference.

C. The responsible party may select or change the utility service provider from time to time over the term of the Lease and the party designated above shall be responsible, at its sole cost and expense, for obtaining all utility connections at or for the Premises. If Tenant is the responsible party for obtaining any of the utility connections at or for the Premises, any access or alterations to the Premises or to the Airport necessary may be made only with Landlord's prior consent and at Tenant's sole expense. Should Landlord incur any liability for utility or connection charges for which Tenant is responsible to pay and Landlord pays such amount, Tenant will immediately upon written notice from Landlord reimburse Landlord such amount. Failure to reimburse Landlord as required upon notice is an event of default under this Lease.

D. Prior to executing this Lease Tenant should, at its sole costs and expense, determine whether all necessary utilities are available to the Premises and are adequate for Tenant's intended use.

E. Landlord shall in no event be liable or responsible for any cessation or interruption in any utility services to the Premises.

16. Common Facilities:

A. So long as Tenant is not in default hereunder beyond any applicable Cure Period, Tenant and Tenant's employees, agents, servants, customers and other invitees shall have the non-exclusive right to use all common facilities, improvements, equipment and services which may now exist or which may hereafter be provided by Landlord for the accommodation and convenience of Landlord's customers and tenants, including landing and takeoff facilities, means of ingress and egress to the Premises, other Airport installations, and all other reasonable services which may be provided without charge from time to time by Landlord in operating the Airport ("Common Facilities"). All such Common Facilities shall at all times be under the exclusive control and management of Landlord and may be rearranged, modified, changed or terminated from time to time at Landlord's sole discretion.

B. Tenant hereby acknowledges the existence of a certain unrecorded ingress/egress easement crossing the leased premises as shown and depicted in Exhibit B - Property Survey (the "Access Easement"). Tenant further acknowledges the purpose of this easement is for vehicular and pedestrian access to and from the Airport Common Facilities by Landlord's authorized users (and their employees, guests and other invitees) via what is commonly known as Airport Gate 4. Tenant shall not at any time block, interfere or otherwise impede the use or access to this easement and/or Airport Gate 4 by any such authorized user of the Airport Common Facilities. Landlord reserves the right to remove or cause to be removed and impounded or confiscated, at Tenant's sole cost and expense, any obstruction (including any vehicle or other type of tool or equipment) belonging to or otherwise placed by Tenant, Tenant's employees, guests or invitees contributing to the blockage, unsafe passage or unfretted use and access of the Access Easement as intended by Landlord. Tenant's failure to grant unrestricted and safe passage across the Access Easement by Landlord's authorized users of the Airport Common Facilities after receipt of written notice from Landlord is an event of default under this Lease and Landlord may, at its sole discretion, terminate this Lease without further notice or action by Landlord other than that required by law.

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

18. Rules and Regulations: Landlord has adopted Minimum Standards and Rules and Regulations (hereinafter referred to as the "Rules and Regulations") which shall govern Tenant's use of and conduct on the Premises and all Common Facilities, a copy of which has been or will be furnished to Tenant. The Rules and Regulations are incorporated by reference as if written verbatim herein, and Tenant agrees to comply fully at all times with them. Landlord shall have the right to amend, modify and alter the Rules and Regulations from time to time in a reasonable manner for the purpose of assuring the safety, welfare and convenience of Landlord, Tenant and all other Tenants and customers of the Airport.

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

20. Landlord's Right of Entry: Landlord and Landlord's authorized representatives shall have the right, during normal business hours, to enter the Premises: (i) to inspect the general condition and state of repair thereof, (ii) to make repairs permitted under this Lease, (iii) to show the Premises to any prospective tenant, purchaser, or lender, or (iv) for any other reasonable and lawful purpose. During the final one hundred eighty (180) days of the term hereof, Landlord and

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Landlord's authorized representatives shall have the right to erect and maintain on or about the Premises customary signs advertising the Premises for lease.

21. Indemnity and Exculpation and Release:

A. Exculpation. The Town of Addison, Texas and all other Addison Persons and the Manager Persons (for purposes of this subparagraph A, as the terms "Addison Persons" and "Manager Persons" are defined in Subsection B below), shall not be liable to Tenant or to any Tenant Persons (for purposes of this subparagraph A, as the term "Tenant Persons" is defined in Subsection B below), 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 Premises or any adjacent area owned by Landlord caused by or resulting from any act or omission of Tenant or any Tenant Persons or any other person entering the Premises under express or implied invitation of Tenant or any Tenant Persons, or arising out of the use or occupation of the Premises by Tenant or by any Tenant Persons, in the performance of Tenant's obligations hereunder.

B. TENANT'S INDEMNITY OBLIGATION. Tenant agrees to and shall fully DEFEND (with counsel reasonably acceptable to Landlord), INDEMNIFY AND HOLD HARMLESS (i) the Town of Addison, Texas, and the elected officials, the officers, employees, agents, representatives, and volunteers of the Town of Addison, Texas, individually or collectively, in both their official and private capacities (the Town of Addison, Texas, and the elected officials, the officers, employees, representatives, and volunteers of the Town of Addison, Texas each being an "Addison Person" and collectively the "Addison Persons") and (ii) Airport Manager and Airport Manager's owners, officers, employees and agents (Airport Manager and Airport Manager's owners, officers, employees and agents each being a "Manager Person" and collectively the "Manager Persons"), from and against any and all claims, actions, proceedings, causes of action, demands, losses, liens, harm, damages, penalties, fines, liabilities, 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 Addison Person or any Manager Person or the Premises, whether directly or indirectly, (collectively for purposes of this Section, "Damages"), that result from, relate to, or arise out of, in whole or in part, (i) any condition of the Premises caused in whole or in part by Tenant or by 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 their respective owners, directors, shareholders, partners, officers, managers, employees, agents, representatives, engineers, consultants, contractors, subcontractors, tenants, licensees, invitees, patrons, and concessionaires, or any other person acting by or under the authority or with the permission of Tenant, Tenant's tenants, or any other person entering the Premises under express or implied invitation of Tenant during the Lease Term (collectively, "Tenant-Persons"); (ii) any construction on or repair to the Premises, or the 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 Premises, regardless of the source, or by dampness or by fire, explosion, falling plaster or ceiling, (iii) representations or warranties by Tenant under this Lease, and/or (iv) any act or omission of Tenant or any Tenant Persons

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under, in connection with, or in the performance of, this Lease. 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 PERSON, THE AIRPORT MANAGER, OR ANY OTHER MANAGER PERSON, OR BY ANY ACT OR OMISSION BY THE TOWN OF ADDISON, TEXAS, ANY OTHER ADDISON PERSON, THE AIRPORT MANAGER, OR ANY OTHER MANAGER PERSON THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND. However, Tenant's liability under this clause shall be reduced by that portion of the total amount of the Damages (excluding defense fees and costs) equal to the Addison Person or Addison Persons', or Manager Person or Manager Persons', (as the case may be) 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 any Addison Person's or any Manager Person's defense costs and attorneys' fees shall be reduced by that portion of the defense costs and attorneys' fees equal to Addison Person or Addison Persons', or Manager Person or Manager Persons', (as the case may be) 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 in writing of any claim or demand against the Town of Addison, any other Addison Person, any Manager Person, or Tenant or any Tenant Person 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 Addison Persons and Manager Persons, as the case may be, shall have the right, at the Addison Persons' or Manager Persons' (as the case may be) option and at their own expense, to participate in such defense without relieving Tenant of any of its obligations hereunder.

C. Release. Tenant hereby **RELEASES** the Town of Addison, Texas and all other Addison Persons (as the term "Addison Persons" is defined in subsection B. of this Section) and Airport Manager and all other Manager Persons (as the term "Manager Persons" is defined in subsection B. of this Section) from, and agrees that the Town of Addison, Texas and all other Addison Persons, and Airport Manager and all other Manager Persons, shall not be liable to Tenant or any Tenant Persons (as the term "Tenant Persons" is defined in subsection B. of this Section) for (i) any death or injury to any person or persons or damage to or destruction of property of any kind resulting from the 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 Premises, regardless of the source, or by dampness or by fire, explosion, falling plaster or ceiling or for any other reason whatsoever, and for (ii) any loss or damage that may be occasioned by or through the acts or omissions of other tenants of Landlord or caused by operations in construction of any private, public or quasi-public work.

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

22. Environmental Compliance:

A. No Storage or Disposal: Tenant shall not install, store, use, treat, transport, discharge or dispose (or permit or acquiesce in the installation, storage, use, treatment, transportation, discharge or disposal by Tenant, its agents, employees, independent contractors, or

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subtenants) on the Premises or any portion of the Common Facilities, any: (a) asbestos in any form; (b) urea formaldehyde foam insulation; (c) transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls in excess of 50 parts per million; or (d) any other chemical, material, air pollutant, toxic pollutant, waste, or substance which is regulated as toxic or hazardous or exposure to which is prohibited, limited or regulated by the Resource Conservation Recovery Act, the Comprehensive Environmental Response Compensation and Liability Act, the Hazardous Materials Transportation Act, the Toxic Substances Control Act, the Clean Air Act, and/or the Clean Water Act or any other federal, state, county, regional, local or other governmental authority, laws, rules or regulation, or which, even if not so regulated may or could pose a hazard to the health and safety of the occupants of the 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 applicable law; or (ii) in any manner which is prohibited or deemed unsafe under applicable law. (The substances referred to in (a), (b), (c) or (d) are collectively referred to hereinafter as "Hazardous Materials").

B. Cleanup Laws; Tenant's Indemnity Obligation:

1. Tenant shall, at Tenant's sole cost and expense, comply with any presently existing or hereafter enacted laws, and all reasonable rules, standards, regulations, or policies relating to Hazardous Materials (collectively, "Cleanup Laws"). In furtherance and not in limitation of the foregoing, Tenant shall, at Tenant's sole cost and 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 Premises and/or any portion of the Common Facilities 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 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 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 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 Conventional Hangar Lease – Page 15

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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 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. However, Tenant's liability under this clause shall be reduced by that portion of the total amount of the Damages (excluding defense fees and costs) equal to the Addison Person or Addison Persons', or Manager Person or Manager Persons', (as the case may be) 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 any Addison Person's or any Manager Person's defense costs and attorneys' fees shall be reduced by that portion of the defense costs and attorneys' fees equal to Addison Person or Addison Persons', or Manager Person or Manager Persons', (as the case may be) proportionate share of the negligence, or conduct that would give rise to strict liability of any kind, that caused the loss.

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 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. Environmental Notices: 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. Survival: Tenant's obligations and liability pursuant to the terms of this Paragraph 22 shall survive the expiration or earlier termination of this Lease.

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23. Default by Tenant: The following events shall be deemed to be events of default by Tenant under this Lease:

A. Failure of Tenant to pay any installment of rent, or to pay or cause to be paid taxes (to the extent Tenant is obligated to pay or cause same to be paid), utilities, insurance premiums, or any other sum payable to Landlord hereunder on the date that same is due, and such failure shall continue thereafter for a period of ten (10) days and such failure shall not be cured within ten (10) days after written notice thereof to Tenant.

B. Failure of Tenant to comply with any term, condition or covenant of this Lease, other than the payment of rent or other sum of money, and such failure shall not be cured within thirty (30) days after written notice thereof to Tenant.

C. Tenant shall fail to deliver the Additional Deposit to Landlord within ten (10) days after the delivery by Landlord to Tenant of the Additional Deposit Notice.

D. Insolvency, the making of a transfer in fraud of creditors, or the making of an assignment for the benefit of creditors by Tenant or any guarantor of Tenant's obligations.

E. Filing of a petition under any Paragraph or chapter of the National Bankruptcy Act, as amended, or under any similar law or statute of the United States or any state thereof by Tenant or any guarantor of Tenant's obligations, or adjudication as a bankrupt or insolvent in proceedings filed against Tenant or such guarantor.

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

G. Abandonment by Tenant of any substantial portion of the Premises or cessation of use of the Premises for the purposes leased.

24. Remedies of Landlord: Upon the occurrence of any of the events of default listed in Paragraph 23, Landlord shall have the option to pursue any one or more of the following remedies without notice or demand whatsoever:

A. Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord. If Tenant fails to surrender the Premises, Landlord may, without prejudice to any other remedy which Landlord may have for possession of the Premises or arrearages in rent and without further notice or demand, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim for damages therefor. Tenant shall pay to Landlord on demand the amount of all loss and damages which Landlord may suffer by reason of such termination, whether through inability to relet the Premises on satisfactory terms or otherwise.

B. Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord. If Tenant fails to so surrender the Premises, Landlord may, without prejudice to any other remedy which Landlord may have for possession of the Premises or arrearages in rent and without further notice or demand, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof,
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without being liable for prosecution or any claim for damages therefor. Tenant shall pay to Landlord on the date of such termination damages in any amount equal to the excess, if any, of the total amount of all monthly rental and other amounts to be paid by Tenant to Landlord hereunder for the period which would otherwise have constituted the unexpired portion of the term of this Lease over the then fair market rental value of the Premises for such unexpired portion of the term of this Lease.

C. Enter upon and take possession of the Premises without terminating this Lease and without being liable for prosecution or for any claim for damages therefor, and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof. Landlord may (but shall not be required to) relet the Premises and receive the rent therefor. Tenant agrees to pay to Landlord monthly or on demand from time to time any deficiency that may arise by reason of any such reletting. In determining the amount of such deficiency, brokerage commissions, attorneys' fees, remodeling expenses and other costs of reletting shall be subtracted from the amount of rent received under such reletting.

Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to Landlord hereunder or of any damages accruing to Landlord by reason of the violation of any of the terms, conditions and covenants herein contained. If any of Tenant's property ("Tenant Property") remains upon the Premises upon the expiration of the Lease term or any earlier termination of this Lease or any repossession of the Premises by Landlord because of Tenant's default under this Lease, Landlord shall have the right to remove such Tenant Property from the Premises and store such Tenant Property, and Tenant shall be obligated to reimburse Landlord for all of the costs incurred by Landlord in removing and storing such Tenant Property. Landlord shall not be required to release any Tenant Property to Tenant until Tenant has paid Landlord all costs incurred by Landlord in removing and storing such Tenant Property and all other amounts owed by Tenant to Landlord pursuant to this Lease, including, without limitation, unpaid rental and costs incurred by Landlord to repair the Premises.

25. Default by Landlord: No default by Landlord hereunder shall constitute an eviction or disturbance of Tenant's use and possession of the Premises or render Landlord liable for damages or entitle Tenant to be relieved from any of Tenant's obligations hereunder (including the obligation to pay rent) or grant Tenant any right of deduction, abatement, set-off or recoupment or entitle Tenant to take any action whatsoever with regard to the Premises or Landlord until thirty (30) days after Tenant has given Landlord written notice specifically setting forth such default by Landlord, and Landlord has failed to cure such default within said thirty (30) day period, or in the event such default cannot be cured within said thirty (30) day period then within an additional reasonable period of time so long as Landlord has commenced curative action within said thirty (30) day period and thereafter is diligently attempting to cure such default. If any mortgagee of Landlord has given Tenant its address for notices and specifically requests such notice, Tenant agrees to give the notice required hereinabove to such mortgagee at the time Tenant gives same to Landlord, and to accept curative action, if any, undertaken by such mortgagee as if such curative action had been taken by Landlord.

26. Waiver of Subrogation: Each party hereto waives any and every claim which arises or may arise in such party's favor against the other party hereto during the term of this Lease

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for any and all loss of, or damage to, any of such party's property located within or upon, or constituting a part of the Premises, which loss or damage is covered by valid and collectible fire and extended coverage insurance policies, to the extent that such loss or damage is recoverable under such insurance policies. Such mutual waivers shall be in addition to, and not in limitation or derogation of, any other waiver or release contained in this Lease with respect to any loss of, or damage to, property of the parties hereto. Inasmuch as such mutual waivers will preclude the assignment of any aforesaid claim by way of subrogation or otherwise to an insurance company (or any other person), each party hereby agrees immediately to give to each insurance company which has issued to such party policies of fire and extended coverage insurance, written notice of the terms of such mutual waivers, and to cause such insurance policies to be properly endorsed, if necessary, to prevent the invalidation of such insurance coverages by reason of such waivers.

27. Title to Improvements: The Town of Addison, Texas, solely owns the Premises. Any and all improvements made to the Premises by Tenant shall become the property of Landlord upon the expiration or termination of this Lease; provided, however: (i) if Tenant is not then in default hereunder, Tenant shall have the right to remove all personal property, equipment, or trade fixtures owned by Tenant from the Premises, but Tenant shall be required to repair any damage to the Premises caused by such removal in a good and workmanlike manner and at Tenant's sole cost and expense; and (ii) Landlord may elect to require Tenant to remove all improvements made to the Premises by Tenant and restore the Premises to the condition in which the same existed on the Commencement Date hereof, in which event Tenant shall promptly perform such removal and restoration in a good and workmanlike manner and at Tenant's sole cost and expense. If Tenant fails or refuses to remove any or all of Tenant's personal property, equipment, and trade fixtures from the Premises on or before the date of the termination of this Lease, the items which Tenant has failed or refused to remove: (i) shall be considered abandoned by Tenant, (ii) shall become the property of Landlord, and (iii) may be disposed of by Landlord in any manner desired by Landlord in Landlord's unfettered discretion.

28. Mechanics' and Materialmen's Liens: TENANT AGREES TO DEFEND, INDEMNIFY AND HOLD LANDLORD HARMLESS OF AND FROM ALL LIABILITY ARISING OUT OF THE FILING OF ANY MECHANICS' OR MATERIALMEN'S LIENS AGAINST THE PREMISES BY REASON OF ANY ACT OR OMISSION OF TENANT OR ANYONE CLAIMING UNDER TENANT, AND LANDLORD, AT LANDLORD'S OPTION, MAY SATISFY SUCH LIENS AND COLLECT THE AMOUNT EXPENDED FROM TENANT TOGETHER WITH INTEREST THEREON AS PROVIDED IN PARAGRAPH 39 AS ADDITIONAL RENT; PROVIDED, HOWEVER, THAT LANDLORD SHALL NOT SO SATISFY SUCH LIENS UNTIL THIRTY (30) DAYS AFTER WRITTEN NOTIFICATION TO TENANT OF LANDLORD'S INTENTION TO DO SO AND TENANT'S FAILURE DURING SUCH THIRTY (30) DAY PERIOD TO BOND SUCH LIENS OR ESCROW FUNDS WITH APPROPRIATE PARTIES TO PROTECT LANDLORD'S INTEREST IN THE PREMISES.

29. Title: Tenant accepts the Premises subject to: (i) the Addison Airport Minimum Standards and Requirements For Commercial Aeronautical Service Providers adopted March 1, 2004 as amended or modified from time to time, and the prevailing Addison Airport Rules and Regulations; (ii) easements and rights-of-way; and (iii) zoning ordinances and other ordinances, laws, statutes or regulations now in effect or hereafter promulgated by any governmental authority having jurisdiction over the Premises.

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30. Quiet Enjoyment and Subordination: Landlord covenants, represents and warrants that Landlord has full right and power to execute and perform this Lease and to grant the estate demised herein, and that Tenant, upon payment of the rents herein reserved, and performance of the terms, conditions, covenants and agreements herein contained, shall peaceably and quietly have, hold and enjoy the Premises during the full term of this Lease; provided, however, that Tenant accepts this Lease subject and subordinate to any recorded mortgage, deed of trust or other lien presently existing upon the Premises. Landlord further is hereby irrevocably vested with full power and authority by Tenant to subordinate Tenant's interest hereunder to any mortgage, deed of trust or other lien now existing or hereafter placed on the Premises or to declare this Lease prior and superior to any mortgage, deed of trust or other lien now existing or hereafter placed on the Premises. Tenant agrees upon demand to execute such further instruments subordinating this Lease as Landlord may request, provided such subordination shall be upon the express conditions that (i) this Lease shall be recognized by the mortgagee and that all of the rights of Tenant shall remain in full force and effect during the full term of this Lease so long as Tenant pays and performs all of the duties and obligations of Tenant under this Lease; and (ii) in the event of foreclosure or any enforcement of any such mortgage, deed of trust or other lien, the rights of Tenant hereunder shall expressly survive and this Lease shall in all respects continue in full force and effect so long as Tenant shall fully perform all Tenant's obligations under this Lease. Tenant also agrees upon demand to execute further instruments declaring this Lease prior and superior to any mortgage, deed of trust or other lien and specifically providing that this Lease shall survive any foreclosure of such mortgage, deed of trust or other lien. Upon any foreclosure of any mortgage, deed of trust or other lien now existing or hereafter placed on the Premises, Tenant agrees to attorn to and recognize as landlord hereunder, the purchaser of Landlord's interest in the Premises at any foreclosure sale pursuant to any such mortgage, deed of trust or other lien, if Tenant is required to do so by the applicable party.

31. Access and Egress: Landlord reserves, and Tenant hereby grants to Landlord, the full and unrestricted access to and egress from that portion of the Premises on which buildings are not located for Landlord, its tenants, employees, guests, patrons, invitees, contractors, suppliers of materials, furnishers of services, its or their equipment, vehicles, machinery and other property, and Manager, its officers, employees and agents, without charge to Landlord or to said persons or entities.

32. Rent on Net Return Basis: It is intended that the rent provided for in this Lease shall be an absolutely net return to Landlord for the term of this Lease, free of any loss, expenses or charges with respect to the Premises including, without limitation, maintenance, repairs, replacement, insurance, taxes and assessments, and this Lease shall be construed in accordance with such intention.

33. Holding Over: Should Tenant, or any of Tenant's successors in interest fail to surrender the Premises, or any part thereof, on the expiration of the term of this Lease, such holding over shall constitute a tenancy from month to month only terminable at any time by either Landlord or Tenant after thirty (30) days' prior written notice to the other, at a monthly rental equal to one hundred fifty percent (150%) of the rent paid for the last month of the term of this Lease.

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34. Waiver of Default: No waiver by the parties hereto of any default or breach of any term, condition or covenant of this Lease shall be deemed to be a waiver of any subsequent default or breach of the same or any other term, condition or covenant contained herein.

35. Release of Landlord Upon Transfer: All of Landlord's personal liability for the performance of the terms and provisions of this Lease (except for any liability accruing prior to such transfer) shall terminate upon a transfer of the Premises by Landlord, provided that the obligations of Landlord under this Lease are covenants running with the land and shall be binding upon the transferee of Landlord's interest in this Lease and the Premises.

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

37. Financial Information: Tenant agrees that Tenant will from time to time, upon the written request of Landlord during the term of this Lease furnish to Landlord such credit and banking references as Landlord may reasonably request.

38. Estoppel Certificates:

A. Tenant agrees that from time to time, upon not less than thirty (30) days' prior written request by Landlord, Tenant will deliver to Landlord a statement in writing certifying: (i) that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease as modified is in full force and effect and stating the modifications); (ii) the dates to which rent and other charges have been paid; (iii) Landlord is not in default under any term or provision of this Lease or if in default the nature thereof in detail in accordance with an exhibit attached thereto; (iv) that, if requested by Landlord, Tenant will not pay rent more than one (1) month in advance and that this Lease will not be amended without notice to Landlord's mortgagee and that the same will not be terminated without the same notice required by the Lease to be furnished to Landlord also being furnished to Landlord's mortgagee and Landlord's mortgagee fails to cure such default within the curative period allowed Landlord under this Lease; and (v) any other information pertaining to Landlord, Tenant, this Lease or the Premises reasonably requested by Landlord.

B. Landlord agrees that from time to time, upon not less than thirty (30) days' prior written request by Tenant, Landlord will deliver to Tenant a statement in writing certifying: (i) that this Lease is unmodified and in full force and effect (or if there have been modifications, that the lease as modified is in full force and effect and stating the modifications); (ii) the dates to which rent and other charges have been paid; and/or (iii) Tenant is not in default under any term or provision of this Lease or if in default the nature thereof in detail in accordance with an exhibit attached thereto.

39. Interest on Tenant's Obligations and Manner of Payment: All monetary obligations of Tenant to Landlord under this Lease remaining unpaid ten (10) days after the due date of the same (if no due date has been established under other provisions hereof, the "due date" shall be the date upon which Landlord demands payment from Tenant in writing) shall bear interest per annum at the greater of ten percent (10%) or the highest non-usurious rate then allowed by law from

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and after said tenth (10th) day until paid. If more than twice during the term of the Lease Tenant's personal or corporate check is not paid by the bank on which it is drawn for whatever reason, Landlord may require by giving written notice to Tenant that the payment of all future monetary obligations of Tenant under this Lease are to be made on or before the due date by cashier's check, certified check or money order, and the delivery of Tenant's personal or corporate check will no longer constitute payment of such monetary obligations. Any acceptance by Landlord of a personal or corporate check after such notice shall not be deemed or construed as a waiver or estoppel of Landlord to require other payments as required by said notice.

40. Landlord's Lien: In addition to the constitutional and statutory Landlord's liens, **TENANT HEREBY GRANTS TO LANDLORD A SECURITY INTEREST TO SECURE PAYMENT OF ALL RENT DUE HEREUNDER FROM TENANT, UPON ALL GOODS, WARES, EQUIPMENT, FIXTURES, FURNITURE AND OTHER PERSONAL PROPERTY OWNED BY TENANT AND SITUATED IN OR UPON THE PREMISES, TOGETHER WITH THE PROCEEDS FROM THE SALE OR LEASE THEREOF.** Such property shall not be removed without the consent of Landlord until all arrearages in rent then due to Landlord hereunder shall have been paid and discharged. Upon Tenant's failure to pay rent due within ten (10) days after the due date, Landlord may, in addition to any other remedies provided herein or by law, enter upon the Premises and take possession of any and all goods, wares, equipment, fixtures, furniture and other personal property owned by Tenant and situated on the Premises without liability for trespass or conversion, and sell the same at public or private sale with or without having such property at the sale, after giving Tenant reasonable notice of the time and place of any such sale. Landlord has no right to and has no security interest in and may not take possession of any property which may be situated on the Premises but which is not owned by Tenant, including but not limited to property which may be owned by another and leased and/or loaned to Tenant. Unless otherwise required by law, notice to Tenant of such sale shall be deemed sufficient if given in the manner prescribed in this Lease at least thirty (30) days before the time of the sale. Any public sale made under this paragraph shall be deemed to have been conducted in a commercially reasonable manner if held in the Premises or where the property is located, after the time, place and method of sale and a general description of the types of property to be sold have been advertised in a daily newspaper published in Dallas County, Texas, for five (5) consecutive days before the date of the sale. Landlord or Landlord's assigns may purchase at a public sale and, unless prohibited by law, at a private sale. The proceeds from any disposition dealt with in this paragraph, less any and all expenses connected with the taking of possession, holding and selling of the property including reasonable attorneys' fees and legal expenses), shall be applied as a credit against the indebtedness secured by the security interest granted herein. Any surplus shall be paid to Tenant or as otherwise required by law, and Tenant shall pay any deficiency forthwith. Upon request by Landlord, Tenant agrees to execute and deliver to Landlord financing statements in form sufficient to perfect the security interest of Landlord in the aforementioned property and proceeds thereof under the provisions of the Texas Business and Commerce Code. The constitutional and statutory liens for rent are expressly reserved; the security interest herein granted is in addition and supplementary thereto.

41. Corporate Execution: If Tenant is a corporation or if this Lease shall be assigned by Tenant to a corporation or if Tenant sublets all or a portion of the Premises to a corporation, such corporation hereby agrees to execute and deliver to Landlord from time to time during the term of this Lease such instruments as Landlord may reasonably request to evidence: (i) the authority of such corporation to transact business good standing with the State of Texas; and (ii) the authority of

Conventional Hangar Lease – Page 22

EXHIBIT A

the officers of such corporation to execute this Lease or other documents in connection with this Lease.

42. Joint and Several Liability: If more than one person or entity is defined as Tenant in this Lease, all of the duties, obligations, promises, covenants and agreements contained in this Lease to be paid and performed by Tenant shall be the joint and several obligation of all persons or entities defined as Tenant. Each person or entity defined as Tenant agrees that Landlord, in Landlord's sole discretion, may: (i) institute or bring suit against them, jointly and severally, or against any one or more of them; (ii) compromise or settle with any one or more of them for such consideration as Landlord may deem proper; and (iii) release one or more of them from liability hereunder, and that no such action by Landlord shall impair or affect Landlord's rights to collect costs, expenses, losses or damages incurred or suffered by Landlord from the other persons or entities defined as Tenant, or any of them, not so sued, compromised, settled with or released.

43. Certificate of Occupancy: Tenant may, prior to the commencement of the term of this Lease, apply for a Certificate of Occupancy to be issued by the Town of Addison. If for any reason, beyond the reasonable control of Tenant, Tenant is unable to secure a Certificate of Occupancy within thirty (30) days of said Commencement Date, Tenant may terminate this Lease provided Tenant has given Landlord written notice of all deficiencies preventing the issuance of said Certificate of Occupancy in favor of Tenant and Landlord fails to cure or otherwise resolve the deficiency(ies) within ten (10) business days of Landlord's receipt of Tenant's written notice. Nothing herein contained shall obligate Landlord to install any additional electrical wiring, plumbing or plumbing fixtures, or other fixtures or equipment or any other improvements whatsoever which are not presently existing in the Premises, or which have not been expressly agreed upon by Landlord in writing.

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

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

46. Exhibits: All exhibits, attachments, annexed instruments and addenda referred to herein shall be considered a part hereof for all purposes with the same force and effect as if copied verbatim herein.

47. Use of Language: Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular shall be held to include the plural, unless the context otherwise requires.

48. Captions: The captions or headings or paragraphs in this Lease are inserted for convenience only, and shall not be considered in construing the provisions hereof if any question of intent should arise.

EXHIBIT A

49. Successors: The terms, conditions and covenants contained in this Lease shall apply to, inure to the benefit of, and be binding upon the parties hereto and their respective successors in interest and legal representatives except as otherwise herein expressly provided. All rights, powers, privileges, immunities and duties of Landlord under this Lease including, but not limited to, any notices required or permitted to be delivered by Landlord to Tenant hereunder may, at Landlord's option, be exercised or performed by Landlord's agent or attorney.

50. Severability: If any provision in this Lease should be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Lease shall not be affected thereby.

51. Notices: Any notice or document required to be delivered hereunder may be delivered in person or shall be deemed to be delivered, whether actually received or not, when deposited in the United States mail, postage prepaid as registered or certified mail (return receipt requested is optional by sender), addressed to the parties at the addresses indicated below, or at such other addresses as may have theretofore been specified by written notice delivered in accordance herewith.

TO LANDLORD:

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

and

Town of Addison, Texas
5300 Beltline Road
Dallas, TX 75001-9010

TO TENANT:

ADS US Sport Aircraft LLC
4700 Airport Parkway
Addison, Texas 75001

Attn: Patrick Arzen

Title: Manager

52. Fees or Commissions: Each party hereto hereby covenants and agrees with the other that such party shall be solely responsible for the payment of any brokers', agents' or finders' fees or commissions agreed to by such party arising from the execution of this Lease or the performance of the terms and provisions contained herein, **AND SUCH PARTY AGREES TO INDEMNIFY AND HOLD THE OTHER PARTY HARMLESS FROM THE PAYMENT OF ANY SUCH FEES OR COMMISSIONS.**

53. Counterparts: This Lease may be executed in multiple counterparts, each of which shall be deemed an original; and all of which shall constitute but one and the same instrument.

54. Governing Law and Venue: This Lease and all of the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Texas, and with respect to any conflict of law provisions, the parties agree that such conflict of law provisions shall not affect the application of the law of Texas (without reference to its conflict of law provisions) to the governing, interpretation, validity and enforcement of this Agreement; and

EXHIBIT A

Landlord and Tenant both irrevocably agree that venue for any dispute concerning this Lease or any of the transactions contemplated herein shall be in any court of competent jurisdiction in Dallas County, Texas.

55. No Recording: Tenant agrees that Tenant will not record this Lease in the real property records of Dallas County, Texas, without first securing the prior written consent of Landlord, which may be withheld at Landlord's sole discretion. However, Tenant agrees upon the written request of Landlord to execute, acknowledge and deliver to Landlord a short-form lease in recordable form.

56. Diagram: The diagram of the Airport attached hereto as **Exhibit C** merely evidences existing or contemplated improvements. By attaching such diagram as an exhibit to this Lease, Landlord is in no way contracting or bound to maintain or construct improvements exactly as shown thereon or prohibited from making additional or different improvements.

57. Time of Essence: Time is of the essence in the payment and performance of the duties and obligations imposed upon Tenant by the terms and conditions of this Lease.

58. Survival: All duties and obligations imposed upon Tenant by the terms and conditions of this Lease shall survive the termination or expiration of this Lease until paid or performed.

59. Special Conditions:

NO CARGO OR SIMILAR TYPE DELIVERIES ARE TO BE MADE VIA THE AIRPORT OPERATING AREA WITHOUT A QUALIFIED ESCORT ACCEPTABLE TO AIRPORT MANAGEMENT. FAILURE TO COMPLY WITH THIS PROVISION IS A DEFAULT OF THIS AGREEMENT PURSUANT TO PARAGRAPH 23 OF THIS AGREEMENT, EXCEPT THAT NO CURE OR REMEDY IS AVAILABLE TO TENANT AFTER A SECOND WRITTEN NOTICE IS DELIVERED BY LANDLORD TO TENANT PURSUANT TO PARAGRAPH 51 OF THIS AGREEMENT WITHIN ANY CONSECUTIVE TWELVE (12) MONTH PERIOD DURING THE TERM OR ANY EXTENSION THEREOF. FOR THE PURPOSES OF THIS PARAGRAPH, THE AIRPORT OPERATING AREA IS DEFINED AS THAT PORTION OF THE AIRPORT INSIDE WHAT IS GENERALLY REGARDED AS THE AIRPORT PERIMETER FENCE EXCLUDING THE LEASED PREMISES.

60. Entire Agreement and Amendments: This Lease, consisting of sixty (60) Paragraphs and Exhibits A through E attached hereto and made a part hereof, together with the premises to this Lease set forth above which are incorporated herein, and any other documents incorporated herein (including, without limitation, the Rules and Regulations), embodies the entire agreement between Landlord and Tenant and supersedes all prior agreements and understandings, whether written or oral, and all contemporaneous oral agreements and understandings relating to the subject matter hereof. Except as otherwise specifically provided herein, no agreement hereafter made shall be effective to change, modify, discharge or effect an abandonment of this Lease, in whole or in part, unless such agreement is in writing and signed by or on behalf of the party against whom enforcement of the change, modification, discharge or abandonment is sought.

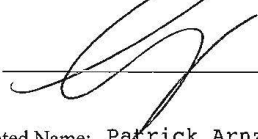
EXHIBIT A

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

TENANT:

ADS SPORT AIRCRAFT, LLC
a Texas limited liability company

By: _____



Printed Name: Patrick Arnzen

Title: Manager

LANDLORD:

TOWN OF ADDISON, TEXAS
a home-ruled municipality

By: _____


Lea Dunn, City Manager

EXHIBIT A

EXHIBIT A

Legal Description of Lease Premises

4700 AIRPORT PARKWAY
PROPERTY # R1-A

BEING a tract of land situated in the Edward Cook Survey, Abstract No. 326, Dallas County, Texas, and being a part of the Final Plat of Addison Airport, an addition to the Town of Addison, Texas, according to the plat thereof recorded in Volume 2005131, Page 82 of the Deed Records of Dallas County, Texas (DRDCT) and being more particularly described as follows;

BEGINNING at a cut 'x' found in concrete in the west line of Addison Airport Property No. 0110;

THENCE S 07°16'34" E, along the west line of said Property No. 0110, 98.77 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

THENCE S 81°58'42" W, 147.61 feet to a "PK" nail set with plastic cap stamped "Sparr Surveys";

THENCE S 07°58'34" E, 100.98 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

THENCE S 81°51'05" W, 27.19 feet to a cut 'x' found at the northeast corner of a tract of land known as 4650 Airport Parkway;

THENCE S 68°54'08" W, along the north line of said 4650 Airport Parkway, 44.04 feet to a cut 'v' set in concrete;

THENCE N 25°19'38" W, departing the north line of said 4650 Airport Parkway, 28.16 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" in the south line of Airport Parkway (60 foot wide unrecorded Ingress and Egress easement), and lying in a non tangent circular curve to the left having a radius of 130.00 feet;

THENCE northeasterly, along the south line of said Airport Parkway the following:

Northeasterly, along said curve to the left, through a central angle of 11°18'40", an arc distance of 25.66 feet and having a chord which bears N 24°52'14" E, 25.62 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

N 19°12'55" E, 137.83 feet to a cut 'x' found at the point of curvature of a circular curve to the right having a radius of 70.00 feet;

Northeasterly, along said curve to the right, through a central angle of 33°17'44", an arc distance of 40.68 feet and having a chord which bears N 35°51'48" E, 40.11 feet to a cut 'x' found at the point of reverse curvature of a non-tangent circular curve to the left having a radius of 248.00 feet;

Northeasterly, along said curve to the left, through a central angle of 16°35'53", an arc distance of 71.84 feet and having a chord which bears N 44°30'08" E, 71.59 feet to a "PK" nail set;

THENCE N 86°13'59" E, departing the south line of said Airport Parkway, 66.39 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

THENCE S 07°15'10" E, at 12.96 feet passing a 1/2-inch iron rod found at the northwest corner of said Property No. 0110, continuing along the west line of said Property No. 0110, in all a distance of 28.73 feet to the POINT of BEGINNING and CONTAINING 0.547 acre of land.

EXHIBIT A

EXHIBIT C

Aerial View of Leased Premises

Below is a depiction of the proximity of the Leased Premises for informational purposes only and is not to be construed as accurate in area or dimension.

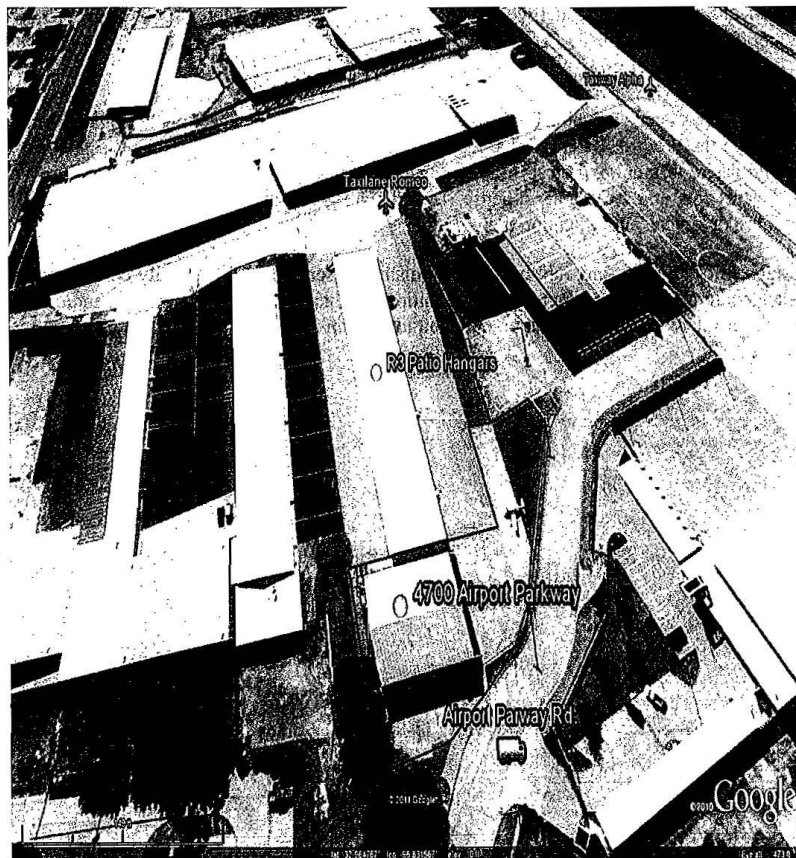


EXHIBIT A

EXHIBIT D

Utility Expense Reimbursement Addendum

**ADDENDUM TO THE CONVENTIONAL HANGAR LEASE AGREEMENT BETWEEN
ADS US SPORT AIRCRAFT, LLC AND TOWN OF ADDISON CONCERNING THE
LEASED PREMISES AT 4700 AIRPORT PARKWAY AT ADDISON AIRPORT,
ADDISON, DALLAS COUNTY, TEXAS 75001**

In addition to the Base Rent stated in the Lease, Tenant will pay Landlord as Additional Rent the following utility services described in this addendum. Tenant will pay the Additional Rent each month in arrears when or before the next Base Rent monthly installment is due:

- Electrical Services: Direct Energy ESI ID: 10443720008278366/Meter #043263156LG
- Water, Sewer and Storm Water: Town of Addison Account #288603/Meter #72111544

Each month Landlord shall assess Tenant for all direct utility costs for these utilities, including taxes, fees and other related costs billed and paid for by Landlord for the preceding billing cycle that exclusively serve the Premises. Landlord agrees to reasonably cooperate with Tenant in the event Tenant should desire to inquire, protest or appeal the charges being assessed by the utility service provider. To this end, and at Tenant's expense, Tenant shall give Landlord prior written notice of any such protest or appeal, and resolution thereof.

Landlord agrees not to assess any rebilling or administrative service fees for utility costs covered under this addendum. Tenant's failure to pay all Additional Rent as required by the Lease and/or this Addendum is considered an event of default pursuant to Section 23.A. of the Lease.

EXHIBIT A

EXHIBIT E

4700 Airport Parkway, Addison Airport
Addison, Texas

Maintenance and Repair Responsibilities

	<u>Landlord</u>	<u>Tenant</u>	<u>Comment</u>
Ground Maintenance			
Building & Gate Locksmithing & Security		All as required by Tenant's use and all ordinances, rules and regulations. All doors and gates leading to Airport Operating Area are to be kept secured at all times.	
Fencing	Landlord maintains Airport Perimeter Fence, unless damaged by Tenant or its guests and invitees	All other, if any, is Tenant's responsibility.	
Landscaping & Lawn Care		All turf, beds and planters within the leased premises and outside Airport Perimeter Fence along Airport Parkway unless otherwise requested by Landlord.	
Landscape Irrigation		Minimum requirements by city ordinance	
Pavement - Parking	Structural repairs and reconstruction	Regular sweeping and snow removal. Any damage caused other than normal wear and tear. Painting and striping as required for intended use or required by ordinance with Landlord's prior	

EXHIBIT A

	<u>Landlord</u>	<u>Tenant</u>	<u>Comment</u>
		written consent.	
Pavement - Ramp	Structural repairs and reconstruction	Regular sweeping and snow removal. Any damage caused other than normal wear and tear. Painting and striping as required for intended use, safe operations or as required by Landlord and with Landlord's prior written consent.	
Trash Dumpster	Landlord to approve location in advance.	To be provided at Tenant's sole cost and expense and kept within lease premises unless otherwise authorized in writing by Landlord	
Trash Dumpster screening, if required	Landlord to approve location, design and material used.	Constructed and maintained at Tenant's sole cost and expense.	
<u>Building Shell</u>			
Garage Overhead & Service Doors	Major repairs and replacement if required at sole discretion of Landlord	General preventive maintenance and basic service	
Hangar Doors	Major repairs and replacement if required at sole discretion of Landlord	General preventive maintenance and basic service	
Hangar Floor	Major repairs and replacement if required at sole discretion of Landlord	General preventive maintenance, sweeping, cleaning and safety markings as required.	
Building & Hangar Insulation, if existing	Major repairs and replacement if required at sole discretion of Landlord	General preventive maintenance, repair and replacement where required	

EXHIBIT A

	<u>Landlord</u>	<u>Tenant</u>	<u>Comment</u>
Painting and cleaning of building exterior	Performed by Landlord at Landlord's sole expense and discretion	General preventive maintenance, repair and replacement where required	
Repairs to exterior siding, fascia, trim	Performed by Landlord at Landlord's sole expense and discretion	General preventive maintenance, repair and replacement where required	
Window and Glass Curtain Walls	Major repairs and replacement when required at sole discretion of Landlord	General preventive maintenance, repair and replacement where required	
Roof	Major repairs and replacement when required at sole discretion of Landlord	No penetrations without Landlord's prior written approval	
Interior - Finish-out			
Interior Doors	Major repairs and replacement when required at sole discretion of Landlord	General preventive maintenance, repair and replacement where required	
Office/shop space flooring and floor cover	Major repairs and replacement at sole discretion of Landlord	Major repair and replacement with Landlord's prior consent. General preventive maintenance, cleaning, repair and replacement where required	
Painting Interior		Repainting similar to existing condition. Major change in color, texture and material must be with Landlord's prior written consent. General preventive maintenance, cleaning, repair and replacement where required	
Wall & Ceilings	Major repairs and replacement at sole discretion of Landlord	Repainting or repairing similar to existing condition. Major change in color, texture and material must be with Landlord's prior written consent. General preventive maintenance,	

EXHIBIT A

	<u>Landlord</u>	<u>Tenant</u>	<u>Comment</u>
		cleaning, repair and replacement where required	
Building Systems			
Air Compressor		Tenant's full responsibility	
Electrical Systems	Major repairs and replacement at sole discretion of Landlord	General maintenance and repair. Replacement or material change only with Landlord's prior written consent	
Exterior Lighting & maintenance	Major repairs and replacement at sole discretion of Landlord	General maintenance and repair. Replacement or material change only with Landlord's prior written consent	
Hangar light repair and replacement	Major repairs and replacement at sole discretion of Landlord	General maintenance and repair. Replacement or material change only with Landlord's prior written consent	
HVAC	Major repairs and replacement at sole discretion of Landlord	General maintenance and repair. Replacement or material change only with Landlord's prior written consent	
Window a/c units, if any	Major repairs and replacement at sole discretion of Landlord	General maintenance and repair. Replacement or material change only with Landlord's prior written consent	
Plumbing systems	Major repairs and replacement at sole discretion of Landlord	General maintenance and repair. Replacement or material change only with Landlord's prior written consent	

EXHIBIT A

	<u>Landlord</u>	<u>Tenant</u>	<u>Comment</u>
Water heater	Replacement at Landlord's sole discretion	General maintenance and repair. Replacement with Landlord's prior written consent	
Storm water drains		Tenant's full responsibility	
Grease Traps		Tenant's full responsibility	
Tapping into Fire Main for fire suppression systems		Tenant's full responsibility with Landlord's prior written consent.	
Other:			
Other:			

TOWN OF ADDISON, TEXAS

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS APPROVING AN ASSIGNMENT OF LEASE BETWEEN THE TOWN OF ADDISON AND ADS US SPORT AIRCRAFT, LLC AND ADS IMPORTING, LLC FOR COMMERCIAL AVIATION USE ON PROPERTY LOCATED AT 4660 JIMMY DOOLITTLE DRIVE, AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT, AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, ADS US Sport Aircraft, LLC is a tenant under the conventional hangar lease dated July 14, 2015, for the property located at 4660 Jimmy Doolittle Drive owned by the Town of Addison (the “Lease”); and

WHEREAS, ADS US Sport Aircraft, LLC desires to assign its rights under the Lease and the amendment to ADS Importing, LLC, an affiliated entity.

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

Section 1. The Assignment of Lease between the Town of Addison and ADS US Sport Aircraft, LLC and ADS Importing, LLC for commercial aviation use on property located at 4660 Jimmy Doolittle Drive, a copy of which is attached to this Resolution as **Exhibit A**, is hereby approved and the City Manager is authorized to execute the agreement.

Section 2. This Resolution shall take effect from and after its date of adoption.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas this the 12th day of April, 2016.

Todd Meier, Mayor

ATTEST:

By: _____
Laura Bell, City Secretary

APPROVED AS TO FORM:

By: _____
Brenda N. McDonald, City Attorney

EXHIBIT A

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

This Assignment of Lease (the "Assignment") is entered into and effective as of _____ 2016, at Addison, Texas, by and between ADS US Sport Aircraft, LLC, a Texas limited liability company (herein referred to as "Assignor") and ADS Importing, LLC, a Texas limited liability company (herein referred to as "Assignee").

WHEREAS, a Conventional Hangar Lease for Commercial Aviation Use (the "Lease") was executed on July 14, 2015 between the Town of Addison, a home-rule municipality (the "City"), and ADS US Sport Aircraft, LLC by the terms of which certain real property located at 4660 Jimmy Doolittle Drive at Addison Airport within the Town of Addison, Texas (being more specifically described in Exhibit "A" attached hereto and incorporated herein) and owned by the City was leased to ADS US Sport Aircraft, LLC; and

WHEREAS, the Lease provides in Section 8 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; and

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

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, attached hereto as Exhibit "B", **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. 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. For purposes of notice under the Lease, the address of Assignee is:

4700 Airport Parkway
Addison, TX 75001

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

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

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

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

7. The undersigned representatives of the Assignor and Assignee have the necessary authority to execute this Assignment on behalf of each of the respective parties hereto, and Assignor and Assignee certify one 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, Assignor and Assignee have executed and delivered this Assignment on the day and the year first set forth above.

Assignor: ADS US Sport Aircraft, LLC

ASSIGNEE: ADS Importing, LLC

By: _____

By: _____

Printed Name: Patrick Arzen

Printed Name: Patrick Arzen

Title: Manager

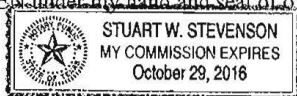
Title: Manager

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared Patrick Arzen 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 16th day of March, 2016.



[SEAL]

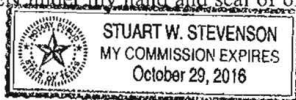
[Signature]

Notary Public, State of Texas

STATE OF TEXAS §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared Patrick Arzen 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 16th day of March, 2016.



[SEAL]

[Signature]

Notary Public, State of Texas

CONSENT OF LANDLORD

The Town of Addison, Texas ("Landlord") is the Landlord in the Lease described in the Assignment of Lease (the "Assignment") entered into and effective as of _____ 2016, at Addison, Texas, by and between ADS US Sport Aircraft, LLC, a Texas limited liability company (herein referred to as "Assignor") and ADS Importing, LLC, a Texas limited liability company (herein referred to as "Assignee"). In executing this Consent of Landlord, Landlord is relying upon the warranty and representations made in the foregoing Assignment by both Assignor and Assignee, and in relying upon the same Landlord hereby consents to the foregoing Assignment from Assignor to Assignee. Notwithstanding this Consent, Landlord does not waive any of its rights under the 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 remain 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 Ground 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 _____, 2016.

(i) the Assignment has been executed and notarized by both Assignor and Assignee,

(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 _____, 2016.

LANDLORD:

TOWN OF ADDISON, TEXAS

By: _____
Wesley S. Pierson, City Manager

EXHIBIT "A"

**PROPERTY # 0210
BUILDING # S1**

BEING a tract of land situated in the Edward Cook Survey, Abstract No. 326, in the Town of Addison, Dallas County, Texas, being located on the Addison Municipal Airport, and being more particularly described as follows:

COMMENCING at a 1/2-inch iron rod found at the southwest corner of Tract 1 as described in the unrecorded Ground Lease #0200-3502 to Turbine Aircraft Service;

THENCE N 68°46'16" E, along the south line of said Tract 1, 382.13 feet to a cut "X" set at the northeast corner of Parcel E as described in said unrecorded Ground Lease #0200-3502 to Turbine Aircraft Service and the **POINT of BEGINNING**;

THENCE N 68°46'16" E, continuing along the south line of said Tract 1, 11.38 feet to a cut "X" found at the southeast corner of said Tract 1;

THENCE N 21°13'15" W, along the east line of said Tract 1, 30.99 feet to a cut "X" found at the southwest corner of Parcel D as described in said unrecorded Ground Lease #0200-3502 to Turbine Aircraft Service;

THENCE N 68°56'04" E, departing the east line of said Tract 1, along the south line of said Parcel D, 14.96 feet to a cut "X" found at the southeast corner of said Parcel D;

THENCE N 21°16'25" W, along the east line of said Parcel D, 113.96 feet to a 1/2-inch iron rod found at the northeast corner of said Parcel D;

THENCE S 68°43'35" W, along the north line of said Parcel D, 14.96 feet to a "PK" nail set at the northwest corner of said Parcel D and lying in the east line of said Tract 1;

THENCE N 21°16'25" W, along the east line of said Tract 1, 3.76 feet to a "PK" nail set in the south line of Jimmy Doolittle Drive (Unrecorded 60 foot right-of-way);

THENCE N 68°19'44" E, along the south line of said Jimmy Doolittle Drive, 112.95 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

THENCE S 21°13'44" E, departing the south line of said Jimmy Doolittle Drive, 130.21 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

THENCE S 68°46'16" W, 15.16 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

THENCE S 21°13'44" E, 11.87 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

THENCE N 68°46'16" E, 20.85 feet to a "PK" nail set;

THENCE S 21°13'44" E, 52.03 feet to a "PK" nail set in the north line of Taxiway Sierra;

THENCE S 68°36'46" W, along the north line of said Taxiway Sierra, 129.93 feet to a "PK" nail set;

THENCE N 21°13'44" W, continuing along the north line of said Taxiway Sierra, at 15.72 feet passing the north line of said Taxiway Sierra and southeast corner of said Parcel E, continuing along the east line of said Parcel E, in all a distance of 44.95 feet to the **POINT OF BEGINNING** and containing 0.478 acre of land;

t
s
f

EXHIBIT “B”

Conventional Hangar Lease

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

**ADDISON AIRPORT
CONVENTIONAL HANGAR LEASE
FOR COMMERCIAL AVIATION USE**

This Addison Airport Conventional Hangar Lease For Commercial Aviation Use (hereinafter referred to as the "Hangar Lease," "Lease," or "Agreement") is made and entered into July 14, 2015 (the "Effective Date"), by and between the Town of Addison, Texas, a home-rule municipality (hereinafter referred to as the "City" or "Landlord") and ADS US Sport Aircraft, L.L.C., a Texas limited liability company ("Tenant") (Landlord and Tenant are sometimes referred to herein together as the "parties" and individually as a "party").

WITNESSETH:

WHEREAS, Landlord is the owner of the Addison Airport (hereinafter referred to as the "Airport") located in Dallas County, Texas; and

WHEREAS, the Airport is, as of the Effective Date, operated and managed for and on behalf of the City by URS Energy & Construction, Inc., an Ohio corporation ("URS"), and SAMI Management, Inc., a Texas corporation ("SAMI"), pursuant to their respective operating agreements, as amended or modified, with the City (URS and SAMI, individually and/or collectively, or any other person(s) or entity(ies) authorized by Landlord to operate and/or manage the Airport or any portion thereof or any function related thereto, being hereinafter referred to as "Airport Manager" or "Manager"); and

WHEREAS, Tenant desires to lease that certain hangar located within the Airport known as Jet Hangar SI, Property #0210 with the public address known as 4660 Jimmy Doolittle, Addison, Texas 75001 (hereinafter referred to as the "Premises" and more fully described in Exhibits "A", "B" and "C" attached hereto and made a part hereof) and Landlord desires to lease the same to Tenant for the Term as defined below; and

WHEREAS, Landlord and Tenant hereby agree to enter into this Hangar Lease under the terms and conditions set forth herein below.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is mutually acknowledged, Landlord and Tenant hereby agree as follows:

1. Lease Grant. Subject to the terms of this Lease, Landlord leases the Premises to Tenant, and Tenant leases the Premises from Landlord.

This Hangar Lease is given and entered into subject to (i) all federal, state, and local laws, statutes, constitutional provisions, charters (including the City Charter), ordinances, codes (including building and building-related codes), rules, regulations, directives, policies, permits, standards, zoning requirements, orders, grant assurances, grant agreements, court orders, opinions and decisions, and all interpretations of the foregoing, of and/or by any governmental authority, entity, department, 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), that are applicable, imposed upon, or related to, whether directly or indirectly, this Lease, the Airport, the Premises, and the use and occupancy thereof, as the same are existing or as they may be amended, modified, enacted, adopted, imposed, or superseded, and including, without limitation, any and all grant agreements or grant assurances now existing or as hereafter agreed to, adopted or imposed (collectively, "Laws," and "Law" means any of the foregoing), (ii) all restrictive covenants affecting the Premises, (iii) all restrictions, mortgages, deeds of trust, liens, easements, licenses, leases, and any other encumbrance on or matter affecting the Premises, whether recorded or not, and (iv) and all of the terms, conditions, and provisions of this Hangar Lease.

2. **Term:** The Term hereof shall commence August 1, 2015 ("Commencement Date"), and shall end on July 31, 2018, unless otherwise terminated as provided for herein (the "Term").

3. **Rental & Security Deposit:**

A. **Base Rent:** Tenant agrees to pay to Landlord without notice, demand, offset, or deduction, an annual Base Rent of Fifty Three Thousand Three Hundred Dollars and 00/100 (~~\$53,300.00~~), payable in monthly installments of Four Thousand Four Hundred Forty-One Dollars and 67/100 (~~\$4,441.67~~). The first such monthly installment shall be due and payable on or before August 1, 2015, and each monthly installment thereafter shall be due and payable on or before the first day of each calendar month throughout the Term.

B. **Prorated Rent:** If the Commencement Date is on a day other than the first day of a month, Tenant will pay Landlord a prorated amount of Base Rent equal to the product of the monthly installment of Base Rent multiplied by a fraction, the (i) numerator of which is the number of days from (and including) the Commencement Date through (and including) the last day of the month that includes the Commencement Date and the (ii) denominator of which is the number of days in that month. The prorated portion of the Base Rent is due on or before the Commencement Date. Payment of Base Rent for any fractional calendar month at the end of the Term shall be similarly prorated.

C. **Additional Rent:** In addition to the Base Rent, Tenant will pay Landlord, as Additional Rent, the amounts set forth in the Utility Expense Reimbursement Addendum attached hereto and incorporated herein as Exhibit D.

D. **Rent:** For purposes of this Lease, "**Rent**" means Base Rent, Additional Rent, and all other sums that Tenant may owe to Landlord or otherwise be required to pay under this Lease. Landlord shall have the same rights and remedies for non-payment of any Rent as for non-payment of Base Rent. The obligations of Tenant to pay Base Rent and other sums to Landlord and the obligations of Landlord under this Lease are independent obligations.

E. **Place of Payment:** Tenant shall deliver all amounts due Landlord under this Lease to the following address or to such other person or place as Landlord may designate in writing:

Addison Airport
c/o Real Estate Manager
16051 Addison Road, Suite 220
Addison, Texas 75001

F. **Method of Payment:** Tenant must pay all Rent timely and without demand, notice, deduction, or offset, except as required by Law or as otherwise provided by this Lease. Tenant shall make payment of all Rent owed by personal or corporate check made payable to "Addison Airport" (or by credit card, electronic transfer or ACH (Automatic Clearing House), if acceptable to Landlord). Cash is not an acceptable form of payment of Rent. If Tenant fails to timely pay any amounts due under this Lease, or if any check of Tenant is returned to Landlord by the institution on which it was drawn for insufficient funds or for any other reason, or if Tenant's credit card is denied more than three times in any twelve-month period (if Landlord authorizes payment by credit card), Landlord, after providing written notice to Tenant, may require Tenant to pay subsequent amounts that become due under this Lease by cashier's check or money order only. Rent, and any other sums or amounts to be paid by Tenant to Landlord under this Lease, shall be deemed to have been paid when Landlord has actually received the negotiable payment.

G. **Late Charges:** If Landlord does not actually receive payment of Rent or any other sums due at the designated place of payment within ten (10) days after the date it is due, Tenant shall pay to Landlord a Late Charge equal to 5% of the amount due to reimburse Landlord for Landlord's cost and inconvenience incurred as a result of Tenant's delinquency. The Late Charge is a cost associated with the collection of Rent and Landlord's acceptance of a Late Charge does not waive Landlord's right to exercise its rights and remedies, including those under Paragraph 24 (Remedies of Landlord) herein.

If Tenant fails to pay (i) any monthly installment of Base Rent due under this Lease by the 10th day of the month when due, or (ii) or any other component of Rent within 10 days after the same is due as specified in this Lease, more than once in any consecutive three (3) month period, Tenant, upon the delivery of written notice to Tenant by

Landlord ("Additional Deposit Notice"), shall pay to Landlord an amount equal to the then-current monthly installment of Base Rent (the "Additional Deposit") to be held and applied by Landlord as an addition to the Security Deposit delivered by Tenant and held on account by Landlord upon Tenant's execution of this Lease pursuant to subparagraph 3.H, below. Landlord's requirement of any Additional Deposit shall be in addition to any and all other rights and remedies available to Landlord under this Lease. If Tenant does not deliver the Additional Deposit to Landlord within ten (10) days after the delivery of the Additional Deposit Notice, such failure shall be an event of default under this Lease.

H. **Security Deposit:** Tenant shall deposit with Landlord, upon Tenant's execution of this Lease, the sum of Four Thousand Four Hundred Forty-One Dollars and 67/100 (\$4,441.67), to be held by Landlord as Tenant's "Security Deposit." Such Security Deposit shall be equal to one monthly installment of Base Rent unless otherwise adjusted as provided for in 3.G. above.

I. If at any time during this Agreement the Security Deposit then held on account by Landlord becomes less than the prevailing monthly installment of Base Rent, Tenant will make an additional payment to Landlord so that the Security Deposit held by Landlord is increased to equal one monthly installment of Base Rent, unless otherwise adjusted as provided for in 3.G. above.

2. Landlord shall hold such Security Deposit without interest as security for the performance by Tenant of Tenant's covenants and obligations under this Lease. Landlord may commingle the Security Deposit with Landlord's other funds, and no trust relationship is created with respect to the Security Deposit. Tenant shall not assign, otherwise transfer, or encumber or attempt to assign, otherwise transfer, or encumber the Security Deposit, and Landlord and its successors and assigns shall not be bound by any actual or attempted assignment, other transfer, or encumbrance. Regardless of any assignment, other transfer, or encumbrance of the Security Deposit by Tenant, Landlord may return the Security Deposit to the Tenant.

3. The Security Deposit is not an advance payment of Rent or a measure of liquidated damages in case of default by Tenant. Upon the occurrence of any event of default, Landlord may, from time to time, without prejudice to any other remedy provided herein or provided by Law, use the Security Deposit to the extent necessary to make good any arrearages of Rent and any other damage, injury, expense or liability caused to Landlord by such event of default. Following any such application of the Security Deposit, Tenant shall pay to Landlord, on demand, the amount so applied in order to fully restore the Security Deposit to its required amount.

4. If Tenant is not then in default hereunder, such Security Deposit, less any lawful deductions by Landlord, shall be returned by Landlord to Tenant with an accounting of said deductions taken no later than thirty (30) days following the termination or expiration of this Hangar Lease. Permitted deductions from the Security Deposit may include but not be limited to: unpaid Base Rent; unpaid utility charges incurred by Tenant; unpaid service charges; damages by Tenant to the Premises (beyond normal wear and tear) or repairs by Landlord; replacement cost of Landlord's property that was in or attached to the Premises and is missing; cost to replace unreturned keys; agreed reletting charges; Landlord's cost of cleaning the Premises to a broom-swept condition if required; Landlord's cost of removal of any trash or debris left in the Premises; Landlord's cost of the removal and storage of Tenant's personal property left or abandoned by Tenant or otherwise disposed of by Landlord; Landlord's cost of removal of unauthorized vehicles or aircraft left on the Premises; government fees or fines against Landlord because of Tenant; late fees and other costs of collection incurred by Landlord in connection with this Lease; interest that would have been earned by Landlord on unpaid balances; attorneys' fees, court costs and filing fees.

4. **Adjustment of Rental:** Effective on each anniversary of the Commencement Date and each and every anniversary thereafter over the Term (hereinafter referred to as the "Adjustment Date"), the Base Rent due under Paragraph 3.A above shall be adjusted as follows:

A. The Base Rent shall be adjusted to reflect changes in the Consumers' Price Index - All Items for Dallas-Fort Worth, Texas (hereinafter referred to as the "Consumer Price Index"), as quoted in the publication *Consumer Price Index - 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 base index is the Consumer Price Index existing on the Commencement Date ("Base Index"). The current index is the Consumer Price Index on the first day of the calendar month preceding the then applicable Adjustment Date (the "Current Index").

B. Beginning with the year that includes the then applicable Adjustment Date, the Base Rent shall be adjusted so that it equals the product of the Base Rent during the first year of this Lease multiplied by a fraction, the numerator of which is the Current Index and the denominator of which is the Base Index, but in no event shall Base Rent ever be decreased below the Base Rent set forth in Paragraph 3.A.

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

5. **Use of Premises:** The Premises shall be used and occupied by Tenant only for Commercial Aviation Use limited to the following:

The Leased Hangar shall be used and occupied by Tenant only for general aviation operator purposes while performing repair, maintenance, service and storage of aircraft and/or aircraft components and the testing and inspection of aircraft as authorized to do so under the guidelines of the Federal Aviation Administration for owned and third-party aircraft.

For purposes hereof, "Commercial Aviation Use" means the operation of a business enterprise providing aviation-related goods, services, or facilities for a commercial purpose (including, without limitation, any activity by the Tenant securing earning, income, compensation, [including exchange or barter of goods, and services], and/or profit from said activities, whether or not such objectives are accomplished). Tenant shall continuously occupy and use the Premises only for the Permitted Use, and shall comply with all Laws relating to the use, condition, access to, and occupancy of the Premises.

Any use or occupancy of the Premises other than for the purposes set forth above is not permitted at any time without the prior written consent of Landlord.

The Premises shall not be used or occupied for any concession for the sale or distribution of food, drinks, tobacco products, oil, gas, petroleum products or any activity of a similar character. Tenant agrees that no aircraft, vehicle or other equipment will be left unattended at any time outside the boundaries of the Premises or within any common area of the Airport ("common area" having the meaning set forth in Chapter 14 of the City's Code of Ordinances), including the safety areas, operating areas and/or non-obstruction areas of the Airport without the prior written consent of the Airport Manager. Tenant further agrees to cooperate and coordinate with adjacent tenants and the Airport Manager, when necessary (as determined by Landlord), to facilitate and not to obstruct aircraft movement along nearby taxiways, especially during periods of construction, maintenance and repair of Airport facilities.

The Premises shall not be used for any purpose or activity that (i) constitutes a violation of any Laws; (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.

Tenant acknowledges that Landlord is bound by, and this 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.

6. **Acceptance of Premises:** Tenant acknowledges that Tenant has fully inspected the Premises and accepts the Premises as suitable for the purposes for which the same are leased in their present condition, "**AS IS, WHERE IS, WITH ALL FAULTS AND PATENT AND LATENT DEFECTS**". Without limiting anything in the foregoing, LANDLORD HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS, AND THERE ARE NO, REPRESENTATIONS, PROMISES, COVENANTS, AGREEMENTS, GUARANTIES OR WARRANTIES OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, OF OR AS TO THE CONDITION, QUALITY, QUANTITY, SUITABILITY, MERCHANTABILITY, HABITABILITY OR FITNESS OF THE PREMISES FOR ANY PARTICULAR PURPOSE WHATSOEVER GIVEN IN CONNECTION WITH THIS LEASE, INCLUDING, WITHOUT LIMITATION, ANY

REPRESENTATION REGARDING SOIL CONDITIONS, AVAILABILITY OF UTILITIES, DRAINAGE, ZONING LAWS, ENVIRONMENTAL LAWS OR ANY OTHER LAWS.

TENANT ALSO ACKNOWLEDGES AND AGREES THAT TENANT'S INSPECTION AND INVESTIGATION OF THE PREMISES HAVE BEEN ADEQUATE TO ENABLE TENANT TO MAKE TENANT'S OWN DETERMINATION WITH RESPECT TO THE SUITABILITY OR FITNESS OF THE PREMISES, INCLUDING, WITHOUT LIMITATION, WITH RESPECT TO SOIL CONDITIONS, AVAILABILITY OF UTILITIES, DRAINAGE, ZONING LAWS, ENVIRONMENTAL LAWS, AND ANY OTHER LAWS.

TENANT ACKNOWLEDGES THAT THE DISCLAIMERS, AGREEMENTS AND OTHER STATEMENTS SET FORTH IN THIS PARAGRAPH 6 ARE AN INTEGRAL PORTION OF THIS LEASE AND THAT LANDLORD WOULD NOT AGREE TO LEASE THE PREMISES TO TENANT AS SET FORTH HEREIN WITHOUT THE DISCLAIMERS, AGREEMENTS AND OTHER STATEMENTS SET FORTH IN THIS PARAGRAPH 6. 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 PREMISES.

7. 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 required for the use and occupancy of the Premises, as set forth in Paragraph 5 above, including but not limited to the issuance of a valid Certificate of Occupancy prior to Tenant occupying the Premises pursuant to Paragraph 44 hereinbelow.

B. Tenant shall promptly comply with all governmental orders and directives and all other Laws for the correction, prevention and abatement of nuisances caused by Tenant and arising out of the use and occupancy of the Premises, as set forth in Paragraph 5 above.

C. Tenant shall comply with noise abatement standards at the Airport and shall notify any aircraft operator using the Premises of such standards.

8. Assignment and Subletting:

A. Without the prior written consent of Landlord, Tenant shall have no power to and shall not, either voluntarily or involuntarily, by operation of law or otherwise, assign, sell, pledge, encumber, mortgage, license, transfer, or otherwise convey (together, "assign" or "assignment," and any person or entity to whom an assignment is made being an "assignee") this Lease or any rights or obligations of Tenant hereunder, or sublet the whole or any part of the Premises. Any such assignment or any subletting, without the prior written consent of Landlord, shall be null and void and may be deemed by Landlord (in Landlord's sole discretion) an event of default under Paragraph 23 (Default by Tenant) of this Lease.

Any assignment or subletting shall be expressly subject to all the terms and provisions of this Lease, including the provisions of Paragraph 5 pertaining to the use of the Premises. In the event of any Landlord-approved assignment or subletting, Tenant shall not assign this Lease or sublet the Premises without first obtaining a written agreement from each such assignee or sublessee whereby each such assignee or sublessee agrees to be bound by the terms and provisions of this Hangar Lease. No such assignment or subletting shall constitute a novation. In the event of the occurrence of an event of default while the Premises are assigned or sublet, Landlord, in addition to any other remedies provided herein or by Law, may, at Landlord's option, collect directly from such assignee or subtenant all rents becoming due under such assignment or subletting and apply such rent against any sums due to Landlord hereunder. No direct collection by Landlord from any such assignee or subtenant shall release Tenant from the payment or performance of Tenant's obligations hereunder. Landlord's consent to any assignment or subletting will not waive its rights or remedies, and it will not stop Landlord from exercising its rights or remedies, with respect to any other actual or proposed assignment or subletting, and Landlord's consent to any assignment or subletting will not relieve Tenant or any guarantor of Tenant hereunder 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 Premises for the purpose of renting hangar space for aircraft storage only, provided that each sublease is 1) made available for Landlord's review and inspection during Tenant's normal business hours upon Landlord's written request, and 2) evidenced by written agreement, signed and executed by Tenant and the subtenant, and has incorporated therein and fairly states that:

1. each subtenant agrees to be bound by the terms and provisions of this Hangar Lease, including the provisions of Paragraph 5 pertaining to the use of the Premises. In the event of any conflict between the terms of this Hangar Lease and the terms of the sublease, the terms of the Hangar Lease shall control;
2. no such subletting shall constitute a novation.
3. in the event of occurrence of an event of default while the Premises are 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 subtenant all rents becoming due under such subletting and apply such rent against any sums due to Landlord under this Lease;
4. subtenant shall be obligated to obtain Landlord's consent to any action as to which Tenant is obligated to obtain such consent under this Hangar Lease;
5. any such sublease is to automatically terminate upon termination of this Hangar Lease notwithstanding any other provision of the sublease to the contrary;
6. Landlord shall have no responsibility or obligation for the performance by subtenant of its obligations under the sublease; and
7. neither this consent, the exercise by Landlord of its rights and/or remedies hereunder, nor the sublease or any other instrument shall give subtenant 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 subtenant.

Further, Tenant agrees that in no way does any sublease release Tenant from any of its covenants, agreements, liabilities and duties under this Hangar 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 this Hangar Lease; that Tenant shall remain fully liable for the performance of each and every term, provision, covenant, duty and obligation of the Tenant under this Hangar Lease including, without limitation, the duty to make any and all payments of Rent. Any violation of any terms and conditions of this Hangar Lease by a subtenant will constitute a default by Tenant under this Hangar Lease.

Upon Landlord's written request, Tenant shall provide to Landlord the names and addresses of any subtenants, and the make, model, aircraft type and "N" number of any aircraft stored or located on or in the Premises by Tenant or any subtenant.

9. 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, levied or assessed on: (i) all improvements, fixtures, equipment or personal property comprising a part of or located upon the Premises; and (ii), the leasehold estate of Tenant created hereby (hereinafter referred to as "Tenant's Taxes"). Upon the request of Landlord, Tenant shall, from time to time, furnish to Landlord "paid receipts" or other written evidence that all of Tenant's Taxes have been paid by Tenant. If any of Tenant's Taxes are included in tax notices and, or statements delivered to Landlord, Tenant has the right to legally protest or appeal, as provided for by Law, any tax levy or assessment of Tenant's Taxes provided Landlord has not already filed or does not intend to file such protest or appeal of (i) the appropriateness of such tax and, or (ii) the taxable value as assessed by the respective taxing authority. If any of Tenant's Taxes are included in tax statements delivered to Landlord, Tenant shall pay to Landlord that portion representing Tenant's Taxes within ten (10) days after Tenant's receipt of an invoice from Landlord accompanied by evidence of Landlord's computation of the portion thereof representing Tenant's Taxes. In the event Tenant fails to pay any Tenant's Taxes, Landlord shall have the right (but not the obligation) to pay or cause to be paid such Tenant's Taxes, and the costs thereof expended by or caused to be expended by Landlord plus interest thereon as provided in Paragraph 40 of this Lease shall be paid by Tenant on demand.

10. Maintenance and Repair of Premises:

A. Landlord shall, throughout the term hereof, except as otherwise expressly provided in this Lease and so long as Tenant is not in default of this Agreement beyond any applicable cure period, be responsible for those areas, items and matters identified in the "Landlord" column as set forth in Exhibit E, Maintenance and Repair Responsibilities, to this Agreement, which Exhibit is attached hereto and incorporated herein by reference. Landlord shall not be responsible for Tenant's or any third party's equipment, fixtures, or personal property comprising a part of or located upon the Premises.

B. Except as provided by subparagraph A. of this Paragraph 10, Tenant shall, to the Landlord's satisfaction, maintain the Premises in good order, condition and repair throughout the term of this Lease including, but not limited to, those areas, items and matters identified under the "Tenant" column set forth in the attached Exhibit E to this Agreement. Tenant shall be responsible for any alterations, additions or improvements made by Tenant to the Premises and/or any improvements thereon or therein. Tenant shall, throughout the term hereof, be responsible for all consumable supplies and repair of plumbing and water damage caused as a result of Tenant's failure to reasonably protect water pipes from freezing temperatures or misuse by Tenant or by Tenant's owners, employees, agents, contractors, guests or invitees. Tenant shall be responsible for keeping the Premises free from waste and nuisance and shall, upon the expiration of the Lease Term, or any earlier termination of this Lease or any repossession of the Premises by Landlord, deliver the Premises clean and free of trash and in good condition and repair, with all fixtures and equipment situated in or upon the Premises in the same condition as same existed on the Commencement Date, with reasonable wear and tear excepted.

Notwithstanding anything in this Lease to the contrary, Tenant shall bear the risk of complying with the Americans With Disabilities Act of 1990, any other federal or 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, in or pertaining to the Premises.

C. In the event Tenant fails to so maintain or repair the Premises and/or the improvements, fixtures, equipment and personal property comprising a part of or located upon the Premises, and/or otherwise fails to comply with any of the provisions of subparagraph B. or D. of this Paragraph or any other provision of this Lease requiring Tenant to maintain or repair the Premises or keep them in a particular condition, Landlord shall have the right (but not the obligation) to cause all such repairs or other maintenance or work to be made, and the reasonable costs thereof expended by Landlord plus interest thereon as provided in Paragraph 40 shall be paid by Tenant to Landlord on demand.

D. If Tenant handles or stores flammable materials on the Premises, Tenant agrees to maintain proper safeguards with respect thereto and to comply with all requirements of Landlord's and Tenant's insurance companies and/or governmental authorities with respect to the storage, use and disposal of such materials, and with all applicable Laws.

11. Alterations, Additions and Improvements: Tenant shall not create any openings in the roof or exterior walls, or make any alterations, additions or improvements to the Premises, without the prior written consent of Landlord. Landlord shall not unreasonably withhold its consent for non-structural alterations, additions or improvements. Tenant shall have the right to erect or install shelves, bins, machinery, and trade fixtures, provided that Tenant complies with all applicable Laws in connection therewith. All alterations, additions and improvements in and to the Premises shall be performed in accordance with the terms and provisions of this Lease, with all Laws, and in a first-class, workmanlike manner, and Tenant shall promptly pay and discharge all costs, expenses, claims for damages, liens and any and all other liabilities and obligations which arise in connection therewith.

12. Insurance:

A. Tenant shall procure and maintain throughout the Term, without interruption, a policy or policies of insurance, at Tenant's sole cost and expense, to meet or exceed the insurance requirements specified in the then prevailing Addison Airport Minimum Standards and Requirements for Commercial Aeronautical Service Providers (the "Airport Minimum Standards") which may be amended or modified by the City from time to time. At any time over the Term the Airport Minimum Standards are either suspended, repealed or otherwise modified to the extent Tenant's use

and occupancy of the Premises no longer require such insurance policies under the Airport Minimum Standards, Tenant shall procure and maintain throughout the Term, without interruption, the following insurance policies:

1. Commercial General Liability insurance against claims for bodily injury, death or property damage or destruction occurring on, in or about the Premises, with limits of liability of not less than \$1,000,000 for each occurrence, CSL/\$1,000,000 general aggregate. Coverage shall include blanket contractual liability for liability assumed under this Lease.
2. Workers Compensation insurance and employer's liability with limits of liability of not less than \$1,000,000.
3. Hangarkeepers Legal Liability insurance at limits of \$1,000,000 per occurrence is required if Tenant is engaged in maintenance, repair or servicing of aircraft belonging to any 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.
4. Aircraft Liability insurance for all Tenant-owned or operated aircraft with a minimum bodily injury and property damage per occurrence limit of \$1,000,000 and \$1,000,000 for personal and advertising injury.

B. All insurance policies required under this Paragraph 12 shall be endorsed to provide the following, as applicable: (i) in all liability policies, name as additional insureds the Town of Addison, Texas, URS Energy & Construction, Inc. (an Ohio corporation), and SAMI Management, Inc. (a Texas corporation) (and/or such other person or entity that may be the Airport Manager) and their respective officials, officers, agents, and employees; (ii) in all liability policies, provide that such policies are primary insurance regardless of the application of any other insurance available to the additional insureds, with respect to any claims arising out of activities conducted under this Lease, and that insurance applies separately to each insured against whom a claim is made or suit is brought; and (iii) a waiver of subrogation in favor of the Town of Addison, Texas, URS Energy & Construction, Inc. (an Ohio corporation) and SAMI Management, Inc. (a Texas corporation) (and/or such other person or entity that may be the Airport Manager), and their respective officials, officers, agents, and employees, must be included in all liability and Workers Compensation policies. All such policies shall be issued by an insurance company authorized to do business in Texas and in the standard form approved by the Texas Department of Insurance, if required, and shall be endorsed to provide for at least 30 days' advance written notice to Landlord of a material change in, non-renewal, or cancellation of a policy. Certificates of insurance, satisfactory to Landlord, evidencing all coverage above, shall be furnished to Landlord prior to the Commencement Date, with complete copies of policies furnished to the Landlord upon request. Landlord reserves the right to review and revise from time to time the types of insurance and limits of liability required herein.

13. Casualty Damage or Destruction:

A. In case of any damage to or destruction of the buildings, structures, fixtures and equipment, or any other improvements, on or at the Premises, or any part thereof, Tenant shall promptly give written notice thereof to Landlord, generally describing the nature and extent of such damage and/or destruction.

B. If the Premises (the hangar building or structure, excluding Tenant's fixtures, furniture, equipment, personal property and leasehold improvements made by or on behalf of Tenant or any assignee, subtenant or other occupant of the Premises) should be substantially, totally, or partially destroyed or damaged by fire, tornado or other casualty, this Lease shall not terminate, but Landlord may, at Landlord's sole option and at Landlord's sole cost, expense and risk, proceed forthwith and use reasonable diligence to rebuild or repair the Premises (the hangar building or structure; but excluding Tenant's fixtures, furniture, equipment, personal property and leasehold improvements made by or on behalf of Tenant or any permitted assignee, subtenant or other occupant or user of the Premises) to substantially the condition in which it existed prior to such destruction or damage; provided, however, that if Landlord elects not to rebuild or repair such damage or destruction and notifies Tenant in writing of such election, then this Lease shall terminate and rent shall be abated for the unexpired portion of this Lease, effective from the date of actual receipt by Landlord of the written notification of the damage or destruction from Tenant. If Landlord elects to rebuild or repair the Premises and the Premises are untenantable in whole or in part following such destruction or damage, during the period of such rebuilding or repair the Rent payable hereunder shall be equitably adjusted for that period during which the Premises are untenantable. However, if the destruction or damage was caused by the negligence, gross negligence, or

willful or wanton act or omission of Tenant, or any of Tenant's officers, employees, agents, subtenants, licensees, contractors, subcontractors, or invitees, or any other person for whom Tenant is responsible, Rent shall not be abated and Tenant shall have the continuing obligation to pay Rent during the period of such rebuilding or repair.

If Landlord elects to rebuild or repair the Premises (the hangar building or structure) as set forth above, Tenant shall, immediately upon notice from Landlord, remove from the Premises its equipment and property as reasonably required by Landlord to complete such rebuilding or repair. Upon the completion of such rebuilding or repair, Tenant shall restore the Premises and Tenant's property and promptly reopen for business. Tenant shall use the proceeds from Tenant's insurance policies for restoration of improvements made by Tenant to the Premises, for restoration and/or replacement of Tenant's equipment, trade fixtures, and inventory, and to cover any business interruption loss.

C. Landlord's election to pay for the cost of the repair or rebuilding of the Premises (the hangar building or structure) or any part thereof may, at Landlord's option, not extend beyond or exceed the proceeds of any casualty or property damage insurance payable and actually collected in connection with such damage or destruction. All insurance proceeds, if any, payable on account of such damage or destruction shall be held and retained by Landlord (whether or not such repair or rebuilding occurs or this Lease terminates).

14. Condemnation:

A. If, during the term hereof, any part of the Premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, or is sold to a condemning authority under threat of condemnation, and after such taking by or sale to said condemning authority the remainder of the Premises is not susceptible to efficient and economic occupation and operation by Tenant, this Lease shall automatically terminate as of the date said condemning authority takes possession of the Premises, and Landlord shall refund to Tenant any prepaid but unaccrued rental less any sum then owing by Tenant to Landlord.

B. If, after such taking by or sale to said condemning authority, the remainder of the Premises is susceptible to efficient and economic occupation and operation by Tenant, this Lease shall not terminate but the Base Rent due hereunder shall be adjusted so that Tenant shall be required to pay for the remainder of the Term hereof the sum obtained by multiplying each monthly Base Rent installment due hereunder (as adjusted from time to time pursuant to Paragraph 4, above) by a fraction, the numerator of which shall be the number of square feet remaining in the Premises after the taking by or sale to said condemning authority and the denominator of which shall be the square footage originally contained in the Premises. The Base Rent adjustment called for herein shall either not commence or be suspended until said condemning authority actually takes possession of the condemned portion of the Premises. All other terms and provisions shall remain unchanged unless otherwise provided for herein.

C. Landlord shall receive the entire award or payment from any condemnation and Tenant shall have no claim to that award or for the value to Landlord of any unexpired term of this Lease; provided, however, that Tenant shall have the right to appear in any condemnation proceeding or action to negotiate, prosecute and adjust any claim attributable to loss or damage to Tenant's trade fixtures and removable personal property, removal or relocation costs, and any loss to Tenant resulting from the unexpired portion of the Lease Term. If this Lease is not terminated pursuant to subparagraph A of this Paragraph, Landlord shall repair damage to the Premises caused by the condemnation (excluding Tenant's fixtures, furniture, equipment, personal property and leasehold improvements made by or on behalf of Tenant or any permitted assignee, subtenant or other occupant of the Premises), except that (i) Landlord shall not be obligated to repair any damage for which Tenant has been reimbursed by the condemning authority; and (ii) if the condemnation damages or payments received by Landlord are not sufficient to pay for such repair, Landlord shall have the right to terminate this Lease.

15. Utilities: Except where provided to the contrary below, Tenant shall be responsible, at Tenant's sole cost and expense, for obtaining all utility connections at or for the Leased Hangar and Tenant shall pay all charges for water, electricity, gas, sewer, telephone or any other utility connections, impact fees, tap-in fees and services furnished to the Leased Hangar during the term hereof. Tenant agrees to contact all utility service providers prior to any excavation or digging on the Leased Hangar or the premises in and around the Leased Hangar. Landlord shall in no event be liable or responsible for any cessation or interruption in any such utility services.

A. Notwithstanding the foregoing, Landlord and Tenant hereby acknowledge and agree to the terms and conditions contained in Exhibit D – Utility Expense Reimbursement Addendum, attached hereto and incorporated herein by reference wherein it sets forth which utility services will be provided and paid for by the Landlord and subsequently reimbursed by Tenant upon demand.

B. If Tenant is the responsible party for obtaining any of the utility connections at or for the Premises, any access or alterations to the Premises or to the Airport necessary to obtain any of such utility connections may be made only with Landlord's prior consent and at Tenant's sole expense.

C. In the event Tenant fails to pay any utility or connection charges for which Tenant is responsible, Landlord shall have the right (but not the obligation) to pay or cause to be paid such charges, fees or expenses, incurred by Tenant and the costs thereof expended by or caused to be expended by Landlord plus interest thereon as provided in Paragraph 40 of this Lease shall be paid by Tenant upon written demand.

D. Prior to executing this Lease Tenant acknowledges that it has, at its sole costs and expense, determined that all necessary utilities are available to the Premises and are adequate for Tenant's intended commercial use, and that there are no other utility services needed or required by Tenant at the Premises in connection herewith.

E. Landlord shall in no event be liable or responsible for any cessation or interruption in any utility services to the Premises.

16. Common Facilities:

A. So long as Tenant is not in default hereunder beyond any applicable cure period, Tenant and Tenant's owners, employees, agents, servants, customers and other invitees shall have the non-exclusive right to use all common facilities, improvements, equipment and services which may now exist or which may hereafter be provided by Landlord at the Airport for the accommodation and convenience of Landlord's customers and tenants, including landing and takeoff facilities, means of ingress and egress to the Premises, other Airport installations, and all other reasonable services which may be provided without charge from time to time by Landlord in operating the Airport ("Common Facilities"). All such Common Facilities shall at all times be under the exclusive control and management of Landlord and may be rearranged, modified, changed, restricted, closed, or terminated from time to time at Landlord's sole discretion.

B. Access Gates, Access Easements: *(Intentionally Left Blank)*

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

18. Rules and Regulations: Landlord has adopted the Airport Minimum Standards (as defined in Paragraph 12.A., above) and the "Addison Airport Rules and Regulations" (the "Rules and Regulations") which shall govern Tenant's use of and conduct on the Premises and all Common Facilities, a copy of which has been or will be furnished to Tenant. The Airport Minimum Standards and the Rules and Regulations are incorporated by reference as if

written verbatim herein, and Tenant agrees to comply fully at all times with them. Landlord shall have and reserves the right, in its sole discretion, to discontinue, amend, modify and alter the Airport Minimum Standards and the Rules and Regulations from time to time, and to adopt other rules, standards, or regulations applicable to the Airport, the Premises and Tenant as Landlord may deem necessary or appropriate, in its sole discretion, including for the purpose of assuring the safety, welfare and convenience of Landlord, Tenant and all other tenants, users, and customers of the Airport.

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

20. Landlord's Right of Entry: Landlord and Landlord's authorized representatives shall have the right, during normal business hours, to enter the Premises: (i) to inspect the general condition and state of repair thereof; (ii) to make repairs permitted under this Lease; (iii) to show the Premises to any prospective tenant, purchaser, or lender; or (iv) for any other reasonable and lawful purpose. Landlord and Landlord's authorized representatives have the right to enter the Premises at any time in the event of an emergency pertaining to the Premises. During the final one hundred eighty (180) days of the term hereof, Landlord and Landlord's authorized representatives shall have the right to erect and maintain on or about the Premises customary signs advertising the Premises for lease.

21. Indemnity and Exculpation and Release:

A. Exculpation. THE TOWN OF ADDISON, TEXAS AND ALL OTHER ADDISON PERSONS AND THE MANAGER PERSONS (FOR PURPOSES OF THIS SUBPARAGRAPH A, AS THE TERMS "ADDISON PERSONS" AND "MANAGER PERSONS" ARE DEFINED IN SUBPARAGRAPH B BELOW), SHALL NOT BE LIABLE TO TENANT OR TO ANY TENANT PERSONS (FOR PURPOSES OF THIS SUBPARAGRAPH A, AS THE TERM "TENANT PERSONS" IS DEFINED IN SUBPARAGRAPH B BELOW), 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 PREMISES OR ANY ADJACENT AREA OWNED BY LANDLORD CAUSED BY OR RESULTING FROM ANY ACT OR OMISSION OF TENANT OR ANY TENANT PERSONS OR ANY OTHER PERSON ENTERING THE PREMISES UNDER EXPRESS OR IMPLIED INVITATION OF TENANT OR ANY TENANT PERSONS, OR ARISING OUT OF THE USE OR OCCUPATION OF THE PREMISES BY TENANT OR BY ANY TENANT PERSONS, IN THE PERFORMANCE OF TENANT'S OBLIGATIONS HEREUNDER.

B. Tenant's Indemnity Obligation. TENANT AGREES TO AND SHALL FULLY DEFEND (WITH COUNSEL REASONABLY ACCEPTABLE TO LANDLORD), INDEMNIFY AND HOLD HARMLESS (i) THE TOWN OF ADDISON, TEXAS, AND THE ELECTED OFFICIALS, THE OFFICERS, EMPLOYEES, AGENTS, REPRESENTATIVES, AND VOLUNTEERS OF THE TOWN OF ADDISON, TEXAS, INDIVIDUALLY OR COLLECTIVELY, IN BOTH THEIR OFFICIAL AND PRIVATE CAPACITIES (THE TOWN OF ADDISON, TEXAS, AND THE ELECTED OFFICIALS, THE OFFICERS, EMPLOYEES, REPRESENTATIVES, AND VOLUNTEERS OF THE TOWN OF ADDISON, TEXAS EACH BEING AN "ADDISON PERSON" AND COLLECTIVELY THE "ADDISON PERSONS") AND (ii) AIRPORT MANAGER AND AIRPORT MANAGER'S OWNERS, OFFICERS, EMPLOYEES AND AGENTS (AIRPORT MANAGER AND AIRPORT MANAGER'S OWNERS, OFFICERS, EMPLOYEES AND AGENTS EACH BEING A "MANAGER PERSON" AND COLLECTIVELY THE "MANAGER PERSONS"), FROM AND AGAINST ANY AND ALL CLAIMS, ACTIONS, PROCEEDINGS, CAUSES OF ACTION, DEMANDS, LOSSES, LIENS, HARM, DAMAGES, PENALTIES, FINES, LIABILITIES, 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 ADDISON PERSON OR ANY MANAGER PERSON OR THE PREMISES, WHETHER DIRECTLY OR INDIRECTLY, (COLLECTIVELY FOR PURPOSES OF THIS SUBPARAGRAPH B, "DAMAGES"), THAT RESULT FROM, RELATE TO, OR ARISE OUT OF, IN WHOLE OR IN PART, (i) ANY CONDITION OF THE PREMISES CAUSED IN WHOLE OR IN PART BY TENANT OR BY 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 THEIR RESPECTIVE OWNERS, DIRECTORS, SHAREHOLDERS, PARTNERS, OFFICERS, MANAGERS, EMPLOYEES, AGENTS, REPRESENTATIVES, ENGINEERS, CONSULTANTS, CONTRACTORS, SUBCONTRACTORS, TENANTS, LICENSEES, INVITEES, PATRONS, AND CONCESSIONAIRES, OR ANY OTHER PERSON ACTING BY OR UNDER THE AUTHORITY OR WITH THE PERMISSION OF TENANT, TENANT'S TENANTS, OR ANY OTHER PERSON ENTERING THE PREMISES UNDER EXPRESS OR IMPLIED INVITATION OF TENANT DURING THE LEASE TERM (COLLECTIVELY, "TENANT PERSONS"); (II) ANY CONSTRUCTION ON OR REPAIR TO THE PREMISES, OR THE 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 PREMISES, REGARDLESS OF THE SOURCE, OR BY DAMPNES OR BY FIRE, EXPLOSION, FALLING PLASTER OR CEILING, (III) REPRESENTATIONS OR WARRANTIES BY TENANT UNDER THIS LEASE, AND/OR (IV) ANY ACT OR OMISSION OF TENANT OR ANY TENANT PERSONS UNDER, IN CONNECTION WITH, OR IN THE PERFORMANCE OF, THIS LEASE. 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 PERSON, THE AIRPORT MANAGER, OR ANY OTHER MANAGER PERSON, OR BY ANY ACT OR OMISSION BY THE TOWN OF ADDISON, TEXAS, ANY OTHER ADDISON PERSON, THE AIRPORT MANAGER, OR ANY OTHER MANAGER PERSON THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND.

TENANT SHALL PROMPTLY ADVISE LANDLORD IN WRITING OF ANY CLAIM OR DEMAND AGAINST THE TOWN OF ADDISON, ANY OTHER ADDISON PERSON, ANY MANAGER PERSON, OR TENANT OR ANY TENANT PERSON 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 ADDISON PERSONS AND MANAGER PERSONS, AS THE CASE MAY BE, SHALL HAVE THE RIGHT, AT THE ADDISON PERSONS' OR MANAGER PERSONS' (AS THE CASE MAY BE) OPTION AND AT THEIR OWN EXPENSE, TO PARTICIPATE IN SUCH DEFENSE WITHOUT RELIEVING TENANT OF ANY OF ITS OBLIGATIONS HEREUNDER.

C. Release. TENANT HEREBY RELEASES THE TOWN OF ADDISON, TEXAS AND ALL OTHER ADDISON PERSONS (AS THE TERM "ADDISON PERSONS" IS DEFINED IN SUBPARAGRAPH B. OF THIS PARAGRAPH 21) AND AIRPORT MANAGER AND ALL OTHER MANAGER PERSONS (AS THE TERM "MANAGER PERSONS" IS DEFINED IN SUBPARAGRAPH B. OF THIS PARAGRAPH 21) FROM, AND AGREES THAT THE TOWN OF ADDISON, TEXAS AND ALL OTHER ADDISON PERSONS, AND AIRPORT MANAGER AND ALL OTHER MANAGER PERSONS, SHALL NOT BE LIABLE TO TENANT OR ANY TENANT PERSONS (AS THE TERM "TENANT PERSONS" IS DEFINED IN SUBPARAGRAPH B. OF THIS PARAGRAPH 21) FOR (I) ANY DEATH OR INJURY TO ANY PERSON OR PERSONS OR DAMAGE TO OR DESTRUCTION OF PROPERTY OF ANY KIND RESULTING FROM THE 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 PREMISES, REGARDLESS OF THE SOURCE, OR BY DAMPNES OR BY FIRE, EXPLOSION, FALLING PLASTER OR CEILING OR FOR ANY OTHER REASON WHATSOEVER, AND FOR (II) ANY LOSS OR DAMAGE THAT MAY BE OCCASIONED BY OR THROUGH THE ACTS OR OMISSIONS OF OTHER TENANTS OF LANDLORD OR CAUSED BY OPERATIONS IN CONSTRUCTION OF ANY PRIVATE, PUBLIC OR QUASI-PUBLIC WORK.

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

22. **Environmental Compliance:**

A. **No Storage or Disposal:** 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 or by any Tenant Persons) on the Premises or any portion of the Common Facilities, any: (a) asbestos in any form; (b) urea formaldehyde foam insulation; (c) transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls in excess of 50 parts per million; or (d) any other chemical, material, air pollutant, toxic pollutant, waste, or substance which is regulated as toxic or hazardous or exposure to which is prohibited, limited or

regulated by the Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq., as amended or superseded), the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. §9601 et seq., as amended or superseded), the Hazardous Materials Transportation Act (49 U.S.C. §5101 et seq., as amended or superseded), the Toxic Substances Control Act (15 U.S.C. §2601 et seq., as amended or superseded), the Clean Air Act (42 U.S.C. §7401 et seq., as amended or superseded), and/or the Clean Water Act (33 U.S.C. §1251 et seq., as amended or superseded) (and any regulations promulgated pursuant to the foregoing Laws), or any other federal, state, county, regional, local or other governmental Laws, or which, even if not so regulated may or could pose a hazard to the health and safety of the occupants of the 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 applicable Law; or (ii) in any manner which is prohibited or deemed unsafe under applicable Law. (The substances referred to in the foregoing (a), (b), (c) or (d) are collectively referred to hereinafter as "Hazardous Materials").

B. Cleanup Laws; Tenant's Indemnity Obligation:

1. Tenant shall, at Tenant's sole cost and expense, comply with any presently existing or hereafter enacted Laws (including all rules, standards, regulations, or policies relating to Hazardous Materials (collectively, "Cleanup Laws"). In furtherance and not in limitation of the foregoing, Tenant shall, at Tenant's sole cost and 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 Premises and/or any portion of the Common Facilities 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 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 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 SUBPARAGRAPH B OF PARAGRAPH 21, ABOVE), AND THE MANAGER PERSONS (AS THE TERM "MANAGER PERSONS" IS DEFINED IN SUBPARAGRAPH B OF PARAGRAPH 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, MADE-UPON, INCURRED BY, SUFFERED BY, OR ASSERTED AGAINST ANY ADDISON PERSON OR ANY MANAGER PERSON OR THE PREMISES, WHETHER DIRECTLY OR INDIRECTLY, 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 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 SUBPARAGRAPH B OF PARAGRAPH 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 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 PARAGRAPH 22 SHALL BE RESTRAINABLE BY INJUNCTION.

C. **Environmental Notices:** 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. **Survival:** Tenant's obligations and liability pursuant to the terms of this Paragraph 22 shall survive the expiration or earlier termination of this Lease.

23. **Default by Tenant:** Each of the following shall be deemed to be an event of default by Tenant under this Lease:

A. Failure of Tenant to pay any installment of Rent, or to pay or cause to be paid taxes (to the extent Tenant is obligated to pay or cause same to be paid), utilities, insurance premiums, or any other sum payable to Landlord hereunder, on the date that same is due, and such failure shall continue thereafter for a period of ten (10) days (the "10-day Grace Period") and such failure shall not be cured within ten (10) days after written notice thereof (the "Cure Period") to Tenant (which Cure Period may overlap, in whole or in part, the 10 day Grace Period).

B. Failure of Tenant to comply with any term, condition or covenant of this Lease (other than the payment of Rent or other sum of money, or the payment of taxes, utilities or insurance premiums, or other payments Tenant is to make under this Lease) and such failure shall not be cured within thirty (30) days after written notice thereof to Tenant.

C. Tenant shall fail to deliver the Additional Deposit to Landlord within ten (10) days after the delivery by Landlord to Tenant of the Additional Deposit Notice.

D. Tenant, or any guarantor of Tenant hereunder, (i) becomes or is declared insolvent according to any Law, (ii) makes a transfer in fraud of creditors according to any applicable Law, or (iii) assigns or conveys all or a substantial portion of its property for the benefit of creditors.

E. Tenant or any guarantor of Tenant hereunder, files a petition for relief, or is the subject of an order for relief, under the United States Bankruptcy Code, as amended, or any other present or future federal or state insolvency, bankruptcy or similar Laws (collectively "Applicable Bankruptcy Law").

F. Appointment of a receiver or trustee for Tenant (or any guarantor of Tenant hereunder) or Tenant's (or any such guarantor's) property; or the interest of Tenant (or any such guarantor) under this Lease is levied on under execution or under other legal process; or any involuntary petition is filed against Tenant (or any such guarantor) under

Applicable Bankruptcy Law (provided, however, that no action described in this subparagraph F. or in subparagraphs D. or E. shall constitute a default by Tenant if Tenant (or any guarantor of Tenant hereunder) shall vigorously contest the action by appropriate proceedings and shall remove, vacate or terminate the action within sixty (60) days after the date of its inception.).

G. Abandonment by Tenant of any substantial portion of the Premises or cessation of use of the Premises for the purposes leased.

H. Tenant is in default of any other lease or agreement with, or any permit or license issued by, the Town of Addison, Texas.

24. Remedies of Landlord: Upon the occurrence of any of the events of default listed in Paragraph 23, Landlord, without prejudice to any legal, equitable, or other (including contractual) right or remedy to which it may be entitled, shall have the option to pursue any one or more of the following remedies without notice or demand whatsoever (and using lawful force if necessary or appropriate after providing written notice thereof, if any is required):

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

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

C. Recover unpaid rent and any Breach Damages (as "Breach Damages" are defined in this Paragraph 24, below).

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

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

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

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

H. Cure Tenant's default, and if Landlord so elects, Tenant must reimburse Landlord within thirty (30) days after Landlord delivers an invoice for the cure amounts paid or to be paid plus any reasonable expenses Landlord incurred effecting compliance with Tenant's obligations.

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

J. Charge interest on any amount not paid when due through the date of its payment at the Default Interest Rate (as set forth in Paragraph 40).

K. Recover, but only if Tenant fails to pay Rent and Landlord terminates this Lease or Tenant's right of possession with more than twelve (12) months remaining in the Term of this Lease, liquidated rental damages for the period after any such termination equal to twelve (12) times the monthly Rent due at the time of termination in lieu of any other contractual or legal measure of damages (including re-letting costs) for Tenant's non-payment of Rent, and the parties agree this is a reasonable estimate of Landlord's damages for such a breach given the uncertainty of future market rental rates and of the duration of any vacancy.

L. Exercise all other remedies available to Landlord at Law, in equity, or otherwise (including, without limitation, injunctive relief and any other remedy available under applicable Law).

For purposes of this Paragraph 24, "Breach Damages" means and includes, without limitation, all actual, incidental, and consequential damages, court costs, interest, and attorneys' fees arising from Tenant's breach or default of this Lease, including, without limitation, the cost to or incurred by Landlord of (a) recovering possession of the Premises,

(b) removing and storing the property of Tenant and any other occupant or user of the Premises, (c) re-letting of the Premises (including, without limitation, the costs of brokerage commissions and cleaning, decorating, repairing, or altering the Premises for a substitute tenant or tenants), (d) collecting any money owed by Tenant or a substitute tenant, (e) repairing any damage to the Premises caused by any Tenant or other occupant or user of the Premises, (f) performing any obligation of Tenant under this Lease, (g) any other loss or cost reasonably incurred by Landlord as a result of, or arising from, Tenant's breach of this Lease or Landlord's exercise of its rights and remedies for such breach, (h) any contractual or liquidated type or measure of damages, including but not limited to Rental Deficiency as such is defined below; and (i) any other type or measure of damages recoverable for any particular breach under applicable Law.

For purposes of this Paragraph 24, "Rental Deficiency" means a contractual measure of Breach Damages for Tenant's non-payment of Rent measured by either the (a) actual Rental Deficiency, which is the difference (never less than zero) between (i) the Rent due for, and other Rent allocable under this Lease to, each month beginning with the first month with respect to which Landlord receives Rent from re-letting the Premises, and (ii) the proceeds, if any, that Landlord actually collects from any substitute tenant for any part of the Premises in each corresponding month in which the Term and the term of the substitute tenant's lease overlap; or (b) market Rental Deficiency, which is the present value, discounted at 6% simple annual interest, of the difference (never less than zero) between (i) the rent otherwise due under this Lease during any period after Tenant's breach in which Landlord may elect to recover this damage measure, and (ii) the fair rental value of the Premises during that period, *plus* any costs incurred in connection with any actual or attempted re-letting and any other Breach Damages.

In determining the market Rental Deficiency, the fair rental value will be the total rent that a comparable tenant would pay for comparable space in a building of substantially equivalent quality, size, condition, and location, considering rental rates and concessions then prevalent in the marketplace, the remaining lease term, the expected vacancy, and any other relevant factors. An independent MAI appraiser selected by Landlord will determine the fair rental value of the Premises, and that determination will conclusively bind the parties in any computation of the market Rental Deficiency.

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

Pursuit of any of the foregoing remedies or rights shall not preclude pursuit of any of the other remedies or rights herein provided or any other remedies or rights provided by Law, in equity, or otherwise; nor shall pursuit of any remedy or right herein provided constitute a forfeiture or waiver of any Rent due to Landlord hereunder or of any damages accruing to Landlord by reason of the violation of any of the terms, conditions and covenants herein contained. If any of Tenant's property ("Tenant Property") remains upon the Premises upon the expiration of the Lease term or any earlier termination of this Lease or any repossession of the Premises by Landlord because of Tenant's default under this Lease, Landlord shall have the right to remove such Tenant Property from the Premises and store such Tenant Property, and Tenant shall be obligated to reimburse Landlord for all of the costs incurred by Landlord in removing and storing such Tenant Property. Landlord shall not be required to release any Tenant Property to Tenant until Tenant has paid Landlord all costs incurred by Landlord in removing and storing such Tenant Property and all other amounts owed by Tenant to Landlord pursuant to this Lease, including, without limitation, unpaid rental and costs incurred by Landlord to repair the Premises.

25. Default by Landlord: No default by Landlord hereunder shall constitute an eviction or disturbance of Tenant's use and possession of the Premises or render Landlord liable for damages; of any kind or nature, or entitle Tenant to be relieved from any of Tenant's obligations hereunder (including the obligation to pay Rent) or grant Tenant any right of deduction, abatement, set-off or recoupment, or entitle Tenant to take any action whatsoever with regard to the Premises or Landlord, until thirty (30) days after Tenant has given Landlord written notice specifically setting forth such default by Landlord, and Landlord has failed to cure such default within said thirty (30) day period, or in the event such default cannot be cured within said thirty (30) day period, then within an additional reasonable period of time so long as Landlord has commenced curative action within said thirty (30) day period and thereafter is diligently attempting to cure such default.

In the event that Landlord fails to cure such default within the said thirty (30) day period, or within said the additional reasonable period of time, Tenant shall have the right, as its sole and exclusive remedy, to proceed to cure such default and deduct the cost of curing same plus interest thereon at the rate of ten percent (10%) per annum from the next succeeding Base Rent installment(s) due by Tenant to Landlord hereunder.

If any mortgagee of Landlord has given Tenant its address for notices and specifically requests such notice, Tenant agrees to give the notice required hereinabove to such mortgagee at the time Tenant gives same to Landlord, and to accept curative action, if any, undertaken by such mortgagee as if such curative action had been taken by Landlord.

The liability of Landlord (and all other Addison Persons and all Manager Persons) for any default by Landlord under this Lease shall be limited to an amount equal to twelve (12) months of Base Rent (the amount of such Base Rent being the amount in effect at the time of such default), and Landlord (and all other Addison Persons and all Manager Persons) shall not be otherwise or personally liable for any deficiency, claim, harm, loss, judgment, liability, or for any other matter whatsoever, and Tenant (for itself and all Tenant Persons) fully waives all other rights of recovery against Landlord (and all other Addison Persons and all Manager Persons) and any assets of Landlord (and all other Addison Persons and all Manager Persons).

26. Mitigation of Damages:

A. Landlord and Tenant agree to the following criteria in connection with Landlord's mitigation of damages after a default by Tenant and abandonment of the Premises by Tenant under this Lease (such mitigation, being by means of marketing the Premises for lease, to commence not more than sixty (60) days after Tenant physically vacates the Premises and to continue until the Premises have been relet):

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

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

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

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

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

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

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

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

B. Tenant's right to seek damages as a result of a default by Landlord under this Lease shall be conditioned on Tenant taking all actions reasonably required, under the circumstances, to minimize any loss or damage to Tenant's property or business, or to any of Tenant's officials, officers, employees, agents, invitees, or other third parties that may be caused by any such default of Landlord.

27. Waiver of Subrogation: Each party hereto waives any and every claim which arises or may arise in such party's favor against the other party hereto during the term of this Lease for any and all loss of, or damage to, any of such party's property located within or upon, or constituting a part of the Premises, which loss or damage is covered by valid and collectible casualty, fire and extended coverage insurance policies, to the extent that such loss or damage is recoverable under such insurance policies. Such mutual waivers shall be in addition to, and not in limitation or derogation of, any other waiver or release contained in this Lease with respect to any loss of, or damage to, property of the parties hereto. Inasmuch as such mutual waivers will preclude the assignment of any aforesaid claim by way of subrogation or otherwise to an insurance company (or any other person), each party hereby agrees immediately to give to each insurance company which has issued to such party policies of casualty, fire and extended coverage insurance, written notice of the terms of such mutual waivers, and to cause such insurance policies to be properly endorsed, if necessary, to prevent the invalidation of such insurance coverages by reason of such waivers.

28. Title to Improvements: The Town of Addison, Texas, is the sole owner of the Premises. Any and all improvements made to the Premises by Tenant shall become the property of Landlord upon the expiration or termination of this Lease; provided, however: (i) if Tenant is not then in default hereunder, Tenant shall have the right to remove all personal property, equipment, or removable trade fixtures owned by Tenant from the Premises, but Tenant shall be required to repair any damage to the Premises caused by such removal in a good and workmanlike manner and at Tenant's sole cost and expense; and (ii) Landlord may elect to require Tenant to remove all improvements made to the Premises by Tenant and restore the Premises to the condition in which the same existed on the Commencement Date hereof, in which event Tenant shall promptly perform such removal and restoration in a good and workmanlike manner and at Tenant's sole cost and expense. If Tenant fails or refuses to remove any or all of Tenant's personal property, equipment, and trade fixtures from the Premises on or before the date of the termination of this Lease, the items which Tenant has failed or refused to remove: (i) shall be considered abandoned by Tenant, (ii) shall become the property of Landlord, and (iii) may be disposed of by Landlord in any manner desired by Landlord in Landlord's unfettered discretion.

29. Mechanics' and Materialmen's Liens: **TENANT AGREES TO DEFEND, INDEMNIFY AND HOLD LANDLORD HARMLESS OF AND FROM ALL LIABILITY ARISING OUT OF THE FILING OF ANY MECHANICS' OR MATERIALMEN'S LIENS AGAINST THE PREMISES BY REASON OF ANY ACT OR OMISSION OF TENANT OR ANYONE CLAIMING BY, THROUGH, OR UNDER TENANT; AND LANDLORD, AT LANDLORD'S OPTION, MAY SATISFY SUCH LIENS AND COLLECT THE AMOUNT EXPENDED FROM TENANT TOGETHER WITH INTEREST THEREON AS PROVIDED IN PARAGRAPH 40 AS ADDITIONAL RENT; PROVIDED, HOWEVER, THAT LANDLORD SHALL NOT SO SATISFY SUCH LIENS UNTIL THIRTY (30) DAYS AFTER WRITTEN NOTIFICATION TO TENANT OF LANDLORD'S INTENTION TO DO SO AND TENANT'S FAILURE DURING SUCH THIRTY (30) DAY PERIOD TO BOND SUCH LIENS OR ESCROW FUNDS WITH APPROPRIATE PARTIES TO PROTECT LANDLORD'S INTEREST IN THE PREMISES.**

30. Title: Tenant enters into this Lease and accepts the Premises subject to: (i) the Airport Minimum Standards and the Rules and Regulations as amended or modified from time to time; (ii) easements, rights-of-way, and other interests in or encumbrances on Property (whether or not recorded) that may affect the Premises; (iii) all Laws promulgated by any governmental authority having jurisdiction over the Premises, and (iv) all of the terms, conditions, and provisions of this Lease.

31. Quiet Enjoyment and Subordination: Landlord represents that Tenant, upon Tenant's payment of the Rent and other payments herein required and provided for, and Tenant's performance of the terms, conditions, covenants and agreements herein contained, shall peaceably and quietly have, hold and enjoy the Premises during the full Term of this Lease; provided, however, that Tenant accepts this Lease subject and subordinate to any recorded mortgage, deed of trust or other lien presently existing upon, or to any other matter affecting, the Premises. Landlord further is hereby irrevocably vested with full power and authority by Tenant to subordinate Tenant's interest hereunder to any mortgage, deed of trust, ground or other lease ("ground lease"), or other lien now existing or hereafter placed on the Premises or to declare this Lease prior and superior to any mortgage, ground lease, deed of trust or other lien now existing or hereafter placed on the Premises (and Tenant agrees upon demand to execute such further instruments subordinating this Lease as Landlord may request), provided such subordination shall be upon the express conditions that (i) this Lease shall be recognized by the mortgagee (or ground lessor or holder of such other lien or interest) and that all of the rights of Tenant shall remain in full force and effect during the full term of this Lease so long as Tenant attorns to the mortgagee, its successor and assigns (or ground lessor or holder of such other lien or interest, their successors and assigns) and pays timely all Rent and other payments due hereunder and performs all of the duties and obligations of Tenant under this Lease; and (ii) in the event of foreclosure or any enforcement of any such mortgage, deed of trust, ground lease, or other lien, the rights of Tenant hereunder shall expressly survive and this Lease shall in all respects continue in full force and effect so long as Tenant shall fully perform all Tenant's obligations under this Lease and attorn to the mortgagee, its successor and assigns (or ground lessor or holder of such other lien or interest, their successors and assigns). Tenant also agrees upon demand to execute further instruments declaring this Lease prior and superior to any mortgage, deed of trust, ground lease, or other lien and specifically providing that this Lease shall survive any foreclosure of such mortgage, deed of trust or other lien, or action to terminate a ground lease affecting the Premises. Upon any foreclosure of any mortgage, deed of trust or other lien now existing or hereafter placed on the Premises (or any sale in lieu thereof), or upon termination of a ground lease affecting the Premises, Tenant agrees to attorn to and recognize as landlord hereunder, the purchaser of Landlord's interest in the Premises at any foreclosure sale (or sale in lieu thereof) pursuant to any such mortgage, deed of trust or other lien, or the ground lessor (in the event of termination of a ground lease), if Tenant is required to do so by the applicable party (and Tenant agrees to execute an instrument to that effect as may be provided by such applicable party).

32. Access and Egress: Landlord reserves, and Tenant hereby grants to Landlord, the full and unrestricted access to and egress from that portion of the Premises on which buildings or improvements are not located for Landlord, its tenants, employees, guests, patrons, invitees, contractors, suppliers of materials, furnishers of services, its or their equipment, vehicles, machinery and other property, and Manager, its officers, employees and agents, without charge to Landlord or to said persons or entities.

33. Rent on Net Return Basis: It is intended that the rent provided for in this Lease shall be an absolutely net return to Landlord for the term of this Lease, free of any loss, expenses or charges with respect to the Premises including, without limitation, maintenance, repairs, replacement, insurance, taxes and assessments, and this Lease shall be construed in accordance with such intention.

34. Holding Over: Should Tenant, or any of Tenant's successors in interest fail to surrender the Premises, or any part thereof, on the expiration of the term of this Lease, such holding over shall constitute a tenancy from month to month only terminable at any time by either Landlord or Tenant after thirty (30) days' prior written notice to the other, at a monthly rental equal to one hundred fifty percent (150%) of the Base Rent paid for the last month of the Term of this Lease.

35. Waiver of Default: No waiver by the parties hereto of any default or breach of any term, condition or covenant of this Lease shall be deemed to be a waiver of any subsequent default or breach of the same or any other term, condition or covenant contained herein. Landlord will not be deemed to have waived any right or remedy, or Tenant's breach of any obligation under this Lease, unless Landlord delivers a signed writing, addressed to Tenant and explicitly relinquishing that right, remedy or breach. No custom or practice arising during the Term of this Lease will waive, or diminish, Landlord's right to insist upon strict performance of Tenant's obligations. No restrictive endorsement or other statement on or accompanying any check or payment will be deemed an accord and satisfaction or novation, and Landlord will be entitled to accept any such check or payment, without prejudice, to Landlord's rights to recover the full amount due and to exercise its other remedies.

36. Release of Landlord Upon Transfer: All of Landlord's personal liability for the performance of the terms and provisions of this Lease (except for any liability accruing prior to such transfer) shall terminate upon a transfer

of the Premises by Landlord, provided that the obligations of Landlord under this Lease are covenants running with the land and shall be binding upon the transferee of Landlord's interest in this Lease and the Premises.

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

38. Financial Information: Tenant agrees that Tenant will from time to time, upon the written request of Landlord during the term of this Lease furnish to Landlord such credit and banking references as Landlord may reasonably request.

39. Estoppel Certificates:

A. Tenant agrees that from time to time, upon not less than thirty (30) days' prior written request by Landlord, Tenant will deliver to Landlord a statement in writing certifying: (i) that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease as modified is in full force and effect and stating the modifications); (ii) the dates to which rent and other charges have been paid; (iii) Landlord is not in default under any term or provision of this Lease or, if then in default, the nature thereof in detail in accordance with an exhibit attached thereto; (iv) that, if requested by Landlord, Tenant will not pay Rent more than one (1) month in advance, (v) that this Lease will not be amended without notice to Landlord's mortgagee (or such other person as Landlord may identify), and (vi) that this Lease will not be terminated by Tenant without the same notice required by this Lease to be furnished by Tenant to Landlord also being furnished by Tenant to Landlord's mortgagee (or such other person as Landlord may identify), and Landlord's mortgagee (or such other person as Landlord may identify) shall have the same opportunity to cure such default within the curative period as allowed Landlord under this Lease; and (vii) any other information pertaining to Landlord, Tenant, this Lease or the Premises reasonably requested by Landlord.

B. Landlord agrees that from time to time, upon not less than thirty (30) days' prior written request by Tenant, Landlord will deliver to Tenant a statement in writing certifying: (i) that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease as modified is in full force and effect and stating the modifications); (ii) the dates to which Rent and other charges have been paid; and/or (iii) Tenant is not in default under any term or provision of this Lease or if in default the nature thereof in detail in accordance with an exhibit attached thereto.

40. Interest on Tenant's Obligations and Manner of Payment: All monetary obligations of Tenant to Landlord under this Lease remaining unpaid ten (10) days after the due date of the same (if no due date has been established under other provisions hereof, the "due date" shall be the date upon which Landlord demands payment from Tenant in writing) shall bear interest per annum at the lesser of ten percent (10%) or the highest non-usurious rate then allowed by Law (the "Default Interest Rate"), from and after said tenth (10th) day until paid. If more than twice during the term of the Lease Tenant's personal or corporate check is not paid by the bank on which it is drawn for whatever reason, Landlord may require by giving written notice to Tenant that the payment of all future monetary obligations of Tenant under this Lease are to be made on or before the due date by cashier's check, certified check or money order, and the delivery of Tenant's personal or corporate check will no longer constitute payment of such monetary obligations. Any acceptance by Landlord of a personal or corporate check after such notice shall not be deemed or construed as a waiver or estoppel of Landlord to require other payments as required by said notice.

41. Landlord's Lien: In addition to the constitutional and statutory Landlord's liens, ~~TENANT HEREBY GRANTS TO LANDLORD A SECURITY INTEREST TO SECURE PAYMENT OF ALL RENT DUE HEREUNDER FROM TENANT, UPON ALL GOODS, WARES, EQUIPMENT, FIXTURES, FURNITURE AND OTHER PERSONAL PROPERTY OWNED BY TENANT AND SITUATED IN OR UPON THE PREMISES, TOGETHER WITH THE PROCEEDS FROM THE SALE OR LEASE THEREOF.~~

Such property shall not be removed without the consent of Landlord until all arrearages in rent then due to Landlord hereunder shall have been paid and discharged. Upon Tenant's failure to pay rent due within ten (10) days after the due date, Landlord may, in addition to any other remedies provided herein or by Law, enter upon the Premises and take possession of any and all goods, wares, equipment, fixtures, furniture and other personal property owned by Tenant and situated on the Premises without liability for trespass or conversion, and sell the same at public or private sale with

or without having such property at the sale, after giving Tenant reasonable notice of the time and place of any such sale. Landlord has no right to and has no security interest in and may not take possession of any property which may be situated on the Premises but which is not owned by Tenant, including but not limited to property which may be owned by another and leased and/or loaned to Tenant. Unless otherwise required by Law, notice to Tenant of such sale shall be deemed sufficient if given in the manner prescribed in this Lease at least thirty (30) days before the time of the sale. Any public sale made under this Paragraph shall be deemed to have been conducted in a commercially reasonable manner if held in the Premises or where the property is located, after the time, place and method of sale and a general description of the types of property to be sold have been advertised in a daily newspaper published in Dallas County, Texas, for five (5) consecutive days before the date of the sale. Landlord or Landlord's assigns may purchase at a public sale and, unless prohibited by Law, at a private sale. The proceeds from any disposition dealt with in this paragraph, less any and all expenses connected with the taking of possession, holding and selling of the property including reasonable attorneys' fees and legal expenses), shall be applied as a credit against the indebtedness secured by the security interest granted herein. Any surplus shall be paid to Tenant or as otherwise required by Law, and Tenant shall pay any deficiency forthwith.

Upon request by Landlord, Tenant agrees to execute, as debtor, and deliver to Landlord financing statements in form sufficient as may be necessary to perfect the security interest of Landlord in the aforementioned property and proceeds thereof under the provisions of the Texas Business and Commerce Code. Landlord may at its election at any time file in the appropriate County records a copy of this Lease as a Financing Statement. Landlord, as Secured Party, has all of the rights and remedies afforded a secured party under the Texas Uniform Commercial Code in addition to and cumulative of the landlord's liens and rights provided by Law or by the other terms and provisions of this Lease. The constitutional and statutory liens for rent are expressly reserved; the security interest herein granted is in addition and supplementary thereto.

42. Corporate Execution: If Tenant is a corporation or if this Lease shall be assigned by Tenant to a corporation or if Tenant sublets all or a portion of the Premises to a corporation, such corporation hereby agrees to execute and deliver to Landlord from time to time during the Term of this Lease such instruments as Landlord may reasonably request to evidence: (i) the authority of such corporation to transact business good standing with the State of Texas; and (ii) the authority of the officers of such corporation to execute this Lease or other documents in connection with this Lease.

43. Joint and Several Liability: If more than one person or entity is defined as Tenant in this Lease, all of the duties, obligations, promises, covenants and agreements contained in this Lease to be paid and performed by Tenant shall be the joint and several obligation of all persons or entities defined as Tenant. Each person or entity defined as Tenant agrees that Landlord, in Landlord's sole discretion, may: (i) institute or bring suit against them, jointly and severally, or against any one or more of them; (ii) compromise or settle with any one or more of them for such consideration as Landlord may deem proper; and (iii) release one or more of them from liability hereunder, and that no such action by Landlord shall impair or affect Landlord's rights to collect costs, expenses, losses or damages incurred or suffered by Landlord from the other persons or entities defined as Tenant, or any of them, not so sued, compromised, settled with or released.

44. Certificate of Occupancy: Tenant may take possession of the Premises pursuant to the terms and conditions of this Hangar Lease, however may not occupy the Premises without first being issued a valid Certificate of Occupancy pursuant to the Town of Addison, Texas Code of Ordinances, Part II, Chapter 18, Article II, Division 2, Section 18-53. Tenant may apply for a Certificate of Occupancy any time after the Effective Date of this Agreement. If for any reason, beyond the reasonable control of Tenant, Tenant is unable to secure a Certificate of Occupancy within thirty (30) days prior to the Commencement Date, Tenant may terminate this Lease provided Tenant has given Landlord written notice of all deficiencies preventing the issuance of said Certificate of Occupancy in favor of Tenant and Landlord fails to cure or otherwise resolve the deficiency(ies) within ten (10) business days of Landlord's receipt of Tenant's written notice. Nothing herein contained shall obligate Landlord to install any additional electrical wiring, plumbing or plumbing fixtures, or other fixtures or equipment or any other improvements whatsoever which are not presently existing in the Premises, or which have not been expressly agreed upon by Landlord in writing.

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

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

47. **Exhibits:** All exhibits, attachments, annexed instruments and addenda referred to herein shall be considered a part hereof for all purposes with the same force and effect as if copied verbatim herein.

48. **Use of Language; No Third Party Beneficiaries:** Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular shall be held to include the plural, unless the context otherwise requires. For purposes of this Lease, "includes" and "including" are terms of enlargement and not of limitation or exclusive enumeration, and use of the terms does not create a presumption that components not expressed are excluded.

Where Landlord consent or approval is required in this Lease, such consent or approval may be given by the City Council of the Town of Addison, Texas or by the City Manager of the Town of Addison.

Except as otherwise set forth in this Lease, this Lease and each of its 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.

49. **Captions:** The captions or headings or paragraphs in this Lease are inserted for convenience only, and shall not be considered in construing the provisions hereof if any question of intent should arise.

50. **Successors:** The terms, conditions and covenants contained in this Lease shall apply to, inure to the benefit of, and be binding upon the parties hereto and their respective successors in interest and legal representatives except as otherwise herein expressly provided. All rights, powers, privileges, immunities and duties of Landlord under this Lease including, but not limited to, any notices required or permitted to be delivered by Landlord to Tenant hereunder may, at Landlord's option, be exercised or performed by Landlord's agent or attorney.

51. **Severability:** The terms and provisions of this Lease are severable, and if any term or provision in this Lease should be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Lease shall not be affected thereby, and the invalid or unenforceable term or provision will be reformed to give effect (to the fullest extent possible) to the parties' intentions in a manner that is legal, valid, and enforceable. It is the parties' intent that the term of this Lease not exceed any statutory limit; if it should be determined that the term of this Lease exceeds such period of time, the term hereof shall be reformed so as to make the term hereof not exceed such period of time.

52. **Notices:** Any notice or document required to be delivered or given hereunder may be delivered in person or shall be deemed to be delivered, whether actually received or not, when deposited in the United States mail, postage prepaid as registered or certified mail (return receipt requested is optional by sender), addressed to the parties at the addresses indicated below, or at such other addresses as may have theretofore been specified by written notice delivered in accordance herewith.

TO LANDLORD:

Town of Addison, Texas
c/o Airport Manager
16051 Addison Road, Suite 220
Addison, Texas 75001
Attn: Real Estate Manager
and
Town of Addison, Texas
P.O. Box 9010
5300 Beltline Road
Dallas, TX 75001-9010

TO TENANT:

ADS US Sport Aircraft LLC
4700 Airport Parkway
Addison, Texas 75001

Attn: Patrick Arnzen

Title: President

53. **Fees or Commissions:** Each party hereto hereby covenants and agrees with the other that such party shall be solely responsible for the payment of any brokers', agents' or finders' fees or commissions agreed to by such party arising from the execution of this Lease or the performance of the terms and provisions contained herein, **AND SUCH PARTY AGREES TO INDEMNIFY AND HOLD THE OTHER PARTY HARMLESS FROM THE PAYMENT OF ANY SUCH FEES OR COMMISSIONS.**

54. **Counterparts:** This Lease may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

55. **Governing Law and Venue:** This Lease and all of the transactions contemplated herein shall be governed by and construed in accordance with the Laws of the State of Texas, without regard to conflict of Law provisions of any jurisdiction; and Landlord and Tenant both irrevocably agree that venue for any dispute concerning this Lease or any of the transactions contemplated herein shall be in any court of competent jurisdiction in Dallas County, Texas, and the parties submit themselves to the jurisdiction of such courts.

56. **No Recording:** Tenant agrees that Tenant will not record this Lease in the real property records of Dallas County, Texas, without first securing the prior written consent of Landlord, which may be withheld at Landlord's sole discretion. However, Tenant agrees upon the written request of Landlord to execute, acknowledge and deliver to Landlord a short-form lease in recordable form.

57. **Diagram:** The diagram of the Leased Premises attached hereto as Exhibit C merely evidences existing or contemplated improvements. By attaching such diagram as an exhibit to this Lease, Landlord is in no way contracting or bound to maintain or construct improvements exactly as shown thereon or prohibited from making additional or different improvements.

58. **Time of Essence:** Time is of the essence in the payment and performance of the duties and obligations imposed upon Tenant by the terms and conditions of this Lease.

59. **Survival:** All duties and obligations imposed upon Tenant by the terms and conditions of this Lease shall survive the termination or expiration of this Lease until paid or performed.

60. **Special Conditions:**

Intentionally Left Blank

61. **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 Lease 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.

62. **Entire Agreement and Amendments:** This Lease, consisting of sixty-two (62) Paragraphs and Exhibits A through E attached hereto and made a part hereof, together with the premises and recitals to this Lease set forth above which are incorporated herein, and any other documents incorporated herein (including, without limitation, the Rules and Regulations), embodies the entire agreement between Landlord and Tenant and supersedes all prior agreements and understandings, whether written or oral, and all contemporaneous oral agreements and understandings relating to the subject matter hereof. Except as otherwise specifically provided herein, no agreement hereafter made shall be effective to change, modify, discharge or effect an abandonment of this Lease, in whole or in part, unless such agreement is in writing and signed by or on behalf of the party against whom enforcement of the change, modification, discharge or abandonment is sought.

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

LANDLORD:

TOWN OF ADDISON, TEXAS
a home-ruled municipality

By:


Charles W. Daniels, City Manager

TENANT:

ADS US SPORT AIRCRAFT LLC
a Texas limited liability company

By:



Patrick Arnzen, President

EXHIBIT A

Legal Description of Leased Premises

4660 Jimmy Doolittle Drive, Addison Airport, Addison, Texas 75001

PROPERTY # 0210 BUILDING # S1

BEING a tract of land situated in the Edward Cook Survey, Abstract No. 326, in the Town of Addison, Dallas County, Texas, being located on the Addison Municipal Airport, and being more particularly described as follows:
COMMENCING at a 1/2-inch iron rod found at the southwest corner of Tract I as described in the unrecorded Ground Lease #0200-3502 to Turbine Aircraft Service;
THENCE N 68°46'16" E, along the south line of said Tract I, 382.13 feet to a cut "X" set at the northeast corner of Parcel E as described in said unrecorded Ground Lease #0200-3502 to Turbine Aircraft Service and the POINT of BEGINNING;
THENCE N 68°46'16" E, continuing along the south line of said Tract I, 11.38 feet to a cut "X" found at the southeast corner of said Tract I;
THENCE N 21°13'15" W, along the east line of said Tract I, 30.99 feet to a cut "X" found at the southwest corner of Parcel D as described in said unrecorded Ground Lease #0200-3502 to Turbine Aircraft Service;
THENCE N 68°56'04" E, departing the east line of said Tract I, along the south line of said Parcel D, 14.96 feet to a cut "IX" found at the southeast corner of said Parcel D;
THENCE N 21°16'25" W, along the east line of said Parcel D, 113.96 feet to a 1/2-inch iron rod found at the northeast corner of said Parcel D;
THENCE S 68°43'35" W, along the north line of said Parcel D, 14.96 feet to a "PK" nail set at the northwest corner of said Parcel D and lying in the east line of said Tract I;
THENCE N 21°16'25" W, along the east line of said Tract I, 3.76 feet to a "1PK" nail set in the south line of Jimmy Doolittle Drive (Unrecorded 60 foot right-of-way);
THENCE N 68°19'44" E, along the south line of said Jimmy Doolittle Drive, 112.95 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";
THENCE S 21°13'44" E, departing the south line of said Jimmy Doolittle Drive, 130.21 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";
THENCE S 68°46'16" W, 15.16 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";
THENCE S 21°13'44" E, 11.87 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";
THENCE N 68°46'16" E, 20.85 feet to a "PK" nail set;
THENCE S 21°13'44" E, 52.03 feet to a "PK" nail set in the north line of Taxiway Sierra;
THENCE S 68°36'46" W, along the north line of said Taxiway Sierra, 129.93 feet to a "PK" nail set;
THENCE N 21°13'44" W, continuing along the north line of said Taxiway Sierra, at 15.72 feet passing the north line of said Taxiway Sierra and southeast corner of said Parcel E, continuing along the east line of said Parcel E, in all a distance of 44.95 feet to the POINT OF BEGINNING and containing 0.478 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 15 Condition II Survey.

Brad Sparr, Registered Professional,
Land Surveyor No. 3701

EXHIBIT C

Aerial Depiction of Leased Premises

Below is a depiction of the proximity of the Leased Premises for informational purposes only and is not to be construed as accurate in area or dimension.



EXHIBIT D**Utility Expense Reimbursement Addendum****ADDENDUM TO THE CONVENTIONAL HANGAR LEASE FOR COMMERCIAL AVIATION USE WITH THE EFFECTIVE DATE OF AUGUST 1, 2015 CONCERNING THE LEASED PREMISES LOCATED AT 4660 JIMMY DOOLITTLE DRIVE, ADDISON AIRPORT, ADDISON, DALLAS COUNTY, TEXAS 75001**

A. The party designated below will pay for the following utility charges serving the Premises including any related connection/disconnection charges assessed by the service provided:

(Check or mark once per line. *Note: if a check is omitted or not made for any one line item or, if more than one check or mark is made per any one line item, Tenant is the responsible party to procure and pay for such service).*

(1)	(2) N/A	(3) Landlord	(4) Tenant	(5) Provided by Landlord & Reimbursed By Tenant	(6) Further Description If Any
1. Water	<input type="checkbox"/>			√	
2. Sewer	<input type="checkbox"/>			√	
3. Electric	<input type="checkbox"/>			√	
4. Gas				√	
5. Telephone/Data	<input type="checkbox"/>	<input type="checkbox"/>	√	<input type="checkbox"/>	
6. Trash	<input type="checkbox"/>	<input type="checkbox"/>	√	<input type="checkbox"/>	
7. Cable	<input type="checkbox"/>	<input type="checkbox"/>	√	<input type="checkbox"/>	
8. Other	√	<input type="checkbox"/>	√	<input type="checkbox"/>	
9. Other	√	<input type="checkbox"/>	<input type="checkbox"/>		
10. Other	√	<input type="checkbox"/>	<input type="checkbox"/>		

The responsible party so designated above (i) may select or change the utility service provider from time to time over the term of the Lease, and (ii) shall be responsible, at its sole cost and expense, for obtaining and maintaining said utility connections at or for the Premises.

B. All utilities to be provided by Landlord and reimbursed by Tenant as indicated above (Column 5) shall be paid as follows:

1. In addition to the Base Rent, Tenant will pay Landlord as Additional Rent the costs for the utility services indicated herein and directly attributable or reasonably allocable to the Premises and associated with the referenced accounts (where each account is an account of or for Landlord)

Initialed By Tenant: _____

2. Each month Landlord shall submit to Tenant an invoice for all such utility costs, including taxes, fees and other related costs, billed to Landlord for the preceding billing cycle. Tenant shall pay, as Additional Rent, the amount of each such invoice no later than the first day of the month following the date of the invoice (and the obligation to pay the invoice for the last month (or partial month) of this Hangar Lease shall survive the expiration or termination of this Hangar Lease). Landlord agrees to reasonably cooperate with Tenant in the event Tenant, at Tenant's sole cost, should desire to inquire about, or to protest or appeal, the charges being assessed by the utility service provider. To this end, Tenant shall give Landlord prior written notice of any such protest or appeal, and resolution thereof.
3. Landlord agrees not to assess any rebilling or administrative service fees for utility costs covered under this addendum.
4. Tenant's failure to timely pay said utility costs as Additional Rent shall be deemed to be an event of default by Tenant under the Lease. Landlord reserves all rights and remedies available to it under the Lease and by Law to collect all Rent due.

Initialed By Tenant:

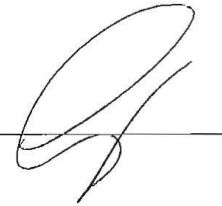
A handwritten signature in black ink, consisting of a large, stylized 'S' or 'G' shape, followed by a horizontal line.

EXHIBIT E

4660 Jimmy Doolittle Drive
Addison, Texas

Maintenance and Repair Responsibilities

	<u>Landlord</u>	<u>Tenant</u>	<u>Comment</u>
Ground Maintenance			
Building & Gate Locksmithing & Security	Maintains Public Access Gate 7	All, as required by Tenant's use and all Laws, including ordinances, rules and regulations. All doors and gates leading to Airport Operations Area are to be kept secured at all times.	
Fencing	Landlord maintains Airport perimeter fence (damage to such fence caused by or resulting from any of Tenant's, or its guests' and invitees, acts or omissions shall be paid for by Tenant)	All other fencing upon the Premises, <i>if any</i> , is Tenant's responsibility.	The fence at 4550 Jimmy Doolittle Drive is not included on the leased premises herein described.
Landscape & Lawn Care	All turf, beds and planters within the Premises		
Landscape Irrigation	Minimum requirements by City ordinance		
Pavement - Parking	Structural repairs and reconstruction	Regular sweeping and snow removal. Any damage other than that resulting from normal wear and tear. Painting and striping as required for intended use or required by ordinance or otherwise by Landlord with Landlord's prior written consent.	
Pavement - Ramp	Structural repairs and reconstruction	Regular sweeping and snow removal. Any damage other than that resulting from normal wear and tear. Painting and striping as required for intended use, safe operations or as required by Landlord and with Landlord's prior written	

	<u>Landlord</u>	<u>Tenant</u>	<u>Comment</u>
		consent.	
Trash Dumpster	Landlord to manage and maintain service.		
Trash Dumpster screening, if required	Landlord is responsible for constructing and maintaining screening, if required.	Constructed and maintained at Tenant's sole cost and expense.	
<u>Building Shell</u>			
Garage Overhead & Service Doors	Major repairs and replacement if required at sole discretion of Landlord.	General preventive maintenance and basic service.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Hangar Doors	Major repairs and replacement if required at sole discretion of Landlord	General preventive maintenance and basic service.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Hangar Floor	Major repairs and replacement if required at sole discretion of Landlord.	General preventive maintenance, sweeping, cleaning and safety markings as required by Landlord.	
Building & Hangar Insulation, if existing	Major repairs and replacement if required at sole discretion of Landlord.	General preventive maintenance, repair and replacement where required.	
Painting and cleaning of building exterior	Performed by Landlord at Landlord's sole expense and discretion.	General preventive maintenance, repair and replacement where required.	
Repairs to exterior siding	Performed by Landlord at Landlord's sole expense and discretion	General preventive maintenance, repair and replacement where required.	(damage caused by or resulting from Tenant, Tenant's employees, or its

	<u>Landlord</u>	<u>Tenant</u>	<u>Comment</u>
building, fascia, trim, etc.			guests' and invitees, acts or omissions shall be paid for by Tenant)
Window and Glass Curtain Walls	Major repairs and replacement when required at sole discretion of Landlord.	General preventive maintenance, repair and replacement where required.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Roof	Major repairs and replacement when required at sole discretion of Landlord.	No penetrations without Landlord's prior written approval.	
Roof rain-gutters and downspouts	Major repair and replace as required.	General preventive maintenance, repair and replacement where required.	
Interior - Finish-out			
Interior Doors	Major repairs and replacement when required at sole discretion of Landlord.	General preventive maintenance, repair and replacement where required.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Office/shop space flooring and floor cover	Major repairs and replacement at sole discretion of Landlord.	Major repair and replacement with Landlord's prior consent. General preventive maintenance, cleaning, repair and replacement where required.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Painting Interior		Repainting similar to existing condition. Major change in color, texture and material must be with Landlord's prior written consent. General preventive maintenance, cleaning,	Office area only

	<u>Landlord</u>	<u>Tenant</u>	<u>Comment</u>
		repair and replacement where required.	
Walls & Ceilings	Major repairs and replacement at sole discretion of Landlord.	Repainting or repairing similar to existing condition. Major change in color, texture and material must be with Landlord's prior written consent. General preventive maintenance, cleaning, repair and replacement where required. Applicable to office area only.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Building Systems			
Air Compressor		Tenant's full responsibility.	
Electrical Systems	Major repairs and replacement at sole discretion of Landlord.	General maintenance and repair. Replacement or material change only with Landlord's prior written consent.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Exterior Lighting & maintenance	Major repairs and replacement at sole discretion of Landlord. Landlord to replace bulbs as necessary.	Replacement or material change only with Landlord's prior written consent.	
Hangar light repair and replacement	Major repairs and replacement at sole discretion of Landlord. Landlord to replace bulbs as necessary.	Replacement or material change only with Landlord's prior written consent.	
HVAC	Major repairs and replacement at sole discretion of Landlord. General maintenance and repair of equipment.	Replacement or material change only with Landlord's prior written consent.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Window a/c units, if any	Major repairs and replacement at sole discretion of Landlord.	General maintenance and repair. Replacement or material	(damage caused by or resulting from Tenant,

	<u>Landlord</u>	<u>Tenant</u>	<u>Comment</u>
		change only with Landlord's prior written consent.	Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Plumbing systems	Major repairs and replacement at sole discretion of Landlord.	General maintenance and repair. Replacement or material change only with Landlord's prior written consent.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Water heater	Replacement at Landlord's sole discretion.	General maintenance and repair. Replacement with Landlord's prior written consent.	
Storm water drains	Major repairs and replacement and general maintenance.	Damage caused by or resulting from acts of Tenant, Tenant's employees, guests or invitees shall be paid for by Tenant.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Grease Traps		Tenant's full responsibility.	
Tapping into Fire Main for fire suppression systems		Tenant's full responsibility with Landlord's prior written consent.	
Other:			

AI-1629

15.

Work Session and Regular Meeting

Meeting Date: 04/12/2016

Department: Police

AGENDA CAPTION:

Presentation And Discussion Regarding **The 2015 Annual Report For The Addison Police Department**.

BACKGROUND:

Each year, in an effort to ensure transparency and accountability, the Addison Police Department presents a report to City Council that provides the public with information regarding crime statistics, officer performance and accomplishments, and goals for the next year.

The purpose of this item is to present the 2015 Annual Addison Police Report.

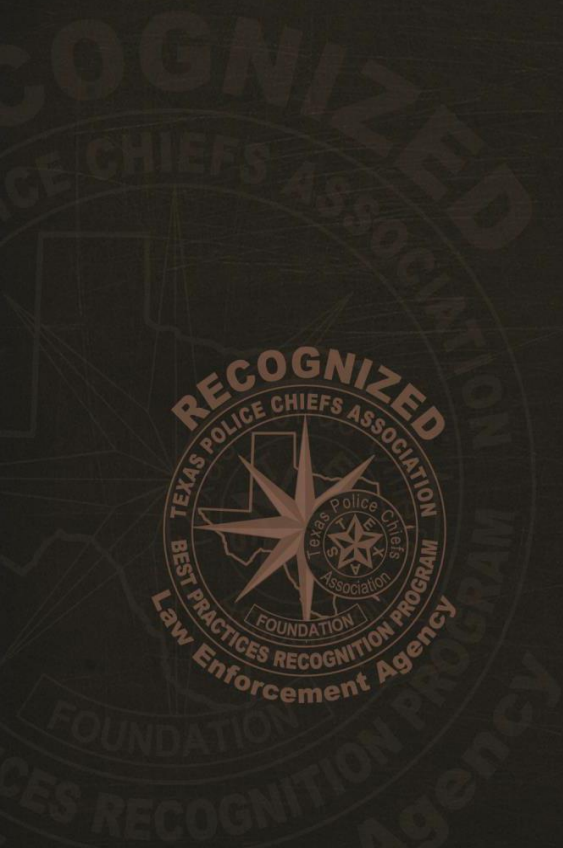
RECOMMENDATION:

Information only, no action required.

Attachments

2015 Annual Report PD

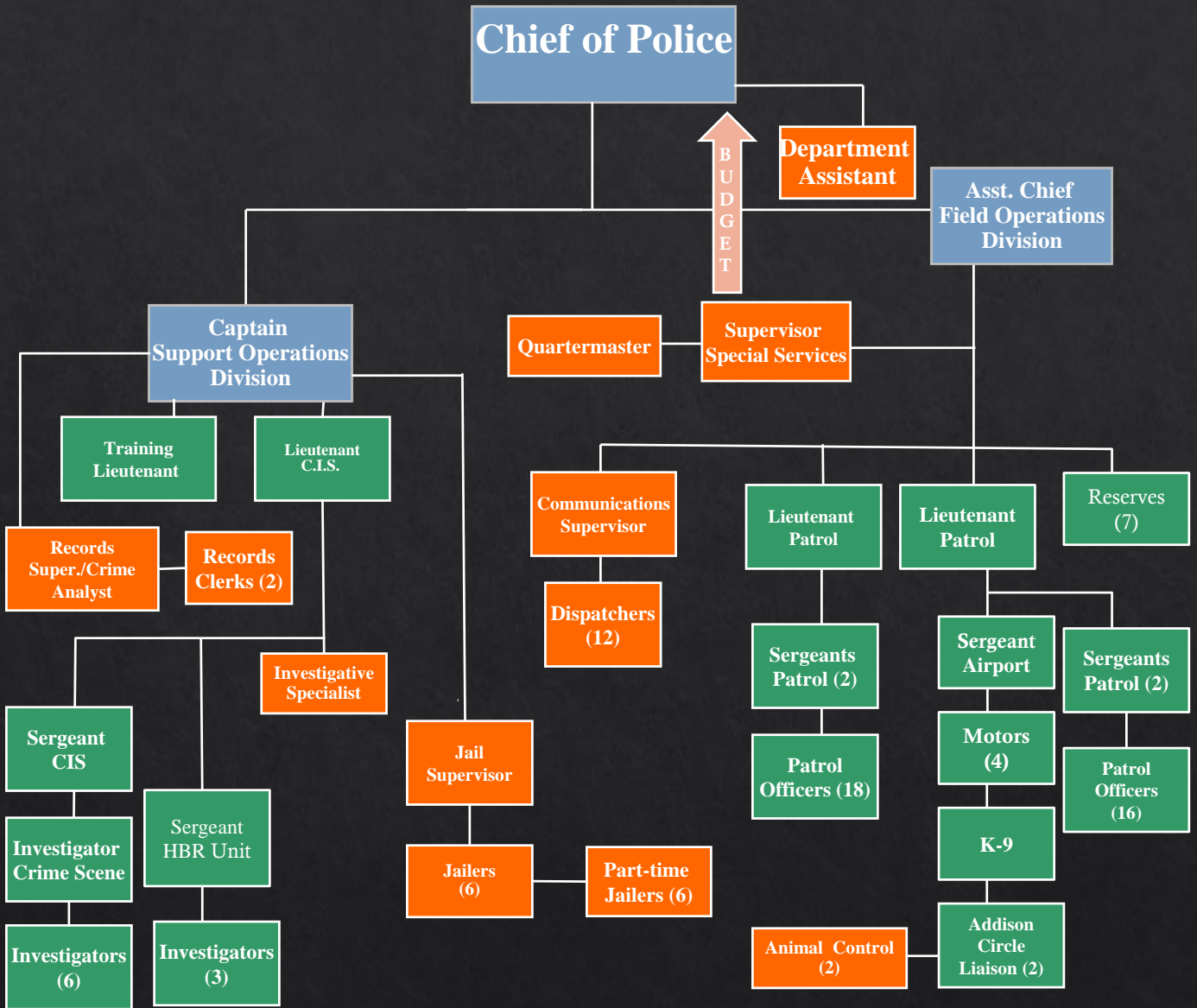
ADDISON POLICE
DEPARTMENT
2015
ANNUAL REPORT



CONSTITUTIONAL SAFEGUARDS

The U.S. Constitution and the Bill of Rights guarantee every citizen certain safeguards from government intrusion into their lives. These safeguards have become the cornerstone for the application of criminal justice in America. Consequently, these safeguards have placed limitations on the authority of police to enforce the laws of the nation, state, and the Town of Addison. The department expects officers to observe constitutional safeguards scrupulously and knowledgeably. Respect for the civil liberties of citizens shall be the paramount concern in all enforcement matters.

2015 Organizational Chart



Full Time Sworn Officers: 64
Full Time Civilian Employees: 29
Part Time Civilian Employees: 6
Reserve Officers: 7

UCR - Crime Index Offenses

2015 Major Crime

Part 1 Crimes:

The Uniform Crime Reporting, or UCR, program was started by the FBI in an effort to develop a uniform system of reporting police crime statistics across the nation based on population. Part 1 Crimes are classified by specific guidelines breaking down major crimes into seven categories; murder, rape, robbery, aggravated assault, burglary, larceny-theft, and motor vehicle theft. These seven major crimes provide a standardized reporting system for the crime rates throughout the United States. These numbers help to provide a snapshot view of the crime rate in Addison for 2015.

	Offenses Reported
MURDER	0
RAPE	10
ROBBERY	13
AGGRAVATED ASSAULT	42
BURGLARY	104
LARCENY-THEFT	574
MOTOR VEHICLE THEFT	82
TOTAL	825

Crime Index Definitions

Murder

The willful (non-negligent) killing of one human being by another.

Rape

The carnal knowledge of a person through the use or threat of force. Assaults to commit forcible sexual assaults are also included.

Robbery

The taking or attempting to take, anything of value under confrontational circumstances from a person by use of force, threat of force, or by putting the victim in fear of immediate harm.

Aggravated Assault

An unlawful attack by one person upon another for the purpose of inflicting severe bodily injury, usually accompanied by the use of a weapon or other means likely to produce death or serious bodily harm.

Burglary

The unlawful entry to commit a felony or theft.

Theft

The unlawful taking or stealing of property or articles without the use of force, violence, or fraud.

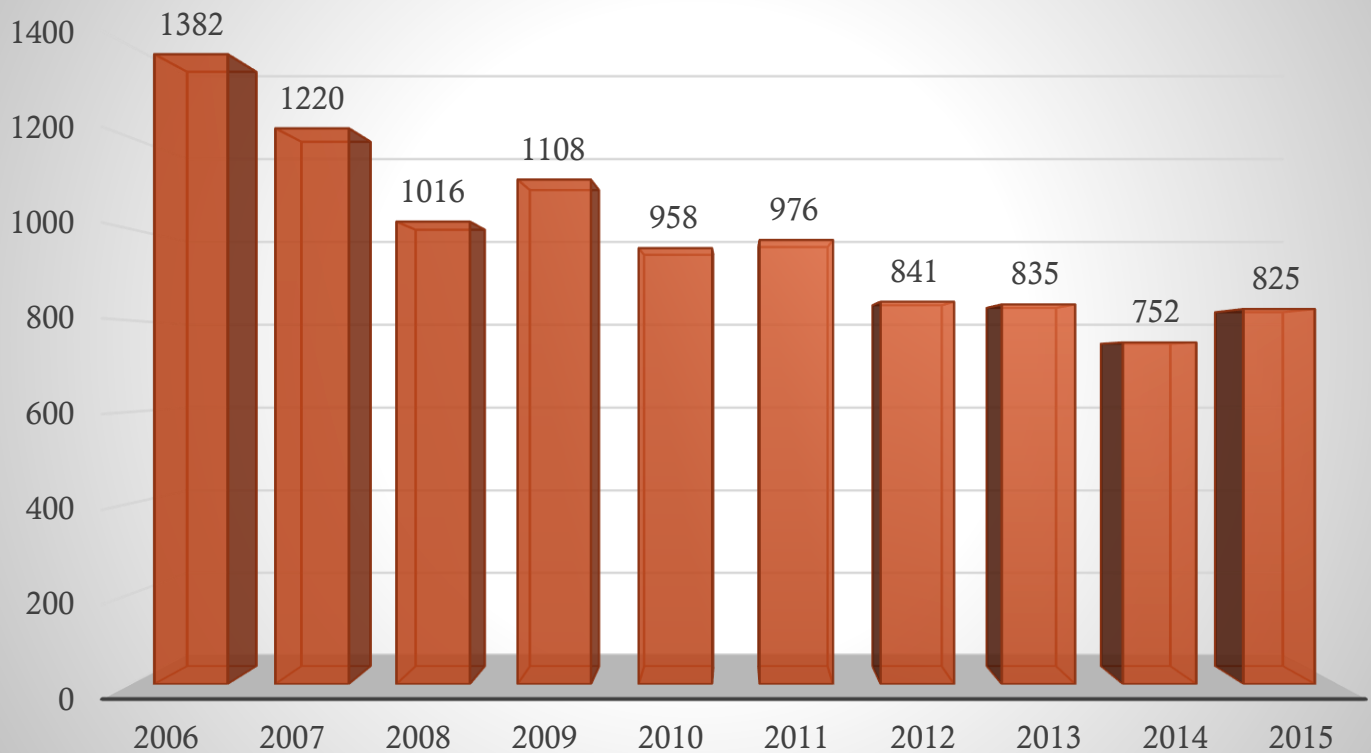
Motor Vehicle Theft (U.U.M.V)

The unlawful taking or stealing of a motor vehicle including attempts.

ADDISON'S UCR HISTORY

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
MURDER	3	0	1	1	1	0	0	1	0	0
RAPE	5	9	7	7	7	10	5	4	7	10
ROBBERY	36	32	29	35	19	18	16	11	15	13
AGG ASSAULT	58	87	54	46	69	50	51	35	44	42
BURGLARY	190	185	142	142	105	117	84	129	83	104
LARCENY	955	798	704	742	651	676	613	593	541	574
AUTO THEFT	135	109	79	135	106	105	72	62	62	82
TOTAL	1382	1220	1016	1108	958	976	841	835	752	825

Total



Addison Police Department

By the Numbers



64
Sworn
Officers



One officer per
268 Calls
For service

Priority 1

Can include Robberies
and Burglaries in
Progress

0:04:49

Priority 2

Can include Minor
Disturbances and
minor Traffic
Accidents

0:06:26

Priority 3

Can include Routine
calls, and delayed
Theft reports

0:09:08

**RESPONSE
TIMES**

CRIMINAL CASES

3714 Assigned
2577 Cleared

9 Investigators and 5
other staff members in CID
handle an average of
286 Cases each.

TRAFFIC

Officers issued
3368 Citations
And gave
5657 Warnings

Officers made
1809 Arrests
in 2015

Breaking down the Numbers

Calls for Service

2015	17,152
2014	17,139
2013	16,966
2012	17,408

Arrests

2015	1,809
2014	1,912
2013	2,374
2012	2,920

Citations

2015	3,368
2014	5,597
2013	4,848
2012	5,980

Response Times

2015	(1) 4:49 (2) 6:26 (3) 9:08
2014	(1) 4:28 (2) 5:26 (3) 8:16
2013	(1) 4:39 (2) 5:37 (3) 8:22
2012	(1) 4:35 (2) 5:23 (3) 7:51

Cases Assigned

2015	3,714
2014	3,731
2013	4,619
2012	4,768

Cases Cleared

2015	2,577
2014	2,669
2013	3,510
2012	2,632

Warnings

2015	5,657
2014	9,297
2013	11,704
2012	11,814

Pet Registration

2015	279
2014	199

Pet Adoptions

2015	60
2014	50

Major Accomplishments

Procedural Justice Initiative

To build a stronger partnership between the police and the community, we need a focus on what shapes public views about trust and confidence and ultimately influences the perceived legitimacy of the police in the community.

Best Practices

Best Practices Program

After working through the process for two years, the department achieved its original accreditation in 2009. The Best Practices Program helps the Addison Police Department in making adjustments as part of a continual process of becoming the premier law enforcement agency in North Texas.



Reassignments

- Officer Sharp was assigned to the Criminal Investigation Division.
- Officer Pierce was assigned to background investigations for police department applicants.
- Officer Krause was assigned to training programs and a training plan was initiated to better insure that Addison officers are receiving timely and pertinent training.

Community

Began Community Outreach Programs and started Social Media accounts for the Police Department and Animal Control

Community Outreach Programs



Community Seminars – The Addison Police Department started hosting community seminars to educate community members. Topics included social media safety and identity theft.



Crime Watch Meeting – Addison Police Officers attend crime watch meetings for neighborhood associations and apartment communities.



Santa Cop

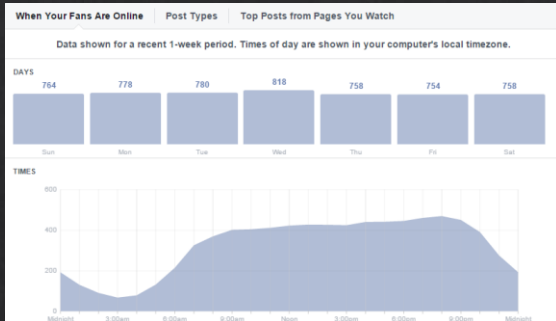


Operation Identification (Operation ID) is a nationally recognized burglary prevention program by law enforcement.

Addison Police Social Media

Police Department Facebook went live on August 14, 2015.

Fan Online Engagement

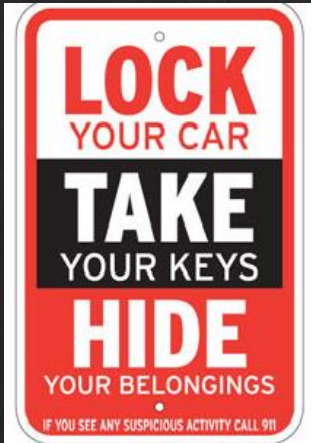


Most Popular Posts

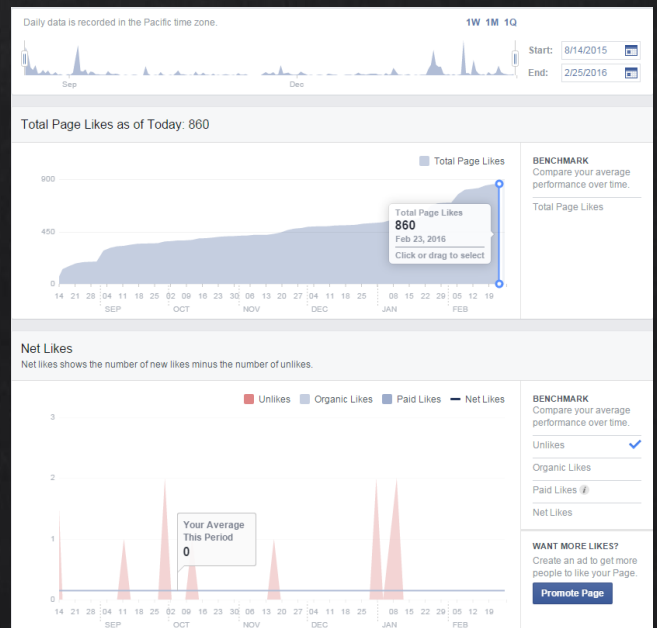
All Posts Published

Reach: Organic / Paid | Reactions | Comments | Shares

Published	Post	Type	Targeting	Reach	Engagement	Promote
02/18/2016 9:12 pm	Join us in congratulating Officer Moore on receiving Employee of			18.5K	1.6K 158 77	Boost Post
01/26/2016 12:50 pm	#traffictuesday Blocking Interactions: If the street you are on is			20.1K	120 40 39	Boost Post
01/22/2016 10:22 am	We need help identifying the female with curly hair in this picture.			65.8K	351 177 477	Boost Post
09/04/2015 12:39 pm	We stood together to honor Harris County Sheriff Deputy Goforth.			255.6K	2.8K 93 496	Boost Post



Activity Since Inception



Animal Control

In addition to other duties, an Animal Control Officer patrols Addison looking for loose or stray animals, and responds to calls for animal services. Typical calls include:

Issued **279**
Pet Registrations

- animal bites
- animal cruelty/abuse offenses
- vicious or dangerous animals
- injured animals
- barking dogs
- loose animals
- stray animals
- dead animal removal
- common pet questions



60 Pets Adopted

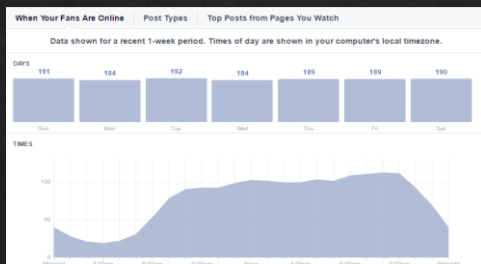
The Town of Addison does not have an animal shelter. If you feel your animal was impounded, please call 972.450.2845.

Don't forget to register your
pet every year.

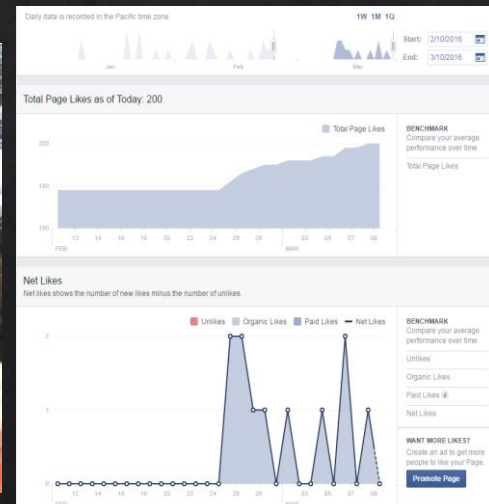
Animal Control Social Media

Animal Control Facebook went live on September 6, 2015.

Fan Online Engagement



Activity Since Inception





Low Cost Vaccine Clinic

10:00 AM – 12:00 PM
 Saturday, November 7, 2015
 Vitruvian Park
 3800 Ponte Avenue
 Addison, TX 75001

Dog Vaccinations

Rabies	\$5.00
DAPPV	\$10.00
Bordetella	\$10.00
Lepto	\$10.00
Lymes	\$15.00
Canine Influenza	\$15.00
Heartworm Test	\$20.00
Heartworm Preventative	\$25.00-\$35.00

Cat Vaccinations

Rabies	\$5.00
FelV	\$10.00
FPV/FCD	\$10.00
FelV/FPV Test	\$20.00

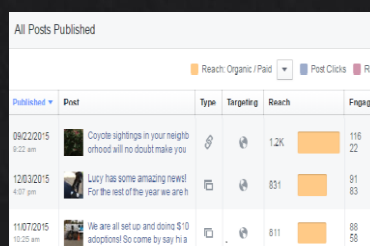
Other Services

General Dewormer (Strongid-T)	\$5.00
Flea Preventative (1 month)	\$2.00
Tapeworm Dewormer (Troncil)	\$10.00-\$15.00
Home Again Microchip	\$30.00

- ◆ We accept Cash or Credit Card only.
- ◆ Dogs must be on a leash or in a carrier.
- ◆ Cats must be in a carrier.
- ◆ **No appointment necessary.** Services given on a first come first serve basis.
- ◆ **TCAP** is a low cost service program that provides care for animals belonging to individuals or groups with insufficient resources to purchase the same care from a full service provider. **TCAP** works to make high quality, preventative care achievable for those who would otherwise be unable to afford it.

For additional information, please visit
www.texasforthem.org or call (940) 566 – 5551
www.facebook.com/TCForAP [@TCForAP](https://twitter.com/TCForAP)

Most Popular Posts



Useful Information and Links



The Addison Police Department has partnered with OffenderWatch®, which allows citizens to search for registered sex offenders, create alerts, inform friends or family, and receive safety tips. These are a few features and benefits OffenderWatch® provides the citizens of Addison.

We believe in safety for you and your children, and because safety is important we provide specialized, one-on-one, instruction in how to properly install Child Safety Seats by highly trained Police Officers. These Officers were trained and certified by Safe Kids Worldwide and hold a National Child Passenger Safety Certification.

**NATIONAL
CHILD
PASSENGER
SAFETY
CERTIFICATION**

A Program of
Safe Kids Worldwide



Addison citizens can view a map and grid with all of the crimes in their area, sign up for neighborhood watch reports that automatically email a breakdown of recent crime activity, and submit an anonymous tip about a crime directly to their law enforcement agency. RAIDS Online automatically syncs with the Addison Police Department's records system to keep crime information updated online and in the mobile app.

Submit an anonymous tip about criminal activity or help solve a crime in Addison



Tip411 engages the public as a force multiplier by creating awareness through group alerts, expanding that reach through social media sites, and giving the ability for citizens to provide immediate, anonymous tips and intelligence.

2015 Awards and Recognitions

Promotions

Lieutenant
Denise Keith



Sergeants
T.J. Smetzer and Travis Nelson



Awards

Life Saving Award

Officer Ryan Williams



Employees of the Quarter

1st Quarter 2015
Officer Darrell Wafer



4th Quarter 2015
Officer Johnnie Moore



3rd Quarter 2015
Officer Jeff Rose

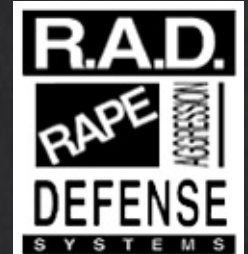


Looking forward



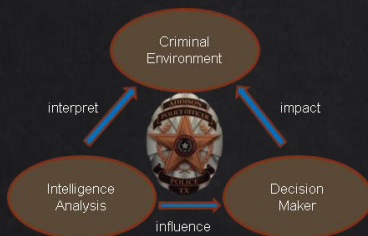
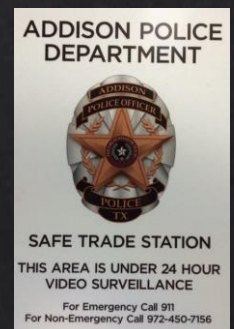
Coffee with a Cop is an informal community event designed to break down barriers between citizens and Police Officers. By removing agendas and speaker, citizens are given an opportunity to voice concerns and get to know the officers who serve their community.

R.A.D is a self defense program for woman, children, and men of all ages. It is a realistic, easy to follow, and proven self defense course that begins with awareness, prevention, risk reduction and avoidance, while progressing on to the basics of hands-on defense training.



NTECC – On 3/3/2016 Addison joined together with Carrollton, Coppell, and Farmers Branch to provide consolidated dispatching. This move will allow better cooperation between police and fire departments from the participating cities.

Craigslist Zone - A Craigslist transaction zone is being put up at the front of the Police Department. This will provide a neutral place to meet for Craigslist deals. The zone will have cameras and lighting to encourage safer trades.



The Police Department will be hiring a full time Crime Analyst to assist with the department vision for Data Driven Policing. This will help the department better utilize manpower making the community safer.

Sungard will be replacing the Tiburon records management software later this year.



AI-1575

11.

Work Session and Regular Meeting

Meeting Date: 04/12/2016

Department: Infrastructure- Development Services

AGENDA CAPTION:

Hold A Public Hearing, Discuss, Consider And Approve An **Ordinance Amending Various Sections Of The Code Of Ordinances In Order To Revise The Terms For Existing And Future Members Of The Planning And Zoning Commission And Board Of Adjustment In Order To Align Terms In Accordance With Recently Adopted City Council Policy Regarding The Boards And Commissions Appointment Process.** Case 1730-Z/Town Of Addison.

BACKGROUND:

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on March 15, 2016, voted to recommend approval of an ordinance amending various sections of the Code of Ordinances in order to revise the terms for existing and future members of the Planning and Zoning Commission and Board of Adjustment in order to align terms in accordance with recently adopted City Council policy regarding the Boards and Commissions appointment process.

RECOMMENDATION: Administration recommended approval to the Planning and Zoning Commission.

Voting Aye: Griggs, Ennis, Morgan, Robbins, Robinson, Schaeffer, Smith

Voting Nay: none

Absent: none

SPEAKERS AT THE PUBLIC HEARING:

For: none

On: none

Against: none

Additional detail regarding this case can be found in the attached staff report.

RECOMMENDATION:

Administration recommends approval.

1730-Z Ordinance
1730-Z Staff Report

TOWN OF ADDISON, TEXAS

ORDINANCE NO. _____

AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS AMENDING THE CODE OF ORDINANCES, APPENDIX A – ZONING, ARTICLE XXIV (BOARD OF ADJUSTMENT), SECTION 1 (CREATED) TO REMOVE THE PROVISIONS PERTAINING TO THE APPOINTMENT AND TERM OF MEMBERS; AMENDING APPENDIX A - ZONING, ARTICLE XXIX (CHANGES AND AMENDMENTS) TO DELETE SECTION 16 (COMMISSION; MEMBER REMOVED, VACANCY AND REAPPOINTMENT); AND AMENDING CHAPTER 2 (ADMINISTRATION) TO CREATE A NEW ARTICLE VII (PLANNING AND ZONING COMMISSION) TO ESTABLISH NEW TERMS FOR EXISTING AND FUTURE MEMBERS; AND AMENDING CHAPTER 2 (ADMINISTRATION) TO CREATE A NEW ARTICLE VIII (BOARD OF ADJUSTMENT) TO ESTABLISH NEW TERMS FOR EXISTING AND FUTURE MEMBERS; AND PROVIDING FOR SAVINGS, SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, the Town of Addison, Texas (the “City”) has adopted a new policy regarding appointments to members of the Planning and Zoning Commission and the Board of Adjustment to create an annual consistent appointment date; and

WHEREAS, in order to implement the new appointment policy, it is necessary to adjust the terms of current board members.

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

Section 1. The Code of Ordinances of the Town of Addison, Texas Appendix A - Zoning, Article XXIV (Board of Adjustment), Section 1 (Created) is hereby amended to read in its entirety as follows:

Section 1. – Created.

There is hereby created a board of adjustment which is hereby vested with power and authority, in appropriate cases and subject to appropriate conditions and safeguards, to make such exceptions to the terms of this appendix in harmony with its general purpose and intent and in accordance with general or special rules therein contained for the purpose of rendering full justice and equity to the general public. The board may adopt rules to govern its proceedings; provided, however, that such rules are not inconsistent with this appendix. Meetings of the board shall be held at the call of the chairman, who may administer oath and compel the attendance of witnesses. All meetings of the board shall be opened to the public. The board shall keep minutes of its proceedings showing the vote of each member upon each question, or, if absent or failing to vote, indicate such fact, and shall keep records of its examinations and other official actions, all of which shall be immediately filed in the office of the board and shall be of public record.

OFFICE OF THE CITY SECRETARY

Page 1 of 4

ORDINANCE NO. _____

Section 2. The Code of Ordinances of the Town of Addison, Texas Appendix A – Zoning, Article XXIX (Changes and Amendments), Section 16 (Commission; member removed, vacancy and reappointment) is hereby deleted in its entirety.

Section 3. The Code of Ordinances of the Town of Addison, Texas Chapter 2 – Administration is hereby amended to create a new Article VII (Planning and Zoning Commission) which shall read in its entirety as follows:

Article VII. – PLANNING AND ZONING COMMISSION

Sec. 2-310. - Appointment; removal, vacancy and reappointment.

The planning and zoning commission shall consist of seven members, each to be appointed by a majority of the city council for a term of two years, except for the initial appointments which shall serve an initial term as set forth in Section 2-311. Commissioners are removable for cause by the city council. Vacancies shall be filled by the city council to serve the remainder of the unexpired term for the vacant place. Members may not be appointed to serve more than three consecutive terms, not including any unexpired term of 12 months or less.

Sec. 2-311. – Initial appointments and terms.

The initial places, appointments and terms for members of the planning and zoning commission shall be as follows:

<u>Place</u>	<u>Appointment</u>	<u>Term #</u>	<u>Term Ending Date</u>
Place 1	Marshall (Skip) Robbins	1	12-31-2016
Place 2	Jason Ennis	1	12-31-2016
Place 3	Randy Smith	1	12-31-2016
Place 4	Jim Robinson	1	12-31-2017
Place 5	Stacey Griggs	1	12-31-2017
Place 6	Debra Morgan	1	12-31-2017
Place 7	Tom Schaeffer	1	12-31-2017

Following the expiration of the initial terms as set forth herein, members to Places 1, Place 2 and Place 3 shall be appointed in even numbered years and members to Place 4, Place 5, Place 6 and Place 7 shall be appointed in odd numbered years.

Sec. 2-312 -2-314. – Reserved.

Section 4. The Code of Ordinances of the Town of Addison, Texas Chapter 2 – Administration is hereby amended to create a new Article VIII (Board of Adjustment) which shall read in its entirety as follows:

Article VII. – BOARD OF ADJUSTMENT

Sec. 2-315. – Appointment; removal, vacancy and reappointment.

The board of adjustment shall consist of seven members, each to be appointed by a majority of the city council for a term of two years, except for the initial appointments which shall serve an initial term as set forth in Section 2-316. Board members are removable for cause by the city council. Vacancies shall be filled by the city council to serve the remainder of the unexpired term for the vacant place. Members may not be appointed to serve more than three consecutive terms, not including any unexpired term of 12 months or less.

Sec. 2-316. – Initial appointments and terms.

The initial places, appointments and terms for members of the planning and zoning commission shall be as follows:

<u>Place</u>	<u>Appointment</u>	<u>Term #</u>	<u>Term Ending Date</u>
Place 1	Juli Branson	1	12-31-2016
Place 2	Jan Haas	1	12-31-2016
Place 3	Troy Cooper	2	12-31-2016
Place 4	Burk Burkhalter	3	12-31-2017
Place 5	Lynn Stofer	1	12-31-2017
Place 6	Jeff King	1	12-31-2017
Place 7	Reggie Carney	1	12-31-2017

Following the expiration of the initial terms as set forth herein, members to Places 1, Place 2 and Place 3 shall be appointed in even numbered years and members to Place 4, Place 5, Place 6 and Place 7 shall be appointed in odd numbered years.

Sec. 2-317. - Selection for Service at a Meeting.

Five members of the board shall serve at every meeting of the board and shall be selected on a first-come-first-served basis when responding to a call for a meeting. The remaining two members shall serve as alternates for that meeting.

Sec. 2-318 -2-319. – Reserved.

Section 5. Recitals. The above and foregoing recitals are true and correct and are incorporated herein and made a part hereof for all purposes.

Section 6. Savings; Repealer. This Ordinance shall be cumulative of all other ordinances of the City and shall not repeal any of the provisions of those ordinances except in those instances where the provisions of those ordinances are in direct conflict with the provisions of this Ordinance. Provided, however, that the repeal of such ordinances or parts of such ordinances and the amendments and changes made by this Ordinance, shall not affect any right, property or claim which was or is vested in the City, or any act done, or right accruing or accrued, or established, or any suit, action or proceeding had or commenced before the time when this Ordinance shall take effect; nor shall said repeals, amendments or changes affect any offense committed, or an penalty or forfeiture incurred, or any suit or prosecution pending at the time when this Ordinance shall take effect under any of the ordinances or sections thereof so repealed, amended or changed; and to that extent and for that purpose the provisions of such ordinances or parts of such ordinances shall be deemed to remain and continue in full force and effect.

Section 7. Severability. The sections, paragraphs, sentences, phrases, clauses and words of this Ordinance are severable, and if any section, paragraph, sentence, phrase, clause or word in this Ordinance or application thereof to any person or circumstances is held invalid or unconstitutional by 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 8. Effective Date. This Ordinance shall take from and after its adoption and publication as required by law.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas this the _____ day of _____, 2016.

Todd Meier, Mayor
Town of Addison, Texas

ATTEST:

Laura Bell, City Secretary

APPROVED AS TO FORM:

Brenda N. McDonald, City Attorney



March 11, 2016

STAFF REPORT

RE: Case 1730-Z/Town of Addison

REQUEST: Approval of an ordinance amending various sections of the Code of Ordinances in order to adjust terms for the Planning and Zoning Commission and Board of Adjustment

DISCUSSION:

Background: In the past, the Town has not had a formal process or schedule for making appointments to various Boards and Commissions, most notably, for the Planning and Zoning Commission and the Board of Adjustment. Appointments to these two bodies were made sporadically through the year as terms expired or members resigned. This increases the time spent at a staff level tracking what terms are coming due for appointment or reappointment, notifying the Council, scheduling an item for the agenda, and then orienting new members of the Board and Commission individually.

Most cities have adopted a formal procedure for making appointments to their Boards and Commissions involving an application process with synchronized terms so that all appointments for the year are made on the same date.

The City Council recently adopted a similar process for Addison. Under the new process, all appointments will be made at the December Council Meeting. Terms would run from January 1st to December 31st of the following year. Prior to the December meeting, staff will gather applications from those desiring appointment to various boards and commissions and make them available to Council for their consideration. If a vacancy occurs during a term, a replacement would be appointed to serve for the remainder of that term.

Current Request: In order to transition to this new process, the terms of the current members of both the Planning and Zoning Commission and the Board of Adjustment must be adjusted accordingly.

Planning and Zoning Commission

Place	Appointment	Term #	Term Ending Date
Place 1	Marshall (Skip) Robbins	1	12-31-2016
Place 2	Jason Ennis	1	12-31-2016
Place 3	Randy Smith	1	12-31-2016
Place 4	Jim Robinson	1	12-31-2017
Place 5	Stacey Griggs	1	12-31-2017
Place 6	Debra Morgan	1	12-31-2017
Place 7	Tom Schaeffer	1	12-31-2017

Following the expiration of the initial term listed above, places 1-3 will be appointed in even numbered years and places 4-7 will be appointed in odd numbered years. This aligns with the Council level where three members are elected in even years and four members are elected in odd years. Currently, Council Members nominate individuals for consideration by the full Council. Under this process, the places have been aligned so that the Council Members elected in May would be able to make their nomination in December of the same year.

Board of Adjustment

The Board Adjustment consists of five regular members. According to the current code, four alternate members are also to be appointed. In practice, just seven people have been appointed to the Board of Adjustment. Similar to the Planning and Zoning Commission, a Council Member nominates someone for consideration by the full Council for appointment to the Board. When a meeting is necessary and staff calls a meeting, the first five members to respond are seated as the regular members for that meeting.

Staff would like to use this opportunity to bring the current code in line with this practice. To do so, the number of appointments would be reduced from nine to seven. The Board would remain at five members, with just two alternates, instead of four. Additionally, staff is proposing to add language to the ordinance to codify the practice of seating the first five members to respond to a call of a meeting as the regular members.

Place	Appointment	Term #	Term Ending Date
Place 1	Juli Branson	1	12-31-2016
Place 2	Jan Haas	1	12-31-2016
Place 3	Troy Cooper	2	12-31-2016
Place 4	Burk Burkhalter	3	12-31-2017
Place 5	Lynn Stofer	1	12-31-2017
Place 6	Jeff King	1	12-31-2017
Place 7	Reggie Carney	1	12-31-2017

As with the Planning and Zoning Commission, following the expiration of the initial term listed above, places 1-3 will be appointed in even numbered years and places 4-7 will be appointed in odd numbered years.

RECOMMENDATION: APPROVAL

The proposed changes will bring the current terms into alignment with the recently adopted Council processes regarding Board and Commission appointments and establish a foundation for scheduling future appointments to these bodies. Additionally, the changes to the Code regarding the Board of Adjustment bring the statute in line with historical practice.



Case 1730-Z/Town of Addison
March 15, 2016

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on March 15, 2016, voted to recommend approval of an ordinance amending various sections of the Code of Ordinances in order to revise the terms for existing and future members of the Planning and Zoning Commission and Board of Adjustment in order to align terms in accordance with recently adopted City Council policy regarding the Boards and Commissions appointment process.

Voting Aye: Griggs, Ennis, Morgan, Robbins, Robinson, Schaeffer, Smith
Voting Nay: none
Absent: none

SPEAKERS AT THE PUBLIC HEARING:

For: none
On: none
Against: none

AI-1576

12.

Work Session and Regular Meeting

Meeting Date: 04/12/2016

Department: Infrastructure- Development Services

AGENDA CAPTION:

Hold A Public Hearing, Discuss, Consider And Approve An **Ordinance Amending Various Sections Of Appendix B - Subdivisions In Order To Grant The Planning And Zoning Commission Final Plat Approval Authority.** Case 1731-Z/Town Of Addison.

BACKGROUND:

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on March 15, 2016, voted to recommend approval of an ordinance amending various sections of Appendix – B Subdivisions in order to grant the Planning and Zoning Commission final plat approval authority.

RECOMMENDATION: Administration recommended approval to the Planning and Zoning Commission.

Voting Aye: Griggs, Ennis, Morgan, Robbins, Robinson, Schaeffer, Smith

Voting Nay: none

Absent: none

SPEAKERS AT THE PUBLIC HEARING:

For: none

On: none

Against: none

Additional information regarding this case can be found in the attached Staff Report.

RECOMMENDATION:

Administration recommends approval.

Attachments

1731-Z Ordinance

1731-Z Staff Report

TOWN OF ADDISON, TEXAS

ORDINANCE NO. _____

AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS AMENDING THE CODE OF ORDINANCES, APPENDIX B – SUBDIVISIONS, SECTION IV (PROCEDURES FOR SUBDIVISION), SECTION X (FILING OF PLAT), SECTION XI (SUBMITTALS REQUIRED FOR CONSTRUCTION) AND SECTION XVI (GENERAL REQUIREMENTS) TO PROVIDE THAT THE PLANNING AND ZONING COMMISSION IS GRANTED FINAL PLAT APPROVAL AUTHORITY; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR A PENALTY OF A FINE NOT TO EXCEED THE SUM OF TWO THOUSAND DOLLARS (\$2,000) FOR EACH OFFENSE; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Addison, Texas (the “City”) is a home rule municipality having full power of local self-government pursuant to Article 11, Section 5 of the Texas Constitution and its Home Rule Charter; and

WHEREAS, the City Council of the Town of Addison, Texas (the “City Council”) currently approves all final plats submitted for its review based upon the recommendation of the City Planning and Zoning Commission (the “Planning and Zoning Commission”); and

WHEREAS, the City Council has the authority to delegate final plat approval to the Planning and Zoning Commission;

WHEREAS, the City Council has investigated and determined that it is in the best interest of the City to delegate final plat approval authority to the Planning and Zoning Commission.

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

Section 1. The Code of Ordinances (the “Code”) of the Town of Addison, Texas Appendix B (Subdivision), Section IV (Subdivisions) is hereby amended as follows:

Section IV. – Procedures for Subdivision

In order to allow orderly processing of proposed subdivisions, the procedures discussed in the following sections shall be used. In general, the steps necessary for subdivision include:

...

E. Approval of the final plat by the planning and zoning commission.

...

Section 2. The Code of Ordinances (the “Code”) of the Town of Addison, Texas Appendix B (Subdivisions), Section X (Filing of Plat) is hereby amended to read in its entirety as follows:

Section X. – Filing of Plat

After approval of the final plat by the planning and zoning commission, and correction of the plat as required by those bodies and the development services department, the developer or his engineer shall submit to the development services department the required number of copies for filing, along with all tax certificates required for recording by the county clerk. These copies shall bear all signatures but those of the town officials. After signature by the town officials, the development services department shall complete the filing process and return two filed copies to the developer or his engineer. Said copies shall show the volume and page of the map and plat records into which the plat was filed by the county clerk.

Section 3. The Code of Ordinances (the “Code”) of the Town of Addison, Texas Appendix B (Subdivision), Section XI (Submittals Required for Construction) is hereby amended to read as follows:

Section XI. – Submittals Required for Construction

Prior to authorizing construction, the town engineer shall be satisfied that the following conditions have been met:

A. The final plat shall be completed to the requirements of the planning and zoning commission at the time of approval.

...

Section 4. The Code of Ordinances (the “Code”) of the Town of Addison, Texas Appendix B (Subdivision), Section XVI (General Requirements) is hereby amended to read as follows:

Section XVI. – General Requirements.

...

G. Filing of Subdivision Plans and Final Plats

1. That all subdivision plats filed with and submitted to the planning and zoning commission for approval shall:
 - a. Set forth a full and accurate description of the land subdivided.
 - b. Set forth a full and accurate description of all streets and other areas dedicated.
 - c. Contain a certificate of ownership.
 - d. Dedicate all streets, alleys, parks and playgrounds to public use forever.

e. Grant required easements for utilities, drainage floodway, fire lanes and other appropriate purposes with applicable language for responsibility for maintenance of the easements by owners of the property or properties traversed by the easements or adjacent thereto.

f. Be signed by the owner of the land.

The final plan to be submitted to the planning and zoning commission shall also indicate, on the mylar sepia copy, easement locations.

...

Section 5. Recitals. The above and foregoing recitals are true and correct and are incorporated herein and made a part hereof for all purposes.

Section 6. Savings; Repealer. This Ordinance shall be cumulative of all other ordinances of the City and shall not repeal any of the provisions of those ordinances except in those instances where the provisions of those ordinances are in direct conflict with the provisions of this Ordinance. Provided, however, that the repeal of such ordinances or parts of such ordinances and the amendments and changes made by this Ordinance, shall not affect any right, property or claim which was or is vested in the City, or any act done, or right accruing or accrued, or established, or any suit, action or proceeding had or commenced before the time when this Ordinance shall take effect; nor shall said repeals, amendments or changes affect any offense committed, or an penalty or forfeiture incurred, or any suit or prosecution pending at the time when this Ordinance shall take effect under any of the ordinances or sections thereof so repealed, amended or changed; and to that extent and for that purpose the provisions of such ordinances or parts of such ordinances shall be deemed to remain and continue in full force and effect.

Section 7. Severability. The sections, paragraphs, sentences, phrases, clauses and words of this Ordinance are severable, and if any section, paragraph, sentence, phrase, clause or word in this Ordinance or application thereof to any person or circumstances is held invalid or unconstitutional by 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 8. Penalty. Any person, firm, or corporation violating any of the provisions of this ordinance shall be deemed guilty of a misdemeanor and upon conviction shall be punished by a fine not to exceed the sum of Two Thousand Dollars (\$2,000.00) for each offense and each and every such day such offense shall continue shall be deemed to constitute a separate offense.

Section 9. Effective Date. This Ordinance shall take from and after its adoption and publication as required by law.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas this the _____ day of _____, 2016.

Todd Meier, Mayor

Town of Addison, Texas

ATTEST:

Laura Bell, City Secretary

APPROVED AS TO FORM:

Brenda N. McDonald, City Attorney



March 11, 2016

STAFF REPORT

RE: Case 1731-Z/Town of Addison

REQUEST: Approval of an ordinance amending various sections of the Appendix B-Subdivisions in order to grant the Planning and Zoning Commission final plat approval authority.

DISCUSSION:

Background: Currently, plat applications must be considered by the Planning and Zoning Commission before also being considered by the City Council. Plat approval is a ministerial function, meaning that if a plat meets Town requirements, the plat must be approved.

The City Council has the ability to delegate plat approval authority. In conversations with the City Council, they have indicated a desire to delegate this authority to the Planning and Zoning Commission. This will allow the Town to process and approve plats about a month faster than can be done now.

Current Request: There are several sections of Appendix B – Subdivisions which discuss the plat approval process. These sections would be amended to remove the City Council and add Planning and Zoning Commission in order to grant the Planning and Zoning Commission authority for final plat approval.

RECOMMENDATION: **APPROVAL**



Case 1731-Z/Town of Addison
March 15, 2016

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on March 15, 2016, voted to recommend approval of an ordinance amending various sections of Appendix – B Subdivisions in order to grant the Planning and Zoning Commission final plat approval authority.

Voting Aye: Griggs, Ennis, Morgan, Robbins, Robinson, Schaeffer, Smith

Voting Nay: none

Absent: none

SPEAKERS AT THE PUBLIC HEARING:

For: none

On: none

Against: none

AI-1577

13.

Work Session and Regular Meeting

Meeting Date: 04/12/2016

Department: Infrastructure- Development Services

AGENDA CAPTION:

Hold A Public Hearing, Discuss, Consider And Approve An **Ordinance Amending Various Sections Of Appendix A - Zoning And Appendix B - Subdivisions In Order To Delete Sections Pertaining To Administrative Fees.** Case 1732-Z/Town Of Addison.

BACKGROUND:

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on March 15, 2016, voted to recommend approval of an ordinance amending various sections of Zoning and Subdivisions in order to delete sections pertaining to administrative fees, located in another section of the Code.

RECOMMENDATION: Administration recommended approval to the Planning and Zoning Commission.

Voting Aye: Griggs, Ennis, Morgan, Robbins, Robinson, Schaeffer, Smith

Voting Nay: none

Absent: none

SPEAKERS AT THE PUBLIC HEARING:

For: none

On: none

Against: none

Additional information regarding this case can be found in the attached Staff Report.

RECOMMENDATION:

Administration recommends approval.

Attachments

1732-Z Ordinance

1732-Z Staff Report

TOWN OF ADDISON, TEXAS

ORDINANCE NO. _____

AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS AMENDING THE CODE OF ORDINANCES, APPENDIX A – ZONING, ARTICLE XXIX (CHANGES AND AMENDMENTS) TO DELETE SECTION 6 (APPLICATION FOR CHANGE; FEE); TO AMEND APPENDIX B – SUBDIVISION TO DELETE SECTION IX-A (FEE FOR SUBDIVISION OR PLAT – GENERALLY); TO AMEND APPENDIX B – SUBDIVISION, SECTION IX-B (SAME-VIOLATIONS) TO RENAME IT AND REVISE IT TO REFLECT THE NEW LOCATION FOR FEES RELATED TO SUBDIVISION MATTERS AND PROVIDING FOR SAVINGS, SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, in 2015, the City Council adopted Ordinance No. 015-021 establishing revised fees for development services applications and placed those fees in Chapter 18 of the Code of Ordinances; and

WHEREAS, a conflict now exists between the fees located in Chapter 18 of the Code of Ordinance and those still remaining in the Zoning Ordinance and the Subdivision Ordinance.

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

Section 1. The Code of Ordinances of the Town of Addison, Texas Appendix A - Zoning, Article XXIX (Changes and Amendments), Section 6 (Application for change; fee) be and is hereby deleted.

Section 2. The Code of Ordinances of the Town of Addison, Texas Appendix B – Subdivisions, Section IX-A (Fee for subdivision or plat – Generally) be and is hereby deleted.

Section 3. The Code of Ordinances of the Town of Addison, Texas Appendix B – Subdivisions, Section IX-B (Same-Violations) be and is hereby amended to read in its entirety as follows:

Section IX-B. - Same—Violations.

Any person, firm or corporation violating any of the provisions of this ordinance or falsifying any document to reduce the fee chargeable for activities or applications pursuant to this ordinance or Section 18-2 of the Code of Ordinances shall be deemed guilty of a class C misdemeanor, and upon conviction in the municipal court shall be subject to a fine as provided in Section 1-7 of the Code of Ordinances.

Section 4. Recitals. The above and foregoing recitals are true and correct and are incorporated herein and made a part hereof for all purposes.

Section 5. Savings; Repealer. This Ordinance shall be cumulative of all other ordinances of the City and shall not repeal any of the provisions of those ordinances except in those instances where the

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provisions of those ordinances are in direct conflict with the provisions of this Ordinance. Provided, however, that the repeal of such ordinances or parts of such ordinances and the amendments and changes made by this Ordinance, shall not affect any right, property or claim which was or is vested in the City, or any act done, or right accruing or accrued, or established, or any suit, action or proceeding had or commenced before the time when this Ordinance shall take effect; nor shall said repeals, amendments or changes affect any offense committed, or an penalty or forfeiture incurred, or any suit or prosecution pending at the time when this Ordinance shall take effect under any of the ordinances or sections thereof so repealed, amended or changed; and to that extent and for that purpose the provisions of such ordinances or parts of such ordinances shall be deemed to remain and continue in full force and effect.

Section 6. **Severability.** The sections, paragraphs, sentences, phrases, clauses and words of this Ordinance are severable, and if any section, paragraph, sentence, phrase, clause or word in this Ordinance or application thereof to any person or circumstances is held invalid or unconstitutional by 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 7. **Effective Date.** This Ordinance shall take from and after its adoption and publication as required by law.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas this the _____ day of _____, 2016.

Todd Meier, Mayor
Town of Addison, Texas

ATTEST:

Laura Bell, City Secretary

APPROVED AS TO FORM:

Brenda N. McDonald, City Attorney



March 11, 2016

STAFF REPORT

RE:

Case 1732-Z/Town of Addison

REQUEST:

Approval of an ordinance amending various sections of Appendix A – Zoning and Appendix B - Subdivisions in order to delete sections pertaining to administrative fees.

DISCUSSION:

Background: Currently, administrative fees related to platting and zoning review are located in multiple sections of the Code. In addition to their respective appendices, the fees are also listed in Chapter 18 (Building and Building Regulations).

Current Request: Staff is proposing to remove these fees from Appendix A – Zoning and Appendix B – Subdivisions. This will not change the fees being charged currently.

RECOMMENDATION: **APPROVAL**



Case 1732-Z/Town of Addison
March 15, 2016

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on March 15, 2016, voted to recommend approval of an ordinance amending various sections of Appendix A – Zoning and Appendix B – Subdivisions in order to delete sections pertaining to administrative fees.

Voting Aye: Griggs, Ennis, Morgan, Robbins, Robinson, Schaeffer, Smith

Voting Nay: none

Absent: none

SPEAKERS AT THE PUBLIC HEARING:

For: none

On: none

Against: none

AI-1578

14.

Work Session and Regular Meeting

Meeting Date: 04/12/2016

Department: Infrastructure- Development Services

AGENDA CAPTION:

Hold A Public Hearing, Discuss, Consider And Approve An **Ordinance Moving Landscape Regulations From Appendix A - Zoning, Article XXI To A New Article VI In Chapter 34 (Environment) Of The Code Of Ordinances.** Case 1733-Z/Town Of Addison.

BACKGROUND:

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on March 15, 2016, voted to recommend approval of an ordinance moving landscape regulations from Zoning to the Environment chapter of the Code of Ordinances.

RECOMMENDATION: Administration recommended approval to the Planning and Zoning Commission.

Voting Aye: Griggs, Ennis, Morgan, Robbins, Robinson, Schaeffer, Smith

Voting Nay: none

Absent: none

SPEAKERS AT THE PUBLIC HEARING:

For: none

On: none

Against: none

Additional information regarding this case can be found in the attached Staff Report.

RECOMMENDATION:

Administration recommends approval.

Attachments

1733-Z Ordinance

1733-Z Staff Report

TOWN OF ADDISON, TEXAS

ORDINANCE NO. _____

AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS AMENDING THE CODE OF ORDINANCES, APPENDIX A – ZONING, BY REMOVING ARTICLE XXI (LANDSCAPE REGULATIONS) IN ITS ENTIRETY FROM APPENDIX A AND ADOPTING A NEW ARTICLE VI (LANDSCAPE REGULATIONS) OF CHAPTER 34 (ENVIRONMENT) OF THE CODE OF ORDINANCES; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR A PENALTY OF A FINE NOT TO EXCEED THE SUM OF TWO THOUSAND DOLLARS (\$2,000) FOR EACH OFFENSE; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Addison, Texas (the “City”) is a home rule municipality having full power of local self-government pursuant to Article 11, Section 5 of the Texas Constitution and its Home Rule Charter; and

WHEREAS, landscape regulations for the City are currently located within Appendix A (Zoning) to the Code of Ordinances; and

WHEREAS, the City Council of the Town of Addison, Texas has investigated and determined that is in the best interest of the City to remove the landscape regulations from Appendix A (Zoning) and adopt a new Article VI (Landscape Regulations) within Chapter 34 (Environment) to the Code of Ordinances.

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

Section 1. The Code of Ordinances (the “Code”) of the Town of Addison, Texas Appendix A (Zoning), Article XXI (Landscaping Regulations) is hereby removed from Appendix A (Zoning) and a new Article VI (Landscape Regulations) is adopted to Chapter 34 (Environment) and shall read in its entirety as follows:

LANDSCAPING REGULATIONS

Section 1. - Purpose.

(A) The purpose of this article is to provide landscape elements which:

- Conserve water;
- Aid in stabilizing the environment's ecological balance by contributing to the processes of air purification, oxygen regeneration, groundwater recharge, and (storm water) runoff retardation, while at the same time aiding in noise, glare and heat abatement;
- Assist in providing adequate light and air and preventing overcrowding of land;

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- Be an integral part of development, not an afterthought;
- Provide visual buffering and enhance the beautification of the town;
- Safeguard and enhance property values and to protect public and private investments;
- Preserve and protect the unique identity and environment of the Town of Addison and preserve the economic base attracted to the Town of Addison by such factors;
- Conserve energy;
- Protect the public;
- Provide wildlife habitat.

The Town of Addison encourages sustainable landscaping. Sustainable landscapes are managed by using practices that preserve limited and costly natural resources, reduce waste generation, and help prevent air, water, and soil pollution. The goal is to minimize environmental impacts and maximize value received from dollars expended.

(B) The following shall be used to evaluate proposed landscape plans:

- (1) The landscape design should have proportion, balance, unity, variety of species, and a variety of color through the seasons.
- (2) Landscape designs should define spaces including entrance areas, pedestrian paths, vehicular avenues, parking areas, sitting areas, etc.
- (3) As an architectural feature, landscape designs should visually soften the mass of the buildings, parking areas, and other structures.
- (4) Native landscape materials should be selected as much as is possible.
- (5) Landscaping should reduce the reliance on irrigation, thus conserving the public water supply, and reduce the reliance on inorganic fertilizer and pesticides; thus reducing the amounts carried off by runoff to lakes and streams.

(Ord. No. 008-006, § 2(1), 3-25-08)

Section 2. - Definitions.

Berm. An earthen mound designed to provide visual interest, screen undesirable views, and/or decrease noise.

Crown/canopy. The upper portion of a tree or shrub from the lowest branch on the trunk of the tree to the highest or widest extending branch at the top or sides of the tree including all the leaves and branches of the tree or shrub.

ET: Evapotranspiration. Loss of water from the soil both by evaporation and by transpiration from the plants growing thereon.

ET based controller. An irrigation controller that automatically makes adjustments of run times, based on local weather data. The ET based controller adjusts automatically to apply only the amount of water that is necessary to replace what has been lost.

Landscape buffer. A combination of physical space and vertical elements such as plants, berms, fences, or walls, the purpose of which is to separate and screen incompatible land uses from each other.

Landscaped open area or landscaped area. Any combination of living plants (such as grass, ground cover, shrubs, vines, mulch, hedges, or trees)

Microirrigation. A low pressure, low volume irrigation system that applies water only to the plant's root zone, saving water as a result of application efficiency and distribution uniformity. Drip and micro spray irrigation are examples of microirrigation.

Non-permeable. Any surface lacking the ability for air and water to pass through to the root zone of plants.

Ornamental tree. A deciduous or evergreen tree planted primarily for its ornamental value or for screening purposes; tends to be smaller at maturity than a shade tree.

Screen. A method of reducing the impact of noise and unsightly visual intrusions with less offense or more harmonious elements, such as plants, berms, fences, walls, or any appropriate combination thereof.

Shade tree. Sometimes evergreen, usually deciduous tree planted for its high crown of foliage or overhead canopy; a large woody perennial having one or more self-supporting stems and numerous branches reaching a mature height of at least 25 feet and a mature spread of at least 20 feet.

Tree. A plant listed as a tree in the most current edition of any of the following:

- (1) Forest Trees of Texas, by the Texas Forest Service of the Texas AM University system;
- (2) Hortus Third;
- (3) The Audubon Society's Field Guide to North American Trees or;
- (4) The list of trees provided in the Town of Addison Landscape Regulations.

Shrub. A self-supporting woody perennial plant of low to medium height characterized by multiple stems and branches continuous from the base, usually not more than ten feet in height at maturity.

Visibility triangle. That area within the curb lines of two intersecting such curb lines at points 35 feet back from their intersection.

(Ord. No. 008-006, § 2(2), 3-25-08)

Section 3. - Applicability.

- (A) Except as otherwise provided below, these landscaping regulations shall apply to all land located in the Town of Addison. These landscaping requirements shall become applicable to each individual lot at such time a site plan is submitted for planning and zoning commission review or an application for a building permit on such lot is made.
- (B) The landscape maintenance requirements in section 10 of this article shall apply to all applications for building permits.

- (C) The tree replacement and protection requirements in section 8 of this article shall apply to all land located within the Town of Addison from the effective date of this ordinance forward regardless of the development status of the land.
- (D) The maintenance requirements in section 9 of this article shall apply to all applications for building permits.
- (E) Except as set forth in subsection (D) of section 8 (Tree Replacement and Protection) and subsection (B) of section 10 (Landscape Maintenance), this article does not apply to property containing only single-family and/or duplex uses where only one such structure is constructed.

(F) This article applies to the following:

Apartment dwelling district,

Local retail district,

Planned development district; Planned development, townhouse condominium district; and Planned development, condominium conversions (provided, however, that where any such district includes or provides landscaping regulations specific to the district, in the event of a conflict between the landscaping regulations specific to the district and the landscaping regulations set forth in this article, the landscaping regulations specific to the district shall control).

MXR-mixed use residential district,

UC-urban center district,

Commercial-1 district,

Commercial-2 district,

Industrial-1 district,

Industrial-2 district,

Industrial-3 district,

Special Use permits.

- Applications for building permits or for certificates of occupancy for buildings previously unoccupied for a period of six consecutive months.
- Applications for building permits for construction work that:

- (1) Increases the number of stories in a building on the lot; or
- (2) Increases by more than ten percent or 10,000 square feet, whichever is less, the combined floor areas of all buildings on the lot; or
- (3) Increases the non-permeable lot coverage by more than 2,000 square feet; or
- (4) Building permit applications for exterior remodeling with a value equal to or greater than \$10,000.00 exclusive of maintenance and repair.

- (G) When the ordinance becomes applicable to a lot, its requirements are binding on all current and subsequent owners of the lot.
- (H) The town council shall, as a minimum, impose landscaping requirements that are reasonably consistent with the standards and purposes of this article as a part of any ordinance establishing or amending a planned development district, or amending a special use permit. All landscaping requirements imposed by the town council shall be reflected in landscape and irrigation plans that comply in form and content with the requirements of section 4.
- (I) The Board of Zoning Adjustments may grant a special exception to the landscaping requirements of this article upon making a special finding from the evidence presented that strict compliance with the requirements of this article will result in substantial financial hardship or inequity to the applicant without sufficient corresponding benefit to the town and its citizens in accomplishing the objectives and purposes of this article. The applicant, to be considered for special exception, must submit a justification statement that describes which of the requirements set forth in this article will be met with modifications, which project conditions justify using alternatives, and how the proposed measures equal or exceed normal compliance.

(Ord. No. 008-006, § 2(3), 3-25-08)

Section 4. - Required landscape documents.

- (A) Prior to site plan review by the Planning and Zoning Commission for zoning amendments or building permit applications where these landscaping requirements are applicable, landscape plans must be submitted to the director of parks. The plans shall have a scale of one inch equals 30 feet or larger and be on a standard drawing sheet of a size no smaller than 24 inches by 36 inches, not to exceed 36 inches by 48 inches. A plan which cannot be drawn in its entirety on a 36-inch by 48-inch sheet shall be drawn with appropriate match lines on two or more sheets. Irrigation plans shall be submitted when the building permit application is made.

Landscape plan:

- (A) Landscape and irrigation plans required under this article shall contain the following information:
 - (1) Date, scale, north arrow, and the names, addresses, and telephone numbers of both the property owner and the person preparing the plan.
 - (2) Project name, street address, and lot and block description.
 - (3) Location, height, and material of proposed screening and fencing (with berm to be delineated by one-foot contours).
 - (4) Complete description of plant materials shown on the plan, including names (common and botanical name), locations, quantities, container or caliper sizes, heights, spread, and spacing. The location, size and species of all existing trees on the lot must be specifically indicated.
 - (5) Complete description of landscaping and screening to be provided in or near off-street parking and loading areas, including information as to the amount (in square feet) of

landscape area compared to gross site square feet. The town right-of-way shall be included as part of the gross site landscaping.

- (6) Size, height, location, and material of proposed seating, lighting, planters, sculptures, decorative paving, and water features.
- (7) Cross section drawing of berms and grading plan showing berm contours.
- (8) Landscape plans shall contain the seal of a landscape architect licensed in the State of Texas that such plans have been reviewed by such architect and satisfy all requirements of these landscape regulations.

Irrigation plan:

(A) Irrigation plans required under this article shall contain the following information:

- (1) Location of sprinkler heads, valves, double-check valve, water meter, automatic ET based controller with rain and freeze sensors.
- (2) All plant material (including street trees and planting within the public right-of-way) shall be watered with an automatic irrigation system including an ET based controller.
- (3) Irrigation sprinkler layouts shall be designed to minimize the amount of spray that will fall on sidewalks, neighboring properties, and adjacent buildings. Backflow prevention devices shall be placed per the Town of Addison Public Works Department's standards.
- (4) The town encourages the use of water-conserving system design and materials including the use of microirrigation and native plants.
- (5) Install separate valves for turf and non-turf areas to accommodate different water use requirements within the landscaped area.
- (6) Irrigation controllers shall be set to water between midnight and 6:00 a.m. This shall not apply to watering of newly planted turf or landscaping.
- (7) Irrigation plans shall contain the certification and seal of an irrigator licensed by the Texas Commission on Environmental Quality that such plans were prepared by such irrigator and satisfy all requirements of these landscape regulations.

(Ord. No. 008-006, § 2(4), 3-25-08)

Section 5. - Plant material substitutions.

Due to seasonal planting problems and a lack of plant availability, approved landscape plans may require minor revisions. Planting plans shall be accepted if there is no reduction in the quality of plant material or no significant change in size or location of plant materials, and if the new plants are of the same general category (i.e., shade, ornamental, or evergreen trees) and have the same general design characteristics (mature height, crown spread) as the materials being replaced. Proposed materials must also be compatible with the area to ensure healthy plant growth. If these criteria are not fulfilled, changes to approved plans must be resubmitted and reviewed anew.

(Ord. No. 008-006, § 2(5), 3-25-08)

Section 6. - Landscape and irrigation plan submittal.

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The director of parks and recreation shall review each landscape and irrigation plan submitted to determine whether or not it complies with the requirements of this article. All landscape plans must comply with the provisions of the Landscape Design Standards in section 7.

(Ord. No. 008-006, § 2(6), 3-25-08)

Section 7. - Landscape design standards.

At least 20 percent of the gross site or lot shall be maintained as landscaped area in the following districts:

- Apartment dwelling district;
- Mixed-use residential;
- Local retail district;
- Planned development districts;
- Commercial-1 district;
- Commercial-2 district
- Special use permits.

At least ten percent of the gross site or lot shall be maintained as landscaped area in the following districts:

- Industrial-1 district;
- Industrial-2 district;
- Industrial-3 district.

At least ten percent of the gross site or lot shall be maintained as landscaped area in the following districts:

- Industrial 1 district;
- Industrial 2 district;
- Industrial 3 district.

(A) *Street landscape buffer*: in all districts, a 20-foot wide landscape buffer strip shall be provided along the entire length of the portion of the perimeter of the lot where a public or private street exists, exclusive of driveways and access ways to points of ingress and egress to and from the lot. The property owner shall be responsible for landscaping, irrigation, and maintenance of any right-of-way area between the property line and the curb line.

- (1) Town right-of-way shall be included in the 20-foot wide buffer and shall reduce the amount of required landscaping area of the lot by that amount (square foot for square foot).
- (2) The minimum requirement for street landscape buffers shall be one four-inch caliper shade tree for each 30 linear feet of frontage and evergreen shrubs planted three to three and one half feet on center depending on the species selected. Plant material

planted in the street landscape buffer strip can be massed together to create visual interest at key entry points or focal points.

- (3) All required screening, parking perimeter, and interior parking landscaping shall be included in the overall 20 percent of gross site landscaping. This shall include front, side and rear landscaping abutting the building foundation.
 - (4) No tree may be planted closer than 36 inches to the paved portion of any parking surfaces.
- (B) *Off-street loading spaces*: all off-street loading spaces on a site shall be screened from all public and private streets adjacent to that site.
- (1) All screening shall be at least six feet in height measured from the horizontal plane passing through the nearest point of the off-street loading space and may be provided by using any one or combination of the following, subject to approval by the parks director:
 - a. Evergreen shrubs planted three feet on center, in a single row; or
 - b. Evergreen trees planted six feet on center, unless the director of parks and recreation approves an alternative planting density as being capable of providing a solid appearance within one year; or
 - c. A fence, wall or berm. Fences and walls shall not consist of corrugated metal, corrugated fiberglass, sheet metal, chain link or wire mesh or any material that in the planning and zoning commission's opinion is an unsightly material.
 - (2) When screening for off-street loading spaces is provided by earthen berm or evergreen plant materials, the following regulations apply:
 - a. An earthen berm shall be planted with turf grass or ground cover recommended for local area use by the director of parks and recreation. The slope of the berm shall not exceed 33 percent for lawn areas and shall have a minimum crown width of three feet.
 - b. Evergreen plant materials shall be recommended for local area use by the director of parks and recreation. In addition, the plant materials:
 - (1) Shall be located in a bed that is at least three feet wide; and
 - (2) Shall be placed a maximum of 36 inches on center in a single row over the entire length of the bed, unless the director of parks and recreation approves an alternative planting density as being capable of providing a solid appearance within one year; and
 - (3) Shall provide a six foot high visual barrier of the required height within one year of their initial planting.
- (C) *Visibility triangles*: The design and placement of the landscaping materials shall be at the discretion of the owner or landscape architect; however, the landscaping shall not obstruct the view between access drives and dedicated streets, parking aisles, or access drives of parking lots. Nothing at an elevation greater than the top of curb plus two feet allowed in the visibility triangle area except single trunk trees pruned to a height of six feet. Trees shall be of such size and so spaced that a visual obstruction that represents a traffic hazard is not created.

- (1) The use of plant material in a sight triangle is intended to provide aesthetic appeal while not unduly limiting or restricting visibility, whether as a pedestrian or a passenger in a vehicle. Plants shall not reduce or limit visibility to such an extent that a safety hazard is presented. Plants normally considered as effective screens shall be unacceptable for use in the visibility triangle.
 - (2) Trees used in the visibility triangle shall have a minimum branching clearance of six feet from the ground to the first branch.
 - (3) All shrubs or ground covers used in the visibility triangle shall be a maximum of 18 inches. No large or medium shrubs shall be acceptable for use in the visibility triangle because of height. Low shrubs shall be acceptable only if they do not exceed the 18-inch height limit.
- (D) *Parking lot screening screening:* must be provided for all surface parking lots on the site from all adjacent streets. The screening must extend along the entire street frontage of the surface parking lot, exclusive of driveways and access ways at points of ingress and egress to and from the site, and visibility triangles.
- (1) The surface parking lot screening must be at least three and one half feet higher than the finished elevation of the adjacent parking lot. The screening may be provided by using one of the following, unless the director of parks and recreation approves an alternative screening plan capable of providing a solid appearance:
 - a. Evergreen shrubs planted three feet on center in a single row in a bed at least 42 inches wide;
 - b. A berm at least three and one half feet high with a slope not to exceed 33 percent. The minimum crown width must be three feet. Berms must be covered in live vegetation.
 - c. A fence or wall constructed of materials compatible with the principle building. One-third of any fence or wall must be screened with acceptable plant material, as approved by the director of parks and recreation.
- (E) *Parking lot landscaping; perimeter:*
- (1) The perimeter parking lot landscape strip shall be at least five feet wide for sites larger than 10,000 square feet or at least three feet wide if the site is smaller than 10,000 square feet.
 - (2) The minimum requirement for perimeter landscaping five feet wide and greater shall be one four inch caliper shade tree for each 35 linear feet of perimeter and one shrub planted three to three and one half feet on center. The minimum requirement for perimeter landscaping less than five feet wide shall be one shrub planted three to three and a half feet on center.
 - (3) Required perimeter landscaping between adjacent parking lots does not preclude the need to provide vehicular access between lots.
- (F) *Parking lot landscaping; interior area:*

- (1) The required percentage of interior parking lot landscaping shall be determined based on the following sliding scale:

Total Parking Area	Interior Planting Area
7,000—49,999 sq. ft.	5 percent
50,000—149,000 sq. ft.	8 percent
150,000 sq. ft. and larger	10 percent

- (2) To calculate the total parking area and the subsequent percentage of required interior lot planting, total the square footage of all areas within the lot's perimeter including:
- Planting islands.
 - Curbed areas.
 - Corner lots.
 - Parking spaces.
 - And all interior driveways and aisles except those with no parking spaces located on either side.
- (3) Landscaped areas located outside the parking lot shall not be used to meet the interior planting requirement, however, building front, side or rear landscaping abutting the building foundation can be credited toward the interior planting requirement.
- (4) Curbs or wheel stops must be provided to prevent cars from parking too close to trees or damaging shrubs and screens.
- (5) All planting islands located parallel to and between parking spaces must be at least nine feet wide to prevent cars from damaging trees and shrubs.
- (6) Large shade trees must be provided in each parking lot at a minimum average density of one shade tree for each ten required parking spaces on the lot. In cases where the required number of parking spaces reduces the amount of available planting space for parking lot trees, alternative planting locations for the required quantity of these trees shall be located elsewhere on the site.
- (7) No required parking space may be located further than 50 feet from the trunk of a shade tree, or farther than 75 feet from two or more shade trees.
- (G) *Ornamental and evergreen trees:* Bradford pears or other pear cultivars, shall not receive credit toward the tree planting requirements; however, this shall not preclude their use as flowering accent trees.
- (H) *Overhead power lines:* Ornamental trees shall be substituted for shade trees in cases where maturing shade trees would otherwise interfere with overhead power lines. Shade trees shall not be planted closer than ten feet from either side of the outermost overhead power lines.
- (I) *General requirements:*
- (1) All required landscape open space shall be provided with adequate and inconspicuous automatic irrigation systems and shall be properly maintained.

- (2) All shrub beds shall be edged using steel, concrete, masonry, or pre-cast concrete edging and all plant materials mulched with a two-inch layer of shredded hardwood mulch. Plastic edging shall not be acceptable.
- (3) The parks department shall have the power to plant, preserve, spray, trim or remove any tree, shrub or plant on any parkway, alley or public ground belonging to the Town of Addison.
- (4) It shall be unlawful for any person, firm or corporation to cut or break any branch of any tree or shrub or injure in any way the bark of said tree or shrub growing on public property.

(J) *Landscape inspections:*

- (1) The installation of the approved landscape plan shall be inspected and approved by the parks department prior to issuance of a certificate of occupancy.

(Ord. No. 008-006, § 2(7), 3-25-08)

Section 8. - Tree replacement and protection.

- (A) The existing natural landscape character (especially native oaks, elms, and pecan trees) shall be preserved to the extent reasonable and feasible. In an area of the street frontage containing a stand of trees, the property owner shall use best good faith efforts to preserve such trees. In determining whether there is compliance with this subsection, the director of parks shall consider topographical constraints on design, drainage, access and egress, utilities, and other factors reasonable related to the health, safety and welfare of the public which necessitated disturbance of the existing natural landscape character; economic usefulness of the property without disturbance of its natural character; the nature and quality of the landscaping installed to replace it; and such other factors as may be relevant and proper. Indiscriminate clearing or stripping of the natural vegetation on a lot or other property is prohibited.

(B) *Replacement trees.*

- (1) Every property owner shall replace dead, removed, missing, improperly pruned, or damaged trees, by any act or omission, within 30 days after notification by the town, unless the existing season, climate, or calendar dictates postponement of the tree replacement beyond the said period of 30 days as agreed to by the town; in the event of such postponement, a property owner shall replace any such tree within the time period set forth in the notification form the town. This provision shall also apply to trees that have been severely damaged, or disfigured by improper pruning, including but not limited to lion-tailing or topping. In addition to this section, replacement tree size and configuration shall comply with the standards set forth in section 9 of this article.
- (2) Any tree that is removed, topped, severely damaged or that is disfigured by improper pruning methods without the prior written approval of the town's director of parks (as reflected in a tree permit issued pursuant to subsection (C) of this section) shall be replaced caliper inch for caliper inch as set forth in section 9 of this article. For example, if a 15-inch caliper tree is removed, it shall be replaced with a 15-inch caliper tree.

- (3) Acceptable types of replacement trees are designated in section 9, landscape standards and specifications.
- (4) If the physical limitations of the subject property are such that all of the replacement trees cannot be properly placed on the subject property, the property owner shall locate any extra trees, with the approval of the town of Addison, in the following locations: public rights-of-way, medians, or public park land. Such location of extra trees shall be performed at the direction of the town. The property owner may pay a one-time fee per site to the town in lieu of tree replacements, as approved by the town council.

(C) *Tree permit.*

No person shall remove or transplant a tree listed in section 9 (tree replacements and new plantings), subsection (B) without first obtaining from the town a tree permit approved by the director of parks or the director's designee. This section shall apply to four inches caliper shade trees or larger measured six inches from the soil surface, and two and one half to three inch caliper ornamental trees or larger measured six inches from the soil surface. Each utility company shall obtain a tree permit approved by the director of parks or the director's designee before trimming any tree. For purposes hereof, "person" means the owner, tenant, and/or subtenant of, and/or any entity or individual with any interest in, the land on which a tree is located, and/or any contractor or subcontractor of any of them.

- (1) A tree permit shall be obtained by a utility company before any trimming and/or removal of tree(s) by or for a utility company, except in the case of emergency repairs.
- (2) Application for tree permit: Tree permits shall be obtained by making application to the director of parks or the director's designee. An application must include the consent of the owner of the land on which a tree which is the subject of the application is located. The application must include a written document indicating the reasons for transplanting and/or removal (or trimming, in the case of a utility company) of a tree and a copy of a site plan or planting plan showing the tree(s) proposed for removal/transplanting (or trimmed, in the case of a utility company).
 - a. Review of application for tree permit. Upon receipt of a proper application for a tree permit, the director of parks or his/her designee shall review the application and may conduct field inspections of the site or development and/or refer the permit application to other departments for review and recommendations as deemed necessary and appropriate by the director. trees may not be removed or transplanted (or trimmed, in the case of a utility company) unless the director of parks or his/her designee approves the tree permit.
 - b. Any person(s) or entity causing the transplanting or removal of a tree without first obtaining an approved tree permit is in violation of these regulations.
 - c. Consideration for the approval of a tree removal permit shall be based upon the following guidelines:
 1. Whether the removal of the protected tree is permitted by this section;
 2. Whether or not a reasonable accommodation or alternative solution can be made to accomplish the desired activity without the removal of the protected tree;

3. The effect of the removal of the protected tree on erosion, soil moisture, retention, flow of surface waters and drainage systems;
4. The need for buffering of residential areas from the noise, glare, and the visual effects of nonresidential uses;
5. Whether the removal of the protected tree affects the public health, safety or welfare of the city; and
6. Whether the application demonstrates the attempt to preserve existing trees on the site.

An approved tree permit shall expire within six months of the date of the approval of the permit by the director of parks or the director's designee.

(D) Application to residential districts.

For property in any zoning district containing only single-family and/or duplex uses, the provisions of this section 8 apply only to trees listed in section 9 (tree replacements and new plantings), subsection (B) located within the right-of-way adjacent to a street where only one such structure is constructed.

(Ord. No. 008-006, § 2(8), 3-25-08; Ord. No. 009-007, § 1.A, 4-14-09)

Section 9. - Landscape standards and specifications.

(a) General standards.

- (1) The best professional practices of the American Society of Landscape Architects, the International Society of Arboriculture, the American Nursery and Landscape Association and Texas Nursery and Landscape Association regarding planting installation, trimming, pruning, and fertilization shall apply to the landscape standards and specifications included in this section 9.
- (2) Nursery standards shall be: American Standard for Nursery Stock, ANSI Z60.1-2004.
- (3) Pruning standards shall be: International Society of Arboriculture Pruning Guidelines ANSI A300- Pruning Guidelines.

(b) Tree replacements and new plantings. The following is a suggested list of trees for replacements and are suitable for new plantings. Other species may be acceptable for new plantings; however, their suitability for the proposed planting area shall be approved by the Addison Parks Department. Shade trees shall have a minimum caliper of four inches, ornamental trees shall have a minimum caliper of two and one half to three inches.

Shade Trees	
Oak, Burr	Quercus macrocarpa
Oak, Chinquapin	Quercus muhlenbergii
Oak, Live	Quercus virginiana
Oak, Red	Quercus shumardii
Pecan	Carya illinoensis

Ash, Texas	Fraxinus texensis
Bald Cypress	Taxodium distichum
Elm, Cedar	Ulmus crassifolia
Elm, Allee Lacebark	Ulmus parivifoia "Elmer II"
Elm, Bosque Lacebark	Ulmus parivifoia "UPMTFI"
Magnolia Southern	Magnolia grandiflora
Oak, Durand	Quercus sinuata var.sinuata
Pistachio, Chinese	Pistacia chinensis
Ornamental/Evergreen Trees	
American Smoke Tree	Cotinus obovatus
Buckeye, Mexican	Ungnadia speciosa
Carolina Buckthor	Rhamnus caroliniana
Desert Willow	Chilopsis linearis
Crape Myrtle	Lagerstroemia indica
Dogwood (Roughleaf)	Cornus drummondii
Eastern Red Cedar	Juniperus virginiana
Eve's Necklace	Sophora affinis
Goldenball Lead Tree	Leucaena retusa
Goldenrain Tree	Koelreuteria paniculata
Hawthorn Washington	Crataegus phaenopyrum
Holly, Yaupon	Ilex vomitoria
Magnolia, "Little Gem."	Magnolia "Little Gem"
Maple, Shantung	Acer truncatum
Mexican Plum	Prunus mexicana
Oak, Bigelow	Quercus sinuata var.breviloba
Oak, Lacey	Quercus laceyi (Q.glaucoides)
Persimmon, Texas	Diospyros texana
Possumhaw	Ilex decidua
Rusty Blackhaw	Viburnum rufidulum
Texas Redbud	Cercis Canadensis var. "texensis"

(c) *Size and spacing standards; replacement of damaged trees.*

- (1) Plants shall conform to the measurements specified in the plant schedule.
- (2) Caliper measurements shall be taken six inches above grade for trees under four inches in diameter and 12 inches above grade for trees four inches in diameter and larger.
- (3) Minimum branching height for all shade trees shall be six feet.
- (4) Minimum size for newly planted shade trees shall be four inches in diameter, 14 to 16 feet in height. The maximum height shall not exceed 16 feet. Any tree that has been removed, and any tree that has been topped, severely damaged, or disfigured by improper pruning methods, without the director of parks, prior written approval (as reflected in a tree permit issued pursuant to subsection (C) of section 8 of this article) shall be replaced caliper inch for caliper inch. Tree heights shall be from tops of root balls to nominal tops of plants. Tree spread refers to nominal outer width of the tree, not to the outer leaf tips. Trees shall be healthy, vigorous, full-branched, well-shaped with symmetrical crowns. Root balls shall be firm, neat, slightly tapered and well burlapped. Trees shall be free of physical damage such as scrapes, bark abrasions, split branches, mistletoe or other parasitic growth. The Town of Addison shall reject any trees delivered and/or planted not meeting the minimum size and shape standards set forth above. Red Oaks other than Shumard Oak (*Quercus shumardii*) or Texas Oak (*Quercus texana*) shall be rejected. The owner or contractor shall be responsible for providing certification that Red Oaks are true to variety.
- (5) Minimum size for Crape Myrtle shall be six to eight feet in height. Other ornamental flowering trees shall be eight to ten feet in height.
- (6) Minimum size for evergreen trees shall be eight to ten feet in height.
- (7) Minimum sizes for shrub containers shall be five gallon. Substitution of three-gallon material meeting the height requirement of five gallon shrubs is acceptable. Shrubs shall be full bodied, well-shaped and symmetrical.
- (8) Ground cover spacing shall be eight inches on center maximum for four-inch pots and 16 inches on center maximum for one-gallon containers.

(Ord. No. 008-006, § 2(9), 3-25-08; Ord. No. 009-007, § 1.B, 4-14-09)

Section 10. - Landscape maintenance.

- (A) Every property owner and any tenants shall keep their landscaping in a well- maintained, safe, clean and attractive condition at all times. Any plant that dies must be replaced with another living plant, including trees, within 30 days after notification by the town. Such maintenance includes, but is not limited to, the following:
- Prompt removal of all litter, trash, refuse and waste;
 - Lawn mowing on a weekly basis during the growing season;
 - Shrub pruning according to accepted practices of landscape professionals to maintain plants in a healthy condition;
 - Tree pruning according to tree-pruning guidelines published by the International Society of Arboriculture and the American National Standards (ANSI) A300-Pruning Standards;

- Pruning/thinning that removes no more than one fourth of the tree canopy annually;
 - Watering of landscaped areas on a regular basis to maintain good plant health;
 - Sprinkler run times set on controllers to water between midnight and 6:00 a.m.
 - Keeping landscape lighting in working order;
 - Keeping lawn and garden areas alive, free of weeds, and attractive;
 - Cleaning of abutting waterways and landscaped areas lying between public right-of-way lines and the property unless such streets, waterways or landscaped areas are expressly designated to be maintained by applicable governmental authority.
- (B) The discharge, deposit, blowing or sweeping of grass, leaves, other vegetation, or litter debris into public or private streets or alleys is prohibited. In connection with yard or landscape maintenance, lawn or grass clippings, leaves, other vegetation, and litter debris caused by or resulting from such maintenance shall be promptly removed from any public or private street or alley adjacent to the property being maintained and shall be disposed of in a manner to prevent the material from blowing or falling from a maintenance truck, trailer or disposal container. Lawn clippings, leaves, other vegetation, and litter debris shall be removed from sidewalks, streets and street gutters, and alleys after mowing and edging is performed to prevent collection in the storm water system.
- (C) Rain, Moisture, and Freeze Shut-Off Devices.
- (1) All automatically controlled irrigation systems required to be installed by a Landscape or Irrigation Plan must include rain, moisture, and freeze shut-off devices and sensors or other technology designed to inhibit or interrupt operation of the irrigation system during periods of moisture, rainfall, or freezing temperatures. Following adoption of this ordinance, all properties identified in Subsection 10(C)(3) where a new certificate of occupancy is requested will be required to submit a letter from a licensed irrigator that the irrigation system complies with the provisions of this ordinance and includes an operational sensor or other technology designed to inhibit or interrupt operation of the irrigation system during periods of freezing weather and moisture or rainfall. Repairs to existing automatic irrigation systems on all properties identified in Subsection 10(C)(3) that require replacement of an existing controller must include an operational sensor or other technology designed to inhibit or interrupt operation of the irrigation system during periods of freezing weather and moisture or rainfall.
 - (2) Irrigation systems adjacent to any street, sidewalk, alley, highway or parking lot shall not operate so as to cause damage to other property or to interfere with the free movement of any vehicle or pedestrian.
 - (3) This Subsection applies to all property within the city limits of the Town of Addison.

(Ord. No. 008-006, § 2(10), 3-25-08; Ord. No. 015-33, § 1, 11-10-15)

Section 11. - Enforcement.

- (A) The provisions of this Article may be enforced against any property owner or property manager or tenant or person or entity in possession of the property for violation of the provisions contained herein. In addition to the issuance of a citation as provided in subsection (B) below which does not require notice, following continued violation after ten

days' written notice of the violation to any of the responsible parties identified above, the Town shall have the right to:

- (1) Revoke any building permits, certificates of occupancy, or other approvals or permits previously issued for the premises.
 - (2) Withhold approval for building permits, certificates of occupancy, and other permits or approvals relating to the premises.
 - (3) Enter onto the premises and perform care and maintenance. The property owner and tenants of any part of the premises on which such work is performed shall jointly and severally be liable for the costs of such work and shall promptly reimburse the Town for such costs. If such property owner or tenant shall fail to reimburse the Town within 30 days after receipt of a statement for such work from the Town, the said indebtedness shall be a debt of all of said persons jointly and severally, and shall constitute a lien against the premises on which the work was performed. The lien may be evidenced by an affidavit of costs filed in the real property records.
- (B) Any person that violates any of the provisions of this Article shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in a sum not to exceed \$2,000.00 and a separate offense shall be deemed committed upon each day during or on which a violation occurs or continues.
- (C) Enforcement of this Article shall be the responsibility of the Building Official, code enforcement officer, police officer or other designee of the City Manager. It shall be unlawful for any person to interfere or prevent authorized enforcement personnel in the performance of their duties.

(Ord. No. 008-006, § 2(11), 3-25-08; Ord. No. 009-007, § 1.C, 4-14-09; Ord. No. 015-033, § 2, 11-10-15)

Section 12. - Bonding.

When a property owner seeks a certificate of occupancy, the director of parks and recreation may, in his/her discretion, require a maintenance bond, letter of credit, personal undertaking, cash escrow, or other security acceptable to the director that guarantees and secures maintenance of newly installed landscape for a period not to exceed two years.

(Ord. No. 008-006, § 2(12), 3-25-08)

Section 13. - Certificate of occupancy.

It shall be unlawful to issue an occupancy permit prior to the approval and complete installation of the landscape and irrigation plans. However, for a variety of reasons, it is not always possible to complete the landscape installation as quickly as desired or needed. In such cases, an extension of time may be granted and a temporary certificate of occupancy may be issued for variable periods from 15 to 45 days.

(Ord. No. 008-006, § 2(13), 3-25-08)

Section 2. Recitals. The above and foregoing recitals are true and correct and are incorporated herein and made a part hereof for all purposes.

Section 3. Savings; Repealer. This Ordinance shall be cumulative of all other ordinances of the City and shall not repeal any of the provisions of those ordinances except in those instances where the provisions of those ordinances are in direct conflict with the provisions of this Ordinance. Provided, however, that the repeal of such ordinances or parts of such ordinances and the amendments and changes made by this Ordinance, shall not affect any right, property or claim which was or is vested in the City, or any act done, or right accruing or accrued, or established, or any suit, action or proceeding had or commenced before the time when this Ordinance shall take effect; nor shall said repeals, amendments or changes affect any offense committed, or an penalty or forfeiture incurred, or any suit or prosecution pending at the time when this Ordinance shall take effect under any of the ordinances or sections thereof so repealed, amended or changed; and to that extent and for that purpose the provisions of such ordinances or parts of such ordinances shall be deemed to remain and continue in full force and effect.

Section 4. Severability. The sections, paragraphs, sentences, phrases, clauses and words of this Ordinance are severable, and if any section, paragraph, sentence, phrase, clause or word in this Ordinance or application thereof to any person or circumstances is held invalid or unconstitutional by 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 5. Penalty. Any person, firm, or corporation violating any of the provisions of this ordinance shall be deemed guilty of a misdemeanor and upon conviction shall be punished by a fine not to exceed the sum of Two Thousand Dollars (\$2,000.00) for each offense and each and every such day such offense shall continue shall be deemed to constitute a separate offense.

Section 6. Effective Date. This Ordinance shall take from and after its adoption and publication as required by law.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas this the _____ day of _____, 2016.

Todd Meier, Mayor
Town of Addison, Texas

ATTEST:

Laura Bell, City Secretary

APPROVED AS TO FORM:

Brenda N. McDonald, City Attorney
OFFICE OF THE CITY SECRETARY
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ORDINANCE NO. _____



March 11, 2016

STAFF REPORT

RE: Case 1733-Z/Town of Addison

REQUEST: Approval of an ordinance moving landscape regulations from Appendix A – Zoning to Chapter 34 (Environment).

DISCUSSION:

Background: Currently, the Town's regulations regarding landscaping are located within the Zoning Ordinance. It was placed there previously because zoning regulations carry a higher maximum fine than other code violations. Staff believes that a more appropriate location for these regulations is Chapter 34 which pertains to environmental regulations. This was discussed with the City Council, and staff was directed to proceed with the process of relocating these requirements.

Current Request: Staff is proposing to remove the section of Appendix A – Zoning which discusses landscape regulations and copy it verbatim into a new section of Chapter 34. This would not change any regulations or the Town's ability to enforce such regulations.

RECOMMENDATION: **APPROVAL**



Case 1733-Z/Town of Addison
March 15, 2016

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on March 15, 2016, voted to recommend approval of an ordinance moving landscape regulations from Appendix A – Zoning, Article XXI to a new Article VI in Chapter 34 (Environment) of the Code of Ordinances.

Voting Aye: Griggs, Ennis, Morgan, Robbins, Robinson, Schaeffer, Smith

Voting Nay: none

Absent: none

SPEAKERS AT THE PUBLIC HEARING:

For: none

On: none

Against: none