

TOWN OF ADDISON, TEXAS

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS APPROVING AN ASSIGNMENT OF GROUND LEASE BETWEEN ADDISON EXPRESS, II, LP AND CUTTER AVIATION DEER VALLEY I, LP FOR COMMERCIAL AVIATION USE ON PROPERTY LOCATED AT 4500 CLAIRE CHENNAULT DRIVE, AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONSENT OF LANDLORD ATTACHED TO THE ASSIGNMENT AS REQUIRED BY THE GROUND LEASE, AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Addison Express II, L.P. is a tenant under the Assignment of Lease dated October 23, 1998, and amended on October 1, 2014, for the property located at 4500 Claire Chennault Drive owned by the Town of Addison (the "Lease"); and

WHEREAS, Addison Express II, L.P. desires to assign its rights under the Lease and the amendment to Cutter Aviation Deer Valley I, L.P.

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

Section 1. The Assignment of Ground Lease between Addison Express, II, L.P. and Cutter Aviation Deer Valley I, L.P. for commercial aviation use on property located at 4500 Claire Chennault 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 Consent of Landlord attached to the Assignment as required by the Ground Lease.

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 26th 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 GROUND LEASE**
COUNTY OF DALLAS §

This Assignment of Ground Lease (the "Assignment") is entered into and effective as of _____ 20____, at Addison, Texas, by and between Addison Express II, L.P., a Texas limited partnership (herein referred to as "Assignor") and Cutter Aviation Deer Valley I, L.P., an Arizona limited partnership (herein referred to as "Assignee").

WHEREAS, a Ground Lease was executed on September 3, 1980 between the Town of Addison (the "City"), Addison Airport of Texas, Inc., and Mission Property Company recorded in Instrument 199301836202, of the Official Public Records of Dallas County, Texas (the "OPR"), by the terms of which certain real property located at 4500 Claire Chennault Drive, 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 Mission Property Company; and

WHEREAS, the said Ground Lease was amended by that "Lease Amendment" dated January 31, 1983, granting an easement for ingress and egress that shall be maintained by the tenant under the Ground Lease; and

WHEREAS, by that Assignment of Ground Lease dated June 29, 1994, the Ground Lease was assigned from Mission Property Company, as Assignor, to MPX Aviation, Inc., as Assignee recorded in Volume 94125, Page 01633 of the OPR; and

WHEREAS, by that Assignment of Ground Lease dated July 18, 1996, the Ground Lease was assigned from MPX Aviation, Inc. as Assignor, to Mission Property Company, as Assignee recorded in Volume 96161, Page 03587 of the OPR; and

WHEREAS, by that Assignment of Lease dated August 5, 1996, the Ground Lease was assigned from Mission Property Company, as Assignor, to Ronald M. Fredrick, as Assignee recorded in Volume 96161, Page 03591 of the OPR; and

WHEREAS, by that Assignment of Ground Lease dated August 5, 1996, the Ground Lease was assigned from Ronald M. Fredrick, as Assignor, to Keith Partners I, Ltd., as Assignee recorded in Volume 96161, Page 03595 of the OPR, having thereafter been merged into E.U.A. Air Support, Inc., with E.U.A. Airport Support, Inc. being the surviving entity; and

WHEREAS, by that Assignment of Lease dated October 23, 1998, the Ground Lease was assigned from E.U.A. Air Support, Inc., as Assignor, to Addison Express II, L.P., as Assignee recorded in Volume 98209, Page 04496 of the OPR; and

WHEREAS, the said Ground Lease was amended by that Second Amendment to Ground Lease dated October 1, 2004 extending the Term an additional 178 months to December 31, 2036; and

WHEREAS, by virtue of such assignments, amendments and/or modifications made to the Ground Lease, Assignor is the Tenant under the Ground Lease (a true and correct copy of said Ground Lease in its entirety with all hereinabove said assignments, amendments and/or modifications made thereto are attached and incorporated herein by reference as Exhibit "B"); and

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

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

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

WHEREAS, Assignor desires to assign the Ground Lease to Assignee, and Assignee desires to accept the assignment thereof in accordance with the terms and conditions of this Assignment and that certain Asset Purchase Agreement between Assignor as "Seller" and Assignee as "Buyer" ("Purchase Agreement"); and

WHEREAS, Assignor desires to additionally sell to Assignee and Assignee desires to purchase from Assignor (3) Hangars (the "Hangars") in accordance with the terms and conditions of the Purchase Agreement which Hangars are situated on the real property subject to the Ground Lease and in consideration thereof, Assignee will execute a promissory note (the "Note") and Leasehold Deed of Trust (the "Deed of Trust") which will encumber the Hangars. The definitions and terms of the Asset Purchase Agreement, Note and Deed of Trust are hereby incorporated herein by reference the same as if set forth verbatim.

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

AGREEMENT

1. Assignor hereby assigns to Assignee, effective as of the date above, all of Assignor's right, title, duties, responsibilities, and interest in and to the Ground Lease, 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 its right to right, title, duties, responsibilities, and interest in and to the Ground Lease unto Assignee against every person or persons lawfully claiming through Assignor.

2. Prior to the effective date of this Assignment, Assignee agrees to pay an Assignment Fee in the amount of Five Hundred and no/100 Dollars (\$500.00) to Landlord.

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

Cutter Aviation Deer Valley I, L.P.
2802 East Old Tower Road
Phoenix, AZ 85034
Attn: Steven Prieser

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

5. 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.

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

7. Assignee hereby agrees to indemnify, defend and hold harmless Assignor, its agents and its and their successors and assigns from and against any and all claims, losses, liabilities, demands and expenses of whatever nature, including reasonable attorneys' fees, suffered or incurred by Assignor by reason of any breach by Assignee occurring after the effective date of this Agreement hereof of any of its obligations under the Ground Lease.

8. Assignor hereby by agrees to indemnify, defend and hold harmless Assignee, its agents and its and their successors and assigns from and against any and all

claims, losses, liabilities, demands and expenses of whatever nature, including reasonable attorneys' fees, suffered or incurred by Assignee by reason of any breach by Assignor occurring prior to the effective date of this Assignment of any of its obligations under the Ground Lease.

9. In the event any party hereto institutes any action or proceeding against the other party with regard to this Assignment, the prevailing party in such action shall be entitled to recover, in addition to the cost of the suit, its reasonable attorneys' fees and expenses.

10. This Assignment and the obligations of the parties hereunder shall survive the closing of the transaction referred to in the Purchase Agreement and shall not be merged therein, shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns, shall be governed by and construed in accordance with the laws of the State of Texas applicable to agreements made and to be wholly performed within said State and may not be modified or amended in any manner other than by a written agreement signed by the party to be charged therewith. Except as expressly provided herein or the Purchase Agreement, Assignor shall have no liability whatsoever under any of the Leases, security deposits, or Contracts after the closing of the transaction referred to in the Purchase Agreement.

11. Assignor acknowledges that in addition to any other remedies provided in the Ground Lease or by law, Landlord may, at its own option, collect directly from the Assignee or subtenants 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 Ground Lease.

12. 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.

13. EXCEPT AS OTHERWISE PROVIDED IN THIS ASSIGNMENT, THE PURCHASE AGREEMENT OR ANY CLOSING DOCUMENTS, ASSIGNOR IS ASSIGNING THE GROUND LEASE TO ASSIGNEE "AS IS", "WHERE IS", AND WITH ALL FAULTS AND SPECIFICALLY AND EXPRESSLY WITHOUT ANY WARRANTIES, REPRESENTATIONS OR GUARANTEES, EITHER EXPRESS OR IMPLIED, OF ANY KIND, NATURE, OR TYPE WHATSOEVER FROM OR ON BEHALF OF THE GRANTOR.

14. DISCLAIMER. EXCEPT AS OTHERWISE STATED IN THIS ASSIGNMENT, THE PURCHASE AGREEMENT OR ANY CLOSING DOCUMENTS, ASSIGNEE ACKNOWLEDGES AND AGREES, AND SPECIFICALLY ACKNOWLEDGES ASSIGNOR'S EXPRESS RELIANCE HEREON,

THAT (A) ASSIGNOR HAS MADE NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, OF ANY TYPE OR NATURE TO ASSIGNEE OR ANY AGENT OF ASSIGNEE, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OR REPRESENTATIONS WITH RESPECT TO: (i) THE PROPERTY OR THE CONDITION OR VALUE OF THE PROPERTY; (ii) ANY OF THE OTHER DOCUMENTS OR INSTRUMENTS RELATING TO THE GROUND LEASE OR BASE LEASE; AND (iii) THE PRESENCE OR ABSENCE OF ANY HAZARDOUS MATERIALS OR TOXIC WASTE THEREON, THE ZONING CLASSIFICATION OF THE PROPERTY AND THE EXTENT TO WHICH THE PROPERTY IS IN COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS). ASSIGNEE SHALL RELY EXCLUSIVELY UPON ITS OWN ATTORNEYS, ACCOUNTANTS, CONSULTANTS, AND OTHER PROFESSIONS FOR ANY LEGAL, TAX, PROPERTY CONDITION, DUE DILIGENCE OR OTHER EXPERT ADVICE.

15. In the event, Assignee fails to timely pay the Note or otherwise timely cure any monetary or non-monetary defaults under the Note or Deed of Trust following the expiration of any applicable notice and cure period, then Assignor shall have the absolute right to foreclose its interest in Hangars pursuant to the terms of the Deed of Trust or pursuant to applicable law.

16. This Assignment may be executed in counterparts, each of which shall be an original and all of which counterparts taken together shall constitute one and the same agreement.

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

Assignor: Addison Express II, L.P., a Texas limited partnership

Assignee: Cutter Aviation Deer Valley I, L.P., an Arizona limited partnership

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

ACKNOWLEDGMENT

STATE OF TEXAS §
COUNTY OF DALLAS §

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

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

[SEAL]

Notary Public, State of Texas

STATE OF TEXAS §
COUNTY OF DALLAS §

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

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

[SEAL]

Notary Public, State of Texas

CONSENT OF LANDLORD

The Town of Addison, Texas ("Landlord") is the Landlord in the Ground Lease described in the Assignment of Ground Lease (the "Assignment") entered into and effective as of _____ 2016, at Addison, Texas, by and between Addison Express II, L.P., a Texas limited partnership (herein referred to as "Assignor") and Cutter Aviation Deer Valley I, L.P., an Arizona limited partnership (herein referred to as "Assignee"). In executing this Consent of Landlord, Landlord is relying upon the warranties and representations made in the foregoing Assignment by both Assignor and Assignee, and in relying upon the same Landlord hereby consents to the foregoing Assignment from Assignor to Assignee. Notwithstanding this Consent, Landlord does not waive any of its rights under the Ground Lease as to the Assignor or the Assignee, and does not release Assignor from its covenants, obligations, duties, or responsibilities under or in connection with the Ground Lease, and Assignor shall remain liable and responsible for all such covenants obligations, duties, or responsibilities. In addition, notwithstanding any 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 Ground 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"

LEASEHOLD ESTATE as created in Lease Agreement, by and between City of Addison and Addison Airport of Texas, Inc., as Lessor, and Mission Property Company, as Lessee, as evidenced by Ground Lease Agreement, dated September 3, 1980, filed September 21, 1993, recorded in Volume 93183, Page 5118, Deed Records, Dallas County, Texas, and covering the real property more particularly described as follows:

BEING a tract of land situated in the WILLIAM LOMAX SURVEY, ABSTRACT NO. 792, DALLAS County, Texas, and located on ADDISON MUNICIPAL AIRPORT, ADDISON, Texas, and being more fully described as follows:

BEGIN at a point for the intersection of the West Right-of-Way line of Addison Road, a 60 foot street, and the South Right-of-Way line of Westgrove Road a 60 foot street;

THENCE South 89 degrees 54 minutes 46 seconds West, along the South line of said Westgrove Road a distance of 730.00 feet to a point for the centerline of a proposed 60 foot street (Claire Chennault Road);

THENCE South 00 degrees 05 minutes 14 seconds East, along the centerline of said proposed street a distance of 302.19 feet to an angle point;

THENCE South 43 degrees 16 minutes West, along the centerline of said proposed street a distance of 1154.73 feet to an angle point;

THENCE South 69 degrees 21 minutes 30 seconds West, along the centerline of said proposed street at distance of 61.98 feet to the beginning point of this description;

THENCE South 20 degrees 38 minutes 30 seconds East, 441.68 feet to a point for the beginning of a curve to the right said point also being in the Northwest Right-of-Way line of proposed taxiway;

THENCE in a Southwesterly direction along said curved line of proposed taxiway having a central angle of 12 degrees 15 minutes 23 seconds a radius of 365.00 feet for a distance of 78.08 feet to a point;

THENCE South 69 degrees 21 minutes 30 seconds West, along the Northwest line of said proposed taxiway a distance of 263.52 feet to a point;

THENCE North 20 degrees 38 minutes 30 seconds West, 450.00 feet to a point;

THENCE North 69 degrees 21 minutes 30 seconds East, 341.00 feet to the PLACE OF BEGINNING and CONTAINING 3.518 acres of land, more or less.

w:\mislvp-leg

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EXHIBIT B

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

SECOND AMENDMENT TO GROUND LEASE

This Second Amendment to Ground Lease (hereinafter referred to as the "Second Amendment") is entered into this 1st day of October 2004 between the Town of Addison, Texas (hereinafter referred to as the "City" or "Landlord"), a municipal corporation, and Addison Express II, L.P., a Texas limited partnership (hereinafter referred to as "Tenant").

WHEREAS, a certain Ground Lease dated September 3, 1980 was made and entered into by and among the City of Addison, Texas (the same being the Town of Addison, Texas) and Addison Airport of Texas, Inc., together as Landlord, and Mission Property Company, as "Tenant" (which Ground Lease is recorded in Volume 93183, Page 5118, Deed Records, Dallas County, Texas, and a true and correct copy of which is attached hereto as Exhibit "A"); and

WHEREAS, pursuant to the said Ground Lease, Landlord leased to Tenant, for the term and subject to the terms and conditions set forth therein, certain real property described in the Ground Lease and consisting of 3.518 acres located at 4500 Claire Chennault at Addison Airport in Addison, Texas Dallas County (referred to in the Ground Lease and in this Second Amendment as the "Demised Premises"); and

WHEREAS, the said Ground Lease was amended by that "Lease Amendment" dated January 31, 1983, (a true and correct copy of which is attached hereto as Exhibit "B" (the "First Amendment")) (the said Ground Lease, as amended by the First Amendment, being hereinafter referred to as the "Ground Lease"); and

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

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

WHEREAS, following the commencement of the Ground Lease, the tenant's interest in the Ground Lease has been assigned as follows:

- from Mission Property Company to MPX Aviation, Inc. ("MPX") by that Assignment of Lease dated June 29, 1994 (a true and correct copy of which is attached hereto as Exhibit "C", and

Schedule of Exhibits

Exhibit A: Copy of Ground Lease Dated
September 3, 1980
Exhibit B: Copy of Lease Amendment dated
January 21, 1983
Exhibit C: Assignment of Lease dated June 29,
1994
Exhibit D: Assignment of Ground Lease dated
July 18, 1996
Exhibit E: Assignment of Ground Lease dated
August 5, 1996
Exhibit F: Assignment of Ground Lease dated
August 5, 1996
Exhibit G: Assignment of Ground Lease dated
October 23, 1998
Exhibit H: Order and Amended Securities and
Asset Purchase Agreement dated October 8,
1998
Exhibit I: Description of the Leasehold
Improvements
Exhibit J: Excerpt of Official Action of the
Addison City Council dated August 8, 2000
Exhibit K: Certificate of Occupancy
#02039223 dated 4/17/2002
Exhibit L: DCAD Market Value History Report
page 2 of 3

which has been recorded in Volume 94125, Page 1633 Deed Records, Dallas County, Texas); and thereafter

- from MPX to Mission Property Company by that Assignment of Ground Lease dated July 18, 1996 (a true and correct copy of which is attached hereto as Exhibit "D", and which has been recorded in Volume 96161, Page 03587, Deed Records, Dallas County, Texas); and thereafter
- from Mission Property Company to Ronald M. Fredrick by that Assignment of Ground Lease dated August 5, 1996 (a true and correct copy of which is attached hereto as Exhibit "E", and which has been recorded in Volume 96161, Page 03591, Deed Records, Dallas County, Texas); and thereafter
- from Ronald M. Fredrick to Keith Partners I, Ltd., by that Assignment of Ground Lease dated August 5, 1996 (a true and correct copy of which is attached hereto as Exhibit "F") (Keith Partners I, Ltd. having thereafter been merged into E.U.A. Air Support, Inc., with E.U.A. Airport Support, Inc. being the surviving entity); and thereafter
- from E.U.A. Airport Support, Inc. to Addison Express II, L.P., a Texas limited partnership, by that Assignment of Ground Lease dated October 23, 1998 (a true and correct copy is attached hereto as Exhibit "G"), which Assignment was given pursuant to and in accordance with a certain Order of the United States Bankruptcy Court for the Northern District of Texas, Dallas Division, in *In re E.U.A. Air Support, Inc.*, Case No 398-37755-RCM-11, dated as of October 8, 1998, ordering E.U.A. Air Support, Inc. to assign its leasehold interests in the Ground Lease to Addison Express II, L.P. in accordance with the Amended Securities and Asset Purchase Agreement dated October 8, 1998 (a true and correct copy of the Order and Amended Securities and Asset Purchase Agreement dated October 8, 1998 are attached hereto as Exhibit "H"); and

WHEREAS, by virtue of the various assignments set forth above, Landlord hereby acknowledges that Addison Express II, L.P. a Texas limited partnership, is (as of the date of this Second Amendment) the current Tenant under the Ground Lease; and

WHEREAS, in May, 2000, Tenant requested that Landlord extend the term of the Ground Lease for an additional 178 months from and after February 28, 2022 (the "Ground Lease Extension"), so that the Ground Lease would end on December 31, 2036, provided, however, that as a condition to obtaining the Ground Lease Extension, Tenant, at its sole cost and expense (i) construct upon the Demised Premises, at a certain cost, prior to a certain date, and to the Landlord's satisfaction, certain leasehold improvements described in Exhibit "I" attached hereto (the "Leasehold Improvements"), and (ii) comply with certain other conditions (the "Ground Lease Extension Conditions"); and

WHEREAS, on August 8, 2000 the City Council of the Town of Addison, Texas considered the Tenant's request for the Ground Lease Extension and approved the same, subject to the Ground Lease Extension Conditions, and the same was to have been reflected in a written amendment to the Ground Lease and executed by both Landlord and Tenant, but the written amendment has never been executed; and

WHEREAS, in spite of the failure to execute a written amendment, Tenant proceeded to construct the Leasehold Improvements, and timely complied with the Ground Lease Extension Conditions to Landlord's satisfaction (which satisfaction is reflected, in part, by the City's issuance of Certificate of Occupancy #02039223 dated April 17, 2002 relating to the Leasehold Improvements (a true and correct

copy of which Certificate is attached hereto as Exhibit "K"), and by the representations made by Tenant as to the cost of the Leasehold Improvements as set forth below); and

WHEREAS, Tenant hereby represents and warrants to Landlord that the total cost of the Leasehold Improvements exceeded the sum of One Million Dollars (\$1,000,000) at such time when the Leasehold Improvements were made and completed; and

WHEREAS, Landlord hereby acknowledges and accepts Dallas County Appraisal District's (DCAD) Market Value History for commercial account #1000059000A100000 (a copy of which history is attached hereto as Exhibit "L"), which indicates the DCAD's appraised market value of the real property improvements increased by \$1,391,520 in year 2002 (from \$607,780 in 2001 to \$1,999,300 in 2002), such increase being a direct result of the Leasehold Improvements being completed; and

WHEREAS, Landlord and Tenant now desire to enter into this Second Amendment to confirm and reflect Tenant's satisfactory completion and fulfillment of the Ground Lease Extension Conditions (including the construction of the Leasehold Improvements), and the resulting amendment to the Ground Lease providing for the Ground Lease Extension; and

WHEREAS, Tenant is not in default (to the best of Landlord's knowledge) of any provision of the Ground Lease as amended beyond any applicable cure period as of the date of this Second Amendment.

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

AGREEMENT

Section 1. Amendment to Paragraph 3 of the Ground Lease. Paragraph 3 of the Ground Lease is hereby amended so that it shall hereafter read as follows:

"3. Term:

A. The term hereof shall commence on the earlier of March 1, 1982 of the first day of the first calendar month after Tenant completes the construction hereinbelow described and opens for business at the demised premises (the applicable date being hereinafter referred to as the "Commencement Date"), and shall end four hundred eighty (480) months thereafter; provided, however, that any entry upon the demised premises by Tenant prior to the Commencement Date shall be subject to all of the terms and conditions hereof except that rental shall not accrue."

B. Notwithstanding subparagraph A of this paragraph 3, Tenant having fully complied with certain terms and conditions as generally set forth in this Second Amendment, the Lease shall be and is extended for an additional 178 months from February 28, 2022 so that this Lease shall end on December 31, 2036.

Section 2. No Other Amendments. Except to the extent modified or amended herein, all other terms and obligations of the Ground Lease shall remain unchanged and in full force and effect.

Section 3. Applicable Law; Venue. The parties agree that the laws of the State of Texas shall govern and apply to the interpretation, validity and enforcement of this Second Amendment; 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 Second Amendment, and all obligations of the parties created by this Amendment are performable in Dallas County, Texas. Venue for any action under this Amendment shall lie in Dallas County, Texas.

Section 4. No Benefit to Third Parties. The provisions of this Second Amendment are solely for the benefit of the Landlord and Tenant and are not intended to create or grant any rights, contractual or otherwise, to any third person or entity.

Section 5. Authority to Execute. The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Amendment on behalf of the parties hereto, and each party hereby certifies to the other that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect.

IN WITNESS WHEREOF, the undersigned parties execute the Agreement this 18th day of March, 2005.

LANDLORD:

TOWN OF ADDISON, TEXAS

By: Ron Whitehead
Ron Whitehead, City Manager

TENANT:

ADDISON EXPRESS II, L.P.

By: A. Dale Griffin, III
Its: President
A. Dale Griffin, III

EXHIBIT "A"

THE STATE OF TEXAS
COUNTY OF DALLAS

GROUND LEASE

Copy

This Ground Lease (hereinafter referred to as the "Lease") is made and entered into as of September 3, 1980, by and among the City of Addison, Texas, a municipal corporation (hereinafter sometimes referred to as the "City"), Addison Airport of Texas, Inc., a Texas Corporation (hereinafter sometimes referred to as "AATI") and MISSION PROPERTY COMPANY (hereinafter referred to as "Tenant").

WITNESSETH:

WHEREAS, AATI leases that certain real property (hereinafter referred to as the "demised premises") described in attached Exhibit A from the City pursuant to that certain instrument captioned Agreement for Operation of the Addison Airport (hereinafter referred to as the "Base Lease") between the City and Addison Airport, Inc. (predecessor of AATI); and

WHEREAS, the demised premises are situated at Addison Airport (hereinafter referred to as the "Airport") in Dallas County, Texas, the Airport being delineated in a plat attached hereto as Exhibit B; and

WHEREAS, the City and AATI hereby lease and demise the demised premises to Tenant, and Tenant hereby leases and takes the demised premises from the City and AATI, upon the terms and conditions set forth herein;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

1. **Base Lease:** All of the terms and conditions of the Base Lease are incorporated into this Lease by reference as if written verbatim herein, and Tenant by Tenant's execution hereof acknowledges that AATI has furnished Tenant with a copy of the Base Lease. Tenant agrees to fully comply at all times and in all respects with the terms and conditions of the Base Lease insofar as the same relate to the demised premises and/or the use and operation thereof, except that Tenant shall not be responsible for the payment of any rental due under the Base Lease which shall be paid by AATI.

2. **Definition of Landlord and Effect of Default under the Base Lease:** The term "Landlord" as hereinafter used in this Lease shall mean either AATI or the City. So long as the Base Lease is in effect, AATI shall be entitled to all of the rights, benefits and remedies of the Landlord under this Lease, and shall perform all of the duties, covenants and obligations of the Landlord under this Lease. Upon the expiration or termination of the Base Lease, the City shall be entitled to all of the rights, benefits and remedies of the Landlord under this Lease, and shall perform all of the duties, covenants and obligations of the Landlord under this Lease. The City agrees that (i) until such time as the City notifies Tenant to the contrary in writing, Tenant is fully authorized to make all payments due under this Lease to AATI, and (ii) that default by AATI under the Base Lease shall have no effect on this Lease so long as Tenant pays and performs its duties, covenants and obligations under this Lease.

3. **Term:** The term hereof shall commence on the earlier of March 1, 1982, or the first day of the first calendar month after Tenant completes the construction hereinafter described and opens for business at the demised premises (the applicable date being hereinafter referred to as the "Commencement Date"), and shall end four hundred eighty (480) months thereafter; provided, however, that any entry upon the demised premises by Tenant prior to the Commencement Date shall be subject to all of the terms and conditions hereof except that rental shall not accrue.

4. **Rental:** Subject to adjustment as hereinafter provided, Tenant agrees to pay to Landlord, without offset or deduction, rent for the demised premises at the rate of \$3,064.88 per month in advance. The first of such monthly installment shall be due and payable on or before the Commencement Date, and a like installment shall be due and payable on or before the first day of each calendar month thereafter during the term hereof.

5. **Adjustment of Rental:** Commencing on the second anniversary of the Commencement Date and on every bi-annual anniversary thereafter (hereinafter referred to as the "Adjustment Date"), the monthly rental due under paragraph 4 shall be adjusted as follows:

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

(ii) The monthly rental for the two (2) year period beginning with and following the then applicable Adjustment Date shall be either increased or decreased, as the case may be, by the percentage of increase or decrease in the Price Index between the Commencement Date and the then applicable Adjustment Date, but in no event shall such monthly rental ever be decreased below the monthly rental set forth in paragraph 4.

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

6. **Use of Demised Premises and Construction of Improvements:** The demised premises shall be used and occupied by Tenant only for the following purposes: sale of aircraft and aircraft parts; aircraft maintenance and repair; aircraft storage; aircraft training; aircraft charter; and aircraft rental; and not otherwise without the prior written consent of Landlord.

aircraft-related office and storage
In connection with such use and occupancy, Tenant intends to construct upon the demised premises the improvements depicted in the plans and specifications.

See preliminary site plan attached (Exhibit "D").

All construction shall be strictly in accordance with such plans and specifications, and such construction shall be performed in a first class, workmanlike manner. Tenant agrees to promptly pay and discharge all costs, expenses, claims for damages, liens and any and all other liabilities and obligations which arise in connection with such construction.

7. **Acceptance of Demised Premises:** Tenant acknowledges that Tenant has fully inspected the demised premises and accepts the demised premises as suitable for the purpose for which the same are leased in their present condition.

8. **Securing Governmental Approvals and Compliance with Law:** Tenant at Tenant's sole cost and expense shall obtain any and all governmental licenses, permits and approvals necessary for the construction of improvements and for the use and occupancy of the demised premises. Tenant shall comply at all times with all governmental laws, ordinances and regulations applicable to the use of the demised premises, and shall promptly comply with all governmental orders and directives for the correction, prevention and abatement of nuisances in or upon, or connected with the demised premises, all at Tenant's sole cost and expense.

9. **Assignment, Subletting and Mortgage of Leasehold Estate:** except upon terms and provisions of the rental agreement attached hereto as Ex. C.

A. Without the prior written consent of Landlord, Tenant may not assign this Lease or any rights of Tenant hereunder (except to a leasehold mortgagee as hereinafter provided) or sublet the whole or any part of the demised premises. Any assignment or subletting shall be expressly subject to all the terms and provisions of this Lease, including the provisions of paragraph 6 pertaining to the use of the demised premises. In the event of any assignment or subletting, Tenant shall not assign Tenant's rights hereunder or sublet the demised premises without first obtaining a written agreement from each such assignee or sublessee whereby each such assignee or sublessee agrees to be bound by the terms and provisions of this Lease. No such assignment or subletting shall constitute a novation. In the event of the occurrence of an event of default while the demised premises are assigned or sublet, Landlord, in addition to any other remedies provided herein or by law, may at Landlord's option, collect directly from such assignee or subtenant all rents becoming due under such assignment or subletting and apply such rent against any sums due to Landlord hereunder. No direct collection by Landlord from any such assignee or subtenant shall release Tenant from the payment or performance of Tenant's obligations hereunder.

B. Tenant shall have the right to mortgage the leasehold estate of Tenant created hereby in order to secure a mortgage loan for the purpose of obtaining funds for the construction of the improvements described in paragraph 6 or for other construction upon the demised premises approved from time to time by Landlord in writing. In the event that Tenant pursuant to mortgages or deeds of trust mortgages the leasehold estate of Tenant created hereby, the leasehold mortgagee shall in no event become personally liable to perform the obligations of Tenant under this Lease unless and until said mortgagee become the owner of the leasehold estate pursuant to foreclosure, transfer in lieu of foreclosure, or otherwise, and thereafter said leasehold mortgagee shall remain liable for such obligations only so long as such mortgagee remains the owner of the leasehold estate. Notwithstanding the foregoing, it is specifically understood and agreed that no such mortgage by Tenant and/or any act taken pursuant to the terms of such mortgage shall ever release Tenant of Tenant's obligations under this Lease.

C. All mortgages or deeds of trust whereby the leasehold estate of Tenant created hereby shall contain provisions requiring the leasehold mortgagee to give Landlord fifteen (15) days written notice prior to exercising its right to foreclose on the mortgage and/or initiating foreclosure proceedings under said mortgages or deeds of trust and not allowing Landlord during such fifteen (15) day notice period to cure Tenant's default and prevent said acceleration and/or foreclosure proceedings, and thereafter at Landlord's option to assume Tenant's position under said mortgages or deeds of trust.

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

E. Landlord further agrees to execute and deliver to any proposed leasehold mortgagee of Tenant a "Non-Disturbance Agreement" herein Landlord agrees that Landlord will (i) recognize such mortgagee and its successors and assigns after foreclosure, or transfer in whole or in part of the leasehold estate of Tenant hereunder, and (ii) continue to perform all of Landlord's obligations hereunder so long as such mortgagee or its successors and assigns performs all of the obligations of Tenant hereunder. Landlord also agrees to execute and deliver to such a mortgagee or its successors and assigns a copy of this lease and all other documents which such proposed leasehold mortgagee may reasonably request concerning the leasehold mortgage created hereby; provided, however, that Landlord shall never be required to subordinate its interest in the demised premises to the mortgage of such proposed leasehold mortgage.

10. **Property Taxes and Assessments:** Tenant shall pay any and all property taxes or assessments levied or assessed on the improvements on the demised premises, the personal property and fixtures on the demised premises, and, if applicable, upon the leasehold estate of Tenant created hereby. Upon the request of Landlord, Tenant shall from time to time furnish to Landlord a "paid receipts" or other written evidence that all such taxes have been paid by Tenant.

11. Maintenance and Repair of Demised Premises:

A. Tenant shall, throughout the term hereof, maintain in good repair and condition all the demised premises and all fixtures, equipment and personal property on the demised premises and keep them free from waste or nuisance and, at the expiration of this lease, deliver up the demised premises clean and free of trash and in good repair and condition, with all fixtures and equipment situated in the demised premises in working order, reasonable wear and tear excepted.

B. In the event Tenant shall fail to so maintain the demised premises and the fixtures, equipment and personal property situated thereon, Landlord shall have the right (but not the obligation) to cause all repairs or other maintenance to be made and the reasonable costs therefor expended by Landlord plus interest thereon as provided in paragraph 37 shall be paid by Tenant on demand.

12. **Alterations, Additions and Improvement:** After completion of the improvements described in paragraph 6, Tenant shall not create any openings in the roof or exterior walls, or make any alterations, additions or improvements to the demised premises without the prior written consent of Landlord. Consent for non-structural alterations, additions or improvements shall not be unreasonably withheld by Landlord. Tenant shall have the right to erect or install shelves, bins, machinery, air conditioning or heating equipment and trade fixtures, provided that Tenant complies with all applicable governmental laws, ordinances and regulations.

All alterations, additions and improvements in and to the demised premises shall be performed in a first class, workmanlike manner, and Tenant shall promptly pay and discharge all costs, expenses, claims for damages, liens and any and all other liabilities and obligations which arise in connection therewith.

13. **Insurance:** Tenant shall during the term hereof maintain at Tenant's sole cost and expense insurance relating to the demised premises as follows:

(i) Insurance against loss or damage to improvements by fire, lightning, and other risks from time to time included under standard extended coverage policies, and sprinkler, vandalism and malicious mischief, all in amounts sufficient to prevent Landlord or Tenant from becoming co-insured of any loss under the applicable policies but in any event in amounts not less than eighty percent (80%) of the full insurable value of the demised premises. The term "full insurable value" as used herein means actual replacement value at the time of such loss. Upon request, such replacement value shall be determined by a qualified appraiser, a copy of whose findings shall be submitted to Landlord, and, therefore, proper adjustment in the limits of insurance coverage shall be effected.

(ii) General public liability insurance against claims for bodily injury, death or property damage occurring on, in or about the demised premises, such insurance to afford protection to Landlord of not less than \$500,000.00 with respect to any one person, \$1,000,000.00 with respect to any one accident and not less than \$200,000.00 with respect to property damage.

(iii) Workmen's compensation insurance covering all persons employed by Tenant in connection with any work done on or about the demised premises with respect to which claims for death or bodily injury could be asserted against Landlord or the demised premises, or in lieu of such workmen's compensation insurance, a program of self-insurance complying with the rules, regulations and requirements of the appropriate state agency of the State of Texas.

(iv) If applicable, boiler and pressure vessel insurance on all steam boilers, parts thereof and appurtenances attached or connected thereto which by reason of their use or existence are capable of bursting, erupting, collapsing, imploding or exploding, in the minimum amount of \$100,000.00 for damage to property resulting from such perils.

(v) Such other insurance on improvements in such amounts and against such other insurable hazard which at the time are commonly obtained in the case of property similar to such improvements.

(vi) Hangar keeper's liability insurance providing for coverage in the following limits: \$200,000.00 per aircraft and \$400,000.00 per occurrence on property damage to aircraft in the care, custody or control of Tenant.

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

All such policies of insurance (i) shall be issued by insurance companies acceptable to Landlord, (ii) shall name Landlord as an additional insured or loss payee, as the case may be, and (iii) shall provide for at least ten (10) days written notice to Landlord prior to cancellation or modification. Tenant shall provide Landlord with duplicate originals of all insurance policies required by this paragraph.

14. Casualty Damage or Destruction:

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

B. In case of any damage to or destruction of the buildings, structures and equipment on the demised premises, or any part thereof, Tenant, whether or not the insurance proceeds, if any, payable on account of such damage and/or destruction shall be sufficient for such purpose, at Tenant's sole cost, risk and expense will promptly commence and complete the restoration, repair and replacement of said buildings, structures and equipment as nearly as possible to their value, condition and character immediately prior to such damage and/or destruction, with such alterations in and additions thereto as may be approved in writing by Landlord (hereinafter sometimes referred to as the "Restoration").

C. All insurance proceeds, if any, payable on account of such damage to or destruction of the buildings, structures and equipment on the demised premises shall be held by Landlord. Landlord shall be protected in acting upon any certificate believed by Landlord to be genuine and to have been executed by the proper party and shall receive such certificate as conclusive evidence of any fact or as to any matter therein set forth. Such certificate shall be full warranty, authority and protection to Landlord in acting thereon, and Landlord shall be under no duty to take any action other than as set forth in this paragraph 14.

D. Insurance proceeds received by Landlord on account of any damage to or destruction of the buildings, structures and equipment on the demised premises, or any part thereof (less the costs, fees and expenses incurred by Landlord and Tenant in the collection thereof, including, without limitation, adjuster's and attorney's fees and expenses) shall be applied as follows:

(i) Net insurance proceeds as above defined shall be paid to Tenant or as Tenant may direct from time to time as Restoration proceeds to pay (or reimburse Tenant for) the cost of Restoration, upon written request of Tenant to Landlord accompanied by (a) certificate of a supervising architect or engineer approved by Landlord, describing in reasonable detail the work and material in question and the cost thereof, stating that the same were necessary or appropriate to the Restoration and constitute a complete part thereof, and that no part of the cost thereof has theretofore been reimbursed, and specifying the additional amount, if any, necessary to complete the Restoration, and (b) an opinion of counsel satisfactory to Landlord that there exist no mechanics', materialmen's or similar liens for labor or materials except such, if any, as are discharged by the payment of the amount requested.

(ii) Upon receipt by Landlord of evidence of the character required by the foregoing clauses (i)(a) and (b) that Restoration has been completed, the net insurance proceeds shall be paid to Tenant or as Tenant may direct from time to time as Restoration proceeds to pay (or reimburse Tenant for) the cost of Restoration, upon written request of Tenant to Landlord accompanied by (a) certificate of a supervising architect or engineer approved by Landlord, describing in reasonable detail the work and material in question and the cost thereof, stating that the same were necessary or appropriate to the Restoration and constitute a complete part thereof, and that no part of the cost thereof has theretofore been reimbursed, and specifying the additional amount, if any, necessary to complete the Restoration, and (b) an opinion of counsel satisfactory to Landlord that there exist no mechanics', materialmen's or similar liens for labor or materials except such, if any, as are discharged by the payment of the amount requested.

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D. Enter upon the demised premises without terminating this Lease and without being liable for prosecution or for any claim for damages therefor, and do whatever Tenant is obligated to do under the terms of this Lease. Tenant agrees to pay Landlord on demand for expenses which Landlord may incur in thus effecting compliance with Tenant's obligations under this Lease, together with interest thereon at the rate of ten percent (10%) per annum from the date expended until paid; Landlord shall not be liable for any damages resulting to Tenant from such action, whether caused by negligence of Landlord or otherwise.

Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to Landlord hereunder or of any damages accruing to Landlord by reason of the violation of any of the terms, conditions and covenants herein contained.

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

(i) Proceed to cure such default and deduct the cost of curing same plus interest thereon at the rate of ten percent (10%) per annum from the next succeeding rental installment(s) due by Tenant to Landlord hereunder; or

(ii) Proceed to cure such default and bring suit against Landlord for the cost of curing same plus interest thereon at the rate of ten percent (10%) per annum. (iii) Terminate this lease if such default prohibits conduct of tenant

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

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

26. Title to Improvements. Any and all improvements on the demised premises shall become the property of Landlord upon the expiration or termination of this Lease; provided, however: (i) If Tenant is not then in default hereunder, Tenant shall have the right to remove all personal property and trade fixtures owned by Tenant from the demised premises, but Tenant shall be required to repair any damage to the demised premises caused by such removal in a good and workmanlike manner and at Tenant's sole cost and expense; and (ii) Landlord may elect to require Tenant to remove all improvements from the demised premises and restore the demised premises to the condition in which the same existed on the date hereof, in which event Tenant shall promptly perform such removal and restoration in a good and workmanlike manner and at Tenant's sole cost and expense.

27. Mechanics' and Materialmen's Liens. Tenant agrees to indemnify and hold Landlord harmless of and from all liability arising out of the filing of any mechanics' or materialmen's liens against the demised premises by reason of any act or omission of Tenant or anyone claiming under Tenant, and Landlord, at Landlord's option, may satisfy such liens and collect the amount expended from Tenant together with interest thereon as provided in paragraph 37 as additional rent; provided, however, that Landlord shall not so satisfy such liens until fifteen (15) days after written notification to Tenant of Landlord's intention to do so and Tenant's failure during such fifteen (15) day period to bond such liens or escrow funds with appropriate parties to protect Landlord's interest in the demised premises.

28. Title. Tenant accepts the demised premises subject to: (i) the Base Lease; (ii) the Rules and Regulations; (iii) easements and rights-of-way and (iv) zoning ordinances and other ordinances, laws, statutes or regulations now in effect or hereafter promulgated by any governmental authority having jurisdiction over the demised premises.

29. 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 demised premises during the full term of this Lease; provided, however, that Tenant accepts this Lease subject and subordinate to any recorded mortgage, deed of trust or other lien presently existing upon the demised premises. Landlord further is hereby irrevocably vested with full power and authority by Tenant to subordinate Tenant's interest hereunder to any mortgage, deed of trust or other lien now existing or hereafter placed on the demised premises or to declare this Lease prior and superior to any mortgage, deed of trust or other lien now existing or hereafter placed on the demised premises; provided, however, any such subordination shall be upon the express conditions that (i) this Lease shall be recognized by the mortgagee and that all of the rights of Tenant shall remain in full force and effect during the full term of this Lease on condition that Tenant attorn to the mortgagee, its successors and assigns, and perform all of the covenants and conditions required by the terms of this lease, and (ii) in the event of foreclosure or any enforcement of any such mortgage, the rights of Tenant hereunder shall expressly survive and this Lease shall in all respects continue in full force and effect so long as Tenant shall fully perform all Tenant's obligations hereunder and attorn to the purchaser. Tenant also agrees upon demand to execute further instruments declaring this Lease prior and superior to any mortgage, deed of trust or other lien and specifically providing that this Lease shall survive the foreclosure of such mortgage, deed of trust or other lien.

30. Rent on Net Return Basis. Except for the rental due under the Base Lease during the time that AAT is the Landlord hereunder, it is intended that the rent provided for in this Lease shall be an absolutely net return to Landlord for the term of this Lease, free of any loss, expenses or charges with respect to the demised premises, including, without limitation, maintenance, repairs, replacement, insurance, taxes and assessments, and this Lease shall be construed in accordance with and to effectuate such intention.

31. Holding Over. Should Tenant, or any of Tenant's successors in interest fail to surrender the demised premises, or any part thereof, on the expiration of the term of this Lease, such holding over shall constitute a tenancy from month to month only terminable at any time by either Landlord or Tenant after thirty (30) days prior written notice to the other, at a monthly rental equal to two hundred percent (200%) of the rent paid for the last month of the term of this Lease.

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

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

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

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

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

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

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

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

EXHIBIT "B" Page 4

furnished to Landlord also being furnished to Landlord's mortgagee and Landlord's mortgagee to cure such default within the curative period allowed Landlord under this Lease.

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

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

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

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

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

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

39. Force Majeure. In the event performance by ~~either party~~ of any term, condition or covenant in this Lease is delayed or prevented by any Act of God, strike, lockout, shortage of material or labor, restriction by any governmental authority, civil riot, flood, or any other cause not within the control of ~~Landlord~~, the period for performance of such term, condition or covenant shall be extended for a period equal to the period ~~Landlord~~ is so delayed or hindered. ~~such party~~ ~~tenant shall not be excused or released of monetary obligations hereunder.~~

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

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

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

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

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

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

LANDLORD:

TENANT:

Addison Airport of Texas, Inc.
P. O. Box 34067
Dallas, Texas 75234

MISSION PROPERTY COMPANY
833 ARAPAHO EAST, SUITE # 110
RICHARDSON, TEXAS 75081

City of Addison, Texas

Jerry Redding, Mayor

46. Fees or Commissions. Each party hereto hereby covenants and agrees with the other that such party shall be solely responsible for the payment of any brokers', agents' or finders' fees or commissions agreed to by such party arising from the execution of this Lease or the performance of the terms and provisions contained herein, and such party agrees to indemnify and hold the other party harmless from the payment of any such fees or commissions.

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

48. Governing Law and Venue. This Lease and all of the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Texas, and Landlord and Tenant both irrevocably agree that venue for any dispute concerning this Lease or any of the transactions contemplated herein shall be in any court of competent jurisdiction in Dallas County, Texas.

49. Entire Agreement and Amendments. This Lease, consisting of forty-nine (49) paragraphs and Exhibits A through F attached hereto, embodies the entire agreement between Landlord and Tenant and supersedes all prior agreements and understandings, whether written or oral, and all contemporaneous oral agreements and understandings relating to the subject matter hereof. Except as otherwise specifically provided herein, no agreement hereafter made shall be effective to change, modify, discharge or effect an abandonment of this Lease, in whole or in part, unless such agreement is in writing and signed by or in behalf of the party against whom enforcement of the change, modification, discharge or abandonment is sought.

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

50. Notwithstanding the provisions of Section 9A, tenant may assign tenant's rights hereunder, in whole or in part, to one or more general/limited partnerships in which Ronald M. Frederick or Mission Property Company, or both, is or are a general partner, provided that notwithstanding any such assignment, notice hereunder to Mission Property Company shall, for all purposes constitute notice to any such assignee throughout the term of this Lease.

LANDLORD:

ADDISON AIRPORT OF TEXAS, INC.

By: 

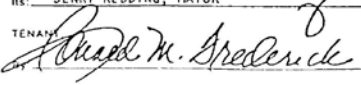
Its: HENRY STUART, PRESIDENT

CITY OF ADDISON, TEXAS

By: 

Its: JERRY REDDING, MAYOR

TENANT:



Its: RONALD M. FREDERICK, PRESIDENT

STATE OF TEXAS
COUNTY OF DALLAS

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 3rd day of September, 19 80.

Shirley A. James
Notary Public
Dallas
County, Texas

STATE OF TEXAS
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared Jeany Redding
known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same
for the purpose and considerations therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 12 day of September, 19 80.

Jacqueline Sharp
Notary Public
Dallas
County, Texas

STATE OF TEXAS
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared Ronald M. Anderson
known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same
for the purposes and considerations therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 3rd day of September, 19 80.

Elaine M. Jones
Notary Public
Dallas
County, Texas

EXHIBIT "A"

AGREEMENT FOR
OPERATION OF THE ADDISON AIRPORT
BETWEEN
THE CITY OF ADDISON, TEXAS
AND
ADDISON AIRPORT, INC.

THE STATE OF TEXAS
COUNTY OF DALLAS

KNOW ALL MEN BY THESE PRESENTS

THIS AGREEMENT, made and entered into the 30th day of December, 1976, by and between the CITY OF ADDISON, TEXAS, a municipal corporation acting by and through the City Council (hereinafter "City") and ADDISON AIRPORT, INC., a Texas corporation (hereinafter "Company"), with an address at P.O. Box 34067, Dallas, Texas 75234.

WITNESSETH:

WHEREAS, the City has entered into a Contract of Sale whereby the City will acquire the principal portions of the existing Airport known as Addison Airport, in Dallas County, Texas, it being contemplated that the City will purchase approximately three hundred sixty-four (364) acres ("Property"), in part with federal funds available for such purpose, the Property being reflected and described on Exhibit "1" attached hereto.

WHEREAS, the City and the Company are desirous of having the Company operate and conduct all lawful, reasonable and appropriate activity at the Airport for the use of the general public and generally in accordance with the operations description set forth in Section 7 hereof, and

WHEREAS, in the exercise of its lawful authority, the City has entered into that certain Grant Agreement with the United States of America (acting through the Federal Aviation Administration (FAA), dated December 30, 1976, for the purpose of obtaining funds for the acquisition of the Property.

WHEREAS, the Company agrees to carry out the terms and conditions set forth in that certain Grant Agreement; and

WHEREAS, the City, during the term of this Agreement, agrees to consult with the FAA on the adjustment or modification of any term or condition in the Grant Agreement which because of the peculiar circumstances of the Airport operation the Company believes to be unworkable or impractical; and

WHEREAS, it has been found and determined by the City in accordance with its lawful duties, that it is essential, appropriate and necessary for its public purposes and for the public to acquire such adequate general aviation facilities; and

WHEREAS, the Mayor of the City of Addison has been duly authorized and empowered to execute the Agreement; and

WHEREAS, it is the intention of the parties that the Airport shall be operated in a manner as would be accomplished by a reasonably prudent airport operator and in accordance with sound business practices;

NOW, THEREFORE, for and in consideration of the mutual covenants, conditions and agreements herein set forth, the parties hereto hereby agree and contract as follows:

The City hereby leases to Company, and the Company hereby takes, upon the terms and conditions hereinafter specified, the following premises:

(i) the land described in Exhibit "1" as the Property and the Improvements thereon owned by the City;

(ii) all easements, rights and appurtenances relating to the land (all property described in clauses (i) and (ii) above is herein sometimes collectively called the "Leased Premises"); and

(iii) City hereby assigns to Company all of its right, title and interest in and to the leases set forth in Exhibit "B" to the Contract of Sale.

As consideration for this Agreement, and in addition to the rents payable hereunder, the Company agrees to pay to the City the sum of Eight Hundred Thousand (\$800,000.00) Dollars, in cash, said payment to be made simultaneous with the release of this Agreement from escrow pursuant to that certain Escrow Agreement dated December 30, 1976, by and between the City, Company and Southwest Land and Title Company ("Escrow Agreement").

In the event this Agreement is not delivered out of escrow to the City and is returned to Company by reason of the Escrow Agreement, the Company shall have no liability for any payment to the City hereunder and this entire Agreement shall be null and void and of no force or effect as of the date this Agreement is executed.

Section 1. Definitions

(a) "Airport" means the Addison Airport as shown on Exhibit "2" hereof;

(b) "Improvements" means all improvements that specifically serve the Airport, including, but not limited to, streets, roadways, parking areas, aprons, runways, sewers and waterlines, all buildings and structures and additions, substitutions, accessions, and replacements thereof on the Leased Premises.

(c) "Gross Receipts" means all monies paid to the Company for sales made and for services rendered or agreed to be rendered at or from the Airport regardless of the time or place of receipt of the order therefor, and for sales made and for services rendered or agreed to be rendered outside the Airport if the order therefor is received at the Airport, the charges, rentals, fees and other payments of whatever kind or nature paid to the Company under any lease, sublease, permit, license, or any other agreement, oral or written, relating to the Airport, all landing, parking and other fees and charges paid to the Company from any user of the Airport, revenues paid to the Company for the sale or delivery of aviation fuel, petroleum and other products, including any fuel flowage fees, any other revenues of any type arising out of or in connection with the Company's services and operations at the Airport, including its operations thereof. Any addition, change, modification or allocation in the Company's method of performing its Airport function or responsibility which would adversely affect the Gross Receipts shall first require the approval of the City.

Section 2. Representations by City

The City is the duly and lawfully created, existing and recognized owner of the Leased Premises, having the power to enter into the transactions hereunder, and by proper action the City has been duly authorized to execute and deliver this Agreement.

Section 3. Representations by Company

The Company is a corporation duly incorporated under the laws of the State of Texas, is in good standing under the laws of said State; is duly authorized to do business in the State of Texas; has the power to enter into this Agreement without violating the terms of any other agreement to which it may be a party; and by proper corporate action had been duly authorized to execute and deliver this Agreement.

It generally will occupy and possess the Leased Premises for the public purposes of the City as set forth in Section 7 hereof.

Section 4. Term of Agreement

Subject to the terms, covenants, conditions and agreements contained in this Agreement, the Company shall have and hold the Leased Premises for a term commencing on the date of closing of the purchase of the Property in the Contract of Sale and ending 20 years thereafter.

The Company agrees to yield and deliver peaceably to the City possession of the Leased Premises together with all buildings, structures, improvements, additions and other installations therein or thereon, on the date of the expiration of this Agreement, promptly and in good operating condition, the intention being that when the Leased Premises are returned to the City they shall be in first-class condition, free of any and all liens, claims, taxes and debts, and shall be free and clear of any and all liens, debts, contracts, leases or encumbrances of whatever kind, nature and description.

Section 5. Rent

(a) Company shall pay the City, on demand, the sum of \$100,000.00, as a special assessment for public improvements to be made by the City of Addison. The Company shall not be assessed or otherwise be liable for any further such assessments made outside of the Leased Premises during the term of the Agreement.

(b) The Company agrees to pay the City \$5,250.00 per month, or 3% of the Company's monthly Gross Receipts, whichever amount is the greater. Such payments shall be payable to the City of Addison, Dallas County, Texas, commencing on the 20th day of the month next after the effective date of this Agreement for the first month hereof, and on the 20th day of each calendar month thereafter to the date when the last payment is made. Payment of such amounts shall be reduced by any real property or personal property taxes assessed by the City of Addison on the Property or withheld by the City of Addison on the improvements of this Agreement, commencing with the effective date of this Agreement. Such reduction shall be divided against the next succeeding installments of rent hereunder from and after the next payment of such taxes by the Company. The Company shall render to the City, on the 20th day of each calendar month, a sworn statement showing its Gross Receipts for the preceding month.

Section 6. Taxes and Assessments

Should any and all taxes and assessments of any kind or nature be assessed for non-improvements on the Leased Premises, the

insurance required in Section 10 hereof. The Company shall within ten days prior to the expiration of any such insurance policy deliver to the City a copy of the policy or other certificate of the insurance, and shall cause the policy to be renewed or replaced by a new policy or other certificate of insurance.

Section 12. Casualty

If any improvements or any part thereof owned by the City shall be damaged or destroyed by fire, theft or other casualty, the Company shall with reasonable promptness and diligence, rebuild, replace, and repair any damage or destruction to the improvements, at its expense in conformity with the requirements of Section 14, in such manner as to restore the same to a unit of equal size, quality and condition to that which existed prior to such damage or destruction. Insurance proceeds payable with respect to such casualty shall belong to the Company to the extent necessary to make such repairs.

It is agreed that damage or destruction, whether partial or total, by any cause whatsoever, of the improvements, except upon termination of this Agreement as is provided for herein, shall not release the Company from any obligation under this Agreement.

Section 14. Maintenance and Repair

The Company agrees and acknowledges that it has received the Leased Premises in good order and condition, and further agrees to accept the premises as is. The Company further agrees that it will, at its expense, keep and maintain the Leased Premises, and the improvements in good repair and appearance, and in good mechanical condition, except for ordinary wear and tear, and will with reasonable promptness make all interior and exterior, structural and non-structural, foreseen and unforeseen, ordinary and extraordinary changes, repairs, substitutions and replacements (substantially equivalent to the original work) of any kind and nature which may be required to be made upon or in connection with the Leased Premises and improvements or any part thereof, in order to keep and maintain the Leased Premises and improvements in as good repair, mechanical condition and appearance as they were originally, except for ordinary wear and tear.

Section 15. Failure to Commence and Complete Repairs

In the event the Company fails to commence or complete repairs, replacements or painting which is required hereunder within a period of thirty days after written notice from the City, or fails to continue and diligently complete any such repair, the City may at its option make such repairs, replacement or do such painting, the cost of which shall be paid by the Company upon written demand.

Subject to the right of existing sub-leases, the City, by its officers, employees, agents, representatives and contractors shall have the right at all reasonable times to enter upon the Airport for the purpose of inspecting the Leased Premises, for observing the performance by the Company of its obligations under this Agreement, and for the doing of any act or thing which the City may be obligated or have the right to do under this Agreement.

Nothing in this Section shall impose or shall be construed to impose upon the City any obligations to construct or maintain or to make repairs, replacements, alterations or additions, or shall create any liability for any failure to do so. The City shall not in any event be liable for any injury or damage to any property or to any person happening on or about the Leased Premises nor for any injury or damage to the Leased Premises nor to any property of the Company or of any other person located in or thereon other than those occasioned by the acts of the City.

Section 16. Alterations, Construction by Company for Airport Purposes

Company may erect structures, make improvements, install fixtures, or do any other construction work on the Leased Premises, or alter, modify or make additions, improvements, repairs to, or replacement of any improvements or any structure now existing or hereafter built on the Leased Premises.

Any such alterations, additions, improvements, installations, repairs, substitutions or replacements shall be expeditiously completed, in compliance with all laws, ordinances, orders, rules, regulations and requirements applicable thereto. All work done in connection with such alteration, addition, improvement, installation, repair, substitution or replacement shall comply with the requirement of any insurance policy required to be maintained by Company hereunder, with any applicable requirements of the Agreement.

Any improvement to or alteration of the Airport under this Section or under Section 17 shall be consistent with the latest FAA-approved version of the Airport Layout Plan.

Section 17. Alteration, Construction by City

The City may erect structures, make improvements, install fixtures, or do any other construction work on the Airport, whether Airport-related or not; provided, however, the erection of such structures, the making of such improvements, the installation of such fixtures, or the doing of such construction work shall not unreasonably interfere with the operation or development of the Airport, including the maximization of revenues. The City shall give the Company reasonable advance written notice of any action taken hereunder.

Any such alterations, additions, improvements, installation, repairs, substitutions or replacements shall be completed in compliance with all laws, ordinances, orders, rules, regulations and requirements applicable thereto. All work done in connection with such alteration, addition, improvement, installation, repair, substitution or replacement shall be done at the City's expense and shall comply with the requirement of the insurance policy required to be maintained by the City or Company, hereunder. As to any construction, buildings or other structures constructed by the City which are not related to the Airport and its operations, Company shall not be required to furnish insurance.

Section 18. Liens

The Company will not directly or indirectly create or permit to be created or to remain, and will promptly discharge, at its expense, any mortgage, lien, security interest, encumbrance or charge on, pledge of, or conditional sale or other title retention agreement with respect to:

- (a) The Leased Premises or any part thereof,
- (b) City's ownership interest, or
- (c) the Rent or other sums payable by Company under this Agreement.

The existence of any mechanic's, laborer's, materialmen's, supplier's, or vendor's lien, or any right in respect thereof shall not constitute a violation of this provision if payment is not yet due upon the contract or for goods or services, or the lien(s) are being contested in good faith by the Company.

This Section shall not apply to security interests or other liens with respect to buildings or improvements on, or which may later be constructed on, the Leased Premises, which are not owned by the City.

Section 19. Prices and Rates

The Company shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service. In furtherance of this objective, a list of charges will be maintained and made available for inspection by the public for all services, materials, supplies and privileges provided by the Company and any Airport tenant; however, the Company, and any Airport tenant, may be allowed to make reasonable and non-discriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

The Company shall, from time to time, as the need arises, make and publish changes in the prices being charged, provided, however, fifteen days prior to any such changes, the Company shall provide to the City a list of such charges. If no objection is received by the City, such changes in prices within fifteen days, the price changes shall become effective. The City may object to any changes in prices within the fifteen-day period; provided, however, the only basis for any such objection by the City will be on the ground that such price change would constitute a violation of a present or future Grant Agreement with the Federal Aviation Administration.

Not later than 180 days after the date of the last such others on the Airport undertake to sell or dispense fuels or lubricants for aircraft or other machinery being used on the Airport, the Company shall impose reasonable standards consistent with any grant agreements with respect to any fueling operations in order to assure adequate safety and efficient operations on or about the Airport. Further, any persons selling or dispensing fuel or lubricants for aircraft or other machinery shall pay to the Company a reasonable and non-discriminatory fuel storage fee.

Section 20. Subleases

(a) The Company shall have the right, and is expressly hereby authorized to sublease such portions of the Leased Premises as it shall deem appropriate for the growth and development of the Airport and the maximization of revenues; provided any such sublease shall be for the purpose of carrying out one or more of the activities set forth in Section 2. During the existence of this Agreement, all subleases shall be subject to the City's prior written approval, subject only to the rights of the City to a percentage of Gross Receipts as provided in Section 5(d).

(b) The Company shall not lease, sublease or share with any tenant which is owned or controlled, in whole or in part, by any of the officers, directors or shareholders of the City, or by any person who is an officer, director or shareholder of the City, which approval shall not be required for such lease.

10. It is hereby agreed that the Company shall, at its expense, cause a copy of this Agreement to be recorded in the County of [] and State of [] and the City shall deliver to the County of [] a copy of this Agreement for recording. This Agreement shall be binding on the Company and the City from the date of recording and shall be enforceable and effect.

The Company agrees:

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

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

Section 22. Indemnification

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

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

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

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

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

Section 23. Federal Airport Aid

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

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

Section 24. Notice to Indemnified Parties

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

Section 25. Liability of Officials

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

Section 26. Non-Discrimination

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

Section 27. OMBE: Advertisements, Bids, Concessions:

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

Section 28. Assignment

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

Section 29. Events of Default and Remedies

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

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

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

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

(d) The dissolution or liquidation of the Company, or the filing by the Company or a voluntary petition in bankruptcy, or failure by the Company within sixty days to satisfy any event of default, or the assignment of the Company as a bankrupt or general assignment by the Company for the benefit of its creditors, or the approval by a court of competent jurisdiction of a petition filed by the Company in any proceeding for its reorganization instituted under the provisions of the general bankruptcy act, or extended or under any similar act which may hereafter be enacted. The term "dissolution or liquidation of the Company" as used in this subsection, shall not be construed to include (a) the corporate existence of the Company following a transfer of all or substantially all of its assets as an entirety, under the provisions of the corporate laws of the State of [] or (b) any other action which such dissolution or liquidation is acknowledged with occur.

Section 30. Remedies on Default

Whenever any event of default as to the Company referred to in Section 29 hereof shall have happened and be subsisting, the City may, at its option, elect to terminate this Agreement and to take such action as against the Company.

3. The City may, at its option, terminate this Agreement and to take such action as against the Company, if the Company shall fail to pay when due or cause to be paid when due the Rent required to be paid under Section 5 hereof, or if the Company shall fail to observe and perform any covenant, condition or agreement on its part to be observed or performed for a period of thirty days after written notice, specifying such failure and requesting that it be remedied, given to the Company by the City, unless the City shall agree in writing to an extension of such time prior to its expiration.

10. The City shall take such action as may be necessary to collect the rent then due and to enforce the due and certain payment of the same by the Company under the terms of this Agreement.

Section 31. No Remedy Exclusion

No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or hereafter existing under law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City to exercise any remedy reserved to it in this Section, it shall not be necessary to give any notice, unless such notice is herein expressly required by law.

Section 32. No Additional Waiver Implied

In the event any covenant contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 33. Termination by Company

The Company may terminate this Agreement upon the occurrence of any one or more of the following reasons:

(a) In the event the Airport shall be closed or its operations curtailed by more than fifty percent of its achieved operating level in terms of daily average departing and arriving flights, the Company in its reasonable discretion may cease or curtail its operations in the Leased Premises during the period that the Airport operations have ceased or have been so curtailed, and if such condition shall continue unabated for more than two years, the Company shall have the right and option to terminate the Agreement upon thirty days prior written notice to the City.

(b) The City shall fail to perform any of its obligations under this Agreement within sixty days after receipt of notice of default hereunder from the Company (except where fulfillment of its obligations require activity over a period of time and the City shall commence to perform whatever may be required for fulfillment within sixty days after the receipt of notice and continue such performance without interruption, except for causes beyond its control).

Upon the occurrence of any of the foregoing events, or at any time thereafter during the continuation of any such condition, the Company may, by sixty days written notice terminate this Agreement, such termination to be effective upon the date set forth in such notice and to have the same effect as if the terms hereof had expired on that date, subject, as aforesaid, to the provisions of this Section.

No waiver by the Company of any default on the part of the City, in the performance of any of the terms, covenants or conditions hereof to be performed, kept or observed by the City shall be or shall be construed to be a waiver by the Company of any other or subsequent default in the performance of any of said terms, covenants and conditions.

Section 34. Access and Egress

Except as set forth in this Agreement, the City hereby grants to the Company full and unrestricted access to and egress from the Leased Premises and between the Leased Premises and the public roadways for the Company, its employees, guests, patrons, invitees, contractors, suppliers of materials, furnishers of services, its or their equipment, vehicles, machinery and other property, without charge to the Company or to said employees, guests, patrons, invitees, contractors, suppliers of materials and furnishers of services, or their said equipment, vehicles, machinery or other property.

Section 35. Company's Right to Remove Property

The Company shall have the right at any time during the term of this Agreement or any renewal or extension thereof, or at the expiration or earlier termination thereof, to remove any nonessential personal property which it may have on the Leased Premises, including, without limitation, furniture, equipment and machinery; provided the City will purchase from the Company, at its then fair market value, any personal property which the City deems essential.

Section 36. Termination, Settlement

In the event the City exercises its right to terminate the Agreement or any part thereof, the Company and the City shall endeavor in good faith to negotiate a sale by the Company to the City or its designee of the Company's personal property located on the Leased Premises. Upon termination of the Agreement, the City may, and the Company shall, remove any improvements on the Leased Premises belonging to the Company at the Company's expense if required by the City.

Section 37. Settlement

In the event that any sums due or to become due the Company upon termination of this Agreement are paid or payable to the City, the City shall not have any obligation to make such payment or settlement to the Company.

(i) until receipt of payment due to City from Company in accordance with pertinent provisions of this Agreement under which termination is permitted and;

(ii) until Company has paid all other sums due under this Agreement.

Section 38. Quiet Enjoyment

The City covenants that through the term hereof, the Company shall have, hold and enjoy peaceful and uninterrupted possession of all of the Leased Premises, subject to the performance of the covenants as herein provided.

Section 39. No Third Party Beneficiary

No provision contained in or incorporated by the Agreement shall create or give to any third party or parties any claim or right of action against the Company or the City, beyond such claims or rights of action which legally exist in the absence of any provision of said Agreement.

Section 40. Severability

Each and every covenant and agreement contained in this Agreement is and shall be construed to be a separate and independent covenant and agreement.

Section 41. Binding Effect

All of the covenants, conditions, and obligations contained in this Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the City and the Company, subject to the limitations contained herein restricting such assignment to the Company, to the same extent as if each such successor and assign were in each case named as a party to this Agreement. This Agreement may not be altered, modified, or discharged except by a writing signed by the City and the Company.

Section 42. Governing Law

This Agreement shall be governed by and interpreted under and in accordance with the laws of the State of Texas.

Section 43. Venue

The venue of any action taken under this Agreement shall lie in Dallas County, in the State of Texas.

Section 44. Force Majeure

Neither the City or the Company shall be deemed in violation of this Agreement if it is prevented from performing any of the obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, acts of God, acts of the public enemy, acts of superior governmental authority, or other force majeure events, rebellion, sabotage, or any other circumstances for which it is not responsible, which it may, in its discretion, and the time for performance shall be automatically extended by the period the party is prevented from performing its obligations hereunder.

Section 45. Issuance of Revenue Bonds for Future Improvements

City and the Company acknowledge that as the Airport develops such circumstances may require that additional improvements (Future Improvements) will be needed in order to provide convenient and necessary services at the Airport. Subject to the approval of plans and specifications by the City as submitted by the Company, the City may make such acquisitions, additions, extensions, improvements and modifications to the Airport as shall be recommended by the Company. In order to obtain funds for such purposes, the City, in its discretion, may provide for the issuance of Airport revenue bonds.

Section 46. Airport Boundaries

The City hereby grants to the Company, its employees, guests, patrons, invitees, contractors, suppliers of materials, furnishers of services, its or their equipment, vehicles, machinery and other property, without charge to the Company or to said employees, guests, patrons, invitees, contractors, suppliers of materials and furnishers of services, or their said equipment, vehicles, machinery or other property, full and unrestricted access to and egress from the Leased Premises and between the Leased Premises and the public roadways for the Company, its employees, guests, patrons, invitees, contractors, suppliers of materials, furnishers of services, its or their equipment, vehicles, machinery and other property, without charge to the Company or to said employees, guests, patrons, invitees, contractors, suppliers of materials and furnishers of services, or their said equipment, vehicles, machinery or other property.

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Section 43: Record Keeping

The Company shall maintain its accounting records in accordance with accepted accounting practice and make the same available to an authorized representative of the City of Addison for audit. The City of Addison shall have the right to inspect such books and records during ordinary business hours of the Company and at such reasonable times as the City may deem necessary.

Section 44: Notices

Notices provided for in this Agreement shall be sufficient if sent by registered mail, postage prepaid, addressed to the City — The City of Addison, P. O. Box 144, Addison, Texas, 75001, Attention: City Administrator, or to such other address and person it may direct in writing, and to the Company — Addison Airport, Inc., P. O. Box 34067, Dallas, Texas 75234, or to such other address and person as it may direct in writing. Notices shall be deemed completed when mailed unless otherwise herein required.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed and sealed as of the date first above written.

ATTEST:

Joyce H. Stevens
SECRETARY

CITY OF ADDISON, TEXAS

BY:

Jerry Reddick

APPROVED AS TO FORM:

Robert L. McCall
CITY ATTORNEY

ADDISON AIRPORT, INC.

ATTEST:

Margaret E. Bunch
SECRETARY

BY:

[Signature]

Exhibit "B"

ND

FIELD NOTES

BEING A TRACT OF LAND LIEUING THE E. COOK SURVEY, Abstract 326, the William Lomas Survey, Abstract 792, the George Syms Survey, Abstract 1207, the William Lomas Survey, Abstract 1207, and part of Lot 1 and Lot 2 of Block 1A of Carroll Estates Addition, Dallas County, Texas and being more fully described as follows:

BEGINNING at a fence post found for the apparent intersection of the North right-of-way line of Keller Springs Road, a 50 foot street, and the East line of Dooley Road, a 60 foot street, said beginning point being S 89° 58' 54" E 30.00 feet, thence N 0° 05' 50" E 25.00 feet from the apparent northwest corner of the E. Cook Survey, Abstract 326,

THENCE N 89° 58' 54" W. a distance of 105.72 feet with the North line of said Keller Springs Road to an angle point in the right-of-way;
THENCE N 56° 19' 03" W. a distance of 90.20 feet with said angle in the right-of-way to a point in the East right-of-way line of Dooley Road,

THENCE N 0° 03' 47" W. a distance of 1457.70 feet with the East line of said Dooley Road to a point;

THENCE N 20° 38' 30" W. a distance of 170.87 feet to the apparent West right-of-way line of said Dooley Road;

THENCE S 0° 03' 47" E. a distance of 313.49 feet with the apparent West line of said Dooley Road to a point;

THENCE N 89° 23' 56" W. a distance of 208.00 feet to an iron pin;

THENCE N 0° 14' 32" W. a distance of 161.00 feet to an iron pin;

THENCE N 89° 56' 00" W. a distance of 203.65 feet to a point;

THENCE N 20° 38' 30" W. a distance of 2156.07 feet to a point in the apparent East right-of-way line of New Dooley Road, a 100 foot street;

THENCE N 0° 09' 30" E. a distance of 1189.87 feet with the East line of said New Dooley Road;

THENCE N 89° 53' 26" E. a distance of 1165.44 feet to a point in the apparent West line of Dooley Road;

THENCE S 0° 03' 47" E. with the apparent West line of Dooley Road, at 335.02 feet passing a concrete monument for a total distance of 1550.38 feet to an iron pin;

THENCE S 20° 46' 10" E. a distance of 539.44 feet with the West line of said Dooley Road to an iron pin for the beginning point of a curve to the left;

THENCE in a southeasterly direction with the curved West line of said Dooley Road having a central angle of 69° 19' 04", a radius of 337.18 feet a distance of 407.63 feet to a point in the South right-of-way line of Keller Springs Road;

THENCE N 89° 54' 46" E. a distance of 2135.61 feet with the South line of said Keller Springs Road to a point in the West right-of-way line of Addison Road;

THENCE S 0° 14' 20" E. a distance of 307.44 feet with the West line of said Addison Road to an iron pin;

THENCE S 89° 45' 40" W. a distance of 200.00 feet to a point;

THENCE S 0° 14' 20" E. a distance of 210.72 feet to a point;

THENCE S 43° 16' W. a distance of 1595.29 feet to an iron pin;

THENCE S 46° 44' E. a distance of 202.51 feet to a point;

THENCE S 20° 43' E. a distance of 350.85 feet to a point;

THENCE N 69° 17' E. a distance of 30.00 feet to a point;

THENCE N 71° 12' 51" E. a distance of 185.72 feet to a point;

THENCE N 44° 44' 06" E. a distance of 7.05 feet to an iron pin found for the Southwest corner of a tract of land conveyed to O.J. Broughton and E.E. Ericson by deed recorded in Volume 4350, Page 491, Deed Records of Dallas County;

THENCE N 89° 54' 40" E. a distance of 819.46 feet with the South line of the Broughton tract to an iron pin in the West line of said Addison Road;

THENCE S 0° 14' 20" E. a distance of 490.82 feet with the West line of said Addison Road to a point in the apparent common survey line between the William Lomas Survey, Abstract 792, and the E. Cook Survey, Abstract 326;

THENCE S 69° 37' 20" E. a distance of 58.08 feet with said common survey line to a point in the West line of said Addison Road and the beginning of a curve to the left;

THENCE Southerly with said curve, and the West line of Addison Road, having a central angle of 1° 53' 11", a radius of 746.30 feet, for a distance of 24.57 feet;

THENCE S 26° 12' 50" E. 34.05 feet with the West line of Addison Road to the beginning of a curve to the right;

THENCE in a southeasterly direction with the curved West line of said Addison Road having a central angle of 25° 50', a radius of 686.30 feet for a distance of 325.44 feet;

THENCE S 0° 22' 50" E. a distance of 1067.91 feet with the West line of said Addison Road to an angle point in the right-of-way;

THENCE N 89° 37' 10" E. a distance of 10.00 feet with said angle in the right-of-way to a point in the West line of said Addison Road;

THENCE S 0° 22' 50" E. a distance of 811.30 feet with the West line of Addison Road to a point;

THENCE S 69° 37' W. a distance of 185.70 feet to a point;

THENCE S 0° 22' 50" E. a distance of 263.11 feet to a point;

THENCE S 66° 06' 26" W. a distance of 17.27 feet to a point;

THENCE S 0° 22' 50" E. a distance of 211.64 feet to an iron pin in the North right-of-way line of the St. Louis and Southwestern Railroad;

THENCE S 66° 06' 26" W. a distance of 719.60 feet with the North line of said St. Louis and Southwestern Railroad to an iron pin and the most easterly corner of Addison Airport Industrial District;

THENCE N 60° 61' 60" W. a distance of 272.80 feet to an iron pin in the easterly line of said Addison Airport Industrial District;

THENCE N 24° 39' 30" W. a distance of 174.79 feet with the easterly line of said Addison Airport Industrial District to an iron pin.

Dea

THENCE S 71° 41' 25" W. a distance of 442.91 feet to a point;
 THENCE N 89° 56' 35" W. a distance of 658.63 feet to a point;
 THENCE N 0° 03' 25" E. a distance of 160.00 feet to a point;
 THENCE N 89° 56' 35" W. a distance of 160.00 feet to a point in the East right-of-way line of Dooley Road;
 THENCE N 0° 03' 25" E. a distance of 10.00 feet with the East line of Dooley Road to a point;
 THENCE S 89° 56' 35" E. a distance of 797.46 feet to a point;
 THENCE N 75° 48' 25" E. a distance of 408.36 feet to an iron pin in the easterly line of said Addison Airport Industrial District;
 THENCE N 20° 39' 35" W. a distance of 2385.20 feet with the easterly line of said Addison Airport Industrial District to an iron pin for the northeast corner of Addison Airport Industrial District;
 THENCE N 20° 43' 53" W. a distance of 320.72 feet to an iron pin;
 THENCE N 89° 49' 30" E. a distance of 9.98 feet to an iron pin;
 THENCE N 20° 17' 10" W. a distance of 389.50 feet to an iron pin;
 THENCE N 89° 54' 10" W. a distance of 117.08 feet to an iron pin in the apparent East right-of-way line of said Dooley Road;
 THENCE N 0° 05' 50" E. a distance of 502.30 feet with the apparent East line of said Dooley Road to the place of beginning and containing 365.340 acres of land, more or less, save and except the following 1 acre tract:
 Beginning at a fence post found for the apparent intersection of the North right-of-way line of Keller Springs Road, a 50 foot street, and the East line of Dooley Road, a 60 foot street, said point being S 89° 58' 54" E. 30.00 feet, thence N 0° 05' 50" E. 25.0 feet from the apparent northwest corner of the E. Cook Survey, Abstract 326; Thence N 89° 58' 54" W. 105.72 feet with the apparent North line of Keller Springs Road, Thence N 56° 19' 03" W. 90.20 feet to a point in the East line of Dooley Road; Thence N 0° 03' 47" W. 1457.70 feet with the apparent East line of Dooley Road, Thence N 20° 38' 30" W. 170.87 feet to a point in the apparent West line of Dooley Road and the BEGINNING POINT of this description;
 THENCE S 0° 03' 47" E. 209.0 feet with the West line of Dooley Road;
 THENCE N 89° 23' 56" W. 208.0 feet to an iron pin;
 THENCE N 0° 14' 32" W. 209.0 feet to an iron pin;
 THENCE S 89° 23' 56" E. 208.0 feet to the place of beginning and containing 1.0 acres of land, more or less.

The plat hereon is a true and accurate representation of the property as determined by actual survey, the lines and dimensions of said property being as indicated by the plat; all improvements being within the boundaries of the property.

Easements of record that could be located are shown. This plat is subject to any easements of record not shown.

5 JAN 1977

Date

W. J. Wischmeyer
 Registered Professional Engineer



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

Rieue & Wischmeyer, Inc.

CONSULTING ENGINEERS
 DALLAS, TEXAS

DECEMBER 1976

[Handwritten initials]

EXHIBIT "B"

BEING A TRACT OF LAND SITUATED IN THE WILLIAM LOMAX SURVEY,
ABSTRACT 792 DALLAS COUNTY, TEXAS AND LOCATED ON ADDISON
MUNICIPAL AIRPORT, ADDISON, TEXAS, AND BEING MORE FULLY
DESCRIBED AS FOLLOWS:

BEGIN AT A POINT FOR THE INTERSECTION OF THE WEST RIGHT-
OF-WAY LINE OF ADDISON ROAD, A 60 FOOT STREET, AND THE
SOUTH RIGHT-OF-WAY LINE OF WESTGROVE ROAD A 60 FOOT STREET:

THENCE S $69^{\circ} 54' 46''$ W ALONG THE SOUTH LINE OF SAID WESTGROVE
ROAD A DISTANCE OF 730.00 FEET TO A POINT FOR THE CENTERLINE
OF A PROPOSED 60 FOOT STREET (CLAIRE CHEMVAULT ROAD);

THENCE S $00^{\circ} 05' 14''$ E ALONG THE CENTERLINE OF SAID PROPOSED
STREET A DISTANCE OF 302.19 FEET TO AN ANGLE POINT;

THENCE S $43^{\circ} 16'$ W ALONG THE CENTERLINE OF SAID PROPOSED
STREET A DISTANCE OF 1154.73 FEET TO AN ANGLE POINT;

THENCE S $69^{\circ} 21' 30''$ W ALONG THE CENTERLINE OF SAID PROPOSED
STREET A DISTANCE OF 61.95 FEET TO THE BEGINNING POINT OF
THIS DESCRIPTION;

THENCE S $20^{\circ} 38' 30''$ E 441.69 FEET TO A POINT FOR THE
BEGINNING OF A CURVE TO RIGHT SAID POINT ALSO BEING IN THE
NORTHWEST RIGHT-OF-WAY LINE OF PROPOSED TAXIWAY;

THENCE IN A SOUTHWESTERLY DIRECTION ALONG SAID CURVED LINE
OF PROPOSED TAXIWAY HAVING A CENTRAL ANGLE OF $12^{\circ} 15' 23''$ A
RADIUS OF 365.00 FEET FOR A DISTANCE OF 78.08 FEET TO A POINT;

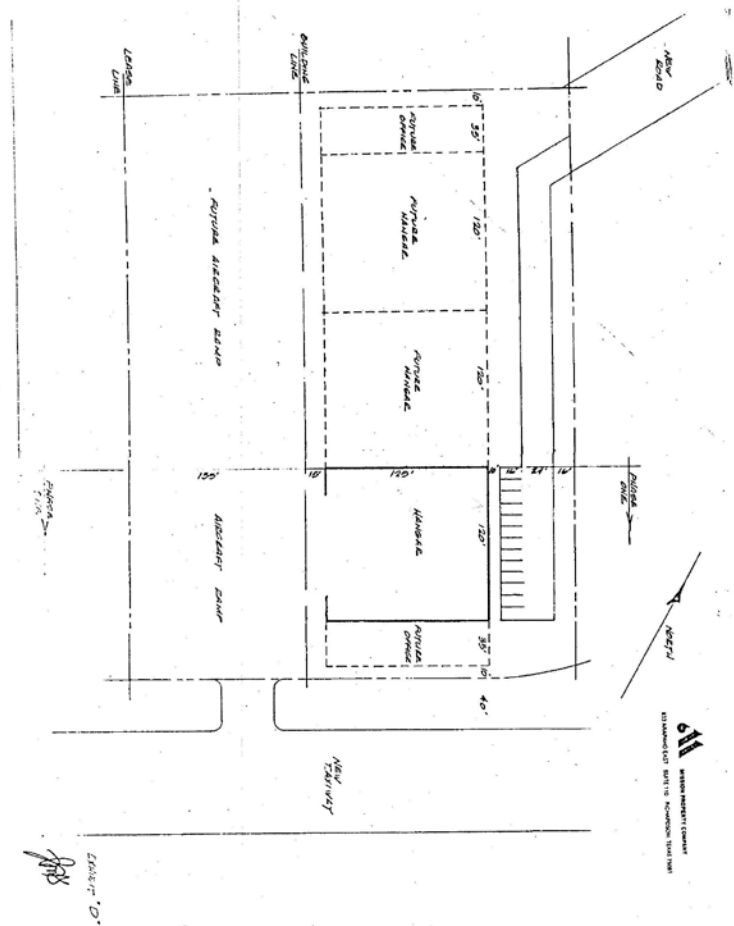
THENCE S $69^{\circ} 21' 30''$ W ALONG THE NORTHWEST LINE OF SAID PROPOSED
TAXIWAY A DISTANCE OF 263.52 FEET TO A POINT;

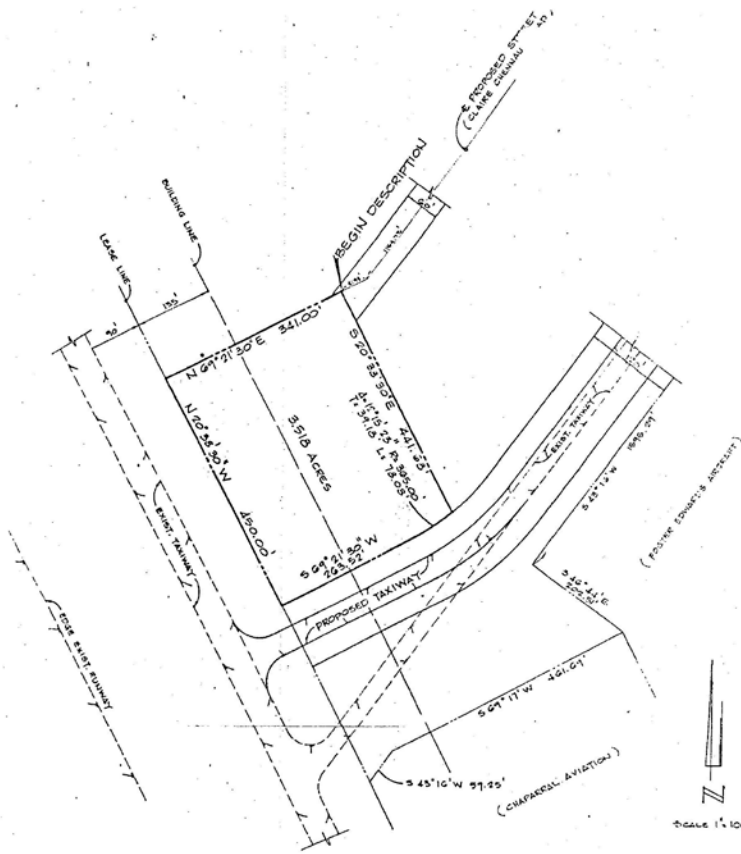
THENCE N $20^{\circ} 38' 30''$ W 450.00 FEET TO A POINT;

THENCE N $69^{\circ} 21' 30''$ E 341.00 FEET TO THE PLACE OF BEGINNING
AND CONTAINING 3.918 ACRES OF LAND MORE OR LESS.

DATE 16 July 1960

E. R. McDowell, Jr.
FEEBE & WISCHMEYER, INC.





ADDISON MUNICIPAL AIRPORT

ADDISON, TEXAS
ADDISON MUNICIPAL AIRPORT
MILWAUKEE COUNTY CONTRACT NO. 110
BOUNDARY SURVEY
3.513 ACRES

Reine & Wilmeyer, Inc.
CONSULTING ENGINEERS
DALLAS, TEXAS

EXHIBIT "B"

RENTAL AGREEMENT

Date _____

Lessor: _____

Lessee: _____
(Person or Company Responsible for Rental Payment)

(Mailing Address) _____

City _____ State _____ Zip Code _____

Business Telephone: _____

Home Telephone: _____

Aircraft: _____

Make: _____

Aircraft No.: _____

Demised Premises (situated in Lessor's premises at above address in Dallas County, Texas):

Hanger Space: _____

Office Space: _____

Persons authorized to have access to space and/or airplane:

Name

Address

Rental: _____ per month, payable in advance.

Term: Month to month until either party gives 30-day written notice to other party.

Lessee hereby agrees to comply with all airport rules and regulations as may from time to time be in effect and all rules and regulations as Lessor may from time to time prescribe. LESSEE UNDERSTANDS AND AGREES THAT THE TERMS AND PROVISIONS HEREINAFTER SET FORTH CONSTITUTE A PART OF THIS AGREEMENT.

Lessor: _____

Lessee: _____

By _____

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TERMS AND PROVISIONS:

1. Lessee agrees to accept the demised premises as they now exist and agrees to surrender the premises at the end of the lease term in the same condition allowing for reasonable use and wear and tear.

2. The first monthly rental installment shall be due and payable on or before the date of this agreement and subsequent installments shall be due and payable on or before the first day of the succeeding calendar month during the lease term; provided that if the date of the lease is the date other than the first day of the calendar month, there shall be due and payable on or before such date the rental for the balance of such calendar month. All such amounts not paid by Lessee shall bear interest at the highest lawful rate which shall not be at a lesser rate than ten percent per annum.

3. The demised hanger space may be used only for the purpose of storing the herein described aircraft and for no other purpose or purposes without prior written consent of Lessor. The demised office space may be used only for office purposes related to Lessee's use of aircraft, and for no other purpose or purposes whatsoever without prior written consent of Lessor.

4. Lessee shall not, without Lessor's prior written consent, keep anything within the demised premises or use the demised premises for any purpose which increases the insurance premium cost or invalidates any insurance policy carried on the demised premises or other parts of the airport. All property kept, stored or maintained within the demised premises by Lessee shall be at Lessee's sole risk.

5. Lessee shall take good care of the demised premises and keep the same free from waste at all times. Lessee shall make no alterations, additions or improvements to the demised premises without the prior written consent of Lessor and, if any of the same shall be authorized by Lessor, Lessee shall, upon termination of this lease for any reason, if requested by Lessor, remove any or all of same without damage to the demised premises. Lessee shall keep the demised premises and areas adjacent to the demised premises neat, clean and free from dirt or rubbish at all times.

6. Lessee shall not permit nor take any action which would constitute a nuisance or would disturb or endanger other tenants of Lessor or the airport or unreasonably interfere with their use of their respective premises. Lessor shall not be liable for any interference or disturbance to Lessee, whether caused by other tenants of Lessor, or otherwise, nor shall Lessee be released from any obligation of this lease because of such interference or disturbance.

7. Lessor shall have the right to enter upon the demised premises at any time for the purpose of inspecting the same, or of making repairs to the demised premises, or of making repairs, alterations or additions to adjacent premises.

8. Lessor shall not be liable to Lessee or to Lessee's employees, agents or visitors, or to any other person whomsoever, for any injury to person or damage to or loss of property on or about the premises caused by the negligence or misconduct of Lessee, its employees or subtenants or of any other person entering the premises under express or implied invitation of Lessee, or arising out of the use of the demised premises by Lessee and the conduct of its business therein, or arising out of any breach or default by Lessee in the performance of its obligation hereunder; and Lessee hereby agrees to indemnify Lessor and hold it harmless from any loss, expense or claims arising out of such damage or injury.

9. Lessor and Lessee agree and covenant that neither shall be liable to the other for loss arising out of damage to or destruction of the demised premises or any of Lessee's property situated or located therein or attached thereto including contents which such loss is caused by any perils included within the Texas Standard Fire and Extended Coverage Insurance Policy; this agreement shall be binding whether or not such damage or destruction may be caused by negligence of either party, or their agents, employees or visitors.

10. Lessor and Lessor's agents and employees shall not be liable to Lessee for any injury to person or damage to property caused by the demised premises or other portions of 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 demised premises, nor shall Lessor be liable to Lessee for any loss or damage that may be occasioned by or through the acts or omissions of other tenants of the airport or of any other person whomsoever, excepting only duly authorized employees and agents of Lessor.

11. The following events shall be deemed to be events of default by Lessee under this agreement:

- (a) Lessee shall fail to pay any installment of rent hereunder and such failure shall continue for a period of 15 days; or,
- (b) Lessee shall fail to comply with any term, provision or covenant of this agreement, other than the payment of rent, and shall not cure such failure within 15 days after written notice thereof to Lessee; or,
- (c) Lessee shall desert or vacate the premises.

Upon the occurrence of any of such events of default, Lessor shall have the option to pursue any of Lessor's remedies without any notice or demand whatsoever, including termination of this lease in which event, Lessee shall immediately surrender the demised premises to Lessor, and if Lessee fails to do so, Lessor may, without prejudice to any other remedy which Lessor may have for possession or arrearages in rent, enter upon and take possession of the demised premises and expel or remove tenant and any other person who may be occupying said premises or any part thereof by force if necessary, without being liable for prosecution or any claim of damages therefor; Lessee agrees to pay to Lessor on demand the amount of all loss or damage which Lessor may suffer by reason of such termination.

12. If on account of any breach or default by Lessee in Lessee's obligations hereunder, Lessor shall employ an attorney to enforce or defend any of Lessor's rights or remedies hereunder, Lessee agrees to pay a reasonable attorney's fee incurred by Lessor in such connection.

13. Lessor shall have at all times a lien for all rentals and all other sums of money becoming due hereunder from Lessee, upon all aircraft, goods, wares, equipment, fixtures, furniture and other personal property situated on the demised premises, and such property shall not be removed therefrom without the consent of Lessor until all arrearage in rent and other sums of money then due to Lessor hereunder shall first have been paid. Upon the occurrence of an event of default by Lessee, Lessor may, in addition to any other remedy provided herein or by law, enter upon the demised premises and take possession of the aircraft or any and all goods, wares, equipment, fixtures, furniture and other personal property situated on the premises without liability for trespass or conversion, sell the same upon five days written notice to Lessee (said period of time being herein agreed to be reasonable) at public or private sale, with or without having such property at the sale, at which Lessor or its assign may purchase, and apply the proceeds thereof, less any and all expenses connected with the taking of possession and sale of the property, and a credit against any sums due by Lessee to Lessor. Any surplus shall be paid to Lessee, and Lessee agrees to pay any deficiency forthwith. Alternatively, the lien hereby granted may be foreclosed in the manner provided by law for foreclosure of security interest or in any other form provided by law. The statutory lien for rent is not hereby waived, the expressed contractual lien herein granted being in addition and supplementary thereto.

14. Lessee may not assign this lease or any of Lessee's rights hereunder or sublet the whole or any part of the demised premises.

15. Lessor will provide water and electricity generally for tenants of Lessor, at such points of supply and in such amounts as Lessor may determine; and heated and refrigerated air conditioning (office space only) in season, at such temperatures and in such amounts as Lessor shall determine, such service on Sunday and holidays to be optional on the part of Lessor. Failure to any extent to furnish, or any stoppage of such services shall not render Lessor liable in any respect for damage to person or property or be considered an eviction of Lessee or work an abatement of any rent or relieve Lessee from fulfillment of any covenant or obligation hereunder.

16. This Rental Agreement is expressly, subject, subordinate and inferior to (i) the terms and conditions of that certain Ground Lease between Lessor, the City of Addison, Texas ("City") and Addison Airport of Texas, Inc. ("Airport"), dated July 14, 1980, and (ii) that certain Base Lease between the Airport and the City, dated December 30, 1976, and any termination of such Ground Lease or Base Lease, or both, shall, at the option and election of the lessors therein, constitute a termination of this Rental Agreement, and neither Lessor nor Lessee shall have any further obligation or liability hereunder.



EXHIBIT “B”

12
LEASE AMENDMENT

THIS AMENDMENT is made to that certain Lease dated September 3, 1980, by and between the City of Addison and Addison Airport of Texas, Inc., as Landlord, and Mission Property Company as Tenant, as follows:

WHEREAS, Addison Airport of Texas, Inc. (hereinafter referred to as "AATI") sublet to Mission Property Company (hereinafter referred to as "Mission") certain property located at the Addison Airport, Addison, Texas, consisting of 3.518 acres, and being more particularly described in the Lease; and

WHEREAS, AATI leases such property from the City of Addison, Texas, and, also leases from the City of Addison, Texas, a tract of land northwest of the tract so leased to Mission; and

WHEREAS, Claire Chennault Road provides access to the Mission tract and the AATI Tract, and, Mission seeks to use a portion of AATI's lease hold as part of the access to Mission's property, and, AATI seeks to use a portion of Mission's lease hold as part of the access to AATI's property. Both of these areas are indicated in yellow on the attached Exhibit "A".

NOW, THEREFORE, it is understood and agreed by and between the parties as follows:

1. AATI hereby grants to Mission an easement for ingress and egress over and above that property leased by AATI, and as shaded in yellow on the attached Exhibit "A".

2. Mission, on behalf of itself and any limited partners for which Mission may be acting, hereby grants to AATI and the City of Addison, Texas, as its landlord, the right to use that portion of the premises leased to Mission for ingress and egress to the property leased by AATI, such portion being shaded in yellow on Exhibit "A".

3. The cost of construction and completion of the access driveway as shown on Exhibit "A" in accordance with the plans approved by the parties shall be at the sole cost and expense of AATI. Upon completion of the improvements, each party shall maintain and bear the expense of upkeep of that portion of the road which is located on the property leased by the respective party hereto.

4. The City of Addison, Texas, joins in the execution hereof to evidence its agreement to the terms and provisions hereof, and to acknowledge that it will, as owner of the respective properties, recognize and conform to the agreements contained herein in the event that it should obtain possession of either of the tracts leased to the other parties hereto.

EXECUTED this 31 day of JANUARY, 1983.

CITY OF ADDISON, TEXAS

By: [Signature]
(Title)

ADDISON AIRPORT OF TEXAS, INC.

By: [Signature]

MISSION PROPERTY COMPANY

By: [Signature]
Ropald M. Frederick,
President

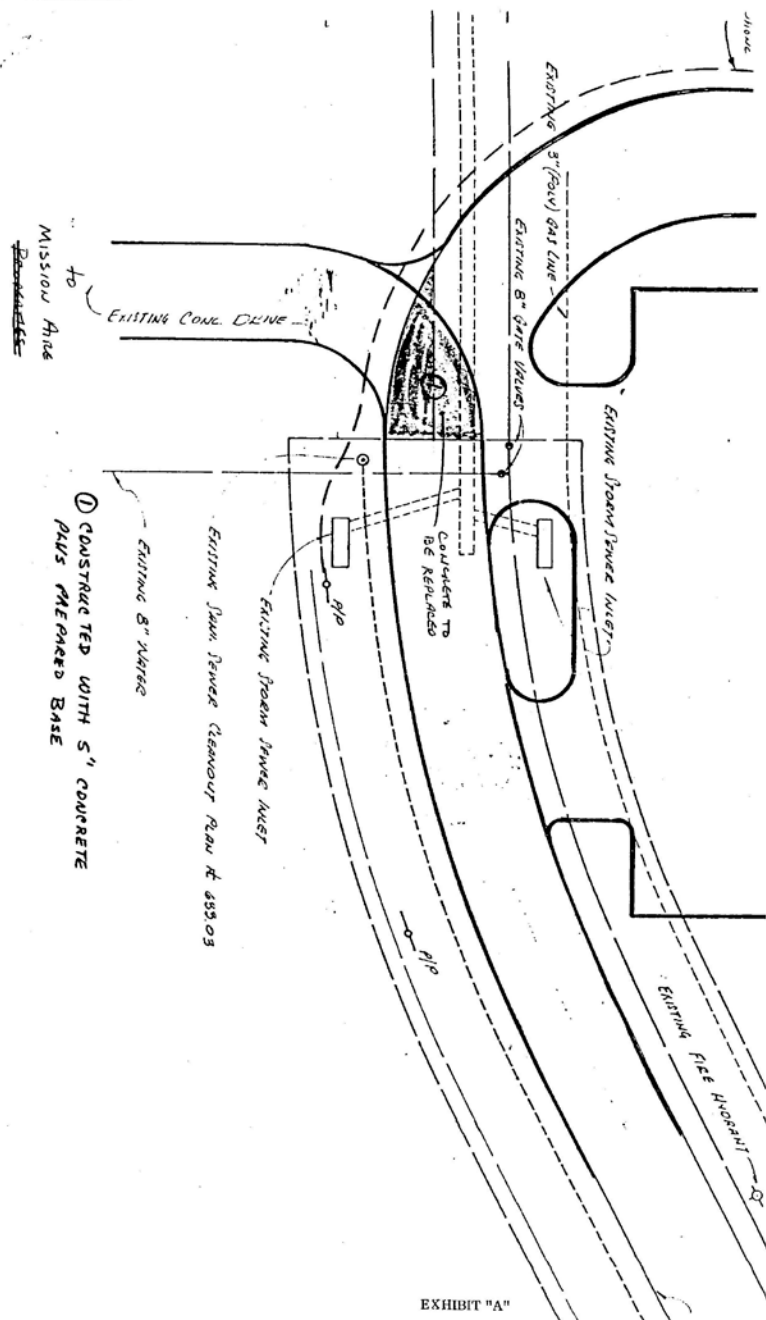


EXHIBIT "A"

EXHIBIT “C”

225065-4 (05)

②

ASSIGNMENT OF LEASE

DEED 17.00
TSTL 17.00
A001 2621 0000000 2434 12:25PM 6/30/94

THIS Assignment of Lease is made this the 29th day of JUNE, 1994;
effective, however, the 2ND day of MAY, 1994 at Addison, Texas, between
Mission Property Company, hereinafter called "Assignor", and MPX Aviation, Inc., hereinafter
called "Assignee".

WHEREAS, a Lease Agreement ("Lease") was executed on September 3, 1980, between
CITY OF ADDISON and ADDISON AIRPORT OF TEXAS, INC., as the Lessor, and Assignor,
as the Lessee, and recorded in Volume 93183, at Page 5118 of the Real Property Records in and
for the County of Dallas and State of Texas; by the terms of which certain real property located
on the Addison Airport and being more particularly described on Exhibit "A" attached hereto and
fully incorporated herein for all purposes, was leased to Assignor upon the terms and conditions
provided therein; and

WHEREAS, Assignor now desires to assign the lease to Assignee, and Assignee desires
to accept the assignment thereto;

NOW, THEREFORE, for and in consideration of the sum of Ten and No/100 Dollars
(\$10.00), receipt of which is hereby acknowledged, and the agreement of Assignee, hereinafter
set forth, Assignor hereby assigns and transfers to Assignee, its successors and assigns, all of its
right, title and interest in and to the Lease hereinbefore described, and Assignee hereby agrees
to and does accept the assignment, and in addition expressly assumes and agrees to keep, perform
and fulfill all the terms, covenants, conditions and obligations required to be kept, performed and

ASSIGNMENT OF LEASE - Page 1
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fulfilled by Assignor as the Lessee thereunder, including the making of all payments due to or payable on behalf of the Lessee under said Lease when due and payable.

This agreement shall be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest, and assigns.

EXECUTED the day and year first above written.

ASSIGNOR:

Mission Property Company

By: 

(Signature)

RONALD M. FREDERICK

(Printed Name and Title) PRESIDENT

ASSIGNEE:

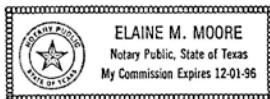
MPX Aviation, Inc.

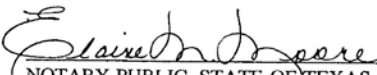
By: 

Ronald M. Frederick, President

STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 29th day of June, 1994, by RONALD M. FREDERICK PRESIDENT of Mission Property Company, a TEXAS corporation, for and on behalf of said corporation.




NOTARY PUBLIC, STATE OF TEXAS
ELAINE M. MOORE
(Notary's Printed Name)
My Commission Expires: 12-01-96

ASSIGNMENT OF LEASE - Page 2
w:\mis\mpx-at1

94125 01634

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 29th day of June, 1994, by Ronald M. Frederick, President of MPX Aviation, Inc., a Texas corporation, for and on behalf of said corporation.




(NOTARY PUBLIC, STATE OF TEXAS)

ELAINE M. MOORE
(Notary's Printed Name)
My Commission Expires: 12-01-96

CONSENT OF LESSOR

The undersigned is the Lessor in the Lease described in the foregoing Assignment and hereby consents to the assignment of the Lease to Assignee, waiving none of their rights thereunder to the Lessee or the Assignee.

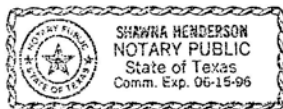
LESSOR:

ADDISON AIRPORT OF TEXAS, INC.

By: *Sam Stuart*
(Signature)
SAM STUART - President
(Printed Name and Title)

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 5th day of October, 1994, by Sam Stuart, President of Addison Airport of Texas, Inc., a Texas corporation for and on behalf of said corporation.



Shawna Henderson
NOTARY PUBLIC, STATE OF TEXAS
Shawna Henderson
(Notary's Printed Name)
My Commission Expires: 6-15-96

EXHIBIT "A"

LEASEHOLD ESTATE as created in Lease Agreement, by and between City of Addison and Addison Airport of Texas, Inc., as Lessor, and Mission Property Company, as Lessee, as evidenced by Ground Lease Agreement, dated September 3, 1980, filed September 21, 1993, recorded in Volume 93183, Page 5118, Deed Records, Dallas County, Texas, and covering the real property more particularly described as follows:

BEING a tract of land situated in the WILLIAM LOMAX SURVEY, ABSTRACT NO. 792, DALLAS County, Texas, and located on ADDISON MUNICIPAL AIRPORT, ADDISON, Texas, and being more fully described as follows:

BEGIN at a point for the intersection of the West Right-of-Way line of Addison Road, a 60 foot street, and the South Right-of-Way line of Westgrove Road a 60 foot street;

THENCE South 89 degrees 54 minutes 46 seconds West, along the South line of said Westgrove Road a distance of 730.00 feet to a point for the centerline of a proposed 60 foot street (Claire Chennault Road);

THENCE South 00 degrees 05 minutes 14 seconds East, along the centerline of said proposed street a distance of 302.19 feet to an angle point;

THENCE South 43 degrees 16 minutes West, along the centerline of said proposed street a distance of 1154.73 feet to an angle point;

THENCE South 69 degrees 21 minutes 30 seconds West, along the centerline of said proposed street at distance of 61.98 feet to the beginning point of this description;

THENCE South 20 degrees 38 minutes 30 seconds East, 441.68 feet to a point for the beginning of a curve to the right said point also being in the Northwest Right-of-Way line of proposed taxiway;

THENCE in a Southwesterly direction along said curved line of proposed taxiway having a central angle of 12 degrees 15 minutes 23 seconds a radius of 365.00 feet for a distance of 78.08 feet to a point;

THENCE South 69 degrees 21 minutes 30 seconds West, along the Northwest line of said proposed taxiway a distance of 263.52 feet to a point;

THENCE North 20 degrees 38 minutes 30 seconds West, 450.00 feet to a point;

THENCE North 69 degrees 21 minutes 30 seconds East, 341.00 feet to the PLACE OF BEGINNING and CONTAINING 3.518 acres of land, more or less.

w:\misl\vp-leg

94125 01638

EXHIBIT "D"

THE STATE OF TEXAS
COUNTY OF DALLAS

§
§
§

ASSIGNMENT OF GROUND LEASE
(9/3/80 - Hangar/Office) Fee

1610773
162896 \$13.00

This Assignment of Ground Lease, the "Assignment", is entered into and effective as of July 19, 1996, at Addison, Texas, between MPX Aviation, Inc., "Assignor", and Mission Property Company, "Assignee".

WHEREAS, Assignor is the Lessee under that certain ground lease dated September 3, 1980 (collectively the "Ground Lease"), as more particularly described on the attached Exhibit "A", and

WHEREAS, the Assignor now desires to assign the Ground Lease to Assignee, and the Assignee desires to accept the Assignment thereof.

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 the date above, all of Assignor's rights, title, and interest in and to the Ground Lease.
2. Assignee hereby agrees to be bound by and to comply with the terms of the Ground Lease.
3. This Assignment shall be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest, and assigns.

EXECUTED this day and year first above written.

ASSIGNOR:

MPX AVIATION, INC.

By: 

Name: Ronald M. Frederick

Its: President

ASSIGNEE:

MISSION PROPERTY COMPANY

By: 

Name: Ronald M. Frederick

Its: President

96161 03587

ACKNOWLEDGEMENT

THE STATE OF TEXAS
COUNTY OF DALLAS

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

GIVEN under my hand and seal of office this 17th day of July, 1996



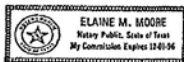
Elaine M. Moore
Notary Public

Dallas
County, Texas

THE STATE OF TEXAS
COUNTY OF DALLAS

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

GIVEN under my hand and seal of office this 17th day of July, 1996



Elaine M. Moore
Notary Public

Dallas
County, Texas

THE STATE OF TEXAS
COUNTY OF DALLAS

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

GIVEN under my hand and seal of office this _____ day of _____, 19____.

Notary Public

County, Texas

THE STATE OF TEXAS
COUNTY OF DALLAS

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

GIVEN under my hand and seal of office this _____ day of _____, 19____.

Notary Public

County, Texas

96161 03588

EXHIBIT "A"

THAT CERTAIN LEASE AGREEMENT BY AND BETWEEN THE CITY OF ADDISON AND ADDISON AIRPORT OF TEXAS, INC., AS LESSOR, AND MISSION PROPERTY COMPANY, AS LESSEE, DATED SEPTEMBER 3, 1980, RECORDED IN VOLUME 93183, PAGE 5118, DEED RECORDS, DALLAS COUNTY, TEXAS.

ASSIGNMENT OF SAID LEASE DATED JUNE 29, 1994, EXECUTED BY MISSION PROPERTY COMPANY, ASSIGNOR, TO MPX AVIATION, INC., ASSIGNEE, RECORDED IN VOLUME 94125, PAGE 1633, DEED RECORDS, DALLAS COUNTY, TEXAS.

96161 03589



FILED
96 AUG 15 PM 2:55
EARL BULLOCK
COUNTY CLERK
DALLAS COUNTY

96161 03590

EXHIBIT “E”

THE STATE OF TEXAS §
COUNTY OF DALLAS §

ASSIGNMENT OF GROUND LEASE
(9/3/80 - Hanger/Office)

1610774

08/16/96 162897 \$13.00
Dued AUGUST 5

This Assignment of Ground Lease, the "Assignment", is entered into and effective as of ~~July~~ August 5, 1996, at Addison, Texas, between Mission Property Company, "Assignor", and Ronald M. Frederick, "Assignee".

WHEREAS, Assignor is the Lessee under that certain ground lease dated September 3, 1980 (collectively the "Ground Lease"), as more particularly described on the attached Exhibit "A", and

WHEREAS, the Assignor now desires to assign the Ground Lease to Assignee, and the Assignee desires to accept the Assignment thereof.

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 the date above, all of Assignor's rights, title, and interest in and to the Ground Lease.
2. Prior to the effective date of this Assignment, Assignee agrees to pay an Assignment Fee in the amount of Two Hundred Fifty Dollars and no/100 (\$250.00) to Landlord.
3. Assignee hereby agrees to be bound by and to comply with the terms of the Ground Lease.
4. This Assignment shall be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest, and assigns.

EXECUTED this day and year first above written.

ASSIGNOR:

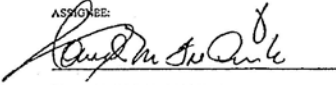
MISSION PROPERTY COMPANY



Name: RONALD M. FREDERICK

Its: PRESIDENT

ASSIGNEE:



Name: RONALD M. FREDERICK


96161 03591

CONSENT OF LANDLORD

The undersigned is the Landlord in the Ground Lease described in the foregoing Assignment and hereby consents to the Assignment of the Ground Lease to Assignee, waiving none of its rights thereunder as to the Assignor or the Assignee.

LANDLORD:

ADDISON AIRPORT OF TEXAS, INC.

By: 
Name: Sam Stuart
Its: President

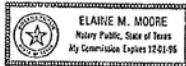
96161 03592

ACKNOWLEDGEMENT

THE STATE OF TEXAS §
COUNTY OF DALLAS §

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

GIVEN under my hand and seal of office this 5th day of AUGUST, 1996

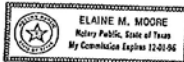


Elaine M. Moore
Notary Public
DALLAS
County, Texas

THE STATE OF TEXAS §
COUNTY OF DALLAS §

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

GIVEN under my hand and seal of office this 5th day of AUGUST, 1996



Elaine M. Moore
Notary Public
DALLAS
County, Texas

THE STATE OF TEXAS §
COUNTY OF DALLAS §

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

GIVEN under my hand and seal of office this _____ day of _____, 19__

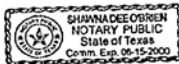
Notary Public

County, Texas

THE STATE OF TEXAS §
COUNTY OF DALLAS §

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

GIVEN under my hand and seal of office this 1st day of August, 1996



Shawna Deebren
Notary Public
DALLAS
County, Texas

96161 03593

CLERK OF DISTRICT COURT
COUNTY OF DALLAS
FILED
AUG 15 1996
DALLAS COUNTY
CLERK OF DISTRICT COURT
COUNTY OF DALLAS
FILED
AUG 15 1996
DALLAS COUNTY

FILED
96 AUG 15 PM 2:56
EARL HULLOCK
COUNTY CLERK
DALLAS COUNTY

46161 03594

EXHIBIT “F”

THE STATE OF TEXAS §
COUNTY OF DALLAS §

ASSIGNMENT OF GROUND LEASE
(9/3/99 - Hanger Office)

1610775
09/16/99 162898 \$13.00
Deed August 5

This Assignment of Ground Lease, the "Assignment", is entered into and effective as of August 5, 1999, at Addison, Texas, between Ronald M. Frederick, "Assignor", and Keith Partners I, Ltd., "Assignee".

WHEREAS, Assignor is the Lessee under that certain ground lease dated September 3, 1980 (collectively the "Ground Lease"), as more particularly described on the attached Exhibit "A", and

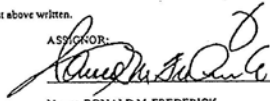
WHEREAS, the Assignor now desires to assign the Ground Lease to Assignee, and the Assignee desires to accept the Assignment thereof.

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 the date above, all of Assignor's rights, title, and interest in and to the Ground Lease.
 2. Prior to the effective date of this Assignment, Assignee agrees to pay an Assignment Fee in the amount of Two Hundred Fifty Dollars and no/100 (\$250.00) to Landlord.
 3. Assignee hereby agrees to be bound by and to comply with the terms of the Ground Lease.
 4. This Assignment shall be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest, and assigns.
- EXECUTED this day and year first above written.

ASSIGNOR:


Name: RONALD M. FREDERICK

ASSIGNEE:

KEITH PARTNERS I, LTD.

By: Clarence, Jr., General Partner

By: Douglas J. Keith

Name: Douglas J. Keith

Its: President

96161 03595

CONSENT OF LANDLORD

The undersigned is the Landlord in the Ground Lease described in the foregoing Assignment and hereby consents to the Assignment of the Ground Lease to Assignee, waiving none of its rights thereunder as to the Assignor or the Assignee.

LANDLORD:

ADDISON AIRPORT OF TEXAS, INC.

By: 

Name: Sam Stuart

Is: President

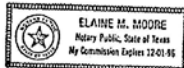
96161 03596

ACKNOWLEDGEMENT

THE STATE OF TEXAS §
COUNTY OF DALLAS §

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

GIVEN under my hand and seal of office this 5th day of August, 1996



Elaine M. Moore
Notary Public
DALLAS
County, Texas

THE STATE OF TEXAS §
COUNTY OF DALLAS §

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

GIVEN under my hand and seal of office this 5th day of August, 1996



Elaine M. Moore
Notary Public
DALLAS
County, Texas

THE STATE OF TEXAS §
COUNTY OF DALLAS §

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

GIVEN under my hand and seal of office this _____ day of _____, 19____

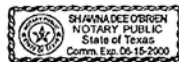
Notary Public

County, Texas

THE STATE OF TEXAS §
COUNTY OF DALLAS §

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

GIVEN under my hand and seal of office this 1st day of August, 1996



Shawna Dee O'Brien
Notary Public
Dallas
County, Texas

96161 03597

COUNTY CLERK, DALLAS COUNTY
96 AUG 15 PM 2:56
FILED
CARL GULLOCK
COUNTY CLERK
DALLAS COUNTY

96 AUG 15 PM 2:56
FILED
CARL GULLOCK
COUNTY CLERK
DALLAS COUNTY

86598 03598 19196

EXHIBIT “G”

THE STATE OF TEXAS

COUNTY OF DALLAS

§
§
§

ASSIGNMENT OF GROUND LEASE

This Assignment of Ground Lease, the "Assignment," is entered into and effective as of October 23, 1998, between E.U.A. Air Support, Inc., "Assignor," and Addison Express II, L.P., "Assignee."

WHEREAS, Assignor is the Lessee under that certain ground lease dated September 3, 1980 (collectively the "Ground Lease"), as more particularly described on the attached Exhibit "A", and

WHEREAS, the Assignor now desires to assign the Ground Lease to Assignee, and the Assignee desires to accept the Assignment thereof.

WHEREAS, the United States Bankruptcy Court for the Northern District of Texas, in *In re E.U.A. Air Support, Inc.*, case no. 398-37755-RCM-11, has approved the assignment, after notice and hearing, pursuant to 11 U.S.C. §365.

NOW, THEREFORE, for and in consideration of the mutual promise, 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 the date above, all of Assignor's rights, title, and interest in and to the Ground Lease.
2. Assignee hereby agrees to be bound by and to comply with the terms of the Ground Lease.
3. This Agreement shall be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest, and assigns.

EXECUTED this day and year first above written.

ASSIGNOR:

E.U.A. AIR SUPPORT, INC.

By: 

Douglas J. Keith, President

ASSIGNEE:

ADDISON EXPRESS II, L.P.

By: 

Weyand Corporation, General Partner

ACKNOWLEDGMENT

THE STATE OF TEXAS
COUNTY OF DALLAS

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

GIVEN under my hand and seal of office this 23rd day of October, 1998.



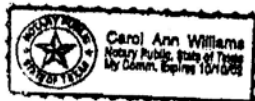
Carol Ann Williams
Notary Public
Dallas
County, Texas

THE STATE OF TEXAS
COUNTY OF DALLAS

§
§
§

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

GIVEN under my hand and seal of office this 23rd day of October, 1998.



Carol A. Williams
Notary Public
Dallas
County, Texas

EXHIBIT "A"

THAT CERTAIN LEASE AGREEMENT BY AND BETWEEN THE CITY OF ADDISON AND ADDISON AIRPORT OF TEXAS, INC., AS LESSOR, AND MISSION PROPERTY COMPANY, AS LESSEE, DATED SEPTEMBER 3, 1980, RECORDED IN VOLUME 93183, PAGE 5118, DEED RECORDS, DALLAS COUNTY, TEXAS; AND ALL PREVIOUS ASSIGNMENTS THEREOF.

CONSENT OF LANDLORD

The undersigned is the Landlord in the Ground Lease described in the foregoing Assignment and hereby consents to the Assignment of the Ground Lease between E.U.A. Air Support, Inc., "Assignor", and Addison Express II, L.P., "Assignee", waiving none of its rights thereunder as to the Assignor or the Assignee.

LANDLORD:

ADDISON AIRPORT OF TEXAS, INC

By: Sam Stuart

Name: SAM STUART

Its: President

TOWN OF ADDISON

By: _____

Name: _____

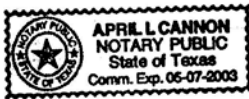
Its: _____

ACKNOWLEDGMENT

THE STATE OF TEXAS }
COUNTY OF DALLAS }

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

GIVEN under my hand and seal of office this 23 day of August, 2000.



April L. Cannon
Notary Public, State of Texas

THE STATE OF TEXAS }
COUNTY OF DALLAS }

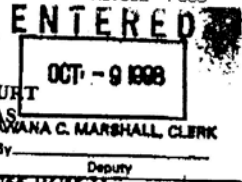
BEFORE ME, the undersigned authority, on this day personally appeared _____ known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein stated.

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

Notary Public, State of Texas

CONSENT OF LANDLORD

EXHIBIT “H”



IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:

E.U.A. AIR SUPPORT, INC.,

CASE NO. 398-37755-RCM-II
(Chapter 11)

DEBTOR

ORDER ALLOWING ASSUMPTION AND ASSIGNMENT OF
HANGER FACILITY LEASE, SALE OF PROPERTY FREE AND CLEAR
OF LIENS, REJECTION OF FUEL FARM SUBLEASE AND PAYMENT
OF SECURED CREDITOR AND PROPERTY TAXES

Came on to be considered this 8th day of October 1998, the Debtor's Motion to Assume and Assign Hanger Facility Lease, to Sell Property Free and Clear of Liens, to Reject Fuel Farm Sublease and to Pay Secured Creditor and Property Taxes (the "Motion"). The Court, after noting that due notice has been given and after noting the arguments of counsel and the evidence presented finds that just cause exists to grant the relief requested in the Motion. It is therefore

ORDERED that, subject to the further terms of this Order, the Securities and Asset Purchase Agreement attached to the Motion, as modified by the Amended Securities and Asset Purchase Agreement (hereinafter cumulatively the "Purchase Agreement") is hereby approved and the Debtor is hereby authorized to perform its obligations under the Purchase Agreement at Closing ;

ORDERED that the Hanger Lease, as defined in the Motion, is hereby assumed by the Debtor and assigned to Addison Express II, L.P. (hereinafter "Addison Express"), free and clear of all liens, claims and encumbrances, but subject to the provisions of the lease herein assumed

ORDER ALLOWING ASSUMPTION AND ASSIGNMENT OF HANGER FACILITY LEASE, SALE OF
PROPERTY FREE AND CLEAR OF LIENS, REJECTION OF FUEL FARM SUBLEASE AND PAYMENT
OF SECURED CREDITOR AND PROPERTY TAXES - Page 1

32
M. EDMO'

and assigned, in accordance with the agreements attached to the Motion and to any unpaid ad valorem taxes related to the period from and after October 8, 1998. It is further

ORDERED that the Fuel Farm Sublease, as defined in the Motion, is hereby rejected as of the date of the entry of this order. It is further

ORDERED that the Removable Fixtures as defined in the Motion and the exhibits and schedules thereto are sold to Addison Express, free and clear of all liens, claims and encumbrances, but subject to the provisions of the lease herein assumed and assigned, in accordance with the agreements attached to the Motion. It is further

ORDERED that the consideration to be paid by Addison Express to the Debtor, \$1,565,000.00, less \$7,190 withheld to pay Scott Lucas Construction, Inc. for paving requirements per the contract, plus interest, costs and other requirements as set forth in section 1.4 of the Purchase Agreement, shall be paid by Addison Express, ^{Upon Closing} ~~on October 9, 1998~~, as follows: a) \$954,898.24, plus interest from October 9, 1998 till Closing, ^{of \$458.62 per diem} to Ronald M. Frederick on his leasehold deed of trust; b) \$4,970.50 to the landlord to meet the cure requirements under the Hanger Lease; c) \$4,906.10 to the County of Dallas for ad valorem taxes pro-rated for those due through October 8, 1998, Addison Express being responsible for such taxes due for the period from October 9, 1998 to December 31, 1998; d) \$16,304.13 to the Dallas Independent School District for ad valorem taxes pro-rated for those due through October 8, 1998, Addison Express being responsible for such taxes due for the period from October 9, 1998 to December 31, 1998; e) \$77,582.50, plus interest from October 9, 1998 till Closing, to the Internal Revenue Service on its secured claim filed on April 23, 1998, but not on any penalties; and f) \$499,148.53

to the Debtor, to be deposited into a separate interest bearing account(s) with the Debtor's current approved financial institution. The funds delivered to the Debtor shall be subject in all respects to the prior cash collateral orders in this case and shall be treated as cash collateral of State Bank & Trust - Dallas, until further order of this Court, save and except for: a) up to \$16,320.21 plus interest, which the IRS claims as penalty due and which will be resolved either by agreement or by order of this Court; and b) up to \$8,325.00 to the City of Addison for ad valorem taxes pro-rated for those due through October 8, 1998, which will be resolved either by agreement or by order of this Court. Addison Express is also responsible for such taxes due to the City of Addison for the period from October 9, 1998 to December 31, 1998.

SO ORDERED:

SIGNED this 8 day of October, 1998
ROBERT C. MCGUIRE
UNITED STATES BANKRUPTCY JUDGE

SUBMITTED BY:
E. P. Keiffer
State Bar No. 11181700
HANCE | SCARBOROUGH | WRIGHT
2900 Renaissance Tower
1201 Elm Street
Dallas, TX 75270-2102
Phone: (214) 742-2900

ATTORNEYS FOR DEBTOR

ORDER ALLOWING ASSUMPTION AND ASSIGNMENT OF HANGER FACILITY LEASE, SALE OF
PROPERTY FREE AND CLEAR OF LIENS, REJECTION OF FUEL FARM SUBLEASE AND PAYMENT
OF SECURED CREDITOR AND PROPERTY TAXES - Page 3

Bill of Sale

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, pursuant to that certain Amended Securities and Asset Purchase Agreement (the "Agreement") dated as of October 8, 1998, by and among Addison Express, L.L.C., a Texas limited liability company, E.U.A. Air Support, Inc., a Texas corporation ("E.U.A. Assignor"), Clohnco, Inc., a Texas corporation, Keith Issue Trust "B" and Douglas J. Keith ("Keith Assignors"), E.U.A. Assignor and Keith Assignors do hereby grant, bargain, convey, transfer, assign and deliver to Addison Express, L.L.C., a Texas limited liability company, Addison Express II, L.P., a Texas limited partnership, and Addison Express III, L.P., a Texas limited partnership (collectively, the "Assignee"), all of the property and assets set forth on Exhibit A attached hereto and made a part hereof ("Assets"). Terms used herein with their initial letter capitalized and not otherwise defined shall have the meaning assigned to such terms in the Agreement.

TO HAVE AND TO HOLD the Assets unto Assignee and its successors and assigns (to the extent further assignment is permitted by landlords herein) forever. To the extent consistent with the terms of the Agreement, Keith Assignors hereby covenant to Assignee and its successors and assigns that Keith Assignors are the lawful owner of the Assets and have hereby transferred to Assignee good and marketable title to the Assets, free and clear of all liens, mortgages, pledges, security interests, restrictions, prior assignments, encumbrances and other similar claims and that Keith Assignors will warrant and defend the title to the Assets unto Assignee and its successors and assigns against any person whomsoever lawfully claiming or to claim the same, or any part thereof.

IN WITNESS WHEREOF, Assignor has caused this Bill of Sale to be executed by a duly authorized officer as of October 29, 1998.


E.U.A. AIR SUPPORT, INC.

By: Douglas J. Keith
Douglas J. Keith, President

CLOHNCO, INC.

By: Douglas J. Keith
Douglas J. Keith, President

KEITH ISSUE TRUST "B"

By: 
Douglas J. Keith, Trustee


Douglas J. Keith

EXHIBIT A
TO BILL OF SALE

Description of Assets

- a. Lease of hanger facility consisting of 3.518 acres located at 4500 Claire Chenault, Addison, Texas, dated September 3, 1980 between City of Addison, Texas and Addison Airport of Texas, Inc. as Lessor and E.U.A. Air Support, Inc. as Lessee by virtue of the merger between Keith Partners I and E.U.A. Air Support and the assignment of Lease dated August 5, 1996, Inc., and all leasehold improvements thereto.
- b. All lighting and heating equipment located in the hanger portion of the hanger facility.
- c. KPII General Interest
- d. KPII Limited Interest

AMENDED SECURITIES AND ASSET PURCHASE AGREEMENT

This Amended Securities and Asset Purchase Agreement (this "Agreement") dated as of October 8, 1998, is made by and between Addison Express, L.L.C., a Texas limited liability company ("AEI" or "Buyer"), E.U.A. Air Support, Inc., a Texas corporation ("E.U.A."), Clohnc, Inc., a Texas corporation ("Clohnc"), Keith Issue Trust "B" ("Trust") and Douglas J. Keith ("Keith"). E.U.A., Clohnc and Trust are each a "Seller" and collectively the "Sellers."

WHEREAS, Keith is a shareholder of E.U.A. and Clohnc and is the trustee of the Trust;

WHEREAS, E.U.A. is the present lessee under a lease of that certain hanger facility consisting of 3.518 acres located at 4500 Claire Chenault, Addison, Texas and the leasehold improvements thereto and it is the owner of removable fixtures, all as more specifically described in Exhibit A attached hereto (collectively, the "Assets");

WHEREAS, E.U.A. desires to sell and assign, and AEI, through a subsidiary or affiliate to be formed before Closing, desires to purchase and assume, the Assets;

WHEREAS, Keith Partners II, Ltd., a Texas limited partnership ("KPII"), is the lessee and operator of a fuel farm located at the Addison Airport, which fuel farm consists of certain in-ground tanks and attendant pumps and other equipment, all of which are leasehold improvements of which KPII is entitled to the use and benefit pursuant to such lease (the "Fuel Farm Lease");

WHEREAS, Clohnc is the general partner of KPII (the "KPII General Interest"), and Trust is the sole limited partner of KPII (the "KPII Limited Interest"); and

WHEREAS, Clohnc desires to sell, and AEI, through a subsidiary or affiliate to be formed before Closing, desires to purchase, the KPII General Interest, and Trust desires to sell, and AEI desires to purchase, the KPII Limited Interest.

NOW, THEREFORE, in consideration of the representations, warranties and covenants herein contained, and on the terms and subject to the conditions herein set forth, the parties hereby agree as follows:

SECTION 1. DESCRIPTION OF TRANSACTIONS.

1.1 **Purchase and Sale of Assets.** Subject to and upon the terms and conditions contained herein, and upon the entry of an order approving the E.U.A. Transaction, as defined below, by the United States Bankruptcy Court for the Northern District of Texas, Dallas Division (the "Court"), in *In re E.U.A. Air Support, Inc.*, case no. 398-37755-RCM-11, on the Closing Date, E.U.A. shall sell, transfer, assign, convey and deliver to Addison Express II, L.P., a Texas limited partnership ("AEII") to be formed on or before the Closing Date by AEI as its wholly-owned subsidiary or an affiliate, free and clear of all security interests, liens, claims, encumbrances or

restrictions, and AEII shall purchase, accept, assume and acquire from E.U.A., the Assets (the "E.U.A. Transaction"). Other than as set forth herein, AEII does not assume or agree to pay, perform or discharge any liabilities or obligations of E.U.A., whether accrued, absolute, contingent or otherwise. It is understood and agreed that all references herein to "the Court's approval of the E.U.A. Transaction" means the entry of an order by the Court approving the E.U.A. Transaction (hereinafter the "Order").

1.2 **Purchase and Sale of the KPPI General Interest.** Subject to and upon the terms and conditions contained herein, on the Closing Date, Clohncs shall sell, transfer, assign, convey and deliver to AEI, free and clear of all security interests, liens, claims and encumbrances, equities, proxies, options or restrictions, and AEI shall purchase, accept and acquire from Clohncs, the KPPI General Interest. Other than as set forth herein, AEI does not assume or agree to pay, perform or discharge any liabilities or obligations of Clohncs, whether accrued, absolute, contingent or otherwise. Buyer's right herein to purchase the KPPI General Interest is exclusive to Buyer, its subsidiaries and affiliates.

1.3 **Purchase and Sale of the KPPI Limited Interest.** Subject to and upon the terms and conditions contained herein, on the Closing Date, Trust shall sell, transfer, assign, convey and deliver to Addison Express III, L.P. a Texas Limited Partnership ("AEIII") AEIII, free and clear of all security interests, liens, claims and encumbrances, equities, proxies, options or restrictions, and AEIII shall purchase, accept and acquire from Trust, the KPPI Limited Interest. Other than as set forth herein, AEIII does not assume or agree to pay, perform or discharge any liabilities or obligations of Trust, whether accrued, absolute, contingent or otherwise. Buyer's right herein to purchase the KPPI Limited Interest is exclusive to Buyer, its subsidiaries and affiliates. The sale and purchase of the KPPI General Interest and the KPPI Limited Interest are sometimes referred to collectively as the "KPPI Transaction."

1.4 **Purchase Price.** The total consideration for the Assets, the KPPI General Interest and the KPPI Limited Interest shall be \$1,832,000, effective as of October 9, 1998 (the "Purchase Price"), allocated as follows: (a) \$1,565,000 shall be paid to E.U.A., (b) \$2,670 shall be paid to Clohncs and (c) \$264,330 shall be paid to Trust. The Purchase Price shall also require the payment of: a) any and all interest accruing from and after October 9, 1998, on the obligations set forth in Schedule 1.4 and on those obligations designated in the Order as bearing interest from October 9, 1998 until Closing; b) the proportionate cost of all utilities and other operating costs that E.U.A. would be responsible for from October 9, 1998 until Closing, said costs that are to be paid at Closing to be determined by utilizing the latest current billings divided by the number of days between October 9, 1998 and Closing; and c) any funds that would be able to be recouped by E.U.A. or KPPI by virtue of canceling insurance coverages on the assets sold, as of October 9, 1998. Notwithstanding the foregoing, at Closing, a portion of the Purchase Price payable to Clohncs and the Trust shall be paid directly to the persons as set forth on Schedule 1.4, and the portion of the Purchase Price payable to Clohncs and the Trust set forth in (b) and (c), above, shall be reduced, on a pro rata basis based upon the portion of the Purchase Price payable to such parties, by the amount paid directly to the persons as

set forth on Schedule 1.4 which shall not be considered "Purchase Price." All of the Purchase Price attributable to E.U.A. shall be paid in accordance with applicable orders of the Court.

1.5 **Closing.** The closing (the "Closing") of the transactions contemplated herein will take place at the offices of Jackson Walker L.L.P., 901 Main Street, Suite 6000, Dallas, Texas 75202, at 10:00 A.M., on or before the ninth day after the Court's approval of the E.U.A. Transaction (the "Closing Date"). At the Closing, Sellers will deliver to Buyers title to the Assets, the KPII General Interest and the KPII Limited Interest upon payment of the Purchase Price as set forth in this Section 1 by wire transfer, certified or bank cashier's check, or by other form of payment acceptable to the Sellers. The Order shall be entered on the Court's docket on October 15, 1998. If Sellers can not close the Agreement by 10:00 a.m. October 26, 1998, then the Agreement shall be deemed void and unenforceable in all respects and in such case Buyer shall receive no benefit of any safe harbor provisions under the Code.

SECTION 2. REPRESENTATIONS AND WARRANTIES OF E.U.A. AND KEITH

As part of the basis of this Agreement, E.U.A. and Keith, jointly and severally, represent and warrant to Buyer that the following are true and correct as of the date hereof and will be true and correct through the Closing Date as if made on that date:

2.1 **Organization and Good Standing; Qualification.** E.U.A. is a corporation duly incorporated, validly existing and in good standing under the laws of the state of its incorporation, with all requisite corporate power and authority to carry on the business in which it is engaged, to own the properties it owns, to execute and deliver this Agreement and to consummate the transactions contemplated hereby.

2.2 **Authorization and Validity.** The execution, delivery and performance by E.U.A. of this Agreement and the other agreements contemplated hereby, and the consummation of the transactions contemplated hereby and thereby, have been duly authorized by E.U.A. upon approval of the E.U.A. Transaction by the Court. This Agreement and each other agreement contemplated hereby have been or will be as of the Closing Date duly executed and delivered by E.U.A. and Keith.

2.3 **Title; Leased Assets.** E.U.A. has good, valid and marketable title to or leasehold interest in all the Assets and is selling, transferring, assigning, conveying and delivering the Assets to Buyer (assuming the Court's approval of the E.U.A. Transaction) free and clear of all security interests, liens, claims and encumbrances, with it being understood that any and all liens, claims and encumbrances shall attach to the proceeds of the E.U.A. Transaction. Upon consummation of the transactions contemplated hereby, AEII shall receive good, valid and marketable title to or leasehold interest in the Assets free and clear of all security interests, liens, claims and encumbrances and subject to the terms of the assumed lease.

2.4 **Litigation.** There is no litigation, arbitration or governmental proceeding or investigation pending or, to the knowledge of E.U.A. or Keith, threatened, that is not otherwise

stayed pursuant to 11 U.S.C. §362, (a) against E.U.A., (b) affecting the Assets or any of the properties or other assets of E.U.A. or (c) against any officer, director, shareholder or employee of E.U.A. in such capacity or relating to his prior employment relationships. Neither E.U.A. nor Keith is aware of any fact that is likely to form the basis of any such litigation, arbitration or proceeding.

2.5 Legal Compliance. E.U.A. has all material franchises, permits, licenses and other rights and privileges necessary to permit it to own its properties and to conduct its business as presently conducted. E.U.A. has complied with all laws, regulations and licensing requirements and has filed with the proper authorities all necessary statements and reports. There are no existing violations of, or any existing, pending or threatened investigation or inquiry with respect to any federal, state or local law or regulation.

2.6 Environmental Matters. Neither E.U.A. nor any of the Assets are currently in violation of, or subject to any existing, pending or threatened investigation or inquiry by any governmental authority or to any remedial obligations under, any laws or regulations pertaining to health or the environment (hereinafter sometimes collectively called "Environmental Laws"), and this representation and warranty would continue to be true and correct following disclosure to the applicable governmental authorities of all relevant facts, conditions and circumstances, if any, pertaining to the Assets. To the best knowledge of E.U.A., the Assets have never been used in a manner that would be in violation of any Environmental Laws.

2.7 Disclosure. This Agreement and the Exhibits and Schedules hereto, when taken as a whole with other documents and certificates furnished by E.U.A. and Keith to Buyers or their counsel, do not contain any untrue statement of material fact or omit any material fact necessary in order to make the statements not misleading.

SECTION 3. REPRESENTATIONS AND WARRANTIES OF CLOHNCO, TRUST AND KEITH.

As part of the basis of this Agreement, Clohnco, the Trust and Keith, jointly and severally, represent and warrant to Buyer that the following are true and correct as of the date hereof and will be true and correct through the Closing Date as if made on that date:

3.1 Organization and Good Standing; Qualification. Clohnco is a corporation duly incorporated, validly existing and in good standing under the laws of the state of its incorporation, with all requisite corporate power and authority to carry on the business in which it is engaged, to own the properties it owns, to execute and deliver this Agreement and to consummate the transactions contemplated hereby. Trust is a Texas trust duly formed, validly existing and in good standing under the laws of the state of its formation, with all requisite power and authority to carry on the business in which it is engaged, to own the properties it owns, to execute and deliver this Agreement and to consummate the transactions contemplated hereby. KPPI is a limited partnership duly formed, validly existing and in good standing under the laws of the state of its formation, with

all requisite power and authority to carry on the business in which it is engaged, to own the properties it owns, and to consummate the transactions contemplated by this Agreement.

3.2 Authorization and Validity. The execution, delivery and performance by Clohnco, the Trust and Keith of this Agreement and the other agreements contemplated hereby, and the consummation of the transactions contemplated hereby and thereby, have been duly authorized by Clohnco, the Trust and Keith. This Agreement and each other agreement contemplated hereby have been or will be as of the Closing Date duly executed and delivered by Clohnco, the Trust and Keith, and constitute or will constitute legal, valid and binding obligations of Clohnco, the Trust and Keith, enforceable against Clohnco, the Trust and Keith in accordance with their respective terms, except as may be limited by applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally or the availability of equitable remedies. Copies of the Articles of Incorporation and Bylaws of Clohnco attached hereto as Schedule 3.2 are true, correct and complete. Copies of the Trust Agreement of Trust attached hereto as Schedule 3.2 are true, correct and complete. Copies of the Certificate of Limited Partnership and Partnership Agreement of KPPII attached hereto as Schedule 3.2 are true, correct and complete.

3.3 Capitalization.

(a) The authorized and issued capital stock of Clohnco and the names and ownership interests of the shareholders of Clohnco is as set forth in Schedule 3.3. All of the presently outstanding shares of capital stock of Clohnco have been validly authorized and issued and are fully paid and nonassessable. Clohnco has not issued any other shares of its capital stock and there are no outstanding options, warrants, subscriptions or other rights or obligations to purchase or acquire any of such shares, nor any securities convertible into or exchangeable for such shares. There are no agreements to which Clohnco or Keith is a party or has knowledge regarding the issuance, registration, voting or transfer of its outstanding shares of capital stock. No shares of capital stock of Clohnco have been issued or disposed of in violation of the preemptive rights of any of Clohnco's shareholders. No dividends are accrued but unpaid on any capital stock of Clohnco.

(b) Keith is the sole trustee of Trust. A true and correct copy of the Trust Agreement, as well as the names and ownership interests of the beneficiaries of Trust is as set forth in Schedule 3.3.

(c) The authorized and issued partnership interests of KPPII and the names and ownership interests of the partners of KPPII is as set forth on Schedule 3.3. All of the presently outstanding partnership interests of KPPII have been validly authorized and issued and all capital contributions of all partners are fully paid. No other partnership interests of KPPII have been issued and there are no outstanding subscriptions or other rights or obligations to purchase or acquire any of such partnership interests, nor any securities convertible into or exchangeable for such partnership interests. There are no agreements, other than the Agreement of Limited Partnership of KPPII, to which Clohnco, Trust or Keith is a party or has knowledge regarding the issuance, voting or transfer of outstanding

partnership interests of KPII. No distributions to limited partners of KPII are due and owing or have been declared but unpaid.

3.4 Liabilities and Obligations. Set forth in Schedule 3.4 is a list of all liabilities and obligations of KPII, accrued, contingent or otherwise (known or unknown and asserted or unasserted), arising out of transactions effected or events occurring on or prior to the date hereof. KPII is not liable upon or with respect to, or obligated in any other way to provide funds in respect of or to guarantee or assume in any manner, any debt, obligation or dividend of any person, corporation, association, partnership, joint venture, trust or other entity, and neither Keith, Trust nor Clohncoco knows of any basis for the assertion of any other claims or liabilities of any nature or in any amount.

3.5 Commitments. There are no existing defaults, events of default or events, occurrences, acts or omissions that, with the giving of notice or lapse of time or both, would constitute defaults by KPII, and no penalties have been incurred nor are amendments pending, with respect to any contract or agreement to which KPII is a party (the "Commitments"). Neither Keith, Trust nor Clohncoco has received notice of any plan or intention of any other party to any Commitment to exercise any right to cancel or terminate any Commitment or agreement, and neither Keith, Trust nor Clohncoco knows of any fact that would justify the exercise of such a right with respect to any Commitment of KPII.

3.6 Title; Leased Assets. Clohncoco has good, valid and marketable title to the KPII General Interest and is selling, transferring, assigning, conveying and delivering the KPII General Interest to Buyer free and clear of all security interests, liens, claims and encumbrances. Upon consummation of the transactions contemplated hereby, AEI shall receive good, valid and marketable title to the KPII General Interest free and clear of all security interests, liens, claims and encumbrances. Trust has good, valid and marketable title to the KPII Limited Interest and is selling, transferring, assigning, conveying and delivering the KPII Limited Interest to AEIII free and clear of all security interests, liens, claims and encumbrances. Upon consummation of the transactions contemplated hereby, AEIII shall receive good, valid and marketable title to the KPII Limited Interest free and clear of all security interests, liens, claims and encumbrances. A description of all (i) interests in real property owned by KPII (collectively, the "Real Property"), (ii) tangible and intangible personal property owned by KPII (collectively, the "Personal Property") and (iii) a list and brief description of all leases of real and personal property to which KPII is a party, either as lessor or lessee is set forth in Schedule 3.6. Except as set forth in Schedule 3.6, KPII has good, valid and indefeasible title to all the Real Property and Personal Property. The Real Property, Personal Property and any leased property referred to in Schedule 3.6 constitute the only property used in the conduct of KPII's business. All leases set forth in Schedule 3.6 are valid and enforceable in accordance with their respective terms except as may be limited by applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally or the availability of equitable remedies.

3.7 Tax Matters. All required foreign, federal, state, local and other tax returns, notices and reports (including, without limitation, income, property, sales, use, franchise, capital stock,

EXHIBIT "I"

Description of Leasehold Improvements

- (i) Tenant shall have completed upon the Demised Premises the following additional improvements (the "Leasehold Improvements"):
 - at least 32,038 (193 x 166) square feet of additional concrete ramp;
 - 18,6000 (150 x 124) square feet of additional hangar space (full clear span facility with door height/ceiling height of at least 28 feet);
 - 4,784 square feet of additional office space (26 x 92, two story) with brick facade to match the existing facilities located upon the Demised Premises;
 - five (5) additional parking spaces; and such landscaping, utilities, and other improvements in connection therewith as may be required in accordance with applicable laws and regulations; and
- (ii) Tenant shall present evidence acceptable to Landlord that the construction costs of the said hangar facilities and the office/shop facilities exceeds \$1,000,000.

EXHIBIT "J"

OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL

August 8, 2000
6:30 p.m. - Council Chambers
5300 Belt Line Road

Present: Mayor Wheeler, Councilmembers Barrett, Klein, Mallory, Silver,
Turner, Ways
Absent: None

Item #WS1 - Presentation and discussion of General Fund non-profit requests, Airport Fund, and other issues for the FY 2000-2001 General Fund budget.

No action was required.

Item #R1 - Consideration of Old Business.

The following employees were introduced to the Council: Jorge Hernandez (Parks & Recreation), Dennis Gowdy (Fire), and Al Torres (Visitor Services).

Item #R2 - Consent Agenda.

Items #2g and #2l were considered separately.

#2a - Approval of the Minutes for the June 22, 2000, June 26, 2000, June 27, 2000, and July 27, 1000 Council Meeting. (Approved)

#2b - Approval of a 9-1-1 billing agreement with Texas UM, Inc., which has received a Service Provider Certificate of Operating Authority (SPCOA) from the Texas Public Utilities Commission. (Approved)

#2c - Approval of 9-1-1 billing agreement with Sprint Communications Company, L.P., which has received a Service Provider Certificate of Operating Authority (SPCOA) from the Texas Public Utilities Commission. (Approved)

#2d - Approval of 9-1-1 billing agreement with Ionex Communications South, Inc., which has received a Service Provider Certificate of Operating Authority (SPCOA) from the Texas Public Utilities Commission. (Approved)

#2e - Approval of 9-1-1 billing agreement with MCI Worldcom Communications, Inc., which has received a Service Provider Certificate of Operating Authority (SPCOA) from the Texas Public Utilities Commission. (Approved)

#2f - Consideration of a Resolution authorizing the City Manager to enter into an agreement with Chief of Police Don Franklin to attend an Executive MBA program at Texas A&M, in an amount not to exceed \$42,000. (R00-055)

#2h – Award of bid in the amount of \$35,775.00 to August Industries for purchase of a Mobile Compressor, Fill Station & Air Storage to replace bottled air compressor that currently refills the SCBA (Self Contained Breathing Apparatus) for the Addison Fire Department. (Approved)

#2i – Award of bid in the amount of \$25,227.00 to Motorola for purchase of nine mobile radios for the Police Department. (Approved)

#2j – Rejection of all bids for Bid #00-42, Swimming Pool Resurfacing for Athletic Club. (Rejected)

#2k - Award of a contract in an amount not to exceed \$313,700.00 for engineering, surveying and geotechnical services to GBW for Midway Road Reconstruction – Phase One Design. (Approved)

#2m – Consideration of a Resolution authorizing the City Manager to enter into an agreement with Clarence A. West of the law firm of Dow Cogburn & Friedman to address right-of-way issues. (R00-056)

Councilmember Turner moved to approve the above listed items.
Councilmember Ways seconded. The motion carried.

Voting Aye: Wheeler, Barrett, Klein, Mallory, Silver, Turner, Ways
Voting Nay: None
Absent: None

#2g – Award of bid in the amount of \$32,672.00 with options to renew for two additional years at the same unit prices to Knight Electric for temporary electrical services for Addison Oktoberfest.

Councilmember Mallory moved to award a bid in the amount of \$32,672.00 to Knight Electric. Councilmember Turner seconded. The motion carried.

Voting Aye: Wheeler, Barrett, Klein, Mallory, Silver, Turner, Ways
Voting Nay: None
Absent: None



#2l - Approval of a Hangar Development and an Amendment to the Ground Lease for Addison Express.

Councilmember Silver moved to approve a Hangar Development and an Amendment to the Ground Lease for Addison Express. Councilmember Klein seconded. The motion carried.

Voting Aye: Wheeler, Barrett, Klein, Mallory, Silver, Turner, Ways
Voting Nay: None
Absent: None

Item #R3 - Selection of candidate(s) for the 2000-2001 class of Leadership Metrocrest.

Councilmember Ways moved to select Mike Buttrey for the 2000-2001 class of Leadership Metrocrest. Councilmember Mallory seconded. The motion carried.

Voting Aye: Wheeler, Barrett, Klein, Mallory, Silver, Turner, Ways
Voting Nay: None
Absent: None

Item #R4 – Appointment of one member to the Planning and Zoning Commission.

Councilmember Barrett moved to appoint Tom Braun to a first term on the Planning and Zoning Commission. Councilmember Silver seconded. The motion carried.

Voting Aye: Wheeler, Barrett, Klein, Mallory, Silver, Turner, Ways
Voting Nay: None
Absent: None

Item #R5 – Appointment of two members to the Board of Zoning Adjustment.

Councilmember Mallory moved to re-appoint Marti Olden and Cora Ewing to a second term on the Board of Zoning Adjustment. Councilmember Klein seconded. The motion carried.

Voting Aye: Wheeler, Barrett, Klein, Mallory, Silver, Turner, Ways
Voting Nay: None
Absent: None

Item #R6 – Consideration of an Ordinance approving a meritorious exception to Section 62-163 of the Code of Ordinances, to allow more than one letter to exceed 20" in height, and the sign area to exceed 25 square feet located at 14362 Marsh Lane on application from the Town of Addison.

Councilmember Barrett moved to duly pass Ordinance No. 000-031 approving a meritorious exception to Section 062-163. Councilmember Turner seconded. The motion carried.

Voting Aye: Wheeler, Barrett, Klein, Mallory, Silver, Turner, Ways
Voting Nay: None
Absent: None

Item #R3 - Selection of candidate(s) for the 2000-2001 class of Leadership Metrocrest.

Councilmember Ways moved to select Mike Buttrey for the 2000-2001 class of Leadership Metrocrest. Councilmember Mallory seconded. The motion carried.

Voting Aye: Wheeler, Barrett, Klein, Mallory, Silver, Turner, Ways
Voting Nay: None
Absent: None

Item #R4 – Appointment of one member to the Planning and Zoning Commission.

Councilmember Barrett moved to appoint Tom Braun to a first term on the Planning and Zoning Commission. Councilmember Silver seconded. The motion carried.

Voting Aye: Wheeler, Barrett, Klein, Mallory, Silver, Turner, Ways
Voting Nay: None
Absent: None

Item #R5 – Appointment of two members to the Board of Zoning Adjustment.

Councilmember Mallory moved to re-appoint Marti Olden and Cora Ewing to a second term on the Board of Zoning Adjustment. Councilmember Klein seconded. The motion carried.

Voting Aye: Wheeler, Barrett, Klein, Mallory, Silver, Turner, Ways
Voting Nay: None
Absent: None

Item #R6 – Consideration of an Ordinance approving a meritorious exception to Section 62-163 of the Code of Ordinances, to allow more than one letter to exceed 20" in height, and the sign area to exceed 25 square feet located at 14362 Marsh Lane on application from the Town of Addison.

Councilmember Barrett moved to duly pass Ordinance No. 000-031 approving a meritorious exception to Section 062-163. Councilmember Turner seconded. The motion carried.

EXHIBIT "K"

Certificate of Occupancy Town of Addison Building Inspection Department

This certificate issued pursuant to the requirements of Section 109 of the Uniform Building Code certifying that at the time of issuance this structure was in compliance with the various ordinances of the City regulating building construction or use. For the Following:



Name of Business Addison Express LLC C.O. 02039223
Building Address 4502 Claire Chennault
Group S-1 Type Construction IIB Use Zone 1-3 Business Type Aircraft Storage Facility
Owner of Business Addison Express LLC
Building Official *Glyn J. Chandler* Date April 17, 2002

POST IN A CONSPICUOUS PLACE

EXHIBIT "L"


[Home](#) | [Find Property](#) | [Contact Us](#)

Account History #1000059000A100000

Owner Legal Desc Market Value Taxable Value Exemptions

Owner / Legal Description		
Year	Owner	Legal Description
2004	ADDISON EXPRESS 4500 CLAIRE CHENNAULT ST ADDISON, TEXAS 75001-5321	1: ADDISON AIRPORT 2: BLDG A-10 3: IMPTS ONLY 4: CO-DALLAS 5: 000590000A10 31000059000
2003	ADDISON EXPRESS 4500 CLAIRE CHENNAULT ST ADDISON, TEXAS 75001-5321	1: ADDISON AIRPORT 2: BLDG A-10 3: IMPTS ONLY 4: CO-DALLAS 5: 000590000A10 31000059000
2002	ADDISON EXPRESS 4500 CLAIRE CHENNAULT ST DALLAS, TEXAS 75001-5321 UNASSIGNED	1: ADDISON AIRPORT 2: BLDG A-10 3: IMPTS ONLY 4: CO-DALLAS 5: 000590000A10 31000059000
2001	ADDISON EXPRESS 4500 CLAIRE CHENNAULT ST DALLAS, TEXAS 75001-5321 UNASSIGNED	1: ADDISON AIRPORT 2: BLDG A-10 3: IMPTS ONLY 4: CO-DALLAS 5: 000590000A10 31000059000
2000	ADDISON EXPRESS 4500 CLAIRE CHENNAULT ST DALLAS, TEXAS 75001-5321 UNASSIGNED	1: ADDISON AIRPORT 2: BLDG A-10 3: IMPTS ONLY 4: CO-DALLAS 5: 000590000A10 31000059000
1999	ADDISON EXPRESS 4500 CLAIRE CHENNAULT ST DALLAS, Code of 45 Not Found 75001-5321 Code of 0 Not Found	1: ADDISON AIRPORT 2: BLDG A-10 3: IMPTS ONLY 4: CO-DALLAS 5: 000590000A10 31000059000

Market Value

Year	Improvement	Land	Total Market	Homestead Capped
2004	\$1,850,870	\$0	\$1,850,870	N/A
2003	\$1,850,870	\$0	\$1,850,870	N/A
2002	\$1,999,300	\$10	\$1,999,310	N/A
2001	\$607,780	\$10	\$607,790	N/A
2000	\$607,780	\$10	\$607,790	N/A
1999	\$607,780	\$10	\$607,790	N/A

Taxable Value

Year	City	ISD	County	College	Hospital	Special District
2004	\$1,850,870	\$1,850,870	\$1,850,870	\$1,850,870	\$1,850,870	\$0
2003	\$1,850,870	\$1,850,870	\$1,850,870	\$1,850,870	\$1,850,870	\$0
2002	\$1,999,310	\$1,999,310	\$1,999,310	\$1,999,310	\$1,999,310	\$0
2001	\$607,790	\$607,790	\$607,790	\$607,790	\$607,790	\$0
2000	\$607,790	\$607,790	\$607,790	\$607,790	\$607,790	\$0
1999	\$607,790	\$607,790	\$607,790	\$607,790	\$607,790	\$0