

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

This Second Amendment to Ground Lease (hereinafter referred to as the "Second Amendment") is entered into and made effective as of December 3, 2015, (the "Effective Date") at Addison, Texas, by and between the Town of Addison, Texas, a home-rule municipality (hereinafter sometimes referred to as the "Landlord" or the "City"), and Key Development, LLC, a Texas limited liability company ("Tenant") (Landlord and Tenant are sometimes referred to as the "parties" or "party").

WHEREAS, a Ground Lease, together with the Addendum to Ground Lease, was executed on March 2, 1984 between the City of Addison, Texas (the same being the Town of Addison, Texas and sometimes referred to herein as the "City") and Addison Airport of Texas, Inc. ("AATI") as Landlord, and Lawson Ridgeway as Tenant ("Lawson Ridgeway"), recorded in Volume 86022, Pages 0124-0133 of the Deed Records of Dallas County, Texas, and the Easement Agreement entered into on or about April 16, 1984 by and between Lawson Ridgeway as Granter and the City and AATI as Grantee, recorded as Instrument #198601697396 in Volume 861969, Pages 5742-5748 in the Deed Records of Dallas County, Texas, collectively referred to herein as the Ground Lease, as amended or modified, hereinafter referred to as the "Ground Lease" and described in that certain boundary survey dated June 6, 2006 by the terms of which certain real property now commonly referred to as 4500 Westgrove Drive at Addison Airport within the Town of Addison, Texas and owned by the City; and

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

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

WHEREAS, by that Assignment of Lease dated October 23, 1985, recorded in Volume 86169, Pages 5724-5748 of the Deed Records of Dallas County, Texas, the Ground Lease was assigned from LAWSON RIDGEWAY, as assignor, to GREAT SOUTHWEST HOMES, INC., as assignee; and

WHEREAS, by that Assignment of Lease dated May 31, 1988, recorded as Instrument #198801897613, in Volume 88189, Pages 1182-1201 of the Deed Records of Dallas County, Texas, the Ground Lease was assigned from GREAT SOUTHWEST HOMES, INC., as assignor, to TARFIVE, Inc., as assignee; and

WHEREAS, by that Substitute Trustee's Deed, dated September 7, 1988 recorded as Instrument #198801897613 in Volume 88178, Pages 1420-1425 of the Deed Records of Dallas

County, Texas, the Ground Lease was assigned to the beneficiary, MCORP MANAGEMENT SOLUTIONS, INC.; and

WHEREAS, by that Assignment of Lease dated September 8, 1988, recorded as Instrument #198900044704 in Volume 89004, Pages 577-580 of the Deed Records of Dallas County, Texas, the Ground Lease was assigned from MCORP MANAGEMENT SOLUTIONS, INC., a Texas corporation, as assignor, to REALTY ALLIANCE OF TEXAS, LTD., a Texas limited partnership, as assignee; and

WHEREAS, by that Assignment of Ground Lease dated March 15, 1990, recorded as Instrument #199000545456 in Volume 90054, Pages 1648-1687 of the Deed Records of Dallas County, Texas, the Ground Lease was assigned from REALTY ALLIANCE OF TEXAS, LTD., a Texas corporation, as assignor, to ITALIX ACQUISITION CORPORATION, a Texas corporation, as assignee; and

WHEREAS, by that Assignment of Ground Lease dated March 31, 1999, recorded as Instrument #199900523035 in Volume 99063, Pages 1763-1767 of the Deed Records of Dallas County, Texas, the Ground Lease was assigned from ITALIX ACQUISITION CORPORATION, a Texas corporation, as assignor, to AIR 276 I, L.P., a Texas limited partnership, as assignee; and

WHEREAS, by that Assignment of Ground Lease dated July 7, 2000, recorded as Instrument #200001054648 in Volume 2000132, Pages 07549-07556 of the Deed Records of Dallas County, Texas, the Ground Lease was assigned from AIR 276 I, L.P., a Texas limited partnership, as assignor, to ADS AIR 2000, L.P. a Texas limited partnership, as assignee; and

WHEREAS, by that Assignment of Ground Lease dated September 15, 2006, recorded as Instrument #200600346255 of the Deed Records of Dallas County, Texas, the Ground Lease was assigned from ADS AIR 2000, L.P., a Texas limited partnership, as assignor, to Key Development LLC., a Texas limited liability company, as assignee; and

WHEREAS, by virtue of such assignments, Key Development, LLC, a Texas limited liability company, is the Tenant under the Ground Lease, as amended or modified as of the effective date given above for this Second Amendment; and

WHEREAS, the Lease was modified by that First Amendment to Ground Lease made and entered into September 15, 2006, recorded as Instrument #200600346256 of the Deed Records of Dallas County, Texas ("First Amendment"), modifying, among other things, the term of the agreement by adding 240 months, (ending 3/31/2044) provided within 18 months of the effective date of the First Amendment tenant completed the remodeling and renovation of approximately 10,000 sf. of office space and the construction of at least 5,000 sf of additional hangar space (conditions detailed in the Amendment Section 2, Paragraph A); and

WHEREAS, by that certified letter dated September 17, 2008 confirming the lease extension in accordance with the First Amendment, Tenant elected not to complete the Improvements as defined in Section 2, Paragraph A of the First Amendment and did not elect either of the alternate options as defined in Subparagraph (vii) of Section 2, Paragraph A of the

First Amendment, and as a result, the Term of the Ground Lease was extended by one hundred eighty (180) months so that the Term of the Ground Lease shall end on March 31, 2039, still subject to the termination provisions of the Ground Lease as amended or modified; and

WHEREAS, a true and correct copy of the Ground Lease as amended or modified as set forth above is attached hereto and incorporated herein by reference as **Exhibit "A"**; and

WHEREAS, Tenant has proposed to construct certain additional improvements on the Demised Premises, as described in **Exhibit "C"** attached hereto and incorporated herein for all purposes, and in connection therewith and as consideration therefore Landlord and Tenant desire to amend the Ground Lease in the manner set forth below, contingent upon the final completion of such additional improvements and the approval thereof by Landlord.

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

Section 1. Incorporation of Premises. The above and foregoing recitals are true and correct and are incorporated herein and made a part hereof.

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

A. **Amendment to Term.** The term of the Ground Lease may be modified in accordance with the following:

1. The Term of the Ground Lease, currently scheduled to end on March 31, 2039, shall be extended for an additional **96 months** so it shall end on March 31, 2047 (the "**Second Lease Extension Period**"), subject to the termination provisions of the Ground Lease. Provided, however, notwithstanding the foregoing, the Second Lease Extension Period shall not become effective unless and until Tenant has complied with and fully satisfied each of the following terms and conditions:

(i) Within one year immediately following the Effective Date of this Second Amendment (the "Repair and Improvement Period"), Tenant shall have completed upon the Demised Premises to Landlord's satisfaction the construction, remodeling and renovation of improvements to the existing building improvements as generally described in **Exhibit "B"** attached hereto and incorporated herein (the "**Building Improvements**");

(ii) Tenant agrees that it will contribute no less than Three Hundred Seventy-Eight Thousand and No/100 Dollars (\$378,000.00) to the cost of the construction of the Building Improvements. If Landlord requests, Tenant shall provide Landlord with reasonable evidence of the costs and expenses contributed by Tenant to the construction and completion of the Building Improvements;

- (iii) All construction of the Building Improvements and any other facilities or improvements shall be in a first-class, workmanlike manner and in accordance with and subject to the provisions of the Ground Lease. The design and construction of the Building Improvements shall be in accordance and comply with all applicable federal, state, and local laws, statutes, ordinances, codes, rules, regulations, orders, and standards. Tenant shall promptly pay and discharge all costs, expenses, claims for damages, liens and any and all other liabilities and obligations that arise in connection with any such construction; and
- (iv) At the time of the issuance of the written notice described in paragraph 2 below, Tenant shall not then be in default of any provision of the Ground Lease beyond any applicable cure period;

2. Upon Landlord's determination that Tenant has fully, finally and timely complied with, to Landlord's satisfaction, each of the terms and conditions set forth in Section 2.A.1, above, Landlord will notify Tenant of the same in writing and the Second Lease Extension Period shall thereafter be in effect.

3. If, however, Landlord determines that Tenant has failed to fully, finally and timely comply with, to Landlord's satisfaction, all of the conditions and provisions of Section 2.A.1., above, Landlord shall deliver to Tenant written notice of Tenant's failure to comply with and satisfy all the conditions and provisions of Section 2.A.1; and if said conditions and provisions remain unresolved and not so complied with or so satisfied, in the sole discretion of Landlord, for more than thirty (30) days after said notice, the Second Lease Extension Period shall not be granted and shall not take effect, and the Term of the Ground Lease shall end on March 31, 2039 (subject to the termination provisions of the Ground Lease).

4. Upon the eventual conclusion of either Subparagraph 2 or 3 above, Landlord and Tenant hereby agree to execute and cause to be recorded in the Official Public Records of Dallas County, Texas a Memorandum of the Second Amendment to the Ground Lease substantially in the form of Exhibit "C" which shall, among other things, affirm the true and correct expiration date of the Ground Lease resulting from this Second Amendment to Ground Lease.

Section 3. 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 4. Applicable Law; Venue. In the event of any action under this Second Amendment, exclusive venue for all causes of action shall be instituted and maintained in Dallas County, Texas. The parties agree that the laws of the state of Texas shall govern and apply to the interpretation, validity and enforcement of this 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. All obligations of the parties created by this Second Amendment are performable in Dallas County, Texas.

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

Section 6. Authority to Execute. The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Second Amendment on behalf of the parties hereto, and each party hereby certifies to the other that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect.

IN WITNESS WHEREOF, the undersigned parties execute this Agreement this 10 day of November, 2015.

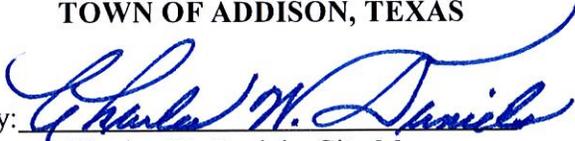
LANDLORD:

TENANT:

TOWN OF ADDISON, TEXAS

KEY DEVELOPMENT, LLC

By:

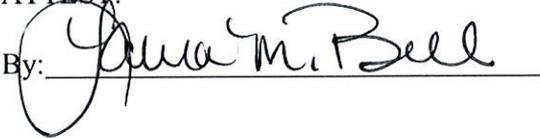

Charles W. Daniels, City Manager

By:


James W. Keyes, President

ATTEST:

By:



ACKNOWLEDGMENT

STATE OF TEXAS §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared James W. Keyes, president of Key Development, LLC, a Texas limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein stated.

GIVEN under my hand and seal of office this 19th day of NOVEMBER, 2015.



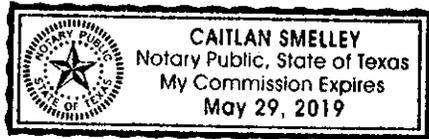
Sharon E. Shobe
Notary Public, State of Texas

STATE OF TEXAS §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared Charles W. Daniels, City Manager of the Town of Addison, Texas, a home-rule municipality, 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 3rd day of December, 2015.

[SEAL]



Caitlan Smelley
Notary Public, State of Texas

EXHIBIT “A”

COPY OF GROUND LEASE AS AMENDED AND MODIFIED

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

However, they are available for review upon request in the archives of the Town of Addison,
Dallas County, Texas.

EXHIBIT "B"

BUILDING IMPROVEMENTS

Exhibit B - Building Improvements

	Description of Building Improvement	Estimated Improvement Cost
1	Replace 50 ton HVAC unit with 60 ton	\$96,889
2	Upgrade and improve elevator	
	a) Replace Motor and all electrical components	\$55,857
	b) Upgrade cab interior	\$25,777
3	Replace Roof	\$50,000
4	1st floor lobby atrium	
	a) Improve the 3 sets of lobby doors	\$27,670
	b) Polish granite floors, repair broken granite, repair cracks in glass block and seal exterior, improve and replace landscape	\$10,578
	c) Re-lamp with energy efficient light bulbs and paint atrium ceilings	\$3,089
5	Hangar lobby - update restrooms and renovate lobby	\$4,110
	Hangar - Repair drywall, install new base, repair	
6	damaged insulation, seal floor, paint gate and repair door tracks	\$8,955
7	Install new ceiling grid	
	a) New ceiling grid and tiles at 2nd and 3rd floor hallways	\$19,337
	b) New ceiling grid and modern tiles in all suites	\$60,000
8	New window treatments in all suites	\$33,000
	Total Estimated Improvement Cost	\$395,262

EXHIBIT "C"

MEMORANDUM OF LEASE

EXHIBIT C

MEMORANDUM OF LEASE

This Memorandum of Lease is dated as of _____, 2016, and executed by and between the Town of Addison, Texas ("Landlord" or "City") and Key Development, LLC, a Texas limited liability company ("Tenant").

WHEREAS, a Ground Lease, together with the Addendum to Ground Lease, was executed on March 2, 1984 between the City of Addison, Texas (the same being the Town of Addison, Texas and sometimes referred to herein as the "City") and Addison Airport of Texas, Inc. ("AATI") as Landlord, and Lawson Ridgeway as Tenant, recorded in Volume 86022, Pages 0124-0133 of the Deed Records of Dallas County, Texas; and the Easement Agreement entered into on or about April 16, 1984 by and between Lawson Ridgeway as Granter and the City and AATI as Grantee, recorded as Instrument #198601697396 in Volume 861969, Pages 5742-5748 in the Deed Records of Dallas County, Texas, comprising the Ground Lease, as amended or modified, hereinafter referred to as the "Ground Lease" and described in that certain boundary survey dated June 6, 2006 by the terms of which certain real property now commonly referred to as 4500 Westgrove Drive at Addison Airport within the Town of Addison, Texas and owned by the City; and thereafter the Ground Lease:

- the Ground Lease was assigned October 23, 1985, recorded in Volume 86169, Pages 5724-5748 of the Deed Records of Dallas County, Texas, the Ground Lease was assigned from LAWSON RIDGEWAY, as assignor, to GREAT SOUTHWEST HOMES, INC., as assignee; and thereafter
- the Ground Lease was assigned May 31, 1988, recorded as Instrument #198801897613, in Volume 88189, Pages 1182-1201 of the Deed Records of Dallas County, Texas, the Ground Lease was assigned from GREAT SOUTHWEST HOMES, INC., as assignor, to TARFIVE, Inc., as assignee; and thereafter
- by that Substitute Trustee's Deed, dated September 7, 1988 recorded as Instrument #198801897613 in Volume 88178, Pages 1420-1425 of the Deed Records of Dallas County, Texas, the Ground Lease was assigned to the beneficiary, MCORP MANAGEMENT SOLUTIONS, INC.; and thereafter
- the Ground Lease was assigned September 8, 1988, recorded as Instrument #198900044704 in Volume 89004, Pages 577-580 of the Deed Records of Dallas County, Texas, the Ground Lease was assigned from MCORP MANAGEMENT SOLUTIONS, INC., a Texas corporation, as assignor, to REALTY ALLIANCE OF TEXAS, LTD., a Texas limited partnership, as assignee; and thereafter
- the Ground Lease was assigned March 15, 1990, recorded as Instrument #199000545456 in Volume 90054, Pages 1648-1687 of the Deed Records of Dallas County, Texas, the Ground Lease was assigned from REALTY ALLIANCE OF

TEXAS. LTD., a Texas corporation, as assignor, to ITALIX ACQUISITION CORPORATION, a Texas corporation, as assignee; and thereafter

- the Ground Lease was assigned March 31, 1999, recorded as Instrument #199900523035 in Volume 99063, Pages 1763-1767 of the Deed Records of Dallas County, Texas, the Ground Lease was assigned from ITALIX ACQUISITION CORPORATION, a Texas corporation, as assignor, to AIR 276 I, L.P., a Texas limited partnership, as assignee; and thereafter
- the Ground Lease was assigned July 7, 2000, recorded as Instrument #200001054648 in Volume 2000132, Pages 07549-07556 of the Deed Records of Dallas County, Texas, the Ground Lease was assigned from AIR 276 I, L.P., a Texas limited partnership, as assignor, to ADS AIR 2000, L.P. a Texas limited partnership, as assignee; and thereafter
- the Ground Lease was assigned September 15, 2006, recorded as Instrument #200600346255 of the Deed Records of Dallas County, Texas, the Ground Lease was assigned from ADS AIR 2000, L.P., a Texas limited partnership, as assignor, to Key Development LLC., a Texas limited liability company, as assignee; and thereafter
- the lease was modified by that “First Amendment” to Ground Lease made and entered into September 15, 2006, recorded as Instrument #200600346256 of the Deed Records of Dallas County, Texas; and thereafter
- by that certified letter dated September 17, 2008 confirming the lease extension in accordance with the First Amendment so that the Term of the Ground Lease shall end on March 31, 2039, still subject to the termination provisions of the Ground Lease as amended or modified; and

Now let it be known, the said Ground Lease is further amended by that Second Amendment to Ground Lease, entered into and made effective _____, 2015, which, among other things, extends the Term so the Ground Lease shall [Note: strike non-applicable of] a) continue to expire on March 31, 2039 OR b) now expire March 31, 2047 unless otherwise earlier terminated.

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

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

IN WITNESS WHEREOF, the undersigned parties execute this Memorandum of Lease
this ____ day of _____, 2016.

LANDLORD:

TOWN OF ADDISON, TEXAS

By: _____

_____, City Manager

ATTEST:

By: _____

TENANT:

KEY DEVELOPMENT, LLC

By: _____

James W. Keyes, President

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared James W. Keyes, president of Key Development, LLC, a Texas limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein stated.

GIVEN under my hand and seal of office this _____ day of _____, 2016.

[SEAL]

By: _____
Notary Public, State of Texas

My commission expires: _____

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared _____, city manager of the Town of Addison, a home-rule municipality, 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 _____, 2016.

[SEAL]

By: _____
Notary Public, State of Texas

My commission expires: _____

EXHIBIT A
to Memorandum of Lease

LEGAL DESCRIPTION OF DEMISED PREMISES

BEING a 1.5538 acre tract of land in the Town of Addison, Texas, in the William Lomax Survey, Abstract No. 792, in Dallas County, Texas and being located on Addison Municipal Airport, Addison, Texas, same being part of Addison Airport, Town of Addison Addition, according to the plat thereof recorded in Volume 2005131, Page 0082, Deed Records, Dallas County, Texas, and being an Assignment of Lessee's Interest Under Ground Lease and Assumption Agreement to ADS Air 2000, L.P., a Texas limited partnership by deed recorded in Volume 2000132, Page 07557, Deed Records, Dallas County, Texas and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch iron rod found with yellow plastic cap stamped "Powell & Powell" at the intersection of the South right-of-way line of Westgrove Road, (60 foot right-of-way) and the West right-of-way line of Claire Chennault, (a 60 foot ingress and egress easement recorded in said Volume 2005131, Page 0082, Deed Records, Dallas County, Texas;

THENCE South 00 degrees 41 minutes 28 seconds East, along said Claire Chennault West right-of-way line, a distance of 260.10 feet to a 1/2 inch iron rod found with yellow plastic cap stamped "Powell & Powell";

THENCE South 89 degrees 27 minutes 43 seconds West, a distance of 260.60 feet to an "X" found;

THENCE North 00 degrees 33 minutes 43 seconds West, a distance of 259.96 feet to a 1/2 inch iron rod found with yellow plastic cap stamped "Powell & Powell" on aforementioned Westgrove Road South right-of-way line;

THENCE North 89 degrees 25 minutes 55 seconds East, along said Westgrove Road South right-of-way line, a distance of 260.01 feet to the POINT OF BEGINNING and containing 67,685.79 square feet or 1.5538 acres of land.