

# Ground Lease with AJC Holdings Group, LLC

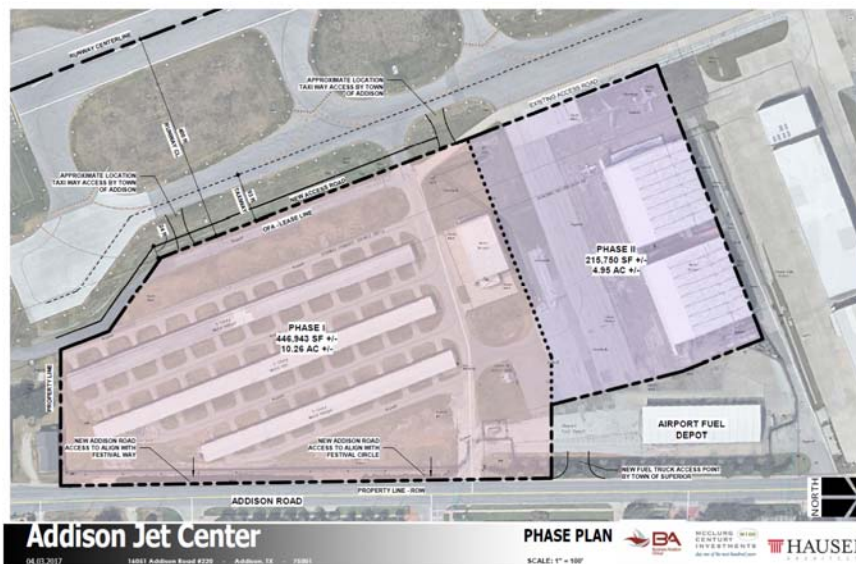
April 11, 2017

ADDISON

1

## Addison Jet Center Phase Plan

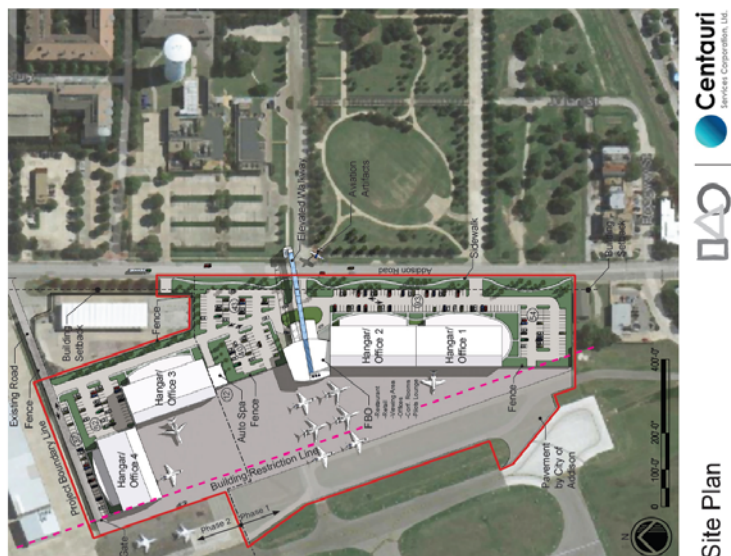
ADDISON



2

## Addison Jet Center Site Plan

ADDISON



Centauri  
Services Corporation, Ltd.  
Aviation | Aerospace | Transportation

DAO  
ARCHITECTURE

Site Plan

3

## Addison Jet Center Aerial

ADDISON



Aerial Perspective

DAO  
ARCHITECTURE

Centauri  
Services Corporation, Ltd.  
Aviation | Aerospace | Transportation

4

## Comparison of LOI and Proposed Ground Lease



Term	Letter of Intent (LOI)	Ground Lease
<b>Effective Date</b>	The date of formal consent of the Ground Lease by the Town Council.	Same
<b>Commencement Date</b>	Upon "substantial completion" of Phase I building improvements.	Same
<b>Expiration Date</b>	Phase I = 30 years. Phase II = "re-upped" to 40 years from the date of the Phase II substantial completion.	Same
<b>Security Deposit</b>	None	Tenant: \$150,000 upon execution, released upon delivery of payment and performance bonds or a LOC.
<b>Inspection Period</b>	90 days. If either party dissatisfied, they may early terminate.	Up to 120 days from Effective Date:  Landlord: 45 days to qualify and accept Tenant; 75 days to engage demolition contractor, 120 days to accept environmental findings.  Tenant: Up to 120 days following Effective Date to accept site conditions.  During this time, if either party is dissatisfied with their due diligence, either party may terminate the Lease.
<b>Demolition</b>	Landlord responsible for the demolition, remediation and removal of all existing building improvements at its sole cost and expense. Phase I est. is \$150,000; Phase II's est. is \$250,000.	Same

5

## Comparison of LOI and Proposed Ground Lease



Term	Letter of Intent (LOI)	Ground Lease
<b>Design Plans</b>	Delivery Date is negotiable.	Preliminary Design Plans to be delivered and approved by Landlord w/in 60 days after Inspection Period. Final Design Plan required for permitting to be delivered w/in 120 days thereafter.
<b>Construction to Commence</b>	Upon acceptance of Design Plan. Deadline Date to be negotiated	Phase I construction to commence within 6 months following acceptance of the Preliminary Design Plan.  If construction does not commence within 12 months from the Effective Date of the Lease, Landlord may terminate the Lease.  If terminated: <ul style="list-style-type: none"> <li>Tenant shall reimburse Landlord for Phase I demolition cost,</li> <li>Restore the premises to its condition immediately prior to their taking possession of the property</li> <li>Reimburse Landlord for loss rent for that period of time between the Effective Date and the Date of Tenant Taking Possession.</li> </ul> Substantial Completion to be achieved within 20 months after construction commences. <ul style="list-style-type: none"> <li>If construction is not complete by stipulated period, Tenant pays \$100/day penalty.</li> <li>If construction is not complete within 30 months, Landlord may terminate the lease.</li> </ul> Should delays be directly attributed to Landlord/Town, Tenant timeline is "pushed" pre diem.

6

## Comparison of LOI and Proposed Ground Lease



Term	Letter of Intent (LOI)	Ground Lease
<b>Annual Rental</b>	Phase I Rent = \$ .675/SFL (\$323,000 annual) payable in 12 monthly installments. Rent commences upon Substantial Completion of the building improvements.	Same
<b>Adjustment of Rental</b>	Standard biennial CPI adjustments	Same
<b>Expansion Option (Phase II)</b>	Tenant has option, by way of amendment, to expand the Leased Premises to include the Phase II Land. Option may be exercised any time after the Phase I Commencement Date. 1. Tenant must give notice on or before the 90 <sup>th</sup> month but not less than 5 months prior exercising Option. 2. Landlord may continue to operate the existing Phase II buildings until Tenant exercises the option.	Same
<b><u>Option Fee</u></b>	To begin 61 <sup>st</sup> month, equal to 1/2 of the prevailing Phase I land ground lease rent rate for Phase II Land area (approx. \$5.5k/mo), to continue until Tenant exercises Option or Option expires after the 90 <sup>th</sup> month.	Same
<b>Phase II Rent</b>	Upon achieving Substantial Completion of the Phase II Building Improvements, the Base Rent shall be adjusted to include the Phase II Land at the prevailing Phase I Land adjusted rate.	Same

7

## Comparison of LOI and Proposed Ground Lease



Term	Letter of Intent (LOI)	Ground Lease
<b>Phase II Term Adjustment</b>	Upon final completion of the Phase II Building Improvements the Lease Term shall automatically be extended to equal 480 full calendar months (40 years) from the date of the Final Completion of the Phase II Building Improvements.	Same
<b>Assignment and Subletting</b>	Generally the airport's standard terms and conditions	Same
<b>Environmental Liability</b>	Generally the airport's standard terms and conditions.	Same
<b>Insurance and Bonds</b>	Generally the airport's standard insurance requirements	Same as airport's standard insurance requirements including: <ul style="list-style-type: none"> <li>• Payment &amp; Performance Bond equal to 110% of Construction Value, or</li> <li>• Letter of Credit equal to 100% of Construction Value</li> </ul>
<b>Title to Improvements</b>	Vested in Tenant until terminated or expiration.	Same
<b>Property Taxes and Assessments</b>	Tenant shall pay any and all property taxes or assessments, fees and charges or expenses that may be levied upon the leasehold estate of Tenant.	Same

8

## Questions



Term	Letter of Intent (LOI)	Ground Lease
<b>Maintenance and Repair of Demised Premises</b>	Tenant always to maintain premises in good condition and repair.	Tenant to maintain in good condition and repair and in a first-class condition subject to Addendum #1 <i>Tenant's Leasehold Maintenance and Repair Standards and Practices</i> , which require Tenant to procure every 10 years of the lease term a third-party Property Condition Assessment (PCA) report evaluating the ongoing condition of the building improvements. Tenant is to immediately repair any deferred maintenance items identified in the report and to develop and implement a maintenance and capital repair plan for the following 10-year period. Final PCA is required no later than 5-years remaining in the Lease Term.
<b>Public Fueling Dispensing Permit</b>	Upon the execution of the Ground Lease the Town will grant Tenant an aviation fuel dispensing license with the right to dispense fuel as a public fueler pursuant to the fueling license.	Same