

TOWN OF ADDISON, TEXAS

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS APPROVING A GROUND LEASE BETWEEN THE TOWN OF ADDISON AND AJC HOLDINGS GROUP, LLC, FOR COMMERCIAL AVIATION USE OF PROPERTY AT ADDISON AIRPORT AS A PUBLIC FIXED BASE OPERATOR (FBO), AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT, AND PROVIDING AN EFFECTIVE DATE.

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

Section 1. The Ground Lease between the Town of Addison and AJC Holdings Group, LLC, for commercial aviation use of property at Addison Airport as a public fixed base operator (FBO), a copy of which is attached to this Resolution as **Exhibit A**, is hereby approved and the City Manager is authorized to execute the agreement.

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

PASSED AND APPROVED by the City Council of the Town of Addison, Texas this the 11th day of April, 2017.

Todd Meier, Mayor

ATTEST:

By: _____
Laura Bell, City Secretary

APPROVED AS TO FORM:

By: _____
Brenda N. McDonald, City Attorney

EXHIBIT A

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

GROUND LEASE AGREEMENT

This Ground Lease Agreement (this "Lease") is made and entered into as of April 5th, 2017 (the "Effective Date"), by and among the Town of Addison, Texas, a Texas home-rule municipality (hereinafter sometimes referred to as "Landlord" or the "City"), and AJC Holdings Group, LLC, a Colorado limited liability company (state and entity type) (hereinafter referred to as "Tenant") (Landlord and Tenant are sometimes referred to herein together as the "Parties").

Summary of Exhibits

- Exhibit 1: Legal Description of Addison Airport
- Exhibit 2: Boundary Survey of Phase I Demised Premises
- Exhibit 3: Legal Description of Phase I Demised Premise
- Exhibit 4: Phase I Approved Site Plan
- Exhibit 5: General Description of Phase I Building Improvements
- Exhibit 6: Form of Letter of Credit
- Exhibit 7: Boundary Survey of Phase II Option Land
- Exhibit 8: Legal Description of Phase II Option Land
- Exhibit 9: Phase II Approved Site Plan
- Exhibit 10: General Description of Phase II Building Improvements
- Addendum #1 – Tenant's Leasehold Minimum Maintenance and Repair Standards and Practices

WITNESSETH:

WHEREAS, the City is the record title owner of the Addison Airport, a description of which is set forth in Exhibit "1" attached hereto and incorporated herein (the "Airport"); and

WHEREAS, the Airport is operated and managed for and on behalf of the City by AECOM Energy & Construction, Inc., an Ohio corporation and SAMI Management, Inc., a Texas corporation (collectively the "Airport Manager"), pursuant to their respective management agreements each effective October 1, 2010 by and between the City and Airport Manager, and such Airport management may be changed by the City from time to time; and

WHEREAS, Tenant desires to lease from the City, and the City desires to lease to Tenant a portion of the Airport generally described as a certain approximate ____ acre (approximately ____ gross square feet) parcel of unimproved land located at the Airport as shown on Exhibit "2" – Boundary Survey of Phase I Demised Premises and being more particularly described on Exhibit "3" – Legal Description of Phase I Demised Premises, each attached hereto and incorporated herein, together with the non-exclusive right to use the Common Facilities as defined in Section 17 below (which parcel is referred to herein as the "Phase I Land" or "Demised Premises") according to the terms and conditions set forth in this Lease.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

Section 1. Demise of the Premises:

A. In consideration of and subject to the terms, covenants and conditions set forth in this Lease, Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, the Demised Premises.

B. This Lease is given and entered into subject to (i) all federal, state, and local laws, statutes, constitutional provisions, charters, ordinances, codes, rules, regulations, directives, policies, permits, standards, and orders (including, without limitation, court orders) of any governmental authority, entity, or agency (including, without limitation, the Town of Addison, Texas, the State of Texas, the Federal Aviation Administration (FAA), and the Texas Department of Transportation) whether in existence or hereafter enacted, adopted or imposed, and including, without limitation, any and all grant agreements or grant assurances, the "Airport Governing Documents," as defined in Section 18 below, now existing or as hereafter agreed to, adopted or imposed, (ii) all restrictive covenants affecting the Demised Premises, (iii) all restrictions, easements, and other encumbrances on or matters affecting the Demised Premises, whether of record or not or which could be revealed by a survey of the Demised Premises, and (iv) and all of the terms, conditions, and provisions of this Lease. In furtherance of the foregoing, Landlord represents to Tenant that, to the best of Landlord's actual knowledge, there are no mortgages, deeds of trust or monetary liens affecting the Demised Premises which are not filed of record.

Section 2. Term, Preliminary and Inspection Periods:

A. Subject to the termination and all other provisions of this Lease, the term hereof (the "Term") shall commence on the first day of the first calendar month after Substantial Completion of the Building Improvements (as such term is defined in Section 6.B.10 below) (the "Commencement Date"), and shall end on the last day of the Three Hundredth-Sixtieth (360th) full calendar month following the Commencement Date (and including the month of the Commencement Date) (the "Expiration Date").

B. The period of time beginning upon the Effective Date and ending upon the Commencement Date is herein referred to as the "Preliminary Period". Any entry upon and/or use of occupancy of the Demised Premises by Tenant during the Preliminary Period shall be subject to all of the terms and conditions of this Lease.

C. Beginning on the Effective Date and for a period not to exceed one hundred and twenty (120) consecutive calendar days thereafter shall be the "Inspection Period", whereby Tenant shall be allowed to perform, at its sole cost and expense, commercially reasonable due diligence including, but not be limited to, property condition assessments, environmental site assessments, geotechnical investigations, property appraisals, obtain and review property survey, ad valorem (real and personal property) and sales tax impact studies, title exceptions, utility availability, drainage, local zoning laws, building codes, ordinances and regulations affecting the Leased Premises, preliminary project cost estimations (e.g. demolition and other site preparation estimates), test marketing, pre-leasing, site planning and design, review transactional financing, banking and business references, credit worthiness, past business performance, organizational structure and soundness, articles of incorporation/formation, financial statement analysis, recorded tax, organizational and financial filings. Tenant shall retain full interest in, right to, and ownership of all assessments, studies, reports, appraisals, surveys, and other documentation related to the due diligence Tenant conducts or has conducted on its behalf ("Tenant Inspection Reports"). Tenant shall make Tenant Inspection Reports available to Landlord for review upon request; however, Landlord may only utilize the content of Tenant Inspection Reports for

Landlord's own knowledge and information, unless otherwise authorized by the Tenant in advance and in writing.

D. Within the first fifteen (15) days of the Inspection Period, the Parties shall work to agree and finalize the Phase I Demolition Plan as provided for in Section 6.A.1 below. The scope of the final Phase I Demolition Plan shall be at the Landlord's sole determination.

E. During the first forty-five (45) days of the Inspection Period ("Tenant's Qualification Period"), Landlord shall have the right to request and the Tenant shall timely remit to Landlord such documentation and information deemed necessary and appropriate by Landlord in order for it to make a determination as to the Tenant's and its guarantors, if any, creditworthiness, financial condition, organizational structure and governance suitability and capacity required to fulfill the terms and conditions of this Lease. Provided Tenant has timely complied with all of Landlord's requests under this Section 2.E., and with good faith consultation by and between Landlord and Tenant, Landlord shall either accept or reject Tenant on or before the expiration of the Tenant Qualification Period by giving written notice to Tenant of Landlord's determination. If Landlord does not provide written notice to Tenant that Landlord has rejected Tenant on or before forty-six (46) days following the Effective Date, Landlord shall be deemed to have accepted Tenant. If Landlord rejects Tenant pursuant to this Section 2.E., upon the delivery of Landlord's written notice to Tenant, this Lease shall immediately terminate and the Parties shall have no further obligation to the other hereunder.

F. On or before the expiration of the first seventy-five (75) days of the Inspection Period ("Landlord's Demolition Commitment Period") Landlord shall give written notice to Tenant of its acceptance and intended execution of a written contract with a third-party contractor to demolish the existing Phase I Land building improvements pursuant to the Demolition Plan provided for under Section 6.A. hereinafter.

In the event Landlord is unable to identify a qualified third-party contractor to perform the Phase I demolition scope of work in accordance to its customary procurement procedures (e.g. no responders to Landlord's advertised request for proposal ("RFP")) within the Landlord's Demolition Commitment Period, Landlord shall give written notice to Tenant accordingly. After holding good faith consultation between the Parties, the Parties shall mutually agree to extend the Landlord's Demolition Commitment Period an additional sixty (60) days allowing Landlord to re-advertise the RFP. On or before the expiration of the extended Landlord's Demolition Commitment Period Landlord shall give written notice to Tenant of its acceptance and intended execution of a written contract with a third-party contractor to complete the Phase I Land demolition. Deadlines required herein of Tenant which are affected by the delay of obtaining a qualified third-party contractor, if any, shall be extended through mutual written agreement of the parties.

G. If Tenant is unsatisfied with its findings resulting from its due diligence during the Inspection Period, Tenant shall have the right to terminate the Lease by written notice to Landlord on or before the expiration of the Inspection Period, in which case this Lease shall terminate and the Parties shall have no further obligation hereunder.

H. During the Inspection Period, Landlord and Tenant shall work together to have a Boundary Survey prepared by a licensed surveyor in the state of Texas describing the Demised Premises, which shall reflect, among other things, the legal description and depiction of the Demised Premises and to give the total acreage and gross square feet contained therein (the "Boundary Survey"). The Boundary Survey shall be attached hereto and incorporated herein as Exhibit "2" and Exhibit "3" as provided for herein. The Boundary Survey shall be prepared at Landlord's sole cost and expense. In contemplation of receipt of the Boundary Survey, attached hereto in Exhibit "2" is a preliminary boundary plan for the parties general reference; the preliminary boundary plan shall be replaced and superseded by the Boundary Survey immediately upon receipt.

Section 3. Rental and Security Deposit

A. Subject to adjustment as provided for below in Section 4, Tenant agrees to and shall pay to Landlord, without notice, demand, offset or deduction, rent each month over the Term for the Demised Premises as set forth below:

1. **Base Rent:** Tenant agrees to and shall pay Landlord annual rent for the Demised Premises in the amount of _____ Dollars (\$_____.00) (Note: Base Rent is calculated at \$0.675 per gross square foot of land located within the Demised Premises as determined by the Boundary Survey prepared in accordance with Section 2.H above) which amount shall be paid by Tenant in twelve equal monthly installments in advance on the first day of each calendar month (the "Base Rent", which shall be adjusted as set forth herein). The first monthly payment or installment of Base Rent in the amount of _____/100 (\$_____.00) is due and payable on or before the Commencement Date. Thereafter, another payment or installment of the Base Rent, subject to adjustment as set forth below, shall be due and payable on the first day of each calendar month during the Term. All Rent is due on the first of each month and is delinquent after the 10th day of each month, subject to the provisions of Section 39.

2. In the event the Commencement Date is a date other than the first day of a calendar month, the monthly Base Rent for any partial month at the beginning of the Term shall equal the product of the Base Rent multiplied by a fraction, the numerator of which is the number of days in the partial month (beginning with the Commencement Date and ending with the last day of the partial month) and the denominator of which is the number of days in such full calendar month. Payment of Base Rent for any fractional calendar month at the end of the Term shall be similarly prorated.

3. For purposes of this Lease, the term "Rent" means Base Rent, additional rent, and other sums that Tenant may owe to Landlord or otherwise be required to pay under this Lease. Landlord shall have the same rights and remedies for nonpayment of any Rent as for non-payment of Base Rent.

B. **Security Deposit:** Tenant shall deposit with Landlord, upon Tenant's execution of this Lease, the sum of One Hundred Fifty Thousand and no/100 (\$150,000.00) to be held by Landlord as Tenant's "Security Deposit."

1. Landlord shall hold the Security Deposit without interest as security for the performance by Tenant of Tenant's covenants and obligations under this Lease until such time as Tenant provides to Landlord the payment and performance bonds or letter of credit described in Section 13.D.2 below, to Landlord's satisfaction, or Tenant or Landlord has terminated this Lease under Section 2(E) above (the "Security Deposit Return Date"). Landlord may commingle the Security Deposit with Landlord's other funds, and no trust relationship is created with respect to the Security Deposit. Tenant shall not assign, otherwise transfer, or encumber or attempt to assign, otherwise transfer, or encumber the Security Deposit, and Landlord and its successors and assigns shall not be bound by any actual or attempted assignment, other transfer, or encumbrance. Regardless of any assignment, other transfer, or encumbrance of the Security Deposit by Tenant, Landlord may return the Security Deposit to the Tenant.

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

3. If Tenant is not then in default hereunder, the Security Deposit, less any lawful deductions by Landlord, shall be returned by Landlord to Tenant on the Security Deposit Return Date, with an accounting of said deductions taken. Permitted deductions from the Security Deposit may include but not be limited to: unpaid utility charges incurred by Tenant; service charges; liens, fines, or other assessments; damages by Tenant to the Demised Premises (beyond normal wear and tear) or repairs by Landlord; replacement cost of Landlord's property that was in or attached to the Demised Premises and is missing; Landlord's cost of cleaning the Demised Premises to a broom-swept condition if required; Landlord's cost of removal of any trash or debris left in the Demised Premises; Landlord's cost of the removal and storage of Tenant's personal property left or abandoned by Tenant or otherwise disposed of by Landlord; Landlord's cost of removal of unauthorized vehicles or aircraft left on the Demised Premises; government fees or fines against Landlord because of Tenant; late fees and other costs of collection incurred by Landlord in connection with this Lease; interest that would have been earned by Landlord on unpaid balances; attorneys' fees, court costs and filing fees.

Section 4. Adjustment of Base Rent:

A. Commencing on the second anniversary of the Commencement Date and on every second anniversary thereafter (hereinafter referred to as the "Adjustment Date"), the Base Rent shall be adjusted as follows:

1. Base Rent shall be adjusted to reflect changes in the Consumer Price Index - All Items for Dallas, Texas Metropolitan Area (hereinafter referred to as the "Consumer Price Index"), as quoted in the publication *Consumer Price Index for All Urban Consumers (CPI-*

U) for the Dallas-Fort Worth Consolidated Metropolitan Statistical Area which is issued by the U.S. Department of Labor, Bureau of Labor Statistics. The basic index ("Basic Index") is the Consumer Price Index existing as of the Commencement Date. The current index ("Current Index") is the Consumer Price Index on the first day of the calendar month preceding the then applicable Adjustment Date.

2. Beginning with the first full month following the then applicable Adjustment Date, the Base Rent shall be adjusted so that it equals the product of the Base Rent multiplied by a fraction, the numerator of which is the Current Index and the denominator of which is the Basic Index (the "Adjusted Rental"), but in no event shall the Adjusted Rental ever be decreased below the Base Rent set forth in Section 3.A.1.

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

Section 5. Use of Demised Premises:

During the Term, the Demised Premises shall be used and occupied by Tenant as set forth below:

A. **Permitted Uses:** The Demised Premises shall be used and occupied by Tenant only for the following purposes:

1. Sale of aircraft and aircraft parts;
2. Aircraft maintenance and repair, aircraft storage;
3. Aircraft training, aircraft management and charter;
4. Aircraft rentals;
5. Fixed Base Operations ("FBO"): being the sale of aircraft services to the public including the dispensing of aviation fuel in accordance with and subject to the ordinances and regulations issued by the Town of Addison from time to time and/or the Airport Governing Documents;
6. Constructing, owning and operating hangar facilities, public terminal, and restaurant(s), used directly in support of and in connection with the FBO services;
7. Office or administrative space used strictly in support of aeronautical operations or services, such as corporate flight operations offices and/or corporate aircraft management and charter services;
8. The storage of corporate aircraft owned, leased or exclusively controlled (i.e. the right to fly or possession of the power to directly or indirectly sell or otherwise dispose of said aircraft) by Tenant;

9. The storage of corporate aircraft owned, leased or exclusively controlled (i.e. the right to fly or possession of the power to directly or indirectly sell or otherwise dispose of said aircraft) by any sub-tenant under separate written agreement with Tenant;
10. Incidental support and services of various types in connection with aircraft stored or based at the Demised Premises and such aircraft's users, including general aircraft maintenance and repair as well as "auto spa" type services such as automobile detailing and storage;
11. Ground transportation for rent or hire (including taxi and limousine service);
12. Retail services including food sales; barber and valet services, alcoholic beverage sales, sales of pilot supplies; newsstands and gifts;
13. Hosting special events in support of Tenant, subtenants, their clientele, or charitable organizations subject to the Rules and Regulations, which may be amended from time to time pursuant to Section 18 below, and those ordinances, rules, standards and regulations of the Town of Addison as may be adopted from time to time governing same; and
14. Private parking garages, subject to prior written approval of Landlord as part of the design plan approval, for automobiles used by Tenant, subtenants, their invitees and guests.
15. Other uses as authorized in advance and in writing by Landlord.

B. Prohibited or Restricted Use of Demised Premises: The Demised Premises shall not, under any circumstance be used for any activity that (i) constitutes a violation of any federal, state, or local laws, ordinances, orders, directives, charters, rules, regulations, standards or policies), (ii) in Landlord's opinion, creates or would create a nuisance or waste, or unreasonably disturb, annoy or interfere with other tenants or users of the Airport, (iii) increases insurance costs for Landlord, or (iv) would result in the Landlord being in violation of its grant assurances obligations to the federal government.

C. Tenant acknowledges that Landlord is bound by, and this Lease is subject to, the terms and conditions of any and all Federal Aviation Administration ("FAA"), Texas Department of Transportation ("TXDoT"), and other grant agreements, grant assurances and regulations regarding the Airport, including, without limitation, any grant, loan, regulation, or agreement under Section 22.055 of the Texas Transportation Code, as amended or superseded, whether now existing or made in the future. Tenant agrees not to act or fail to act in any way or manner that would cause Landlord to be in violation of any of the foregoing.

D. Tenant for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that (i) no person on the grounds of race, creed, color, national origin, sex, age or handicap shall be excluded from participation in, denied the benefits of or be otherwise subjected to discrimination in the use of the Demised Premises; (ii) that in the construction of any improvements on, over or under the Demised Premises and the furnishing of services thereon, no person on the grounds of race, creed, color, national origin, sex, age, or handicap shall be excluded from participation in, denied the benefits of or otherwise be subjected to discrimination; (iii) that the Tenant shall use the Demised Premises in

compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964 and as said Regulations may be amended.

E. The Tenant agrees to furnish service on a fair, equal, and not unjustly discriminatory basis to all users thereof and to charge fair, reasonable, and not unjustly discriminatory prices for each unit or service, provided that the Tenant may be allowed to make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

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

Section 6. Construction of Improvements:

A. Demolition and Site Preparation:

1. Within the first fifteen (15) days of the Inspection Period, the Parties shall work to agree on a Phase I Demolition Plan which specifies and identifies all existing building improvements, structures and utilities located or otherwise found on the Demised Premises deemed necessary to be demolished, remediated and/or removed from the Demised Premises by Landlord, (the "Phase I Demolition Plan"), which the final scope of said Phase I Demolition Plan shall be at the Landlord's sole determination. If the Parties are unable to agree on the Phase I Demolition Plan prior to the end of the Inspection Period, either Party shall have the option to terminate this Lease by written notice to the other Party, in which event, this Lease shall terminate, the Security Deposit shall be returned to Tenant (subject to any deductions specified in this Lease), and the Parties shall be relieved of any further liability hereunder. Landlord shall prepare the Phase I Demolition Plan at its sole cost and expense, and the agreed upon Phase I Demolition, including any permitting associated therewith, shall be completed at Landlord's sole cost and expense prior to Tenant taking possession of the Demised Premises. The Phase I Demolition shall include any soil remediation that the Parties agree shall occur as part of such demolition work pursuant to the Remediation Plan prepared in accordance with Section 22.D below and any utilities to be removed by Landlord. The "timely completion" of the Phase I Demolition, remediation and/or removal and any costs associated therewith, shall be the sole responsibility of the Landlord. For the purposes of this subsection "timely completion" shall mean the completion of the demolition, remediation and/or removal of all building improvements, structures and utilities so designated in the Phase I Demolition Plan and the Remediation Plan on or before four (4) full calendar months following the last day of the Inspection Period ("Phase I Demolition Completion Date") subject to state law, or response to a cause of action as a governmental entity.

2. At such time as Landlord believes that the Phase I Demolition has been completed in accordance with the Phase I Demolition Plan, Landlord shall provide written notice to Tenant and the Parties' representatives shall participate in a walk through inspection to confirm substantial and final completion of the Phase I Demolition Work. Tenant shall provide Landlord a list of punch list items, if any, within five (5) days after such inspection, which punch list items shall be limited to items that are consistent with the Phase I Demolition Plan. Landlord shall complete such punch list items as soon as possible thereafter. Upon completion of all such punch list work, Landlord shall notify Tenant and Tenant shall complete a final inspection of the Demised Premises. Upon Tenant's final acceptance of the Phase I Demolition, Tenant shall so notify Landlord, and Tenant shall take possession of the Demised Premises within three (3) days after such notice ("Date of Tenant's Taking Possession – Phase I Demised Premises.")

3. The Parties hereby agree and acknowledge time is of the essence for Landlord to complete the Phase I Demolition and it is incumbent upon both Landlord and Tenant to cooperate with one another to their fullest extent, and Landlord will exercise commercially reasonable diligence to complete the Phase I Demolition on or before the Phase I Demolition Completion Date.

B. Building Improvements:

1. In connection with the use and occupancy of the Demised Premises by Tenant, Tenant shall cause to be constructed on the Demised Premises buildings and other improvements (together, the "Building Improvements"), at Tenant's sole cost, expense and risk (except as may be otherwise agreed to between Landlord and Tenant in accordance with the Design Plan (as defined below). "Phase I Building Improvements" shall mean those improvements generally described in Exhibit "5" – General Description of Phase I Building Improvements attached hereto and incorporated herein. Except as provided for in this Lease, Tenant may not construct, locate, install, place or erect any other improvements upon the Demised Premises without the prior written consent of Landlord. The Parties hereby agree the expected construction cost or value (separate and apart from the cost of design) of the Phase I Building Improvements shall exceed Twelve Million Dollars (\$12,000,000.00) (the "Phase I - Construction Value"), and Tenant shall submit to Landlord upon request evidence of such Construction Value ("Construction Value Evidence"); such Construction Value Evidence shall include true and correct copies of all approved construction draws, receipts or other documents or records indicating the nature of the construction work performed, the cost thereof and the amount paid for such construction work. The Parties hereby acknowledge and agree it is in Tenant's best interests to seek and pursue engineered cost savings, therefore it is the intent herein for the Phase I - Construction Value to serve as a guideline to the Parties of the intended scope and quality of the Building Improvements without there being a material deviation to the approved Phase I Design Plan without Landlord's prior written consent.

2. The Phase I Building Improvements shall be constructed on the Demised Premises in accordance with the final building plans and specifications signed and stamped by an architect and/or engineer selected by Tenant (the "Design Plan"), which Design Plan shall

be submitted to Landlord and approved in writing by Landlord and subject to the issuance of the required Building Permit(s) by the Town of Addison. Notwithstanding the foregoing, the issuance of a partial building permit (e.g. for dirt work only) by the City does not constitute Landlord's approval, at any level, of the Design Plan.

Within sixty (60) days after the Date of Tenant's Taking Possession – Phase I Demised Premises defined in Section 6.A.2 above, Tenant shall submit a preliminary design plan, including but not limited to an architectural site plan, floor plans, exterior elevations, and perspective renderings or such other documentation as required by Landlord (the "Preliminary Design Plan") to Landlord for Landlord's review and approval. The Parties shall meet within seven (7) days thereafter to address any requested changes or modifications desired by Landlord to the Preliminary Design Plan. Upon such time as the Parties have agreed upon that the Preliminary Design Plan is acceptable, they shall confirm accordingly in writing ("Acceptance of Preliminary Design Plan"). The Design Plan, which shall not deviate materially from the Preliminary Design Plan without the Landlord's prior written consent, shall be submitted by Tenant, together with all application fees at Tenant's sole cost and expense, to the Town of Addison for such building and other permits necessary for the construction of the Building Improvements. All subsequent plans and drawings and submissions to the Town of Addison shall remain consistent with the Design Plan unless otherwise approved in advance in writing by Landlord.

Any architect or engineer shall be duly licensed to practice architecture or engineering, as the case may be, in the State of Texas. Such construction shall be performed in a first class, workmanlike manner and in compliance with all applicable building codes, standards and ordinances, as set out in more detail, below. Tenant agrees to promptly pay and discharge all costs, expenses, claims for damages (including incidental, special, and consequential damages) or injury (including, without limitation, claims for personal injury or death, or property damage or destruction, or economic loss), liens and any and all other liabilities and obligations which arise in connection with such construction. **TENANT SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS LANDLORD AND MANAGER, AND THEIR RESPECTIVE OFFICIALS, OFFICERS, EMPLOYEES AND AGENTS (IN BOTH THEIR OFFICIAL AND PRIVATE CAPACITIES) (THE "INDEMNIFIED PARTIES") FROM AND AGAINST ANY AND ALL SUCH COSTS, EXPENSES, CLAIMS, DAMAGES, PENALTIES, FINES, LIENS LIABILITIES, AND OBLIGATIONS DESCRIBED IN THE PRECEDING SENTENCE (TOGETHER, FOR PURPOSES OF THIS SUBSECTION, THE "DAMAGES"), INCLUDING SUCH COSTS, EXPENSES, CLAIMS, DAMAGES, PENALTIES, FINES, LIENS LIABILITIES, AND OBLIGATIONS WHICH ARE ALLEGED OR FOUND TO HAVE BEEN CAUSED BY OR RESULT FROM, IN WHOLE OR IN PART, THE NEGLIGENCE OF ANY OF THE INDEMNIFIED PARTIES (BUT NOT THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE INDEMNIFIED PARTIES), OR CONDUCT BY THE INDEMNIFIED PERSONS THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND, OR THE VIOLATION OF ANY TERM OF THE LEASE WITHOUT LIMITATION. HOWEVER, TO THE EXTENT GROSS NEGLIGENCE AND/OR WILLFUL MISCONDUCT ARE ALLEGED SIMULTANEOUSLY WITH CLAIMS REQUIRING DEFENSE AND INDEMNITY HEREIN, TENANT SHALL DEFEND ALL CLAIMS ALLEGED AGAINST THE INDEMNIFIED PARTIES. TENANT'S LIABILITY UNDER THIS INDEMNITY OBLIGATION SHALL BE REDUCED BY THAT PORTION OF THE TOTAL AMOUNT OF THE DAMAGES (EXCLUDING DEFENSE FEES AND COSTS) EQUAL TO THE INDEMNIFIED**

PARTIES' PROPORTIONATE SHARE OF THE NEGLIGENCE, OR CONDUCT THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND, THAT CAUSED THE DAMAGES. LIKEWISE, TENANT'S LIABILITY FOR THE INDEMNIFIED PARTIES' DEFENSE COSTS AND ATTORNEYS' FEES SHALL BE REDUCED BY A PORTION OF THE DEFENSE COSTS AND ATTORNEYS' FEES EQUAL TO THE INDEMNIFIED PARTIES' PROPORTIONATE SHARE OF THE NEGLIGENCE, OR CONDUCT THAT WOULD GIVE RISE TO THE STRICT LIABILITY OF ANY KIND, THAT CAUSED THE DAMAGES. THIS INDEMNIFICATION SHALL SURVIVE THE TERMINATION OF THIS LEASE. It is expressly understood and agreed that Tenant's construction of the Building Improvements shall include the finish-out in accordance with the Design Plan and any plans and specifications for the finish-out of the Building Improvements as submitted by Tenant to Landlord and approved in writing by Landlord.

3. Landlord's approval of the Design Plan or any other plans and/or specifications does not impose on Landlord any responsibility whatsoever, including, without limitation, any responsibility for the conformance of the plans and specifications with any governmental regulations, building codes, and the like, for which Tenant and its contractors shall have full and complete responsibility.

4. Construction of the Building Improvements shall commence within six (6) full calendar months after the Parties' Acceptance of the Preliminary Design Plan, including Tenant obtaining all pre-construction permits and approvals (the date of such commencement, as described in subsection B.5 of this Section, below, being the "Construction Commencement Date"). If Tenant fails to commence construction as required herein within twelve (12) full calendar months after the Effective Date Landlord may terminate this Lease by giving written notice to Tenant and this Lease shall be and become null and void ("Pre-Construction Termination"), except Tenant shall be obligated to reimburse Landlord, without offset for:

(a) All reasonable out-of-pocket expenses incurred by Landlord for the Phase I Demolition while acting in good faith that Tenant would commence construction of the Phase I Building Improvements as agreed; and

(b) Tenant shall restore or cause to restore, at its sole cost and expense, the Demised Premises to a condition similar (as commercially practical) as the Demised Premises were immediately prior to the Date of Tenant's Taking Possession – Phase I Demised Premises; and

(c) Tenant shall be obligated to reimburse Landlord for all lost monthly rental (to be prorated on a per-diem basis) between the Effective Date and the Date of Tenant's Taking Possession – Phase I Demised Premises ("Phase I Lost Rent") which Landlord reasonably would have otherwise recognized from its existing building improvements and structures located on the Demised Premises prior to the Landlord undertaking the Phase I Demolition. For the purpose of this sub-paragraph 6.B.4(c), the term "lost monthly rental" means all actual collected rent received, accounted for and deposited by Landlord directly relating to its existing building improvements and structures on the Demised Premises for the calendar month immediately prior to the Effective Date; and

(d) Tenant's obligation to pay any accrued but unpaid Rent pursuant to the terms and conditions of this Lease, if any,

Provided, however, that said twelve (12) month deadline shall be extended day by day for any delays resulting from Tenant's inability to obtain permits or approvals from the Town of Addison or the FAA, provided Tenant's actions are not the result of the delay in permitting or approvals, as determined by the Landlord. Landlord and Tenant agree to work together in good faith to expeditiously apply for and process all permits or approvals needed from the Town of Addison.

Tenant shall make payment to Landlord within ten (10) business days following Tenant's receipt of Landlord's invoice with supporting copies of all expenses incurred pursuant to Section 6.B.4(a) above and the Phase I Lost Rent calculated pursuant to 6.B.4(c) above. Tenant's failure to reimburse Landlord as provided for herein shall be a default of this Lease and, without waiving any of Landlord's other rights and remedies available to it by contract or law, deemed claimable under any payment or performance bond or irrevocable standby letter of credit posted by Tenant serving as additional security to Landlord under this Lease.

Any obligation of Tenant set forth in this Section 6.B.4 shall survive the Lease expiration or its termination.

5. For purposes hereof, the Construction Commencement Date shall be deemed to be the date when the last of the following events has occurred:

(a) Landlord and Tenant have agreed on the Design Plan; and

(b) Tenant has been issued the required approvals, building permit(s) or licenses necessary to construct the Building Improvements on the Demised Premises; and

(d) The Date of Tenant's Taking Possession – Phase I Demised Premises has occurred; and

(e) Tenant has received (and has provided a true and correct copy to the City of) the FAA's determination to Tenant's filing of Form 7460 Notice of Proposed Construction or Alteration; and

(f) Tenant has executed a contract with a qualified general contractor; and

(g) Tenant has provided proof of the Builder's Risk Insurance Policy required under Section 13.D.1 and Payment and Performance Bond or irrevocable standing letter of credit as required under Section 13.D.2 below, and

(h) Tenant has mobilized construction equipment on the Demised Premises (and evidence of each of such items has been provided to Landlord that is reasonably satisfactory to Landlord).

The Parties shall execute a document confirming the Construction Commencement Date.

6. After the Construction Commencement Date, Tenant shall complete construction of the Building Improvements with reasonable diligence, without material deviation from the Design Plan, and any deviation from the Design Plan shall be subject to the prior review and approval of Landlord. If (i) construction of the Building Improvements is not Substantially Complete ("Substantial Completion" being defined in subsection 10. of this Section 6) on or before twenty (20) full calendar months after the Construction Commencement Date (the "Substantial Completion Date") and/or Final Completion ("Final Completion" being defined in subsection 10. of this Section 6) achieved no later than three (3) full calendar months after Substantial Completion, then:

- (a) Tenant shall pay Landlord One Hundred Dollars (\$100.00) as Additional Rent for each and every day thereafter until Substantial Completion is achieved.
 - (b) If "Final Completion," as defined in Section 6.B.10 below, has not occurred within three (3) full calendar months after the Substantial Completion Date (the "Final Completion Date"), then Tenant shall pay Landlord One Hundred Dollars (\$100.00) as Additional Rent for each and every day thereafter until Final Completion is achieved.
 - (c) If Substantial Completion has not occurred within thirty (30) months after the Construction Commencement Date Landlord may terminate this Lease by written notice to Tenant and the Lease shall terminate, except for Tenant's obligation to pay any accrued but unpaid Rent, any provisions of this Lease regarding the condition of the Demised Premises (including all improvements thereon) upon the expiration or termination of this Lease, and any provisions of this Lease regarding any obligations or provisions that survive the Lease expiration or termination (including obligations regarding indemnity and environmental matters). Provided, however, that said thirty (30) month deadline shall be extended day by day due to any delays in Construction that are a result of delays caused by the FAA or acts or omissions of the Town of Addison, that are not the fault of Tenant. In such event, neither Party shall have any further rights one against the other, except that Landlord shall return to Tenant any deposits, if any, made to Tenant within five (5) business days following such termination and Tenant shall at Landlord's written demand remove any portion of the Building Improvements requested by Landlord and the applicable provisions of Section 28.C, below, shall apply to such removal.
7. Tenant agrees that any construction or modification of the Building Improvements or any other improvements which may be authorized by Landlord, which authorization, if any, shall be in writing, on or within the Demised Premises shall comply with all standards, codes, and rules adopted by Landlord or Manager, including, but not limited to: (i) any rules relating to building construction and maintenance standards and specifications, shall (ii) comply with the Town of Addison, Texas building and related codes and zoning requirements, and will (iii) meet or exceed all applicable State and Federal standards (including, without limitation, Title III of the Americans With Disabilities Act of 1990, any state laws governing handicapped access or architectural barriers, and all rules, regulations,

and guidelines promulgated under such laws, as amended from time to time). Tenant recognizes that such construction/maintenance standards and specifications, Town of Addison building and related codes and zoning requirements, and all applicable State and Federal standards (including, without limitation, Title III of the Americans With Disabilities Act of 1990, any state laws governing handicapped access or architectural barriers, and all rules, regulations, and guidelines promulgated under such laws, as amended from time to time) may be modified or amended from time to time and that compliance will be measured by such standards in effect at the time of a particular construction or modification of improvements after the initial construction of the Building Improvements pursuant to the approved Design Plan.

8. Tenant will properly and timely submit to the FAA, TxDOT and any other governmental authority, entity or agency having jurisdiction regarding Addison Airport, a Notice of Proposed Construction or Alteration, when and as required, and such other forms and information as may be required by the FAA, TxDOT, or other governmental entity or agency having jurisdiction over Addison Airport. Landlord shall cooperate and support Tenant with any necessary FAA or TxDOT forms and other information and shall assist where possible in expediting any associated applications.

9. Tenant further agrees that the Landlord shall be authorized at all times during any project of construction to enter upon the Demised Premises, and all parts thereof, in order to observe the performance of such construction. Tenant shall provide the Landlord a construction schedule setting out the time of commencement, final completion and completion of significant elements of the construction, which schedule shall be delivered to Landlord prior to the start of any construction project on the Demised Premises.

10. "Substantial Completion of the Building Improvements" or "Substantial Completion" shall be deemed to have occurred upon the issuance by the Town of Addison of a certificate of temporary or final occupancy for the Building Improvements. "Final Completion" of the construction of the Building Improvements shall be deemed to occur upon the issuance by Tenant's architect who designed the Building Improvements of such documentation as may be necessary to establish the final completion (closeout) of the construction of the Building Improvements and the delivery by Tenant to Landlord of comprehensive As-Built drawings and documentation reviewed by Tenant's architect reflecting all approved changes and modifications to the originally approved Design Plan.

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

Section 7. Acceptance of Demised Premises: TENANT ACKNOWLEDGES THAT UPON THE DATE OF TENANT'S TAKING POSSESSION – PHASE I DEMISED PREMISES, THE TENANT WILL BE DEEMED TO HAVE FULLY INSPECTED THE DEMISED PREMISES AND TO HAVE ACCEPTED THE DEMISED PREMISES AND THAT THE DEMISED PREMISES ARE LEASED TO TENANT "AS IS, WHERE IS, AND WITH ALL FAULTS AND PATENT AND LATENT DEFECTS", AND LANDLORD HAS NOT MADE, DOES NOT MAKE, AND SPECIFICALLY

DISCLAIMS, ANY REPRESENTATION, PROMISE, COVENANT, AGREEMENT, GUARANTY OR WARRANTY OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, AS TO THE QUANTITY, QUALITY, CONDITION, SUITABILITY, HABITABILITY, OR FITNESS OF THE DEMISED PREMISES INCLUDING WITHOUT LIMITATION THE DEMISED PREMISES AND THE IMPROVEMENTS THEREON, FOR ANY PURPOSE WHATSOEVER, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION REGARDING SOIL CONDITIONS, AVAILABILITY OF UTILITIES [SUBJECT TO SECTION 16], DRAINAGE, ZONING LAWS, ENVIRONMENTAL LAWS, OR ANY OTHER FEDERAL, STATE OR LOCAL STATUTES, CODES, REGULATIONS OR ORDINANCES. TENANT ALSO ACKNOWLEDGES AND AGREES THAT UPON THE DATE OF TENANT'S TAKING POSSESSION – PHASE I DEMISED PREMISES TENANT'S INSPECTION AND INVESTIGATION OF THE DEMISED PREMISES WILL BE DEEMED TO HAVE BEEN ADEQUATE TO ENABLE TENANT TO MAKE TENANT'S OWN DETERMINATION WITH RESPECT TO THE SUITABILITY OR FITNESS OF THE DEMISED PREMISES, INCLUDING, WITHOUT LIMITATION, WITH RESPECT TO SOIL CONDITIONS, AVAILABILITY OF UTILITIES [SUBJECT TO SECTION 16], DRAINAGE, ZONING LAWS, ENVIRONMENTAL LAWS, AND ANY OTHER FEDERAL, STATE OR LOCAL STATUTES, CODES, REGULATIONS OR ORDINANCES. TENANT ACKNOWLEDGES THAT THE DISCLAIMERS, AGREEMENTS AND OTHER STATEMENTS SET FORTH IN THIS PARAGRAPH ARE AN INTEGRAL PORTION OF THIS LEASE AND THAT LANDLORD WOULD NOT AGREE TO LEASE THE DEMISED PREMISES TO TENANT AS SET FORTH HEREIN WITHOUT THE DISCLAIMERS, AGREEMENTS AND OTHER STATEMENTS SET FORTH IN THIS PARAGRAPH. TENANT FURTHER ACKNOWLEDGES THAT TENANT IS NOT IN A DISPARATE BARGAINING POSITION WITH RESPECT TO LANDLORD. TENANT ACKNOWLEDGES AND AGREES FURTHER THAT THIS LEASE IS SUBJECT TO ANY AND ALL CURRENTLY EXISTING TITLE EXCEPTIONS OR OTHER MATTERS OF RECORD OR ANY MATTER OR ITEM VISIBLE OR APPARENT FROM AN INSPECTION AFFECTING THE DEMISED PREMISES. TENANT WAIVES ANY EXPRESS OR IMPLIED WARRANTIES OF SUITABILITY, HABITABILITY, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND FURTHER WAIVES ALL CLAIMS BASED ON ANY DEFECT IN THE DEMISED PREMISES WHETHER OR NOT SUCH DEFECT COULD HAVE BEEN DISCOVERED BY TENANT'S REASONABLE INSPECTION. TENANT, AT ITS COST, SHALL BE ENTITLED TO PERFORM A PHASE I ENVIRONMENTAL STUDY, PROVIDING A COPY THEREOF TO LANDLORD, ALL AS MAY BE SPECIFIED IN MORE DETAIL IN SECTION 22.D. BELOW. WITHOUT LIMITING THE FOREGOING, THERE IS NO WARRANTY, EXPRESS OR IMPLIED, OF SUITABILITY, MERCHANTABILITY, HABITABILITY, OR FITNESS FOR ANY PARTICULAR PURPOSE GIVEN IN CONNECTION WITH THIS LEASE.

In accepting the Demised Premises, Tenant acknowledges that this Lease shall be construed to provide rent to Landlord on a Net Return Basis, as set out in Section 32 below.

Section 8. Securing Governmental Approvals and Compliance with Law; Noise Abatement:

A. Tenant at Tenant's sole cost and expense shall obtain any and all governmental licenses, permits and approvals necessary for the construction of improvements and for the use and occupancy of the Demised Premises. This Lease is subject to and Tenant shall comply at all times with all laws, ordinances, rules, regulations, directives, permits, or standards of any governmental authority, entity, or agency (including, without limitation, the Town of Addison, Texas, the State of Texas, the FAA, the Texas Department of Transportation, the United States Environmental Protection Agency, and the Texas Commission on Environmental Quality) applicable or related to, whether directly or indirectly the use and occupancy of the Demised Premises and whether in existence or hereafter enacted, adopted or imposed. Tenant shall promptly comply with all governmental orders and directives for the correction, prevention and abatement of nuisances in or upon, or connected with, the Demised Premises, all at Tenant's sole cost and expense, and shall comply with and be subject to (and this Lease is made and entered into subject to) any and all grant agreements or grant assurances now existing or as hereafter agreed to, adopted or imposed.

Tenant agrees that any new construction or modification of existing improvements on the Demised Premises will comply with the Town of Addison building and related codes and zoning requirements or any other laws, ordinances, permits, rules, regulations, or policies of the Town of Addison, Texas, and will meet or exceed all applicable State and Federal standards, permits, laws, rules, or regulations. Tenant recognizes that the Town of Addison building and related codes and zoning requirements and other laws, ordinances, permits, rules, regulations or policies, and all applicable State and Federal standards, laws, rules, or regulations may be modified or amended from time to time and that compliance will be measured by such standards in effect at the time of a particular construction or modification of improvements after the initial construction of the Building Improvements pursuant to the Design Plan.

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

Section 9. Assignment, Subletting and Mortgaging of Leasehold Estate; Stored Aircraft Information:

A. Without the prior written consent of Landlord, Tenant shall have no power to and shall not either voluntary or involuntary, by operation of law or otherwise, (i) assign, sell, pledge, encumber, mortgage, license, transfer, or otherwise convey (each being referred to herein as "assign" or "assignment," and the person or entity to whom an assignment is made being an "assignee") this Lease or any rights, duties, liabilities, or obligations of Tenant hereunder or any part of the Demised Premises, (except to a leasehold mortgagee as hereinbelow provided and in accordance with and subject to all of the terms and conditions of this Lease) or (ii) sublet the whole or any part of the Demised Premises, and any such assignment shall be null and void and may be deemed by Landlord (in Landlord's sole discretion) a default under Section 23 of this Lease. If consent by Landlord to an assignment, Tenant shall request, in writing, Landlord's

consent to a proposed assignment and such request must include (among other information and materials as Landlord may request): (i) the name of the proposed assignee; (ii) the nature and character of the assignee's business; (iii) all material terms of the proposed assignment; and (iv) audited financial statements or other evidence of the proposed assignee's creditworthiness and ability to assume Tenant's obligations. An assignment will be deemed to occur if the person or persons who own or have control of more than 50% of Tenant on the Effective Date of this Ground Lease cease to own or have control of more than 50% of Tenant at any time during the Term; provided that any such person shall have the unencumbered right to make from time to time gifts, sales or other transfers, upon death and/or *inter vivos* of part or all of his or its ownership interest in the Tenant to a Permitted Transferee. A "Permitted Transferee" for purpose of this Lease, shall mean: (i) a person who is a parent or descendant of the transferor; (ii) a trust, the primary beneficiaries of which are relatives of the transferor as described in (i) above; (iii) an entity, the voting or financial control of which is owned by the transferor and/or his relatives as described in (i) above; and (iv) a trust, the primary beneficiary of which is such transferor; and such transfer shall not be considered an event deemed to be an "assignment" hereunder. Tenant shall provide to Landlord from time to time, as requested by Landlord and in a form acceptable to Landlord, a written certification as to the ownership and/or control of Tenant. For purposes hereof, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities or partnership interests, by contract, or otherwise.

B. For the purposes hereof and any applicable law, and without limitation as to other grounds for Landlord withholding consent, Landlord may, in Landlord's sole discretion, withhold its consent when any one or more of the following apply:

(i) the proposed assignee is of a character or of a reputation or is engaged in a business, which is not consistent with the master or strategic plan of Addison Airport as determined by Landlord;

(ii) the proposed assignee has not demonstrated sufficient financial responsibility or creditworthiness to the satisfaction of Landlord in light of the duties, obligations, and responsibilities of the Tenant under this Lease at the time when the consent is requested;

(iii) the proposed assignee's intended use of the Demised Premises is inconsistent with the Lease;

(iv) the proposed assignment would cause Landlord to be in violation of another lease or agreement to which Landlord is a party or to which Landlord or the Addison Airport is subject (including, without limitation, any grant agreements or grant assurances of the Federal Aviation Administration or any other governmental entity or agency);

(v) if at any time consent is requested or at any time prior to the granting of consent, Tenant is in default under the Lease or would be in default under the Lease but for the pendency of a grace or cure period; or

(vi) the proposed assignee does not intend to occupy the entire Demised Premises as described in the Lease and conduct its business there from for a substantial portion of the then remaining term of the Lease.

C. Any assignment or subletting shall be expressly subject to all the terms and provisions of this Lease, including the provisions of Section 6 pertaining to the use of the Demised Premises. Tenant shall not assign this Lease or any right, duty, liability or obligation of Tenant hereunder or sublet the Demised Premises or any portion of the Demised Premises, without first obtaining a written agreement from each such assignee or sublessee whereby each such transferee or sublessee agrees to and shall be bound by and comply with all the terms and provisions of this Lease (and Tenant shall provide a copy of such written agreement to Landlord). No assignment or subletting shall constitute a novation. In the event of the occurrence of an event of default while the Demised Premises are assigned or sublet, Landlord, in addition to any other remedies provided herein or by law, in equity, or otherwise, may at Landlord's option, collect directly from such assignee or subtenant all rents becoming due under such assignment or subletting and apply such rent against any sums due to Landlord hereunder. No direct collection by Landlord from any such assignee, transferee, pledge, or person or entity to whom this Lease is otherwise conveyed or to such subtenant shall release Tenant from the payment or performance of Tenant's obligations hereunder. Landlord's consent to any assignment or subletting will not act as a waiver of any rights or remedies granted to or retained by Landlord under this Lease and shall not act as an election of remedies nor shall it prohibit Landlord from exercising its rights and remedies with respect to any other actual or proposed assignment or subletting, and Landlord's consent to any assignment shall not relieve Tenant of any liability to Landlord under this Lease or otherwise.

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

1. each sublessee agrees to be bound by the terms and provisions of this Ground Lease, including, without limitation, the provisions of Section 6 pertaining to the use of the Demised Premises, and in the event of any conflict between the terms of the Lease and the terms of the sublease, the terms of the Ground Lease shall control;
2. no subletting shall constitute a novation;
3. in the event of occurrence of an event of default while the Demised Premises are sublet, Landlord, in addition to any other remedies provided herein or by law, in equity, or otherwise, may at Landlord's option, collect directly from such subtenant all rents becoming due under such subletting and apply such rent against any sums due to Landlord hereunder;
4. sublessee shall be obligated to obtain Landlord's consent to any action as to which Tenant is obligated to obtain such consent under the Lease;
5. any such sublease is to automatically terminate upon termination of this Ground Lease notwithstanding any other provision of the sublease to the contrary;

6. Landlord shall have no responsibility or obligation for the performance by Tenant of its obligations under the sublease;

7. neither this consent, the exercise by Landlord of its rights hereunder, nor the sublease or any other instrument shall give sublessee any rights directly or indirectly against Landlord or create or impose any obligation, duty, responsibility, or liability of Landlord in favor of or for the benefit of sublessee;

8. Furthermore, Tenant agrees that in no way does any sublease release Tenant from any of its covenants, agreements, liabilities and duties under this Ground Lease; that this consent does not constitute approval by Landlord of the terms of any such sublease; that nothing herein contained shall be deemed a waiver or release of any of the Landlord's rights under the Ground Lease; that Tenant shall remain fully liable for the performance of each and every term, provision, covenant, duty and obligation of the Tenant under the Ground Lease, including, without limitation, the duty to make any and all payments of Rent; that any violation of any terms and conditions of this Ground Lease by a sublessee may constitute a default under the Ground Lease.

E. Tenant shall have the right to mortgage the leasehold estate of Tenant created hereby in order to secure a mortgage loan for the purpose of (i) obtaining funds for the construction of the improvements described in Section 6, or (ii) for other construction upon the Demised Premises approved from time to time by Landlord in writing, or (iii) for any other purpose which may be approved from time to time by Landlord in writing. In the event that Tenant, pursuant to mortgages or deeds of trust, mortgages the leasehold estate of Tenant created hereby, the leasehold mortgagee shall in no event become personally liable to perform the obligations of Tenant under this Lease unless and until said mortgagee becomes the owner of the leasehold estate pursuant to foreclosure, transfer in lieu of foreclosure, or otherwise, and thereafter said leasehold mortgagee shall remain liable for such obligations only so long as such mortgagee remains the owner of the leasehold estate. Notwithstanding the foregoing, it is specifically understood and agreed that no such mortgaging by Tenant and/or any actions taken pursuant to the terms of such mortgage shall ever relieve Tenant of Tenant's obligation to pay the rent due hereunder and otherwise fully perform the terms and conditions of this Lease.

F. All mortgages or deeds of trust whereby Tenant mortgages the leasehold estate of Tenant created hereby shall contain provisions (i) requiring the leasehold mortgagee to give Landlord at least fifteen (15) days written notice prior to accelerating the debt of Tenant to such mortgagee and/or initiating foreclosure proceedings under said mortgages or deeds of trust, and (ii) allowing Landlord during such fifteen (15) day notice period to cure Tenant's default and prevent said acceleration and/or foreclosure proceedings, and thereafter at Landlord's option to assume Tenant's position under said mortgages or deeds of trust.

G. Landlord agrees, if and so long as the leasehold estate of Tenant is encumbered by a leasehold mortgage and written notice to such effect has been given to Landlord, to give the holder of such leasehold mortgage at such address or addresses as may be specified in such written notice to Landlord for the giving of notices to the leasehold mortgagee, or as otherwise may be specified by the leasehold mortgagee to Landlord in writing, written notice of any default

hereunder by Tenant, simultaneously with the giving of such notice to Tenant, and the holder of any such leasehold mortgage shall have the right, for a period of fifteen (15) days after its receipt of such notice or within any longer period of time specified in such notice, to take such action or to make payment as may be necessary or appropriate to cure any such default so specified, it being the intention of the Parties hereto that Landlord shall not exercise Landlord's right to terminate this Lease without first giving any such leasehold mortgagee the notice provided for herein and affording any such leasehold mortgagee the right to cure such default as provided for herein.

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

I. Upon written request, Tenant shall promptly provide to Landlord the names and addresses of any subtenants and the make, model, aircraft type and "N" number of any aircraft stored, located or generally regarded to be "based" on or in the Demised Premises.

Section 10. Property Taxes and Assessments:

Tenant shall pay, before they become delinquent, any and all property taxes or assessments, and any other governmental charges, fees or expenses (collectively, the "Taxes"), levied or assessed on any improvements on the Demised Premises, the personal property and fixtures on the Demised Premises, and, if applicable, upon the leasehold estate of Tenant created hereby. Upon the request of Landlord, Tenant shall from time to time furnish to Landlord "paid receipts" or other written evidence that all such taxes have been paid by Tenant. In the event Tenant fails to pay any such taxes, assessments, or charges prior to delinquency, Landlord shall have the right to pay (but not the obligation) or may cause all taxes, assessments, or charges to be paid and the reasonable costs

thereof expended by Landlord plus interest thereon as provided in Section 39 of this Lease shall be paid by Tenant on demand. Subject to the payment of any outstanding Taxes, Tenant may protest, appeal or institute other formal proceedings to effect a reduction or abatement of real estate taxes and assessments with respect to real estate taxes and assessments levied against the improvements on the Demised Premises and/or the Tenant's leasehold interest in the Lease for any tax fiscal year that ends after the Commencement Date of this Lease. Such protest, appeal or other proceedings may be conducted only in the name of Tenant. To this end and at Tenant's expense, Tenant shall give Landlord written notice of any such protest or appeal and resolution thereof.

Section 11. Maintenance and Repair of Demised Premises:

A. Tenant shall, throughout the term hereof, maintain the Demised Premises and all improvements made thereto (including the Building Improvements and any other constructed or added Building Improvement made thereto in the future), fixtures, equipment and personal property in good repair and in a first class condition. Furthermore, Tenant shall over the Term continue to maintain the Demised Premises in accordance with all applicable ordinances, codes, rules and regulations of or adopted by the City of Addison, Texas or any other agency with regulatory oversight of any or all portions of the Demised Premises and any buildings, improvements, fixtures, equipment and personal property on the Demised Premises. Tenant's failure to keep the Demised Premises and all buildings, improvements, fixtures, equipment and personal property situated thereon in good repair and condition and compliant with all regulations, codes and ordinances as required by this Section 11 or elsewhere provided for in the Lease is an Event of Default under this Lease. In the event Tenant shall fail to so maintain the Demised Premises and the buildings, improvements, fixtures, equipment and personal property (excluding aircraft stored in the Building Improvements) situated thereon, after notice and an opportunity to cure as provided in Section 23.B below, in addition to its other rights and remedies, Landlord shall have the right (but not the obligation) to enter the Demised Premises without liability to Tenant to repair or cause to be repaired all such deficiencies and, or perform or cause to be performed such maintenance necessary to remedy such conditions; and all reasonable costs therefore expended by Landlord plus interest thereon as provided for in Section 39 shall be paid by Tenant upon demand.

B. Notwithstanding the foregoing, set forth as "Lease Addendum #1" attached hereto and incorporated herein by reference and made a part hereof, are "Tenant's Leasehold Minimum Maintenance and Repair Standards and Practices," which are intended as maintenance and repair standards and practices Landlord expects of Tenant. Tenant (and any of its successors or assigns) hereby agrees to meet or exceed the Tenant Leasehold Minimum Maintenance and Repair Standards and Practices throughout the Term. Notwithstanding the foregoing, as provided in Section 18 below, Landlord reserves the right, in its sole discretion, to introduce and adopt other regulations deemed appropriate and necessary by Landlord for the purpose, among other things, protection of the property of Landlord. In the event Landlord should formally adopt similar leasehold maintenance and repair standards governing such practices of all ground leaseholds at Addison Airport ("Replacement Maintenance Standards"), such encompassing regulations and practices shall supersede and replace Lease Addendum #1 in its entirety upon the effective date of such Replacement Maintenance Standards for the duration of the Term.

Section 12. Alterations, Additions and Improvements: After completion of the Building Improvements, Tenant shall not create any openings in the roof or exterior walls, or make any alterations, additions or improvements to the Demised Premises or any improvements thereon or modifications thereto without the prior written consent of Landlord or Airport Manager. Consent for any such alterations, additions or improvements shall not be unreasonably withheld by Landlord or Airport Manager. Tenant shall have the right, without Landlord's consent, to erect or install shelves, bins, machinery, air conditioning or heating equipment and trade fixtures, or to move demising walls within the Demised Premises, provided that Tenant complies with all applicable governmental laws, ordinances and regulations (including, without limitation and as may be required by law, obtaining a building permit).

All alterations, modifications, additions and improvements in and to the Demised Premises shall be performed in a first class, workmanlike manner, shall comply with all the standards and requirements set out above, and in Section 6 and Section 8, and Tenant shall promptly pay and discharge all costs, expenses, claims for damages (including incidental, special, and consequential damages), liens and any and all other liabilities and obligations which arise in connection therewith (AND SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS LANDLORD AND AIRPORT MANAGER, AND THEIR RESPECTIVE OFFICIALS, OFFICERS, EMPLOYEES, AND AGENTS, FROM AND AGAINST ANY AND ALL SUCH COSTS, EXPENSES, CLAIMS, LIENS, LIABILITIES, AND OBLIGATIONS AS SET FORTH IN SECTION 21).

Section 13. Insurance and Bonds:

A. At all times in connection with this Lease and during the Term hereof, Tenant, or its subtenant, shall purchase and maintain at its sole cost and expense, or, as appropriate, shall cause its subtenants to purchase and maintain, at their sole cost and expense, and in a company or companies lawfully authorized to do business in Texas such insurance coverages relating to the Demised Premises as follows:

1. Insurance against loss or damage to improvements by fire, lightning, and all other risks from time to time included under standard extended coverage policies, and sprinkler, vandalism and malicious mischief, all in amounts sufficient to prevent Landlord or Tenant from becoming co-insurers of any loss under the applicable policies but in any event in amounts not less than one hundred percent (100%) of the full insurable value of the Demised Premises and any and all improvements thereon. The term "full insurable value" as used herein means actual replacement value at the time of such loss. Upon request, such replacement value shall be determined by a qualified appraiser, a copy of whose findings shall be submitted to Landlord, and, thereafter, proper adjustment in the limits of insurance coverage shall be effected.

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

for at least two (2) years after construction work has been completed. Coverage must include contractual liability.

3. Statutory limits of workers compensation insurance and employer's liability with limits of liability of not less than \$1,000,000.00 each-occurrence each accident/\$1,000,000.00 by disease each-occurrence/\$1,000,000.00 by disease aggregate.

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

5. In connection with the design and construction of any improvements on the Demised Premises, architects, engineers, and constructions managers, including design/build contractors used by Tenant, shall carry professional liability insurance at minimum limits of \$250,000.00; this coverage must be maintained for at least two (2) years after the improvements are completed, and if coverage is written on a claims-made basis, a policy retroactive date equivalent to the inception date of this Lease (or earlier) must be maintained.

6. Hangarkeepers Legal Liability insurance, at limits of \$1,000,000.00 per-occurrence is required if Tenant is engaged in maintenance, repair, or servicing of aircraft belonging to a third-party, or if Tenant is otherwise involved in any operation in which Tenant has care, custody, or control of an aircraft that belongs to a third-party.

7. Aircraft liability insurance against third party bodily injury or death and property damage or destruction at minimum limits required by regulatory agencies having jurisdiction at the Airport and which are acceptable to Landlord, but in any event not less than \$1,000,000.00 each occurrence (applies to the ownership, operation or use of aircraft by Tenant or any subtenant). Policy shall include non-owned aircraft liability with a minimum of \$1,000,000 and medical expense coverage with a limit of \$5,000 for any one person.

8. Business Automobile Liability insurance for all Tenant owned and non-owned vehicles being operated on the Airport with a minimum combined single limit of \$1,000,000 for bodily injury and property damage.

9. If there is fueling of aircraft at the Airport related to the Leased Premises pursuant to a fueling permit or license issued by the City, there shall be maintained a minimum of \$1,000,000 in Pollution Liability Insurance coverage.

10. Such other insurance in such amounts and against such other insurable hazards, which at the time are commonly obtained within the aeronautical industry for similar types of building improvements and other improvements that may be located on the Demised Premises and Tenant's permitted use of the Demised Premises.

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

1. The City of Addison, Texas, and the Airport Manager and their respective past and present officials, officers, employees and agents shall be named as additional insureds, or loss payees as the case may be, except with respect to the professional liability policies and workers compensation insurance;
2. All insurance policies which name the Town of Addison, Texas and the Airport Manager (and their respective past and present officials, officers, employees and agents) as additional insureds must be endorsed to read as primary coverage and non-contributory regardless of the application of other insurance;
3. A waiver of subrogation in favor of the Town of Addison, Texas and the Airport Manager (and their respective past and present officials, officers, employees and agents) shall be contained in each policy required herein;
4. All insurance policies shall be endorsed to the effect that the Town of Addison, Texas and Airport Manager will receive at least thirty (30) days written notice prior to cancellation or non-renewal of the insurance (except that if such insurance is canceled for non-payment of premium, such notice shall be ten (10) days.);
5. All insurance policies shall be endorsed to require the insurer to immediately notify the City and the Airport Manager of any material change in the insurance coverages;
6. All liability policies shall contain no cross liability exclusions or insured versus insured restrictions applicable to the claims of the Town of Addison or the Airport Manager;
7. Tenant may maintain reasonable and customary deductibles subject to approval by Landlord; and
8. Insurance must be purchased from insurers that are financially acceptable to Landlord and licensed to do business in the State of Texas.

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

1. List each insurance coverage described and required herein. Such certificates will also include a copy of the endorsements necessary to meet the requirements and instructions contained herein; and

2. Specifically set forth the notice-of-cancellation or termination provisions to the Town of Addison and the Airport Manager.

D. In connection with any construction on the Demised Premises:

1. During any period of construction, a Builder's Risk Completed Value policy with an all risks endorsement in an amount equal to the greater of the full-completed value or the amount of the construction contract including any amendments or change orders thereto. The policy shall provide "All Risk" Builder's Risk Insurance (extended to include the perils of wind, collapse, vandalism/malicious mischief, and theft, including theft of materials whether or not attached to any structure). The deductible shall not exceed \$5,000.

2. Tenant shall obtain and keep in full force and effect at its sole cost and expense a Performance Bond and a Payment Bond guaranteeing, respectively, the faithful performance of all construction work and the payment of all obligations arising during the construction (including, without limitation, the payment of all persons performing labor or providing materials under or in connection with the Building Improvements), in the penal sum of one-hundred and ten percent (110%) of the construction costs, but in no event less than the Construction Value without Landlord's prior written consent. Tenant shall pay or cause to have paid the premiums for such bonds and have delivered to Landlord prior to the Construction Commencement Date. Bonds shall be issued by a surety company satisfactory to the Landlord, licensed by the State of Texas to act as a Surety, and listed on the current U.S. Treasury Listing of Approved Sureties. All forms shall be made on a form complying with the requirements of the laws of the State of Texas and satisfactory to Landlord. Such bonds shall be in conformance with the provisions of Chapter 2253, Tex. Gov. Code, and any successor statute thereto. Tenant and Landlord shall be named as joint obligees of all such bonds. Alternatively, and at Tenant's election, Tenant shall cause to be issued in favor of Landlord, at Tenant's sole cost and expense, and kept in full force and effect at all times during any period of construction, an irrevocable, stand-by letter of credit to secure the faithful performance of all construction work and the payment of all obligations arising during the construction (including, without limitation, the payment of all persons performing labor or providing materials under or in connection with the Building Improvements), in the amount of one hundred percent (100%) of the construction costs (the "Letter of Credit"), such Letter of Credit to be drawn upon by site draft conditioned only upon the certification of the Landlord that an event of default has occurred under this Lease with respect to the construction of the Building Improvements. The form of such Letter of Credit is attached hereto and incorporated herein as Exhibit "6". Tenant shall cause the original executed Letter of Credit to be delivered to Landlord prior to Landlord granting its notice to Tenant it may proceed with construction. Upon written approval by Landlord on not less than ten (10) days written notice to Landlord from Tenant, Tenant shall have the right to reduce the amount of the Letter of Credit on a calendar quarterly basis by an amount equal to the construction costs incurred and paid by Tenant during the immediately preceding calendar quarter as demonstrated by the Construction Value Evidence submitted to Landlord.

E. Landlord reserves the right to review the insurance requirements contained herein and to reasonably adjust coverages and limits in accordance with the Airport Governing Documents.

Section 14. Casualty Damage or Destruction:

A. In case of any damage to or destruction of the buildings, structures, equipment, or any other improvements on or at the Demised Premises (including the Building Improvements), 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 any building, structure, equipment, or other improvements (including the Building Improvements) on or at 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 and diligently commence and complete the restoration, repair and replacement of said building, structure, equipment, or other improvements as nearly as possible to their value, condition and character immediately prior to such damage and/or destruction and with at least as good workmanship and quality as such building, structure, equipment, or other improvements on or at the Demised Premises being repaired or replaced, with such alterations in and additions thereto as may be approved in writing by Landlord (hereinafter sometimes referred to as the "Restoration"). All Restoration plans (whether design, architectural, or otherwise) shall be approved in writing by Landlord prior to the commencement of construction. All such design and construction shall comply with other Sections of this Lease concerning the design and construction of buildings and other improvements on or at the Demised Premises, including without limitation Sections 6, 8, and 13 hereof.

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 an escrow agent mutually acceptable to Landlord and Tenant. Landlord shall be protected, and fully indemnified in accordance with Section 6 and Section 21 hereof and other relevant provisions of this Lease, in acting upon any endorsed 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 Section 14.

D. Insurance proceeds held by the escrow agent 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 ("Net Insurance Proceeds")) shall be applied as follows:

1. Net Insurance Proceeds shall be paid to Tenant or as Tenant may direct from time to time as Restoration progresses to pay (or reimburse Tenant for) the cost of Restoration, upon

written request of Tenant to Landlord and escrow agent 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) lien waivers or 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.

2. Upon receipt by Landlord of the certificate and opinion or lien waivers required by the foregoing clauses 1 (a) and (b) that Restoration has been completed and the cost thereof paid in full, and that there are no mechanics', materialman's or similar liens for labor or materials supplied in connection therewith, the balance, if any, of such proceeds shall be paid to Tenant or as Tenant may direct.

E. In the event that Tenant does not promptly commence Restoration, or after commencement Tenant does not diligently proceed to the completion of same, Landlord shall have the right to commence or complete Restoration. Landlord's right to commence or complete Restoration shall begin after Landlord has given Tenant at least thirty (30) days written notice requesting (i) the commencement of Restoration, or (ii) that Tenant diligently proceed to the completion of Restoration, and Tenant during such thirty (30) day period fails to commence or fails to proceed to diligently complete Restoration. In such event, Landlord shall be entitled to obtain the insurance proceeds, and Tenant shall promptly pay any deficiency if such proceeds are not sufficient for Restoration.

F. In the event of termination of this Lease by Landlord as a result of Tenant's failure to commence or complete (as the case may be) the Restoration, this Lease shall terminate and come to an end upon Landlord's termination as aforesaid as though the date of such termination by Landlord were the date of expiration of the term of this Lease, and all insurance proceeds shall be paid to Landlord.

Section 15. Condemnation:

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

B. If after such taking by or sale to said condemning authority the remainder of the Demised Premises is susceptible to efficient and economic occupation and operation by Tenant, this Lease shall not terminate but the rental due hereunder shall be adjusted so that Tenant shall

be required to pay for the remainder of the Term the sum obtained by multiplying each monthly rental installment due hereunder, as adjusted from time to time pursuant to Section 4, by a fraction, the numerator of which shall be the number of square feet remaining in the Demised Premises after the taking by or sale to said condemning authority and denominator of which shall be the square footage originally contained in the Demised Premises. The rental adjustment called for herein shall not commence until said condemning authority actually takes possession of the condemned portion of the Demised Premises.

C. If this Lease is not terminated pursuant to Section 15.A, above, Tenant shall promptly restore any building and any other improvements on the Demised Premises, and the condemnation proceeds to which Landlord and Tenant are entitled shall be awarded and paid first to cover the costs and expenses for restoring the remaining portion of the Demised Premises to a condition susceptible to efficient and economic occupation and operation by Tenant, and any remaining proceeds to which Landlord and Tenant are entitled shall be awarded and paid to Landlord and Tenant, as their interest may appear. If this Lease is terminated pursuant to Section 15.A, condemnation proceeds to which Landlord and Tenant are entitled shall be awarded and paid to Landlord and Tenant as their interests may appear.

Section 16. Utilities: Tenant shall be responsible at Tenant's sole cost and expense for obtaining all utility connections at or for the Demised Premises and Tenant shall pay all charges for water, electricity, gas, sewer, storm water fees, telephone or any other utility connections, tap-in fees, impact fees, and services furnished to the Demised Premises during the term hereof. Tenant agrees to contact all utility service providers prior to any excavation or digging on the Demised Premises. Landlord shall in no event be liable or responsible for any cessation or interruption in any such utility services.

Section 17. Common Facilities:

A. Tenant and Tenant's employees, agents, servants, customers and other invitees shall have the non-exclusive right to use all common facilities, improvements, equipment and services which may now exist or which may hereafter be provided by Landlord for the accommodation and convenience of Landlord's customers and tenants, including landing and takeoff facilities, means of ingress and egress to the Demised Premises, other Airport installations, and all other reasonable services which may be provided with or without charge from time to time by Landlord in operating the Airport ("Common Facilities"). All such Common Facilities shall at all times be under the exclusive control, operation and management of Landlord and may be rearranged, modified, changed, altered, removed, or terminated from time to time at Landlord's sole discretion. Landlord shall endeavor to prevent such rearrangement, modification, change, alteration, removal or termination from materially impairing Tenant's ability to perform its obligations under this Lease.

Section 18. Rules and Regulations: Landlord has adopted *Addison Airport Minimum Standards and Requirements for Commercial Aeronautical Service Providers* ("Minimum Standards") and the *Addison Airport Rules and Regulations* ("Rules and Regulations") (collectively the "Airport Governing Documents") which govern the Tenant's use of the Demised Premises and all Common Facilities, a copy of each has been furnished to Tenant. The Airport Governing Documents are incorporated by reference as if written verbatim herein, and Tenant agrees to comply

fully at all times with these governing documents. Landlord, in its sole discretion, may amend, modify and alter the Airport Governing Documents from time to time in a reasonable manner or may introduce other regulations as deemed necessary for the purpose of assuring the safety, welfare, convenience and protection of property of Landlord, Tenant and all other tenants and customers of the Airport.

Section 19. Signs and Equipment:

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

B. The Parties mutually agree to work together to develop directional signage and street lighting standards for the Demised Premises, which would be suitable and appropriate for use elsewhere on or about the Airport.

Section 20. Landlord's Right of Entry: Landlord and Landlord's authorized representatives shall have the right, during normal business hours, to enter only the public portions (e.g. public terminal area) of the Demised Premises without any duty of giving Tenant advance notice of Landlord's intended entry. With no less than 24 hours' advance notice to Tenant, Landlord and Landlord's authorized representatives shall have the right, during normal business hours (except in the case of emergencies) to enter the Demised Premises to (i) inspect the general condition and state of repair thereof, and (ii) make repairs permitted under this Lease. In addition, during the final one hundred eighty (180) days of the Term, Landlord or Landlord's authorized representatives shall have the right during normal business hours and with 24 hours' advance notice to Tenant, to enter the Demised Premises to show the Demised Premises to any prospective tenant or purchaser.

During the final one hundred eighty (180) days of the term hereof, Landlord and Landlord's authorized representatives shall have the right to erect and maintain on or about the Demised Premises customary signs advertising the Demised Premises for lease.

Section 21. Indemnity and Exculpation:

A. **Exculpation.** The Town of Addison, Texas and all other Addison Persons and the Manager Persons (for purposes of this subparagraph A, as the terms "**Addison Persons**" and "**Manager Persons**" are defined in subparagraph B below), shall not be liable to Tenant or to any Tenant Persons (for purposes of this subparagraph A, as the term "**Tenant Persons**" is defined in subparagraph B below), or to any other person whomsoever, for any death or injury to persons or damage to or destruction of property or any other harm on or about the Demised Premises or any adjacent area owned by Landlord caused by or resulting from any act or omission of Tenant or any Tenant Persons or any other person entering the Demised

Premises under express or implied invitation of Tenant or any Tenant Persons, or arising out of the use or occupation of the Premises by Tenant or by any Tenant Persons, in the performance of Tenant's obligations hereunder.

B. Tenant's Indemnity Obligation. TENANT AGREES TO AND SHALL FULLY DEFEND (WITH COUNSEL REASONABLY ACCEPTABLE TO LANDLORD), INDEMNIFY AND HOLD HARMLESS (I) THE TOWN OF ADDISON, TEXAS, AND ITS ELECTED OFFICIALS, THE OFFICERS, EMPLOYEES, AGENTS, REPRESENTATIVES, AND VOLUNTEERS OF THE TOWN OF ADDISON, TEXAS, INDIVIDUALLY OR COLLECTIVELY, IN BOTH THEIR OFFICIAL AND PRIVATE CAPACITIES (THE TOWN OF ADDISON, TEXAS, AND THE ELECTED OFFICIALS, THE OFFICERS, EMPLOYEES, REPRESENTATIVES, AND VOLUNTEERS OF THE TOWN OF ADDISON, TEXAS EACH BEING AN "ADDISON PERSON" AND COLLECTIVELY THE "ADDISON PERSONS") AND (II) AIRPORT MANAGER AND AIRPORT MANAGER'S OWNERS, OFFICERS, EMPLOYEES AND AGENTS (AIRPORT MANAGER AND AIRPORT MANAGER'S OWNERS, OFFICERS, EMPLOYEES AND AGENTS EACH BEING A "MANAGER PERSON" AND COLLECTIVELY THE "MANAGER PERSONS"), FROM AND AGAINST ANY AND ALL CLAIMS, ACTIONS, PROCEEDINGS, CAUSES OF ACTION, DEMANDS, LOSSES, LIENS, HARM, DAMAGES, PENALTIES, FINES, LIABILITIES, EXPENSES, LAWSUITS, JUDGMENTS, COSTS, AND FEES (INCLUDING REASONABLE ATTORNEY FEES AND COURT COSTS) OF ANY KIND AND NATURE WHATSOEVER MADE UPON, INCURRED BY, SUFFERED BY, OR ASSERTED AGAINST ANY ADDISON PERSON OR ANY MANAGER PERSON OR THE DEMISED PREMISES, WHETHER DIRECTLY OR INDIRECTLY, (COLLECTIVELY FOR PURPOSES OF THIS SUBPARAGRAPH B, "DAMAGES"), THAT RESULT FROM, RELATE TO, OR ARISE OUT OF, IN WHOLE OR IN PART, (I) ANY CONDITION OF THE DEMISED PREMISES CAUSED IN WHOLE OR IN PART BY TENANT OR BY ANY OF TENANT'S OWNERS, DIRECTORS, SHAREHOLDERS, PARTNERS, MANAGERS, OFFICERS, EMPLOYEES, AGENTS, REPRESENTATIVES, ENGINEERS, CONSULTANTS, CONTRACTORS, SUBCONTRACTORS, TENANTS, LICENSEES, INVITEES, PATRONS, CONCESSIONAIRES, OR ANY OTHER PERSON OR ENTITY FOR WHOM TENANT IS LEGALLY RESPONSIBLE, AND THEIR RESPECTIVE OWNERS, DIRECTORS, SHAREHOLDERS, PARTNERS, OFFICERS, MANAGERS, EMPLOYEES, AGENTS, REPRESENTATIVES, ENGINEERS, CONSULTANTS, CONTRACTORS, SUBCONTRACTORS, TENANTS, LICENSEES, INVITEES, PATRONS, AND CONCESSIONAIRES, OR ANY OTHER PERSON ACTING BY OR UNDER THE AUTHORITY OR WITH THE PERMISSION OF TENANT, TENANT'S TENANTS, OR ANY OTHER PERSON ENTERING THE PREMISES UNDER EXPRESS OR IMPLIED INVITATION OF TENANT DURING THE TERM (COLLECTIVELY, "TENANT PERSONS"), (II) ANY CONSTRUCTION ON OR REPAIR TO THE DEMISED PREMISES, OR THE DEMISED PREMISES BECOMING OUT OF REPAIR DUE TO THE FAULT OF TENANT OR ANY TENANT PERSONS, FOR ANY REASON INCLUDING BY FAILURE OF EQUIPMENT, PIPES, OR WIRING, OR BROKEN GLASS, OR BY THE BACKING UP OF DRAINS, OR BY GAS, WATER, STEAM, ELECTRICITY OR OIL LEAKING, ESCAPING OR FLOWING INTO THE PREMISES, REGARDLESS OF THE SOURCE, OR BY DAMPNESS OR BY FIRE, EXPLOSION, FALLING PLASTER OR CEILING, (III) REPRESENTATIONS OR WARRANTIES BY TENANT UNDER THIS LEASE, AND/OR (IV) ANY ACT OR OMISSION OF TENANT OR ANY TENANT PERSONS UNDER, IN CONNECTION WITH, OR IN THE PERFORMANCE OF, THIS LEASE. SUCH DEFENSE, INDEMNITY, AND HOLD HARMLESS OBLIGATION SHALL AND DOES INCLUDE DAMAGES ALLEGED OR FOUND TO HAVE BEEN CAUSED, IN WHOLE OR IN PART, BY THE NEGLIGENCE OR GROSS NEGLIGENCE OF THE TOWN OF ADDISON, TEXAS, ANY OTHER ADDISON PERSON, THE AIRPORT MANAGER, OR ANY OTHER MANAGER PERSON, OR BY ANY ACT OR OMISSION BY THE TOWN OF ADDISON, TEXAS, ANY OTHER ADDISON PERSON, THE AIRPORT MANAGER, OR ANY OTHER MANAGER PERSON THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND.

HOWEVER, TENANT'S LIABILITY UNDER THIS CLAUSE SHALL BE REDUCED BY THAT PORTION OF THE TOTAL AMOUNT OF THE DAMAGES (EXCLUDING DEFENSE FEES AND COSTS) EQUAL TO THE ADDISON PERSON OR ADDISON PERSONS', OR MANAGER PERSON OR MANAGER PERSONS', (AS THE CASE MAY BE) PROPORTIONATE SHARE OF THE NEGLIGENCE, OR CONDUCT THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND, THAT CAUSED THE LOSS. LIKEWISE, TENANT'S LIABILITY FOR ANY ADDISON PERSON'S OR ANY MANAGER PERSON'S DEFENSE COSTS AND ATTORNEYS' FEES SHALL BE REDUCED BY THAT PORTION OF THE DEFENSE COSTS AND ATTORNEYS' FEES EQUAL TO ADDISON PERSON OR ADDISON PERSONS', OR MANAGER PERSON OR MANAGER PERSONS', (AS THE CASE MAY BE) PROPORTIONATE SHARE OF THE NEGLIGENCE, OR CONDUCT THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND, THAT CAUSED THE LOSS.

TENANT SHALL PROMPTLY ADVISE LANDLORD IN WRITING OF ANY CLAIM OR DEMAND AGAINST THE TOWN OF ADDISON, ANY OTHER ADDISON PERSON, ANY MANAGER PERSON, OR TENANT OR ANY TENANT PERSON RELATED TO OR ARISING OUT OF TENANT'S ACTIVITIES UNDER THIS LEASE AND SHALL SEE TO THE INVESTIGATION AND DEFENSE OF SUCH CLAIM OR DEMAND AT TENANT'S SOLE COST AND EXPENSE. THE ADDISON PERSONS AND MANAGER PERSONS, AS THE CASE MAY BE, SHALL HAVE THE RIGHT, AT THE ADDISON PERSONS' OR MANAGER PERSONS' (AS THE CASE MAY BE) OPTION AND AT THEIR OWN EXPENSE, TO PARTICIPATE IN SUCH DEFENSE WITHOUT RELIEVING TENANT OF ANY OF ITS OBLIGATIONS HEREUNDER.

C. Release. TENANT HEREBY RELEASES LANDLORD AND ALL OTHER ADDISON PERSONS, AND AIRPORT MANAGER AND ALL OTHER MANAGER PERSONS, (I) FOR ANY DEATH OR INJURY TO ANY PERSON OR PERSONS OR DAMAGE TO OR DESTRUCTION OF PROPERTY OF ANY KIND RESULTING FROM THE DEMISED PREMISES BECOMING OUT OF REPAIR OR BY DEFECT IN OR FAILURE OF EQUIPMENT, PIPES, OR WIRING, OR BROKEN GLASS, OR BY THE BACKING UP OF DRAINS, OR BY GAS, WATER, STEAM, ELECTRICITY OR OIL LEAKING, ESCAPING OR FLOWING INTO THE DEMISED PREMISES, REGARDLESS OF THE SOURCE, OR BY DAMPNESS OR BY FIRE, EXPLOSION, FALLING PLASTER OR CEILING OR FOR ANY OTHER REASON WHATSOEVER, AND (II) ANY LOSS OR DAMAGE THAT MAY RESULT FROM OR BE OCCASIONED BY OR THROUGH THE ACTS OR OMISSIONS OF OTHER TENANTS OF LANDLORD OR CAUSED BY OPERATIONS IN CONSTRUCTION OF ANY PRIVATE, PUBLIC, OR QUASI-PUBLIC WORK.

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

Section 22. Environmental Compliance:

A. No Storage or Disposal: Tenant shall not install, store, use, treat, transport, discharge or dispose (or permit or acquiesce in the installation, storage, use, treatment, transportation, discharge or disposal by Tenant, its directors, officers, shareholders, members, partners, agents, employees, invitees, contractors, subcontractors, independent contractors, or subtenants) on the Demised Premises or any portion of the Common Facilities, any: (a) asbestos in any form; (b) urea formaldehyde foam insulation; (c) transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls in excess of 50 parts per million; or (d) any other chemical, material, air pollutant, toxic pollutant, waste, or substance which is regulated as toxic or hazardous or exposure to which is prohibited, limited or regulated

by the Resource Conservation Recovery Act (42 U.S.C. §6901, et seq., as amended or superseded), the Comprehensive and Environmental Response Compensation and Liability Act (42 U.S.C. §9601, et seq., as amended or superseded), the Hazardous Materials Transportation Act, the Toxic Substances Control Act, the Clean Air Act, and/or the Clean Water Act, or any other federal, state, county, regional, local or other governmental authority laws, rules, orders, standards, policies, or regulations, or which, even if not so regulated may or could pose a hazard to the health and safety of the occupants of the Demised Premises and/or any portions of the Common Facilities, and which is either: (i) in amounts in excess of that permitted or deemed safe under any applicable law, rule, order, standard, policy, or regulation or (ii) in any manner prohibited or deemed unsafe under applicable law, rule, order, standard, policy, or regulation. (The substances referred to in (a), (b), (c) or (d) are collectively referred to hereinafter as "Hazardous Materials").

B. Cleanup Laws: Tenant shall, at Tenant's own expense, comply with any presently existing or hereafter enacted laws relating to Hazardous Materials (collectively, "Cleanup Laws"); provided, however that Tenant shall not be responsible for correcting any violation of the Cleanup Laws under this Section that existed prior to the Date of Tenant's Taking Possession – Phase I Demised Premises. In furtherance and not in limitation of the foregoing, Tenant shall, at Tenant's own expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority (the "Authority") under the Cleanup Laws. Should any Authority require that a cleanup plan be prepared and that a cleanup be undertaken because of the existence of Hazardous Materials which were installed, stored, used, treated, transported, disposed of or discharged on the Demised Premises and/or any portion of the Common Facilities, by Tenant, its directors, shareholders, members, partners, officers, agents, employees, invitees, independent contractors, contractors, subcontractors, licensees, subtenants, any other person entering the Demised Premises under express or implied invitation of Tenant, or any person directly or indirectly employed by or acting under Tenant, during the Term, Tenant shall, at Tenant's own expense, prepare and submit the required plans and financial assurances and carry out the approved plans in accordance with such Cleanup Laws and to Landlord's satisfaction. At no expense to Landlord, Tenant shall promptly provide all information requested by Landlord for preparation of affidavits or other documents required by Landlord to determine the applicability of the Cleanup Laws to the Demised Premises and/or any portion of the Common Facilities, as the case may be, and shall sign the affidavits promptly when requested to do so by Landlord.

TENANT'S FURTHER INDEMNITY OBLIGATION. TENANT SHALL INDEMNIFY, DEFEND, SAVE AND HOLD HARMLESS LANDLORD AND ALL OTHER ADDISON PERSONS, AND AIRPORT MANAGER AND ALL OTHER MANAGER PERSONS, FROM AND AGAINST, AND REIMBURSE LANDLORD AND ALL OTHER ADDISON PERSONS, AND AIRPORT MANAGER AND ALL OTHER MANAGER PERSONS FOR, ANY AND ALL DAMAGES ARISING OUT OF OR IN ANY WAY CONNECTED WITH, (I) THE GENERATION, INSTALLATION, STORAGE, USE, TREATMENT, TRANSPORTING, DISPOSAL OR DISCHARGE OF HAZARDOUS MATERIALS IN OR ON THE DEMISED PREMISES AND/OR ANY PORTION OF THE AIRPORT, INCLUDING THE COMMON FACILITIES, OR ANY PROPERTY ADJACENT TO THE AIRPORT, BY TENANT OR ANY TENANT PERSONS, AND (II) ALL FINES, SUITS, PROCEDURES, CLAIMS AND ACTIONS OF ANY KIND ARISING OUT OF TENANT'S FAILURE TO PROVIDE ALL INFORMATION, MAKE ALL SUBMISSIONS AND TAKE ALL STEPS REQUIRED BY A GOVERNMENT AUTHORITY UNDER THE CLEANUP LAWS OR ANY OTHER

ENVIRONMENTAL LAW, RULE, STANDARD, REGULATION, OR POLICY. SUCH DEFENSE, INDEMNITY, AND HOLD HARMLESS OBLIGATION SHALL AND DOES INCLUDE DAMAGES ALLEGED OR FOUND TO HAVE BEEN CAUSED, IN WHOLE OR IN PART, BY THE NEGLIGENCE OR GROSS NEGLIGENCE OF THE TOWN OF ADDISON, ANY OTHER ADDISON PERSONS, AIRPORT MANAGER, OR ANY OTHER MANAGER PERSONS, OR BY ANY ACT OR OMISSION OF OR BY THE TOWN OF ADDISON, TEXAS, ANY OTHER ADDISON PERSONS, THE AIRPORT MANAGER OR ANY OTHER MANAGER PERSONS THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND. HOWEVER, TENANT'S LIABILITY UNDER THIS CLAUSE SHALL BE REDUCED BY THAT PORTION OF THE TOTAL AMOUNT OF THE ENVIRONMENTAL DAMAGES (EXCLUDING DEFENSE FEES AND COSTS) EQUAL TO THE ADDISON PERSON OR ADDISON PERSONS', OR MANAGER PERSON OR MANAGER PERSONS', (AS THE CASE MAY BE) PROPORTIONATE SHARE OF THE NEGLIGENCE, OR CONDUCT THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND, THAT CAUSED THE LOSS. LIKEWISE, TENANT'S LIABILITY FOR ANY ADDISON PERSON'S OR ANY MANAGER PERSON'S DEFENSE COSTS AND ATTORNEYS' FEES SHALL BE REDUCED BY THAT PORTION OF THE DEFENSE COSTS AND ATTORNEYS' FEES EQUAL TO ADDISON PERSON OR ADDISON PERSONS', OR MANAGER PERSON OR MANAGER PERSONS', (AS THE CASE MAY BE) PROPORTIONATE SHARE OF THE NEGLIGENCE, OR CONDUCT THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND, THAT CAUSED THE LOSS.

C. Environmental Notices: Tenant shall promptly supply Landlord with copies of any notices, correspondence and submissions made by Tenant to or received by Tenant from any governmental authorities of the United States Environmental Protection Agency, the United States Occupational Safety and Health Administration, the FAA, TxDOT, or any other local, state or federal authority that requires submission of any information concerning environmental matters or Hazardous Materials.

D. Beginning on the Effective Date, Landlord shall provide access to or copies of any and all environmental studies, including but not limited to all Environmental Site Assessments, conducted on the Demised Premises or adjacent parcels which Landlord has in its possession or may reasonably access. During the Inspection Period, Tenant, at Tenant's sole cost and expense, shall be entitled to conduct a Phase I Environmental Site Assessment ("ESA") with respect to the Demised Premises. If the Phase I ESA indicates the likely presence of Hazardous Materials on the Demised Premises, Landlord shall remedy the reported condition at its sole cost and expense, if, and only if, a Phase II ESA is not recommended. If the Phase I ESA indicates the likely presence of Hazardous Materials on the Demised Premises and recommends a Phase II ESA, the Parties shall work in good faith to negotiate next steps which could allow the safe development of the Demised Premises, up to and including having a Phase II ESA, at the sole cost and expense of Tenant, and related remediation efforts conducted (the "Remediation Plan"). If the Parties are able to agree on a Remediation Plan, including the responsibilities for the costs of the Remediation Plan, Landlord will proceed to implement the Remediation Plan in connection with the Phase I Demolition Work as determined in the Remediation Plan. If the Parties, after reasonable efforts to do so, are unable to agree on a Remediation Plan by the end of the Inspection Period, either Party shall have the option to terminate this Lease by written notice to the other party, in which event, this Lease shall terminate and no further obligation shall be borne by either party hereto. A copy of a Phase I ESA and Phase II ESA, if any, shall be delivered promptly to Landlord upon completion provided that such documents shall remain the property of Tenant.

E. Survival: Tenant's defense and indemnity and hold harmless obligation and Tenant's liability pursuant to the terms of this Sections 6, 21 and 22 shall survive the expiration or earlier termination of this Lease.

Section 23. Default by Tenant: Each of the following events, inclusive of those events of default otherwise referenced herein, shall be deemed to be an Event of Default (herein so called) by Tenant under this Lease:

A. Failure of Tenant to pay any installment of Rent payable to Landlord hereunder, and such failure shall continue for a period of ten (10).

B. Failure to pay or cause to be paid taxes (to the extent Tenant is obligated to pay or cause same to be paid), utilities, or insurance premiums, or any other payment which Tenant is obligated to pay under the Lease and such failure shall continue for a period of thirty (30) days after written notice thereof to Tenant.

C. Failure of Tenant to comply with any term, condition or covenant of this Lease (other than the payment of Rent, or the payment of taxes, utilities or insurance premiums, or other payments Tenant is to make under this Lease, as set forth in Subsection A and B of this Section 23) and such failure shall not be cured within thirty (30) days after written notice thereof to Tenant setting forth such default; provided, however, in the event such failure is not susceptible of cure within such thirty (30) day period, then Tenant shall advise Landlord in writing of the same, such thirty (30) day period shall be extended for an additional period of time (not to exceed an additional sixty (60) days except in the case of Force Majeure, in which event the Force Majeure provisions shall apply) so long as Tenant has provided Landlord written notice of the curative measures Tenant proposes to undertake and has commenced to cure such failure within the initial thirty (30) day period and thereafter diligently pursues such cure.

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

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

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

G. Abandonment or cessation of use of the Demised Premises or any substantial portion thereof for the purpose leased by Tenant for a period of thirty (30) consecutive days except for Force Majeure.

H. Tenant is in default of any other ground lease at Addison Airport, including but not limited to, premises subject to the Phase II Land Option.

Section 24. Remedies of Landlord: Upon the occurrence of any of Event of Default by Tenant under this Lease, Landlord, without prejudice to any other legal, equitable, or

contractual right or remedy, shall have the option to pursue any one or more of the following rights or remedies using lawful force if necessary or appropriate, without notice or demand whatsoever:

A. Terminate this Lease or any of Tenant's rights under this Lease, with or without reentering or repossessing the Demised Premises, and terminate any other lease or agreement at the Airport between Landlord and Tenant. Landlord may also terminate this Lease at any time after a termination of occupancy or possession as described in subsection B of this Section 24.

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

C. Recover unpaid Rent and any Damages (as defined below);

D. Re-enter and re-possess all or any part of the Demised Premises by changing or picking the locks, access codes, or other access control devices, and taking any other self-help or judicial action, to exclude Tenant and other occupants from the Demised Premises. Re-entry or repossession of the Demised Premises by Landlord will not be construed as an election by Landlord to terminate this Lease.

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

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

G. Cure Tenant's default, and if Landlord does so, Tenant must reimburse Landlord within 30 days after Landlord delivers an invoice for any actual, out-of-pocket expenses Landlord incurred effecting compliance with Tenant's obligations.

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

I. Exercise all other remedies available to Landlord at law or in equity (including, without limitation, injunctive and other extraordinary remedies).

For purposes of this Section, "Damages" includes, without limitation, all actual and incidental, and consequential damages, court costs, interest, and attorneys' fees incurred by Landlord and arising from Tenant's breach of this Lease, including, without limitation, the cost of (A) recovering possession of the Demised Premises, (B) removing and storing Tenant's and any other occupant's property, (C) re-letting the Demised Premises, including, without limitation, the costs of brokerage commissions and cleaning, decorating, repairing, or altering the Demised Premises for a substitute tenant or tenants, (D) collecting any money owed by Tenant or a substitute tenant, (E) repairing any damage caused by any Tenant Persons, (F) performing any obligation of Tenant under the Lease, and (G) any other loss or cost incurred by Landlord as a result of, or arising from, Tenant's breach of the Lease or Landlord's exercise of its rights and

remedies for such breach. Provided, however, that consequential damages shall be limited to the direct losses naturally incurred by the Town of Addison at the Addison Airport, proven by a preponderance of the evidence that is a natural result of the breach of the Lease by Tenant, and shall not include any consequential damages that occur outside of the Leased Premises.

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

Pursuit of any of the foregoing rights or remedies by Landlord shall not preclude Landlord's pursuit of any of the other rights or remedies herein provided or any other rights or remedies provided by law, in equity, or otherwise, nor shall pursuit of any right or 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.

Section 25. 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 (including consequential 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 recovery 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 (not to exceed an additional sixty (60) days except in the case of Force Majeure, in which event the Force Majeure provisions shall apply) so long as Landlord has provided Tenant written notice of the curative measures Landlord proposes to undertake and 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 as its sole and exclusive remedy to:

A. Proceed to cure such default (provided such cure occurs entirely within the Demised Premises) 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;

B. Proceed to cure such default (provided such cure occurs entirely within the Demised Premises) and bring suit against Landlord for the cost of curing same plus interest thereon at the rate of ten percent (10%) per annum; or

C. Terminate this Lease by written notice to Landlord and pursue any remedies available to Tenant under law or in equity. In the event of such termination, the provisions of Section 28.C shall apply to the Building Improvements on the Leased Premises.

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.

Section 26. Mitigation of Damages:

A. In lieu of any obligation imposed by law on Landlord to mitigate damages arising from Tenant's abandonment of the Demised Premises in breach of this Lease, Landlord, beginning not more than 90 days after Tenant physically vacates the Demised Premises and continuing until the Demised Premises have been relet (but subject to the provisions of this subsection A set forth below), will market the Demised Premises for lease, and Tenant will remain liable for all Rent and for Damages incurred by Landlord (as the term "Damages" is defined in Section 24, above).

Landlord and Tenant agree to the following criteria in connection with Landlord's obligation (if any) to mitigate damages as described above:

1. Landlord will have no obligation to solicit or entertain negotiations with any other prospective tenants of the Demised Premises until and unless Landlord obtains full and complete possession of the Demised Premises, including without limitation, the final and unappealable legal right to relet the Demised Premises free of any claim of Tenant.
2. Landlord will not be obligated to offer the Demised Premises to a prospective tenant when other premises suitable for that prospective tenant's use are (or soon will be) available in any other premises located at Addison Airport.
3. Landlord will not have any obligation to lease the Demised Premises for any rental less than the current rate then prevailing for similar space at Addison Airport (or if no similar space is available, the current fair market rental then prevailing for similar space in comparable buildings in the same market area as the Demised Premises) nor shall Landlord be obligated to enter into a new lease under any terms or conditions that are unacceptable to Landlord.
4. Landlord will not be obligated to enter into any lease with any prospective tenant whose reputation is not acceptable to Landlord, in Landlord's commercially reasonable judgment and opinion.
5. Landlord will not be obligated to enter into a lease with any prospective tenant: (i) which does not have, in Landlord's sole judgment and opinion, sufficient financial resources and operating experience to operate the Demised Premises in a first class manner and meet its financial obligations; or (ii) whose proposed use of the Demised Premises is not a permitted use under the terms of this Lease.

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

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

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

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

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

Section 28. Title to Improvements:

A. Any and all improvements on the Demised Premises, including, without limitation, any buildings constructed on the Demised Premises by or for Tenant (the "Improvements"), shall be owned by Tenant during the term of this Lease.

B. Upon the expiration or earlier termination of this Lease, the Improvements and all parts thereof, shall merge with the title of the Demised Premises, free and clear of any claim of Tenant and all persons or entities claiming under or through Tenant (including, without limitation, any holder of a leasehold mortgage), and shall become the property of Landlord. In such event (i) Tenant shall deliver up to Landlord the Demised Premises clean and free of trash and in good repair and condition in accordance to the prevailing *Tenant's Leasehold Minimum Maintenance and Repair Standards and Practices*, as amended or modified, with all fixtures and equipment situated in the Demised Premises delivered in good working order, reasonable wear and tear excepted, and (ii) unless Tenant is then in default, Tenant shall have the right to remove all personal property (including aircraft stored in the Building Improvements) 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; or (iii) with no less than twelve (12) months remaining to the Term, Landlord may elect to by written notice require Tenant to demolish and remove, or cause to be removed, all improvements from the Demised Premises and restore the Demised Premises to the condition in which the same existed immediately prior to the Landlord's the Landlord's Phase I Demolition Start Date given in Section 6.A.2 above, in which event Tenant shall, at Tenant's sole cost, risk and expense, perform and complete such removal and restoration in a good and workmanlike manner, in accordance with all applicable ordinances, codes, rules and regulations prior to the expiration or termination of the Term. Upon such termination, Tenant shall at Landlord's request, execute a recordable instrument evidencing the termination of this Agreement giving the effective date of said termination or expiration date.

C. Tenant's obligations under this Section 28 shall continue and survive beyond the expiration or termination of this Lease.

Section 29. Mechanics' and Materialmen's Liens Indemnity

A. TENANT AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS TO THE FULL EXTENT AS PROVIDED IN THIS LEASE, LANDLORD AND ALL LANDLORD PERSONS, AND AIRPORT MANAGER AND ALL MANAGER PERSONS, FROM AND AGAINST 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 (INCLUDING, WITHOUT LIMITATION, ANY TENANT PERSONS), AND LANDLORD, AT LANDLORD'S OPTION, MAY SATISFY SUCH LIENS AND COLLECT THE AMOUNT EXPENDED FROM TENANT TOGETHER WITH INTEREST THEREON AS PROVIDED IN SECTION 39 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, UNLESS A SHORTER PERIOD OF TIME IS DICTATED BY APPLICABLE LAW.

Section 30. INTENTIONALLY DELETED.

Section 31. Quiet Enjoyment and Subordination: Landlord represents that Tenant, upon payment of the Rent and performance of the terms, conditions, covenants and agreements herein contained, shall (subject to all of the terms and conditions of this Lease) peaceably and quietly have, hold and enjoy the Demised Premises during the Term. 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 hereafter placed on the Demised Premises or to declare this Lease prior and superior to any mortgage, deed of trust or other lien 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 Term 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.

Section 32. Rent on Net Return Basis: The Rent provided for in this Lease shall be an absolutely net return to Landlord for the Term, 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.

Section 33. 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 one hundred twenty-five percent (125%) of the Base Rent paid for the last month of the Term.

Section 34. Waiver of Default: No waiver by the Parties hereto of any default or breach of any term, condition or covenant of this Lease shall be deemed to be a waiver of any subsequent default or breach of the same or any other term, condition or covenant contained herein. Landlord will not be deemed to have waived any right or Tenant's breach of any obligation under this Lease, unless Landlord delivers a signed writing, addressed to Tenant explicitly relinquishing that right or breach. No custom or practice arising during the administration this Lease will waive, or diminish, Landlord's right to insist upon strict performance of Tenant's obligations. No restrictive endorsement or other statement on or accompanying any check or payment will be deemed an accord and satisfaction or novation, and Landlord will be entitled to accept any such check or payment, without prejudice, to Landlord's rights to recover the full amount due and to exercise its other remedies.

Section 35. Release of Landlord Upon Transfer: All of Landlord's personal liability for the performance of the terms and provisions of this Lease (except for any liability accruing prior to such transfer) shall terminate upon a transfer of the Demised Premises by Landlord, provided that any such transferee shall execute a document confirming that the obligations of Landlord under this Lease shall be binding upon such transferee. In addition, the obligations of Landlord are covenants running with the land and shall be binding upon the transferee of Landlord's interest in this Lease and the Demised Premises. Landlord shall provide Tenant at least sixty (60) days' notice of any such transfer, together with the name and contact information of the transferee.

Section 36. Attorneys' Fees: If, on account of any breach or default by either party to this Lease, it shall become necessary for either party to employ an attorney to enforce or defend any of its rights or remedies hereunder, with the result that a judicial proceeding shall be filed, then the prevailing party in such judicial proceeding shall be entitled, in addition to any other rights it may have, in law or equity, to collect reasonable attorneys' fees and costs of Court incurred.

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

Section 38. 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.

D. If requested by Landlord, Tenant will not pay rent for more than one (1) month in advance and that this Lease will not be amended without notice to Landlord's mortgagee and that the same will not be terminated without the same notice required by the Lease to be furnished to Landlord also being furnished to Landlord's mortgagee and Landlord's mortgagee fails to cure such default within the curative period allowed Landlord under this Lease.

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:

1. 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).

2. The dates to which Rent and other charges have been paid.

3. 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.

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

Section 40. Special Events: Landlord may from time to time sponsor certain special events, including, but not limited to, air shows, to be conducted on portions of the Airport, which may limit or obstruct access to the Premises and/or to the Airport ("Special Events"), and Tenant agrees and consents to the same. As a material inducement to Landlord to enter into this Lease, and notwithstanding anything to the contrary contained herein, Tenant, on behalf of Tenant and on behalf of all directors, officers, shareholders, partners, principals, employees, agents, contractors, subtenants, licensees or concessionaires of Tenant and on behalf of any other party claiming any right to use the Demised Premises by, through or under Tenant, hereby: (i) agrees that Landlord has the right to sponsor any such Special Events and to allow use of portions of the Airport therefor even if the same limit or obstruct access to the Demised Premises and/or to the Airport; (ii) **releases, waives and discharges** Landlord and Manager, and Landlord Persons and Manager Persons, from all liability for any loss, damage, cost, expense or claim arising or resulting from or pertaining to the limitation or obstruction of access to the Demised Premises and/or to the Airport from the conduct of Special Events and/or activities relating or pertaining thereto, including, without limitation, death, injury to person or property or loss of business or revenue except to the extent caused by the gross negligence or willful misconduct of Landlord, Manager, Landlord Persons and Manager Persons (the "Released Claims"); (iii) **covenants not to sue** the Landlord or Manager, or any of the Landlord Persons and Manager Persons, for any Released Claims except to the extent caused by the gross negligence or willful misconduct of Landlord, Manager, Landlord Persons and Manager Persons; (iv) agrees that the terms contained in this Section are intended and shall be construed to be as broad and inclusive as possible under the laws of the State of Texas; and (v) agrees that if any portion of this Section is held to be invalid or unenforceable, the remainder of this Section shall not be affected thereby but shall continue in full force and effect.

Section 41. Independent Contractor: It is understood and agreed that in leasing, using, occupying, 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 or Airport Manager.

Section 42. Force Majeure:

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

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

Section 43. 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.

Section 44. 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.

Section 45. Captions: The captions or headings, sections, 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.

Section 46. Successors; No Third Party Beneficiaries; No Waiver of Immunity; No Tax Representation: 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.

Except as otherwise set forth in this Lease (e.g., provisions relating to the Airport Manager and Manager Persons), this Lease and all of its provisions are solely for the benefit of the Parties hereto and do not and are not intended to create or grant any rights, contractual or otherwise, to any third person or entity.

Notwithstanding any other provision of this Lease, nothing in this Lease shall or may be deemed to be, or shall or may be construed to be, a waiver or relinquishment of any immunity, defense, or tort limitation to which the City, its officials, officers, employees, representatives, and agents, or Airport Manager, its owners, officers, employee, representatives, and agents, are or may be entitled, including, without limitation, any waiver of immunity to suit.

Notwithstanding any provision of this Lease, Landlord makes no representation that this Lease or any provision hereof will entitle or allow Tenant to receive any federal income or other federal tax benefit whatsoever.

Section 47. Severability: If any provision in this Lease should be held to be invalid, illegal, or unenforceable, the validity and enforceability of the remaining provisions of this Lease shall not be affected thereby, and the invalid, illegal, or unenforceable term will be reformed to give effect (to the fullest extent possible) to the Parties' intentions in a manner that is legal, valid, and enforceable. It is the parties intent that the term of this Lease not exceed 40 years (480 months); if it should be determined that the term of this Lease exceeds such period of time, the term hereof shall be reformed so as to make the term not exceed such period of time.

Section 48. Notices: Any notice or document required to be delivered or given hereunder in writing shall be delivered or given (i) in person, (ii) by United States mail, postage prepaid, registered or certified mail, return receipt requested, or (iii) by Federal Express Corporation or other nationally recognized carrier to be delivered on the next business day. Such notice or document shall be deemed to be delivered or given, whether actually received or not, (a) when received if delivered or given in person, (b) if sent by United States mail, three (3) business days after being deposited in the United States mail as set forth above, and (c) on the next business day after the day the notice or document is provided to Federal Express Corporation or other nationally recognized carrier to be delivered as set forth above. Addresses for the delivery or giving of any such notice or document are as follows:

TO LANDLORD:

Town of Addison, Texas
c/o City Manager
5300 Belt Line Road
Dallas, Texas 75254
Email: wpierson@addisontx.gov

TO TENANT:

and

Town of Addison, Texas
c/o Addison Airport Manager
16051 Addison Road, Suite 220
Addison, Texas 75001
Attn: Real Estate Manager
Email: bill.dyer@addisonairport.net

Section 49. 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.

Section 50. 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.

Section 51. Consent; "Includes" and "Including"; Recitals: Where Landlord consent or approval is required in this Lease, such consent or approval may be given by the City Council of the Town of Addison, Texas or by the City Manager of the Town of Addison. For purposes of this Lease, "includes" and "including" are terms of enlargement and not of limitation or exclusive enumeration, and use of the terms does not create a presumption that components not expressed are excluded. The above and foregoing recitals to the Lease are true and correct and are incorporated into and made a part of this Lease for all purposes.

Section 52. Governing Law and Venue; Survivability of Rights and Remedies: This Lease and all of the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Texas, without regard to choice of laws rules of any jurisdiction. Any and all suits, actions or legal proceedings relating to this Lease shall be maintained in the state or federal courts of Dallas County, Texas, which courts shall have exclusive jurisdiction for such purpose. Each of the Parties submits to the exclusive jurisdiction of such courts for purposes of any such suit, action, or legal proceeding hereunder, and waives any objection or claim that any such suit, action, or legal proceeding has been brought in an inconvenient forum or that the venue of that suit, action, or legal proceeding is improper. Any rights and remedies either party may have with respect to the other arising out of the performance of or failure to perform this Lease during the term hereof shall survive the cancellation, expiration or termination of this Lease.

Section 53. Expansion Option (Phase II): Provided at the time Tenant is (i) in good standing with Landlord and not in default of any other term or condition of this Lease or Tenant's public fuel dispensing license issued by Landlord, if any, and (ii) Tenant has provided the Option Notice described below, the Parties mutually agree to enter into and execute an amendment to this Lease (the "Phase II Amendment") granting Tenant, among other things, the right and opportunity to expand the Demised Premises (the "Expansion Option") to include the Phase II Option Land (as defined below) for the purpose of constructing and operating certain aeronautical facilities as contemplated and in accordance with the provisions set forth below or as otherwise agreed to by the Parties and subject to the executed Phase II Amendment, if any.

A. "Option Notice": Unless otherwise agreed to by Landlord, if Tenant seeks to exercise the Expansion Option, Tenant shall give Landlord written notice its "Option Notice") on or before the ninetieth (90th) full calendar month following the Lease Commencement Date, but not less than five (5) full calendar months prior to Tenant's intended "Phase II Option Date", which shall be that date certain, subject to the fully executed Phase II Amendment to this Lease, when Landlord shall have the Phase II Land vacated of any and all prior tenancies and available for commencing Phase II site preparations described herein for the benefit of Tenant ("Option Period").

1. The Parties anticipate that they each will have in good faith already have negotiated and agreed to in principle the terms and conditions of the Phase II Amendment prior to Tenant delivering the Option Notice, and, upon Tenant's delivery of the Option

Notice the Parties will fully execute the Phase II Amendment as soon as practical. The Parties agree to execute and publically record a memorandum of lease or a document of similar affect in the Dallas County Official Public Records (the "OPR") evidencing, among other things, the Phase II Amendment being made a part of this Lease.

B. "Phase II Option Land": The Phase II Option Land is generally described as a certain _____ acre (approximately _____ gross square feet) parcel of unimproved land located at the Airport as shown on Exhibit "7" – Boundary Survey of Phase II Option Land and being more particularly described on Exhibit "8" – Legal Description of Phase II Option Land, each attached hereto and incorporated herein by reference. By way of the executed Phase II Amendment, the Phase II Option Land shall be merged into and made a part of the Demised Premises subject to the terms and conditions of this Lease.

C. Subject to the terms of this Section 53, Landlord reserves the right, at its sole discretion, to continue to commercially operate the Phase II Option Land prior to and during the Option Period, and at no time shall be obligated to remuneration to Tenant or offset from Tenant's Option Fee (as defined below) due to those commercial operations. Upon Tenant's delivery of the Option Notice, Landlord shall give prompt early lease termination notices to any of Landlord's then existing tenants on the Phase II Option Land. As of the Effective Date of the Lease, Landlord agrees not to enter into any third party lease agreement affecting the Phase II Option Land without including no less than a 120-day early termination provision, which shall be leased at the Landlord's sole discretion. The conveyance of the Phase II Option Land and the commencement of the Phase II Building Improvements shall not be delayed or complicated by the existence or relocation of any other Landlord tenant or any subtenant.

D. "Option Fee": Provided the Tenant has yet to provide the Option Notice on or before the sixty-first (61st) calendar month of the Option Period, Tenant shall commence paying to Landlord an Option Fee equal to one-half of the prevailing Phase I Land Base Rent gross square foot rate (the annualized Adjusted Rent divided by the Phase I gross square feet comprising the Phase I Demised Premises) times the Phase II Option Land gross square feet as determined by the Boundary Survey of the Phase II Option Land (or a licensed surveyor) payable in equal monthly installments (e.g. Phase II Land Area=186,436 GSF, therefore $[[[186,436 \text{ gross square feet} \times \$.70 \text{ per GSF}]/12] \times .5] = \$5,437.72$), or at its sole discretion, Tenant may elect to not pay the Option Fee and terminate the Expansion Option by written notice to Landlord. The Option Fee is due and payable, without any deduction or offset to the Landlord over and above any other rentals or fees obligated by Tenant until the earlier of either of the following occurs (i) construction of the Phase II Building Improvements commences, or (ii) the Expansion Option is otherwise terminated by Landlord as provided herein.

E. Should Tenant:

1. Elect not to timely exercise this Expansion Option (for which there is no cure or remedy unless Landlord agrees, at its sole discretion, in writing to waive this requirement); or
2. Fail to properly exercise the Expansion Option (for which there is no cure or remedy unless Landlord fails to notify Tenant in writing that Tenant's attempt to exercise the Expansion Option was improper and Tenant fails to properly exercise the Expansion

Option within ten (10) days of such notice, or Landlord agrees, at its sole discretion, in writing to waive this requirement), or

3. At any time fail to pay the Option Fee when due and payable to Landlord (which may be cured by Tenant by paying the delinquent Option Fee within ten (10) days after delivery of a written demand notice for same by Landlord); or

4. Fail to commence construction of the Phase II Building Improvements (save and except for Force Majeure or due to the fault of Landlord, Landlord's tenants, or its agents) by the end of the ninety-fifth (95th) month of the Term, then if, Landlord properly delivered all written notices required by the circumstances pursuant to this Section 53(E); then

Landlord may at its sole discretion terminate the Expansion Option by written notice to Tenant, at which time neither Party shall have any further duty or obligation to the other with respect to the Phase II Land or the Expansion Option.

F. Inspection Period, Remediation Plan.

1. Anytime following the Effective Date of this Lease, Landlord agrees to make access to all or a portion of the Phase II Option Land from time to time so Tenant may inspect and perform its own due diligence of the Phase II Option Land, at its sole cost and expense, provided (i) Tenant gives Landlord no less than 72-hours advance written notice of Tenant or its agents intent and desire to access all or a portion of the Phase II Option Land, (ii) such inspection and due diligence by Tenant, in the sole discretion of Landlord, will not create a nuisance or operational/business disruption of Landlord's existing tenants or, (iii) in the sole discretion of Landlord, such inspection and due diligence by Tenant does not cause Landlord to breach or potentially breach any other agreement Landlord may have with any other third party, if any affecting same. The intent of this subsection 54.F.1 is to allow Tenant, the opportunity to perform certain due diligence to the extent reasonable and possible in advance of and leading up to the execution of the Phase II Amendment.

2. Tenant shall have the right to a period of not to exceed ninety (90) days after the effective date of the Phase II Amendment ("Phase II Inspection Period") to inspect the Phase II Option Land in accordance with the provisions set forth in Section 2.C of the Lease. The processes for investigating the Phase II Land, including its environmental condition and developing a Remediation Plan, if necessary, for the Phase II Land all shall be in accordance with Section 2 the Lease unless the Parties otherwise agree.

G. "Phase II Demolition and Phase II Building Improvements": Although the design and construction of the Phase II Building Improvements have yet to be determined and agreed to by the Parties, they are expected to architecturally and functionally complement the Phase I Building Improvements as generally depicted in Exhibit "10" – General Description of Phase II Building Improvements; meeting or exceeding the same design and quality of construction of the Phase I Building Improvements.

1. The Phase II Building Improvements shall be designed and constructed in a manner consistent with Section 6: Construction of Improvements above, except:

(a) Within the first thirty (30) days of the Phase II Amendment effective date, the Parties agree to work together to develop and finalize a Phase II demolition plan which shall specify and identify all existing building improvements, utilities and structures located or otherwise found on the Phase II Option Land deemed necessary by the Parties to be demolished and removed from the Phase II Option Land by Landlord at Landlord's sole cost and expense, including any remediation activities determined by a Remediation Plan prepared in accordance with Section 22.D, (the "Phase II Demolition") prior to Tenant taking possession of the Phase II Option Land ("Date of Tenant's Taking Possession – Phase II Demised Premises") The final scope of the Phase II Demolition Plan shall be at the Landlord's sole determination.

(b) Except for an event of Force Majeure as provided for in Section 42 above, Landlord shall commence with the Phase II Demolition Plan on or before ninety (90) days following the effective date of the Phase II Amendment ("Phase II Demolition Start Date") shall endeavor in good faith diligence to complete or cause to complete the Phase II Demolition Plan as set forth in the Phase II Amendment as Landlord's "Phase II Demolition Completion Date".

(c.) The expected total construction cost of the Phase II Building Improvements shall exceed Eight Million Dollars (\$8,000,000+/-) (the "Phase II Construction Value"). Similarly to Section 6.B.1, although Tenant may achieve certain engineered/designed costs savings with the final Phase II Design Plan, the above Phase II Construction Value shall serve as a guideline to the Parties of the intended scope and quality of the Phase II Building Improvements which are to be architecturally consistent with the Phase I Design Plan;

(d.) Construction of the Phase II Building Improvements shall commence within two (2) full calendar months after the items set forth in Section 6.B.5 have occurred, but in no event to commence no later than the end of the ninety-fifth (95th) month of the Term ("Phase II Construction Commencement Date"). If Tenant fails to commence construction by such time, the Pre-Construction Termination provisions of Section 6.B.4 shall apply.

(e) Construction of the Phase II Building Improvements is to be Substantially Complete (as defined in Section 6.B.10 above) on or before the end of twenty (20) full calendar months following the Phase II Construction Commencement Date ("Phase II Substantial Completion Date"). Final Completion (as defined in Section 6.B.10 above) of the Phase II Building Improvements shall be achieved no later than three (3) full calendar months following Phase II Substantial Completion ("Phase II Final Completion Date"). Tenant's failure to complete the Phase II Building Improvement construction on or prior to the Phase II Substantial Completion Date or achieves the Phase II Final Completion Date as required herein, Landlord remedies shall be effectively the same as provided for in Section 6.B.6 above.

H. Phase II Rent: Upon achieving Substantial Completion of the Phase II Building Improvements, the Base Rent, as adjusted, subject to the Lease shall then be adjusted to equal the product of the then prevailing Phase I Base Rent Rate (being the quotient of the Phase I Base Rent, as adjusted, divided by the total gross square feet comprising the Phase I Demised Premises) times the total gross square feet contained within both the Phase I Land and the Phase II Land area combined as determined by the approved property survey of the Demised Premises as amended.

I. Term Extension: Upon Phase II Final Completion (as defined in subsection (e) above) of the Phase II Building Improvements, the Term shall automatically be extended to equal 480 full calendar months (40 years) from the date of the Final Completion Date of the Phase II Building Improvements, but in no event shall the extended Term exceed any statutory limit. Within thirty (30) days of achieving Final Completion of the Phase II Building Improvements the extended term shall be evidenced by a publically recorded Memorandum of Lease(s) in the Dallas County, Texas Official Public Records executed by the Parties.

H. Phase II Amendment: This Section 53 is intended to set forth the Parties mutual understanding for the framework of Tenant's option for its Phase II Expansion as described and set forth above. However with the passage of time and as a result of the Parties acquired experience while performing under this Lease, the Parties may see it fit and appropriate to modify, add, change or delete any provision set forth under this Section 53 by way of incorporating same into the Phase II Amendment. Should a conflict ever arise between the terms and conditions of the Phase II Amendment, as mutually agreed to and executed by the Parties, and this Section 53, the executed Phase II Amendment shall prevail.

Section 54. Entire Agreement and Amendments; Authorized Persons: This Lease, consisting of fifty-four (54) Sections and Exhibits 1-10 and Addendum #1 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.

The undersigned representatives of the Parties hereto are the properly authorized persons and have the necessary authority to execute this Lease on behalf of their entity.

EXECUTED as of the Effective Date.

LANDLORD:

CITY OF ADDISON, TEXAS

TENANT:

AJC HOLDINGS GROUP, LLC

By: _____
Wesley S. Pierson, City Manager

By: _____
Printed Name: Jack McClurg
Its: member

ACKNOWLEDGEMENTS

STATE OF TEXAS
COUNTY OF DALLAS

This instrument was acknowledged before me on _____, 201_ by
Wesley S. Pierson, City Manager of the City of Addison, Texas, a home-rule municipality, on
behalf of the said municipality.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the ____ day of
_____, 201_.

Notary Public, State of Texas

STATE OF COLORADO
COUNTY OF ARAPAHOE

This instrument was acknowledged before me on APRIL 5th, 2017, by
Jack McClurg, Member of AJC Holdings Group, a
LLC, on behalf of the said LLC.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 5th day of
April, ~~20~~ 2017.

LYNDA S. CHERRY
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20004019294
MY COMMISSION EXPIRES JUNE 30, 2020

Notary Public, State of Colorado

Signature Page to Ground Lease Agreement