

TOWN OF ADDISON, TEXAS

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS APPROVING AN ASSIGNMENT OF GROUND LEASE BETWEEN MISSION AIRE IV, L.P. AND AQRD-REP LLC FOR COMMERCIAL AVIATION USE ON PROPERTY LOCATED AT 4600 CLAIRE CHENNAULT DRIVE, AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONSENT OF LANDLORD ATTACHED TO THE ASSIGNMENT AS REQUIRED BY THE GROUND LEASE, AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Mission Aire IV, L.P. is the tenant under a Ground Lease dated July 1, 1997, for the property located at 4600 Claire Chennault Drive owned by the Town of Addison (the "Ground Lease"); and

WHEREAS, Mission Aire IV, L.P. desires to assign all of its rights, duties and obligations under the Ground Lease to AQRD-REP LLC.

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

Section 1. The Assignment of Ground Lease between Mission Aire IV, L.P. and AQRD-REP LLC for commercial aviation use on property located at 4600 Claire Chennault Drive, a copy of which is attached to this Resolution as **Exhibit A**, is hereby approved and the City Manager is authorized to execute the Consent of Landlord attached to the Assignment of Ground Lease as required by the Ground Lease.

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

PASSED AND APPROVED by the City Council of the Town of Addison, Texas this the 26th day of June, 2018.

Joe Chow, Mayor

ATTEST:

By: _____
Irma Parker, City Secretary

APPROVED AS TO FORM:

By: _____
Brenda N. McDonald, City Attorney

EXHIBIT A

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

This Assignment of Ground Lease (the "Assignment") is entered into and made effective as of _____ 2018, at Addison, Texas, by and between **Mission Aire IV, L.P.**, a Texas limited partnership, (herein referred to as "Assignor") and **AORD-REP LLC**, a Texas limited liability company (herein referred to as "Assignee").

WHEREAS, a Ground Lease was executed on July 1, 1997 (the "Ground Lease"), between the Town of Addison, Texas (the "City") and Addison Airport of Texas, Inc. ("Landlord") and Mission Aire IV, L.P., a Texas limited partnership ("Tenant") recorded in the Dallas County, Texas, Official Public Records ("OPR") as Instrument #199800043109, by the terms of which certain real property located at 4600 Claire Chennault Street, Addison Airport within the Town of Addison, Texas (being more specifically described in Exhibit "A" attached hereto and incorporated herein) and owned by the City was leased to Mission Aire IV, L.P.; and

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

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

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

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

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

AGREEMENT

1. Assignor hereby assigns, bargains, sells, and conveys to Assignee, effective as of the date above written, all of Assignor's right, title, duties, responsibilities, and interest in and to the Ground Lease (attached hereto as Exhibit "B", and incorporated herein for all purposes), TO HAVE AND TO HOLD the same, for the remaining term thereof, and Assignor does hereby bind itself, and its successors and assigns to warrant and forever defend the same unto Assignee against every person or persons lawfully claiming any part thereof through Assignor.

2. Prior to the effective date of this Assignment, Assignee agrees to pay an Assignment Fee in the amount of One Thousand Dollars and no/100 (\$1,000.00) to Landlord.

3. Assignee hereby agrees to and shall be bound by and comply with all the terms, provisions, duties, conditions and obligations of Tenant under the Ground Lease. For purposes of notice under the Ground Lease, the address of Assignee is:

AQRD-REP LLC
4600 Claire Chennault Street
Addison, Texas 75001

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

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

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

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

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

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

ASSIGNOR:

MISSION AIRE IV, L.P., A TEXAS LIMITED
PARTNERSHIP

By: _____

Printed Name: _____

Title: _____

ASSIGNEE:

AQRD-REP LLC, A TEXAS LIMITED
LIABILITY COMPANY

By: _____

Printed Name: _____

Title: _____

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

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

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

[SEAL]

Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

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

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

[SEAL]

Notary Public, State of Texas

CONSENT OF LANDLORD

The Town of Addison, Texas ("Landlord") is the Landlord in the Ground Lease described in the Assignment of Ground Lease (the "Assignment") entered into and made effective _____ 2018, at Addison, Texas, by and between Mission Aire IV, L.P., a Texas limited partnership, (herein referred to as "Assignor") and AQRD-REP LLC, a Texas limited liability company (herein referred to as "Assignee"). In executing this Consent of Landlord ("Consent of Landlord"), Landlord is relying upon the warranty and representations made in the aforementioned Assignment by both Assignor and Assignee, and in relying upon the same, Landlord hereby consents to the aforementioned Assignment from Assignor to Assignee.

Notwithstanding this Consent of Landlord, Landlord does not waive any of its rights under the Ground Lease to the Assignor or the Assignee, and does not release Assignor from its covenants, obligations, duties, or responsibilities under or in connection with the Ground Lease, and Assignor shall remain liable and responsible for all such covenants obligations, duties, or responsibilities. In addition, notwithstanding any provisions of this Consent of Landlord or the above and foregoing Assignment to the contrary, this Consent of Landlord shall not operate as a waiver of any prohibition against further assignment, transfer, conveyance, pledge, change of control, or subletting of the Ground Lease or the premises described therein without Landlord's prior written consent.

This Consent of Landlord shall be and remain valid only if and provided that, by no later than 6:00 o'clock p.m. on _____, _____, 2018:

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

(ii) all other matters in connection with the transfer, sale, and/or conveyance by Assignor to Assignee of the Assignor's interest in the Ground Lease have been fully consummated and completed and the transaction closed as reasonably determined by Landlord (such matters including, without limitation, the full execution and finalization of this Assignment and any other documentation so required by Landlord relating to this transaction) and delivered to Landlord c/o Mr. Bill Dyer, Addison Airport Real Estate Manager, at 16051 Addison Road, Suite 220, Addison, Texas 75001. Otherwise, and failing compliance with and satisfaction of both paragraphs (i) and (ii) above, this Consent of Landlord shall be null and void *ab initio* as if it had never been given and executed.

Signed this _____ day _____, 2018.

**LANDLORD:
TOWN OF ADDISON, TEXAS**

By: Wesley S. Pierson, City Manager

EXHIBIT "A"

Legal Description of Demised Premises

BEING a tract of land situated in the William Lomax Survey, Abstract No. 792, in the City of Addison, Dallas County, Texas, and being a part of the Final Plat of Addison Airport, an addition to the Town of Addison, Texas, according to the plat thereof recorded in Volume 2005131, Page 82 of the Deed Records of Dallas County, Texas (DRDCT), also being that same tract of land as described in ground lease to Mission Air IV, L.P. recorded in Volume 98031, Page 28 in the Real Property Records of Dallas County, Texas (RPRDCT), and being more particularly described as follows:

COMMENCING at 1/2-inch iron rod found with plastic cap stamped "Del Tech" at the intersection of the south line of Westgrove Road (50 foot right-of-way) with the east line of Claire Chennault Road (50 foot right-of-way), at the northwest corner of Leasehold Estate Tract 1 of Blakely Airport Addition, an addition to the City of Addison, Texas, according to the plat thereof recorded in Volume 84088, Page 4359 of the Deed Records of Dallas County, Texas (DRDCT);

THENCE South 00 degrees 37 minutes 57 seconds East, along the east line of said Claire Chennault Road, 259.26 feet to a "PK" nail found at the point of curvature of a circular curve to the right having a radius of 130.00 feet;

THENCE southwesterly, continuing along the east line of said Claire Chennault Road, along said curve to the right, through a central angle of 20 degrees 43 minutes 19 seconds, an arc distance of 47.02 feet and having a chord which bears South 08 degrees 43 minutes 43 seconds West, 46.78 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" at the POINT of BEGINNING;

THENCE North 89 degrees 58 minutes 35 seconds East, departing the east line of said Claire Chennault Road, along the south line of said Leasehold Estate Tract 1, 88.59 feet to a cut "x" found in concrete;

THENCE South 48 degrees 41 minutes 09 seconds East, continuing along the south line of said Leasehold Estate Tract 1, 208.28 feet to a 500 nail set in concrete in the west line of a Taxiway U;

THENCE South 00 degrees 48 minutes 39 seconds East, along the west line of said Taxiway U, 50.49 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" at the point of curvature of a circular curve to the right having a radius of 190.00 feet;

THENCE southwesterly, continuing along the west line of said Taxiway U and along said curve to the right, through a central angle of 43 degrees 41 minutes 01 seconds, an arc distance of 144.86 feet and having a chord which bears South 21 degrees 01 minutes 51 seconds West, 141.36 feet to a "PK" nail set in concrete;

THENCE South 42 degrees 52 minutes 22 seconds West, continuing along the west line of said Taxiway U, 45.80 feet to a "PK" nail set in concrete at the northeast corner of a tract of land as described in assignment of lease to Flytex, Inc. recorded in Volume 84039, Page 2070 in the Deed Records of Dallas County, Texas (DRDCT);

THENCE North 47 degrees 07 minutes 38 seconds West, departing the west line of said Taxiway U, along the north line of said Flytex tract, at a calculated distance of 180.83 feet passing the northwest corner of said Flytex tract, same being the northeast corner of a tract of land as described in lease agreement to Donham Oil Tool Company, Inc. recorded in Volume 82240, Page 978 and Volume 82240, Page 988 DRDCT, continuing along the north line of said Donham Oil Tool Company tract, in all a distance of 350.63 feet to a cut "x" found in concrete in the east line of said Claire Chennault Road;

THENCE North 42 degrees 57 minutes 17 seconds East, along the east line of said Claire Chennault Road, 104.21 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" at the point of curvature of a circular curve to the left having a radius of 130.00 feet;

THENCE northeasterly, along the east line of said Claire Chennault Road and along said curve to the left, through a central angle of 22 degrees 53 minutes 43 seconds, an arc distance of 51.95 feet and having a chord which bears North 31 degrees 32 minutes 14 seconds East, 51.80 feet to the POINT of BEGINNING and CONTAINING 1.589 acres of land.

EXHIBIT "B"

A true and correct copy of said Ground Lease in its entirety with all said assignments, amendments and/or modifications made thereto as of this date follows below.

THE STATE OF TEXAS }
 }
COUNTY OF DALLAS }

GROUND LEASE

This Ground Lease (hereinafter referred to as the "Lease") is made and entered into as of July 1, 1997, by and between the Town of Addison, Texas, a municipal Corporation (hereinafter referred to as the "City"), Addison Airport of Texas, Inc., a Texas Corporation (hereinafter referred to as "AATI") and Mission Aire IV, Ltd. (hereinafter referred to as "Tenant").

Sgt L.P. 1108

WITNESSETH:

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

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

WHEREAS, the City and AATI hereby lease and demise a portion of the Demised Premises, as delineated in Exhibit "C" (hereinafter referred to as "Leased Premises") to Tenant, and Tenant hereby leases and takes the Leased Premises from the City and AATI, upon the terms and conditions set forth herein:

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

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

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

3. Term:

A. The term hereof shall commence on July 1, 1997, (hereinafter referred to as the "Commencement Date") and shall end on June 30, 2022, three hundred months (300) thereafter; except upon that completion of a minimum of 18,000 square feet of hangar space and certification by the Tenant that development and construction costs of at least \$750,000, have been incurred, the Term of this Lease shall be extended for an additional one hundred and eight months (180) to four hundred and eighty months (480) in total, and shall end on June 30, 2037.

B. In the event that construction of a minimum of 8,000 square feet of hangar space is not completed by July 31, 2000, the Leased Premises shall revert back to the Landlord, and this Lease shall become null and void, and of no further force and effect.

4. Rental:

A. Subject to adjustment as hereinbelow provided, Tenant agrees to pay to Landlord, without offset or deduction, rent for the Leased Premises at the rate of \$1,489.93 per month, in advance. The first such monthly installment shall be due and payable on or before the Commencement Date, and a like monthly installment shall be due and payable on or before the first day of each calendar month thereafter during the Term. If payment of the monthly installment of rental due under this Lease is made late (after the 10th day of the month) more than once in any three (3) month period, Tenant, upon the delivery of written notice to Tenant by Landlord therefor (the "Additional Deposit Notice"), shall be required to pay to Landlord an amount equal to the then current monthly rental installment (the "Additional Deposit") to be held and applied by Landlord as an addition to the security deposit which was deposited with Landlord upon Tenant's execution of this Lease pursuant to subparagraph B. of this Paragraph. If Tenant does not deliver the Additional Deposit to Landlord within ten (10) days after the delivery of the Additional Deposit Notice, such failure shall be an event of default under this Lease.

B. Tenant has deposited with Landlord, upon Tenant's execution of this Lease \$1,489.93 to be applied as a security deposit. Such security deposit shall be held by Landlord without interest as security for the performance by Tenant of Tenant's covenants and obligations under this Lease. The security deposit is not an advance payment of rent or a measure of liquidated damages in case of default by Tenant. Upon the occurrence of any event of default, Landlord may, from time to time, without prejudice to any other remedy provided herein or provided by law, use the security deposit to the extent necessary to make good any arrearages of rent and any other damage, injury, expense or liability caused to Landlord by such event of default. Following any such application of the security deposit, Tenant shall pay to Landlord, on demand, the amount so applied in order to restore the security deposit to its original amount. If Tenant complies with all of the terms of this Lease, the security deposit shall be returned to the Tenant after the date fixed as the end of this Lease and after delivery of possession of the Leased Premises to Landlord. In case of a sale or lease of the Demised Premises, Landlord may transfer the security deposit to the purchaser or lessee and Landlord shall thereupon be released from all liability for the return of such security deposit. Tenant shall look solely to the new landlord for the return of such security deposit. Tenant shall not assign or encumber the money deposited as security, and neither Landlord nor its successors or assigns shall be bound by any such assignment. In the case of an assignment or subletting of this Lease by Tenant, Landlord shall retain the security deposit of Tenant as the security deposit of the Tenant's assignee or sublessee which would otherwise be required hereunder.

5. Adjustment of Rental: Commencing on the 2nd anniversary of the Commencement Date and on every bi-annual anniversary thereafter (hereinafter referred to as the "Adjustment Date"), the monthly rental due under Subparagraph A. of Paragraph 4 hereinabove shall be adjusted as follows:

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

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

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

6. Use of Leased Premises and Construction of Improvements:

A. The Leased Premises shall be used and occupied by Tenant only for the following purposes: sale of aircraft and aircraft parts, aircraft maintenance and repair, aircraft storage, aircraft training, aircraft charter, and aircraft rentals, and not otherwise without the prior written consent of Landlord.

B. In connection with such use and occupancy, any improvements to the Leased Premises shall be installed at the cost and expense of Tenant in accordance with plans and specifications which have been previously submitted to and approved in writing by Landlord.

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

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

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

9. **Assignment, Subletting and Mortgaging of Leasehold Estate:**

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

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

C. 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 fifteen (15) days written notice prior to accelerating the debt of Tenant to such mortgagee 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 foreclosure proceedings, and thereafter at Landlord's option to assume Tenant's position under said mortgages or deeds of trust.

D. Landlord agrees, if and so long as the leasehold estate of Tenant is encumbered by a leasehold mortgage and written notice 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 notice 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 filing 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.

E. The 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 successors 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. Landlord also agrees to execute and deliver to such proposed leasehold mortgagee 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 Leased Premises to the mortgage of such proposed leasehold mortgage.

10. Property Taxes and Assessments: Tenants shall pay any and all property taxes and assessments levied or assessed on the improvements on the Leased Premises, the personal property and fixtures on the Leased 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.

11. Maintenance and Repair of Leased Premises:

A. Tenant shall, throughout the term hereof, maintain in good repair and condition all the Leased Premises, including hangar and building maintenance, pavement, all fixtures, equipment and personal property on the Leased Premises and keep them free from waste or nuisance and, at the expiration or termination of this Lease, deliver up the Leased Premises clean and free of trash and in good repair and condition, with all fixtures and equipment situated in the Leased Premises in working order, reasonable wear and tear excepted.

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

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

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

13. Insurance: Tenant shall during the Term hereof maintain at Tenant's sole cost and expense insurance relating to the Leased Premises as follows:

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

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

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

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

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

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

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

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

14. Casualty Damage or Destruction:

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

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

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

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

(i) Net insurance proceeds as above defined shall be paid to Tenant or as Tenant may direct from time to time as Restoration progresses to pay (or reimburse Tenant for) the cost of Restoration, upon written request of Tenant to Landlord accompanied by (a) 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 the same were necessary or appropriate to the Restoration and constitute a complete part thereof, and that no part of the cost thereof has theretofore been reimbursed, and specifying the additional amount, if any, necessary to complete the Restoration, and (b) an opinion of counsel satisfactory to Landlord that there exist no mechanics', materialmen's or

similar liens for labor or materials except such, if any, as are discharged by the payment of the amount requested.

(ii) Upon receipt by Landlord of evidence of the character required by the foregoing clauses (i)(a) and (b) of this Subparagraph D. that Restoration has been completed and the cost thereof paid in full, and that there are no mechanics', materialmen'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. Landlord shall have the right to commence or complete Restoration if (i) Landlord has given Tenant thirty (30) days prior written notice requesting the commencement of Restoration or that Tenant diligently proceeds to the completion of Restoration and (ii) if Tenant during such thirty (30) day period does not so commence or proceed to diligently complete Restoration. In such event, Landlord shall retain the insurance proceeds, and Tenant shall pay any deficiency if such proceeds are not sufficient for Restoration.

15. Condemnation:

A. If during the Term hereof, any part of the Leased 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 and the remainder of the Leased 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 Leased 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 Leased Premises is susceptible to efficient and economic occupation and operation by Tenant, this Lease shall not terminate but the rental due hereunder shall be adjusted so that Tenant shall be required to pay for the remainder of the term hereof the sum obtained by multiplying each monthly rental installment due hereunder, as adjusted from time to time pursuant to Paragraph 5, by a fraction, the numerator of which shall be the number of square feet remaining in the Leased Premises after the taking by or sale to said condemning authority and denominator of which shall be the square footage originally contained in the Leased Premises. The rental adjustment called for herein shall not commence until said condemning authority actually takes possession of the condemned portion of the Leased Premises.

C. If this Lease is not terminated pursuant to Section A of this Paragraph, Tenant shall promptly restore the improvements on the Leased 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 Leased 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 according to their respective losses and damages caused by the condemnation. If this Lease is terminated pursuant to Section A of this Paragraph, condemnation proceeds to which Landlord and Tenant are entitled shall be awarded and paid to Landlord and Tenant according to their respective losses and damages caused by the condemnation.

16. Utilities: Tenant shall be responsible at Tenant's sole cost and expense for obtaining all utility connections at or for the Leased Premises and Tenant shall pay all charges for water, electricity, gas, sewer, telephone or any other utility connections, tap-in fees and services furnished to the Leased Premises during the term hereof. Landlord shall in no event be liable or responsible for any cessation or interruption in any such utility services.

17. Common Facilities: 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 Leased Premises, other airport installations, and all other reasonable services which may be provided without charge from time to time by Landlord in operating the Airport. All such common facilities shall at all times be under the exclusive control and management of Landlord and may be rearranged, modified, changed or terminated from time to time at Landlord's sole discretion and without redress by Tenant.

18. Rules and Regulations: Landlord has adopted Rules and Regulations (hereinafter referred to as the "Rules and Regulations") which shall govern Tenant in the use of the Leased Premises and all common facilities, a copy of which has been furnished to Tenant. The Rules and Regulations are incorporated by reference as if written verbatim herein, and Tenant agrees to comply fully at all times

with the Rules and Regulations. Landlord shall have the right to amend, change and alter the Rules and Regulations from time to time in a reasonable manner for the purpose of assuring the safety, welfare and convenience of Landlord, Tenant and all other tenants and customers of the Airport.

19. Signs and Equipment: After first securing Landlord's approval, which will not be unreasonably withheld, Tenant shall have the right from time to time to install and operate advertising signs and radio, communications, meteorological, aerial navigation and other equipment and facilities in or on the Leased Premises that may be reasonably necessary for the operation of Tenant's business.

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

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 Leased Premises customary signs advertising the Leased Premises for lease or for sale.

21. Indemnity and Exculpation:

A. Landlord shall not be liable to Tenant or to Tenant's employees, agents, servants, customers, invitees, or to any other person whomsoever, for any injury to persons or damage to property on or about the Leased Premises or any adjacent area owned by Landlord caused by the negligence or misconduct of Tenant, Tenant's employees, servants, customers, invitees, subtenants, licensees or concessionaires or any other person entering the Leased Premises under express or implied invitation of Tenant, or arising out of the use of the Leased Premises by Tenant and the conduct of Tenant's business thereon, or arising out of any breach or default by Tenant in the performance of Tenant's obligations hereunder; and Tenant hereby agrees to indemnify Landlord and hold Landlord harmless from any loss, expense or claims arising out of such damage or injury.

B. Landlord and Landlord's agents and employees shall not be liable to Tenant for any injury to persons or damage to property resulting from the Leased Premises becoming out of repair or by defect 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 Leased Premises, regardless of the source, or dampness or by fire, explosion, falling plaster or ceiling or for any other reason whatsoever. Landlord shall not be liable to Tenant for any loss or damage that may be occasioned by or through the acts or omissions of other tenants of Landlord or caused by operations in construction of any private, public or quasi-public work, or of any other person whomsoever, excepting only duly authorized agents and employees of Landlord.

C. Landlord shall not be liable for, and Tenant agrees that it will indemnify and forever hold harmless Landlord, its officers, employees, subsidiaries, agents, subcontractors, visitors and assigns, from and against any and all losses, injuries, death, damages to persons or property and any penalties, damages, costs, expenses or charges imposed for any violation of any laws or ordinances by Tenant, its officers, employees, subsidiaries, agents subcontractors, visitors and assigns, including reasonable costs of defense and attorney fees, and consultant and expert fees, arising out of any act of Tenant, its officers, employees, subsidiaries, agents subcontractors, visitors and assigns, including the use, manufacture, generation, handling, treatment, storage, transport, removal, disposal, release or remediation of any hazardous or toxic chemical, material, substance or waste, whether on or off the Leased Premises by Tenant or its officers, employees, subsidiaries, agents subcontractors, visitors and assigns.

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

A. Failure of Tenant to pay any installment of rent or any other sum payable to Landlord hereunder on the date that same is due and such failure shall continue for a period of ten (10) days.

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

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

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

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

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

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

H. Failure of Tenant to commence construction of the improvements depicted in the plans and specifications as approved by Landlord within six (6) months from the commencement date.

23. Remedies of Landlord: Upon the occurrence of any of the events of default listed in Paragraph 22, Landlord shall have the option to pursue any one or more of the following remedies without notice or demand whatsoever:

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

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

C. Enter upon and take possession of the Leased Premises without terminating this Lease and without being liable for prosecution or for any claim for damages therefor, and expel or remove Tenant and any other person who may be occupying the Leased Premises or any part thereof. Landlord may relet the Leased Premises and receive the rent therefor. Tenant agrees to pay to Landlord monthly or on demand from time to time any deficiency that may arise by reason of any such reletting. In determining the amount of such deficiency, brokerage commissions, attorneys' fees, remodeling expenses and other costs of reletting shall be subtracted from the amount of rent received under such reletting.

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

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

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

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

(ii) Proceed to cure such default and bring suit against Landlord for the cost of curing same plus interest thereon at the rate of ten percent (10%) per annum.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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.

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

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

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

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

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

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

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

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

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

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

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

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

45. Notices: Any notice or document required or permitted to be delivered hereunder may be delivered in person or shall be deemed to be delivered, whether actually received or not, when deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested,

addressed to the parties at the addresses indicated below, or at such other addresses as may have theretofore been specified by written notice delivered in accordance herewith.

LANDLORD:

Town of Addison, Texas
P.O. Box 144
Addison, Texas 75001

Addison Airport of Texas, Inc.
4505 Claire Chennault
Dallas, Texas 75248

TENANT:

Mission Aire IV, ^{SAS}
P.O. Box 639 ^{L.P. And}
Addison, Texas 75001

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

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

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

49. Special Conditions: Any transfer, assignment, or other conveyance of this Lease shall requires the prior written approval of the City.

50. Entire Agreement and Amendments: This Lease, consisting of forty-nine (49) Paragraphs and Exhibits "A" through "C" 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 on behalf of the party against whom enforcement of the change, modification, discharge or abandonment is sought.

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

LANDLORD:

TOWN OF ADDISON, TEXAS

By: Ron Whitfield

Its: CITY MANAGER


ADDISON AIRPORT OF TEXAS, INC.

By: Sam Stunt

Its: President

TENANT:

MISSION AIRE IV, ^{SAS}
L.P. ^{L.P. And}
And

By: 
Its: partner

ACKNOWLEDGEMENT

THE STATE OF TEXAS }
COUNTY OF DALLAS }

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

GIVEN under my hand and seal of office this 15th day of OCTOBER, 1997.



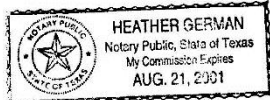
Michele L. Covino
Notary Public
DALLAS
County, Texas

ACKNOWLEDGEMENT

THE STATE OF TEXAS }
COUNTY OF DALLAS }

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

GIVEN under my hand and seal of office this 24th day of October, 1997.



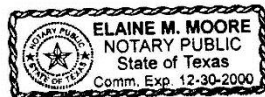
Heather German
Notary Public
Dallas
County, Texas

ACKNOWLEDGEMENT

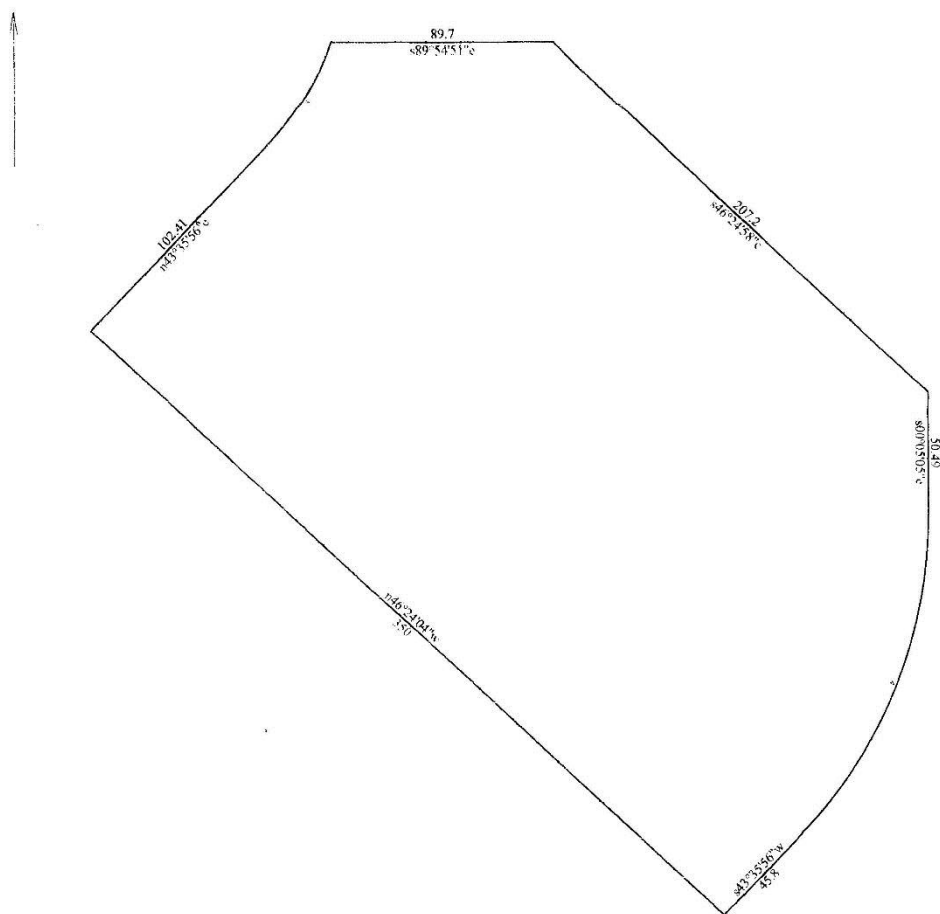
THE STATE OF TEXAS }
COUNTY OF DALLAS }

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

GIVEN under my hand and seal of office this 15th day of SEPTEMBER, 1997.



Elaine M. Moore
Notary Public
DALLAS
County, Texas



PROPERTY DESCRIPTION

Being a tract of land situated in the William Lomax Survey, Abstract No. 792, Town of Addison, Dallas County, Texas, and being more particularly described as follows:

Beginning at a ½ inch iron rod with a yellow plastic cap stamped "PITTS 4595" set for a southwest corner of the Replat of the Blakely Airport Addition, an Addition to the Town of Addison, as recorded in Volume 85100, Page 4042, Deed Records, Dallas County, Texas, and being on the easterly right-of-way of Claire Chennault Road (60 foot right-of-way);

Thence along the south line of said Blakely Addition, South 89 degrees 54 minutes 51 seconds East a distance of 89.70 feet to a chiseled "X" found in concrete for corner;

Thence, continuing along said south line, South 46 degrees 24 minutes 58 seconds East a distance of 207.20 feet to a ¾ inch iron rod found for corner and being on the west right-of-way line of a taxiway;

Thence, along the west line of said taxiway, South 00 degrees 05 minutes 05 seconds East a distance of 50.49 feet to a ½ inch iron rod found for the point of curvature of a curve to the right having a central angle of 43 degrees 41 minutes 01 seconds and a radius of 190.00 feet;

Thence, along said west line and said curve to the right for an arc length of 144.86 feet to a ½ inch iron rod with a yellow plastic cap stamped "PITTS 4595" set for corner;

Thence, continuing along said west line, South 43 degrees 35 minutes 56 seconds West a distance of 45.80 feet to a ½ inch iron rod with a yellow plastic cap stamped "PITTS 4595" set for corner;

Thence, along the north line of the Donham Oil Tool Company, Inc. tracts as recorded in Volume 82240, Page 0968, and Volume 82240, Page 0976, North 46 degrees 24 minutes 04 seconds West passing a chiseled "X" found in concrete at 160.00 feet and, in all, a distance of 350.00 feet to a chiseled "X" found in concrete on the east right-of-way line of the aforementioned Claire Chennault Road;

Thence, along said east right-of-way line of Claire Chennault Road, North 43 degrees 35 minutes 56 seconds East a distance of 102.41 feet to a ½ inch iron rod with a yellow plastic cap stamped "PITTS 4595" set for the point of curvature of a curve to the left having a central angle of 22 degrees 17 minutes 45 seconds and a radius of 130.00 feet;

Thence, continuing along said east right-of-way and said curve to the left for an arc length of 50.59 feet to the Point of Beginning and containing 68,766 square feet or 1.5787 acres of land.

The basis of bearings for this survey is the measured center line of the airport runway as North 20 degrees 28 minutes 30 seconds West.