

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION APPROVING A SALE AND ASSIGNMENT OF GROUND LEASE BETWEEN CONCOURSE PLAZA II, LTD. AND 16051 ADDISON, LLC FOR COMMERCIAL OFFICE AND AERONAUTICAL USE ON PROPERTY LOCATED AT 16051 ADDISON ROAD TOGETHER WITH CONSENT TO LEASEHOLD MORTGAGE AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONSENT OF LANDLORD AS REQUIRED BY THE GROUND LEASE AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, Concourse Plaza II, LTD. is the tenant under a Ground Lease dated October 11, 1983, for the property located at 16051 Addison Road owned by the Town of Addison (the "Ground Lease"); and

**WHEREAS**, Concourse Plaza II, LTD. desires to assign all of its rights, duties and obligations under the Ground Lease to 16051 Addison LLC.

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

**SECTION 1.** The recitals set forth above are true and correct and are incorporated as if fully set forth herein.

**SECTION 2.** The Assignment of Ground Lease between Concourse Plaza II, LTD. and 16051 Addison LLC for commercial office and aeronautical use on property located at 16051 Addison Road, a copy of which is attached to this Resolution as **Exhibit A** and Estoppel Letter with Landlord's Consent, a copy of which is attached as **Exhibit B** is hereby approved and the City Manager is authorized to execute the Consent of Landlord for each as required by the Ground Lease.

**SECTION 3.** This Resolution shall take effect from and after its date of adoption.

**DULY RESOLVED AND ADOPTED** by the City Council of the Town of Addison, Texas, this the **25<sup>th</sup>** day of **MAY 2021**.

**TOWN OF ADDISON, TEXAS**

\_\_\_\_\_  
Joe Chow, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Irma Parker, City Secretary

By: \_\_\_\_\_  
City Attorney

## **EXHIBIT A**

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

This Assignment of Ground Lease (the "Assignment") is entered into and effective as of \_\_\_\_\_ 2021, at Addison, Texas, by and between Concourse Plaza II, LTD, a Texas limited partnership (herein referred to as "Assignor") and 16051 Addison, LLC, a Texas limited liability company (herein referred to as "Assignee").

**WHEREAS**, a Ground Lease (with Addendum To Ground Lease) was first made and entered into October 11, 1983 between the City of Addison, Texas (the same being the Town of Addison, Texas, and sometimes referred to herein as the "City") and Addison Airport of Texas, Inc. ("AATI") as Landlord, and Bunnell Properties, Inc., a Texas corporation, as Tenant, by the terms of which Landlord leased to Tenant a certain 1.661 acre tract of land at Addison Airport (which tract of land is referred to in the Ground Lease and herein as the "Demised Premises" or "demised premises") as recorded in the Official Public Records of Dallas County, Texas ("OPR") in Book 83252, Page 7439 (Instrument #198302521079) (the "Ground Lease" or "Lease", which said real property is commonly referred to as 16051 Addison Road at Addison Airport within the Town Addison, Texas, and owned by the City, 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 AATI), the City is entitled to all the rights, benefits and remedies, and will perform the duties, covenants, and obligations, of the Landlord under the Ground lease; and

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

**WHEREAS**, by that Assignment of Lease dated December 1, 1983 and recorded in the OPR in Book 83252, Page 7456 (Instrument #198302521080), the Ground Lease was assigned from Bunnell Properties, Inc., as assignor, to Concourse Plaza, LTD., a Texas limited partnership, as assignee; and

**WHEREAS**, the said Ground Lease was then modified by that Settlement and First Amendment to Lease Agreement dated April 22, 1997 as recorded in Book 97214, Page 2291 (instrument #199702140412) of the OPR with a corrected document recorded in Book 97247, Page 3370 (Instrument #19907024170809) of the Official Public Records of Dallas County, Texas on December 22, 1997, wherein, among other things, the Demised Premises was modified to include 78,506 square feet of land as described in Exhibit C to the Agreement (the same being as shown in the Boundary Survey prepared by Shimek, Jacobs & Finklea, LLP dated February 19, 1997



**WHEREAS**, by that Assignment of Lease entered and made effective December 31, 1997 as recorded as Book 98063, Page 3557 (Instrument #199800090587) in the OPR, the Ground Lease was assigned from Concourse Plaza, LTD, as assignor, to Concourse Plaza II, LTD, a Texas limited partnership, as assignee; and

**WHEREAS**, said Ground Lease was then modified by that Second Amendment to Ground Lease dated and made effective August 14, 2018, so evidenced by that Memorandum of Lease of same date recorded in the OPR as Instrument #201800245457; whereby, among other things, the Term was extended to expire on September 30, 2054; and

**WHEREAS**, said Ground Lease was then modified by that Third Amendment to Ground Lease dated and made effective September 8, 2020, so evidenced by that Memorandum of Lease of same date recorded in the OPR as Instrument #202000287922; whereby, among other things, the Term was extended to expire on September 30, 2060; and

**WHEREAS**, by virtue of such conveyances and assignments, Concourse Plaza II, LTD is the Tenant under the Ground Lease (and is hereinafter referred to as "Tenant"); and

**WHEREAS**, a true and correct copy of the Ground Lease as amended and modified as described hereinabove is attached hereto as **Exhibit "A"**.

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

#### **AGREEMENT**

1. Assignor hereby assigns, bargains, sells, and conveys to Assignee, effective as of the date above, all of Assignor's right, title, duties, responsibilities, and interest in and to the Ground Lease, TO HAVE AND TO HOLD the same, for the remaining term thereof, and Assignor does hereby bind itself and its successors and assigns to warrant and forever defend the same unto Assignee against every person or persons lawfully claiming a part thereof, by, through, or under Assignor, but not otherwise.

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

8361 N. Rampart Range Road, Suite B 208  
Littleton, Colorado 80125

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

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

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

7. 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.

8. The undersigned representatives of the Assignor and Assignee have the necessary authority to execute this Assignment on behalf of each of the respective parties hereto, and Assignor and Assignee certify one to the other that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect.

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

**Assignor:** \_\_\_\_\_  
**CONCOURSE PLAZA II, LTD.**  
a Texas limited partnership

By: Harkinson Investment Corporation  
a Texas corporation, General Partner

By: \_\_\_\_\_

Printed Name: William J. Harkinson

Title: President

**Assignee:** \_\_\_\_\_  
**16051 ADDISON, LLC**  
a Texas limited liability company

By: \_\_\_\_\_

Printed Name: Christopher Frain

Title: Manager

**ACKNOWLEDGMENT**

**STATE OF TEXAS           §**  
**COUNTY OF DALLAS     §**

BEFORE ME, the undersigned authority, on this day personally appeared William J. Harkinson, the President of Harkinson Investment Corporation, a Texas corporation the general partner of Concourse Plaza II, Ltd., a Texas limited partnership 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 and as the act and deed of said corporation acting as general partner for said limited partnership.

GIVEN under my hand and seal of office this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

[SEAL]

\_\_\_\_\_  
Notary Public, State of Texas

**STATE OF TEXAS           §**  
**COUNTY OF DALLAS     §**

BEFORE ME, the undersigned authority, on this day personally appeared Christopher Fan, as Manager of 16051 Addison, LLC, a Texas limited liability company known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that (he, she) executed the same for the purposes and consideration therein stated and as the act and deed of said limited liability company.

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 and effective as of \_\_\_\_\_ 20\_\_\_\_, at Addison, Texas, by and between Concourse Plaza II, LTD, a Texas limited partnership, a Texas limited partnership ("Assignor") and 16051 Addison, LLC, a Texas limited liability company ("Assignee").

In executing this Consent of Landlord, Landlord is relying upon the warranty and representations made in the foregoing Assignment by both Assignor and Assignee, and in relying upon the same Landlord hereby consents to the foregoing Assignment from Assignor to Assignee. Landlord hereby releases Assignor of its obligations under the Ground Lease and hereinafter Assignee shall be solely responsible for the covenants, obligations, duties and responsibilities of Tenant under or in connection with the Ground Lease. In addition, notwithstanding any provisions of this Consent of Landlord or the above and foregoing Assignment to the contrary, this Consent shall not operate as a waiver of any prohibition against further assignment, transfer, conveyance, pledge, change of control, or subletting of the Ground Lease or the premises described therein without Landlord's prior written consent.

This Consent shall be and remain valid only if and provided that, by no later than 6:00 o'clock p.m. on July 31, 2021:

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

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

Signed this \_\_\_\_\_ day \_\_\_\_\_, 2021.

**LANDLORD:**

**TOWN OF ADDISON, TEXAS**

By: \_\_\_\_\_  
Wesley S. Pierson, City Manager



# **EXHIBIT "A"**

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

This Third Amendment to Ground Lease (hereinafter referred to as the "Third Amendment") is made effective as of October 1, 2020, (the "Effective Date") at Addison, Texas, by and between the Town of Addison, Texas, a home-rule municipality (hereinafter sometimes referred to as the "Landlord" or the "City"), and Concourse Plaza II, LTD., a Texas limited liability company ("Tenant") (Landlord and Tenant are sometimes referred to as the "parties" or "party").

**WHEREAS**, a Ground Lease (with Addendum To Ground Lease) was first made and entered into October 11, 1983 between the City of Addison, Texas (the same being the Town of Addison, Texas, and sometimes referred to herein as the "City") and Addison Airport of Texas, Inc. ("AATT") as Landlord, and Bunnell Properties, Inc., a Texas corporation, as Tenant, by the terms of which Landlord leased to Tenant a certain 1.661 acre tract of land at Addison Airport (which tract of land is referred to in the Ground Lease and herein as the "Demised Premises" or "demised premises") as recorded in the Official Public Records of Dallas County, Texas ("OPR") in Book 83252, Page 7439 (Instrument #198302521079) (the "Ground Lease" or "Lease", a true and correct copy as amended and modified as described herein is attached hereto as Exhibit "A"), which said real property is commonly referred to as 16051 Addison Road at Addison Airport within the Town Addison, Texas, and owned by the City, 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 AATT), the City is entitled to all of the rights, benefits and remedies, and will perform the duties, covenants, and obligations, of the Landlord under the Ground lease; and

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

**WHEREAS**, by that Assignment of Lease dated December 1, 1983 and recorded in the OPR in Book 83252, Page 7456 (Instrument #198302521080), the Ground Lease was assigned from Bunnell Properties, Inc., as assignor, to Concourse Plaza, LTD., a Texas limited partnership, as assignee; and

**WHEREAS**, the said Ground Lease was then modified by that Settlement and First Amendment to Lease Agreement dated April 22, 1997 as recorded in Book 97214, Page 2291 (instrument #199702140412) of the OPR with a corrected document recorded in Book 97247, Page 3370 (Instrument #19907024170809) of the Official Public Records of Dallas County, Texas on December 22, 1997, wherein, among other things, the Demised Premises was modified to include 78,506 square feet of land as described in Exhibit C to the Agreement (the same being as shown in the Boundary Survey prepared by Shimek, Jacobs & Finklea, LLP dated February 19, 1997, which a true and correct copy is attached hereto as Exhibit "B"); and

**WHEREAS**, by that Assignment of Lease entered into and made effective December 31, 1997 as recorded as Book 98063, Page 3557 (Instrument #199800090587) in the OPR, the Ground Lease was assigned from Concourse Plaza, LTD, as assignor, to Concourse Plaza II, LTD, a Texas limited partnership, as assignee; and

**WHEREAS**, said Ground Lease was then modified by that Second Amendment to Ground Lease dated and made effective August 14, 2018, so evidenced by that Memorandum of Lease of same date recorded in the OPR as Instrument #201800245457; whereby, among other things, the Term was extended to expire on September 30, 2054; and

**WHEREAS**, by virtue of such conveyances and assignments, Concourse Plaza II, LTD is the Tenant under the Ground Lease (and is hereinafter referred to as "Tenant"); and

**WHEREAS**, Tenant has achieved Construction Completion of the Second Amendment Building Improvements to Landlord's satisfaction pursuant to Section 6.B of the Second Amendment in excess of the stipulated Second Amendment Capital Improvement Costs of One Million Five Hundred and No/100 Dollars (\$1,500,000.00) evidenced by that certain signed and witnessed Application and Certification For Payment #9 dated March 2, 2020 ("Second Amendment Construction Costs Evidence") with the actual total contract sum paid in the amount of \$1,992,270.03; and

**WHEREAS**, in consideration of the actual construction costs incurred by Tenant exceeding the stipulated Second Amendment Capital Improvement Costs, and in connection therewith, Landlord and Tenant desire to amend the Ground Lease in the manner set forth below.

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

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

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

**A. Amendment to Section 3, Term.** Section 3, Term of the Ground Lease is hereby amended as follows:

**3. Term:** The initial term hereof, which commenced October 1, 1984 and is due to expire September 30, 2054 as modified by the Second Amendment, is hereby extended an additional seventy-two (72) full calendar months so that it shall now expire on September 30, 2060.

**Section 3. No Other Amendments.** Except to the extent modified or amended herein, all other terms and obligations of the Ground Lease shall remain unchanged and in full force and effect.

Third Amendment to Ground Lease 0950-5101 – Page 2 of 10

**Section 4. Applicable Law; Venue.** In the event of any action under this Third Amendment, exclusive venue for all causes of action shall be instituted and maintained in Dallas County, Texas. The parties agree that the laws of the State of Texas shall govern and apply to the interpretation, validity and enforcement of this Third Amendment; and, with respect to any conflict of law provisions, the parties agree that such conflict of law provisions shall not affect the application of the law of the State of Texas (without reference to its conflict of law provisions) to the governing, interpretation, validity and enforcement of this Third Amendment. All obligations of the parties created by this Third Amendment are performable in Dallas County, Texas.

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


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

8<sup>th</sup> IN WITNESS WHEREOF, the undersigned parties execute this Agreement this September day of September, 2020.

**TENANT:**

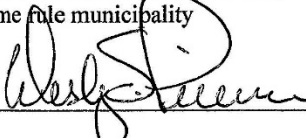
**CONCOURSE PLAZA II, LTD.,**  
a Texas limited partnership

By: Harkinson Investment Corporation  
a Texas corporation, General Partner

By:   
William J. Harkinson, President

**LANDLORD:**

**TOWN OF ADDISON, TEXAS,**  
a home rule municipality

By:   
Wesley S. Pierson, City Manager

Resolution No. 20-R063

September 8, 2020

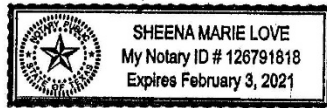
**ACKNOWLEDGMENT**

STATE OF TEXAS       §  
                                  §  
COUNTY OF DALLAS   §

BEFORE ME, the undersigned authority, on this day personally appeared William J. Harkinson, President of Harkinson Investment Corporation, General Partner of Concourse Plaza II, LTD, a Texas limited partnership, 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 August, 2020.

[SEAL]



*Sheena M. Love*  
Notary Public, State of Texas

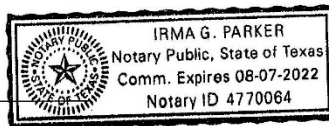
STATE OF TEXAS       §  
                                  §  
COUNTY OF DALLAS   §

BEFORE ME, the undersigned authority, on this day personally appeared Wesley S. Pierson, city manager of the Town of Addison, a home-rule municipality, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein stated.

GIVEN under my hand and seal of office this 9th day of September, 2020.

[SEAL]

*Irma G. Parker*  
Notary Public, State of Texas





**EXHIBIT "A"**

**COPY OF GROUND LEASE AS AMENDED AND MODIFIED**

**EXHIBIT "B"**

**PROPERTY SURVEY AND LEGAL DESCRIPTION**  
**OF DEMISED PREMISES**

*FIELD NOTE DESCRIPTION  
CONCOURSE PLAZA LAND LEASE  
ADDISON MUNICIPAL AIRPORT*

BEING a tract of land situated in the E. Cook Survey, Abstract No. 326, Dallas County, Texas and located on Addison Municipal Airport, Addison, Texas and being more particularly described as follows:

BEGINNING at a point for a corner, said point being the intersection of the west right-of-way line of Addison Road and the south right-of-way line of Keller Springs Road as evidenced by a 1/2-inch iron rod;

THENCE departing the west right-of-way line of said Addison Road, a distance of 2.29 feet to a 5/8-inch iron rod found in the south right-of-way of Keller Springs Road and continuing S 69°35'33" W along the south right-of-way of said Keller Springs Road, 108.70 feet for a total distance of 110.99 feet to a point for a corner as evidence by an 'X' in concrete;

THENCE S 64°05'33" W, along the south right-of-way of said Keller Springs Road, a distance of 78.03 feet to a point for a corner;

THENCE S 22°07'10" E, a distance of 64.73 feet to a point for a corner;

THENCE S 20°33'10" E, a distance of 43.25 feet to a point for a corner;

THENCE S 13°45'43" E, a distance of 204.27 feet to a point for a corner;

THENCE S 1°20'34" W, a distance of 130.52 feet to a point for a corner;

THENCE N 89°36'51" E, a distance of 145.35 feet to a point for a corner, said point being in the west right-of-way line of said Addison Road and in the east line of Addison Municipal Airport, as evidence by a 1/2-inch iron rod found;

THENCE N 0°22'50" W along the west right-of-way line of said Addison Road and the east line of Addison Municipal Airport, a distance of 298.44 feet to a point in a curve to the left as evidence by a 1/2-inch iron rod, said curve to the left having a central angle of 15°17'42", a radius of 788.51 feet and chord bearing, distance of N 14°58'43" W, 209.87;

THENCE along said curve to the left of said west right-of-way line and the east line of said Addison Municipal Airport, a distance of 210.49 feet to the POINT OF BEGINNING and containing 78,506 square feet of land.

OPEN  
HANGER

**EXHIBIT "C"**

**MEMORANDUM OF LEASE**

This Memorandum of Lease is dated as of September 8, 2020, and executed by and between the Town of Addison, Texas ("Landlord" or "City") and Concourse Plaza II, LTD. ("Tenant").

**WHEREAS**, a Ground Lease (with Addendum To Ground Lease) was first made and entered into October 11, 1983 between the City of Addison, Texas (the same being the Town of Addison, Texas and sometimes referred to herein as the "City") and Addison Airport of Texas, Inc. ("AATI"), as Landlord, and Bunnell Properties, Inc., a Texas corporation, as tenant, by the terms of which Landlord leased to tenant a certain 1.661 acre tract of land at Addison Airport (which tract of land is referred to in the Ground Lease herein as the "Demised Premises" or "demised premises") as recorded in the Official Public Records of Dallas County, Texas in Book 83252, Page 7439 (Instrument #198302521079) of which certain real property now commonly referred to as 16051 Addison Road at Addison Airport within the Town of Addison, Texas and owned by the City (which the demised is more specifically described in Exhibit "A" attached hereto and incorporated herein by reference); 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 AATI), the City is entitled to all of the rights, benefits and remedies, and will perform the duties, covenants, and obligations, of the Landlord under the Ground lease; and

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

**WHEREAS**, by that Assignment of Lease dated December 1 1983 and recorded in the Official Public Records of Dallas County, Texas in Book 83252, Page 7456 (Instrument #198302521080), the Ground Lease was assigned from Bunnell Properties, Inc., as assignor, to Concourse Plaza, LTD., a Texas limited partnership, as assignee; and

**WHEREAS**, the said Ground Lease was then modified by that Settlement and First Amendment to Lease Agreement dated April 22, 1997 as recorded in Book 97214, Page 2291 (instrument #199702120412) of the Official Public Records of Dallas County, Texas, with a corrected document recorded in Book 97247, Page 3370 (Instrument #19907024170809) of the Official Public Records of Dallas County, Texas on December 22, 1997, and

**WHEREAS**, by that Assignment of Lease entered into and made effective December 31, 1997 as recorded as Book 98063, Page 3557 (Instrument #199800090587) in the Official Public Records of Dallas County, Texas, the Ground Lease was assigned from Concourse Plaza, LTD, as assignor, to Concourse Plaza II, LTD, a Texas limited partnership, as assignee, and

First Amendment to Ground Lease 0960-8602 – Page 3 of 10

**WHEREAS**, said Ground Lease was then modified by that Second Amendment to Ground Lease dated and made effective August 14, 2018, so evidenced by that Memorandum of Lease of same date recorded in the OPR as Instrument #201800245457; whereby, among other things, the Term was extended to expire on September 30, 2054; and

**NOW LET IT BE KNOWN**, the said Ground Lease is further amended by that Third Amendment to Ground Lease, entered into on September 8, 2020 and made effective October 1, 2020, which, among other things, extends the Term so the Ground Lease shall expire on September 30, 2060 unless otherwise earlier terminated or extended.

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

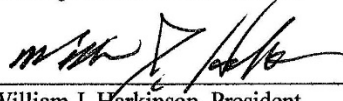
Upon the expiration or earlier termination of the Ground Lease, Landlord and Tenant agree that they shall execute and record a termination of this Memorandum of Lease.

**IN WITNESS WHEREOF**, the undersigned parties execute this Agreement this 8<sup>th</sup> day of September, 2020.

**TENANT:**

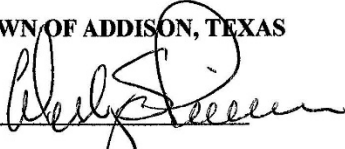
**CONCOURSE PLAZA II, LTD.**  
a Texas limited partnership

By: Harkinson Investment Corporation  
a Texas corporation, General Partner

By:   
William J. Harkinson, President

**LANDLORD:**

**TOWN OF ADDISON, TEXAS**

By:   
Wesley S. Pierson, City Manager

Resolution No. 20-R063

September 8, 2020

**ACKNOWLEDGMENT**

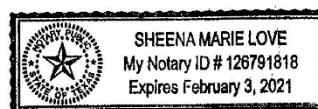
STATE OF TEXAS       §  
COUNTY OF DALLAS   §

BEFORE ME, the undersigned authority, on this day personally appeared William J. Harkinson, President of Harkinson Investment Corporation, General Partner of Concourse Plaza II, LTD, a Texas limited partnership, 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 August, 2020.

[SEAL]

Sheena M. Love  
Notary Public, State of Texas



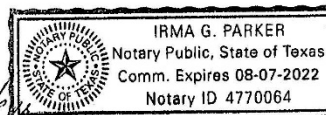
STATE OF TEXAS       §  
COUNTY OF DALLAS   §

BEFORE ME, the undersigned authority, on this day personally appeared Wesley S. Pierson, city manager of the Town of Addison, a home-rule municipality, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein stated.

GIVEN under my hand and seal of office this 9th day of September, 2020.

[SEAL]

Irma G. Parker  
Notary Public, State of Texas





**EXHIBIT A**  
**to Memorandum of Lease**

**LEGAL DESCRIPTION OF DEMISED PREMISES**

*FIELD NGTE DESCRIPTION  
CONCOURSE PLAZA LAND LEASE  
ADDISON MUNICIPAL AIRPORT*

*BEING a tract of land situated in the E. Cook Survey, Abstract No. 326, Dallas County, Texas and located on Addison Municipal Airport, Addison, Texas and being more particularly described as follows:*

*BEGINNING at a point for a corner, said point being the intersection of the west right-of-way line of Addison Road and the south right-of-way line of Keller Springs Road as evidenced by a 1/2-inch iron rod;*

*THENCE departing the west right-of-way line of said Addison Road, a distance of 2.29 feet to a 5/8-inch iron rod found in the south right-of-way of Keller Springs Road and continuing S 69°35'33" W along the south right-of-way of said Keller Springs Road, 108.70 feet for a total distance of 110.99 feet to a point for a corner as evidence by an "X" in concrete;*

*THENCE S 64°05'33" W, along the south right-of-way of said Keller Springs Road, a distance of 78.03 feet to a point for a corner;*

*THENCE S 22°07'10" E, a distance of 64.73 feet to a point for a corner;*

*THENCE S 20°33'10" E, a distance of 43.25 feet to a point for a corner;*

*THENCE S 13°45'43" E, a distance of 204.27 feet to a point for a corner;*

*THENCE S 1°20'34" W, a distance of 130.52 feet to a point for a corner;*

*THENCE N 89°36'51" E, a distance of 145.35 feet to a point for a corner, said point being in the west right-of-way line of said Addison Road and in the east line of Addison Municipal Airport, as evidence by a 1/2-inch iron rod found;*

*THENCE N 0°22'50" W along the west right-of-way line of said Addison Road and the east line of Addison Municipal Airport, a distance of 298.44 feet to a point in a curve to the left as evidence by a 1/2-inch iron rod, said curve to the left having a central angle of 15°17'42", a radius of 788.51 feet and chord bearing, distance of N 14°58'43" W, 209.87;*

*THENCE along said curve to the left of said west right-of-way line and the east line of said Addison Municipal Airport, a distance of 210.49 feet to the POINT OF BEGINNING and containing 78,506 square feet of land.*

OPEN  
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STATE OF TEXAS

§

COUNTY OF DALLAS

§

SECOND AMENDMENT TO GROUND LEASE

This Second Amendment to Ground Lease (hereinafter referred to as the "Second Amendment") is entered into and made effective as of August 14, 2018, (the "Effective Date") at Addison, Texas, by and between the Town of Addison, Texas, a home-rule municipality (hereinafter sometimes referred to as the "Landlord" or the "City"), and Concourse Plaza II, LTD., a Texas limited liability company ("Tenant") (Landlord and Tenant are sometimes referred to as the "parties" or "party").

**WHEREAS**, a Ground Lease (with Addendum To Ground Lease) was first made and entered into October 11, 1983 between the City of Addison, Texas (the same being the Town of Addison, Texas, and sometimes referred to herein as the "City") and Addison Airport of Texas, Inc. ("AATI") as Landlord, and Bunnell Properties, Inc., a Texas corporation, as Tenant, by the terms of which Landlord leased to Tenant a certain 1.661 acre tract of land at Addison Airport (which tract of land is referred to in the Ground Lease and herein as the "Demised Premises" or "demised premises") as recorded in the Official Public Records of Dallas County, Texas in Book 83252, Page 7439 (Instrument #198302521079) (the "Ground Lease" or "Lease", a true and correct copy as amended and modified as described herein is attached hereto as Exhibit "A"), which said real property is commonly referred to as 16051 Addison Road at Addison Airport within the Town Addison, Texas, and owned by the City, 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 AATI), the City is entitled to all of the rights, benefits and remedies, and will perform the duties, covenants, and obligations, of the Landlord under the Ground lease; and

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

**WHEREAS**, by that Assignment of Lease dated December 1, 1983 and recorded in the Official Public Records of Dallas County, Texas in Book 83252, Page 7456 (Instrument #198302521080), the Ground Lease was assigned from Bunnell Properties, Inc., as assignor, to Concourse Plaza, LTD., a Texas limited partnership, as assignee; and

**WHEREAS**, the said Ground Lease was then modified by that Settlement and First Amendment to Lease Agreement dated April 22, 1997 as recorded in Book 97214, Page 2291 (instrument #199702140412) of the Official Public Records of Dallas County, Texas, with a corrected document recorded in Book 97247, Page 3370 (Instrument #19907024170809) of the Official Public Records of Dallas County, Texas on December 22, 1997, wherein, among other things, the Demised Premises was modified to include 78,506 square feet of land as described in Exhibit C to the Agreement (the same being as shown in the Boundary Survey prepared by Shimek, Jacobs & Finklea, LLP dated February 19, 1997, which a true and correct copy is attached hereto as Exhibit "B"); and

Second Amendment to Ground Lease 0950-5101 – Page 1 of 46

**WHEREAS**, by that Assignment of Lease entered into and made effective December 31, 1997 as recorded as Book 98063, Page 3557 (Instrument #199800090587) in the Official Public Records of Dallas County, Texas, the Ground Lease was assigned from Concourse Plaza, LTD, as assignor, to Concourse Plaza II, LTD, a Texas limited partnership, as assignee; and

**WHEREAS**, by virtue of such conveyances and assignments, Concourse Plaza II, LTD is the Tenant under the Ground Lease (and is hereinafter referred to as "Tenant"); and

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

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

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

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

**A. Amendment to Section 3, Term.** Section 3, Term of the Ground Lease is hereby amended as follows:

**3. Term:** The initial term hereof, which commenced October 1, 1984 and is due to expire four hundred eighty (480) months thereafter, is hereby extended an additional three hundred and sixty (360) full calendar months so that it shall now expire on September 30, 2054.

**B. Amendment to Section 4, Rental:** Section 4, Rental of the Ground Lease is hereby amended in its entirety as follows:

**4. Rental:** Subject to adjustment as herein provided, Tenant agrees to pay to Landlord, without offset or deduction, rent for the Demised Premises an amount equal to the product of the gross square feet of the Demised Premises as determined by the Property Survey times \$.65 per gross square foot (e.g.  $\$0.65 \times 78,506$  gross square feet = \$51,028.90), which amount shall be paid by Tenant in twelve (12) equal monthly installments, in advance, on or before the first day of each calendar month (the "Base Rent", which shall be adjusted as set forth in Section 5 hereinbelow). The first monthly payment or installment of Base Rent, in the amount of Four Thousand Two Hundred Fifty-two Dollars and 41/100 (\$4,252.41) is due and payable on or before the first day of the month following the Effective Date of this Second Amendment. 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 hereof.

**C. Amendment to Section 5, Adjustment of Rental:** Section 5, Adjustment of Rental of the Ground Lease is amended in its entirety to read as follows:

**5. Adjustment of Rental:** Commencing on the second anniversary of the Effective date of the Second Amendment, and every biennial anniversary thereafter (hereinafter referred to as the "Adjustment Date"), the Annual Rent due under Section 4, as amended herein, shall be adjusted as follows:

(1.) Annual Rent shall be adjusted to reflect changes in the Consumers' 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, Texas 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 on the Effective Date of the Second Amendment. The current index ("Current Index") is the Consumer Price Index published and in effect as of 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 Annual Rent shall be adjusted so that it equals the product of the Annual Rent amount during the first year of the Second Amendment (such amount being \$51,028.90) multiplied by a fraction, the numerator of which is the Current Index and the denominator of which is the Basic Index, but in no event shall such Annual Rent ever be decreased below the Annual Rent set forth in Section 4, as amended (such Annual Rent being \$51,028.90). Without offset or deduction, Annual Rent shall be paid in advance in monthly installments on or before the first day of each calendar month, determined by dividing the Annual Rental amount by twelve (12), with the first such installment due on or before the first day of the first calendar month following the Adjustment Date.

(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 reasonably determined by Landlord) shall be substituted therefor.

**D. Amendment to Section 6, Use of the Demised Premises and Construction of Improvements:** Section 6, Use of Demised Premises and Construction of Improvements of the Ground Lease is hereby amended in its entirety to read as follows:

**6. Use of Demised Premises and Construction of Improvements:**

**A. Use of the Demised Premises:**

(1.) The Demised Premises shall be used and occupied by Tenant only for the following purposes: sale of aircraft and aircraft parts; aircraft maintenance and repair, aircraft storage; aircraft training, aircraft charter and aircraft rentals; and

(2.) The permitted use of the Demised Premises as set forth in the Addendum To Ground Lease dated October 11, 1983; and

(3.) That portion of the Demised Premises designed and constructed for the purpose of aircraft storage may be used only for the purpose of storing aircraft and the temporary storage of the aircraft owner/operator's motor vehicle (ie, car, truck, motorcycle) while the aircraft owner/operator is using the aircraft in accordance with the FAA Policy on the Non-Aeronautical Use of Airport Hangars as may be amended from time to time. Such equipment and parts reasonably necessary for the operation of the owner/operators aircraft may also be stored in the aircraft hangar provided the storage of such equipment and parts do not hinder or impede the movement of the aircraft in and out of the hangar or impede access to the aircraft or other aeronautical contents kept in the hangar. Stored aircraft must be airworthy and in good working order at all times except for periods necessary for routine maintenance, repairs, upgrades and/or similar such work required to keep the aircraft in good working order. For the purposes herein, an aircraft is regarded airworthy and in good working order if the aircraft has a valid FAA registration, it is insurable and, at a minimum, appears to be well kept and in good, working condition. The aircraft hangars on the Demised Premises may not be used for any other purposes without the prior written consent of Landlord; and

(4.) The Demised Premises shall not be used for any purpose or 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; or (iii) increases insurance costs for Landlord; and

(5.) 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 releasing or making repairs and alterations, all such repairs and alterations to be diligently pursued to completion; and

(6.) Tenant acknowledges that Landlord is bound by the terms and conditions of any and all Federal Aviation Administration, Texas Department of Transportation, and other grant agreements, grant assurances and regulations regarding the Airport, and the terms of 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 knowingly take any action and refrain from taking any action in relation to the Demised Premises that would cause Landlord to be in violation of such regulations or standards; and

(7.) The Tenant for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree, to the extent the Demised Premises are used for commercial purposes that (i) no person shall be excluded from participation in, denied the benefits of or be otherwise subjected to



discrimination in the use of said facilities on the basis of race, creed, color, national origin, sex, age or handicap; (ii) in the construction of any improvements on, over or under the Demised Premises and the furnishing of services thereon, no person shall be excluded from participation in, denied the benefits of or be otherwise subjected to discrimination in the use of said facilities on the basis of race, creed, color, national origin, sex, age or handicap; and (iii) 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; and

(8.) Tenant agrees to the extent the Demised Premises is used for commercial purposes, Tenant agrees to furnish all services on a fair, equal, and non-unjustly discriminatory basis to all users thereof and to charge fair, reasonable, and not unjustly discriminatory prices for such services, 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.

**B. Construction of 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 by Landlord and Tenant), in accordance with plans and specifications which shall be submitted to and subject to the approval of Landlord. The term "Building Improvements" shall mean those real property and structural improvements that have been made and exist on the Demised Premises as of the Effective Date of this Second Amendment ("Existing Building Improvements") and any other buildings or improvements made to, or installed, located or placed upon, the Demised Premises any time during the Term as may be extended or modified. Except as provided for in this Agreement, and except for Tenant finish out improvements constructed in the normal course of office space leasing, Tenant may not construct, locate, install, place or erect any other improvements upon the Demised Premises without the prior written consent of Landlord.

(2.) Except with regard to Existing Building Improvements, the Building Improvements (including any modifications or changes to the Existing Building Improvements) shall be constructed on the Demised Premises in accordance with plans and specifications prepared by an architect and/or engineer selected and retained by Tenant (the "Design Plan"), which shall be submitted to Landlord for Landlord's consideration of approval (which approval, if any, shall be in writing. Any architect or engineer shall be duly licensed to practice architecture or engineering, respectively, 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 or violation of this Lease with respect thereto, and **TENANT SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS LANDLORD AND MANAGER IN ACCORDANCE WITH SECTION 21., SUBSECTION B. ("TENANT'S INDEMNITY OBLIGATION") OF THIS LEASE.** It is expressly understood and agreed that Tenant's construction of the Building Improvements shall include the finish-out of such building and improvements in accordance with the plans and specifications for the finish-out of the Building Improvements as submitted by Tenant to Landlord and approved in writing by Landlord.

After commencement of construction, Tenant shall complete construction of any Building Improvements with reasonable diligence, without material deviation from the Design Plan, and any deviation from the Design Plan shall be subject to the review and reasonable approval of Landlord.

(3.) Landlord's approval of the Design Plan or any other plans and 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.) Tenant agrees that any construction or modification of the Building Improvements or any other improvements (authorized to be constructed in writing by Landlord) on the Demised Premises shall comply with all standards, codes, and rules adopted by Landlord or Manager, including, but not limited to, any rules relating to construction and maintenance standards and specifications, shall further comply with the Town of Addison, Texas building and related codes and zoning requirements, and will meet or exceed all applicable state and federal standards (including, without limitation, Title III of the Americans With Disabilities Act of 1990, ("ADA Act") 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.

(5.) With respect to Title III of the Americans With Disabilities Act of 1990, Tenant acknowledges and agrees it shall remain fully responsible and obligated over the Term to construct, alter and maintain the Building Improvements in accordance with the prevailing ADA Act. Furthermore, Tenant shall ensure no person or groups of persons shall, on the grounds of race, color, sex, religion, national origin, age, disability, retaliation or genetic information, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under the ADA Act. Tenant shall give Landlord written notice within ten (10) days of Tenant having knowledge or written

notice of any ADA Act violation or claim of violation from any governmental entity with authority on such matters or from any third party.

(6.) Tenant will properly and timely submit to the Federal Aviation Administration (FAA), the Texas Department of Transportation (FAA Form 7460-1 or its equivalent), TxDOT Airport Construction Emission Inventory, when and as required, and such other forms and information as may be required by the FAA, TxDOT, or any other governmental entity or agency having jurisdiction over Addison Airport.

(7.) Tenant further agrees that 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 and Tenant agrees to provide 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.

(8.) “Substantial Completion of the Building Improvements” or “Substantial Completion” shall be (unless provided for elsewhere in this Second Amendment to Ground Lease) deemed to have occurred upon the issuance by the Town of Addison, Texas, of a certificate of temporary or final occupancy for any portion of the Building Improvements, if required. “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 comprehensive As-Built drawings and documentation reviewed by Tenant’s architect reflecting all approved changes and modifications to the originally approved Design Plan.

(9.) Notwithstanding the foregoing, within the first thirty-six (36) full calendar months following the Effective Date of the Second Amendment to Ground Lease (the “Second Amendment Improvement Period”), Tenant shall construct or cause to be constructed and completed at Tenant’s sole cost and expense those certain capital repairs and improvements to the Demised Premises itemized and set forth in Exhibit “C” attached hereto and incorporated herein for all purposes (the “Second Amendment Capital Improvements”) in accordance with this Section 6; and

(a.) Tenant agrees that it will contribute no less than One Million Five Hundred and No/100 Dollars (\$1,500,000.00) towards the “hard construction cost” of the construction of the Second Amendment Capital Improvements (“Second Amendment Capital Improvement Costs”). For the purposes herein the term “hard construction costs” is meant to include only those costs directly related to the physical construction of a building actually incurred and do not typically include, but not limited to, architecture and engineering fees, inspection and accounting fees, developer fees, permitting costs and legal services. Tenant shall provide, upon request of Landlord, reasonable evidence of the actual cost and expenses contributed by Tenant towards the Second Amendment Capital Improvements upon their completion (e.g. paid invoices, construction payment applications approved by a licensed architect or engineer, etc.) (“Second Amendment Construction Costs Evidence”); and



(b.) For the purpose of this Section 6.B.(9), the Second Amendment Capital Improvements shall be deemed to be completed upon: (i) the issuance by the Town of Addison a Certificate of Occupancy (if issuance is required) with evidence of same delivered to Landlord; and (ii) Tenant's delivery of its Second Amendment Construction Costs Evidence to Landlord; and (iii) Landlord's physical inspection and acceptance of same by Landlord's designated agent or representative. Landlord's inspection and/or acceptance shall not be unreasonably delayed upon Tenant's written notice of completion of construction and request for Landlord's inspection ("Construction Completion").

(10.) Failure of Tenant to observe and comply with the requirements of this Section, subject to notice and cure as provided in Section 22, shall be an Event of Default under the Ground Lease.

**E. Amendment to Section 7, Acceptance of Demised Premises:** Section 7, Acceptance of Demised Premises of the Ground Lease is amended in its entirety to read as follows:

**7. Acceptance of Demised Premises. TENANT ACKNOWLEDGES THAT TENANT HAS FULLY INSPECTED THE DEMISED PREMISES AND ACCEPTS 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 PROPERTY 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 TENANT'S INSPECTION AND INVESTIGATION OF THE DEMISED PREMISES HAVE BEEN (OR WILL BE) ADEQUATE TO ENABLE TENANT TO MAKE TENANT'S OWN DETERMINATION WITH RESPECT TO THE SUITABILITY OR FITNESS OF THE PROPERTY, 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 21.1. 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.

**F. Amendment to Section 8, Securing Governmental Approvals and Compliance with Law:** Section 8, Securing Governmental Approvals and Compliance with Law of the Ground Lease is amended in its entirety to read as follows:

**8. Securing Governmental Approvals and Compliance with Law.**

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 Ground 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 Federal Aviation Administration, 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 Ground 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 all standards and rules published by the Landlord or by the Airport Manager (as of the Effective Date hereof, the Airport Manager is as set forth in the Recitals above; however, the Airport Manager may be changed or modified by the City, and for purposes of this Ground Lease the Airport Manager shall also mean any person or entity authorized by the City to manage and/or operate the Airport), including but not limited to the Airport's published "Construction/Maintenance Standards and Specifications," 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 the referenced Construction/Maintenance Standards and Specifications, 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.

**G. Amendment to Section 9, Assignment, Subletting and Mortgaging of Leasehold Estate.** Section 9, Assignment, Subletting and Mortgaging of Leasehold Estate is hereby amended in its entirety to read as follows:

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

**A.** Without the prior written consent of Landlord, Tenant shall have no power to and shall not, either voluntarily or involuntarily, 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 any person or entity to whom an assignment is made being an "assignee") this Lease, or any interest, 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 and any subletting shall be null and void and may be deemed by Landlord (in Landlord's sole discretion) a default under Section 22 of this Lease.

**B.** Notwithstanding the foregoing, Landlord hereby acknowledges and consents to Tenant's subletting of the Leased Premises for the purposes permitted under this Lease, 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:

- (i) 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 Ground Lease and the terms of the sublease, the terms of the Ground Lease shall control;
- (ii) no such subletting shall constitute a novation.
- (iii) in the event of occurrence of an event of default while the Demised Premises are assigned or sublet, Landlord, in addition to any other rights or 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 subletting and apply such rent against any sums due to Landlord hereunder;
- (iv) sublessee shall be obligated to obtain Landlord's consent to any action as to which Tenant is obligated to obtain such consent under the Ground Lease;
- (v) any such sublease is to automatically terminate upon termination of the Ground Lease notwithstanding any other provision of the sublease to the contrary;
- (vi) Landlord shall have no responsibility or obligation for the performance by Tenant of its obligations under the sublease;
- (vii) 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.

Furthermore, Tenant agrees that in no way does any sublease release Tenant from any of its covenants, agreements, liabilities and duties under the 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 the Ground Lease by a sublessee will constitute a default under the Ground Lease.

Subleases in effect on the Effective Date of this Second Amendment shall not be required to be amended to specifically comply with the terms of this Section 9.A.B.

C. If consent by Landlord to an assignment is required hereunder, Tenant shall request, in writing, Landlord's consent to a proposed assignment and such request must include: (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.

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 Leased 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.

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 Second Amendment to 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 purposes 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.

Any assignment or subletting shall be expressly subject to all the terms and provisions of this Lease, including, without limitation, 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 assignee or sublessee agrees to and shall be bound by and comply with all of 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, pledgee, 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.

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.

**D.** 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 other purposes 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 rental due hereunder and otherwise fully perform the terms and conditions of this Lease.

**E.** Landlord further agrees to execute and deliver to any proposed leasehold mortgagee of Tenant an "Estoppel 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; provided, however, that notwithstanding the foregoing or any other provision of this Lease, such mortgagee or its successors and assigns after foreclosure or transfer in lieu of foreclosure 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 except to the extent the Tenant has such privilege existing under the Lease, 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 and 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 than Tenant to assign, sell, transfer, pledge, encumber, mortgage, license, or otherwise convey this Lease (or any right, interest, obligation, or liability hereunder), 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 any other documents (including but not limited to the creation and stewardship of an escrow reserve account held by the leasehold mortgagee for the benefit of Landlord in a form approved by the Landlord) 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 mortgagee of such proposed leasehold mortgage.

**H. Amendment to Section 10, Property Taxes and Assessments:** Section 10, Property Taxes and Assessments of the Ground Lease is amended in its entirety to read as follows:

**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 37 of this Lease shall be paid by Tenant on demand.

If any buildings or other improvements located upon the Demised Premises are determined to be subject to property taxation by the Dallas Central Appraisal District (or any successor entity or agency thereto or other agency with the authority to make such determination) ("DCAD"), Subject to the payment of any outstanding taxes, Tenant may, in accordance with law, protest, appeal or institute other formal proceedings to effect a reduction 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 Ground Lease for any tax fiscal year that ends after the Commencement Date of the Ground 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. Notwithstanding the foregoing, Tenant shall not contest the determination that the buildings and/or improvements are subject to taxation. If a final (non-appealable) determination is rendered by DCAD or a court of appropriate and competent jurisdiction that any such buildings or other improvements are not subject to property taxation, the rent (as the same may be adjusted) for the year in which such final determination becomes effective shall be increased by an amount equal to the property tax revenue from such buildings and improvements that Tenant would have paid to the Town of Addison, Texas in that year but for such final determination (and such initial increased amount shall be paid to Landlord on or before December 31 of such year, unless otherwise agreed to by Landlord); thereafter, the

rent (as the same may be adjusted) as so increased shall continue, subject to adjustment as set forth in this Lease.

**I. Amendment to Section 11, Maintenance and Repair of Demised Premises:**

Section 11, Maintenance and Repair of Demised Premises of the Ground Lease is amended in its entirety to read as follows:

**11. Maintenance and Repair of Demised Premises:**

A. Tenant shall, throughout the Term hereof, maintain in good repair and in a first class condition (in accordance with any construction and/or maintenance standards and specifications established by the City or Airport Manager from time to time and all applicable ordinances, codes, rules and regulations of or adopted by the Town of Addison, Texas) all the Demised Premises and all buildings, improvements, fixtures, equipment and personal property (excluding aircraft stored in the Building Improvements) on the Demised Premises and keep them free from waste or nuisance and at the expiration or termination of this Ground Lease deliver up the Demised Premises clean and free of trash and in good repair and condition (in accordance with any construction and/or maintenance standards and specifications established by the City or Airport Manager from time to time and all applicable ordinances, codes, rules and regulations of or adopted by the Town of Addison, Texas), with all fixtures and equipment situated in the Demised Premises in good working order with reasonable wear and tear excepted. Tenant shall reimburse Landlord for and indemnify Landlord against all damages which Landlord incurs from Tenant's delay in vacating the Demised Premises.

B. Notwithstanding the foregoing, set forth as "Lease Addendum #1" attached hereto and incorporated herein by reference 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's 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.

**J. Amendment to Section 13, Insurance:** Section 13, Insurance of the Ground Lease is amended in its entirety to read as follows:

**13. Insurance.**

A. At all times in connection with this Ground Lease and during the Term hereof, Tenant shall purchase and maintain at Tenant's sole cost and expense, from a company or



companies lawfully authorized to do business in the State of Texas, such insurance coverages relating to the Demised Premises as follows:

(i) 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.

(ii) 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.

(iii) Statutory limits of Workers Compensation insurance including Employer's Liability coverage at limits of not less than \$1,000,000.00 each accident; \$1,000,000.00 by disease; \$1,000,000.00 by disease each employee.

(iv) 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.

(v) 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 Ground Lease (or earlier) must be maintained.

(vi) 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.

(vii) 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 that 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 per occurrence and medical expense coverage with a limit of \$5,000 for any one person.

(viii) 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.

(ix) If Tenant is fueling aircraft at the Airport pursuant to a fueling permit or license issued by the City, Tenant shall maintain a minimum of \$1,000,000 in Pollution Liability insurance coverage.

(x) 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 shall cause all such policies of insurance to comply with the following and be specifically endorsed as follows:

(i) The Town 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;

(ii) 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;

(iii) 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;

(iv) All insurance policies shall be endorsed to the effect that the Town of Addison, Texas, and the Airport Manager will receive at least sixty (60) days' written notice prior to cancellation or non-renewal of the insurance. If such insurance is canceled for non-payment of premium, such notice shall be ten (10) days.);

(v) All insurance policies shall be endorsed to require the insurer to immediately notify the Town of Addison, Texas, and the Airport Manager of any material change in the insurance coverages;

(vi) 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;

(vii) Tenant may maintain reasonable and customary deductibles, subject to approval by Landlord; and

(viii) 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 certificates 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:

(i) 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

(ii) 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:

(i) 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 \$10,000.00, except in the event of a hail and/or windstorm, the deductible shall not exceed one percent (1%) of the insured amount, so long as the one percent (1%) in the event of a hail and/or windstorm is a condition of Tenant's policy.

(ii) 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 percent (100%) of the construction costs. Tenant shall pay or cause to be paid the premiums for such bonds. Bonds shall be issued by a surety company satisfactory to 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, 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. Such stand-by 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 Ground Lease with respect to the construction of the Building Improvements. Upon written approval by Landlord with no less than ten (10) days' written notice to Landlord from Tenant, Tenant shall have the right to reduce the amount of the stand-by letter of credit on a no more frequently than calendar monthly basis by an amount equal to the construction costs incurred and paid by Tenant during the immediately preceding month or greater period of time as demonstrated by the Construction Value Evidence submitted to Landlord.

(iii) After the final completion of the Building Improvements contemplated by this Lease, in the event Tenant subsequently commences additional construction or improvements to the Demised Premises in an amount equal to or greater than Five Hundred Thousand Dollars (\$500,000.00), then Tenant shall provide Landlord a Payment Bond and Performance Bond or Letter of Credit in the same manner as articulated in this Section 13.D(ii) prior to the commencement of the additional construction or improvements.

(iv) Notwithstanding the foregoing, if Tenant's construction improvements are to be funded from a leasehold mortgage's loan proceeds and the leasehold mortgagee is holding, at the time, a valid real property lien pursuant to the terms of this Ground Lease (as amended and modified), Tenant may request Landlord for its consideration and consent to allow the leasehold mortgagee to establish and to hold and administer a special, federally insured escrow account ("Construction Escrow Account") for the purpose of funding such construction improvements in lieu of a Performance Bond and a Payment Bond payment or bank issued stand-by letter of credit to ensure Tenant's 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), with an originating balance of no less than one hundred percent (100%) of the construction costs ("Escrowed Funds") based upon an opinion of probable construction costs provided by the Tenant and approved by the Landlord prior to the commencement of construction. This special Construction Escrow Account may be established for the Landlord's and leasehold mortgagee's benefit under this Section 13.D by way of the execution and acknowledgement by the parties of a separate written agreement ("Construction Escrow Account Agreement"). Without waiving any rights and remedies available

to the Landlord under the Ground Lease, by law, or otherwise, this Construction Escrow Account Agreement shall provide for, among other things:

1. The Escrowed Funds are to be held in trust at all times by the leasehold mortgagee in a separate, special federally insured escrow account on behalf of Landlord; and

2. A portion of the Escrowed Funds may be disbursed by the leasehold mortgagee to Tenant (or as Tenant may direct) as may be requested in writing by Tenant from time to time as construction progresses ("Tenant's Construction Draw"), provided, however, that Tenant's written requests are (i) first submitted to Landlord and to the Bank, (ii) are accompanied by the information set forth below, and (iii) are approved by both Landlord and the leasehold mortgagee in writing. The information that must be submitted together with each Tenant's Construction Draw is:

(a) a certificate of a supervising licensed architect or engineer acceptable to Landlord, describing in reasonable detail the work and material in question and the cost thereof, stating that the same were in accordance with the approved scope of construction and constitute a complete part thereof, and that no part of Tenant's Construction Draw has theretofore been reimbursed, and specifying the additional amount, if any, necessary to complete said construction; and

(b) documentation in a form 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 Tenant's Construction Draw requested; and

(c) any other information supporting the expense of repairs and restoration work for which Tenant has requested disbursement, including any report from a building or other inspector retained by or on behalf of the leasehold mortgagee to observe or inspect the work, the leasehold mortgagee will provide a true and correct copy of such information to Landlord in connection with Tenant's Construction Draw.

3. Within five (5) business days from the date of receipt and review by Landlord of the information described above, if the same is acceptable to Landlord, the Landlord will give the leasehold mortgagee its written notice of acceptance and consent to the leasehold mortgagee's release of a sum not to exceed the Tenant's Construction Draw request to Tenant or as may be directed by Tenant.

(a) Upon Landlord's satisfaction of the completion of all construction made to the Demised Premises subject to the Construction Escrow Account Agreement, including without limitation receipt by Landlord of evidence satisfactory to Landlord that the cost of construction has been paid in full (including but not limited to affidavits of bills paid) and that there are no mechanic's, materialmen's or similar liens for labor or materials furnished in connection therewith, the remaining escrowed loan proceeds, if any, shall be released Tenant or as Tenant may direct.



(b) In consideration of Landlord's cooperation herewith, the leasehold mortgagee shall not disburse or otherwise discharge any portion of the Escrowed Funds without obtaining the Landlord's prior written consent. Further, the leasehold mortgagee shall provide written notice to Landlord of any and all requests for a distribution or discharge of the Escrowed Funds within three (3) days of the receipt of a request for the same by Tenant and will provide to the Landlord, within ten (10) days of written request, information regarding the escrow account as the Landlord may request from time to time.

E. Landlord reserves the right to review the insurance requirements contained herein and to reasonably adjust coverages and limits when deemed necessary and prudent by Landlord.

**K. Amendment to Section 14 Casualty Damage or Destruction:** Section 14.C, Casualty Damage or Destruction of the Ground Lease is hereby amended in its entirety as follows:

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

Notwithstanding the foregoing, if a leasehold mortgagee is holding a valid real property lien on Tenant's ground leasehold interests at the time of the casualty damage or destruction event pursuant to the terms of this Ground Lease (as amended and modified), Tenant may request Landlord for its consideration and consent to either allow the leasehold mortgagee to establish, hold and administer a special, federally insured escrow account ("Insurance Escrow Account") for the purpose of receiving, holding and dispersing all Net Insurance Proceeds (as defined below) payable on account, if any, as a direct or indirect consequence of such casualty damage and/or destruction event in lieu of Landlord holding and dispersing any such insurance proceeds ("Escrowed Funds") as provided for above or allow the leasehold mortgagee to administer the Net Insurance Proceeds. This special Insurance Escrow Account may be established for the Landlord's and leasehold mortgagee's benefit under this Section 14.C by way of the execution and acknowledgement by the parties of a separate written agreement ("Insurance Escrow Account Agreement"). Without waiving any rights and remedies available to the Landlord under the Ground Lease, by law, or otherwise, this Insurance Escrow Account Agreement shall provide, among other things:

(i) The insurance proceeds payable on account of damage to the improvements on the Demised Premises as a result of a casualty damage or destruction event less the costs, fees and expenses (including, without limitation, adjuster's and attorney's

fees and expenses) incurred by Landlord and Tenant to collect them ("Net Insurance Proceeds"); and

(ii) The Escrowed Funds are the Net Insurance Proceeds to be held in trust at all times by the leasehold mortgagee in a separate, special federally insured escrow account on behalf of Landlord or held in an escrow account maintained by the leasehold mortgagee; and

(iii) A portion of the Escrowed Funds may be disbursed by the leasehold mortgagee to Tenant (or as Tenant may direct) as may be requested in writing by Tenant from time to time as the casualty or destruction repair and restoration progresses ("Tenant's Construction Draw"), provided, however, that Tenant's written requests are first submitted to Landlord and to the Bank, are accompanied by the information set forth below, and are approved in writing by both Landlord and the leasehold mortgagee. The information that must be submitted together with each Tenant's Construction Draw is:

1. a certificate of a supervising licensed architect or engineer acceptable to Landlord, describing in reasonable detail the work and material in question and the cost thereof, stating that the same were in accordance with the approved scope of the casualty repairs and restoration constitute a complete part thereof, and that no part of Tenant's Construction Draw has theretofore been reimbursed, and specifying the additional amount, if any, necessary to complete said construction; and
2. documentation in a form 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 Tenant's Construction Draw requested; and
3. any other information supporting the expense of repairs and restoration work for which Tenant has requested disbursement, including any report from a building or other inspector retained by or on behalf of the leasehold mortgagee to observe or inspect the work, the leasehold mortgagee will provide a true and correct copy of such information to Landlord in connection with Tenant's Construction Draw.

(iv) Within five (5) business days from the date of receipt and review by Landlord of the information described above, if the same is acceptable to Landlord, the Landlord will give the leasehold mortgagee its written notice of acceptance and consent to the leasehold mortgagee's release of a sum not to exceed the Tenant's Construction Draw request to Tenant or as may be directed by Tenant.

1. Upon Landlord's satisfaction of all casualty repairs and restoration made to the Demised Premises subject to the Insurance Escrow Account Agreement, including without limitation receipt by Landlord of evidence satisfactory to Landlord that the cost of all repairs and restoration has been paid in full and that there are no mechanic's, materialmen's or similar liens for labor or materials furnished in connection therewith, the remaining escrowed loan proceeds, if any, shall be released Tenant or as Tenant may direct.

2. In consideration of Landlord's cooperation herewith, the leasehold mortgagee agrees not to disburse or otherwise discharge any portion of the Escrowed Funds without obtaining the Landlord's prior written consent. Further, the leasehold mortgagee will promptly provide to the Town information regarding the escrow account as the Town may request.

**L. Amendment to Section 18, Rules and Regulations:** Section 18, Rules and Regulations of the Ground Lease is amended in its entirety to read as follows:

**18. Rules and Regulations.** Landlord has adopted *Addison Airport Minimum Standards and Requirements for Commercial Aeronautical Service Providers* (also commonly referred to as the "Minimum Standards" or "Airport Minimum Standards") and *Addison Airport Rules and Regulations* (also commonly referred to as the "Rules and Regulations" or "Airport Rules and Regulations"), which shall govern Tenant in the use of the Demised Premises and all Common Facilities (as defined in the Ground Lease), copies of which have been furnished to Tenant. The Minimum Standards and Rules and Regulations are incorporated by reference as if written verbatim herein, and Tenant agrees to comply fully at all times with these governing documents. Landlord, at its sole discretion, shall have the right to amend, modify and alter these Minimum Standards and Rules and Regulations from time to time in a reasonable manner or may introduce other regulations as it deems 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.

**M. Amendment to Section 21 Indemnity and Exculpation and Release:** Section 21, Indemnity and Exculpation and Release of the Ground Lease is amended in its entirety to read as follows:

**21. Indemnity and Exculpation and Release:**

**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 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 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 THE 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 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 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 LEASE TERM (COLLECTIVELY, "TENANT PERSONS"), (II) ANY CONSTRUCTION ON OR REPAIR TO THE PREMISES, OR THE 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 THE TOWN OF ADDISON, TEXAS AND ALL OTHER ADDISON PERSONS (AS THE TERM "ADDISON PERSONS" IS DEFINED IN SUBPARAGRAPH B. OF THIS PARAGRAPH 21) AND AIRPORT MANAGER AND ALL OTHER MANAGER PERSONS (AS THE TERM "MANAGER PERSONS" IS DEFINED IN SUBPARAGRAPH B. OF THIS PARAGRAPH 21) FROM, AND AGREES THAT THE TOWN OF ADDISON, TEXAS AND ALL OTHER ADDISON PERSONS, AND AIRPORT MANAGER AND ALL OTHER MANAGER PERSONS, SHALL NOT BE LIABLE TO TENANT OR ANY TENANT PERSONS (AS THE TERM "TENANT PERSONS" IS DEFINED IN SUBPARAGRAPH B. OF THIS PARAGRAPH 21) FOR (I) ANY DEATH OR INJURY TO ANY PERSON OR PERSONS OR DAMAGE TO OR DESTRUCTION OF PROPERTY OF ANY KIND RESULTING FROM THE PREMISES BECOMING OUT OF REPAIR OR BY DEFECT IN OR FAILURE OF EQUIPMENT, PIPES, OR WIRING, OR BROKEN GLASS, OR BY THE BACKING UP OF DRAINS, OR BY GAS, WATER, STEAM, ELECTRICITY OR OIL LEAKING, ESCAPING OR FLOWING INTO THE PREMISES, REGARDLESS OF THE SOURCE, OR BY DAMPNES OR BY FIRE, EXPLOSION, FALLING PLASTER OR CEILING OR FOR ANY OTHER REASON WHATSOEVER, AND FOR (II) 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.

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

N. Addition of Section 21.1, Environmental Compliance, Section 21.1, Environmental Compliance is hereby added to the Ground Lease and shall read as follows:

**Section 21.1. 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 Effective Date. 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 of this Lease, 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 LANDLORD PERSONS, AND AIRPORT MANAGER AND ALL OTHER MANAGER PERSONS, FROM AND AGAINST, AND REIMBURSE LANDLORD AND ALL OTHER LANDLORD PERSONS, AND AIRPORT MANAGER AND ALL OTHER MANAGER PERSONS, FOR, ANY AND ALL OBLIGATIONS, DAMAGES,**

INJUNCTIONS, FINES, PENALTIES, DEMANDS, CLAIMS, COSTS, FEES, CHARGES, EXPENSES, ACTIONS, CAUSES OF ACTION, JUDGMENTS, LIABILITIES, SUITS, PROCEEDINGS AND LOSSES OF WHATEVER KIND OR NATURE (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES AND COURT COSTS), AND ALL CLEANUP OR REMOVAL COSTS (COLLECTIVELY FOR PURPOSES OF THIS SUBSECTION, "DAMAGES") AND ALL ACTIONS OF ANY KIND 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 THE 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 [BUT NOT THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT] OF THE LANDLORD, ANY OTHER LANDLORD PERSON, AIRPORT MANAGER, OR ANY OTHER MANAGER PERSON, OR BY ANY ACT OR OMISSION OF LANDLORD, ANY OTHER LANDLORD PERSON, AIRPORT MANAGER, OR ANY OTHER MANAGER PERSON THAT MAY GIVE RISE TO STRICT LIABILITY OF ANY KIND. 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 LANDLORD, AND ANY OTHER LANDLORD PERSON, AND AIRPORT MANAGER, AND ANY OTHER MANAGER PERSON. 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 PERSON'S OR INDEMNIFIED PERSONS' 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 INDEMNIFIED PERSON'S OR INDEMNIFIED PERSONS' DEFENSE COSTS AND ATTORNEYS' FEES SHALL BE REDUCED BY A PORTION OF THE DEFENSE COSTS AND ATTORNEYS' FEES EQUAL TO THE INDEMNIFIED PERSON'S OR INDEMNIFIED PERSONS' PROPORTIONATE SHARE OF THE NEGLIGENCE, OR CONDUCT THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND, THAT CAUSED THE LOSS.

In addition to and not in limitation of Landlord's other rights and remedies, Tenant's failure to abide by the terms of this Section shall be restrainable by injunction.

**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.** Prior to the Commencement Date of this Lease, the 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, Tenant shall be entitled to conduct a Phase II ESA at Tenant's sole cost and expense. If the Phase II ESA indicates the presence of Hazardous Materials on the Demised Premises, Tenant shall be entitled, as its sole remedy, to disaffirm this Lease, in which case this Lease shall become null and void 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.

**E. Survival:** Tenant's defense and indemnity and hold harmless obligation and Tenant's liability pursuant to the terms of this Sections 6 and 21 shall survive the expiration or earlier termination of this Lease. Tenant shall not install, store, use, treat, transport, discharge or dispose (or permit, allow, or acquiesce in the installation, storage, use, treatment, transportation, discharge or disposal by 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/or their respective owners, directors, shareholders, partners, officers, managers, employees, agents, representatives, engineers, consultants, contractors, subcontractors, tenants, licensees, invitees, patrons, and concessionaires) on the Demised Premises or any portion of the common facilities (described in Section 17) 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 law, rule, regulation, order, standard, permit, directive or policy, 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, regulation, order, standard, permit, directive or policy, or (ii) in any manner prohibited or deemed unsafe under applicable law, rule, regulation, order, standard, permit, directive or policy. (The substances referred to in (a), (b), (c) or (d) herein are collectively referred to hereinafter as "Hazardous Materials").

**O. Amendment to Section 22B., Default by Tenant.** Section 23.B., Default by Tenant of the Ground Lease is hereby amended in its entirety to read as follows:

**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, 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. of this Section 23) and such failure shall not be cured within either (i) a specific cure period provided for in this Lease applicable to such failure or (ii) if not otherwise specified, thirty (30) days after written notice thereof to Tenant; provided, then such thirty (30) day period shall be extended for an additional reasonable period of time so long as Tenant



has provided Landlord written notice of the curative measures Tenant proposes to undertake, commenced to cure such failure within the initial thirty (30) day period and is diligently pursuing such cure.

**P. Amendment to Section 26, Title to Improvements.** Section 26 Title to Improvements (ii) is hereby amended to read as follows:

**Section 26. Title to Improvements:**

... (ii) with a minimum of twelve months advance written notice to Tenant, Landlord may at its sole discretion, instruct Tenant to either: (a) deliver to Landlord the Demised Premises clean and free of trash and in good repair and condition in accordance with Addendum 2 (entitled *Tenant's Leasehold Minimum Maintenance and Repair Standards and Practices* attached hereto and incorporated herein by reference) together with all fixtures and equipment situated in the Demised Premises with ordinary wear and tear excepted; or (b) prior to the expiration or early termination of the Term, demolish and remove or cause to be removed from the Demised Premises all building improvements together with any fixtures or equipment remaining and restore the Demised Premises to reasonably the same condition it was found immediately prior to Tenant's taking possession of the Demised Premises as of the Effective Date. Such demolition and removal shall be performed at Tenant's sole cost and risk in accordance with all prevailing ordinances, codes, rules and regulations governing same.

**Q. Amendment to Section 45, Notices.** Section 45, Notices of the Ground Lease is amended in its entirety to read as follows:

**45. 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](mailto:wpierson@addisontx.gov)

**TO TENANT:**

Concourse Plaza II, LTD.  
c/o Mr. Jeff Harkinson  
Harkinson Investment Corporation  
4650 Belt Line Rd., Suite 400  
Dallas, Texas 75001  
Email: [jharkinson@harkcorp.com](mailto:jharkinson@harkcorp.com)

*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](mailto:bill.dyer@addisonairport.net)

Addison Wilson III, Esq.  
3838 Oak Lawn Ave., Suite 810  
Dallas, TX 75219  
Email: [awilson@dfwlawoffice.org](mailto:awilson@dfwlawoffice.org)

**Section 3. No Other Amendments.** Except to the extent modified or amended herein, all other terms and obligations of the Ground Lease shall remain unchanged and in full force and effect.

**Section 4. Applicable Law; Venue.** In the event of any action under this Second Amendment, exclusive venue for all causes of action shall be instituted and maintained in Dallas County, Texas. The parties agree that the laws of the State of Texas shall govern and apply to the interpretation, validity and enforcement of this Second Amendment; and, with respect to any conflict of law provisions, the parties agree that such conflict of law provisions shall not affect the application of the law of the State of Texas (without reference to its conflict of law provisions) to the governing, interpretation, validity and enforcement of this Second Amendment. All obligations of the parties created by this Second Amendment are performable in Dallas County, Texas.

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

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

IN WITNESS WHEREOF, the undersigned parties execute this Agreement this 14<sup>th</sup> day of August, 2018.

**TENANT:**

**CONCOURSE PLAZA II, LTD.**

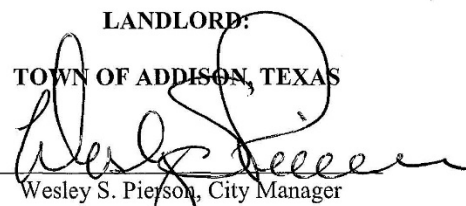
By: 

Name: William J. Harkinson, President  
Harkinson Investment Corporation, General Partner

Date: August 2, 2018

**LANDLORD:**

**TOWN OF ADDISON, TEXAS**

By:   
Wesley S. Pierson, City Manager

**ACKNOWLEDGMENT**

STATE OF TEXAS       §  
                                  §  
COUNTY OF DALLAS   §

BEFORE ME, the undersigned authority, on this day personally appeared William J. Harkinson, President of Concourse Plaza II, LTD, a Texas limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein stated.

GIVEN under my hand and seal of office this 2nd day of August, 2018.

[SEAL]

Sheena M. Love  
Notary Public, State of Texas

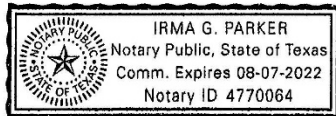
STATE OF TEXAS       §  
                                  §  
COUNTY OF DALLAS   §

BEFORE ME, the undersigned authority, on this day personally appeared Wesley S. Pierson, city manager of the Town of Addison, a home-rule municipality, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein stated.

GIVEN under my hand and seal of office this 27th day of August, 2018.

[SEAL]

Irma G. Parker  
Notary Public, State of Texas



**EXHIBIT "A"**

**COPY OF GROUND LEASE AS AMENDED AND MODIFIED**

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 October 11, 19 83, by and among the City of Addison, Texas, a municipal corporation (hereinafter sometimes referred to as the "City"), Addison Airport of Texas, Inc., a Texas Corporation (hereinafter sometimes referred to as "AATI") and Bunnell Properties, Inc., a Texas corporation (hereinafter referred to as "Tenant").

WITNESSETH:

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

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

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

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

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

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

3. **Term:** The term hereof shall commence on the earlier of October 1, 19 84, or the first day of the first calendar month after Tenant completes the construction hereinafter described and opens for business at the demised premises (the applicable date being hereinafter referred to as the "Commencement Date"), and shall end four hundred eighty (480) months thereafter; provided, however, that any entry upon the demised premises by Tenant prior to the Commencement Date shall be subject to all of the terms and conditions hereof except that rental shall not accrue.

4. **Rental:** Subject to adjustment as hereinbelow provided, Tenant agrees to pay to Landlord, without offset or deduction, rent for the demised premises at the rate of SIXTEEN HUNDRED SEVENTY-SIX AND 07/100----- per month in advance. The first of such monthly installment shall be due and payable on or before the Commencement Date, and a like installment shall be due and payable on or before the first day of each calendar month thereafter during the term hereof.

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

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

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

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

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

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

These improvements consist of a combination office/airplane hangar facility containing approximately 42,600 square feet of office space and five airplane hangars, the preliminary plans for which have been prepared by Bogard Architects, Inc. Construction prints to be approved by Addison Municipal Airport prior to the start of construction.

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

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

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

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

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



C. All mortgages and 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 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.

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 mortgagee 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.

E. 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 demised premises to the mortgage of such proposed leasehold mortgagee.

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

**11. Maintenance and Repair of Demised Premises:**

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

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

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

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

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

(i) Insurance against loss or damage to improvements by fire, lightning, and other risks from time to time included under standard extended coverage policies, and sprinkler, vandalism and malicious mischief, all in amounts sufficient to prevent Landlord or Tenant from becoming co-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 demised premises. The term "full insurable value" as used herein means actual replacement value at the time of such loss. Upon request, such replacement value shall be determined by a qualified appraiser, a copy of whose findings shall be submitted to Landlord, and, therefore, proper adjustment in the limits of insurance coverage shall be effected.

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

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

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

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

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

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

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

**14. Casualty Damage or Destruction:**

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

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

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

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

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

(ii) Upon receipt by Landlord of evidence of the character required by the foregoing clauses (i)(a) and (b) that Restoration has been completed 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. 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 after Landlord has given Tenant thirty (30) days prior written notice requesting the commencement of Restoration or that Tenant diligently proceeds to the completion of same 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 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 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 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 A, Tenant shall promptly restore the 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 A, condemnation proceeds to which Landlord and Tenant are entitled shall be awarded and paid to Landlord and Tenant as their interests may appear.

**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, telephone or any other utility connections, tap-in fees and services furnished to the demised 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 demised 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.

**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 demised 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, notify 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 demised 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 the normal business hours, to enter the demised premises (i) to inspect the general condition and state of repair thereof, (ii) to make repairs permitted under this Lease, (iii) to show the demised 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 demised premises customary signs advertising the demised 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 whatsoever, for any injury to persons or damage to property on or about the demised 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 demised premises under express or implied invitation of Tenant, or arising out of the use of the demised 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 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 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 persons whatsoever, excepting only duly authorized agents and employees of Landlord.

**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. 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.

D. 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.

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

F. Abandonment by Tenant of any substantial portion of the demised premises or cessation of use of the demised premises for the purpose leased.

**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 the notice or demand whatsoever:

A. Terminate this Lease, in which event Tenant shall immediately surrender the demised premises to Landlord. If Tenant fails to so surrender the demised premises, Landlord may, without prejudice to any other remedy which Landlord may have for possession of the demised premises or arrearages in rent, enter upon and take possession of the demised premises and expel or remove Tenant and any other person who may be occupying the demised 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 demised premises on satisfactory terms or otherwise.

B. Terminate this Lease, in which event Tenant shall immediately surrender the demised premises to Landlord. If Tenant fails to so surrender the demised premises, Landlord may, without prejudice to any other remedy which Landlord may have for possession of the demised premises or arrearages in rent, enter upon and take possession of the demised premises and expel or remove Tenant and any other person who may be occupying the demised 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 any 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 demised premises for such unexpired portion of the term of this Lease.

C. Enter upon and take possession of the demised 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 demised premises or any part thereof. Landlord may relet the demised premises and receive the rent therefor. Tenant agrees to pay to Landlord the



rent and from time to time any deficiency that may arise by reason of any such letting. In determining the amount of such deficiency, brokerage commissions, attorneys' fees, remodeling expenses and other costs of letting shall be subtracted from the amount of rent received under such letting.

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

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

24. **Default by Landlord.** No default by Landlord hereunder shall constitute an eviction or disturbance of Tenant's use and possession of the demised premises or render Landlord liable for damages or entitle Tenant to be relieved from any of Tenant's obligations hereunder (including the obligation to pay rent) or grant Tenant any right of deduction, abatement, set-off or recoupment or entitle Tenant to take any action whatsoever with regard to the demised premises or Landlord until thirty (30) days after Tenant has given Landlord written notice specifically setting forth such default by Landlord, and Landlord has failed to cure such default within said thirty (30) day period, or in the event such default cannot be cured within said thirty (30) day period then within an additional reasonable period of time 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 demised premises, which loss or damage is covered by valid and collectible fire and extended coverage insurance policies, to the extent that such loss or damage is recoverable under such insurance policies. Such mutual waivers shall be in addition to, and not in limitation or derogation of, any other waiver or release contained in this Lease with respect to any loss of, or damage to, property of the parties hereto. Inasmuch as such mutual waivers will preclude the assignment of any aforesaid claim by way of subrogation or otherwise to an insurance company (or any other person), each party hereby agrees immediately to give to each insurance company which has issued to such party policies of fire and extended coverage insurance, written notice of the terms of such mutual waivers, and to cause such insurance policies to be properly endorsed, if necessary, to prevent the invalidation of such insurance coverages by reason of such waivers.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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:

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

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

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

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

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

39. **Force Majeure.** In the event performance by 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 or paragraphs in this Lease are inserted for convenience only, and shall not be considered in construing the provisions hereof if any question of intent should arise.

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

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

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

LANDLORD:

TENANT:

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

Bunnell Properties, Inc.  
14951 Dallas Parkway, Suite 900  
Dallas, Texas 75240

City of Addison, Texas

980-7704

P. O. Box 194

Addison, Texas 75001

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

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

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

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

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

\* \* \* \*

The additional provisions contained  
in the Addendum attached hereto  
are hereby incorporated herein  
for all purposes.

\* \* \* \*

LANDLORD:

ADDISON AIRPORT OF TEXAS, INC.

By: 

Its: President

CITY OF ADDISON, TEXAS

By: 

Its: \_\_\_\_\_

TENANT: Bunnell Properties, Inc.

By: 

Its: President

5



STATE OF TEXAS  
COUNTY OF DALLAS

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 11 day of October, 1983.

Barbara L. James  
Notary Public  
Dallas  
County, Texas

STATE OF TEXAS  
COUNTY OF DALLAS

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 29th day of November, 1983.

Barbara L. James  
Notary Public  
Dallas  
County, Texas



STATE OF TEXAS  
COUNTY OF DALLAS

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 11 day of October, 1983.

Barbara L. James  
Notary Public  
Dallas  
County, Texas

ADDENDUM TO GROUND LEASE,  
dated October 11, 1983,  
by and among  
the City of Addison, Texas,  
Addison Airport of Texas, Inc.  
and Bunnell Properties, Inc.

This Addendum is attached to and made a part of the foregoing and above referenced Lease for all purposes. In the event of conflict or inconsistency between the printed portion of this Lease and this Addendum, the terms of this Addendum shall control.

A. The words "general office uses" are added to the list of the purposes for which Tenant may use and occupy the demised premises contained in paragraph 6 of the printed portion of this Lease.

B. To induce Landlord to allow use and occupancy of the demised premises for general office purposes, Tenant agrees to give preference to prospective office tenants whose businesses are aeronautically related (hereinafter referred to as "preferred tenant") conditioned upon (i) availability of space, (ii) willingness of the preferred tenant to pay market rental rates, (iii) the preferred tenant's credit standing favorably comparing to those of other prospective tenants, and (iv) willingness of the preferred tenant to enter into a term of agreement comparable to those offered by other prospective tenants.

C. Landlord agrees to remove the electrical lines and poles presently running along the western boundary of the demised premises.

D. Tenant shall have the option to terminate this Lease by delivering written notice of such election to Landlord before April 30, 1984, if Tenant has been unable to obtain revenue bond financing for the improvements which Tenant proposes to construct on the demised premises. If Tenant does not timely deliver such written notice of election to terminate, all rights of Tenant to terminate this Lease pursuant to the foregoing shall lapse and be null and void.

1824S



ASSIGNMENT OF LEASE

THIS AGREEMENT is made as of this the 1st day of December, 1983, at Addison, Texas, between BUNNELL PROPERTIES, INC., a Texas corporation, hereinafter called "Assignor", and CONCOURSE PLAZA, LTD., a Texas limited partnership, hereinafter called "Assignee".

WHEREAS, a lease executed on October 11, 1983, between CITY OF ADDISON and ADDISON AIRPORT OF TEXAS, INC., as the Lessor, and the Assignor, as the Lessee, by the terms of which certain real property located on the Addison Airport was leased to the Assignor as Lessee upon the terms and conditions provided therein; and

WHEREAS, the Assignor now desires to assign the Lease to the Assignee, and the Assignee desires to accept an assignment thereof;

NOW, THEREFORE, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00), receipt of which is hereby acknowledged, and the agreement of the Assignee, hereinafter set forth, the Assignor hereby assigns and transfers to the Assignee, its successors and assigns, all of its right, title and interest in and to the Lease hereinbefore described, a copy of which is attached hereto as Exhibit "A", and the Assignee hereby agrees to and does accept the assignment, and in addition expressly assumes and agrees to keep, perform and fulfill all the terms, covenants, conditions and obligations required to be kept, performed and fulfilled by the Assignor as the Lessee thereunder, including the making of all payments due to or payable on behalf of the Lessor under said Lease when due and payable.

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

EXECUTED as of the day and year first above written.

ASSIGNOR:

Bunnell Properties, Inc.

By: 

ASSIGNEE:

Concourse Plaza, Ltd.

By: Bunnell Properties, Inc., Managing  
General Partner

By: 

CONSENT OF LESSOR

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

LESSOR:

CITY OF ADDISON

By: 

ADDISON AIRPORT OF TEXAS, INC.

By: 



STATE OF TEXAS §  
COUNTY OF DALLAS §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared David A. Bunnell, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same on behalf of Bunnell Properties, Inc., a Texas corporation, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 27th day of December, 1983.

Kay F. Robertson Rudick  
Notary Public

My Commission Expires:

3-7-84



KAY F. ROBERTSON RUDICK  
Notary Public, State of Texas  
My Comm. Expires Mar. 7, 1984

STATE OF TEXAS §  
COUNTY OF DALLAS §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared David A. Bunnell, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same on behalf of Bunnell Properties, Inc., a Texas corporation, as managing general partner of Concourse Plaza, Ltd., a Texas limited partnership, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 27th day of December, 1983.

Kay F. Robertson Rudick  
Notary Public

My Commission Expires:

3-7-84



KAY F. ROBERTSON RUDICK  
Notary Public, State of Texas  
My Comm. Expires Mar. 7, 1984

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 October 11, 1983, by and among the City of Addison, Texas, a municipal corporation (hereinafter sometimes referred to as the "City"), Addison Airport of Texas, Inc., a Texas Corporation (hereinafter sometimes referred to as "AATI") and Bunnell Properties, Inc., a Texas corporation (hereinafter referred to as "Tenant").

WITNESSETH:

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

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

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

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

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

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

3. **Term:** This term hereof shall commence on the earlier of October 1, 1984, or the first day of the first calendar month after Tenant completes the construction hereinbelow described and opens for business at the demised premises (the applicable date being hereinafter referred to as the "Commencement Date"), and shall end four hundred eighty (480) months thereafter; provided, however, that any entry upon the demised premises by Tenant prior to the Commencement Date shall be subject to all of the terms and conditions hereof except that rental shall not accrue.

4. **Rental:** Subject to adjustment as hereinbelow provided, Tenant agrees to pay to Landlord, without offset or deduction, rent for the demised premises at the rate of SIXTEEN HUNDRED SEVENTY-SIX AND 07/100----- per month in advance. The first of such monthly installment shall be due and payable on or before the Commencement Date, and a like installment shall be due and payable on or before the first day of each calendar month thereafter during the term hereof.

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

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

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

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

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

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

These improvements consist of a combination office/airplane hangar facility containing approximately 42,600 square feet of office space and five airplane hangars, the preliminary plans for which have been prepared by Bogard Architects, Inc. Construction prints to be approved by Addison Municipal Airport prior to the start of construction.

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

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

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

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

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



All mortgages or deeds of trust whereby Tenant mortgages the leasehold estate of Tenant created hereby shall contain provisions giving the leasehold mortgagee to give Landlord 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 day period to cure Tenant's default and prevent said acceleration and/or foreclosure proceedings, and thereafter at Landlord's expense 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 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.

E. 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 demised premises to the mortgage of such proposed leasehold mortgagee.

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

11. Maintenance and Repair of Demised Premises:

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

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

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

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

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

(i) Insurance against loss or damage to improvements by fire, lightning, and other risks from time to time included under standard extended coverage policies, and sprinkler, vandalism and malicious mischief, all in amounts sufficient to prevent Landlord or Tenant from becoming co-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 demised premises. The term "full insurable value" as used herein means actual replacement value at the time of such loss. Upon request, such replacement value shall be determined by a qualified appraiser, a copy of whose findings shall be submitted to Landlord, and, therefore, proper adjustment in the limits of insurance coverage shall be effected.

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

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

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

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

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

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

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

14. Casualty Damage or Destruction:

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

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

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

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

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

(ii) Upon receipt by Landlord of evidence of the character required by the foregoing clauses (i)(a) and (b) that Restoration has been completed 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. 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 after Landlord has given Tenant thirty (30) days prior written notice requesting the commencement of Restoration or that Tenant diligently proceeds to the completion of same. 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 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 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 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 A, Tenant shall promptly restore the 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 A, condemnation proceeds to which Landlord and Tenant are entitled shall be awarded and paid to Landlord and Tenant as their interests may appear.

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, telephone or any other utility connections, tap-in fees and services furnished to the demised 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 demised 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.

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 demised 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, notify 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 demised 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 the normal business hours, to enter the demised premises (i) to inspect the general condition and state of repair thereof, (ii) to make repairs permitted under this Lease, (iii) to show the demised 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 demised premises customary signs advertising the demised 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 demised 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 demised premises under express or implied invitation of Tenant, or arising out of the use of the demised 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 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 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 persons whomsoever, excepting only duly authorized agents and employees of Landlord.

**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. 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.

D. 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.

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

F. Abandonment by Tenant of any substantial portion of the demised premises or cessation of use of the demised premises for the purpose leased.

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 the notice or demand whatsoever:

A. Terminate this Lease, in which event Tenant shall immediately surrender the demised premises to Landlord. If Tenant fails to so surrender the demised premises, Landlord may, without prejudice to any other remedy which Landlord may have for possession of the demised premises or arrearages in rent, enter upon and take possession of the demised premises and expel or remove Tenant and any other person who may be occupying the demised 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 demised premises on satisfactory terms or otherwise.

B. Terminate this Lease, in which event Tenant shall immediately surrender the demised premises to Landlord. If Tenant fails to so surrender the demised premises, Landlord may, without prejudice to any other remedy which Landlord may have for possession of the demised premises or arrearages in rent, enter upon and take possession of the demised premises and expel or remove Tenant and any other person who may be occupying the demised 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 any 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 demised premises for such unexpired portion of the term of this Lease.

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

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

24. **Default by Landlord.** No default by Landlord hereunder shall constitute an eviction or disturbance of Tenant's use and possession of the demised premises or render Landlord liable for damages or entitle Tenant to be relieved from any of Tenant's obligations hereunder (including the obligation to pay rent) or grant Tenant any right of deduction, abatement, set-off or recoupment or entitle Tenant to take any action whatsoever with regard to the demised premises or Landlord until thirty (30) days after Tenant has given Landlord written notice specifically setting forth such default by Landlord, and Landlord has failed to cure such default within said thirty (30) day period, or in the event such default cannot be cured within said thirty (30) day period then within an additional reasonable period of time 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 demised premises, which loss or damage is covered by valid and collectible fire and extended coverage insurance policies, to the extent that such loss or damage is recoverable under such insurance policies. Such mutual waivers shall be in addition to, and not in limitation or derogation of, any other waiver or release contained in this Lease with respect to any loss of, or damage to, property of the parties hereto. Inasmuch as such mutual waivers will preclude the assignment of any aforesaid claim by way of subrogation or otherwise to an insurance company (or any other person), each party hereby agrees immediately to give to each insurance company which has issued to such party policies of fire and extended coverage insurance, written notice of the terms of such mutual waivers, and to cause such insurance policies to be properly endorsed, if necessary, to prevent the invalidation of such insurance coverages by reason of such waivers.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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:

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

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

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

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

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

39. Force Majeure. In the event performance by 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 or paragraphs in this Lease are inserted for convenience only, and shall not be considered in construing the provisions hereof if any question of intent should arise.

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

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

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

LANDLORD:

TENANT:

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

City of Addison, Texas

P. O. Box 194

Addison, Texas 75001

Bunnell Properties, Inc.  
14951 Dallas Parkway, Suite 900  
Dallas, Texas 75240

980-7704

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

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

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

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

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

\*\*\*

The additional provisions contained  
in the Addendum attached hereto  
are hereby incorporated herein  
for all purposes.

\*\*\*

LANDLORD:

ADDISON AIRPORT OF TEXAS, INC.

By: 

Its: President

CITY OF ADDISON, TEXAS

By: 

Its: Mayor

TENANT: Bunnell Properties, Inc.

By: 

Its: President

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STATE OF TEXAS  
COUNTY OF DALLAS

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 11 day of October, 19 83.

Dorothy L. James  
Notary Public  
Dallas  
County, Texas

STATE OF TEXAS  
COUNTY OF DALLAS

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 22nd day of November, 19 83.



Jacqueline Sharp  
Notary Public  
Dallas  
County, Texas

STATE OF TEXAS  
COUNTY OF DALLAS

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 11 day of October, 19 83.

Dorothy L. James  
Notary Public  
Dallas  
County, Texas



ADDENDUM TO GROUND LEASE,  
dated October 11, 1983,  
by and among  
the City of Addison, Texas,  
Addison Airport of Texas, Inc.  
and Bunnell Properties, Inc.

This Addendum is attached to and made a part of the foregoing and above referenced Lease for all purposes. In the event of conflict or inconsistency between the printed portion of this Lease and this Addendum, the terms of this Addendum shall control.

A. The words "general office uses" are added to the list of the purposes for which Tenant may use and occupy the demised premises contained in paragraph 6 of the printed portion of this Lease.

B. To induce Landlord to allow use and occupancy of the demised premises for general office purposes, Tenant agrees to give preference to prospective office tenants whose businesses are aeronautically related (hereinafter referred to as "preferred tenant") conditioned upon (i) availability of space, (ii) willingness of the preferred tenant to pay market rental rates, (iii) the preferred tenant's credit standing favorably comparing to those of other prospective tenants, and (iv) willingness of the preferred tenant to enter into a term of agreement comparable to those offered by other prospective tenants.

C. Landlord agrees to remove the electrical lines and poles presently running along the western boundary of the demised premises.

D. Tenant shall have the option to terminate this Lease by delivering written notice of such election to Landlord before April 30, 1984, if Tenant has been unable to obtain revenue bond financing for the improvements which Tenant proposes to construct on the demised premises. If Tenant does not timely deliver such written notice of election to terminate, all rights of Tenant to terminate this Lease pursuant to the foregoing shall lapse and be null and void.

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THIS INSTRUMENT OF BEING RE-FILED TO REPLACE A NEW  
EXHIBIT "C", TO ADD EXHIBIT'S "A" AND "B" AND TO  
REFLECT ALL CHANGES AS TO EXHIBIT "C"-ATTACHMENT-3.

STATE OF TEXAS      §  
                                 §  
                                 §  
COUNTY OF DALLAS   §  
                                 §  
                                 §  
                                 §

SETTLEMENT AND FIRST AMENDMENT  
TO LEASE AGREEMENT      2140412

11/03/97      728168      \$27.00  
Deed  
This Settlement and First Amendment to Lease Agreement (the "Agreement") is  
made and entered into this 22 day of April, 1997 by and  
between the Town of Addison, Texas (the "City"), Addison Airport of Texas, Inc.  
("AATI") (the City and AATI are hereinafter referred to together as the "Landlord"), and  
Concourse Plaza, Ltd., a Texas limited partnership (the "Tenant")      2470809

12/22/97      788016      \$89.00  
Deed  
**WHEREAS**, Landlord and Bunnell Properties, Inc., Tenant's predecessor in  
interest, entered into a Ground Lease dated October 11, 1983 (copy attached as Exhibit A  
and hereinafter referred to as the "Ground Lease") of certain real property (the "demised  
premises" as defined and described in the Ground Lease, and herein referred to as the  
"Original Demised Premises) located within the Addison Airport and adjacent to Keller  
Springs Road; and

**WHEREAS**, the rights, duties and obligations of Bunnell Properties, Inc. under  
the Ground Lease were assigned to Tenant by that Assignment of Lease dated December  
1, 1983 (copy attached as Exhibit B); and

3  
**WHEREAS**, a portion of the Original Demised Premises is to be taken (the "Part  
Taken", and being Area B on Attachment A to Exhibit C attached hereto and incorporated  
herein) by the Texas Turnpike Authority for the purpose of constructing a toll tunnel  
under the Addison Airport in order to connect the eastern and western termini of Keller  
Springs Road (the "Toll Tunnel Project"); and

**WHEREAS**, as a result of the taking of the Part Taken by the TTA for the Toll  
Tunnel Project, Landlord and Tenant desire to amend the Ground Lease by amending the  
description of the Original Demised Premises to provide for a continuation of the Ground  
Lease; and

**WHEREAS**, Landlord and Tenant acknowledge and agree that in the absence of  
their cooperation and agreement as set forth herein, the TTA would exercise its power of  
eminent domain to acquire the Part Taken; and

**WHEREAS**, in order to expedite the Toll Tunnel Project and to avoid the costs,  
expenses and inconvenience of prosecuting an eminent domain lawsuit, Landlord and  
Tenant have worked together to reach a full and final agreement and settlement of all  
issues regarding the interests of Landlord and Tenant in the demised premises and the  
extent of damages incurred by Tenant as a result of the Toll Tunnel Project, the terms of  
which agreement and settlement are set forth herein.

**NOW, THEREFORE**, for and in consideration of the mutual promises and  
covenants hereinafter set forth, the benefits flowing to the parties hereto, and other good

Settlement and First Amendment  
To Lease Agreement - Page 1

97214 02291

97247 03370

and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by both parties, Landlord and Tenant contract and agree as follows:

1. **Incorporation of premises.** The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.
2. **Amendment to Ground Lease.** The Ground Lease is hereby modified and amended as follows:
  - A. **Demised Premises:** Exhibit A to the Ground Lease, being the description of the Original Demised Premises, is amended to read as set forth in Exhibit C (the "Amended Demised Premises") attached hereto and incorporated herein. <sup>\*\*new re-filed Exhibit "C" and as shown on Exhibit "C" - attachment 1.</sup>
  - B. Except to the extent modified or amended herein, all other terms and obligations of the Ground Lease shall remain unchanged and in full force and effect.
3. **Landscaping.** As a result of the Toll Tunnel Project, a portion of the landscaping along the most northerly property line of the demised premises (and being adjacent to the proposed Keller Springs right-of-way) will be damaged. In conjunction with the construction of the Toll Tunnel Project, the City shall, at its sole cost and expense, replace the damaged landscaping along the Keller Springs right-of-way line to as good a condition as before the construction of the Toll Tunnel Project. Trees that require removal as a result of the Toll Tunnel Project will be replaced with 6-8 inch (measured 4 feet from the ground ) caliper trees of similar type. Upon completion of the Toll Tunnel Project, the City will restore irrigation to cover the entire greenway between the parking lot and the southern curb of Keller Springs.
4. **Curbing and Parking.** City shall add curbs and stripe the parking lot at its sole cost and expense. Tenant shall have the right to approve curbing and striping before it is started, provided such approval shall not be unreasonably withheld. Parking spaces shall be a minimum 9'x18'.
5. **Access.** The City shall not block access to the rear of the building. The Demised Premises will not be used for general access to the Airport during the period that Keller Springs is not usable or during any construction period.
6. **Dumpster.** The City will relocate the dumpster enclosure at its sole cost and expense. Tenant shall have the right to approve the location of the dumpster enclosure. The dumpster enclosure shall be constructed using brick and shall retain its current appearance.

Settlement and First Amendment  
To Lease Agreement - Page 2

97247 03371

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7. **Release; Indemnity.** Tenant does hereby fully and completely compromise, settle, remise, release and forever discharge Landlord of and from any and all claims, actions, causes of action, liability or lawsuit of any kind whatsoever (including any claim, action, cause of action, or lawsuit for any fees, costs or expenses), known or unknown, in law or in equity, which Tenant has or may have against either Landlord relating to, in whole or in part, the value of or damages to the Original Demised Premises, or any part thereof, as a result of the taking of the Part Taken for the Toll Tunnel Project.

Tenant shall indemnify the City and AATI, their officials, officers, employees and agents against, and hold the City and AATI, their officials, officers, employees and agents harmless from, any and all costs, expenses, charges or fees in the event any person ever institutes suit or files a claim against the City or AATI with respect to the value of or damages to the Original Demised Premises, or any part thereof, as a result of the taking of the Part Taken for the Toll Tunnel Project; such indemnification shall include, but is not limited to, the amounts of said claims, and the cost of defending them, including attorneys fees and court costs. The provisions of this Paragraph 7 shall survive the termination of this Agreement.

8. **Landlord Indemnity.** The City shall, at its own cost and expense, defend, indemnify and hold harmless the Tenant, its directors, officers, partners, agents, employees and assigns, and successors in interest, from and against any and all liability, damages, losses, claims, demands, actions, causes of action, costs including reasonable attorneys' fees and expenses (including reasonable attorneys' fees and expenses on appeal), or any of them, resulting from the death or injury to persons (including employees of Landlord) or damage to any property, caused by the construction of the Toll Tunnel Project.

Landlord shall, at its own cost and expense, reimburse Tenant for any and all costs and expenses (including property replacements costs) arising from damage to or loss of Tenant's property or third party property at Concourse Plaza caused by the construction of the Toll Tunnel Project.

9. **Miscellaneous.**

- A. **Governing Law; Venue.** This Agreement shall be construed under, and in accordance with, the laws of the State of Texas, and all obligations of the parties created by this Agreement are performable in Dallas County, Texas. Venue for any action under this Agreement shall be in Dallas County, Texas.

- B. *Legal Construction.* In case any one or more of the provisions contained in this Settlement Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of the Agreement, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.
- C. *Entire Agreement.* This Settlement Agreement represents the entire and integrated agreement between Landlord and Tenant relative to the Toll Tunnel Project and the damages resulting therefrom and supersedes all prior negotiations, representations and/or agreements, either written or oral.
- D. *Amendment.* This Settlement Agreement may not be altered, waived, amended or extended except by an instrument in writing signed by the City, AATI and the Grantee.
- F. *Authority to execute.* The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Settlement Agreement 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.

EXECUTED at Dallas County, Texas on the day and year first written above.

LANDLORD  
TOWN OF ADDISON, TEXAS

By: Ron Whitehead  
Ron Whitehead, City Manager

TENANT  
CONCOURSE PLAZA, LTD.

By: Stephen T. Wynn  
Its: General Partner

ADDISON AIRPORT OF TEXAS, INC.

By: Sam Stuart  
Sam Stuart, President 3/24/11

Settlement and First Amendment  
To Lease Agreement - Page

97247 03373

97214 02294

**EXHIBIT C**  
**FIELD NOTE DESCRIPTION**  
**CONCOURSE PLAZA LAND LEASE**  
**ADDISON MUNICIPAL AIRPORT**

Being a tract of land situated in the E. Cook Survey, Abstract No. 326, Dallas County, Texas and located on Addison Municipal Airport, Addison, Texas and being more particularly described as follows:

BEGINNING at a point for corner, said point being the intersection of the west right-of-way line of Addison Road and the south right-of-way line of Keller Springs Road as evidenced by a 1/2-inch iron rod;

THENCE departing the west right-of-way line of said Addison Road, a distance of 2.29 feet to a 5/8-inch iron rod found in the south right-of-way of Keller Springs Road and continuing S 69°35'33" W along the south right-of-way of said Keller Springs Road, 108.70 feet for a total distance of 110.99 feet to a point for a corner as evidenced by an "X" in concrete;

THENCE S 64°05'33" W along the south right-of-way of said Keller Springs Road, a distance of 78.03 feet to a point for a corner;

THENCE S 22°07'10" E, a distance of 64.73 feet to a point for a corner;

THENCE S 20°33'10" E, a distance of 43.25 feet to a point for a corner;

THENCE S 13°45'43" E, a distance of 204.27 feet to a point for a corner;

THENCE S 1°20'34" W, a distance of 130.52 feet to a point for a corner;

THENCE N 89°36'51" E, a distance of 145.35 feet to a point for a corner, said point being in the west right-of-way line of said Addison Road and in the east line of Addison Municipal Airport, as evidenced by a 1/2-inch iron rod found;

THENCE N 0°22'50" W along the west right-of-way line of said Addison Road and the east line of Addison Municipal Airport, a distance of 298.44 feet to a point in a curve to the left as evidenced by a 1/2-inch iron rod, said curve to the left having a central angle of 15°17'42", a radius of 788.51 feet and chord bearing distance of N 14°58'43" W, 209.87;

THENCE along said curve to the left of said west right-of-way line and the east line of said Addison Municipal Airport, a distance of 210.49 feet to the POINT OF BEGINNING and containing 78.506 square feet of land.

97247 03374



EXHIBIT A

97247 03375

## GROUND LEASE

This Ground Lease (hereinafter referred to as the "Lease") is made and entered into as of October 11, 1983, by and among the City of Addison, Texas, a municipal corporation (hereinafter sometimes referred to as the "City"), Addison Airport Texas, Inc., a Texas Corporation, (hereinafter sometimes referred to as "AAT") and Bunnell Properties, Inc., a Texas corporation (hereinafter referred to as "Tenant").

**WITNESSETH:**

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

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

1. Base Lease: All of the rights and conditions of the Base Lease are incorporated into this lease by reference as if written verbatim herein. The Tenant by Tenant's signature and acknowledgment that AATI has furnished Tenant with a copy of the Base Lease. Tenant agrees to fully comply with all terms and all of its obligations with the terms and conditions of the Base Lease insofar as the same relate to the premises premises under the use and operation, except that Tenant shall not be responsible for the payment of any rental due under the Base Lease which shall be due to AATI.

3. Definition of Landlord and Effect of Default under the Base Lease. The term "Landlord" as hereinafter used in this Lease shall mean either AATJ or the City. So long as the Base Lease is in effect, AATJ 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 it will 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 AATJ, and (ii) that default by AATJ under this 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: This term shall commence on the earlier of October 1, 1988, or the first day of the first calendar month after Tenant completes the construction hereinafter described and opens for business at the demand premises (the applicable date being hereinafter referred to as the "Commencement Date"), and shall end four hundred eighty (80) months thereafter, provided, however, that any expiry upon the demand premises by Tenant prior to the Commencement Date shall be subject to all of the terms and conditions hereof except that rental shall not be due.

8. Rental: Subject to adjustment as hereinafter provided, Tenant agrees to pay to Landlord, with or without abatement or deduction, rent for the demised premises at the rate of SIXTEEN HUNDRED SEVENTY-SIX AND 07/100----- per month in advance. The first of such monthly installment shall be due and payable on or before the Commencement Date, and the installment shall be due and payable on or before the last day of each calendar month thereafter during the term hereof.

(1) A comparison shall be made between the Consumers' price index, as published for the Dallas, Texas Metropolitan Area (hereinafter referred to as the "Price Index") as it existed on the Commencement Date and as it exists on the first day of the calendar month occurring 36 months after the Commencement Date.

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

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

These improvements consist of a combination office/airplane hangar facility containing approximately 27,500 square feet of office space and five airplane hangars, the preliminary plans for which have been prepared by Bogard Architects, Inc. Construction prints to be approved by Addison Municipal Airport prior to the start of construction.

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

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

[illegible]

1. 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 3 or for other construction when the permitted premises approved from time to time by Landlord in writing. In the event Tenant pursuant to mortgages or deeds of trust mortgages the leasehold estate of Tenant created hereby, the leasehold mortgage shall in no event become personally liable to perform the obligations of Tenant under the Lease unless and until said mortgage becomes the name of the leasehold estate pursuant to its release. The release of the mortgage shall be subject to the approval of Landlord in writing. The release of the mortgage shall not be binding on Landlord until such mortgage releases the entire of the leasehold estate. Tenant's right to the foregoing is specifically understood and agreed that such mortgages by Tenant and/or any actions or be pursuant to the terms of such mortgage when over release Tenant or Tenant's obligations to pay the rent, due hereunder and otherwise shall perform the terms and conditions of the Lease.

\_\_\_\_\_







Page 78 of 206



STATE OF TEXAS  
COUNTY OF DALLAS

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 11 day of October, 19 53.

Barney L. James  
Notary Public  
Dallas  
County, Texas

STATE OF TEXAS  
COUNTY OF DALLAS

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 20th day of November, 19 53.



Wiley Padden  
Notary Public  
Dallas  
County, Texas

STATE OF TEXAS  
COUNTY OF DALLAS

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 11 day of October, 19 53.

Barney L. James  
Notary Public  
Dallas  
County, Texas

33252 7446

97247 03381

ADDENDUM TO GROUND LEASE,  
dated October 11, 1983,  
by and among  
the City of Addison, Texas,  
Addison Airport of Texas, Inc.,  
and Sunell Properties, Inc.

This Addendum is attached to and made a part of the foregoing and above referenced Lease for all purposes. In the event of conflict or inconsistency between the printed portion of this Lease and this Addendum, the terms of this Addendum shall control.

A. The words "general office uses" are added to the list of the purposes for which Tenant may use and occupy the devised premises contained in paragraph 6 of the printed portion of this Lease.

B. To induce Landlord to allow use and occupancy of the devised premises for general office purposes, Tenant agrees to give preference to prospective office tenants whose businesses are aeronautically related (hereinafter referred to as "preferred tenant") conditioned upon (i) availability of space, (ii) willingness of the preferred tenant to pay market rental rates, (iii) the preferred tenant's credit standing favorably comparing to those of other prospective tenants, and (iv) willingness of the preferred tenant to enter into a term of agreement comparable to those offered by other prospective tenants.

C. Landlord agrees to remove the electrical lines and poles presently running along the western boundary of the devised premises.

D. Tenant shall have the option to terminate this Lease by delivering written notice of such election to Landlord before April 30, 1984, if Tenant has been unable to obtain revenue bond financing for the improvements which Tenant proposes to construct on the devised premises. If Tenant does not timely deliver such written notice of election to terminate, all rights of Tenant to terminate this Lease pursuant to the foregoing shall lapse and be null and void.

18245

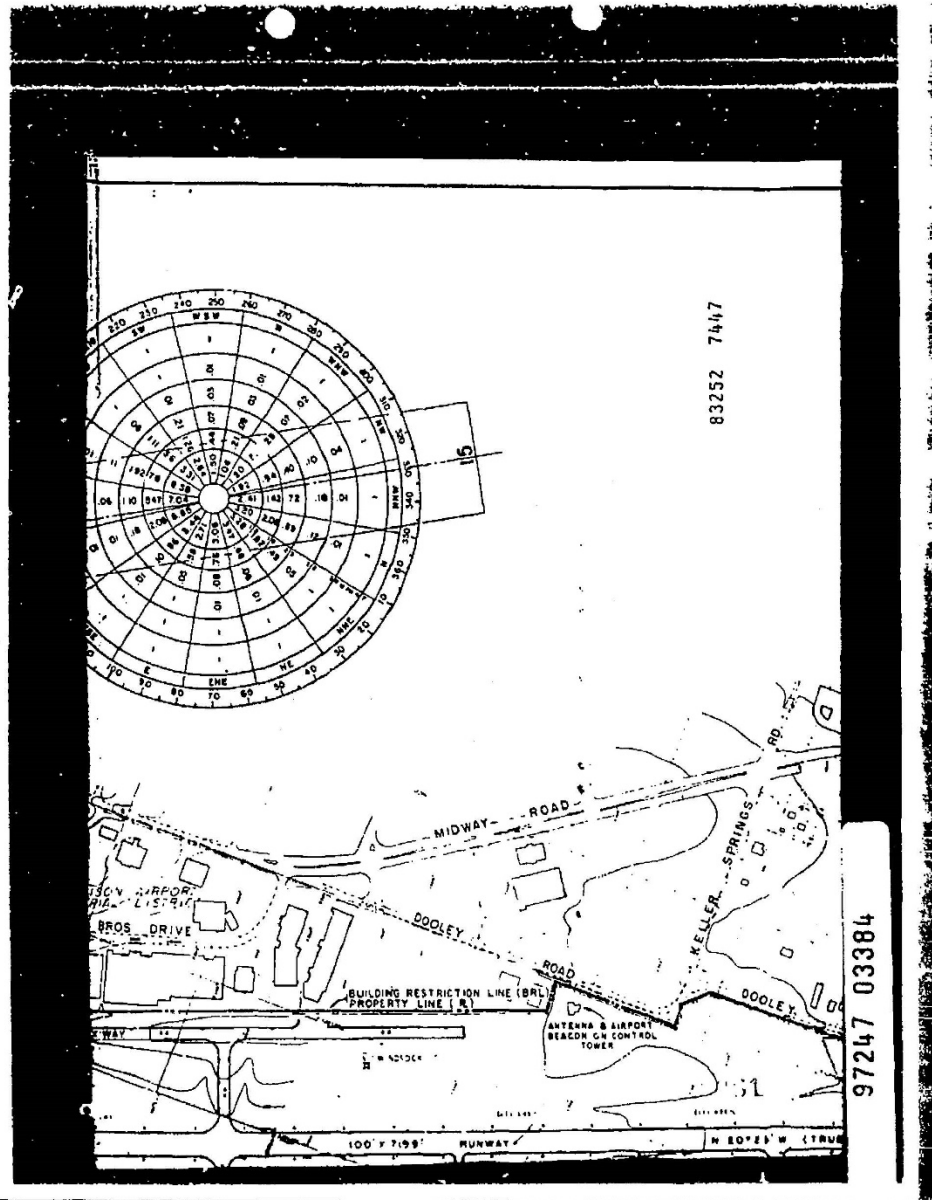
83252 7465

*ETS* 10/9/83

97247 03382









EX. B

83252 7448

BASIC RUNWAY DATA TABLE

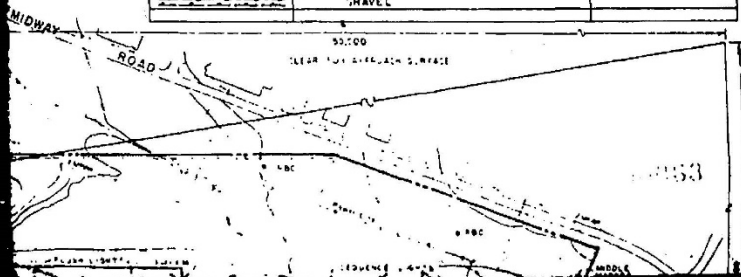
	RUNWAY 15/33	
	EXISTING	ULTIMATE
EFFECTIVE GRADIENT IN %	0.03	SAME
% WIND COVERAGE	93.84	SAME
INSTRUMENT RUNWAY	YES	YES
PAVEMENT STRENGTH	805,1000 16007	SAME
APPROACH SURFACE	50:1 BOTH	SAME
RUNWAY LIGHTING	MIRL	SAME
RUNWAY MARKINGS	ALL WEATHER	SAME
NAVIGATIONAL AIDS	ILS	SAME

BASIC AIRPORT DATA TABLE

	EXISTING	ULTIMATE
AIRPORT ELEVATION - MSL	543.00	
AIRPORT REFERENCE POINT (ARP) COORDINATES	LAT 32° 58' 10.585" LNG. 96° 50' 08.482"	SAME
MEAN MAX TEMP OF HOTTEST MONTH	96.1° F	SAME
AIRPORT AND TERMINAL NAVIGATIONAL AIDS	ILS	SAME

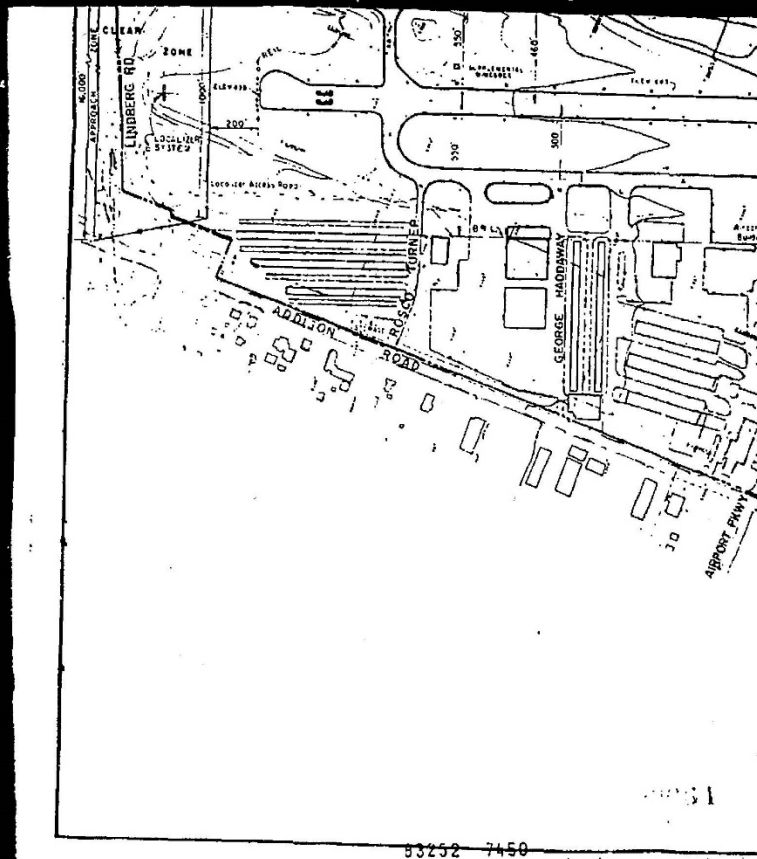
LEGEND

EXISTING		
[Symbol]	FENCE	
[Symbol]	RUNWAY LIGHTS	
[Symbol]	GROUND CONTOURS	
[Symbol]	BUILDINGS PERTAINING TO AIRPORT	[Symbol]
[Symbol]	EXISTING PROPERTY LINE	
[Symbol]	PROPERTY ACQUIRED THIS PROJECT	
[Symbol]	BUILDING RESTRICTION LINE (BRL)	
[Symbol]	EASEMENTS	
[Symbol]	ASPHALT PAVEMENT	
[Symbol]	GRAVEL	

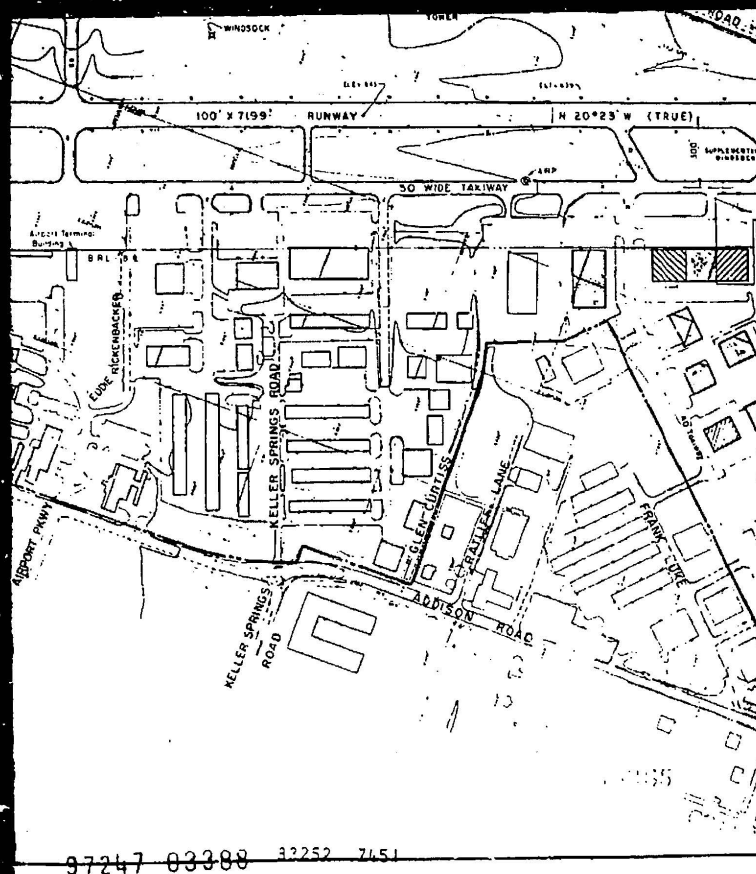


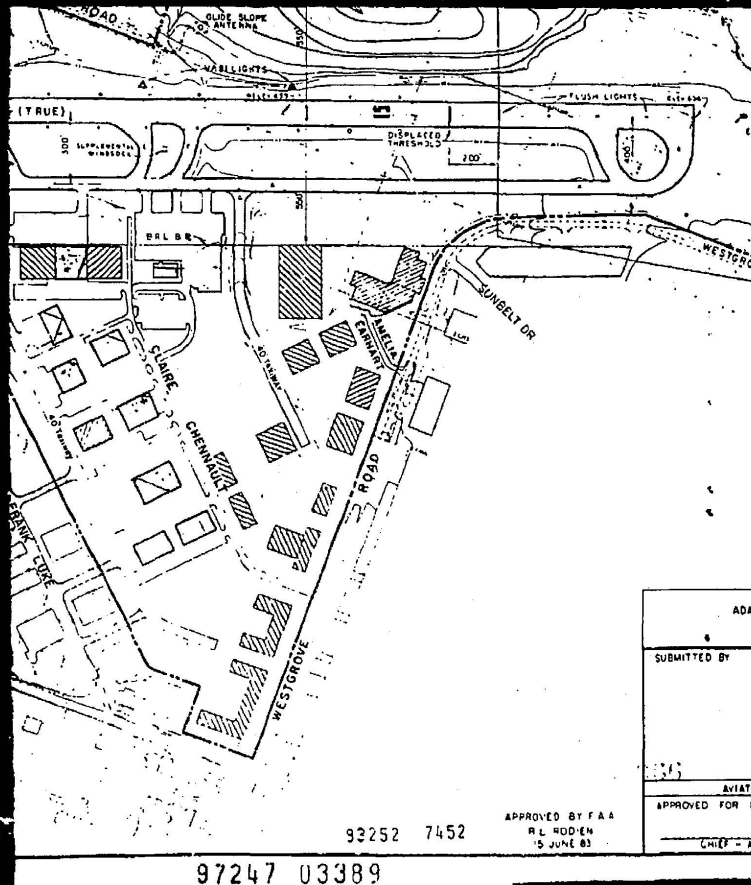
97247 03386

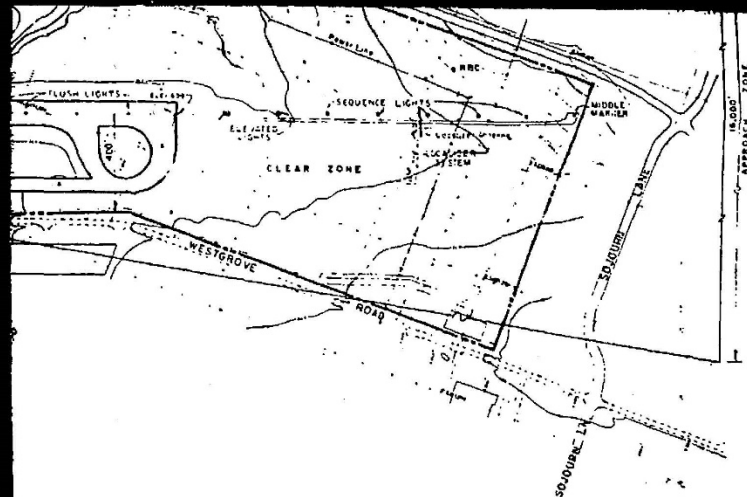




97247 03387







ADAP Project No.					
SUBMITTED BY		DATE			
AVIATION DIRECTOR		APPROVED FOR F.A.A.		CHIEF - AIRPORTS BRANCH	
DESIGNED		DATE		TRACED	
DRAWN		DATE		CHECKED	
FILE NO.		SCALE 1" = 300'		SHEET 1 of 1	

97247 03390



EXHIBIT A  
REAL PROPERTY DESCRIPTION

SITUATED in Dallas County, Texas, and BEING a tract of land situated in the E. COOK SURVEY, ABSTRACT 326, and located on Addison Municipal Airport, Addison, Texas, and being more particularly described as follows:

COMMENCING at the intersection of the centerline of Airport Parkway and the West right-of-way of Addison Road;

THENCE, North 00°22'50" West, along said West right-of-way a distance of 358.67 feet to the POINT OF BEGINNING;

THENCE, South 89°37'10" West, a distance of 145.27 feet;

THENCE, North 1°45'47" East, a distance of 169.44 feet;

THENCE, North 0°38'48" West, a distance of 136.88 feet;

THENCE, North 20°14'53" West, a distance of 180.00 feet;

THENCE, North 71°51'57" East, a distance of 147.04 feet to a point on a curve to the right, said curve having a central angle of 16°46'21", a radius of 788.51 feet and a chord bearing South 45°41'02" East, 230 feet;

THENCE, along an arc length of 230.82 feet to a point;

THENCE, South 0°22'50" East, along the West right-of-way of Addison Road, a distance of 298.48 feet to the POINT OF BEGINNING, containing 1.661 acres (72,348.19 square feet) of land, more or less.

97247 03391

83252 7454

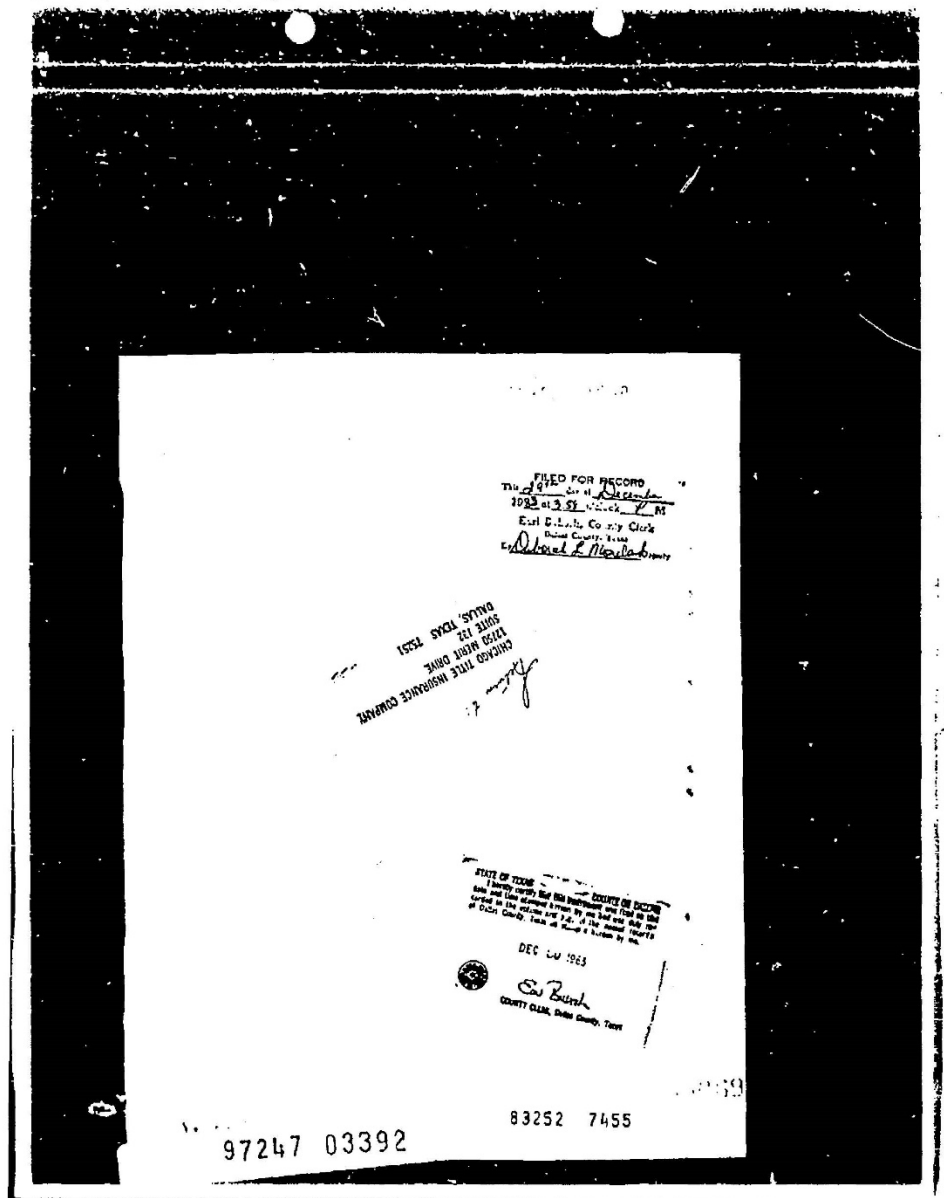


EXHIBIT B

97247 03393

83-25-1011-PP-11-00 (3) CFC

ASSIGNMENT OF LEASE

1980

21.00 DEED  
2/12/83

THIS AGREEMENT is made as of this the 1st day of December, 1983, at Addison, Texas, between BUNNELL PROPERTIES, INC., a Texas corporation, hereinafter called "Assignor", and CONCOURSE PLAZA, LTD., a Texas limited partnership, hereinafter called "Assignee".

WHEREAS, a lease executed on October 11, 1983, between CITY OF ADDISON and ADDISON AIRPORT OF TEXAS, INC., as the Lessor, and the Assignor, as the Lessee, by the terms of which certain real property located on ...o Addison Airport was leased to the Assignor as Lessee upon the terms and conditions provided therein; and

WHEREAS, the Assignor now desires to assign the Lease to the Assignee, and the Assignee desires to accept an assignment thereof;

NOW, THEREFORE, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00), receipt of which is hereby acknowledged, and the agreement of the Assignee, hereinafter set forth, the Assignor hereby assigns and transfers to the Assignee, its successors and assigns, all of its right, title and interest in and to the Lease hereinbefore described, a copy of which is attached hereto as Exhibit "A", and the Assignee hereby agrees to and does accept the assignment, and in addition expressly assumes and agrees to keep, perform and fulfill all the terms, covenants, conditions and obligations required to be kept, performed and fulfilled by the Assignor as the Lessee thereunder, including the making of all payments due to or payable on behalf of the Lessor under said Lease when due and payable.

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

Grantee:

Suite 900  
First Texas Tower  
16951 Dallas Parkway  
Dallas, TX 75240

83252.7456

97217 03394

12-29-83



EXECUTED as of the day and year first above written.

ASSIGNOR:

Bunnett Properties, Inc.

By: *Samuel H. Hume*

ASSIGNEE:

Concourse Plaza, Ltd.

By: Bunnett Properties, Inc., Managing  
General Partner

By: *Samuel H. Hume*

CONSENT OF LESSOR

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

LESSOR:

CITY OF ADDISON

By: *John Kelly*

ADDISON AIRPORT OF TEXAS, INC.

By: *Robert W. Hume, Vice President*

97247 03395

83252 7457

STATE OF TEXAS §  
COUNTY OF DALLAS §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared David A. Bunnell, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same on behalf of Bunnell Properties, Inc., a Texas corporation, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 27th day of December, 1983.

Kay P. Robertson/Kudick  
Notary Public

My Commission Expires:

3-7-84



KAY P. ROBERTSON/KUDICK  
Notary Public, State of Texas  
My Comm. Expires 3-7-84

STATE OF TEXAS §  
COUNTY OF DALLAS §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared David A. Bunnell, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same on behalf of Bunnell Properties, Inc., a Texas corporation, as managing general partner of Concourse Plaza, Ltd., a Texas limited partnership, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 27th day of December, 1983.

Kay P. Robertson/Kudick  
Notary Public

My Commission Expires:

3-7-84

97247 03396

83252 7458



83252 7460

83252 7450



### 15. Generalization

C. If this Lease is not consummated, then pursuant to Section A, Tenant shall promptly restore the improvements on the leased premises, then the "consummation" of this lease to which Landlord and Tenant are entitled shall be the basis for the calculation to cover the costs and any expenses for restoring the remaining portion of the premises premises to a condition suitable for efficient and economic operation and operation of Tenant, and any such costs and expenses shall be paid by Landlord and Tenant as a condition of the Lease and Tenant, as interest may accrue. If this Lease is terminated pursuant to Section A, a condemnation process to which Landlord and Tenant are entitled shall be awarded and paid to Landlord and Tenant as interest may accrue.

13. Common Facilities. Landair and Landair'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 Landair for the accommodation and convenience of Landair's customers and tenants, including landing and takeoff facilities, means of entry and access to the terminal premises, other airport installations, and all other reasonable services which may be provided without charge from time to time by Landair in operating the Airport. All such common facilities shall at all times be under the exclusive control

18. **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 signs and facilities in or on the demised premises that may be reasonably necessary for the operation of Tenant's business.

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 or persons, for any injury to persons or damage to property on or about the demised premises or any adjacent area caused by the negligence or misconduct of Tenant, Tenant's employees, servants, customers, invitees, subtenants, licensees or assignees or of any other person entering the demised premises under express or implied invitation of Tenant, or arising out of the use, occupancy or condition of the demised premises or out of the conduct of Tenant's business thereon, or arising out of any breach of contract by Tenant in the

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

- 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 failure shall continue for a period of ten (10) days;
- 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.

22. Remedies of Landlord: Upon the occurrence of any of the events of default listed in paragraph 21, Landlord shall have the option to pursue any or more of the following remedies without the notice or demand whatsoever:

**Termination:** In the event Tenant fails to immediately surrender the Demised Premises to Landlord if Tenant fails to satisfy the Demised Premises, Landlord may, without prejudice to any other remedy which Landlord may have for possession of the Demised Premises or any acts or omissions, enter upon and take possession of the Demised Premises and make of same, "tenant and his personal and family effects" as being subject to the Demised Premises or any contents thereof without being liable for possession or any claim for damages. Landlord's exercise of the right of such an entry and possession shall be deemed to be an exercise of the right of entry of the premises. Any of the

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Page 97 of 206

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20. In the event of any claim or suit by reason of any such violation in determining the amount of such damages, the cost of such claim or suit, including attorney's fees, shall be borne by the party at fault.

21. The Tenant shall be responsible for the cost of any such claim or suit, including attorney's fees, shall be borne by the party at fault.

22. The Tenant shall be responsible for the cost of any such claim or suit, including attorney's fees, shall be borne by the party at fault.

23. The Tenant shall be responsible for the cost of any such claim or suit, including attorney's fees, shall be borne by the party at fault.

24. The Tenant shall be responsible for the cost of any such claim or suit, including attorney's fees, shall be borne by the party at fault.

25. The Tenant shall be responsible for the cost of any such claim or suit, including attorney's fees, shall be borne by the party at fault.

26. The Tenant shall be responsible for the cost of any such claim or suit, including attorney's fees, shall be borne by the party at fault.

27. The Tenant shall be responsible for the cost of any such claim or suit, including attorney's fees, shall be borne by the party at fault.

28. The Tenant shall be responsible for the cost of any such claim or suit, including attorney's fees, shall be borne by the party at fault.

29. The Tenant shall be responsible for the cost of any such claim or suit, including attorney's fees, shall be borne by the party at fault.

30. The Tenant shall be responsible for the cost of any such claim or suit, including attorney's fees, shall be borne by the party at fault.

31. The Tenant shall be responsible for the cost of any such claim or suit, including attorney's fees, shall be borne by the party at fault.

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35. The Tenant shall be responsible for the cost of any such claim or suit, including attorney's fees, shall be borne by the party at fault.

36. The Tenant shall be responsible for the cost of any such claim or suit, including attorney's fees, shall be borne by the party at fault.

37. The Tenant shall be responsible for the cost of any such claim or suit, including attorney's fees, shall be borne by the party at fault.

38. The Tenant shall be responsible for the cost of any such claim or suit, including attorney's fees, shall be borne by the party at fault.

39. The Tenant shall be responsible for the cost of any such claim or suit, including attorney's fees, shall be borne by the party at fault.

40. The Tenant shall be responsible for the cost of any such claim or suit, including attorney's fees, shall be borne by the party at fault.





STATE OF TEXAS  
COUNTY OF DALLAS

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 11 day of October, 19 53

Reuben L. James  
Notary Public  
Dallas  
County, Texas

STATE OF TEXAS  
COUNTY OF DALLAS

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 27th day of November, 19 53



Reuben L. James  
Notary Public  
Dallas  
County, Texas

STATE OF TEXAS  
COUNTY OF DALLAS

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 11 day of October, 19 53

Reuben L. James  
Notary Public  
Dallas  
County, Texas

97247 03402

93252 7464



ADDENDUM TO GROUND LEASE,  
dated October 11, 1983,  
by and among  
the City of Addison, Texas,  
Addison Airport of Texas, Inc.  
and Bunnell Properties, Inc.

This Addendum is attached to and made a part of the foregoing and above referenced Lease for all purposes. In the event of conflict or inconsistency between the printed portion of this Lease and this Addendum, the terms of this Addendum shall control.

A. The words "general office uses" are added to the list of the purposes for which Tenant may use and occupy the demised premises 3 contained in paragraph 6 of the printed portion of this Lease.

B. To induce Landlord to allow use and occupancy of the demised premises for general office purposes, Tenant agrees to give preference to prospective office tenants whose businesses are aeronautically related (hereinafter referred to as "preferred tenant") conditioned upon (i) availability of space, (ii) willingness of the preferred tenant to pay market rental rates, (iii) the preferred tenant's credit standing favorably comparing to those of other prospective tenants, and (iv) willingness of the preferred tenant to enter into a term of agreement comparable to those offered by other prospective tenants.

C. Landlord agrees to remove the electrical lines and poles presently running along the western boundary of the demised premises.

D. Tenant shall have the option to terminate this Lease by delivering written notice of such election to Landlord before April 30, 1984, if Tenant has been unable to obtain revenue bond financing for the improvements which Tenant proposes to construct on the demised premises. If Tenant does not timely deliver such written notice of election to terminate, all rights of Tenant to terminate this Lease pursuant to the foregoing shall lapse and be null and void.

18245

97247 03403

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CHICAGO TITLE INSURANCE COMPANY  
12750 MARKET DRIVE  
SUITE 102  
DALLAS, TEXAS 75251

STATE OF TEXAS COUNTY CLERK, DALLAS  
I, J. J. [illegible] do hereby certify that the foregoing is a true and correct copy of the original as the same was filed for record in the office of the County Clerk of Dallas County, Texas, on the [illegible] day of [illegible] 1983.

DEC 30 1983

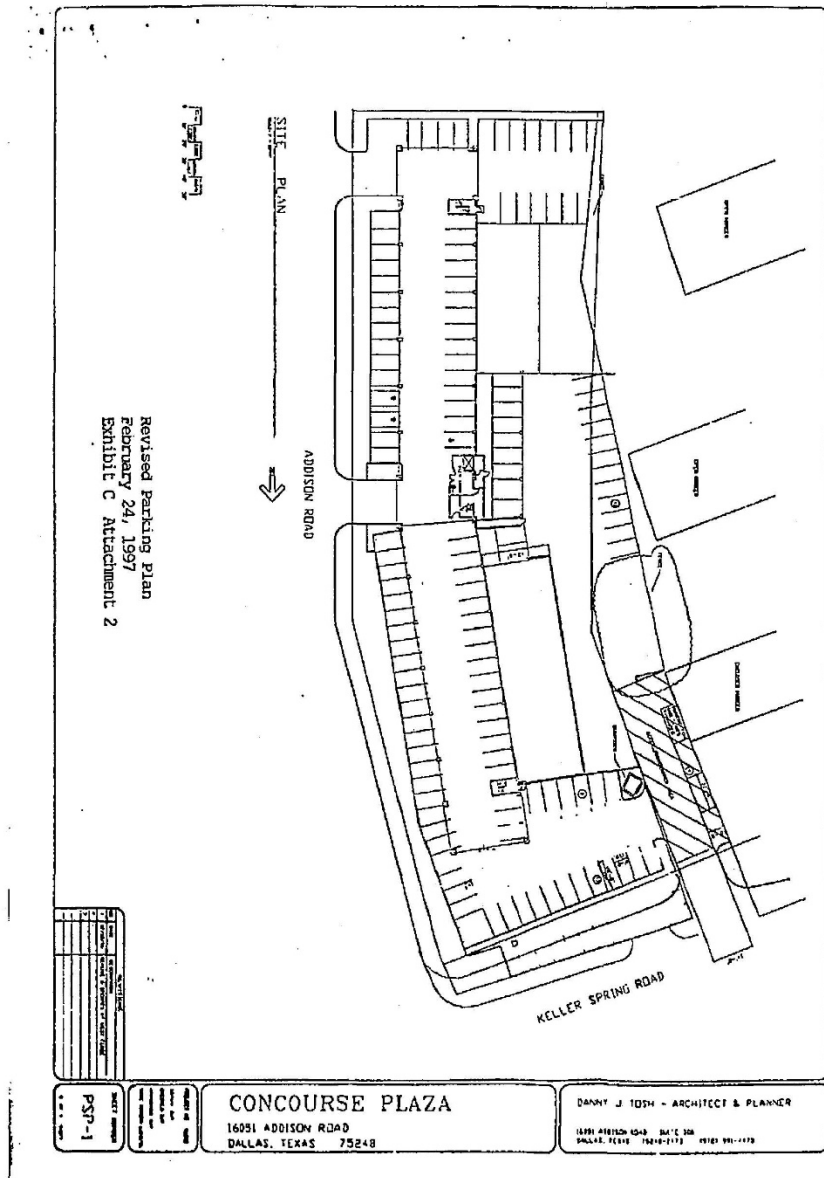


County Clerk, Dallas County, Texas

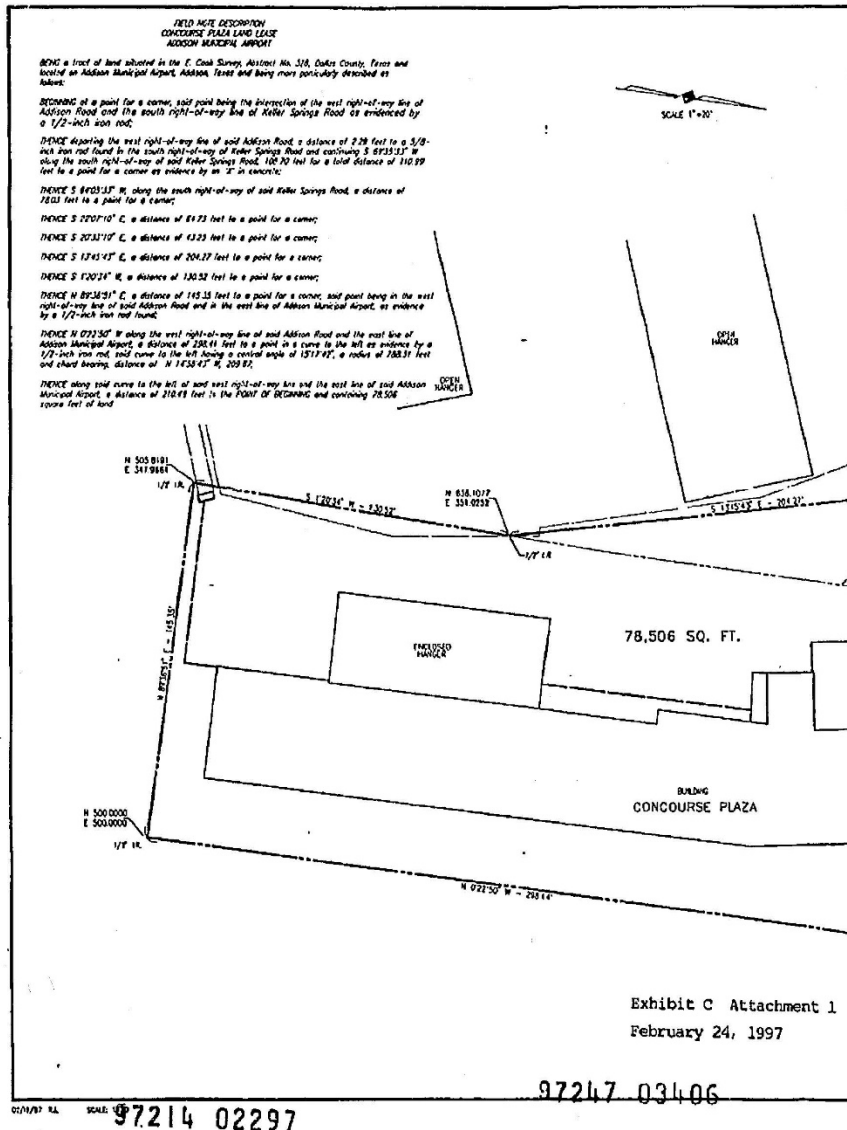
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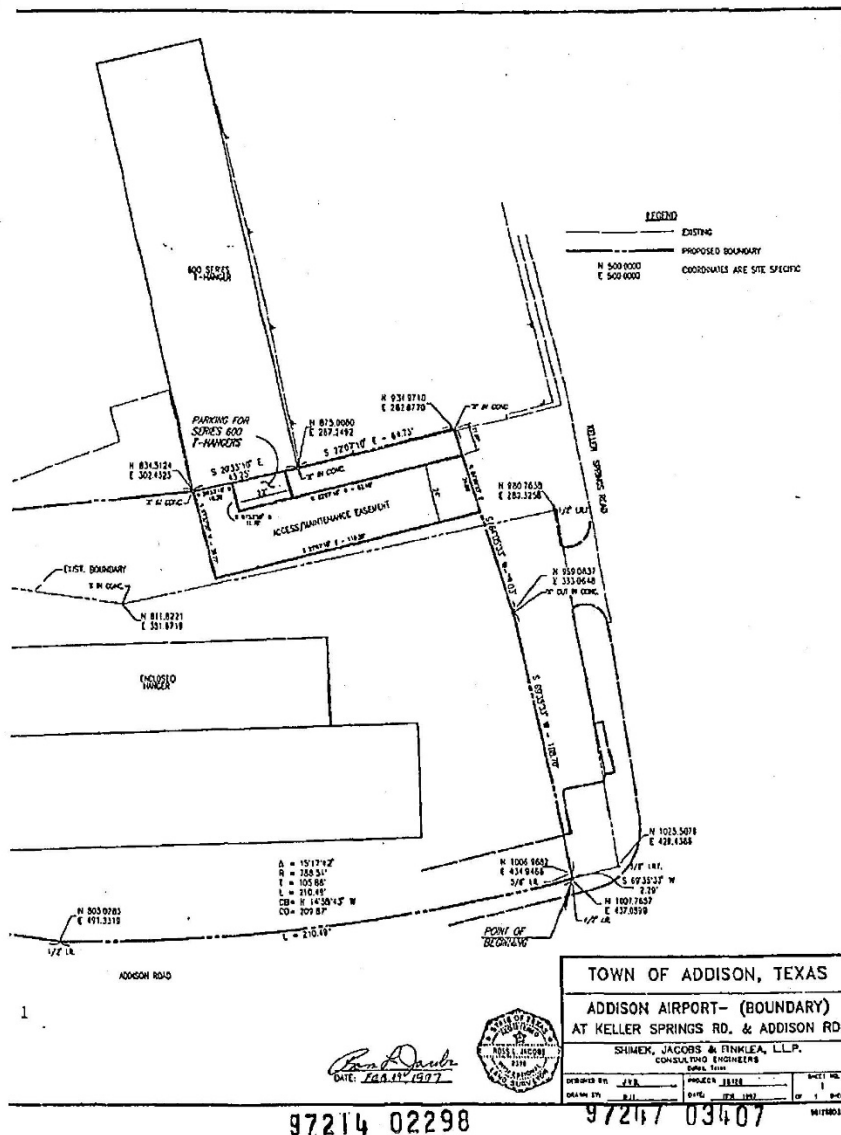
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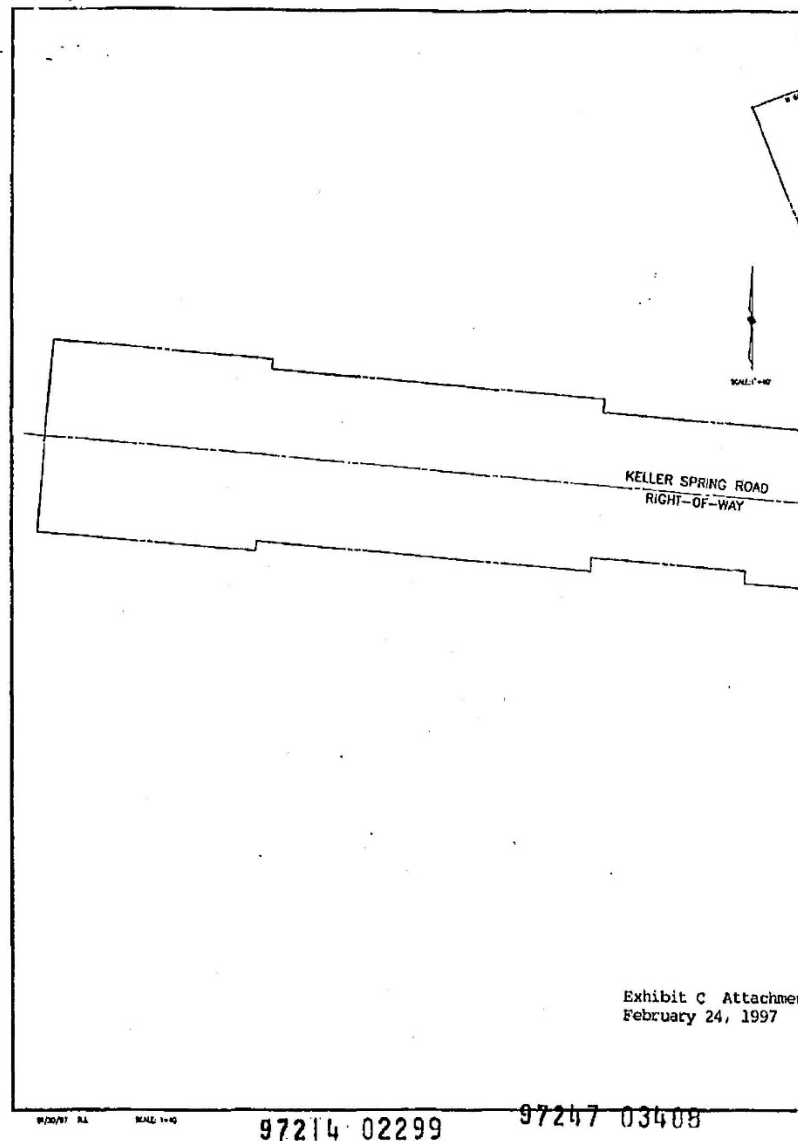
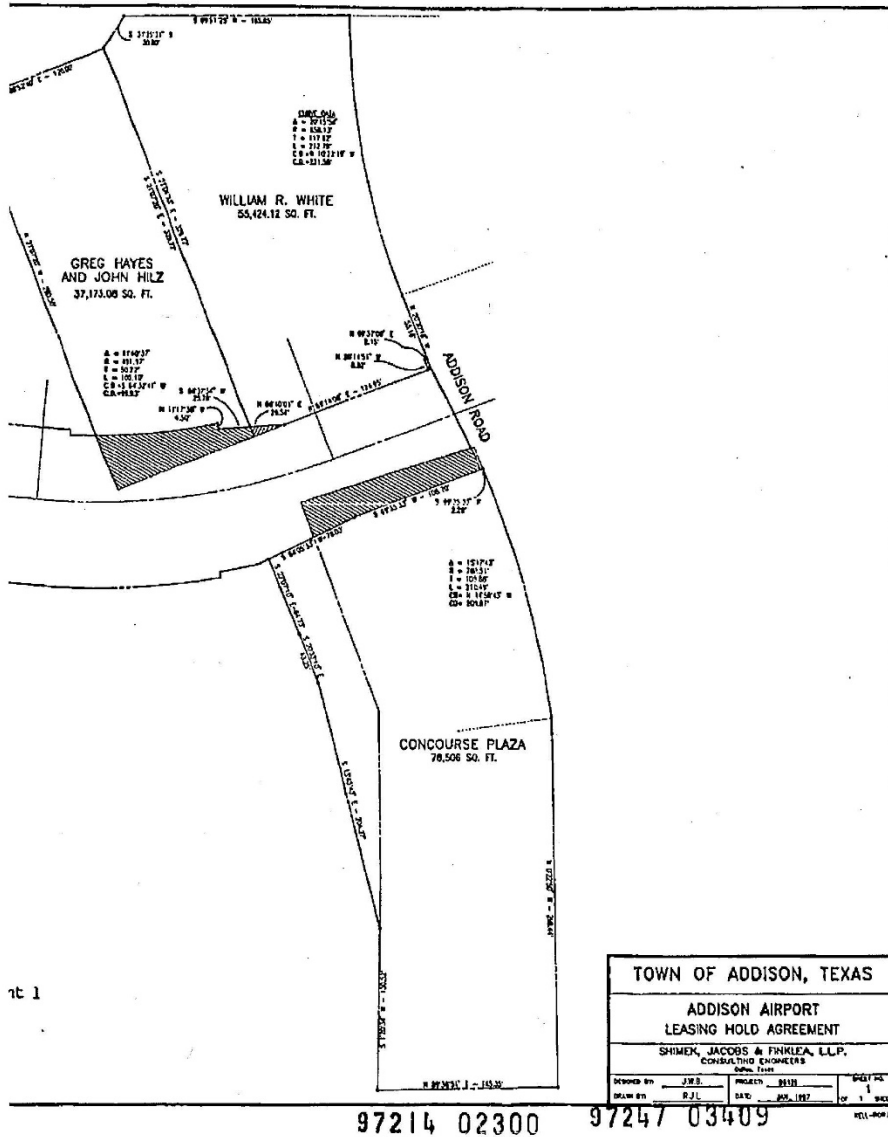


Exhibit C Attachmen  
February 24, 1997



01480 24226  
97214 02301

Return to: (176)

AMERICAN TITLE COMPANY  
6029 Bellino Road, Suite 250  
Dallas, TX 75240

97214  
COUNTY CLERK  
DALLAS COUNTY

97 NOV -3 AM 10:57

Any provision herein which results in the sale, rental, or use of the described real property because of color or race is invalid and unenforceable under Federal law.  
STATE OF TEXAS COUNTY OF DALLAS  
I hereby certify this instrument was filed on the date and time stamped herein by me and was duly recorded in the volume and page of the named records of Dallas County, Texas as stamped herein by me.

DEC 22 1997



Earl Baisch  
COUNTY CLERK, Dallas County, Texas

FILED  
Earl Baisch  
COUNTY CLERK  
DALLAS COUNTY  
97 DEC 22 PM 12:23

Any provision herein which results in the sale, rental, or use of the described real property because of color or race is invalid and unenforceable under Federal law.  
STATE OF TEXAS COUNTY OF DALLAS  
I hereby certify this instrument was filed on the date and time stamped herein by me and was duly recorded in the volume and page of the named records of Dallas County, Texas as stamped herein by me.



NOV 3 1997

Earl Baisch  
COUNTY CLERK, Dallas County, Texas

97214 02301



ASSIGNMENT OF LEASE

STATE OF TEXAS           §  
                                      §  
COUNTY OF DALLAS       §

THIS ASSIGNMENT OF GROUND LEASE (the "Assignment") entered into and effective as of the 31<sup>st</sup> day of December, 1997, at Addison, Texas, between CONCOURSE PLAZA, LTD., a Texas limited partnership (hereinafter called "Assignor") and CONCOURSE PLAZA II, LTD., a Texas limited partnership (hereinafter called "Assignee").

WHEREAS, Assignor is the Lessee under that certain Ground Lease (as amended, the "Ground Lease") executed on October 11, 1983 between CITY OF ADDISON and ADDISON AIRPORT OF TEXAS, INC., as the Lessor, and BUNNELL PROPERTIES, INC. ("Bunnell"), as the Lessee, by the terms of which certain real property located on the Addison Airport was leased to the Assignor as Lessee upon the terms and conditions provided therein, which lease was (a) assigned by Bunnell to Assignor pursuant to an Assignment of Lease dated December 1, 1993 recorded in Volume 83252, Page 7456, et seq. of the Real Property Records of Dallas County, Texas, and (ii) amended by a Settlement Agreement and First Amendment to Lease Agreement dated April 22, 1997, and recorded in the real Property Records of Dallas County, Texas, as more particularly described on the attached Exhibit A; and

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

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

1. Assignor hereby assigns, bargains, sells and conveys to Assignee, effective as of the date above, all Assignor's rights, title and interest in and to the Ground Lease.
2. Prior to the effective date of this Assignment, Assignee agrees to pay an assignment fee in the amount of Four Hundred Fifty and no/100 Dollars (\$450.00) to Landlord.

Address of Assignee:  
4560 Beltline Road  
Suite 201  
Dallas, Texas 75244

3. Assignee hereby agrees to be bound by and comply with the terms of the Ground Lease.
4. This Agreement shall be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest, and assigns.

Address of Assignee:  
4560 Beltline Road  
Suite 201  
Dallas, Texas 75244

-2-

EXECUTED as of the day and year first above written.

ASSIGNOR:

CONCOURSE PLAZA, LTD., a Texas  
limited partnership

By: Winn Development, Inc.,  
General Partner

By: Stephen T. Winn  
Stephen T. Winn, President

ASSIGNEE:

CONCOURSE PLAZA II, LTD., a Texas  
limited partnership

By: Harkinson Investment Corporation,  
General Partner

By: William J. Harkinson  
William J. Harkinson, President

Address of Assignee:  
4560 Beltline Road  
Suite 201  
Dallas, Texas 75244

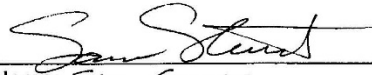
-3-

CONSENT OF LANDLORD

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

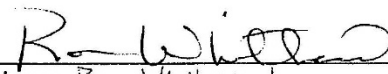
LANDLORD:

ADDISON AIRPORT OF TEXAS, INC.

By:   
Name: SAM STUART  
Title: President

OWNER:

CITY OF ADDISON

By:   
Name: Ron Whitehead  
Title: City Manager

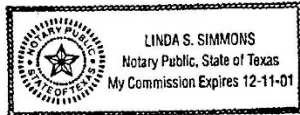
Address of Assignee:  
4560 Beltline Road  
Suite 201  
Dallas, Texas 75244

-4-



STATE OF TEXAS     §  
                                 §  
COUNTY OF DALLAS   §

This instrument was acknowledged before me on December 23, 1997, by STEPHEN T. WINN, President of Winn Development, Inc., as general partner of and on behalf of Concourse Plaza, Ltd., a Texas limited partnership, on behalf of such corporation and partnership.



Linda S. Simmons  
Notary Public in and for the State of Texas

My Commission Expires:

12-11-01

Print Name of Notary:

LINDA S. SIMMONS

STATE OF TEXAS     §  
                                 §  
COUNTY OF DALLAS   §

This instrument was acknowledged before me on December 23, 1997, by WILLIAM J. HARKINSON, President of Harkinson Investment Corporation, as general partner of and on behalf of Concourse Plaza II, Ltd., a Texas limited partnership, on behalf of such corporation and partnership.

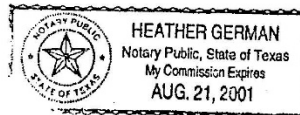
Heather German  
Notary Public in and for the State of Texas

My Commission Expires:

Aug. 21, 2001

Print Name of Notary:

Heather German

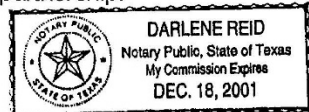


Address of Assignee:  
4560 Beltline Road  
Suite 201  
Dallas, Texas 75244

-5-

STATE OF TEXAS       §  
                                 §  
COUNTY OF DALLAS   §

This instrument was acknowledged before me on Sept 11<sup>th</sup>, 1998, by SAM STUART, President of Addison Airport of Texas, Inc., on behalf of such corporation and partnership.



Darlene Reid  
Notary Public in and for the State of Texas

My Commission Expires:

Print Name of Notary:

Darlene Reid

STATE OF TEXAS       §  
                                 §  
COUNTY OF DALLAS   §

This instrument was acknowledged before me on SEPTEMBER 17, 1998, by RON WHITEHEAD, CITY MANAGER of the Town of Addison, Texas, a municipal corporation, on behalf of such corporation.



Michele L. Covino  
Notary Public in and for the State of Texas

My Commission Expires:

Print Name of Notary:

9/22/2001

MICHELE L. COVINO

STATE OF TEXAS §  
COUNTY OF DALLAS §

This instrument was acknowledged before me on Dec 30, 1997, by Sam Stuart, President of Addison Airport of Texas, Inc., on behalf of such corporation and partnership.



Heather German  
Notary Public in and for the State of Texas

My Commission Expires:

August 21, 2001

Print Name of Notary:

Heather German

STATE OF TEXAS §  
COUNTY OF DALLAS §

This instrument was acknowledged before me on August 5, 1998, by Ron Whitehead, City Manager of the Town of Addison, Texas, a municipal corporation, on behalf of such corporation.



Michele L. Covino  
Notary Public in and for the State of Texas

My Commission Expires:

09.22.2001

Print Name of Notary:

Michele L. Covino

EXHIBIT A



## GROUND LEASE

WITNESSETH:

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

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

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

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 this Base Lease is in effect, AATI shall be entitled to all of the rights, benefits and remedies of a landlord under this Lease, and shall perform all of the duties, covenants and obligations of the Landlord under this Lease upon termination or determination of the Base Lease. The City shall be entitled to all of the rights, benefits and remedies of this Landlord under this Lease, and shall perform all of the duties covenants and obligations of the Landlord under this Lease. The City agrees that if the City notifies Tenant that the contrary in writing, Tenant is fully authorized to make all payments due under this Lease to AATI and that the obligations by AATI under this Lease shall have no effect on this Lease so long as Tenant pays and performs its duties, covenants and obligations under this Lease.

3. Term: The term hereof shall commence on the earlier of October 1, 1984, or the first day of the next month after Tenant completes the construction hereinbefore described and opens for business at the demised premises; provided that the term hereof shall terminate on the date being hereinafter referred to as the "Commencement Date"; and shall end four hundred eighty (480) months thereafter; provided, however, that any entry upon the demised premises by Tenant prior to the Commencement Date shall be subject to all terms and conditions hereof except that rental shall not be a true.

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

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

(iii) In the event that the Price Index is unavailable for whatever reason for the computations set forth hereinabove, and in the event that the Price Index is not available for the computations set forth hereinabove, then the Price Index shall be substituted therefor.

In connection with such use and occupancy, Tenant intends to construct upon the demised premises the improvements depicted on plans and specifications.

These improvements consist of a combination office/airplane hangar facility containing approximately 42,600 square feet of office space and five airplane hangars, the preliminary plans for which have been prepared by Bogard Architects, Inc. Construction prints to be approved by Addison Municipal Airport prior to the start of construction.

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

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

demised premises. Tenant shall comply at all times with all governmental laws, ordinances and regulations applicable to the use of demised premises, and shall promptly comply with all governmental orders and directives for the correction, prevention and abatement of nuisances in or upon, or connected with the demised premises, all at Tenant's sole cost and expense.

### **1. Assignment, Subletting and Mortgaging of Leasehold Estate:**

A. Without the prior written consent of Lender, Tenant may not assign this lease or any rights of Tenant hereunder, except a second mortgage as hereinafter provided, or sublet the whole or any part of the demised premises. Any assignment of part of the premises shall be expressly subject to the terms and provisions of this lease, including the provisions of paragraph pertaining to the leased demised premises. In the event of any assignment or subletting, Tenant shall not assign Tenant's rights hereunder or sublet the leased premises to any person or entity who is not qualified to perform the services for which the leased premises are being assigned or sublet, as determined by Lender. Tenant shall be bound by the terms and provisions of this lease. No such assignment or subletting shall constitute a breach of the occurrence of an event of default until the demised premises are assigned or sublet. Lender, in addition to any other remedies provided herein or by law, may at Lender's option, collect directly from each assignee or subtenant all amounts becoming due under this lease and may also sue and collect directly from each assignee or subtenant for the performance of the lease and may assign, or sublet, all or part of the lease to Tenant from the payment or performance of Tenant's obligations hereunder.

A Tenant shall have the right to mortgage the leasehold estate of Tenant created hereby in order to secure a mortgage loan purpose of obtaining funds for the construction of the improvements described in paragraph 6 or for other construction work on the premises approved from time to time by Landlord in writing. In the event that Tenant purports to mortgage parcels of Land created hereby, the leasehold estate of Tenant created hereby, the leasehold mortgage shall in no event become personally liable to the lender or creditors of Tenant upon this lease and until said mortgage becomes the owner of one of the leasehold estates pursuant to paragraph 10 of this lease, the lender or creditors of Tenant shall not be permitted to foreclose on said mortgage. Such mortgage shall be subject to such mortgagee's terms and conditions as the lender or creditor may deem appropriate, and in the event of a foreclosure, it shall be subject to paragraph 10 of this lease. Such mortgaging by Tenant and/or any other persons fully and forever releases Tenant from the obligation of such mortgagee to pay the rents due hereunder and otherwise to fully perform the terms and conditions of this Lease.







Page 120 of 206



in writing, signed by the party to whom the same are made, and such party shall be deemed to have accepted the same by its failure to object thereto within the time specified herein.

Landlord agrees that from time to time, upon notice in writing (10 days prior to the date of the notice) by Tenant, Landlord will execute a statement in writing certifying that:

A. This lease is in full force and effect and 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 the exhibit attached hereto.

37. Interest on Tenant's Obligations and Manner of Payment. All monetary obligations of Tenant to Landlord under this Lease shall remain due and payable 10 days after the due date of the same (if no due date has been established under other provisions hereof) at the rate of 10% per annum from and after said tenth (10th) day until paid. If more than twice during the term of the Lease Tenant's payment of such obligations is not made by the date on which it is due for whatever reason, Landlord may require by giving written notice to Tenant that the payment of all 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 obligations. If, after any acceptance by Landlord of a personal or corporate check after such notice shall not be deemed payment of such obligations of Tenant to Landlord to require other payments as required by said notice.

38. Independent Contractor. This Lease is made and agreed to by Landlord and Tenant as independent contractors. Tenant is not 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, Cheques, Assignments, Writings and Instruments and Addenda Related Herein shall be deemed to be part of the Lease for all purposes in 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 will be so construed, as shall be held to include the plural, unless the context otherwise requires.

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

43. Successors. The terms, conditions and covenants contained in this Lease shall apply to and bind the heirs, assigns and successors of both parties hereto and their respective successors in interest and legal representatives except as otherwise may be provided. Assignments, conveyances, mortgages and other interests in and to the premises hereunder shall be subject to the terms, conditions and covenants hereof and shall be deemed to be subject to the terms, conditions and covenants hereof.

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

45. Notices. Any notice or document required or permitted to be delivered hereunder may be delivered in person or by registered mail, return receipt requested, or by certified mail, return receipt requested, addressed to the parties at the addresses indicated below, or at such other address as may have been notified by written notice delivered in accordance herewith.

LANDLORD

TENANT

Addison, Texas, Inc.  
P.O. Box 14067  
Dallas, Texas 75204

Bunnell Properties, Inc.  
1485 Dallas Parkway, Suite 300  
Dallas, Texas 75240

City of Addison, Texas

980-7704

P.O. Box 144

Addison, Texas 75001

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

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

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


49. Entire Agreement and Amendments. This Lease, consisting of forty-nine (49) paragraphs and Exhibits A through E, together 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, modification, change, modification or discharge of the Lease shall be binding on either party unless it is in writing and signed by both parties in the presence of the other party.

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

LANDLORD

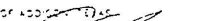
ADDISON, TEXAS, INC.

By: 


Its: 

CITY OF ADDISON, TEXAS

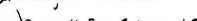
By: 

Its: 


By: 

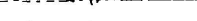
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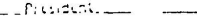
By: 

Its: 

By: 

Its: 

By: 

Its: 

The additional provisions contained in the Addendum attached hereto are hereby incorporated herein for all purposes.

STATE OF TEXAS  
COUNTY OF DALLAS

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 11 day of October, 19 54

Bartholomew P. Jones  
Notary Public  
Dallas  
County, Texas

STATE OF TEXAS  
COUNTY OF DALLAS

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 22nd day of November, 19 54



Bartholomew P. Jones  
Notary Public  
Dallas  
County, Texas

STATE OF TEXAS  
COUNTY OF DALLAS

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 11 day of October, 19 54

Bartholomew P. Jones  
Notary Public  
Dallas  
County, Texas

ADDENDUM TO GROUND LEASE,  
dated October 11, 1983,  
by and among  
the City of Addison, Texas,  
Addison Airport of Texas, Inc.  
and Bunnell Properties, Inc.

This Addendum is attached to and made a part of the foregoing and above referenced Lease for all purposes. In the event of conflict or inconsistency between the printed portion of this Lease and this Addendum, the terms of this Addendum shall control.

A. The words "general office uses" are added to the list of the purposes for which Tenant may use and occupy the demised premises contained in paragraph 6 of the printed portion of this Lease.

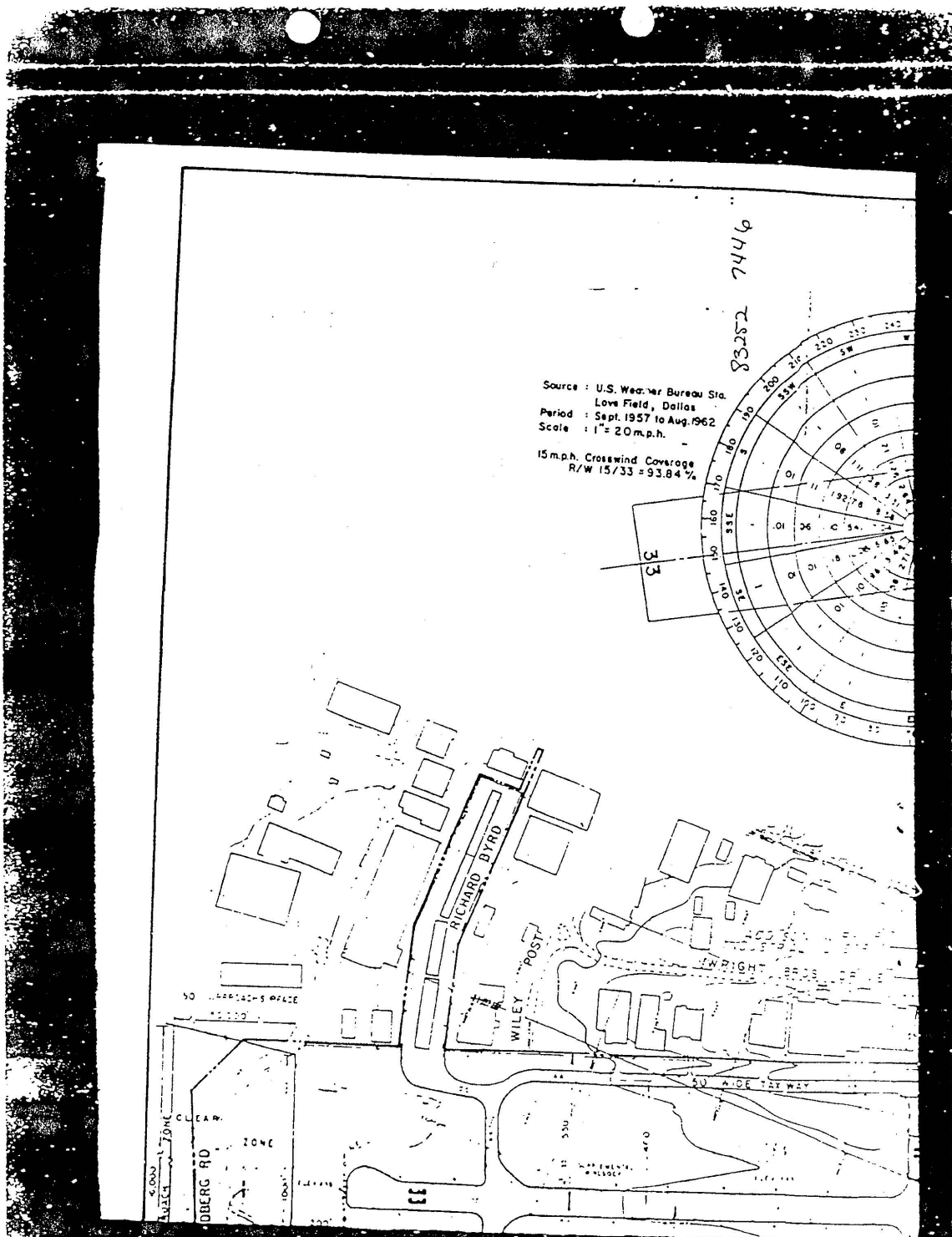
B. To induce Landlord to allow use and occupancy of the demised premises for general office purposes, Tenant agrees to give preference to prospective office tenants whose businesses are aeronautically related (hereinafter referred to as "preferred tenants") conditioned upon (i) availability of space, (ii) willingness of the preferred tenant to pay market rental rates, (iii) the preferred tenant's credit standing favorably comparing to those of other prospective tenants, and (iv) willingness of the preferred tenant to enter into a term of agreement comparable to those offered by other prospective tenants.

C. Landlord agrees to remove the electrical lines and poles presently running along the western boundary of the demised premises.

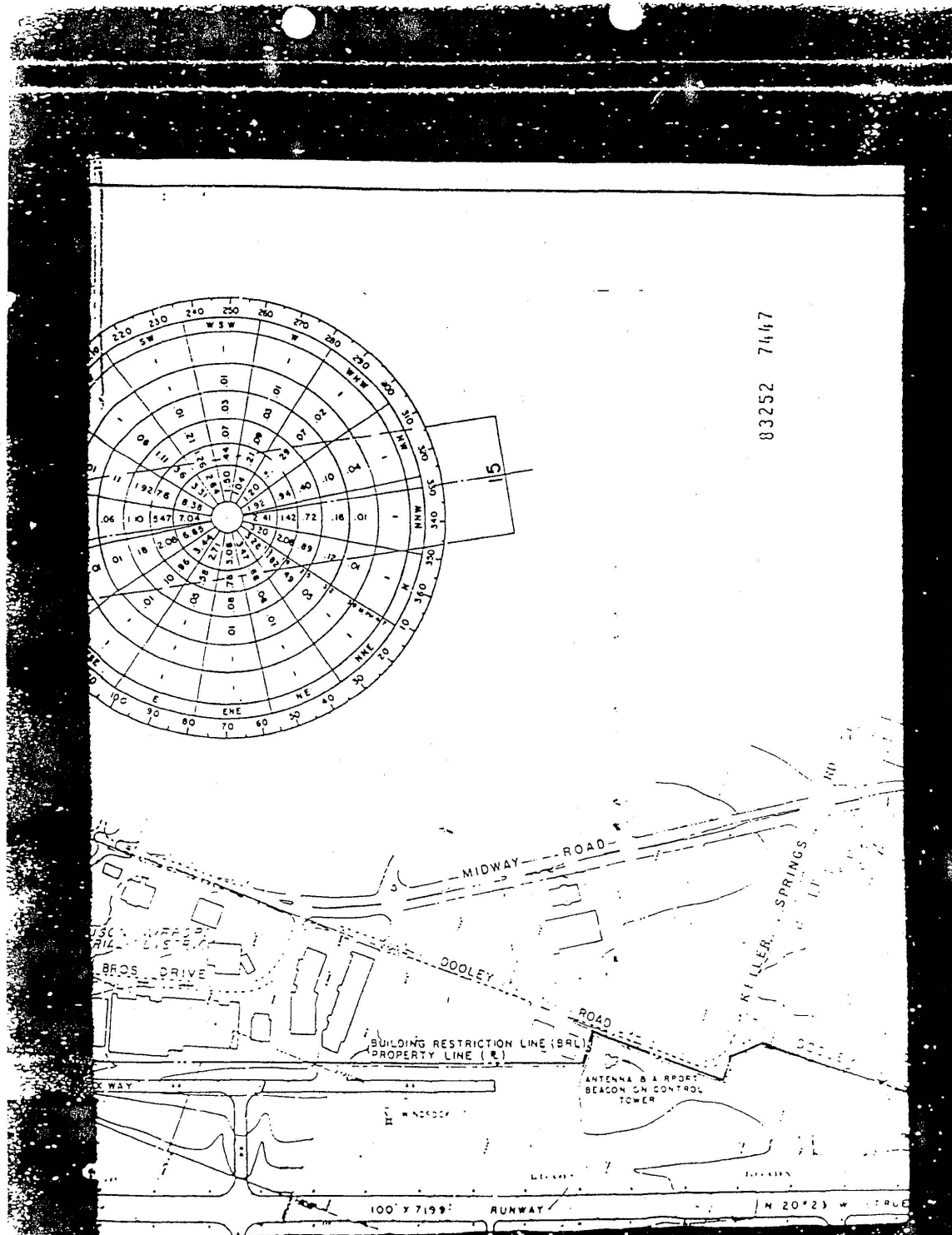
D. Tenant shall have the option to terminate this Lease by delivering written notice of such election to Landlord before April 30, 1984, if Tenant has been unable to obtain revenue bond financing for the improvements which Tenant proposes to construct on the demised premises. If Tenant does not timely deliver such written notice of election to terminate, all rights of Tenant to terminate this Lease pursuant to the foregoing shall lapse and be null and void.

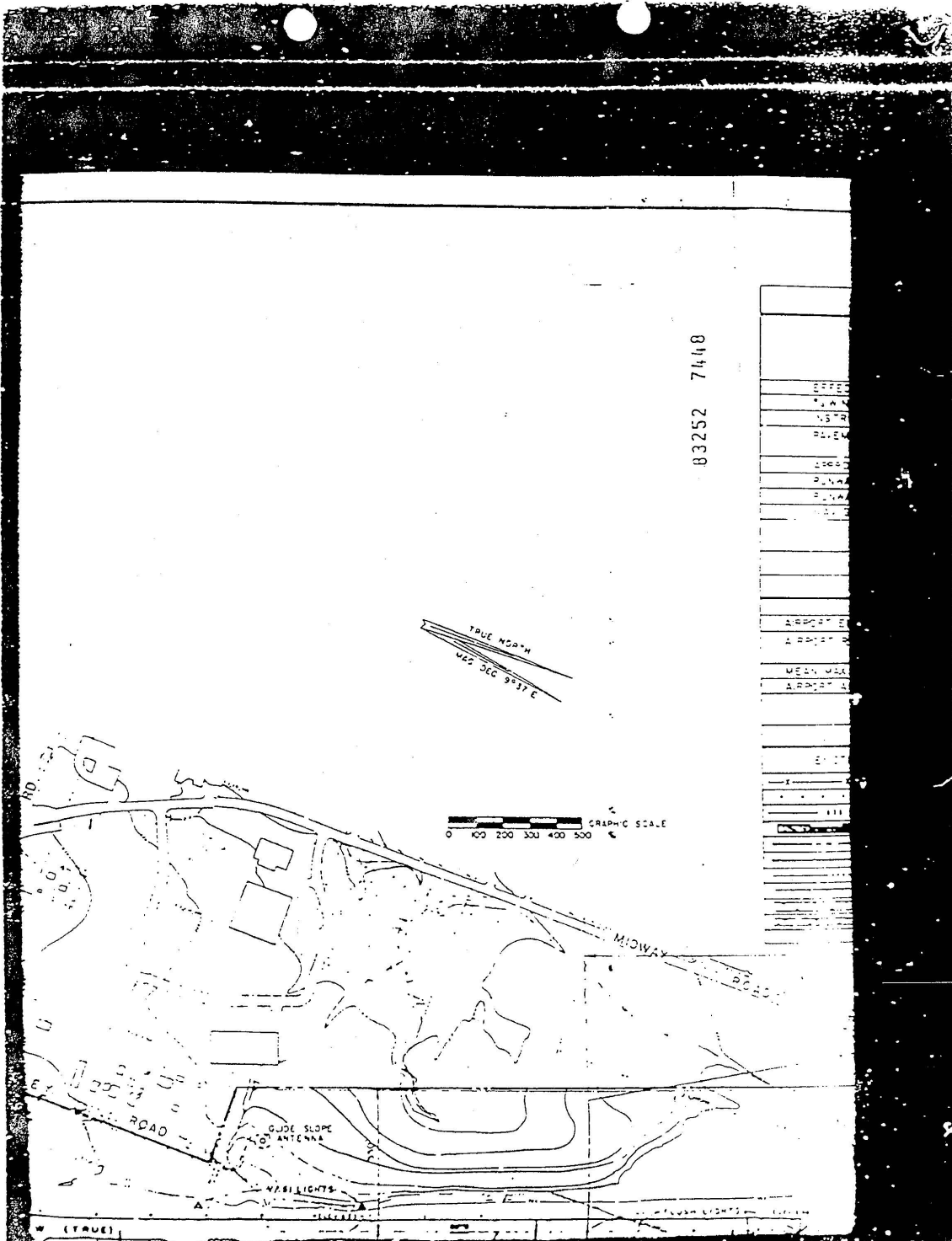
18245

*ETS*









EX. B

83252 7448

### BASIC RUNWAY DATA TABLE

	RUNWAY 15/33	
	EXISTING	ULTIMATE
EFFECTIVE GRADIENT (IN/100)	0.03	SAME
% WIND COVERAGE	93.84	SAME
INSTRUMENT RUNWAY	YES	YES
PAVEMENT STRENGTH	805,1000 1600T	SAME
APPROACH SURFACE	50:1 BOTH	SAME
RUNWAY LIGHTING	MIRL	SAME
RUNWAY MARKINGS	ALL WEATHER	SAME
NAVIGATIONAL AIDS	ILS	SAME

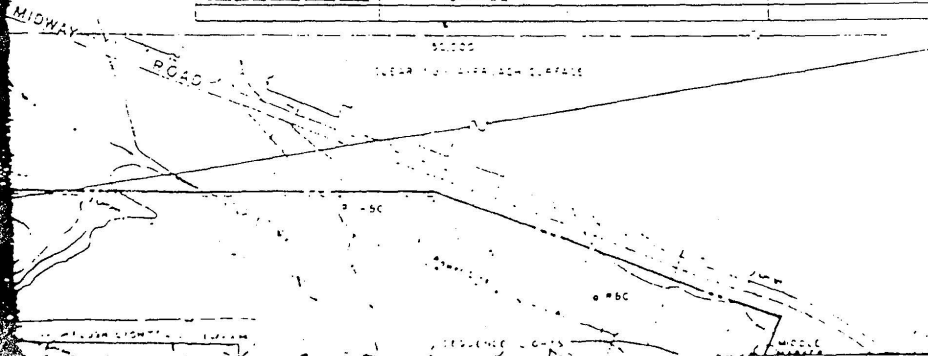
### BASIC AIRPORT DATA TABLE

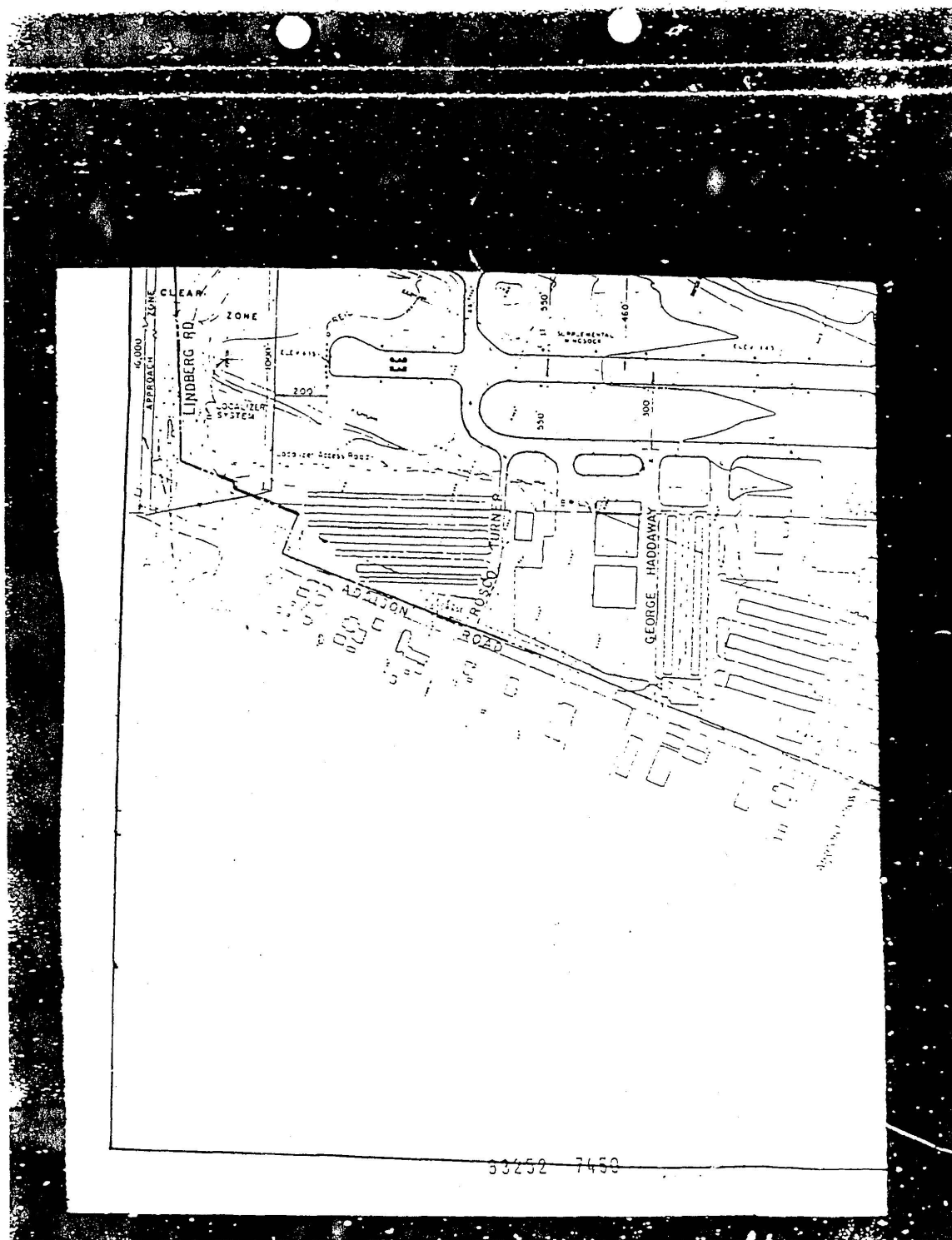
	EXISTING	ULTIMATE
AIRPORT ELEVATION, M.S.L.	643.00	
AIRPORT REFERENCE POINT (ARP) COORDINATES	LAT 32° 58' 10.525" LNG. 96° 50' 08.482"	SAME
MEAN MAX TEMP OF HOTTEST MONTH	96.1°F	SAME
AIRPORT AND TERMINAL NAVIGATIONAL AIDS	ILS	SAME

### LEGEND

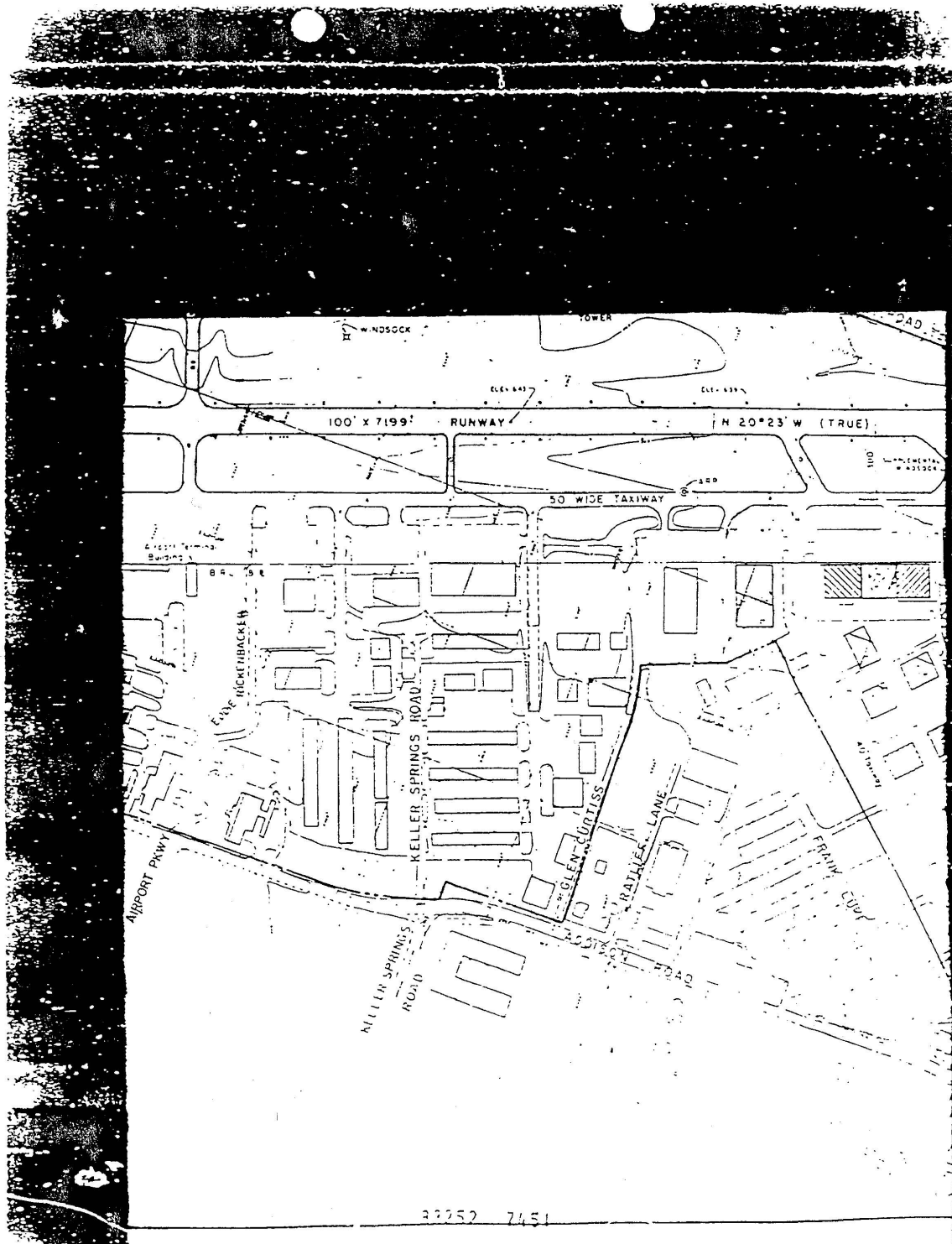
EXISTING		
—X—X—X—	FENCE	
•••••	RUNWAY LIGHTS	
—•••••	GROUND CONTOURS	
—•••••	BUILDINGS PERTAINING TO AIRPORT	
—•••••	EXISTING PROPERTY LINE	
—•••••	PROPERTY ACQUIRED THIS PROJECT	
—•••••	BUILDING RESTRICTION LINE (BRL)	
—•••••	EASEMENTS	
—•••••	ASPHALT PAVEMENT	
—•••••	GRAVEL	

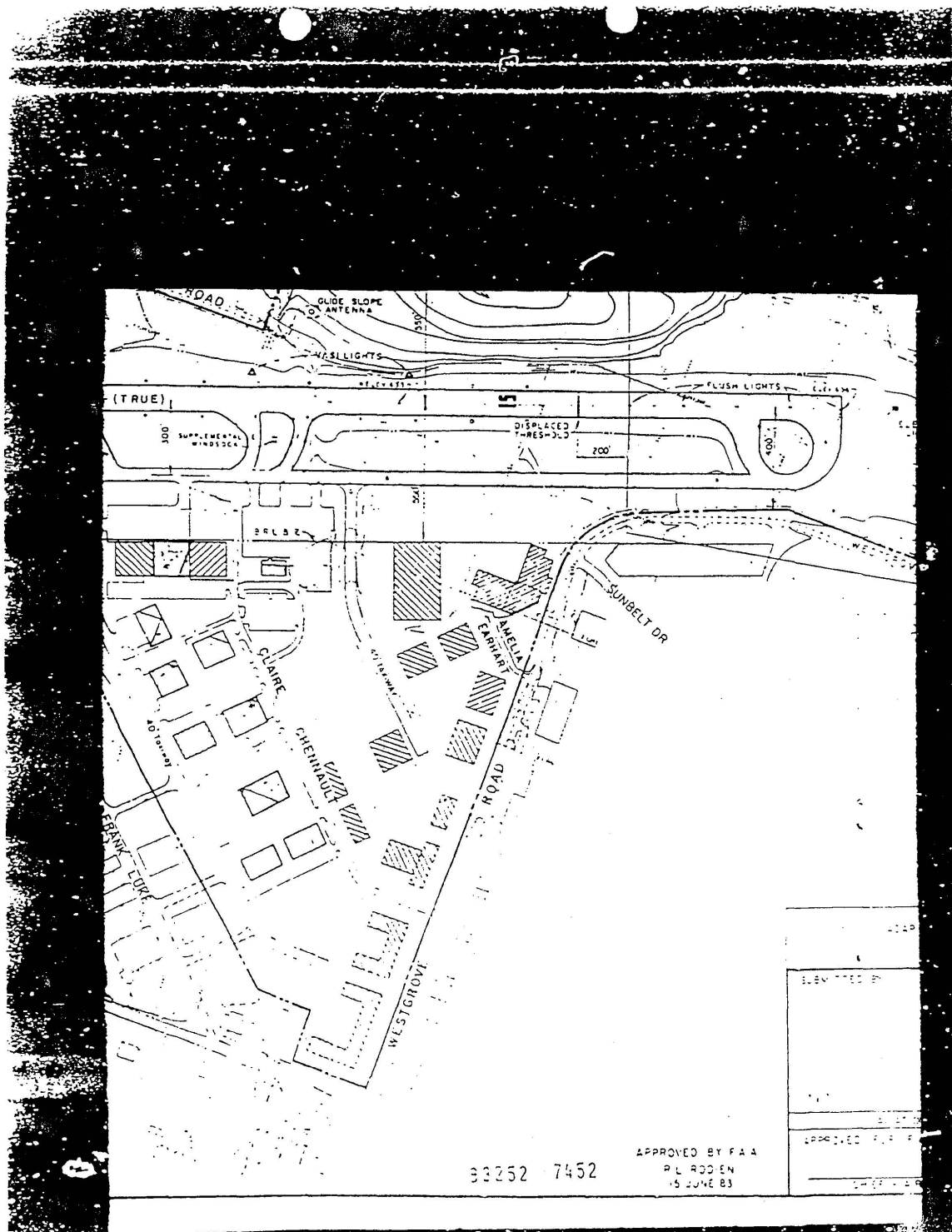
GRAPHIC SCALE

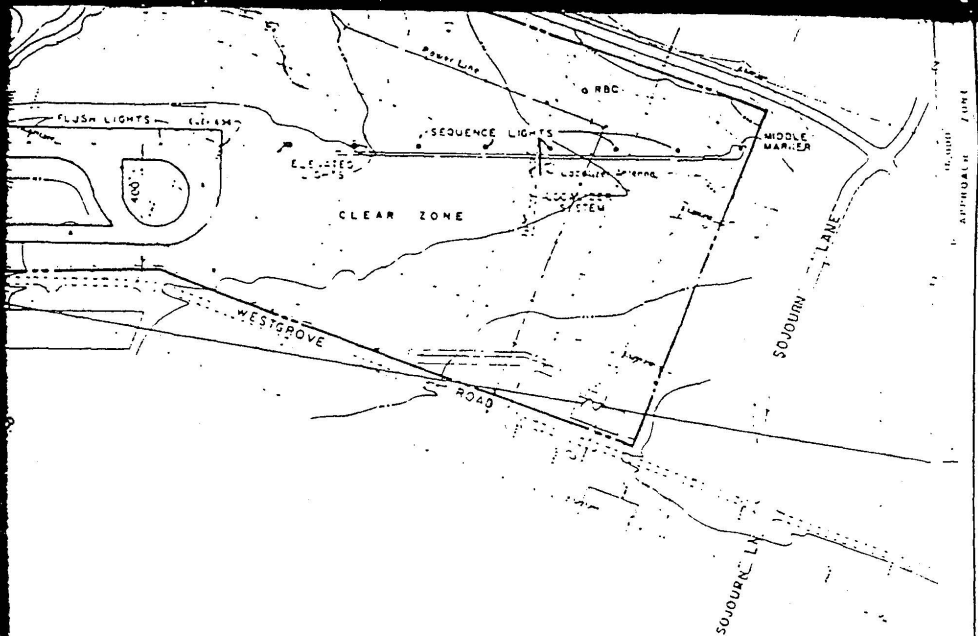












ACAP Project No.		No.		Revision		By		Date	
SUBMITTED BY		DATE		ADDISON MUNICIPAL AIRPORT <u>AIRPORT LAYOUT PLAN</u> ADDISON, TEXAS GINN, INC. Consulting Engineers Dallas, Texas					
AVIATION DIRECTOR		DESIGNED		DATE		TRACED		DATE	
APPROVED FOR F.A.A.		DRAWN		RSC		DATE		CHECKED	
CHIEF - AIRPORTS BRANCH		32832T N47453		FILE NO.		SCALE		SHEET	

REVIEWED BY F.A.A.  
 CARL ROEDER  
 19 JUNE 83

EXHIBIT A

REAL PROPERTY DESCRIPTION

SITUATED in Dallas County, Texas, and BEING a tract of land situated in the E. 1/4, SEC. 36, T. 10N., R. 10E., ABSTRACT 326, and located on Addison Municipal Airport, Addison, Texas, and being more particularly described as follows:

COMMENCING at the intersection of the centerline of Airport Parkway and the West right-of-way of Addison Road;

THENCE, North 00°22'50" West, along said West right-of-way a distance of 358.57 feet to the POINT OF BEGINNING;

THENCE, South 89°37'10" West, a distance of 149.27 feet;

THENCE, North 1°45'47" East, a distance of 169.44 feet;

THENCE, North 0°33'48" West, a distance of 136.88 feet;

THENCE, North 20°14'53" West, a distance of 180.00 feet;

THENCE, North 71°51'57" East, a distance of 147.04 feet to a point on a curve to the right, said curve having a central angle of 16°46'21", a radius of 788.51 feet and a chord bearing South 45°41'02" East, 230 feet;

THENCE, along an arc length of 230.82 feet to a point;

THENCE, South 0°22'50" East, along the West right-of-way of Addison Road, a distance of 298.48 feet to the POINT OF BEGINNING, containing 1.661 acres (72,348.15 sq. feet) of land, more or less.



FILED FOR RECORD  
THIS 19TH DAY OF December  
1983 BY S. J. WICK  
Earl D. Lusk County Clerk  
Dallas County, Texas  
- Robert L. Nisula -

CHICAGO TITLE INSURANCE COMPANY  
1750 MERRITT DRIVE  
SUITE 132  
DALLAS, TEXAS 75201

STATE OF TEXAS  
COUNTY OF DALLAS  
I HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND CORRECT  
COPY OF THE RECORD AS THE SAME APPEARS IN THE PUBLIC RECORDS  
OF THE COUNTY OF DALLAS, TEXAS, THIS 19TH DAY OF DECEMBER, 1983.  
COUNTY CLERK, DALLAS COUNTY, TEXAS

DEC 20 1983  
Earl D. Lusk  
COUNTY CLERK, DALLAS COUNTY, TEXAS

93252 7455

83-115-10711- FF 21.00 (2) CTR

ASSIGNMENT OF LEASE

1080

THIS AGREEMENT is made as of this the 1st day of December, 1983, at Addison, Texas, between BUNNELL PROPERTIES, INC., a Texas corporation, hereinafter called "Assignor", and CONCOURSE PLAZA, LTD., a Texas limited partnership, hereinafter called "Assignee".

WHEREAS, a lease executed on October 11, 1983, between CITY OF ADDISON and ADDISON AIRPORT OF TEXAS, INC., as the Lessor, and the Assignor, as the Lessee, by the terms of which certain real property located on the Addison Airport was leased to the Assignor as Lessee upon the terms and conditions provided therein; and

WHEREAS, the Assignor now desires to assign the Lease to the Assignee, and the Assignee desires to accept an assignment thereof;

NOW, THEREFORE, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00), receipt of which is hereby acknowledged, and the agreement of the Assignee, hereinafter set forth, the Assignor hereby assigns and transfers to the Assignee, its successors and assigns, all of its right, title and interest in and to the Lease hereinbefore described, a copy of which is attached hereto as Exhibit "A", and the Assignee hereby agrees to and does accept the assignment, and in addition expressly assumes and agrees to keep, perform and fulfill all the terms, covenants, conditions and obligations required to be kept, performed and fulfilled by the Assignor as the Lessee thereunder, including the making of all payments due to or payable on behalf of the Lessor under said Lease when due and payable.

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

Grantee:

Suite 900  
First Texas Tower  
14991 Dallas Parkway  
Dallas, TX 75240

EXECUTED as of the day and year first above written.

ASSIGNOR:

Bunnell Properties, Inc.

By: 

ASSIGNEE:

Concourse Plaza, Ltd.

By: Bunnell Properties, Inc., Managing  
General Partner

By: 

CONSENT OF LESSOR

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

LESSOR:

CITY OF ADDISON

By: 

ADDISON AIRPORT OF TEXAS, INC.

By: 

EXHIBIT A

REAL PROPERTY DESCRIPTION

SITUATED in Dallas County, Texas, and BEING a tract of land situated in the E. 1/4 of SURVEY, ABSTRACT 326, and located on Addison Municipal Airport, Addison, Texas, and being more particularly described as follows:

CORNERING at the intersection of the centerline of Airport Parkway and the West right-of-way of Addison Road;

THENCE, North 00°22'50" West, along said West right-of-way a distance of 358.77 feet to the POINT OF BEGINNING;

THENCE, South 89°37'10" West, a distance of 145.27 feet;

THENCE, North 1°45'47" East, a distance of 169.44 feet;

THENCE, North 0°33'48" West, a distance of 135.88 feet;

THENCE, North 20°14'53" West, a distance of 180.00 feet;

THENCE, North 71°51'57" East, a distance of 147.04 feet to a point on a curve to the right, said curve having a central angle of 16°46'21", a radius of 788.51 feet and a chord bearing South 45°41'02" East, 230 feet;

THENCE, along an arc length of 230.82 feet to a point;

THENCE, South 0°22'50" East, along the West right-of-way of Addison Road, a distance of 298.48 feet to the POINT OF BEGINNING, containing 1.661 acres (72,345.25 sq. feet) of land, more or less.



STATE OF TEXAS       §  
                                 §  
COUNTY OF DALLAS   §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared David A. Bunnell, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same on behalf of Bunnell Properties, Inc., a Texas corporation, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 27th day of December, 1983.

Kay D. Robertson/Rudick  
Notary Public

My Commission Expires:

3-7-84



KAY D. ROBERTSON-RUDICK  
Notary Public, State of Texas  
My Comm. Expires Mar. 7, 1984

STATE OF TEXAS       §  
                                 §  
COUNTY OF DALLAS   §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared David A. Bunnell, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same on behalf of Bunnell Properties, Inc., a Texas corporation, as managing general partner of Concourse Plaza, Ltd., a Texas limited partnership, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 27th day of December, 1983.

Kay D. Robertson/Rudick  
Notary Public

My Commission Expires:

3-7-84



10. Landlord agrees that, as long as the leasehold estate of Tenant is encumbered by a leasehold mortgage, and as long as such effect has been given to it, and as long as the holder of such leasehold mortgage at such address or addresses as may be specified in writing within the notice to Landlord for the giving of notices to the leasehold mortgage, or as otherwise may be specified by the leasehold mortgage 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 receipt of such notice, or within any longer period of time specified in such mortgage, to take such action for or in connection with the payment of such mortgage as such holder of such mortgage may deem proper, and the holder of the priority here to Landlord shall not exercise Landlord's right to terminate this lease without first giving any such leasehold mortgage the notice provided for herein and affording any such leasehold mortgage the right to take such default as provided for herein.

E and L further agree to execute and deliver to any proposed leasehold mortgage of Tenant a Non-Disbursement Agreement wherein Landlord will agree that Landlord will recognize such mortgage and its successors and assigns after foreclosure, or grant a deed of trust in lieu of deed of trust, as Tenant hereunder, and will continue to perform all of Landlord's obligations hereunder to extent as such mortgage and its successors and assigns performs all of the obligations of Tenant hereunder. Landlord also agrees to execute and deliver to any proposed mortgage of Tenant a Non-Disbursement Agreement wherein Landlord will agree that Landlord will recognize such mortgage and its successors and assigns after foreclosure, or grant a deed of trust in lieu of deed of trust, as 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: Tenant shall pay any and all property taxes or assessments levied or assessed on the improvements on the demised premises, the personal property and fixtures on the demised premises, and, if applicable, upon the leasehold estate of Tenant created hereby. Upon the request of Landlord, Tenant shall from time to time furnish to Landlord's agent receipts or other written evidence that all such taxes have been paid by Tenant.

#### 11. Maintenance and Repair of Demised Premises:

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

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

12. After the term, additions and improvements: After completion of the improvements described in paragraph 6, Tenant shall not be permitted to make any alterations, additions or improvements to the premises without the prior written consent of Landlord. Consent for non-structural alterations, additions or improvements shall not be unreasonably withheld by Landlord. Tenant shall have the sole right of installation, use, maintenance, repair, replacement, removal and disposal of all improvements provided that Tenant complies with all applicable governmental laws, ordinances and regulations.

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

12. Insurance. Tenant shall during the term hereof

(c) Insurance against loss or damage to improvements by fire, lightning and other risks from time to time, included in the standard extended coverage policies and sprinkler, vandalism and malicious mischief, all amounts sufficient to pay the cost of replacement of improvements to the loss under the policy, but not any amount in excess of the actual cash value of the improvements at the time of the loss, and the cost of the improvements. The term "full insurable value" as used here is defined as the replacement value of the improvements. Upon request, such replacement value shall be determined by a qualified appraisal firm. If, in the event of a loss, the insured is not insured for the full insurable value of the improvements, the insured shall be entitled to a pro rata adjustment of the loss payment. The insured shall be entitled to a pro rata adjustment of the loss payment if the insured is not insured for the full insurable value of the improvements. The insured shall be entitled to a pro rata adjustment of the loss payment if the insured is not insured for the full insurable value of the improvements.

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

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

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

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

(iv) Manager/keeper's liability insurance providing for coverage in the following limits, \$200,000.00 per accident and \$400,000.00 per occurrence on property damage to overall; in the care, custody or control of Tenant

(xxx) During any period of construction, a Builder's Risk Completed Value policy with an "all risks" endorsement<sup>11</sup> shall be in effect and shall be maintained by the Contractor, who shall be responsible to maintain and pay for the same, and shall

All such policies of insurance (i) shall be issued by insurance companies acceptable to Landlord, (ii) shall name Landlord as the beneficiary, and (iii) shall provide as the case may be, and (iii) shall provide for at least ten (10) days written notice to Landlord of any 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, destruction or loss of the buildings, structures and equipment on the demised premises, the Tenant shall be bound to promptly give written notice thereof to Landlord, generally describing the nature and extent of such damage and destruction.

[illegible]

10. All insurance proceeds if any payable on account of such damage to or destruction of the buildings, structures and improvements on the leased premises shall be paid to and Landlord shall be protected in acting upon any certificate as to such damage to or destruction of the buildings, structures and improvements as may be presented by the tenant and shall receive the same without any deduction for the cost of the certificate. The certificate shall be in the form of a check payable to the order of the tenant and shall be delivered by the property party and shall recite such certificate as conclusive evidence of any and all damage to or destruction of the buildings, structures and improvements on the leased premises. Such certificate shall be full warranty, authority and protection to Landlord in acting thereon and Landlord shall be under no duty to have any action other than as set forth in this paragraph 14.

D. Insurance proceeds received by Landlord on account of any damage to or destruction of the buildings, structures and improvements on the demised premises, or any partial interest therein, less the costs, fees and expenses incurred by Landlord and Tenant in the recovery of such proceeds, including without limitation, attorneys and attorneys' fees and expenses shall be applied as follows:

[illegible]











STATE OF TEXAS  
COUNTY OF DALLAS

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 11 day of October, 1954

Barney L. Jones  
Notary Public  
Dallas  
County, Texas

STATE OF TEXAS  
COUNTY OF DALLAS

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 22<sup>nd</sup> day of November, 1954



Harry Sharp  
Notary Public  
Dallas  
County, Texas

STATE OF TEXAS  
COUNTY OF DALLAS

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 11 day of October, 1954

Barney L. Jones  
Notary Public  
Dallas  
County, Texas



ADDENDUM TO GROUND LEASE,  
dated October 11, 1983,  
by and among  
the City of Addison, Texas,  
Addison Airport of Texas, Inc.  
and Sunnell Properties, Inc.

This Addendum is attached to and made a part of the foregoing and above referenced Lease for all purposes. In the event of conflict or inconsistency between the printed portion of this Lease and this Addendum, the terms of this Addendum shall control.

A. The words "general office uses" are added to the list of the purposes for which Tenant may use and occupy the demised premises contained in paragraph 6 of the printed portion of this Lease.

B. To induce Landlord to allow use and occupancy of the demised premises for general office purposes, Tenant agrees to give preference to prospective office tenants whose businesses are aeronautically related (hereinafter referred to as "preferred tenant") conditioned upon (i) availability of space, (ii) willingness of the preferred tenant to pay market rental rates, (iii) the preferred tenant's credit standing favorably comparing to those of other prospective tenants, and (iv) willingness of the preferred tenant to enter into a term of agreement comparable to those offered by other prospective tenants.

C. Landlord agrees to remove the electrical lines and poles presently running along the western boundary of the demised premises.

D. Tenant shall have the option to terminate this Lease by delivering written notice of such election to Landlord before April 13, 1984, if Tenant has been unable to obtain revenue bond financing for the improvements which Tenant proposes to construct on the demised premises. If Tenant does not timely deliver such written notice of election to terminate, all rights of Tenant to terminate this Lease pursuant to the foregoing shall lapse and be null and void.

12245

*SJS*



CHICAGO TITLE INSURANCE COMPANY  
12750 MERIT DRIVE  
SUITE 132  
DALLAS, TEXAS 75251

STATE OF TEXAS  
COUNTY OF DALLAS  
I, the undersigned, County Clerk of Dallas County, Texas, do hereby certify that this instrument was filed in the public records of Dallas County, Texas, on the 30th day of December, 1983, at 3:53 PM.

DEC 30 1983



Earl B. Burch  
COUNTY CLERK, Dallas County, Texas

DEC 30 1983 PM 3:53

93252 7463

404-187K (176)

STATE OF TEXAS

§  
§  
§  
§

SETTLEMENT AND FIRST AMENDMENT  
TO LEASE AGREEMENT

2140412

COUNTY OF DALLAS

Deed 11/03/97 728168 \$27.00

This Settlement and First Amendment to Lease Agreement (the "Agreement") is made and entered into this 22 day of April, 1997 by and between the Town of Addison, Texas (the "City"), Addison Airport of Texas, Inc. ("AATI") (the City and AATI are hereinafter referred to together as the "Landlord"), and Concourse Plaza, Ltd., a Texas limited partnership (the "Tenant").

**WHEREAS**, Landlord and Bunnell Properties, Inc., Tenant's predecessor in interest, entered into a Ground Lease dated October 11, 1983 (copy attached as Exhibit A and hereinafter referred to as the "Ground Lease") of certain real property (the "demised premises" as defined and described in the Ground Lease, and herein referred to as the "Original Demised Premises") located within the Addison Airport and adjacent to Keller Springs Road; and

**WHEREAS**, the rights, duties and obligations of Bunnell Properties, Inc. under the Ground Lease were assigned to Tenant by that Assignment of Lease dated December 1, 1983 (copy attached as Exhibit B); and

**WHEREAS**, a portion of the Original Demised Premises is to be taken (the "Part Taken", and being Area B on Attachment 1 to Exhibit C attached hereto and incorporated herein) by the Texas Turnpike Authority for the purpose of constructing a toll tunnel under the Addison Airport in order to connect the eastern and western termini of Keller Springs Road (the "Toll Tunnel Project"); and

**WHEREAS**, as a result of the taking of the Part Taken by the TTA for the Toll Tunnel Project, Landlord and Tenant desire to amend the Ground Lease by amending the description of the Original Demised Premises to provide for a continuation of the Ground Lease; and

**WHEREAS**, Landlord and Tenant acknowledge and agree that in the absence of their cooperation and agreement as set forth herein, the TTA would exercise its power of eminent domain to acquire the Part Taken; and

**WHEREAS**, in order to expedite the Toll Tunnel Project and to avoid the costs, expenses and inconvenience of prosecuting an eminent domain lawsuit, Landlord and Tenant have worked together to reach a full and final agreement and settlement of all issues regarding the interests of Landlord and Tenant in the demised premises and the extent of damages incurred by Tenant as a result of the Toll Tunnel Project, the terms of which agreement and settlement are set forth herein.

**NOW, THEREFORE**, for and in consideration of the mutual promises and covenants hereinafter set forth, the benefits flowing to the parties hereto, and other good

Settlement and First Amendment  
To Lease Agreement - Page 1

and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by both parties, Landlord and Tenant contract and agree as follows:

1. **Incorporation of premises.** The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.
2. **Amendment to Ground Lease.** The Ground Lease is hereby modified and amended as follows:
  - A. **Demised Premises:** Exhibit A to the Ground Lease, being the description of the Original Demised Premises, is amended to read as set forth in Exhibit C (the "Amended Demised Premises") attached hereto and incorporated herein.
  - B. Except to the extent modified or amended herein, all other terms and obligations of the Ground Lease shall remain unchanged and in full force and effect.
3. **Landscaping.** As a result of the Toll Tunnel Project, a portion of the landscaping along the most northerly property line of the demised premises (and being adjacent to the proposed Keller Springs right-of-way) will be damaged. In conjunction with the construction of the Toll Tunnel Project, the City shall, at its sole cost and expense, replace the damaged landscaping along the Keller Springs right-of-way line to as good a condition as before the construction of the Toll Tunnel Project. Trees that require removal as a result of the Toll Tunnel Project will be replaced with 6-8 inch (measured 4 feet from the ground ) caliper trees of similar type. Upon completion of the Toll Tunnel Project, the City will restore irrigation to cover the entire greenway between the parking lot and the southern curb of Keller Springs.
4. **Curbing and Parking.** City shall add curbs and stripe the parking lot at its sole cost and expense. Tenant shall have the right to approve curbing and striping before it is started, provided such approval shall not be unreasonably withheld. Parking spaces shall be a minimum 9'x18'.
5. **Access.** The City shall not block access to the rear of the building. The Demised Premises will not be used for general access to the Airport during the period that Keller Springs is not usable or during any construction period.
6. **Dumpster.** The City will relocate the dumpster enclosure at its sole cost and expense. Tenant shall have the right to approve the location of the dumpster enclosure. The dumpster enclosure shall be constructed using brick and shall retain its current appearance.

Settlement and First Amendment  
To Lease Agreement - Page 2

7. **Release; Indemnity.** Tenant does hereby fully and completely compromise, settle, remise, release and forever discharge Landlord of and from any and all claims, actions, causes of action, liability or lawsuit of any kind whatsoever (including any claim, action, cause of action, or lawsuit for any fees, costs or expenses), known or unknown, in law or in equity, which Tenant has or may have against either Landlord relating to, in whole or in part, the value of or damages to the Original Demised Premises, or any part thereof, as a result of the taking of the Part Taken for the Toll Tunnel Project.

Tenant shall indemnify the City and AATI, their officials, officers, employees and agents against, and hold the City and AATI, their officials, officers, employees and agents harmless from, any and all costs, expenses, charges or fees in the event any person ever institutes suit or files a claim against the City or AATI with respect to the value of or damages to the Original Demised Premises, or any part thereof, as a result of the taking of the Part Taken for the Toll Tunnel Project; such indemnification shall include, but is not limited to, the amounts of said claims, and the cost of defending them, including attorneys fees and court costs. The provisions of this Paragraph 7 shall survive the termination of this Agreement.

8. **Landlord Indemnity.** The City shall, at its own cost and expense, defend, indemnify and hold harmless the Tenant, its directors, officers, partners, agents, employees and assigns, and successors in interest, from and against any and all liability, damages, losses, claims, demands, actions, causes of action, costs including reasonable attorneys' fees and expenses (including reasonable attorneys' fees and expenses on appeal), or any of them, resulting from the death or injury to persons (including employees of Landlord) or damage to any property, caused by the construction of the Toll Tunnel Project.

Landlord shall, at its own cost and expense, reimburse Tenant for any and all costs and expenses (including property replacements costs) arising from damage to or loss of Tenant's property or third party property at Concourse Plaza caused by the construction of the Toll Tunnel Project.

9. **Miscellaneous.**


- A. ***Governing Law; Venue.*** This Agreement shall be construed under, and in accordance with, the laws of the State of Texas, and all obligations of the parties created by this Agreement are performable in Dallas County, Texas. Venue for any action under this Agreement shall be in Dallas County, Texas.



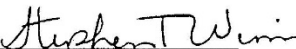
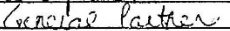
- B. *Legal Construction.* In case any one or more of the provisions contained in this Settlement Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of the Agreement, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.
- C. *Entire Agreement.* This Settlement Agreement represents the entire and integrated agreement between Landlord and Tenant relative to the Toll Tunnel Project and the damages resulting therefrom and supersedes all prior negotiations, representations and/or agreements, either written or oral.
- D. *Amendment.* This Settlement Agreement may not be altered, waived, amended or extended except by an instrument in writing signed by the City, AATI and the Grantee.
- E. *Authority to execute.* The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Settlement Agreement 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.

EXECUTED at Dallas County, Texas on the day and year first written above.

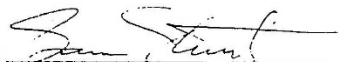
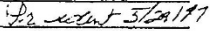
LANDLORD  
TOWN OF ADDISON, TEXAS

By:   
Ron Whitehead, City Manager

TENANT  
CONCOURSE PLAZA, LTD.

By:   
Its: 

ADDISON AIRPORT OF TEXAS, INC.

By:   
Sam Stuart, 

Settlement and First Amendment  
To Lease Agreement - Page 4

022911

EXHIBIT A

13-145-109211-FF-13.00-CITE ①  
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 October 11, 1988, by and among the City of Addison, Texas, a municipal corporation (hereinafter sometimes referred to as the "City"), Addison Airport, Texas, Inc., a Texas Corporation (hereinafter sometimes referred to as "AATI") and Bunnell Properties, Inc., a Texas corporation (hereinafter referred to as "Tenant").

WITNESSETH:

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

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

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

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

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

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

3. Term: The term hereof shall commence on the earlier of October 1, 1988, or the first day of the first calendar month after Tenant completes the construction hereinafter described and opens for business at the demised premises. The applicable date being hereinafter referred to as the "Commencement Date", and shall end four hundred eighty (480) months thereafter; provided, however, that any entry upon the demised premises by Tenant prior to the Commencement Date shall be subject to all of the terms and conditions hereof except that rental shall not accrue.

4. Rental: Subject to adjustment as hereinafter provided, Tenant agrees to pay to Landlord, without offset or deduction, rental for the demised premises at the rate of SIXTEEN HUNDRED SEVENTY-SIX AND 07/100 per month in advance. The first of such monthly installment shall be due and payable on or before the Commencement Date, and a like installment shall be due and payable on or before the first day of each calendar month thereafter during the term hereof.

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

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

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

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

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

In connection with such use and occupancy, Tenant intends to construct upon the demised premises the improvements described in the plans and specifications.

These improvements consist of a combination office/airplane hangar facility containing approximately 42,600 square feet of office space and five airplane hangars, the preliminary plans for which have been prepared by Bogard Architects, Inc. Construction prints to be approved by Addison Municipal Airport prior to the start of construction.

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

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

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

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

B. Tenant shall have the right to mortgage the leasehold estate of Tenant created hereby in order to secure a mortgage loan for the purpose of obtaining funds for the construction of the improvements described in paragraph 6 or for other construction upon the demised premises approved from time to time by Landlord in writing. In the event that Tenant pursuant to mortgages or deeds of trust mortgages the leasehold estate of Tenant created hereby, the leasehold mortgage shall in no event become personally liable to perform the obligations of Tenant under this Lease unless and until said mortgage becomes the owner of the leasehold estate pursuant to foreclosure. In the event of foreclosure or otherwise and thereafter said leasehold mortgage shall remain liable for such obligations only to the extent such mortgage remains the owner of the leasehold estate. Notwithstanding the foregoing, it is specifically understood and agreed that such mortgaging by Tenant and any actions taken pursuant to the terms of such mortgage shall never release Tenant of Tenant's obligation to pay the rents due hereunder and otherwise fully perform the terms and conditions of this Lease.

C. All mortgages or liens of first priority on the leased premises of Tenant created hereby shall contain provisions requiring the mortgagee or lender to give Landlord fifteen (15) days written notice prior to accelerating the debt of Tenant's such mortgage and/or initiating foreclosure proceedings against its mortgaged premises or deeds of trust, and in allowing Landlord during such fifteen (15) day notice period to cure Tenant's default and prevent said acceleration and/or foreclosure proceedings, and thereafter stand in its option to assume Tenant's position under said mortgages or deeds of trust.

D. Landlord agrees, if and so long as the leased premises 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 mortgage 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 mortgage the notice provided for herein and affording any such leasehold mortgage the right to cure such default as provided for herein.

E. Landlord further agrees to execute and deliver to any proposed leasehold mortgagee of Tenant a "Non-Disturbance Agreement" wherein Landlord agrees that Landlord will (i) recognize such mortgagee and its successors and assigns after foreclosure, or transfer in key 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 leased premises 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.

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

11. **Maintenance and Repair of Demised Premises:**

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

B. In the event Tenant shall fail to so maintain the demised premises and the fixtures, equipment and personal property situated thereon, Landlord shall have the right (but not the obligation) to cause all repairs or other maintenance to be made and the reasonable costs thereof 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 to the demised premises without the prior written consent of Landlord. Consent for non-structural alterations, additions or improvements shall not be unreasonably withheld by Landlord. Tenant shall have the right to erect or install shelves, bins, machinery, air conditioning or heating equipment and trade fixtures provided that Tenant complies with all applicable governmental laws, ordinances and regulations.

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

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

(i) Insurance against loss or damage to improvements by fire, lightning, and other risks from time to time included under standard extended coverage policies, and sprinkler, vandalism and malicious mischief, all in amounts sufficient to prevent Landlord or Tenant from becoming co-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 demised premises. The term "full insurable value" as used herein means actual replacement value at the time of such loss. Upon request, such replacement value shall be determined by a qualified appraiser, a copy of whose findings shall be submitted to Landlord, and, therefore, proper adjustment in the limits of insurance coverage shall be effected.

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

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

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

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

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

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

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

14. **Casualty Damage or Destruction:**

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

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

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

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

(i) Net insurance proceeds as above defined shall be paid to Tenant or as Tenant may direct from time to time as Restored proceeds to pay for reimbursement of the cost of Restoration, upon written request of Tenant to Landlord accompanied by a certificate of a supervising architect or engineer approved by Landlord, describing in reasonable detail the work and materials in question and the cost thereof, stating that the same were necessarily or appropriate to the Restoration and constitute a complete item 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 (ii), in the absence of such satisfactory certificate to Landlord that there exist no mechanics' liens, claims or 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 existence of the foregoing claims and liens, the Restored proceeds shall



E. In the event that Tenant does not promptly commence Restoration, or after commencement Tenant does not diligently prosecute the completion of same, Landlord shall have the right to commence or complete Restoration after Landlord has given Tenant thirty (30) days prior written notice requesting the commencement of Restoration or that Tenant diligently proceeds to the completion of same. 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:

F. 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.

G. 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 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 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.

H. If this Lease is not terminated pursuant to Section A, Tenant shall promptly restore the improvements on the demised premises and the condemnation proceeds to which Landlord and Tenant are entitled shall be awarded and paid first, or cover the cost of repairs 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 A, condemnation proceeds to which Landlord and Tenant are entitled shall be awarded and paid to Landlord and Tenant as their interests may appear.

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, telephone or any other utility connections, taxes and services furnished to the demised 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: (i) common facilities, improvements, equipment and service, which may now exist or which 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 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.

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 demised 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, modify 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 demised 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 the normal business hours, to enter the demised premises (i) to inspect the general condition and state of repair thereof, (ii) to make repairs permitted under this Lease, (iii) to show the demised 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 demised premises customary signs advertising the demised 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 whatsoever, for any injury to persons or damage to property on or about the demised premises or any adjacent area owned by Landlord caused by the negligence or misconduct of Tenant, Tenant's employees, servants, customers, invitees, subcontractors, licensees, or concessionaires or any other person entering the demised premises under express or implied invitation of Tenant, or arising out of the use of the demised 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 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 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 persons whatsoever, excepting only such authorized agents and employees of Landlord.

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 in 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. 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.

D. 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.

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

F. Abandonment by Tenant of any substantial portion of the demised premises or cessation of use of the demised premises for the purpose leased.

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 the notice or demand whatsoever:

A. Terminate this Lease, in which event Tenant shall immediately surrender the demised premises to Landlord. If Tenant fails to so surrender the demised premises, Landlord may, without prejudice to any other remedy which Landlord may have for possession of the demised premises or arrears in rent, enter upon and take possession of the demised premises and expel or remove Tenant and any other person who may be occupying the demised 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 demised premises on satisfactory terms or otherwise.

B. Terminate this Lease, in which event Tenant shall immediately surrender the demised premises to Landlord. If Tenant fails to so surrender the demised premises, Landlord may, without prejudice to any other remedy which Landlord may have for possession of the demised premises or arrears in rent, enter upon and take possession of the demised premises and expel or remove Tenant and any other person who may be occupying the demised 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 in any 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 demised premises for such unexpired portion of the term of this Lease.

C. Enter upon and take possession of the demised premises without terminating this Lease and without being liable for prosecution or any claim for damages therefor and expel or remove Tenant and any other person who may be occupying the demised premises and any other person who may be occupying the demised premises.





to be paid to Landlord as to being furnished to Landlord's mortgage and Landlord's mortgage is 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 identifying that:

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

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

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

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

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

39. Force Majeure. In the event performance by 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, 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 rights required or permitted to be delivered by Landlord to Tenant hereunder, may, at Landlord's option, be exercised or performed by Landlord's agent or attorney.

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

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

LANDLORD

TENANT

Addison Airport of Texas, Inc.  
P. O. Box 24267  
Dallas, Texas 75234

Bunnell Properties, Inc.  
1495 Dallas Parkway, Suite 500  
Dallas, Texas 75240

City of Addison, Texas

980-7704

P. O. Box 144

Addison, Texas 75001

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

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

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

49. Entire Agreement and Amendments. This Lease, consisting of forty-nine (49) paragraphs and Exhibits A through B 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 amendment to 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 amendment is sought.

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

LANDLORD

ADDISON AIRPORT OF TEXAS, INC.

By

Its

CITY OF ADDISON, TEXAS

By

Its

Bunnell Properties, Inc.

By

The additional provisions contained in the Addendum attached hereto are hereby incorporated herein for all purposes.

STATE OF TEXAS  
COUNTY OF DALLAS

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 11 day of October, 19 54

Donny P. Jones  
Notary Public  
Dallas  
County, Texas



STATE OF TEXAS  
COUNTY OF DALLAS

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 22<sup>nd</sup> day of November, 19 53



Donny P. Jones  
Notary Public  
Dallas  
County, Texas

STATE OF TEXAS  
COUNTY OF DALLAS

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 11 day of October, 19 54



Donny P. Jones  
Notary Public  
Dallas  
County, Texas



ADDENDUM TO GROUND LEASE,  
dated October 11, 1983,  
by and among  
the City of Addison, Texas,  
Addison Airport of Texas, Inc.  
and Bunnell Properties, Inc.

This Addendum is attached to and made a part of the foregoing and above referenced Lease for all purposes. In the event of conflict or inconsistency between the printed portion of this Lease and this Addendum, the terms of this Addendum shall control.

A. The words "general office uses" are added to the list of the purposes for which Tenant may use and occupy the demised premises contained in paragraph 6 of the printed portion of this Lease.

B. To induce Landlord to allow use and occupancy of the demised premises for general office purposes, Tenant agrees to give preference to prospective office tenants whose businesses are aeronautically related (hereinafter referred to as "preferred tenant") conditioned upon (i) availability of space, (ii) willingness of the preferred tenant to pay market rental rates, (iii) the preferred tenant's credit standing favorably comparing to those of other prospective tenants, and (iv) willingness of the preferred tenant to enter into a term of agreement comparable to those offered by other prospective tenants.

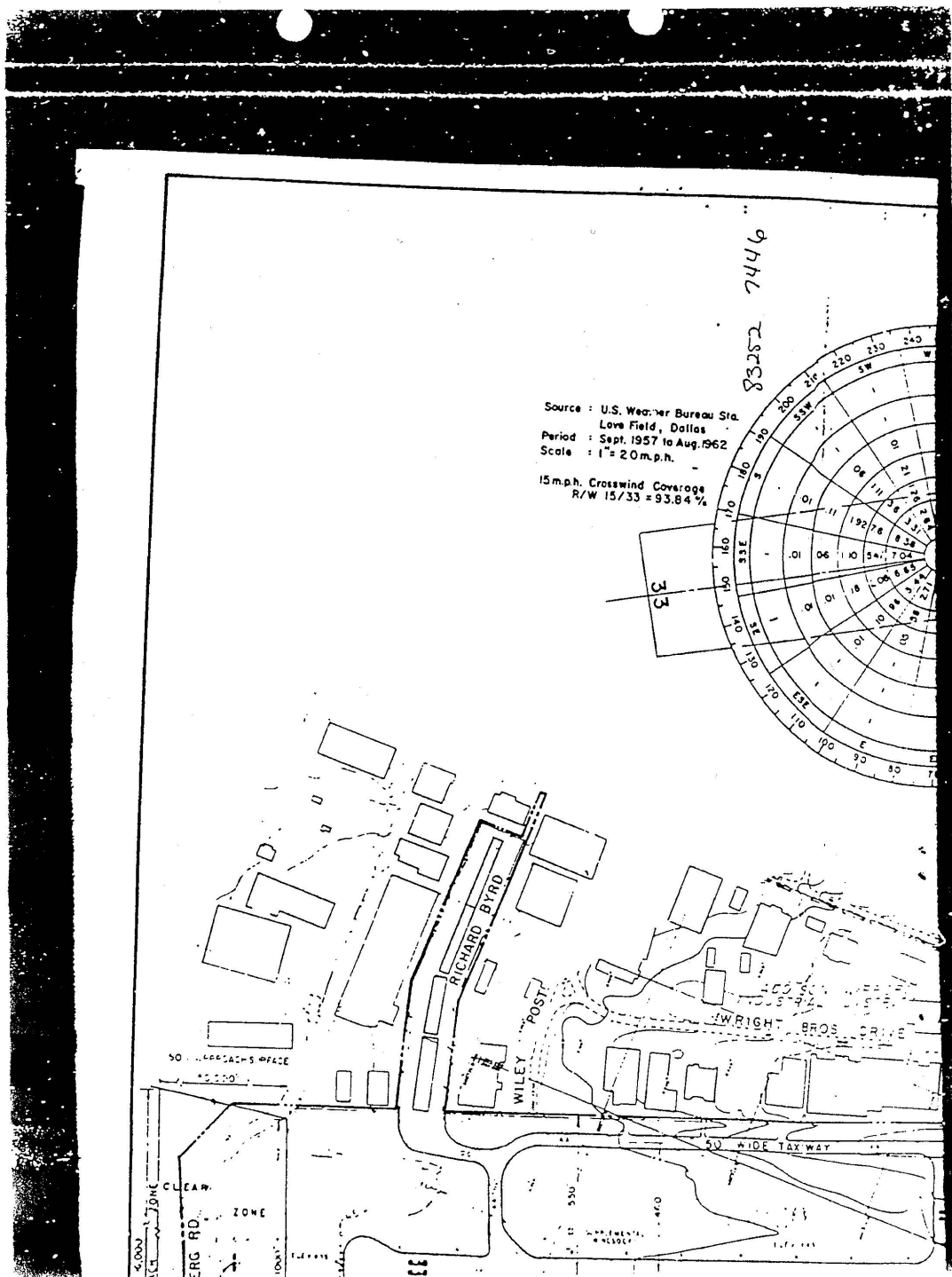
C. Landlord agrees to remove the electrical lines and poles presently running along the western boundary of the demised premises.

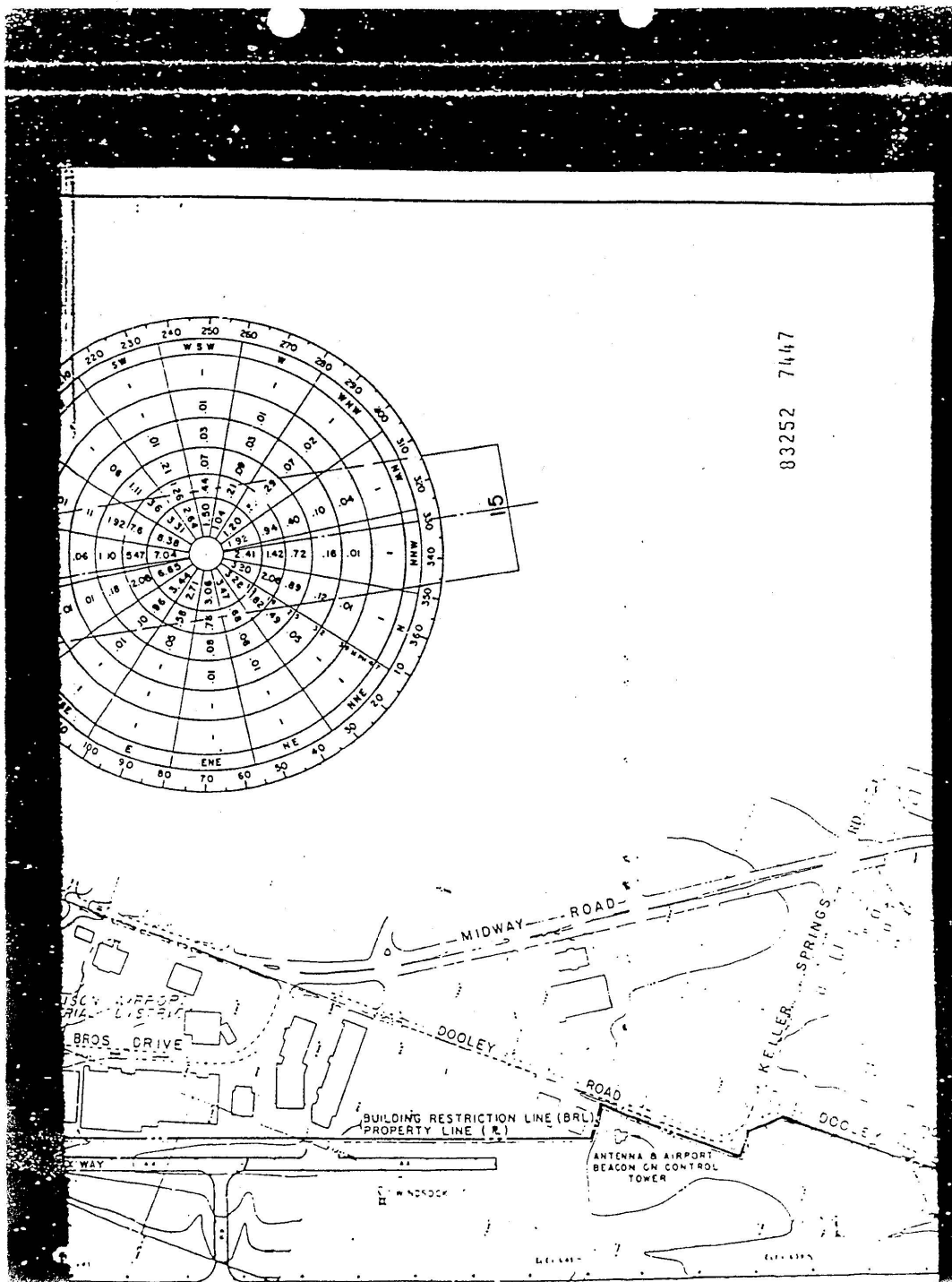
D. Tenant shall have the option to terminate this Lease by delivering written notice of such election to Landlord before April 30, 1984, if Tenant has been unable to obtain revenue bond financing for the improvements which Tenant proposes to construct on the demised premises. If Tenant does not timely deliver such written notice of election to terminate, all rights of Tenant to terminate this Lease pursuant to the foregoing shall lapse and be null and void.

18245

577 7665

*ETS*









83252 7448

	RUNWAY 15/33	
	EXISTING	ULTIMATE
EFFECTIVE GRAD. ENT (IN %)	0.03	SAME
% WIND COVERAGE	93.84	SAME
INSTRUMENT RUNWAY	YES	YES
PAVEMENT STRENGTH	80S, 100D 1600T	SAME
APPROACH SURFACE	50:1 BOTH	SAME
RUNWAY LIGHTING	MIRL	SAME
RUNWAY MARKINGS	ALL WEATHER	SAME
NAVIGATIONAL AIDS	ILS	SAME

	EXISTING	ULTIMATE
AIRPORT ELEVATION, MSL	643.00	
AIRPORT REFERENCE POINT (ARPI) COORDINATES	LAT 32° 58' 10.585" LNG. 96° 50' 08.482"	SAME
MEAN MAX TEMP OF HOTTEST MONTH	96.1°F	SAME
AIRPORT AND TERMINAL NAVIGATIONAL AIDS	ILS	SAME

EXISTING		
	FENCE	
	RUNWAY LIGHTS	
	GROUND CONTOURS	
	BUILDINGS PERTAINING TO AIRPORT	
	EXISTING PROPERTY LINE	
	PROPERTY ACQUIRED THIS PROJECT	
	BUILDING RESTRICTION LINE (BRL)	
	EASEMENTS	
	ASPHALT PAVEMENT	
	GRAVEL	

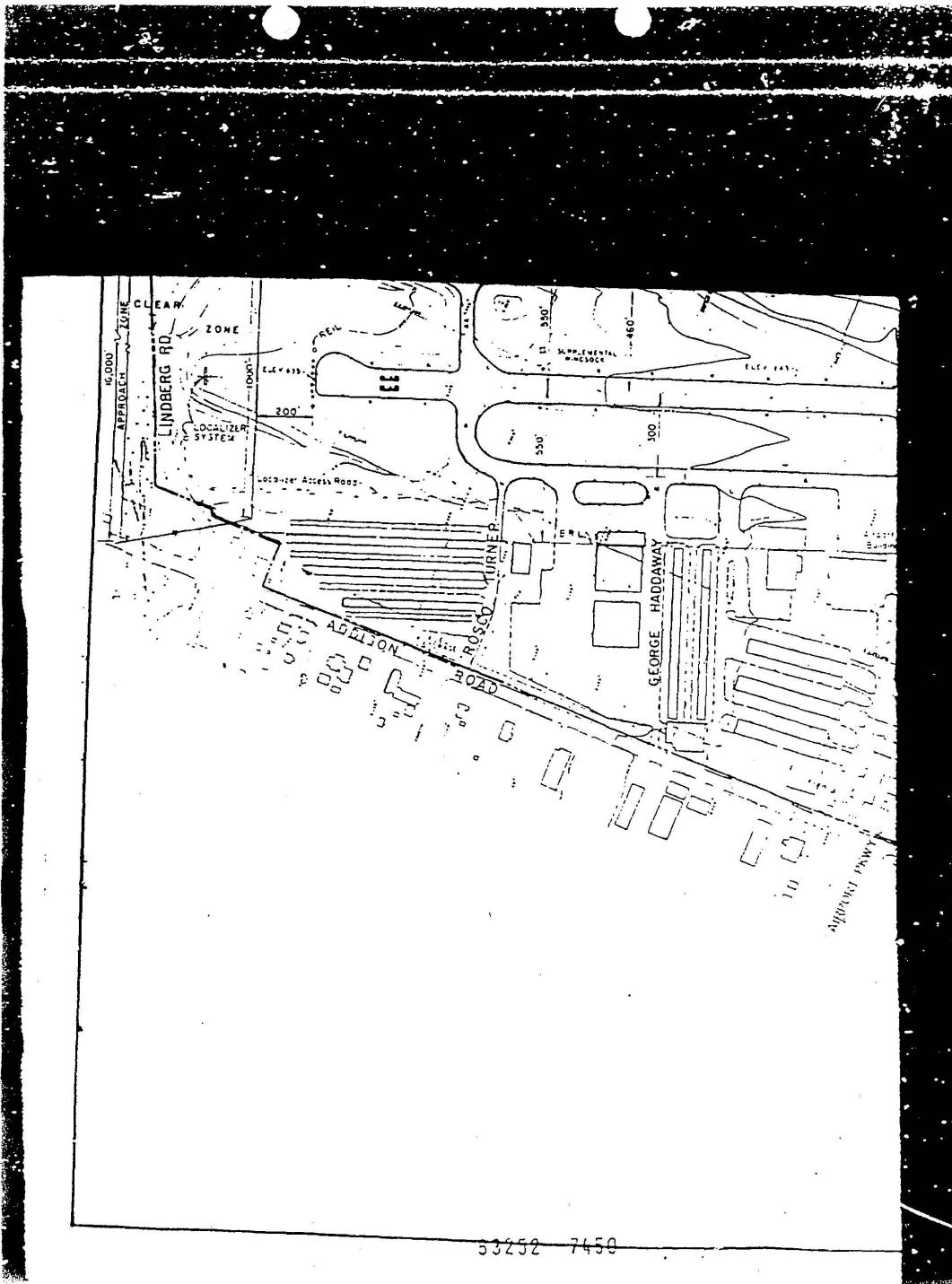
PHIC SCALE

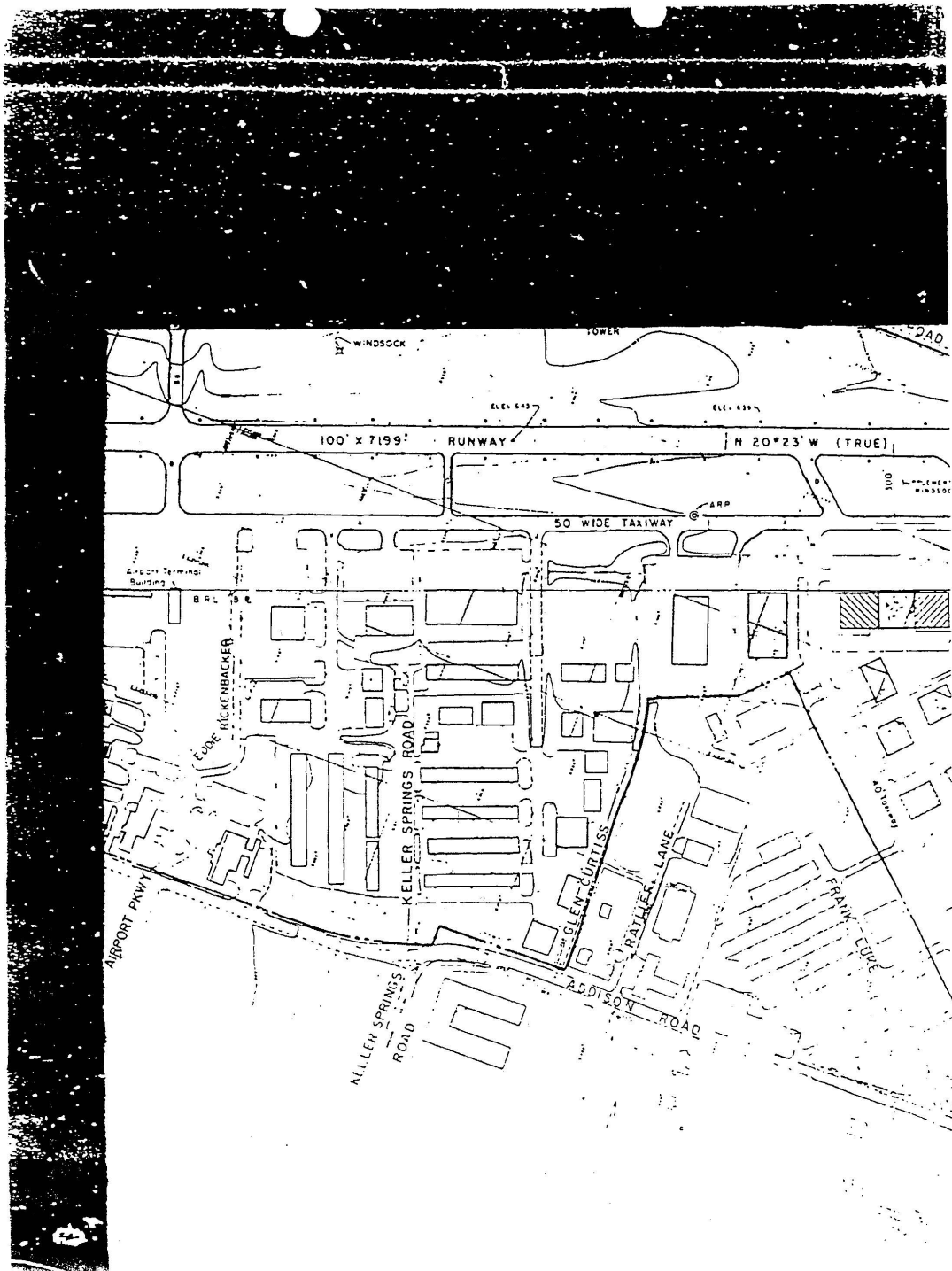
MIDWAY

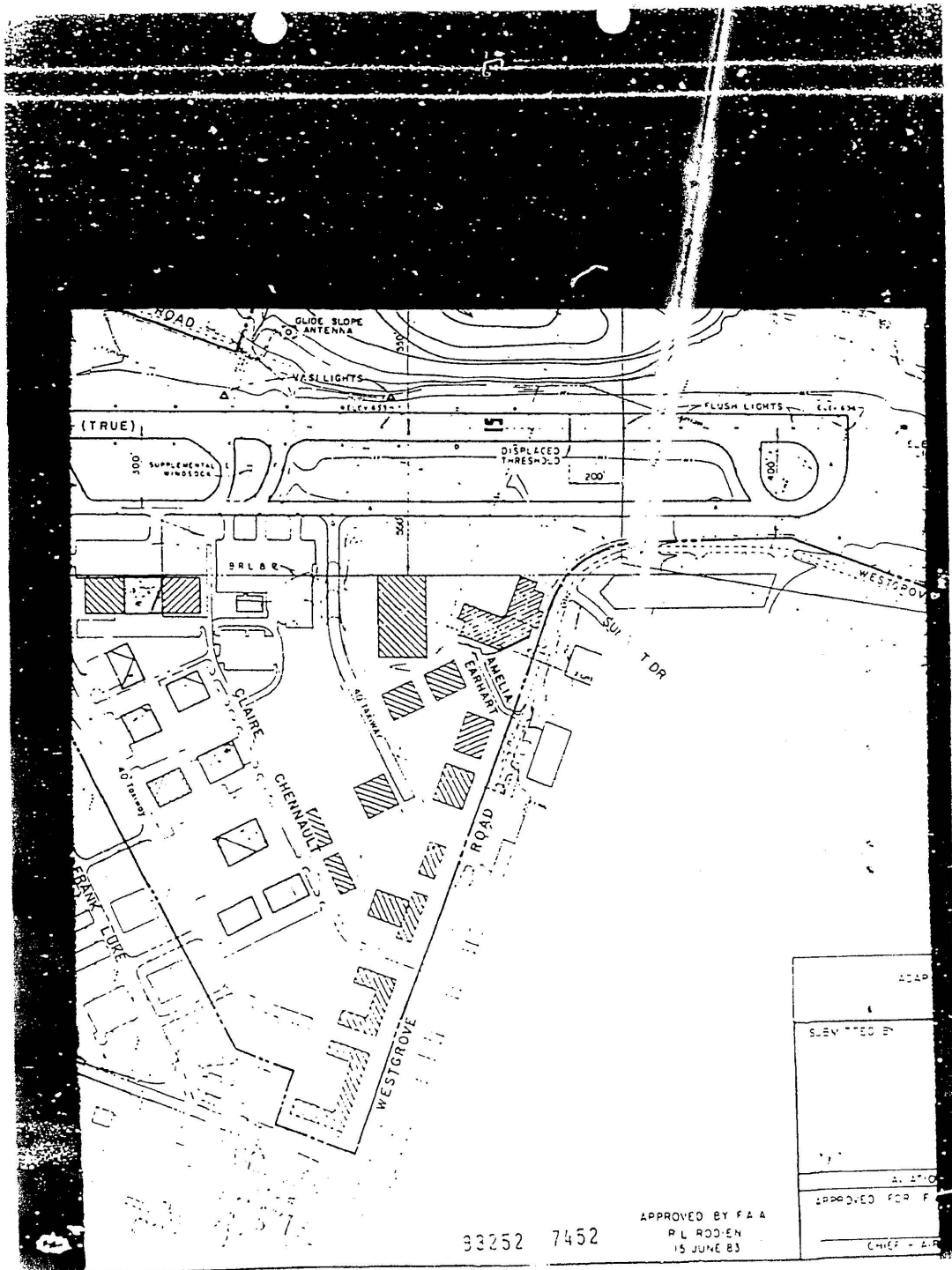
RC-2

2012 10 10 10:10:10

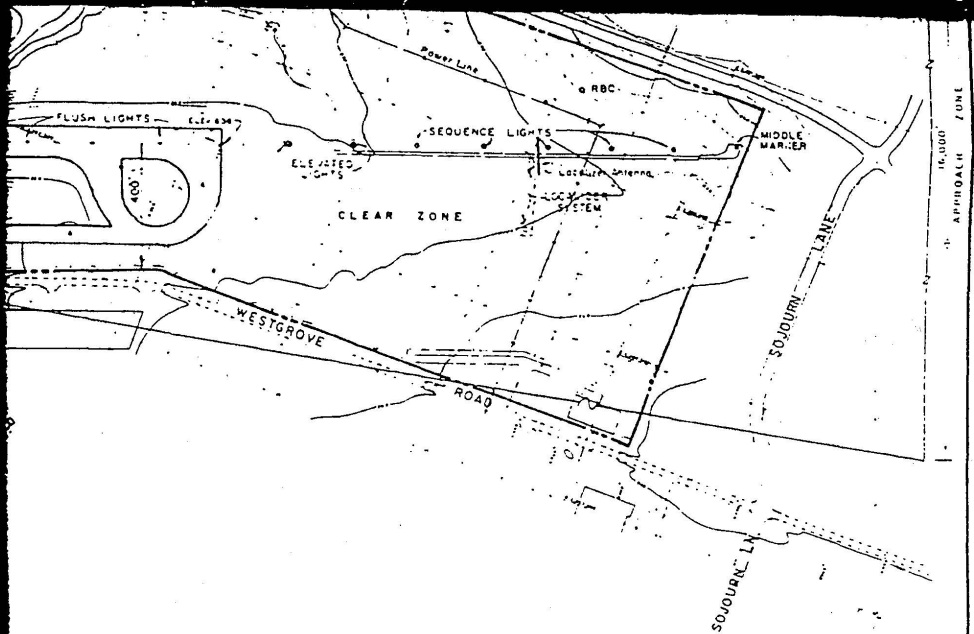
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ACAP Project No			
SUBMITTED BY		DATE	
AVIATION DIRECTOR		ADDISON MUNICIPAL AIRPORT AIRPORT LAYOUT PLAN ADDISON, TEXAS GINN, INC. Consulting Engineers Dallas Texas	
APPROVED FOR F.A.A.		DESIGNED	DATE
CHIEF - AIRPORTS BRANCH		DRAWN	DATE
		FILE No	SCALE 1"=300'
			SHEET 1 of 1

APPROVED BY F.A.A.  
L. RODEN  
15 JUNE 83

EXHIBIT A

REAL PROPERTY DESCRIPTION

SITUATED in Dallas County, Texas, and BEING a tract of land situated in the E. COOK SURVEY, ABSTRACT 326, and located on Addison Municipal Airport, Addison, Texas, and being more particularly described as follows:

COMMENCING at the intersection of the centerline of Airport Parkway and the West right-of-way of Addison Road;

THENCE, North 00°22'50" West, along said West right-of-way a distance of 358.67 feet to the POINT OF BEGINNING;

THENCE, South 89°37'10" West, a distance of 145.27 feet;

THENCE, North 1°45'47" East, a distance of 169.44 feet;

THENCE, North 0°38'48" West, a distance of 136.88 feet;

THENCE, North 20°14'53" West, a distance of 180.00 feet;

THENCE, North 71°51'57" East, a distance of 147.04 feet to a point on a curve to the right, said curve having a central angle of 16°46'21", a radius of 788.51 feet and a chord bearing South 45°41'02" East, 230 feet;

THENCE, along an arc length of 230.82 feet to a point;

THENCE, South 0°22'50" East, along the West right-of-way of Addison Road, a distance of 298.48 feet to the POINT OF BEGINNING, containing 1.661 acres (72,348.13 square feet) of land, more or less.

FILED FOR RECORD  
This 29th day of December  
1952 at 3 59 P.M.  
Earl D. Lusk, Co. Clerk  
Dallas County, Texas  
*Edmund L. Mearns* Deputy

CHICAGO TITLE INSURANCE COMPANY  
1750 MERRITT DRIVE  
SUITE 132  
DALLAS, TEXAS 75201

STATE OF TEXAS COUNTY OF DALLAS  
I hereby certify that this instrument was filed on the  
date and time stamped above by me and was duly re-  
corded in the public and e.s. of the public records  
of Dallas County, Texas at Dallas, Texas by me.

DEC 30 1953



*Earl D. Lusk*  
COUNTY CLERK, Dallas County, Texas

83252 7455

EXHIBIT B



83-165-109111- FF 11-00 (2) CTR

ASSIGNMENT OF LEASE

1060

THIS AGREEMENT is made as of this the 1st day of December, 1983, at Addison, Texas, between BUNNELL PROPERTIES, INC., a Texas corporation, hereinafter called "Assignor", and CONCOURSE PLAZA, LTD., a Texas limited partnership, hereinafter called "Assignee".

WHEREAS, a lease executed on October 1983, between CITY OF ADDISON and ADDISON AIRPORT OF TEXAS, INC. as the Lessor, and the Assignor, as the Lessee, by the terms of which certain real property located on the Addison Airport was leased to the Assignor as Lessee upon the terms and conditions provided therein; and

WHEREAS, the Assignor now desires to assign the Lease to the Assignee, and the Assignee desires to accept an assignment thereof;

NOW, THEREFORE, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00), receipt of which is hereby acknowledged, and the agreement of the Assignee, hereinafter set forth, the Assignor hereby assigns and transfers to the Assignee, its successors and assigns, all of its right, title and interest in and to the Lease hereinbefore described, a copy of which is attached hereto as Exhibit "A", and the Assignee hereby agrees to and does accept the assignment, and in addition expressly assumes and agrees to keep, perform and fulfill all the terms, covenants, conditions and obligations required to be kept, performed and fulfilled by the Assignor as the Lessee thereunder, including the making of all payments due to or payable on behalf of the Lessor under said Lease when due and payable.

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

WITNESSES:  
BUNNELL PROPERTIES, INC.  
1000 Texas Tower  
1000 Dallas Parkway  
Dallas, TX 75240

EXECUTED as of the day and year first above written.

ASSIGNOR:

Bunnell Properties, Inc.

By: 

ASSIGNEE:

Concourse Plaza, Ltd.

By: Bunnell Properties, Inc., Managing  
General Partner

By: 

CONSENT OF LESSOR

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

LESSOR:

CITY OF ADDISON

By: 

ADDISON AIRPORT OF TEXAS, INC.

By: 

STATE OF TEXAS     §  
                             §  
COUNTY OF DALLAS   §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared David A. Bunnell, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same on behalf of Bunnell Properties, Inc., a Texas corporation, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 27th day of December, 1983.

Kay F. Robertson/Rudick  
Notary Public

My Commission Expires:

3-7-84



KAY F. ROBERTSON RUDICK  
Notary Public, State of Texas  
My Comm. Expires Mar. 7, 1984

STATE OF TEXAS     §  
                             §  
COUNTY OF DALLAS   §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared David A. Bunnell, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same on behalf of Bunnell Properties, Inc., a Texas corporation, as managing general partner of Concourse Plaza, Ltd., a Texas limited partnership, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 27th day of December, 1983.

Kay F. Robertson/Rudick  
Notary Public

My Commission Expires:

3-7-84

STATE OF TEXAS  
COUNTY OF DALLAS

GROUND LEASE

This Ground Lease (hereinafter referred to as the "Lease") is made and entered into as of October 11, 1984, by and among the City of Addison, Texas, a municipal corporation (hereinafter sometimes referred to as the "City"), Addison Airport, Inc., a Texas Corporation (hereinafter sometimes referred to as "AATI") and Gunnell Properties, Inc., a Texas Corporation (hereinafter referred to as "Tenant").

WITNESSETH:

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

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

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

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

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

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

3. Term. The term hereof shall commence on the earlier of October 1, 1984, or the first day of the first calendar month after Tenant completes the construction hereinafter described and opens for business, at the demised premises, the applicable date being hereinafter referred to as the "Commencement Date", and shall end four hundred eighty (480) months thereafter; provided, however, that any entry upon the demised premises by Tenant prior to the Commencement Date shall be subject to all of the terms and conditions hereof except that rental shall not accrue.

4. Rental. Subject to adjustment as hereinbelow provided, Tenant agrees to pay to Landlord, without offset or deduction, rent for the demised premises at the rate of SIXTEEN HUNDRED SEVENTY-SIX AND 07/100 per month in advance. The first of such monthly installment shall be due and payable on or before the Commencement Date, and a like installment shall be due and payable on or before the first day of each calendar month thereafter during the term hereof.

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

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

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

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

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

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

These improvements consist of a combination office/airplane hangar facility containing approximately 42,000 square feet of office space and five airplane hangars, the preliminary plans for which have been prepared by Bogard Architects, Inc. Construction prints to be approved by Addison Municipal Airport prior to the start of construction.

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

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

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

9. Assignment, Subleasing and Mortgaging of Leased Premises.

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

B. Tenant shall have the right to mortgage the leasedhold estate of Tenant created hereby in order to secure a mortgage loan for the purpose of obtaining funds for the construction of the improvements described in paragraph 6 or for other construction upon the demised premises approved from time to time by Landlord in writing. In the event that Tenant pursuant to mortgage or deeds of trust mortgages the leasedhold estate of Tenant created hereby, the leasedhold mortgage shall in no event become personally liable to or for the obligations of Tenant under this Lease unless and until said mortgage becomes a part of the leasedhold estate pursuant to the recording of the mortgage in the public records, and thereafter said mortgage mortgagee shall have no right to foreclose on such mortgage or to take any action to enforce such mortgage except as specifically authorized by and to the benefit of the mortgagee.



C. Any mortgages or deeds of trust whereby Tenant mortgages the leasehold estate of Tenant created hereby shall contain provisions requiring the mortgagee or deed of trust to give Landlord 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 the right to assume Tenant's position under said mortgages or deeds of trust.

D. Landlord agrees, if and so long as the leasehold estate of Tenant is encumbered by a leasehold mortgage and written notice of such encumbrance has been given to Landlord, to give the holder of such leasehold mortgage at such address or addresses as may be specified in the leasehold mortgage 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 as 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 mortgage the notice provided for herein and affording any such leasehold mortgage the right to cure such default as provided for herein.

E. Landlord further agrees to execute and deliver to any proposed leasehold mortgagee of Tenant a "Non-Disturbance Agreement" wherein Landlord agrees that Landlord will recognize such mortgagee and its successors and assigns after foreclosure, or transfer, or release 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 any 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 demised premises to the mortgage of such proposed leasehold mortgage.

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

11. **Maintenance and Repair of Demised Premises:**

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

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

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

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

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

(i) Insurance against loss or damage to improvements by fire, lightning, and other risks from time to time included under standard extended coverage policies and sprinkler, vandalism and malicious mischief, all in amounts sufficient to cover Landlord or Tenant from becoming co-insured of any loss under the applicable policies but in any event in amounts not less than eight percent (8%) of the full insurable value of the demised premises. The term "full insurable value" as used here means important as a replacement value at the time of such loss. Upon request, such replacement value shall be determined by a qualified appraiser, a copy of whose findings shall be submitted to Landlord, and, therefore, proper adjustment in the limits of insurance coverage shall be effected.

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

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

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

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

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

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

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

14. **Casualty Damage or Destruction:**

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

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

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

D. Insurance proceeds received by Landlord on account of any damage to or destruction of the buildings, structures and equipment on the demised premises, or any part thereof (less the costs, fees and expenses incurred by Landlord and Tenant in the disposition 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 Restored or proceeds to pay for reimbursement of the cost of Restoration, upon written request of Tenant to Landlord accompanied by a certificate of a supervising architect or engineer approved by Landlord, describing in reasonable detail the work and materials to be restored and the cost thereof, stating that the same were necessary or appropriate to the Restoration and containing a complete itemized list of the cost thereof, and that the cost of the Restoration has therefore been reimbursed, and specifying the additional amount, if any, needed to complete the Restoration, and (ii) an opinion of counsel satisfactory to Landlord that there exist no mechanics' liens or other claims or interests for restoration or repairs except such, if any, as are discharged by the payment of the amount hereunder.

done in the ordinary and ordinary manner that may arise by reason of any such letting. In determining the amount of such damages, the cost of repairs, including the cost of materials and labor, shall be the basis of the award. The cost of such repairs shall be paid by the tenant.

23. If the tenant fails to pay the rent when due, the landlord may, without terminating this lease and without being liable for prosecution or for any civil or criminal damages, enter the premises and do whatever is necessary to do under the terms of this lease. The tenant agrees to pay the landlord the cost of such damages, including the cost of materials and labor, shall be the basis of the award. The cost of such repairs shall be paid by the tenant.

24. Default by Landlord. No default by the landlord hereunder shall constitute an eviction or disturbance of the tenant's use and possession of the demised premises or render the landlord liable for damages or entitle the tenant to be relieved from any of the tenant's obligations hereunder (including the obligation to pay rent) or grant the tenant any right of deduction, abatement, set-off or recoupment or entitle the tenant to take any action whatsoever with respect to the demised premises or the landlord until thirty (30) days after the tenant has given the landlord written notice, or specifically setting forth such default by the landlord, and the 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 the landlord has commenced to give effect within said thirty (30) day period and thereafter is diligently attempting to cure such default. In the event that the landlord fails to cure such default within said thirty (30) day period, or within said additional reasonable period of time, the 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 the tenant to the landlord hereunder, or
- (ii) Proceed to cure such default and bring suit against the landlord for the cost of curing same plus interest thereon at the rate of ten percent (10%) per annum.

If any mortgagee of the landlord has given the tenant its address for notices and specifically requests such notice, the tenant agrees to give the notice required hereunder to such mortgagee as well as to the landlord, and to accept curative action had been taken by the landlord.

25. Waiver of Subrogation. Each party hereto waives any and every claim which arises or may arise in such party's favor against the other party hereto during the term of this lease for any and all loss of, or damage to, any of such party's property located within or upon or constituting a part of, the demised premises, which loss or damage is covered by valid and collectible fire and extended coverage insurance policies, to the extent that such loss or damage is recoverable under such insurance policies. Such mutual waiver shall, in addition to, and in limitation 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 waiver will preclude the assignment of any additional claim by way of subrogation or otherwise to an insurance company (or any other person), each party hereto 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 waiver, and to cause such insurance policies to be properly endorsed, if necessary, to prevent the invalidation of such insurance coverage by reason of such waiver.

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

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

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

29. Title, Easement and Subordination. The landlord covenants, represents and warrants that the landlord has full right and power to execute and deliver this lease and to grant the estate demised herein, and that the tenant, upon payment of the rent hereunder, and performance of the terms, conditions, covenants and agreements herein contained, shall peacefully and quietly have, hold and enjoy the demised premises during the full term of this lease, provided, however, that the tenant accepts this lease subject and subordinate to any recorded mortgage, deed of trust or other lien presently existing upon the demised premises. The landlord further is hereby irrevocably vested with full power and authority by the tenant to subordinate the tenant's interest hereunder to any mortgage, deed of trust or other lien now existing or hereafter placed on the demised premises or to declare this lease prior and superior to any mortgage, deed of trust or other lien now existing or hereafter placed on the demised premises; provided, however, any such subordination shall be upon the express conditions that (i) this lease shall be recognized by the mortgagee and that all of the rights of the tenant shall remain in full force and effect during the full term of this lease on condition that the 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 the tenant hereunder shall expressly survive and this lease shall in all respects continue in full force and effect so long as the tenant shall fully perform all the tenant's obligations hereunder and attorn to the purchaser. The tenant also agrees upon demand to execute to the instruments declaring this lease prior and superior to any mortgage, deed of trust or other lien and specifically providing that this lease shall survive the foreclosure of such mortgage, deed of trust or other lien.

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

31. Holding Over. Should the tenant, or any of the 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, terminating any time by either the landlord or the 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 the 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 the landlord, provided that the obligations of the landlord under this lease are covenants running with the land and shall be binding upon the landlord and the landlord's interest in this lease and the demised premises.

34. Attorneys' Fees. If, on account of any breach or default by the landlord or the tenant of their respective obligations under this lease, it becomes necessary for the other to employ an attorney to enforce or defend any of such party's rights or to litigate with the other, the party should such party prevail, such party shall be entitled to collect reasonable attorneys' fees incurred in such connection from the other party.

35. Financial Information. The tenant agrees that the tenant will, from time to time upon the written request of the landlord during the term of this lease, furnish to the landlord such credit and banking references as the landlord may reasonably request.

36. Escrowed Certificates. The tenant agrees that from time to time, upon not less than ten (10) days prior written notice by the tenant, the landlord shall deliver to the tenant a statement in writing certifying that:

- A. This lease is unmodified and in full force and effect and no other lease has been modified, amended, altered, changed or terminated.
- B. The parties to this lease and other changes have been paid.
- C. The landlord is not in default under any term or condition of this lease or in default in the performance of any of its obligations hereunder.



15. Confirmation:

8. After such turn-over by the Tenant, said condemning authority the remainder of the demised premises is susceptible to efficient use and occupation and operation by the Tenant, this Lease shall not terminate but the rental due hereunder shall be adjusted so that the Tenant will 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 of the premises owned and occupied by the Tenant by the date of the turn-over of the premises to the Tenant and the denominator of which shall be the square footage actually contained in the demised premises. The Tenant shall retain possession of the premises from the date of commencement until said condemning authority actually takes possession of the condemned portion of the demised premises.

18. 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, telephone or any other utility connections, tap-in fees and fees furnished to the demised premises during the term hereof. Landlord shall in no event be liable or responsible for any cessation or interruption in any such utility services.

19. Rules and Regulations. Landlord has adopted Rules and Regulations (hereinafter referred to as the "Rules and Regulations") which shall govern the use of the demised 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 in full herein, and Tenant agrees to comply fully with the Rules and Regulations and to indemnify and hold Landlord harmless from and against all claims, damages, losses and expenses (including reasonable attorney's fees) which may be asserted against or incurred by Landlord or its agents, employees or invitees, in connection with or arising out of the use of the demised premises, in violation of the Rules and Regulations, or in connection with or arising out of the use of the demised premises in a negligent manner for the purpose of assuring the safety, welfare and convenience of Landlord, Tenant and all other Tenants and owners of the Airport.

During the first one hundred (100) days of the term hereof, Landlord and Landlord's authorized representatives shall have the right to enter and maintain on or about the demised premises customary signs advertising the demised premises for lease or for sale.

[illegible]

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.

D. Filing of a petition under any section or chapter of the National Bankruptcy Act, as amended, or under any similar law of the United States or any State, the District of Columbia, or any Territory or Possession, by Tenant or any guarantor of Tenant's obligations, or adjudication as a bankrupt or insolvent, or proceedings filed against Tenant or such guarantor.

23 Remedies of Landlord upon the occurrence of any of the events of default listed in paragraph 22. Landlord shall have the right to:

[illegible]

and Tenant to any thing furnished to Landlord mortgage and Landlord mortgage fails to cure such defect within a  
five (5) day period after the date of the same.

Landlord agrees that from time to time, upon notice in writing (10) days prior to when request by Tenant, Landlord will provide  
a statement of writing confirming that:

A. This Lease is unmodified and in full force and effect (or if there have been modifications, that the Lease is modified 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 the  
exhibit attached hereto.

37. Interest on Tenant's Obligations and Manner of Payment. All monetary obligations of Tenant to Landlord under this Lease  
remaining due and owing (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 due 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 date on which it is drawn for a 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, cashiers check,  
certified check or money order. And the delivery of Tenant's personal or corporate check will no longer constitute payment of such  
monetary obligations. Any acceptance by Landlord of a personal or corporate check after such notice shall not be deemed or construed as  
a waiver or estoppel of Landlord to require other payments as required by said notice.

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

39. Force Majeure. In the event performance by 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, amended instruments and addenda referred to herein shall be considered a part hereof for all  
purposes with the same force and effect as if recited 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, headings or paragraphs in this Lease are inserted for convenience only and shall not be construed as  
controlling the provisions hereof if any question of intent should arise.

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

44. Severability. If any provision in this Lease should be held to be invalid or unenforceable, the validity and enforceability of the other  
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, from time to time,  
be specified by written notice or filed in accordance herewith.

LANDLORD

TENANT

Addison Airport of Texas, Inc.  
P.O. Box 34059  
Dallas, Texas 75234  
City of Addison, Texas

Bunnell Properties, Inc.  
14951 Dallas Parkway, Suite 900  
Dallas, Texas 75240

P.O. Box 144

980-7704

Addison, Texas 75001

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

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

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

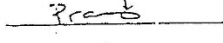
49. Entire Agreement and Amendments. This Lease, consisting of following (8) paragraphs and Exhibits A through E attached  
hereto, embodies the entire agreement between Landlord and Tenant and supercedes all prior agreements and understandings, whether  
written or oral, and all contemporaneous oral agreements and understandings relating to the subject matter hereof. Except as otherwise  
specifically provided herein, no agreement hereafter made shall be effective in, amend, 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 is sought.  
change, modification, discharge or abandonment is sought.

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

LANDLORD

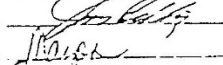
ADDISON AIRPORT OF TEXAS, INC.

By: 

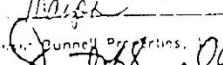
Its: 

City of Addison, Texas

By: 

Its: 

Bunnell Properties, Inc.

By: 

Its: 

The additional provisions contained  
in the Addendum attached hereto  
are hereby incorporated herein  
for all purposes.



STATE OF TEXAS  
COUNTY OF DALLAS

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 11 day of October, 1954

Barney L. Jones  
Notary Public  
Dallas  
County, Texas

STATE OF TEXAS  
COUNTY OF DALLAS

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 27th day of November, 1954



Reggie Sharp  
Notary Public  
Dallas  
County, Texas

STATE OF TEXAS  
COUNTY OF DALLAS

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 11 day of October, 1954

Barney L. Jones  
Notary Public  
Dallas  
County, Texas

ADDENDUM TO GROUND LEASE,  
dated October 11, 1983,  
by and among  
the City of Addison, Texas,  
Addison Airport of Texas, Inc.  
and Bunnell Properties, Inc.

This Addendum is attached to and made a part of the foregoing and above referenced Lease for all purposes. In the event of conflict or inconsistency between the printed portion of this Lease and this Addendum, the terms of this Addendum shall control.

A. The words "general office uses" are added to the list of the purposes for which Tenant may use and occupy the demised premises contained in paragraph 6 of the printed portion of this Lease.

B. To induce Landlord to allow use and occupancy of the demised premises for general office purposes, Tenant agrees to give preference to prospective office tenants whose businesses are aeronautically related (hereinafter referred to as "preferred tenant") conditioned upon (i) availability of space, (ii) willingness of the preferred tenant to pay market rental rates, (iii) the preferred tenant's credit standing favorably comparing to those of other prospective tenants, and (iv) willingness of the preferred tenant to enter into a term of agreement comparable to those offered by other prospective tenants.

C. Landlord agrees to remove the electrical lines and poles presently running along the western boundary of the demised premises.

D. Tenant shall have the option to terminate this Lease by delivering written notice of such election to Landlord before April 30, 1984, if Tenant has been unable to obtain revenue bond financing for the improvements which Tenant proposes to construct on the demised premises. If Tenant does not timely deliver such written notice of election to terminate, all rights of Tenant to terminate this Lease pursuant to the foregoing shall lapse and be null and void.

18245

*[Signature]*

00252 7405

CHICAGO TITLE INSURANCE CO. INC.  
12750 MERIT DRIVE  
SUITE 132  
DALLAS, TEXAS 75251

STATE OF TEXAS  
COUNTY CLERK, DALLAS  
I, \_\_\_\_\_, do hereby certify that this instrument was filed in the  
office and time stamped herein by me and was duly re-  
corded in the volume and page of the minute records  
of Dallas County, Texas as stamped herein by me.

DEC 30 1983



*Earl B. Burch*  
COUNTY CLERK, Dallas County, Texas

83 DEC 25 PM 3:16

93252 7466

## EXHIBIT C

### FIELD NOTE DESCRIPTION CONCOURSE PLAZA LAND LEASE ADDISON MUNICIPAL AIRPORT

Being a tract of land situated in the E. Cook Survey, Abstract No. 326, Dallas County, Texas and located on Addison Municipal Airport, Addison, Texas and being more particularly described as follows:

BEGINNING at a point for corner, said point being the intersection of the west right-of-way line of Addison Road and the south right-of-way line of Keller Springs Road as evidenced by a 1/2-inch iron rod;

THENCE departing the west right-of-way line of said Addison Road, a distance of 2.29 feet to a 5/8-inch iron rod found in the south right-of-way of Keller Springs Road and continuing S 69°35'33" W along the south right-of-way of said Keller Springs Road, 108.70 feet for a total distance of 110.99 feet to a point for a corner as evidenced by an "X" in concrete;

THENCE S 64°05'33" W along the south right-of-way of said Keller Springs Road, a distance of 78.03 feet to a point for a corner;

THENCE S 22°07'10" E, a distance of 64.73 feet to a point for a corner;

THENCE S 20°33'10" E, a distance of 43.25 feet to a point for a corner;

THENCE S 13°45'43" E, a distance of 204.27 feet to a point for a corner;

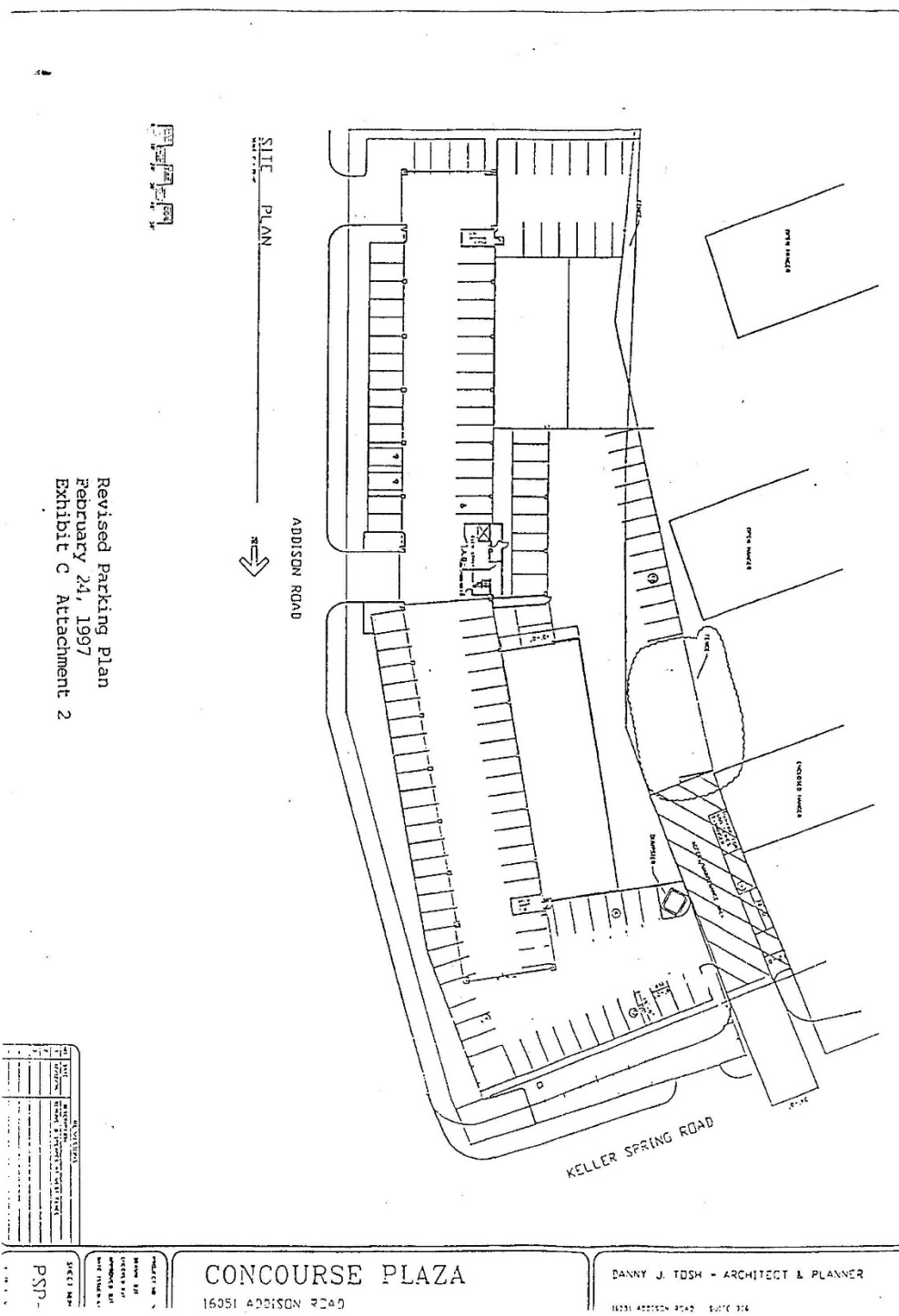
THENCE S 1°20'34" W, a distance of 130.52 feet to a point for a corner;

THENCE N 89°36'51" E, a distance of 145.35 feet to a point for a corner, said point being in the west right-of-way line of said Addison Road and in the east line of Addison Municipal Airport, as evidenced by a 1/2-inch iron rod found;

THENCE N 0°22'50" W along the west right-of-way line of said Addison Road and the east line of Addison Municipal Airport, a distance of 298.44 feet to a point in a curve to the left as evidenced by a 1/2-inch iron rod, said curve to the left having a central angle of 15°17'42", a radius of 788.51 feet and chord bearing distance of N 14°58'43" W, 209.87;

THENCE along said curve to the left of said west right-of-way line and the east line of said Addison Municipal Airport, a distance of 210.49 feet to the POINT OF BEGINNING and containing 78.506 square feet of land.





Revised Parking Plan  
February 24, 1997  
Exhibit C Attachment 2

NO.	DATE	DESCRIPTION
1	1/24/97	PRELIMINARY
2	2/24/97	REVISED
3	3/24/97	REVISED
4	4/24/97	REVISED
5	5/24/97	REVISED
6	6/24/97	REVISED
7	7/24/97	REVISED
8	8/24/97	REVISED
9	9/24/97	REVISED
10	10/24/97	REVISED
11	11/24/97	REVISED
12	12/24/97	REVISED

PROJECT NO. 16051  
SHEET NO. 1  
PSP-

CONCOURSE PLAZA  
16051 ADDISON ROAD

DANNY J. TOSH - ARCHITECT & PLANNER  
16051 ADDISON ROAD SUITE 304

**EXHIBIT "B"**

**PROPERTY SURVEY AND LEGAL DESCRIPTION**  
**OF DEMISED PREMISES**



LEGAL DESCRIPTION OF DEMISED PREMISES

FIELD NOTE DESCRIPTION  
CONCOURSE PLAZA LAND LEASE  
ADDISON MUNICIPAL AIRPORT

BEING a tract of land situated in the E. Cook Survey, Abstract No. 326, Dallas County, Texas and located on Addison Municipal Airport, Addison, Texas and being more particularly described as follows:

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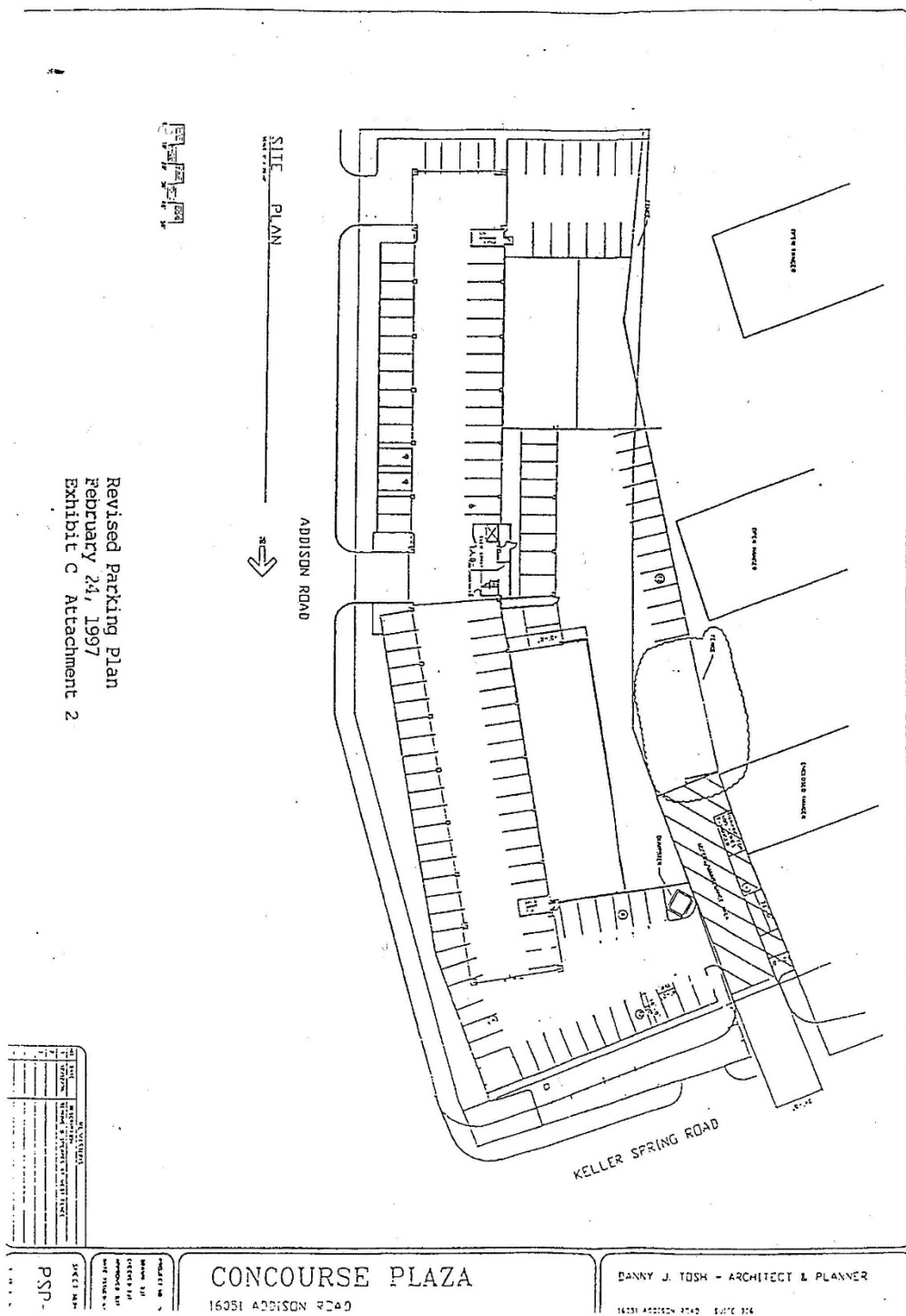
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OPEN  
HANGER

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**EXHIBIT "C"**

**BUILDING IMPROVEMENTS**

	Description of Building Improvement	Estimated Improvement Cost
1.0	Building Entry and Lobby Expansion and Upgrades	
1.1	Blackened Plate Steel Entry Element	\$20,000
1.2	New storefront glass and lobby entrance doors	\$25,000
1.3	New wood panels at entry	\$48,000
1.4	Grid and tile in parking garage	\$129,000
1.5	Elevator interior cab modification	\$25,000
1.6	Signage on parking garage wall	\$5,000
1.7	Lobby Flooring	\$10,000
1.8	Lobby Digital Directory	\$8,500
1.9	Demo glass block windows on east side of building and new storefront glass	\$25,000
1.10	New Crown signage on north side of building	\$50,000
1.11	Demolition Work and Other Items	\$104,500
2.0	Exterior West Building Envelope	
2.1	New Extech Light Wall	\$128,000
2.2	Installation of Extech Light Wall	\$75,000
2.3	Demolition of existing metal panel system and other items	\$31,000
2.4	Repair and restoration of building corridors - Floors 2/3	\$66,000
2.5	Solar Glass on west side of building envelope	\$50,000
3.0	HVAC RTU Replacement and Controls Replacement	
3.1	New rooftop packaged HVAC Units	\$200,412
3.2	New wireless control system for building HVAC system	\$70,958
3.3	Contingencies	\$28,630
4.0	New Two Ply Modified Bitumen Roof	
4.1	Installation of two ply roof overlay system	\$100,000
5.0	Fire Sprinkler System, Accessibility and Code Modernization	
5.1	Replacement of fire sprinklers in parking garage	\$50,000
5.2	Replacement of fire sprinklers on 2nd and 3rd floor commons areas	\$50,000
5.3	Modification of 2nd and 3rd floor men's/women's restrooms to meet ADA compliance	\$100,000
5.4	Upgrade of fire/life safety devices per code	\$50,000
6.0	Contingencies	\$50,000
<b>Grand Total</b>		<b>\$1,500,000</b>

**EXHIBIT "D"**

**MEMORANDUM OF LEASE**

This Memorandum of Lease is dated as of \_\_\_\_\_, 20\_\_, and executed by and between the Town of Addison, Texas ("Landlord" or "City") and Concourse Plaza II, LTD. ("Tenant").

**WHEREAS**, a Ground Lease (with Addendum To Ground Lease) was first made and entered into October 11, 1983 between the City of Addison, Texas (the same being the Town of Addison, Texas and sometimes referred to herein as the "City") and Addison Airport of Texas, Inc. ("AATI"), as Landlord, and Bunnell Properties, Inc., a Texas corporation, as tenant, by the terms of which Landlord leased to tenant a certain 1.661 acre tract of land at Addison Airport (which tract of land is referred to in the Ground Lease herein as the "Demised Premises" or "demised premises") as recorded in the Official Public Records of Dallas County, Texas in Book 83252, Page 7439 (Instrument #198302521079) of which certain real property now commonly referred to as 16051 Addison Road at Addison Airport within the Town of Addison, Texas and owned by the City (which the demised is more specifically described in **Exhibit "A"** attached hereto and incorporated herein by reference); 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 AATI), the City is entitled to all of the rights, benefits and remedies, and will perform the duties, covenants, and obligations, of the Landlord under the Ground lease; and

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

**WHEREAS**, by that Assignment of Lease dated December 1 1983 and recorded in the Official Public Records of Dallas County, Texas in Book 83252, Page 7456 (Instrument #198302521080), the Ground Lease was assigned from Bunnell Properties, Inc., as assignor, to Concourse Plaza, LTD., a Texas limited partnership, as assignee; and

**WHEREAS**, the said Ground Lease was then modified by that Settlement and First Amendment to Lease Agreement dated April 22, 1997 as recorded in Book 97214, Page 2291 (instrument #199702120412) of the Official Public Records of Dallas County, Texas, with a corrected document recorded in Book 97247, Page 3370 (Instrument #19907024170809) of the Official Public Records of Dallas County, Texas on December 22, 1997, and

**WHEREAS**, by that Assignment of Lease entered into and made effective December 31, 1997 as recorded as Book 98063, Page 3557 (Instrument #199800090587) in the Official Public Records of Dallas County, Texas, the Ground Lease was assigned from Concourse Plaza, LTD, as assignor, to Concourse Plaza II, LTD, a Texas limited partnership, as assignee, and

**NOW LET IT BE KNOWN**, the said Ground Lease is further amended by that Second Amendment to Ground Lease, entered into and made effective \_\_\_\_\_, 2018, which,

First Amendment to Ground Lease 0960-8602 – Page 4 of 46

among other things, extends the Term so the Ground Lease shall expire on September 30, 2054 unless otherwise earlier terminated or extended.

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

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

IN WITNESS WHEREOF, the undersigned parties execute this Agreement this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

<b>TENANT:</b>	<b>LANDLORD:</b>
<b>CONCOURSE PLAZA II, LTD.</b>	<b>TOWN OF ADDISON, TEXAS</b>
By: _____	By: _____
_____	Wesley S. Pierson, City Manager



**ACKNOWLEDGMENT**

STATE OF TEXAS       §  
COUNTY OF DALLAS   §

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_, a \_\_\_\_\_ of Concourse Plaza II, LTD, a Texas limited partnership, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein stated.

GIVEN under my hand and seal of office this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

[SEAL]

\_\_\_\_\_  
Notary Public, State of Texas

STATE OF TEXAS       §  
COUNTY OF DALLAS   §

BEFORE ME, the undersigned authority, on this day personally appeared Wesley S. Pierson, city manager of the Town of Addison, a home-rule municipality, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein stated.

GIVEN under my hand and seal of office this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

[SEAL]

\_\_\_\_\_  
Notary Public, State of Texas

**EXHIBIT A**  
**to Memorandum of Lease**

**LEGAL DESCRIPTION OF DEMISED PREMISES**

*FIELD NOTE DESCRIPTION  
CONCOURSE PLAZA LAND LEASE  
ADDISON MUNICIPAL AIRPORT*

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## **LEASE ADDENDUM #2**

### **TENANT'S LEASEHOLD MINIMUM MAINTENANCE AND REPAIR STANDARDS AND PRACTICES**

**I. Purpose:** Pursuant to Section 11 (or elsewhere as provided for) of the Lease<sup>1</sup> the Tenant is required to maintain the Demised Premises and all improvements, fixtures, equipment and personal property thereto in "good repair and in a first class condition" and in accordance with all applicable ordinances, codes, rules and regulations of or adopted by the City of Addison or any regulating agency with oversight of any or all portions of the Demised Premises throughout the Term as it may be extended or otherwise amended.

Additionally, Section 26 entitled Title to Improvements provides, among other things, Tenant shall own and hold title to any building improvements constructed on the Demised Premises and upon the expiration or early termination of the ownership of said building improvements, said building improvements shall merge with the title of the Demised Premises and become the property of the Landlord. Landlord may, at Landlord sole discretion with a minimum of twelve months advance written notice to Tenant, effective the date of termination, elect Tenant to either: (i) deliver to Landlord the Demised Premises clean and free of trash and in good repair and condition in accordance with these Tenant's Leasehold Minimum Maintenance and Repair Standards and Practices together with all fixtures and equipment situated in the Demised Premises with ordinary wear and tear excepted; or (ii) prior to the expiration or early termination of the Term, demolish and remove or cause to be removed from the Demised Premises all building improvements together with any fixtures or equipment remaining and restore the Demised Premises to reasonably the same condition it was found immediately prior to Tenant's taking possession of the Demised Premises as of the Effective Date. Such demolition and removal shall be performed at Tenant's sole cost and risk in accordance with all prevailing ordinances, codes, rules and regulations governing same.

Therefore, these Tenant's Leasehold Minimum Maintenance and Repair Standards and Practices ("Maintenance Standards") hereby set forth in general the minimum level of standard of maintenance and repair or practice the Landlord expects of Tenant and Tenant (or any of its successors and, or assigns) agrees to be obliged in order to comply with the terms and conditions of the Lease.

**II. Governing Standard or Practice:** Section 8.A of the Lease, as amended or modified, states the Tenant agrees to comply with all laws, ordinances, rules, regulations, directives, permits, policies or standards of any governmental authority, entity, or agency affecting the use of the Demised Premises; and any "Construction/Maintenance Standards and Specifications" published by Landlord or its Airport Manager governing such matters at Addison Airport. Section 11.B. of the Lease states "Should there ever arise a conflict between the degree of standard or duty to practice any such standard or practice between [these Maintenance Standards] and any new

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<sup>1</sup> All capitalized terms used in these Tenant's Minimum Leasehold Maintenance Standards and Procedures are as used and defined in the underlying Lease unless otherwise defined herein.

construction and maintenance and repair standard so adopted by the Landlord, the standard and/or practice representing the higher or greater degree of standard and/or practice shall prevail as if such higher degree of standard and/or practice is incorporated into and made a part of these [Maintenance Standards].

**III. Terminology Used:** Unless otherwise provided herein, the definition and/or the description of certain terms used or referred to below shall be the same as defined in the Lease or ASTM International Standard E2018-15<sup>2</sup> (as it may be amended or modified from time to time or its equivalence as generally accepted by the United States commercial real estate industry at the time).

For the purpose herein the standard being in “*good repair and in first-class condition*” generally means when the building component or system is serving its designed function, is of working condition and operating well, shows evidence of being well taken care of and does not require immediate or short-term repairs above its *de minimis* threshold or does not evidence a material physical deficiency.

**Building System** – Interacting or independent components or assemblies, which form single integrated units that comprise a building and its site work, such as pavement and flatwork, structural frame, roofing, exterior walls, plumbing, HVAC, electrical, etc. (ASTM E2018-15).

**Component** – A portion of a building system, piece of equipment, or building element (ASTM E2018-15).

**Deferred Maintenance** – Physical deficiencies that could have been remedied with routine maintenance, normal operating maintenance, etc., excluding *de minimis* conditions that generally do not present a material physical deficiency to the subject property (ASTM E2018-15).

**Effective Age** – The estimated age of a building component that considers actual age as affected by maintenance history, location, weather conditions, and other factors. Effective Age may be more or less than actual age (ASTM E2018-15).

**Engineer**: Designation reserved by law for a person professionally qualified, examined, and licensed by the appropriate governmental board having jurisdiction, to perform engineering services (ASTM E2018-15).

**Expected Useful Life** – The average amount of time in years that an item, component or system is estimated to function without material repair when installed new and assuming routine maintenance is practiced (ASTM E2018-15).

**Fair Condition** – To be found in working condition, but may require immediate or short-term repairs above the *de minimis* threshold of not evidencing a material physical deficiency (ASTM E2018-15).

**Normal Wear and Tear** - Defined as deterioration that results from the intended use of the commercial premises, including breakage or malfunction due to age or deteriorated condition, but the term does not include deterioration that results from negligence, carelessness, accident or abuse

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<sup>2</sup> ASTM Designation E2018-15; November 2015 ASTM International, 100 Barr Harbor Drive, PO Box C700, West Conshohocken PA 19428-2929, United States



of the premises, equipment or chattels by the Tenant, by a guest or invitee of the Tenant (Section 93.006[b]); Chapter 93 of the Texas Property Code entitled "Commercial Tenancies"

Physical Deficiency (ies) – The presence of a conspicuous defect or defects and/or material deferred maintenance of a subject property's material systems, components, or equipment as observed. Specifically excludes deficiencies that may be remedied with routine maintenance, miscellaneous minor repairs, normal operating maintenance, etc. (ASTM E2018-15).

Poor Condition – Found not to be in working condition or requires immediate or short-term repairs substantially above the *de minimis* threshold of not evidencing a material physical deficiency (ASTM E2018-15).

Routine Maintenance - Repair that does not require specialized equipment, professional services, or licensed contractors but, rather can be corrected within the budget and skill set of typical property maintenance staff (ASTM E2018-15).

**IV. Baseline Property Condition Assessment:** Beginning on or about the tenth (10<sup>th</sup>) anniversary but no later than the twelfth (12<sup>th</sup>) anniversary of the Effective Date of the Second Amendment, Tenant shall procure, at the sole cost of Tenant, a Property Condition Assessment baseline report (PCA) to be prepared, written and signed by a licensed professional engineer qualified to assess the condition of the Demised Premises and all Building Improvements, fixtures and equipment made a part thereto pursuant to the then-operative version of ASTM International Standard Designation E2018 as of the date the PCA is performed. If at that time, for any reason, ASTM International no longer publishes standards for conducting property condition assessments for commercial real estate in the United States, Landlord and Tenant shall mutually agree to adopt another similar standard of practice to be performed by qualified third Parties recognized and accepted by the commercial real estate industry in the United States.

For any portion of the Demised Premises designed and constructed with the intent to be used for the storage and movement of aircraft, the PCA shall also include an aircraft pavement condition assessment performed for such areas in accordance with FAA Advisory Circular 150/5380-7A "Airport Pavement Management Program" and ASTM Standard Designation D5340 "Standard Test Method for Airport Pavement Condition Index Surveys" (or their respective operative standard in effect at the time of the PCA report date) (the "Pavement Standards"). If no such standard exists at the time, the pavement condition assessment shall be performed based on prevailing industry standards as of the date of the assessment.

A. Within thirty (30) days of the published date of the PCA report Tenant shall deliver to Landlord a complete signed original copy of the PCA report together with the aircraft pavement condition assessment, if any, together with:

(1.) "**Tenant's Remedy Plan**", a written plan prepared by Tenant itemizing and given in sufficient detail Tenant's plan to remedy and cure, at Tenant's sole cost and expense, any and all Physical Deficiencies and, or Deferred Maintenance matters identified and communicated in the PCA report. Tenant's Remedy Plan shall indicate, among other things, that all work will be completed in a good and workman like condition pursuant to all local building codes and ordinances as required by the Lease within one hundred and

eighty (180) calendar days from the date of the PCA's published report date (the "Remedy Period") unless otherwise agreed to in writing by Landlord.

(a.) If the pavement condition index (PCI), as defined in the Pavement Standards, reflects a score less than 70 (or its equivalence) the Tenant's Remedy Plan shall set forth in sufficient detail Tenant's intended remedy and cost estimate necessary to increase the aircraft pavement PCI score to a minimum of 70 within the Remedy Period.

(b.) In the event the PCA recommends supplemental testing or evaluation of any building component including, but not limited to, structural, building envelope, roofing, HVAC, plumbing, electrical, fire alarm and suppression, elevator, hangar door and/or door operators, environmental, pavement and ADA, Tenant's Remedy Plan shall reflect Tenant's plan to complete such supplemental investigations as recommended within the Remedy Period.

(2.) **"Tenant's Facility Maintenance and Repair Plan"** (or "Maintenance Plan") which sets forth in sufficient detail Tenant's stated itemized objectives to maintain and keep all building components and systems, pavement and landscaped areas in good condition and repair together with any planned capital repairs, including those cited in the PCA report and any capital improvements planned within the next ten (10) years following the PCA published report date. Additionally, the Maintenance Plan should include but not be limited to the following:

(a.) Tenant's schedule and checklist for periodic self-inspection of all major building components and systems on annualized basis.

(b.) Tenant shall periodically update the Maintenance Plan to reflect scheduled repairs made together with itemized repair costs given, new conditions found as a result of Tenant's periodic self-inspections and Tenant's plan to maintain or repair said condition.

**B.** If Tenant fails to deliver to Landlord a complete signed original Baseline PCA Report, Tenant's Remedy Plan and Tenant's Facility Maintenance and Repair Plan as required herein, Landlord may provide written notice thereof to Tenant. Tenant shall have sixty (60) days after receipt of such notice to provide such report or plan. Tenant's failure to provide the documentation required herein shall be considered an event of default of the Lease. Tenant's failure to promptly remedy any Physical Deficiency (ies) identified and communicated in any PCA report as required herein is also considered an event of default under the Lease. In the event of such default(s), in addition to all other rights and remedies available to Landlord under the Lease and by law, Landlord may, but not be obligated to, cause such reports and plans to be prepared and implemented as deemed commercially reasonable; and all reasonable costs therefore expended by Landlord plus interest thereon as provided for in Section 39 of the Lease shall be paid by Tenant upon demand.

**V. *Requirement for Subsequent Baseline Property Condition Report Updates, Tenant Remedy Plan Updates and Tenant's Facility Maintenance and Repair Plan Updates:***

A. Upon each ten (10) year anniversary of the Effective Date of the Second Amendment to Ground Lease (but not later than two (2) years after each 10-year anniversary) Tenant shall procure, at its sole cost and expense, a PCA update (including aircraft pavement condition assessment) with the subsequent PCA report being of similar form and scope as the initial baseline PCA outlined above. Consideration should be given to the age of all building components and whether any special assessments might be warranted. Within thirty (30) days of the published date of the subsequent PCA report, Tenant shall deliver to Landlord a complete signed original of the subsequent PCA report together with the aircraft pavement condition assessment findings. Simultaneously, Tenant shall deliver to Landlord its Tenant Remedy Plan setting forth Tenant's itemized and detailed plan for remedying and curing all Physical Deficiencies and/or Deferred Maintenance matters identified and communicated in the subsequent PCA report. Similarly, Tenant shall also deliver to Landlord Tenant's Facility Maintenance and Repair Plan updated to reflect the most recent subsequent PCA report findings and recommendations.

B. With no more than seventy-two (72) but no less than sixty (60) months remaining until the scheduled Lease expiration date as may be amended or modified over the Term, Tenant shall procure, at its sole cost and expense, a final PCA report (including aircraft pavement condition assessment) with the final PCA report being of similar form and scope as the initial baseline PCA outlined above (the "Final PCA Report"). Consideration should be given to the age of all building components and whether any special assessments might be warranted. Within thirty (30) days of the published date of the Final PCA Report, Tenant shall deliver to Landlord a complete signed original of the Final PCA Report together with the aircraft pavement condition assessment findings. Simultaneously, Tenant shall deliver to Landlord its Tenant Remedy Plan setting forth Tenant's itemized and detailed plan for remedying and curing all Physical Deficiencies and/or Deferred Maintenance matters identified and communicated in the Final PCA Report. Similarly, Tenant shall also deliver to Landlord Tenant's Facility Maintenance and Repair Plan updated to reflect the Final PCA Report findings and recommendations which are to be implemented through the Lease expiration date.

**VI. *Qualification of Property Condition Reviewer:*** The qualifications of a third-party consultant performing or overseeing the PCA shall be:

- Licensed in the state of Texas as a professional architecture or engineer;
- Demonstrated experience working with general aviation type properties;
- Having working knowledge of relevant FAA Advisory Circulars and ASTM Standards relating to facility and pavement maintenance and survey standards affecting the subject property type and scope (size and complexity, etc.); and
- Experience preparing property condition reports.

**VII. *Record Retention:*** Throughout the Term Tenant shall diligently gather and retain in an orderly manner all documentation affecting and relating to the Building Improvements and any fixtures or equipment made a part of the Demised Premises. To the extent possible the Tenant shall



retain digital copies of all such documentation, which can be easily reviewed, inspected and sourced. All such documents are to be made available to each consultant assigned to perform the property condition assessment and pavement condition analysis. Such documents to be retained should include but not be limited to:

- Site plan – updated as necessary.
- Property Survey – updated as necessary to reflect any changes to the leased premises.
- Construction and “as-built” drawings together with written building specifications.
- Certificate of Occupancy and building permits.
- Building Owner’s Manual received from the General Contractor
- Pavement Condition Assessment Reports (aircraft apron and other)
- Insurance casualty claims and adjustment reports affecting the Building Improvements
- Description of future/planned material improvement or repairs.
- Outstanding notices and citations for building, fire, and zoning code and ADA violations
- Previously prepared, if any, Property Condition Assessment reports or engineering testing and surveys pertaining to any aspect of the subject property’s physical condition.
- Lease listing literature, listing for sale, marketing/promotional literature such as photographs, descriptive information, reduced floor plans, etc.
- Periodic inspection reports (self or third-party) and supporting documentation.
- Irrigation Plans, updated as needed
- Operating manuals, instructions, parts lists

**VIII. Reversionary Process (at Lease Expiration or Early Termination):** Pursuant to the terms and conditions of the Lease, unless otherwise amended or modified the Lease is due to expire at the end of the Lease Expiration Date at which time any and all Building Improvements and any subsequent improvements and alterations made thereto as defined in the Lease revert and become under the ownership of the Landlord. If Tenant is not then in default of the Lease, Tenant shall have the right to remove all personal property and trade fixtures owned by the Tenant from the Demised Premises, but Tenant shall be required to repair any damage to the Demised Premises caused by such removal, which work shall be conducted in a good and workmanlike manner and at Tenant’s sole cost and expense.

Accordingly, in order to facilitate an orderly transfer of all the ownership interests of the Demised Premises, Tenant shall deliver or cause to be delivered to Landlord all of the following on or before the Expiration Date, or earlier termination of the Lease:



**A. Tenant's Representations:** Tenant shall certify and attest in writing, in a form acceptable to Landlord:

(1.) Tenant conveys to Landlord in good and indefeasible title all the Building Improvements free and clear of any and all liens, assessments, easements, security interests and other encumbrances; and

(2.) There are no lessees or sub-lessees in possession of any portion of the Building Improvements, tenants at sufferance or trespassers (this representation shall not apply to an early termination of the lease); and

(3.) There are no mechanic's liens, Uniform Commercial Code liens or unrecorded liens against the Building Improvements, and all obligations of Tenant arising from the ownership and operation of the Demised Premises and any business operated on the Building Improvements including but not limited to taxes, leasing commissions, salaries, contracts, and similar agreements, have been paid or will be paid before the Expiration Date; and

(4.) There is no pending or threatened litigation, condemnation, or assessment affecting the Building Improvements; and

(5.) Tenant has disclosed to Landlord to the best of its knowledge any and all known conditions of a material nature with respect to the Building Improvements which may affect the health or safety of any occupant of the Demised Premises. Except as disclosed in writing by Landlord or Tenant, to the best of Tenant's knowledge the Improvements have no known latent structural defects or construction defects of a material nature, and none of the improvements has been constructed with materials known to be a potential health hazard to occupants of the Building Improvements; and

(6.) Except as otherwise disclosed in writing by Tenant to Landlord, to the best of Tenant's knowledge the Building Improvements do not contain any Hazardous Materials other than lawful quantities properly stored in containers in compliance with applicable laws. For the purpose herein, "Hazardous Materials" means any pollutants, toxic substances, oils, hazardous wastes, hazardous materials or hazardous substances as defined in or pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, as amended, the Clean Water Act, as amended, or any other federal, state or local environmental law, ordinance, rule, or regulation, whether existing or subsequently enacted during the Term.

**B.** Any rental and monies due under the Lease unless paid in full; and

**C.** A Bill of Sale conveying personal property remaining or left on the Demised Premises, if any, free and clear of liens, security interest and encumbrances; and

**D.** All plans, drawings and specifications respecting the Building Improvements, including as-built plans and specifications, landscape plans, building system plans (HVAC, Telecom/Data, Security System, plumbing) air-conditioning in Tenant's possession or control; and

**E.** Inventory with corresponding descriptions and identification of all keys, lock combinations, access codes and other such devices or means to access every securable

- portion, compartment, cabinet, panel, closet, gate or point of entry within the Demised Premises; and
- F.** All soil reports, engineering and architectural studies, grading plans, topographical maps, feasibility studies and similar information in Tenant's possession or control relating to the Demised Premises; and.
  - G.** A list and complete copies of all current service contracts, maintenance contracts, management contracts, warranties, licenses, permits, operating agreements, reciprocal easement agreements, maps, if any, applicable to the Demised Premises, certificate of occupancy, building inspection approvals and covenants, and conditions and restrictions respecting the Demised Premises; and
  - H.** Copies of all utility bills (electric, water/sewer and gas) and similar records respecting the Building Improvements for the past three (3) months; and
  - I.** A schedule of all service contracts, agreements and other documents not expressly referenced herein relating to the Demised Premises.

End

## **EXHIBIT B**



When recorded, return to:

Timothy Shea  
Robinson Waters & O'Dorisio, P.C.  
1099 18th Street, Suite 2600  
Denver, CO 80202

STATE OF TEXAS       §  
                                  §  
COUNTY OF DALLAS   §

**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.**

### **ESTOPPEL LETTER WITH LANDLORD'S CONSENT**

[May 14, 2021]

Independent Financial  
1331 17th Street  
Denver, Colorado 80202  
Attention: Sean Sjodin

Town of Addison  
P. O. Box 9010  
Addison, TX 75001-9010

RE:   Ground Lease dated October 11, 1983 (the "**Ground Lease**"), by and among the Town of Addison, Texas, a home-rule municipality (the "**City**", the same being the Town of Addison, Texas) and Addison Airport of Texas, Inc., a Texas corporation, as Landlord (the City now being the sole Landlord under the Ground Lease, the "Base Lease" (as defined in the Ground Lease) having expired, and the City alone being referred to herein as the "**Landlord**") and Bunnell Properties, Inc., as tenant; the said Ground Lease then having been assigned to Concourse Plaza, LTD, a Texas limited partnership, by that Assignment

of Lease entered into on December 1, 1993 recorded in Volume 83252, Page 7456 of the Official Public Records of Dallas County, Texas ("**OPR**"); the said Ground Lease then having been modified by that Settlement and First Amendment to Lease Agreement ("**First Amendment**") dated April 22, 1997 as recorded in Volume 97214, Page 2291 (Instrument #199702140412) of the OPR, with a corrected document recorded in Volume 97247, Page 3370 (Instrument #199702470809) of the OPR on December 22, 1997; then said Ground Lease, as amended, then having been assigned by Concourse Plaza, LTD to Concourse Plaza II, LTD., a Texas limited partnership, the "Tenant," by that Assignment of Lease entered into on December 30, 1997 as recorded in Volume 98063, Page 3557 (Instrument #199800090587) in the OPR; the said Ground Lease was then modified by that Second Amendment to Ground Lease ("**Second Amendment**") dated and made effective August 14, 2018, so evidenced by that Memorandum of Lease of same date recorded in the OPR as Instrument #201800245457; whereby, among other things, the Term was extended to expire on September 30, 2054; the said Ground Lease was then modified by that Third Amendment to Ground Lease ("**Third Amendment**") dated and made effective October 1, 2020, so evidenced by that Memorandum of Lease of same date recorded in the OPR as Instrument #202000287922; whereby the Term was extended to expire on September 30, 2060; the Ground Lease then having been assigned by Concourse Plaza II, LTD to 16051 Addison Road, LLC, a Texas limited liability company ("**Tenant**") by way of that certain Assignment of Ground Lease dated \_\_\_\_\_ and recorded as Instrument # \_\_\_\_\_ in the OPR; by which Ground Lease, as amended and modified as set forth herein above, Landlord leases to Tenant that certain real property (the "**Real Property**") located at 16051 Addison Road at Addison Airport in Dallas County, Texas, as specifically described in the Ground Lease (and being approximately 1.80 acres in Dallas County, Texas), and being generally described as the "Demised Premises" in the Terms and Conditions set forth in the Ground Lease. The term "**Ground Lease**" herein shall collectively mean the Ground Lease, as amended and modified as set forth herein above, including the First Amendment, the Second Amendment and the Third Amendment.

Ladies and Gentlemen:

**INDEPENDENT FINANCIAL**, a Texas bank ("**Bank**") intends to make a loan to **16051 ADDISON ROAD, LLC**, a Texas limited liability company, which loan (the "**Loan**") in the approximate original stated principal amount of **FOUR MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$4,500,000.00)** will be secured by, among other things, a lien against the leasehold interest of Tenant in the Real Property created pursuant to a leasehold deed of trust (the "**Deed of Trust**") to be executed by Tenant to **DANIEL W. BROOKS**, an individual, as Trustee for the benefit of Bank, which Deed of Trust shall be, subject to the terms and conditions hereof, subordinate and inferior to the Ground Lease and Landlord's lien (contractual and statutory) and other rights thereunder and all terms and conditions thereof.

Bank has advised Tenant that Bank requires the written acknowledgment of Landlord to the execution by Tenant of the above-described Deed of Trust and the written acknowledgment and consent of the Landlord to the statements set forth in this letter agreement.

ESTOPPEL LETTER WITH LANDLORD'S CONSENT - PAGE 2



Therefore, by executing the enclosed copy of this letter agreement and returning it to the undersigned, Landlord hereby specifically states as follows:

1. Landlord takes notice of the Deed of Trust and the subordinate and inferior lien provided for therein being impressed solely against the leasehold interest of Tenant in the Real Property.
2. The Ground Lease has not been modified, altered, or amended except as described herein.
3. Landlord has no actual knowledge of the existence of any lien against the Real Property other than that created by the Ground Lease and any lien for taxes as may be provided by law.
4. Landlord will give to Bank, at the address of Bank specified in this letter agreement, or at such other address as Bank may hereafter designate in writing to Landlord, with a copy to Independent Financial, 2100 McKinney Avenue, Suite 1200, Dallas, Texas 75201 Attn: Commercial Real Estate Department, prompt written notice, as provided in the Second Amendment, Section 2.Q of the Ground Lease, of any default by Tenant under the Ground Lease simultaneously with the giving of such notice to Tenant, and Bank shall have the right, but not the obligation, 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 such payment as may be necessary or appropriate to cure any such default so specified. Landlord shall not exercise Landlord's right to terminate the Ground Lease without first giving Bank the notice provided for herein and affording Bank the right to cure such default as provided for herein. Should Landlord terminate the Ground Lease without giving Bank proper written notice of Tenant's default and the right to remedy said default as provided for herein, such termination of Ground Lease shall be null and void.
5. If Bank or a third party (provided such third party is approved by Landlord in accordance with the terms of the Ground Lease for approval of an assignee) succeeds to the interest of Tenant in and to the Ground Lease and the Real Property by means of foreclosure under the Deed of Trust, by means of a transfer in lieu of such foreclosure, or by any other means due to the failure or inability of Tenant to pay the Loan secured by the Deed of Trust, Landlord shall thereafter accept, recognize, and treat Bank or such approved third party as the Tenant under the Ground Lease and Landlord shall continue to perform all of its obligations under the Ground Lease. Bank may thereafter, with the written consent of Landlord, which consent shall not be unreasonably withheld or delayed, assign its leasehold right, title, and interest in and to the Ground Lease. For purposes hereof and any applicable law, and without limitation as to other grounds for Landlord withholding consent, it shall be deemed to be reasonable for Landlord to withhold its consent when any one or more of the following apply:

ESTOPPEL LETTER WITH LANDLORD'S CONSENT - PAGE 3

- (a) 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;
- (b) the proposed assignee has not demonstrated sufficient financial responsibility or creditworthiness to the satisfaction of Landlord considering the duties, obligations, and responsibilities of the Tenant under the Ground Lease at the time when the consent is requested;
- (c) the proposed assignee's intended use of the demised premises as defined in the Ground Lease is inconsistent with the Ground Lease;
- (d) 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);
- (e) if at any time consent is requested or at any time prior to the granting of consent, Tenant is in default under the Ground Lease or would be in default under the Ground Lease but for the pendency of a grace or cure period; or
- (f) the proposed assignee does not intend to occupy the entire Demised Premises as described in the Ground Lease and conduct its business therefrom for a substantial portion of the then remaining term of the Ground Lease.

For purposes hereof and any applicable law, and without limitation as to other grounds for Landlord delaying consent, it shall be deemed to be reasonable for Landlord to delay its consent for a period of forty-five (45) days after the receipt by Landlord of all information requested by Landlord regarding or in connection with the proposed assignment and the proposed assignee.

- 6. To the actual knowledge of Landlord, no rent has been paid more than thirty (30) days in advance of its due date.
- 7. As long as Bank holds any mortgages or deeds of trust on the Real Property:
  - (a) Landlord will not agree to any material amendment or termination of the Ground Lease without Bank's prior written consent;
  - (b) After delivery of written notice from Bank to Landlord stating the Bank is exercising its rights and remedies under the Deed of Trust, Bank may exercise any and all rights of Tenant under the Ground Lease and all rights of Tenant under the Deed of Trust and other loan documents evidencing the Loan that are related to the Ground Lease;

(c) Should Bank exercise the rights of Tenant under the Ground Lease as set forth in (b) above, Bank shall promptly provide Landlord written notice of the name and contact information of the substitute Tenant under the Ground Lease;

(d) Notwithstanding any provisions of the Ground Lease to the contrary, no default or event of default under the Deed of Trust or any other document or instrument evidencing or securing the Loan will, in and of itself, constitute a default or event of default under the Ground Lease.


(e) In the event that any landlord under the Ground Lease becomes the subject of a case under the U.S. Bankruptcy Code (or any other or successor law providing similar relief), and such landlord or any trustee of such landlord rejects or seeks authority to reject the Ground Lease under 11 U.S.C. Section 365 (or any other or successor provision permitting any similar relief): (i) the Tenant shall elect, and hereby does elect, without further act, unless Bank consents in writing to any other election, to remain in possession for the balance of the term of the Ground Lease and any renewal or extension thereof, pursuant to 11 U.S.C. Section 365(h) (and any other successor provision permitting a similar election); (ii) any purported election by the Tenant to treat the Ground Lease as terminated shall be void and of no effect, unless Bank consents in writing thereto; and (iii) the lien of the Deed of Trust shall not be impaired by such rejection. If Tenant becomes the subject of a case under the U.S. Bankruptcy Code (or any other law providing similar relief), Landlord shall give prompt notice to Bank of any notice it receives of a request by the Tenant or any trustee of the Tenant for authority to reject the Ground Lease. Landlord acknowledges and agrees that any such rejection of the Ground Lease shall have no effect upon the continued existence of the leasehold estate in the Real Property or the Deed of Trust. If the Ground Lease is terminated or rejected by Tenant in any bankruptcy proceeding, then Landlord shall, upon Bank's written request made within thirty (30) days after any such termination or rejection, enter into a new ground lease with Bank for the remainder of the term of the Ground Lease, at the same rent, and having the same other provisions as the Ground Lease; provided, that, Bank cures all monetary defaults by Tenant which exist on the date of such new ground lease.

8. There shall be no merger of the Ground Lease or the leasehold estate in the Real Property thereunder with the fee estate in the Real Property by reason of the fact that the Ground Lease or the leasehold estate thereunder may be held, directly or indirectly, by or for the account of any entities who hold the fee estate. No such merger shall occur unless all entities having an interest in the fee estate and all entities (including Bank) having an interest in the Ground Lease or the leasehold estate thereunder join in a written statement effecting such merger and duly record the same.
9. Except for a foreclosure or deed in lieu of foreclosure, upon the recording of the full and final release of the Deed of Trust pursuant to an instrument executed by Bank, this agreement shall be deemed automatically terminated and released without the necessity of the execution or recordation of any additional instrument.

Very truly yours,

**BANK:**

**INDEPENDENT FINANCIAL,**  
a Texas state bank


By:   
Name: Sean Sjodin  
Title: Senior Vice President

Cc: Real Estate Manager  
Addison Airport  
16051 Addison Road, Suite 220  
Addison, Texas 75001

STATE OF Colorado §  
§  
COUNTY OF Denver §

The foregoing instrument was ACKNOWLEDGED before me this 14<sup>th</sup> day of May, 2021, by Sean Sjodin, the Senior Vice President of **INDEPENDENT FINANCIAL**, a Texas state bank, on behalf of said state bank.

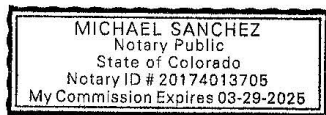
[ S E A L ]

  
Notary Public, State of Colorado

My Commission Expires:

03/29/2025

Michael Sanchez  
(Printed Name of Notary Public)



ESTOPPEL LETTER WITH LANDLORD'S CONSENT - PAGE 6



Acknowledged and consented to as of the date first written above.

**LANDLORD:**

**TOWN OF ADDISON, TEXAS,**  
a home rule municipality

By: \_\_\_\_\_  
Name: Wesley S. Pierson  
Title: City Manager

STATE OF TEXAS §  
§  
COUNTY OF DALLAS §

The foregoing instrument was ACKNOWLEDGED before me this \_\_\_\_\_ day of \_\_\_\_\_, 2021, by Wesley S. Pierson, the City Manager of **TOWN OF ADDISON, TEXAS**, a home rule municipality, on behalf of said home rule municipality.

[ S E A L ]

\_\_\_\_\_  
Notary Public, State of Texas

My Commission Expires:

\_\_\_\_\_  
(Printed Name of Notary Public)

Acknowledged and consented to as of the date first written above.

**TENANT:**

(for purposes of agreeing and consenting to any amendments to the Ground Lease only)

**16051 ADDISON ROAD, LLC,**  
a Texas limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF TEXAS           §

§

COUNTY OF DALLAS       §

§

The foregoing instrument was ACKNOWLEDGED before me this \_\_\_\_\_ day of \_\_\_\_\_, 2021, by Greg Bates, the \_\_\_\_\_ of **16051 ADDISON ROAD, LLC**, a Texas limited liability company, on behalf of said limited liability company.

[ S E A L ]

\_\_\_\_\_  
Notary Public, State of Texas

My Commission Expires:

\_\_\_\_\_

\_\_\_\_\_  
(Printed Name of Notary Public)