

**AQRD Hangar Management, LLC (AQRD)**  
**Location: 4582 & 4584 Claire Chennault**

**Summary of Lease Terms**

1. **Effective Date:** The Date of Formal Consent by the Town of Addison Town Council.
2. **Tenant:** AQRD Hangar Management, LLC (“AQRD”).
3. **Leased/Demised Premises:** Two parcels of airport land consisting of approximately 1.57+/- acres located at 4582 and 4584 Claire Chennault Drive at the Airport. As of result of the ground lease, the two parcels will be merged into one larger parcel and to be held inseverable for the duration of the Term.
  - A. Both parcels are currently subject to other ground lease agreements, however both will expire and revert to Town on or before June 30, 2022.
4. **Preliminary Period:** period of time between the Effective Date and Commencement Date, and inclusive of the Due Diligence Period.
5. **Due Diligence Period:** Commencing on the Effective Date of the Lease and continues for the first ninety (90) consecutive calendar days thereafter.
  - A. Environmental Site Assessment at Tenant’s expense. The Town will provide AQRD with copies of, or access to, environmental studies, including but not limited to Environmental Site Assessments, conducted on the Leased Premises or adjacent parcels that the Town has in its possession.
  - B. Fees, expenses, and tax obligations that will be assessed on the improvements resulting from the proposed redevelopment and capital improvements made to the Leased Premises from local, state, or federal taxing authorities or other governmental or regulatory agencies.
  - C. Necessary permits, approvals, and waivers required by any governing authority including but not limited to, the Town of Addison, Dallas County, the state of Texas, the Federal Aviation Administration (FAA), and the Texas Department of Transportation (TxDOT), for the completion of the project contemplated herein.
  - D. Estimates for the necessary demolition and removal of, in whole or in part, the Existing Building Improvements and any related remediation efforts to prepare the site for redevelopment.
  - E. Either party has right to terminate the Lease by written notice to the other party, in which case the Lease shall become null and void *ab inito* and no further obligation shall be borne by either party to the other.
6. **Commencement Date:** First calendar day following the expiration of the Due Diligence Period.
7. **Term:**
  - A. Initial Term is 5-years (60 full months) following Commencement Date.

- B. Extended Term Option – Until June 30<sup>th</sup>, 2057 (34+ years from Effective Date) provided Tenant:
  - i. Is not then in default;
  - ii. Achieves Final Completion of the New Building Improvements provided for in Lease Addendum #2 on or before the expiration of the Initial (5-year) Term;
  - iii. Construction Value of New Building Improvements exceed \$1.1M;
- C. To be affirmed with an executed and recorded Memorandum of Lease.

8. **Rent:**

- A. **Initial Rent Payment** – AQRD shall pay as Initial Rent Payment \$635,000 to the Town upon or before the Commencement Date. The Initial Rent Payment is fully earned and non-refundable.
- B. **Annual Base Rent** – \$51,187.50 payable in twelve equal monthly installments of \$4,265.63; (68,250 gross square feet of land X \$.75 per gross square feet of land area). First monthly installment is due on or before the Commencement Date.

9. **Adjustment of Rent** – based upon the percentage of change in the local CPI between the Commencement Date and its second anniversary; then every two years thereafter over the Term.

10. **Permitted and Restricted Use of Premises:** The Leased Premises shall be used and occupied by AQRD or its subtenants only for the following purpose:

- A. Same as the permitted use of 4600 Claire Chennault
- B. Standard airport restrictions provisions, without exception.

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

- A. Among other things includes Lease Addendum #1 “Tenant’s Leasehold Minimum Maintenance and Repair Standards and Practices,”

12. **Title to all Building Improvements:** Tenant shall own all existing and future building improvements made to the premises for the duration of Term

- A. Ownership reverts to the Town at end of Term;
- B. Delivery of the improvements at end of Term per Lease Addendum #1:
  - i. Landlord has right to require Tenant to demolish the improvements prior to end of Term with 60-month advance notice, or
  - ii. Broom swept condition and other

13. All other terms and conditions are consistent with Town’s current lease standards.