

RESOLUTION NO. 22-____

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, AUTHORIZING A THIRTEEN-YEAR CONVENTIONAL HANGAR LEASE FOR COMMERCIAL AERONAUTICAL USE WITH STONEDOME REAL ESTATE, LLC FOR 4581 CLAIRE CHENNAULT DRIVE AT ADDISON AIRPORT AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, StoneDome Real Estate, LLC, a Texas limited liability (“StoneDome”) company desires to lease the city-owned facility at 4581 Claire Chennault Drive at Addison Airport (“Leased Premises”) for commercial aeronautical use and aircraft storage.

WHEREAS, StoneDome Real Estate, LLC is requesting the Town of Addison to approve a thirteen-year lease agreement in consideration of, among other things, StoneDome expending a minimum of \$250,000 in capital repairs and improvements to bring the Leased Premises into market condition, to expire January 31, 2025.

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

SECTION 1. The proposed StoneDome Real Estate, LLC Conventional Hangar Lease for Commercial Aviation Use, a copy of which is attached to this Resolution as **Exhibit A**, is hereby approved and the City Manager is authorized to execute this lease.

SECTION 2. 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 **11th** day of **OCTOBER 2022**.

TOWN OF ADDISON, TEXAS

Joe Chow, Mayor

ATTEST:

Irma Parker, City Secretary

Exhibit A

DocuSign Envelope ID: 6654F120-97C4-456E-A3D7-D296DBED48FD

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

**ADDISON AIRPORT
CONVENTIONAL HANGAR LEASE
FOR COMMERCIAL AVIATION USE**

This Addison Airport Conventional Hangar Lease For Commercial Aviation Use (hereinafter referred to as the "Hangar Lease," "Lease," or "Agreement") is made and entered into this _____ day of October, 2022 (the "Effective Date"), by and between the **Town of Addison, Texas**, a home-rule municipality (hereinafter referred to as the "City" or "Landlord") and **StoneDome Real Estate, LLC**, a Texas limited liability company ("Tenant") (Landlord and Tenant are sometimes referred to herein together as the "parties" and individually as a "party").

WITNESSETH:

WHEREAS, Landlord is the owner of the Addison Airport (hereinafter referred to as the "Airport") located in Dallas County, Texas; and

WHEREAS, the Airport is operated and managed for and on behalf of the City by the Airport Manager (hereinafter referred to as "Airport Manager" or "Manager"); and

WHEREAS, Tenant desires to lease from Landlord, and Landlord desires to lease to Tenant, a portion of the Airport generally described and hereinafter referred to as the certain parcel of improved land consisting of approximately 1.011 acres (approximately 44,033 gross square feet) known as Property #0650, ALP #V12 with the public address known as 4581 Claire Chennault Drive, Addison, Texas 75001 (hereinafter referred to as the "Premises" and more fully described in Exhibits "A", "B" and "C" attached hereto and made a part hereof) together with the non-exclusive right to use the Common Facilities as defined in Section 15 hereinbelow according to the terms and conditions set forth in this Agreement; and

WHEREAS, the Premises has been improved with a metal clad over steel frame conventional aircraft hangar of approximately 11,000 square feet and 2,800 square feet of office space (regarded to be in an unfinished, un-occupiable, building shell condition) 18,500 square feet of dedicated and shared aircraft apron and 11,733 square feet of off-street parking, private driveway and landscaping (the "Existing Building Improvements").

WHEREAS, in consideration of this Hangar Lease and the terms and conditions hereof, Tenant is obligated to construct certain building improvements to the Existing Building Improvements defined as the New Building Improvements in Section 5 hereinbelow and more fully described in Exhibit F hereinbelow and Lease Addendum #1 attached hereto and incorporated herein by reference; and

WHEREAS, the Premises is subject to a certain Shared Ramp Ingress/Egress Easement set forth and more fully described in Lease Addendum #2 hereinbelow and is made part of the Agreement without exception.

WHEREAS, Landlord and Tenant hereby agree to enter into this Hangar Lease under the terms and conditions set forth hereinbelow.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is mutually acknowledged, Landlord and Tenant hereby agree as follows:

1. Lease Grant.

Subject to the terms of this Lease, Landlord leases the Premises to Tenant, and Tenant leases the Premises from Landlord.

This Hangar Lease is given and entered into subject to (i) all federal, state, and local laws, statutes, constitutional provisions, charters (including the City Charter), ordinances, codes (including building and building-related codes), rules,

Lease No. 0650-5403 *StoneDome Real Estate, LLC*

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regulations, directives, policies, permits, standards, zoning requirements, orders, grant assurances, grant agreements, court orders, opinions and decisions, and all interpretations of the foregoing, of and/or by any governmental authority, entity, department, branch, 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, and any successor entities thereto), that are applicable, imposed upon, or related to, whether directly or indirectly, this Lease, the Airport, the Premises, and the use and occupancy thereof, as the same are existing or as they may be amended, modified, enacted, adopted, imposed, or superseded, and including, without limitation, any and all grant agreements or grant assurances now existing or as hereafter agreed to, adopted or imposed (collectively, "Laws," and "Law" means any of the foregoing), (ii) all restrictive covenants affecting the Premises, (iii) all restrictions, mortgages, deeds of trust, liens, easements, licenses, leases, and any other encumbrance on or matter affecting the Premises, whether recorded or not, and (iv) and all of the terms, conditions, and provisions of this Hangar Lease.

2. Term:

A. Subject to the termination and all other provisions of this Lease, the term hereof (the "Term") shall commence on February 1, 2023 (the "Commencement Date") and shall end the last day of the one-hundred and fifty sixth (156th) full calendar month following the Commencement Date (including the month of the Commencement Date). The period of time beginning upon the Effective Date and ending upon the Commencement Date is herein referred to as the "Preliminary Period". Any entry upon and/or use of occupancy of the Demised Premises by Tenant during the Preliminary Period shall be subject to all of the terms and conditions of this Lease.

B. **Right to Early Terminate By Either Party** - Effective six full-calendar months prior to the tenth anniversary of the Commencement Date, or any time thereafter, either party may terminate this Lease by providing at least a six-month advance written notice to the other party ("Notice to Early Terminate"). Such Lease termination shall be effective the last day of the sixth full calendar month following delivery of the Notice to Early Terminate pursuant to Paragraph 50 below.

3. Rental & Security Deposit:

A. **Base Rent:** Tenant agrees to pay to Landlord without notice, demand, offset, or deduction, an annual Base Rent of \$73,176.00, payable in monthly installments of \$6,098.00. The first such monthly installment shall be due and payable on or before the Commencement Date, and each monthly installment thereafter shall be due and payable on or before the first day of each calendar month throughout the Term.

B. **Prorated Rent:** If the Commencement Date is on a day other than the first day of a month, Tenant will pay Landlord a prorated amount of Base Rent equal to the product of the monthly installment of Base Rent multiplied by a fraction, the (i) numerator of which is the number of days from (and including) the Commencement Date through (and including) the last day of the month that includes the Commencement Date and the (ii) denominator of which is the number of days in that month. The prorated portion of the Base Rent is due on or before the Commencement Date. Payment of Base Rent for any fractional calendar month at the end of the Term shall be similarly prorated.

C. **Additional Rent:** In addition to the Base Rent, Tenant will pay Landlord, as Additional Rent, the amounts set forth in the Utility Expense Reimbursement Addendum attached hereto and incorporated herein as Exhibit D.

D. **Rent:** For purposes of this Lease, "Rent" means Base Rent, Additional Rent, and all other sums that Tenant may owe to Landlord or otherwise be required to pay under this Lease. Landlord shall have the same rights and remedies for non-payment of any Rent as for non-payment of Base Rent. The obligations of Tenant to pay Base Rent and other sums to Landlord and the obligations of Landlord under this Lease are independent obligations.

E. **Place of Payment:** Tenant shall deliver all amounts due Landlord under this Lease to the following address or to such other person or place as Landlord may designate in writing:

Addison Airport
c/o Assistant Director – Real Estate
4545 Jimmy Doolittle Drive, Suite 200
Addison, Texas 75001

F. **Method of Payment:** Tenant must pay all Rent timely and without demand, notice, deduction, or offset, except as required by Law or as otherwise provided by this Lease. Tenant shall make payment of all Rent owed by personal or corporate check made payable to "Addison Airport" (or by credit card, electronic transfer or ACH (Automatic Clearing House), if acceptable to Landlord). Cash is not an acceptable form of payment of Rent. If Tenant fails to timely pay any amounts due under this Lease, or if any check of Tenant is returned to Landlord by the institution on which it was drawn for insufficient funds or for any other reason, or if Tenant's credit card is denied more than three times in any twelve-month period (if Landlord authorizes payment by credit card), Landlord, after providing written notice to Tenant, may require Tenant to pay subsequent amounts that become due under this Lease by cashier's check or money order only. Rent, and any other sums or amounts to be paid by Tenant to Landlord under this Lease, shall be deemed to have been paid when Landlord has actually received the negotiable payment.

G. **Late Charges:** If Landlord does not actually receive payment of Rent or any other sums due at the designated place of payment within ten (10) days after the date it is due, Tenant shall pay to Landlord a Late Charge equal to 5% of the amount due to reimburse Landlord for Landlord's cost and inconvenience incurred as a result of Tenant's delinquency. The Late Charge is a cost associated with the collection of Rent and Landlord's acceptance of a Late Charge does not waive Landlord's right to exercise its rights and remedies, including those under Paragraph 23 (Remedies of Landlord) herein.

If Tenant fails to pay (i) any monthly installment of Base Rent due under this Lease by the 10th day of the month when due, or (ii) or any other component of Rent within 10 days after the same is due as specified in this Lease, more than once in any consecutive three (3) month period, Tenant, upon the delivery of written notice to Tenant by Landlord ("Additional Deposit Notice"), shall pay to Landlord an amount equal to the then-current monthly installment of Base Rent (the "Additional Deposit") to be held and applied by Landlord as an addition to the Security Deposit delivered by Tenant and held on account by Landlord upon Tenant's execution of this Lease pursuant to subparagraph 3.H, below. Landlord's requirement of any Additional Deposit shall be in addition to all other rights and remedies available to Landlord under this Lease. If Tenant does not deliver the Additional Deposit to Landlord within ten (10) days after the delivery of the Additional Deposit Notice, such failure shall be an event of default under this Lease.

H. **Security Deposit:** Tenant shall deposit with Landlord, upon Tenant's execution of this Lease, the sum of \$6,098.00, to be held by Landlord as Tenant's "Security Deposit." Such Security Deposit shall be equal to one monthly installment of Base Rent unless otherwise adjusted as provided for in 3.G. above.

1. If at any time during this Agreement the Security Deposit then held on account by Landlord becomes less than the prevailing monthly installment of Base Rent, Tenant will make an additional payment to Landlord so that the Security Deposit held by Landlord is increased to equal one monthly installment of Base Rent, unless otherwise adjusted as provided for in 3.G. above.

2. Landlord shall hold such Security Deposit without interest as security for the performance by Tenant of Tenant's covenants and obligations under this Lease. Landlord may commingle the Security Deposit with Landlord's other funds, and no trust relationship is created with respect to the Security Deposit. Tenant shall not assign, otherwise transfer, or encumber or attempt to assign, otherwise transfer, or encumber the Security Deposit, and Landlord and its successors and assigns shall not be bound by any actual or attempted assignment, other transfer, or encumbrance. Regardless of any assignment, other transfer, or encumbrance of the Security Deposit by Tenant, Landlord may return the Security Deposit to the Tenant.

3. The Security Deposit is not an advance payment of Rent or a measure of liquidated damages in case of default by Tenant. Upon the occurrence of any event of default, Landlord may, from time to time, without prejudice to any other remedy provided herein or provided by Law, use the Security Deposit to the extent necessary to make good any arrearages of Rent and any other damage, injury, expense or liability caused to

Landlord by such event of default. Following any such application of the Security Deposit, Tenant shall pay to Landlord, on demand, the amount so applied to fully restore the Security Deposit to its required amount.

4. If Tenant is not then in default hereunder, such Security Deposit, less any lawful deductions by Landlord, shall be returned by Landlord to Tenant with an accounting of said deductions taken no later than thirty (30) days following the termination or expiration of this Hangar Lease. Permitted deductions from the Security Deposit may include but not be limited to: unpaid Base Rent; unpaid utility charges incurred by Tenant; unpaid service charges; damages by Tenant to the Premises (beyond normal wear and tear) or repairs by Landlord; replacement cost of Landlord's property that was in or attached to the Premises and is missing; cost to replace unreturned keys; agreed reletting charges; Landlord's cost of cleaning the Premises to a broom-swept condition if required; Landlord's cost of removal of any trash or debris left in the Premises; Landlord's cost of the removal and storage of Tenant's personal property left or abandoned by Tenant or otherwise disposed of by Landlord; Landlord's cost of removal of unauthorized vehicles or aircraft left on the Premises; government fees or fines against Landlord because of Tenant; late fees and other costs of collection incurred by Landlord in connection with this Lease; interest that would have been earned by Landlord on unpaid balances; attorneys' fees, court costs and filing fees.

4. Adjustment of Rental:

Effective on each anniversary of the Commencement Date, and every anniversary thereafter over the Term (hereinafter referred to as the "Adjustment Date"), the Base Rent due under Paragraph 3.A above shall be adjusted as follows:

A. The Base Rent shall be adjusted to reflect changes in the Consumers' Price Index - All Items for Dallas-Fort Worth, Texas (hereinafter referred to as the "Consumer Price Index"), as quoted in the publication *Consumer Price Index - 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 base index is the Consumer Price Index existing on the Commencement Date ("Base Index"). The current index is the Consumer Price Index on the first day of the calendar month preceding the then applicable Adjustment Date (the "Current Index").

B. Beginning with the year that includes the then applicable Adjustment Date, the Base Rent shall be adjusted so that it equals the product of the Base Rent during the first year of this Lease multiplied by a fraction, the numerator of which is the Current Index and the denominator of which is the Base Index, but in no event shall Base Rent ever be decreased below the Base Rent set forth in Paragraph 3.A. To illustrate the foregoing calculation: assume Commencement Date is 1/1/2020; Base Rent \$1,000 with the Base Index of 100; further assume the next Adjustment Date is 1/1/2024 with a Current Index of 106. The adjusted Rent beginning 1/1/2024 is calculated as follows: $\$1,000 \times (106/100) = \$1,060$. The Consumer Price Index is typically reported 45-60 days after its effective date, Tenant is obligated to pay any accrued and unpaid Rent.

C. 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 in its sole discretion) shall be substituted therefor.

5. Permitted and Non-Permitted Use of Premises:

The Premises shall be used and occupied by Tenant only for Commercial Aviation Use (defined below) limited to the following (the "Permitted Use"):

A. Tenant's use of the Premises shall be limited to the storage of airworthy aircraft, sale of aircraft and aircraft parts, aircraft charter and aircraft rentals, light day-to-day maintenance of aircraft, general office and administrative purposes in support of aeronautical operations conducted on or from the Premises. For the purposes herein the following terms shall mean:

1. "Airworthy Aircraft": an aircraft kept in good working order and is safe to operate, has a valid FAA registration, it is insurable and, at a minimum, appears to be well kept and maintained.

2. "Light day-to-day Maintenance": typically including pre-flight checks, daily check of fluids, any maintenance that is carried out before flight to ensure that the aircraft is fit for the intended flight; scheduled maintenance and/or checks including visual inspections to detect obvious failures but do not require extensive in depth inspection; minor repairs and modifications which do not require extensive disassembly and can be accomplished by simple means; component replacement up to and including, engines (but not overhauls), propellers, tires, avionics and other instruments.

3. "Commercial Aviation Use": the operation of a business enterprise providing aviation-related goods, services, or facilities for a commercial purpose (including, without limitation, any activity by the Tenant securing earning, income, compensation, [including exchange or barter of goods, and services], and/or profit from said activities, whether or not such objectives are accomplished).

B. Tenant shall occupy and use the Premises only for the Permitted Use and shall comply with all Laws relating to the use, condition, access to, and occupancy of the Premises. Any use or occupancy of the Premises other than expressly authorized in this Section 5 is not permitted at any time without the prior written consent of Landlord.

C. The Building Improvements shall not at be used or subject to hazardous operations, including without limitation, fuel transferring, welding, torch cutting, torch soldering, doping or spray painting.

D. The Premises shall not be used or occupied for any concession for the sale or distribution of food, drinks, tobacco products, oil, gas, petroleum products or any activity of a similar character. Tenant agrees that no aircraft, vehicle or other equipment will be left unattended at any time outside the boundaries of the Premises or within any common area of the Airport ("common area" having the meaning set forth in Chapter 14 of the City's Code of Ordinances), including the safety areas, operating areas and/or non-obstruction areas of the Airport without the prior written consent of the Airport Manager. Tenant further agrees to cooperate and coordinate with adjacent tenants and the Airport Manager, when necessary (as determined by Landlord), to facilitate and not to obstruct aircraft movement along nearby taxilanes, especially during periods of construction, maintenance and repair of Airport facilities.

E. The Premises shall not be used for any purpose or activity 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 increases insurance costs for Landlord.

F. 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.

G. Tenant acknowledges that Landlord is bound by, and this Lease is subject to, 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, including, without limitation, any grant, loan, regulation, or agreement under Section 22.055 of the Texas Transportation Code, as amended or superseded, whether now existing or made in the future. Tenant agrees not to act or fail to act in any way or manner that would cause Landlord to be in violation of any of the foregoing.

H. Tenant at Tenant's sole cost and expense shall obtain any and all governmental licenses, permits and approvals necessary for the construction of improvements including, but not limited to, the construction of the New Building Improvements and for the use and occupancy of the Premises provided for in this Section 5.

6. Acceptance of Premises:

Tenant acknowledges that Tenant has fully inspected the Premises and accepts the Premises as suitable for the purposes for which the same are leased in their present condition, "AS IS, WHERE IS, WITH ALL FAULTS AND PATENT AND LATENT DEFECTS". Without limiting anything in the foregoing, LANDLORD HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS, AND THERE ARE NO, REPRESENTATIONS,

PROMISES, COVENANTS, AGREEMENTS, GUARANTYS OR WARRANTIES OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, OF OR AS TO THE CONDITION, QUALITY, QUANTITY, SUITABILITY, MERCHANTABILITY, HABITABILITY OR FITNESS OF THE PREMISES FOR ANY PARTICULAR PURPOSE WHATSOEVER GIVEN IN CONNECTION WITH THIS LEASE, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION REGARDING SOIL CONDITIONS, AVAILABILITY OF UTILITIES, DRAINAGE, ZONING LAWS, ENVIRONMENTAL LAWS OR ANY OTHER LAWS.

TENANT ALSO ACKNOWLEDGES AND AGREES THAT TENANT'S INSPECTION AND INVESTIGATION OF THE PREMISES HAVE BEEN ADEQUATE TO ENABLE TENANT TO MAKE TENANT'S OWN DETERMINATION WITH RESPECT TO THE SUITABILITY OR FITNESS OF THE PREMISES, INCLUDING, WITHOUT LIMITATION, WITH RESPECT TO SOIL CONDITIONS, AVAILABILITY OF UTILITIES, DRAINAGE, ZONING LAWS, ENVIRONMENTAL LAWS, AND ANY OTHER LAWS.

TENANT ACKNOWLEDGES THAT THE DISCLAIMERS, AGREEMENTS AND OTHER STATEMENTS SET FORTH IN THIS PARAGRAPH 6 ARE AN INTEGRAL PORTION OF THIS LEASE AND THAT LANDLORD WOULD NOT AGREE TO LEASE THE PREMISES TO TENANT AS SET FORTH HEREIN WITHOUT THE DISCLAIMERS, AGREEMENTS AND OTHER STATEMENTS SET FORTH IN THIS PARAGRAPH 6. 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 VISIBLE OR APPARENT FROM AN INSPECTION AFFECTING THE PREMISES.

7. Assignment and Subletting:

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, assign, sell, pledge, encumber, mortgage, license, transfer, or otherwise convey (together, "assign" or "assignment," and any person or entity to whom an assignment is made being an "assignee") this Lease or any rights or obligations of Tenant hereunder, or sublet the whole or any part of the Premises. Any such assignment or any subletting, without the prior written consent of Landlord, shall be null and void and may be deemed by Landlord (in Landlord's sole discretion) an event of default under Paragraph 22 (Default by Tenant) of this Lease. For the purposes hereof, an assignment will be deemed to have also occurred if the person(s) who owns or has voting control of 51% or more of Tenant on the Effective Date of this Hangar Lease ceases to own or have voting control of 51% or more of Tenant at any time during the term of the Hangar Lease. From time to time as requested by Landlord, Tenant shall provide to Landlord, in a form acceptable to Landlord, a written certification as to the ownership of voting securities or voting control of subtenant. For the 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 the provisions of Paragraph 5 pertaining to the use of the Premises. In the event of any Landlord-approved assignment or subletting, Tenant shall not assign this Lease or sublet the 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 Hangar Lease. No such assignment or subletting shall constitute a novation. In the event of the occurrence of an event of default while the 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. Landlord's consent to any assignment or subletting will not waive its rights or remedies, and it will not stop Landlord from exercising its rights or remedies, with respect to any other actual or proposed assignment or subletting, and Landlord's consent to any assignment or subletting will not relieve Tenant or any guarantor of Tenant hereunder of any liability to Landlord under this Lease or otherwise.

B. Notwithstanding the foregoing, Landlord hereby acknowledges and consents to Tenant's subletting of the Premises for the purpose of renting hangar space for aircraft storage only, provided that each sublease is (i) made available for Landlord's review and inspection during Tenant's normal business hours upon Landlord's written request,

and (ii) evidenced by written agreement, signed, and executed by Tenant and the subtenant, and has incorporated therein and fairly states that:

1. each subtenant agrees to be bound by the terms and provisions of this Hangar Lease, including the provisions of Paragraph 5 pertaining to the use of the Premises. In the event of any conflict between the terms of this Hangar Lease and the terms of the sublease, the terms of the Hangar Lease shall control;
2. no such subletting shall constitute a novation.
3. in the event of occurrence of an event of default while the Premises are 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 subtenant all rents becoming due under such subletting and apply such rent against any sums due to Landlord under this Lease;
4. subtenant shall be obligated to obtain Landlord's consent to any action as to which Tenant is obligated to obtain such consent under this Hangar Lease;
5. any such sublease is to automatically terminate upon termination of this Hangar Lease notwithstanding any other provision of the sublease to the contrary;
6. Landlord shall have no responsibility or obligation for the performance by subtenant of its obligations under the sublease; and
7. neither this consent, the exercise by Landlord of its rights and/or remedies hereunder, nor the sublease or any other instrument shall give subtenant 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 subtenant.

Further, Tenant agrees that in no way does any sublease release Tenant from any of its covenants, agreements, liabilities and duties under this Hangar 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 this Hangar Lease; that Tenant shall remain fully liable for the performance of each and every term, provision, covenant, duty and obligation of the Tenant under this Hangar Lease including, without limitation, the duty to make any and all payments of Rent. Any violation of any terms and conditions of this Hangar Lease by a subtenant will constitute a default by Tenant under this Hangar Lease.

Upon Landlord's written request, Tenant shall provide to Landlord the names and addresses of any subtenants, and the make, model, aircraft type and "N" number of any aircraft stored or located on or in the Premises by Tenant or any subtenant.

8. 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, levied or assessed on: (i) all improvements, fixtures, equipment or personal property comprising a part of or located upon the Premises; and (ii), the leasehold estate of Tenant created hereby (hereinafter referred to as "Tenant's Taxes"). Upon the request of Landlord, Tenant shall, from time to time, furnish to Landlord "paid receipts" or other written evidence that all of Tenant's Taxes have been paid by Tenant. If any of Tenant's Taxes are included in tax notices and, or statements delivered to Landlord, Tenant has the right to legally protest or appeal, as provided for by Law, any tax levy or assessment of Tenant's Taxes provided Landlord has not already filed or does not intend to file such protest or appeal of (i) the appropriateness of such tax and, or (ii) the taxable value as assessed by the respective taxing authority. If any of Tenant's Taxes are included in tax statements delivered to Landlord, Tenant shall pay to Landlord that portion representing Tenant's Taxes within ten (10) days after Tenant's receipt of an invoice from Landlord accompanied by evidence of Landlord's computation of the portion thereof representing Tenant's Taxes. In the event Tenant fails to pay any Tenant's Taxes, Landlord shall have the right (but not the obligation) to pay or cause to be paid such Tenant's Taxes, and the costs thereof expended by or caused to be expended by Landlord plus interest thereon as provided in Paragraph 39 of this Lease shall be paid by Tenant on demand.

9. Maintenance and Repair of Premises:

A. Landlord shall, throughout the term hereof, except as otherwise expressly provided in this Lease and so long as Tenant is not in default of this Agreement beyond any applicable cure period, be responsible for those areas, items

and matters identified in the "Landlord" column as set forth in Exhibit E, Maintenance and Repair Responsibilities, to this Agreement, which Exhibit is attached hereto and incorporated herein by reference. Landlord shall not be responsible for Tenant's or any third party's equipment, fixtures, or personal property comprising a part of or located upon the Premises.

B. Except as provided by subparagraph A. of this Paragraph 9, Tenant shall, to the Landlord's satisfaction, maintain the Premises in good order, condition and repair throughout the term of this Lease including, but not limited to, those areas, items and matters identified under the "Tenant" column set forth in the attached Exhibit E to this Agreement. Tenant shall be responsible for any alterations, additions or improvements made by Tenant to the Premises and/or any improvements thereon or therein. Tenant shall, throughout the term hereof, be responsible for all consumable supplies and repair of plumbing and water damage caused as a result of Tenant's failure to reasonably protect water pipes from freezing temperatures or misuse by Tenant or by Tenant's owners, employees, agents, contractors, guests or invitees. Tenant shall be responsible for keeping the Premises free from waste and nuisance and shall, upon the expiration of the Lease Term, or any earlier termination of this Lease or any repossession of the Premises by Landlord, deliver the Premises clean and free of trash and in good condition and repair, with all fixtures and equipment situated in or upon the Premises in the same condition as same existed on the Commencement Date, with reasonable wear and tear excepted.

C. Notwithstanding anything in this Lease to the contrary, Tenant shall bear the risk of complying with the Americans with Disabilities Act of 1990, any other federal or any state laws governing access to the disabled, or architectural barriers, and all rules, regulations, and guidelines promulgated under such Laws, as amended from time to time, in or pertaining to the Premises.

D. In the event Tenant fails to so maintain or repair the Premises and/or the improvements, fixtures, equipment and personal property comprising a part of or located upon the Premises, and/or otherwise fails to comply with any of the provisions of subparagraph B. or D. of this Paragraph or any other provision of this Lease requiring Tenant to maintain or repair the Premises or keep them in a particular condition, Landlord shall have the right (but not the obligation) to cause all such repairs or other maintenance or work to be made, and the reasonable costs therefor expended by Landlord plus interest thereon as provided in Paragraph 39 shall be paid by Tenant to Landlord on demand.

E. If Tenant handles or stores flammable materials on the Premises, Tenant agrees to maintain proper safeguards with respect thereto and to comply with all requirements of Landlord's and Tenant's insurance companies and/or governmental authorities with respect to the storage, use and disposal of such materials, and with all applicable Laws.

10. Alterations, Additions, and Building Improvements:

A. Tenant shall not create any openings in the roof or exterior or load bearing walls, or make any alterations, additions, or improvements to the Premises, without the prior written consent of Landlord. Landlord shall not unreasonably withhold its consent for non-structural alterations, additions, or improvements. Tenant shall have the right to erect or install shelves, bins, machinery, and trade fixtures, provided Tenant complies with all applicable Laws in connection therewith. All alterations, additions, and improvements in and to the Premises shall be performed in accordance with the terms and provisions of this Lease, with all Laws, and 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.

B. Notwithstanding the foregoing, Tenant intends to construct or cause to construct certain building improvements to the Premises at Tenant's sole cost, expense and risk as provided for in Lease Addendum #1 attached hereto and incorporated herein by reference ("New Building Improvements"). For the purpose herein, the term "Building Improvements" shall mean, without limitation the Existing Building Improvements as defined in the Preamble of this Lease as of the Effective Date, the New Building Improvements as defined in Lease Addendum #1 and, any other Future Building and Other Improvements made to the Premises as defined in Lease Addendum #1.

11. Insurance:

A. Tenant shall procure and maintain throughout the Term, without interruption, a policy or policies of insurance, at Tenant's sole cost and expense, to meet or exceed the insurance requirements specified in the then prevailing Addison Airport Minimum Standards and Requirements for Commercial Aeronautical Service Providers (the "Airport

Minimum Standards") which may be amended or modified by the City from time to time. At any time over the Term the Airport Minimum Standards are either suspended, repealed or otherwise modified to the extent Tenant's use and occupancy of the Premises no longer require such insurance policies under the Airport Minimum Standards, Tenant shall procure and maintain throughout the Term, without interruption, the following insurance policies:

1. Commercial General Liability insurance against claims for bodily injury, death or property damage or destruction occurring on, in or about the Premises, with limits of liability of not less than \$1,000,000 for each occurrence, CSL/\$1,000,000 general aggregate. Coverage shall include blanket contractual liability for liability assumed under this Lease.

2. Workers Compensation insurance and employer's liability with limits of liability of not less than \$1,000,000.

3. Hangar keepers Legal Liability insurance at limits of \$1,000,000 per occurrence is required if Tenant is engaged in maintenance, repair or servicing of aircraft belonging to any 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.

4. Aircraft Liability insurance for all Tenant-owned or operated aircraft with a minimum bodily injury and property damage per occurrence limit of \$1,000,000 and \$1,000,000 for personal and advertising injury.

B. All insurance policies required under this Paragraph 11 shall be endorsed to provide the following, as applicable: (i) in all liability policies, name as additional insureds the Town of Addison, Texas, and its respective officials, officers, agents, and employees; (ii) in all liability policies, provide that such policies are primary insurance regardless of the application of any other insurance available to the additional insureds, with respect to any claims arising out of activities conducted under this Lease, and that insurance applies separately to each insured against whom a claim is made or suit is brought; and (iii) a waiver of subrogation in favor of the Town of Addison, Texas, and its respective officials, officers, agents, and employees, must be included in all liability and Workers Compensation policies. All such policies shall be issued by an insurance company authorized to do business in Texas and in the standard form approved by the Texas Department of Insurance, if required, and shall be endorsed to provide for at least 30 days' advance written notice to Landlord of a material change in, non-renewal, or cancellation of a policy. Certificates of insurance, satisfactory to Landlord, evidencing all coverage above, shall be furnished to Landlord prior to the Commencement Date, with complete copies of policies furnished to the Landlord upon request. Landlord reserves the right to review and revise from time to time the types of insurance and limits of liability required herein.

12. Casualty Damage or Destruction:

A. In case of any damage to or destruction of the Building Improvements, including but not limited to structures, fixtures and equipment, or any other improvements, on or at the Premises, or any part thereof caused by fire, tornado, wind/hail or any other such casualty, Tenant shall promptly give written notice thereof to Landlord, generally describing the nature and extent of such damage and/or destruction (the "Casualty Event").

B. In the event of damage to or destruction of the Building Improvements (excluding Tenant's fixtures, furniture, equipment, personal property and leasehold improvements made by or on behalf of Tenant or any assignee, subtenant or other occupant of the Premises) caused by a Casualty Event preventing normal services and access to the Premises, this Lease shall not terminate, Landlord, after receipt of written notice thereof from Tenant, shall undertake to make repairs and restorations with reasonable diligence, unless this Lease has been terminated by Landlord or Tenant as hereinafter provided.

C. If (i) in Landlord's sole judgment, the damage is of such nature or extent that more than one hundred and eighty (180) days would be required (with normal work crews and normal work hours) to repair and restore the Premises or the Building, as the case may be; or (ii) the casualty insurance proceeds awarded to Landlord fail to be of an amount sufficient to cover the cost of such repairs and restorations; or (iii) in Landlord's sole judgment, the damage is of such nature or extent that it is uneconomical to repair and restore the Premises or the Building, as the case may be; or (iv) less than one (1) year then remains on the current Lease Term, Landlord shall so advise Tenant within sixty

(60) days after the Casualty Event ("Landlord's Notice of Casualty"), and either party shall have ten (10) Business Days after receipt of Landlord's delivery of Landlord's Notice of Casualty to terminate this Lease by written notice to the other. If either party elects to terminate this Lease in the case described in clauses (i) thru (iv) above, then the Lease Term shall expire ten (10) days after such notice is given, and Tenant shall vacate the Premises and surrender the same to Landlord in accordance with the terms of this Lease. Any unearned Rent, if any, shall be refunded to Tenant.

D. If Landlord elects to repair and restore only a portion of the Building Improvements damaged by the Casualty Event, Landlord shall give Tenant written notice of such election within sixty (60) days following Tenant's notice of Casualty Event with Rent adjusted pursuant to sub-paragraph E below ("Landlord's Notice of Partial Restoration"). Tenant shall have ten (10) days after receipt of Landlord's Notice of Partial Restoration to either (i) accept in writing the remainder of the Lease with its adjusted Rent, or (ii) give written notice to Landlord of its election to terminate the Lease, which in such case Tenant shall vacate the Premises and surrender same to Landlord in accordance with the terms of this Lease by no later than the last day of the calendar month following Landlord's Notice of Partial Restoration.

E. If Landlord elects to rebuild or repair the Premises and the Premises are untenantable in whole or in part following such destruction or damage, during the period of such rebuilding or repair the Rent payable hereunder shall be equitably adjusted for that period during which the Premises are untenantable. However, if the destruction or damage was caused by the negligence, gross negligence, or willful or wanton act or omission of Tenant, or any of Tenant's officers, employees, agents, subtenants, licensees, contractors, subcontractors, or invitees, or any other person for whom Tenant is responsible, Rent shall not be abated and Tenant shall have the continuing obligation to pay Rent during the period of such rebuilding or repair.

F. If Landlord elects to rebuild or repair the Premises (the hangar building or structure) as set forth above, Tenant shall, immediately upon notice from Landlord, remove from the Premises its equipment and property as reasonably required by Landlord to complete such rebuilding or repair. Upon the completion of such rebuilding or repair, Tenant shall restore the Premises and Tenant's property and promptly reopen for business. Tenant shall use the proceeds from Tenant's insurance policies for restoration of improvements made by Tenant to the Premises, for restoration and/or replacement of Tenant's equipment, trade fixtures, and inventory, and to cover any business interruption loss.

G. Landlord's election to pay for the cost of the repair or rebuilding of the Premises (the hangar building or structure) or any part thereof may, at Landlord's option, not extend beyond or exceed the proceeds of any casualty or property damage insurance payable and actually collected in connection with such damage or destruction. All insurance proceeds, if any, payable on account of such damage or destruction shall be held and retained by Landlord (whether or not such repair or rebuilding occurs, or this Lease terminates).

13. Condemnation:

A. If, during the term hereof, any part of the Premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, or is sold to a condemning authority under threat of condemnation, and after such taking by or sale to said condemning authority the remainder of the Premises is not susceptible to efficient and economic occupation and operation by Tenant, this Lease shall automatically terminate as of the date said condemning authority takes possession of the 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 Premises is susceptible to efficient and economic occupation and operation by Tenant, this Lease shall not terminate but the Base Rent 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 Base Rent installment due hereunder (as adjusted from time to time pursuant to Paragraph 4, above) by a fraction, the numerator of which shall be the number of square feet remaining in the Premises after the taking by or sale to said condemning authority and the denominator of which shall be the square footage originally contained in the Premises. The Base Rent adjustment called for herein shall either not commence or be suspended until said condemning authority actually takes possession of the condemned portion of the Premises. All other terms and provisions shall remain unchanged unless otherwise provided for herein.

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C. Landlord shall receive the entire award or payment from any condemnation and Tenant shall have no claim to that award or for the value to Landlord of any unexpired term of this Lease; provided, however, that Tenant shall have the right to appear in any condemnation proceeding or action to negotiate, prosecute and adjust any claim attributable to loss or damage to Tenant's trade fixtures and removable personal property, removal or relocation costs, and any loss to Tenant resulting from the unexpired portion of the Lease Term. If this Lease is not terminated pursuant to subparagraph A of this Paragraph, Landlord shall repair damage to the Premises caused by the condemnation (excluding Tenant's fixtures, furniture, equipment, personal property and leasehold improvements made by or on behalf of Tenant or any permitted assignee, subtenant or other occupant of the Premises), except that (i) Landlord shall not be obligated to repair any damage for which Tenant has been reimbursed by the condemning authority; and (ii) if the condemnation damages or payments received by Landlord are not sufficient to pay for such repair, Landlord shall have the right to terminate this Lease.

14. Utilities:

Except as provided to the contrary below, Tenant shall be responsible, at Tenant's sole cost and expense, for obtaining all utility connections at or for the Premises and Tenant shall pay all charges for water, electricity, gas, sewer, telephone or any other utility connections, impact fees, tap-in fees and services furnished to the Premises during the term hereof. Tenant agrees to contact all utility service providers prior to any excavation or digging on the Premises or the premises in and around the Premises.

A. Notwithstanding the foregoing, Landlord and Tenant hereby acknowledge and agree to the terms and conditions contained in Exhibit D – Utility Expense Reimbursement Addendum attached hereto and incorporated herein by reference wherein it sets forth which utility services, if any, will be provided and paid for by the Landlord and subsequently reimbursed by Tenant upon demand.

B. If Tenant is the responsible party for obtaining any of the utility connections at or for the Premises, any access or alterations to the Premises or to the Airport necessary to obtain any of such utility connections may be made only with Landlord's prior consent and at Tenant's sole expense.

C. In the event Tenant fails to pay any utility or connection charges for which Tenant is responsible, Landlord shall have the right (but not the obligation) to pay or cause to be paid such charges, fees or expenses, incurred by Tenant and the costs thereof expended by or caused to be expended by Landlord plus interest thereon as provided in Paragraph 39 of this Lease shall be paid by Tenant upon written demand.

D. Prior to executing this Lease Tenant acknowledges that it has, at its sole costs and expense, determined that all necessary utilities are available to the Premises and are adequate for Tenant's intended commercial use, and that there are no other utility services needed or required by Tenant at the Premises in connection herewith.

E. Landlord shall in no event be liable or responsible for any cessation or interruption in any utility services to the Premises.

15. Common Facilities:

A. So long as Tenant is not in default hereunder beyond any applicable cure period, Tenant and Tenant's owners, 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 at the Airport for the accommodation and convenience of Landlord's customers and tenants, including landing and takeoff facilities, means of ingress and egress to the 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 ("Common Facilities"). All such Common Facilities shall at all times be under the exclusive control and management of Landlord and may be rearranged, modified, changed, restricted, closed, or terminated from time to time at Landlord's sole discretion.

B. **Airport Access Gates, Access Easements:** *(Intentionally Left Blank)*

16. Special Events:

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

17. Airport Governing Documents:

Landlord, in its sole and absolute discretion, shall have the right from time to time to adopt, amend, modify, alter, and terminate in a reasonable manner certain rules and regulations, standards of operations, policies, procedures and practices deemed necessary and appropriate for the purpose of assuring the safety, welfare, fairness and equality without unjust discrimination, convenience and protection of property of Landlord, Tenant, other tenants and users of the Airport, their customers, and the general public (herein collectively referred to as the "Airport Governing Documents.") Tenant hereby agrees to comply fully at all times with these Airport Governing Documents.

As of the Effective Date of this Lease such Airport Governing Documents include, without limitation:

1. Addison Airport Minimum Standards and Requirements for Commercial Aeronautical Service Providers vr. 2004 (also commonly referred to as the "Minimum Standards" or "Airport Minimum Standards"); and

2. *Addison Airport Rules and Regulations* vr. 2010 (also commonly referred to as the "Rules and Regulations" or "Airport Rules and Regulations"), which shall govern Tenant's use of the Premises and all Common Facilities of the Airport; and

3. *Addison Airport Rates and Charges* – a schedule of the current rates, fees and charges assessed by the Airport for various services and facilities, which are generally approved in connection with the Airport's annual budgetary process but may be amended from time to time as deemed reasonable and appropriate.

4. Landlord has also adopted the National Business Aviation Association (NBAA) Noise Abatement Program (<https://nbaa.org/aircraft-operations/environment/noise-abatement-program/>) revised in 2015. Unless Landlord adopts a noise abatement program of its own, Tenant and Tenant's subtenants and their aeronautical guest and invitees are required to comply with NBAA's recommended noise abatement procedures, which are suitable for any aircraft type and airport operating environment.

18. Signs and Equipment:

After first securing Landlord's approval, Tenant shall have the right from time to time to install signs depicting Tenant's name and to operate radio, communications, meteorological, aerial navigation and other equipment and facilities in or on the Premises that may be reasonably necessary for the operation of Tenant's business, provided such signs and equipment are installed and maintained in compliance with all applicable governmental Laws, and all changes to such Laws, including the Town of Addison's sign ordinance, with the Airport Minimum Standards and the Rules and

Regulations, with all provisions of this Lease, and do not interfere with the operation of any navigation facilities or Airport communications (including, without limitation, navigation facilities or Airport communications used or operated by the Federal Aviation Administration).

19. Landlord's Right of Entry:

Landlord and Landlord's authorized representatives shall have the right, during normal business hours, to enter the Premises: (i) to inspect the general condition and state of repair thereof, (ii) to make repairs permitted under this Lease, (iii) to show the Premises to any prospective tenant, purchaser, or lender, or (iv) for any other reasonable and lawful purpose. Landlord and Landlord's authorized representatives have the right to enter the Premises at any time in the event of an emergency pertaining to the Premises. 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 Premises customary signs advertising the Premises for lease.

20. 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.

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 dampness 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 PARAGRAPH 20 SHALL SURVIVE THE EXPIRATION OR TERMINATION OF THIS LEASE AGREEMENT.**

21. Environmental Compliance:

A. **No Storage or Disposal:** 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 or by any Tenant Persons) on the 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 and Recovery Act (42 U.S.C. §6901 et seq., as amended or superseded), the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. §9601 et seq., as amended or superseded), the Hazardous Materials Transportation Act (49 U.S.C. §5101 et seq., as amended or superseded), the Toxic Substances Control Act (15 U.S.C. §2601 et seq., as amended or superseded), the Clean Air Act (42 U.S.C. §7401 et seq., as amended or superseded), and/or the Clean Water Act (33 U.S.C. §1251 et seq., as amended or superseded) (and any regulations promulgated pursuant to the foregoing Laws), or any other federal, state, county, regional, local or other governmental Laws, or which, even if not so regulated may or could pose a hazard to the health and safety of the occupants of the 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 applicable Law; or (ii) in any manner which is prohibited or deemed unsafe under applicable Law. (The substances referred to in the foregoing (a), (b), (c) or (d) are collectively referred to hereinafter as "Hazardous Materials").

B. Cleanup Laws; Tenant's Indemnity Obligation:

1. Tenant shall, at Tenant's sole cost and expense, comply with any presently existing or hereafter enacted Laws (including all rules, standards, regulations, or policies relating to Hazardous Materials (collectively, "Cleanup Laws"). In furtherance and not in limitation of the foregoing, Tenant shall, at Tenant's sole cost and 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 Premises and/or any portion of the Common Facilities by (i) Tenant, or by (ii) 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/or their respective owners, directors, shareholders, partners, officers, managers, employees, agents, representatives, engineers, consultants, contractors, subcontractors, tenants, licensees, invitees, patrons, and concessionaires, or by (iii) any person acting by or under the authority or with the permission of Tenant, Tenant's tenants, or any other person entering the Premises under express or implied invitation of Tenant during the Term of this Lease, Tenant shall, at Tenant's own cost and 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 cost or 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 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.

2. **Tenant's Indemnity Obligation.** WITHOUT LIMITING ANY OTHER INDEMNITY, HOLD HARMLESS, AND DEFENSE OBLIGATION OF TENANT SET FORTH IN THIS LEASE, TENANT AGREES TO AND SHALL FULLY DEFEND (WITH COUNSEL REASONABLY ACCEPTABLE TO LANDLORD), INDEMNIFY, AND HOLD HARMLESS THE TOWN OF ADDISON, TEXAS AND ALL OTHER ADDISON PERSONS (AS THE TERM "ADDISON PERSONS" IS DEFINED IN SUBPARAGRAPH B OF PARAGRAPH 21, ABOVE), AND THE MANAGER PERSONS (AS THE TERM "MANAGER PERSONS" IS DEFINED IN SUBPARAGRAPH B OF PARAGRAPH 21, ABOVE), FROM AND AGAINST, AND REIMBURSE THE TOWN OF ADDISON, TEXAS, ALL OTHER ADDISON PERSONS, THE AIRPORT MANAGER AND ALL OTHER MANAGER PERSONS (AS THE CASE MAY BE) FOR, ANY AND ALL OBLIGATIONS, DAMAGES, INJUNCTIONS, FINES, PENALTIES, DEMANDS, CLAIMS, COSTS, FEES, CHARGES, EXPENSES, ACTIONS, CAUSES OF ACTION, JUDGMENTS, LIABILITIES, SUITS, PROCEEDINGS, HARM, AND LOSSES OF WHATEVER KIND OR NATURE (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES AND COURT COSTS), AND ALL CLEANUP OR REMOVAL COSTS AND ALL ACTIONS OF ANY KIND, MADE UPON, INCURRED BY, SUFFERED BY, OR ASSERTED AGAINST ANY ADDISON PERSON OR ANY MANAGER PERSON OR THE PREMISES, WHETHER DIRECTLY OR INDIRECTLY, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE INSTALLATION, STORAGE, USE, TREATMENT, TRANSPORTING, DISPOSAL OR DISCHARGE OF HAZARDOUS MATERIALS IN, ON, UNDER, ABOVE, OR TO THE PREMISES AND/OR ANY PORTION OF THE COMMON FACILITIES OR ANY PORTION OF THE AIRPORT OR ADJACENT PROPERTIES BY TENANT OR BY ANY TENANT PERSONS (AS THE TERM "TENANT PERSONS" IS DEFINED IN SUBPARAGRAPH B OF PARAGRAPH 21, ABOVE); AND FROM ALL FINES, PENALTIES, SUITS, JUDGMENTS, PROCEDURES, PROCEEDINGS, CLAIMS, ACTIONS, AND CAUSES OF ACTION OF ANY KIND WHATSOEVER ARISING OUT OF TENANT'S OR ANY OF TENANT PERSONS' FAILURE TO PROVIDE ALL INFORMATION, MAKE ALL SUBMISSIONS AND TAKE ALL STEPS REQUIRED BY THE AUTHORITY UNDER THE CLEANUP LAWS OR ANY OTHER LAW, RULES, REGULATION, STANDARD, ORDER, OR POLICY (ENVIRONMENTAL OR OTHERWISE). 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 PERSONS, THE AIRPORT MANAGER OR ANY OTHER MANAGER PERSONS, OR BY ANY ACT OR OMISSION OF OR BY THE TOWN OF ADDISON, TEXAS, ANY OTHER ADDISON PERSONS, THE AIRPORT MANAGER OR ANY OTHER MANAGER PERSONS THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND.

TENANT'S OBLIGATIONS AND LIABILITIES UNDER THIS SUBPARAGRAPH SHALL CONTINUE (AND SURVIVE THE TERMINATION OR EXPIRATION OF THIS LEASE) SO LONG AS THERE MAY BE HAZARDOUS MATERIALS AT THE PREMISES AND/OR ANY PORTION OF THE COMMON FACILITIES OR ANY PORTION OF THE AIRPORT OR ADJACENT PROPERTIES, THAT WERE INSTALLED, STORED, USED, TREATED, TRANSPORTED, DISPOSED OF OR DISCHARGED DURING THE LEASE TERM BY TENANT OR ANY OF TENANT PERSONS. IN ADDITION TO AND NOT IN LIMITATION OF LANDLORD'S OTHER RIGHTS AND REMEDIES, TENANT'S FAILURE TO ABIDE BY THE TERMS OF THIS PARAGRAPH 21 SHALL BE RESTRAINABLE BY INJUNCTION.

C. **Environmental Notices:** Tenant shall promptly supply Landlord and Airport Manager 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. **Survival:** Tenant's obligations and liability pursuant to the terms of this Paragraph 21 shall survive the expiration or earlier termination of this Lease.

22. Default by Tenant:

Each of the following shall be deemed to be an event of default by Tenant under this Lease:

A. Failure of Tenant to pay any installment of Rent, or to pay or cause to be paid taxes (to the extent Tenant is obligated to pay or cause same to be paid), utilities, insurance premiums, or any other sum payable to Landlord hereunder, on the date that same is due, and such failure shall continue thereafter for a period of ten (10) days (the "10-day Grace Period") and such failure shall not be cured within ten (10) days after written notice thereof (the "Cure Period") to Tenant (which Cure Period may overlap, in whole or in part, the 10 day Grace Period).

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) and such failure shall not be cured within thirty (30) days after written notice thereof to Tenant.

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

D. Tenant, or any guarantor of Tenant hereunder, (i) becomes or is declared insolvent according to any Law, (ii) makes a transfer in fraud of creditors according to any applicable Law, or (iii) assigns or conveys all or a substantial portion of its property for the benefit of creditors.

E. Tenant or any guarantor of Tenant hereunder, files a petition for relief, or is the subject of an order for relief, under the United States Bankruptcy Code, as amended, or any other present or future federal or state insolvency, bankruptcy or similar Laws (collectively "Applicable Bankruptcy Law").

F. Appointment of a receiver or trustee for Tenant (or any guarantor of Tenant hereunder) or Tenant's (or any such guarantor's) property; or the interest of Tenant (or any such guarantor) under this Lease is levied on under execution or under other legal process; or any involuntary petition is filed against Tenant (or any such guarantor) under Applicable Bankruptcy Law (provided, however, that no action described in this subparagraph F. or in subparagraphs D. or E. shall constitute a default by Tenant if Tenant (or any guarantor of Tenant hereunder) shall vigorously contest the action by appropriate proceedings and shall remove, vacate or terminate the action within sixty (60) days after the date of its inception.).

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

H. Tenant is in default of any other lease or agreement with, or any permit or license issued by, the Town of Addison, Texas.

23. Remedies of Landlord:

Upon the occurrence of any of the events of default listed in Paragraph 22, Landlord, without prejudice to any legal, equitable, or other (including contractual) right or remedy to which it may be entitled, shall have the option to pursue any one or more of the following remedies without notice or demand whatsoever (and using lawful force if necessary or appropriate after providing written notice thereof, if any is required):

A. Terminate this Lease or any of Tenant's rights under this Lease, with or without reentering or repossessing the Premises.

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

C. Recover unpaid rent and any Breach Damages (as "Breach Damages" are defined in this Paragraph 23, below).

D. Change or pick the locks, access codes, or other access control devices, and take any other self-help or judicial action to exclude Tenant and other occupants from the Premises.

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

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

G. Apply the Security Deposit in any manner permitted by this Lease, and/or increase the amount of the Security Deposit.

H. Cure Tenant's default, and if Landlord so elects, Tenant must reimburse Landlord within thirty (30) days after Landlord delivers an invoice for the cure amounts paid or to be paid plus any reasonable expenses Landlord incurred effecting compliance with Tenant's obligations.

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

J. Charge interest on any amount not paid when due through the date of its payment at the Default Interest Rate (as set forth in Paragraph 39).

K. Recover, but only if Tenant fails to pay Rent and Landlord terminates this Lease or Tenant's right of possession with more than twelve (12) months remaining in the Term of this Lease, liquidated rental damages for the period after any such termination equal to twelve (12) times the monthly Rent due at the time of termination in lieu of any other contractual or legal measure of damages (including re-letting costs) for Tenant's non-payment of Rent, and the parties agree this is a reasonable estimate of Landlord's damages for such a breach given the uncertainty of future market rental rates and of the duration of any vacancy.

L. Exercise all other remedies available to Landlord at Law, in equity, or otherwise (including, without limitation, injunctive relief and any other remedy available under applicable Law).

M. For purposes of this Paragraph 23, "Breach Damages" means and includes, without limitation, all actual, incidental, and consequential damages, court costs, interest, and attorneys' fees arising from Tenant's breach or default of this Lease, including, without limitation, the cost to or incurred by Landlord of (a) recovering possession of the Premises, (b) removing and storing the property of Tenant and any other occupant or user of the Premises, (c) re-letting of the Premises (including, without limitation, the costs of brokerage commissions and cleaning, decorating, repairing, or altering the Premises for a substitute tenant or tenants), (d) collecting any money owed by Tenant or a substitute tenant, (e) repairing any damage to the Premises caused by any Tenant or other occupant or user of the Premises, (f) performing any obligation of Tenant under this Lease, (g) any other loss or cost reasonably incurred by Landlord as a result of, or arising from, Tenant's breach of this Lease or Landlord's exercise of its rights and remedies for such breach, (h) any contractual or liquidated type or measure of damages, including but not limited to Rental Deficiency as such is defined below; and (i) any other type or measure of damages recoverable for any particular breach under applicable Law.

N. For purposes of this Paragraph 23, "Rental Deficiency" means a contractual measure of Breach Damages for Tenant's non-payment of Rent measured by either the (a) actual Rental Deficiency, which is the difference (never less than zero) between (i) the Rent due for, and other Rent allocable under this Lease to, each month beginning with the first month with respect to which Landlord receives Rent from re-letting the Premises, and (ii) the proceeds, if any, that Landlord actually collects from any substitute tenant for any part of the Premises in each corresponding month in which the Term and the term of the substitute tenant's lease overlap; or (b) market Rental Deficiency, which is the present

value, discounted at 6% simple annual interest, of the difference (never less than zero) between (i) the rent otherwise due under this Lease during any period after Tenant's breach in which Landlord may elect to recover this damage measure, and (ii) the fair rental value of the Premises during that period, plus any costs incurred in connection with any actual or attempted re-letting and any other Breach Damages.

In determining the market Rental Deficiency, the fair rental value will be the total rent that a comparable tenant would pay for comparable space in a building of substantially equivalent quality, size, condition, and location, considering rental rates and concessions then prevalent in the marketplace, the remaining lease term, the expected vacancy, and any other relevant factors. An independent MAI appraiser selected by Landlord will determine the fair rental value of the Premises, and that determination will conclusively bind the parties in any computation of the market Rental Deficiency.

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

P. Pursuit of any of the foregoing remedies or rights shall not preclude pursuit of any of the other remedies or rights herein provided or any other remedies or rights provided by Law, in equity, or otherwise; nor shall pursuit of any remedy or right 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. If any of Tenant's property ("Tenant Property") remains upon the Premises upon the expiration of the Lease term or any earlier termination of this Lease or any repossession of the Premises by Landlord because of Tenant's default under this Lease, Landlord shall have the right to remove such Tenant Property from the Premises and store such Tenant Property, and Tenant shall be obligated to reimburse Landlord for all of the costs incurred by Landlord in removing and storing such Tenant Property. Landlord shall not be required to release any Tenant Property to Tenant until Tenant has paid Landlord all costs incurred by Landlord in removing and storing such Tenant Property and all other amounts owed by Tenant to Landlord pursuant to this Lease, including, without limitation, unpaid rental and costs incurred by Landlord to repair the Premises.

24. Default by Landlord:

No default by Landlord hereunder shall constitute an eviction or disturbance of Tenant's use and possession of the Premises or render Landlord liable for damages, of any kind or nature, 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 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 the said thirty (30) day period, or within said the additional reasonable period of time, Tenant shall have the right, as its sole and exclusive remedy, to 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 Base Rent installment(s) due by Tenant to Landlord hereunder.

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.

The liability of Landlord (and all other Addison Persons and all Manager Persons) for any default by Landlord under this Lease shall be limited to an amount equal to twelve (12) months of Base Rent (the amount of such Base Rent being the amount in effect at the time of such default), and Landlord (and all other Addison Persons and all Manager Persons) shall not be otherwise or personally liable for any deficiency, claim, harm, loss, judgment, liability, or for any other matter whatsoever, and Tenant (for itself and all Tenant Persons) fully waives all other rights of recovery against

Landlord (and all other Addison Persons and all Manager Persons) and any assets of Landlord (and all other Addison Persons and all Manager Persons).

25. Mitigation of Damages:

A. Landlord and Tenant agree to the following criteria in connection with Landlord's mitigation of damages after a default by Tenant and abandonment of the Premises by Tenant under this Lease (such mitigation, being by means of marketing the Premises for lease, to commence not more than sixty (60) days after Tenant physically vacates the Premises and to continue until the Premises have been relet):

1. Landlord will have no obligation to solicit or entertain negotiations with any other prospective tenant of the Premises until and unless Landlord obtains full and complete possession of the Premises, including without limitation, the final and non-appealable legal right to relet the Premises free of any claim of Tenant.

2. Landlord will not be obligated to offer the Premises to a prospective tenant when other premises suitable for that prospective tenant's use are (or soon will be) available in any other premises located at Addison Airport.

3. Landlord will not have any obligation to lease the Premises for any rental less than the current rate then prevailing for similar space at Addison Airport (or if no similar space is available, the current fair market rental then prevailing for similar space in comparable buildings in the same market area as the Premises) nor shall Landlord be obligated to enter into a new lease under any terms or conditions that are unacceptable to Landlord.

4. Landlord will not be obligated to enter into any lease with any prospective tenant whose reputation is not acceptable to Landlord, in Landlord's sole judgment and opinion.

5. Landlord will not be obligated to enter into a lease with any prospective tenant: (i) which does not have, in Landlord's sole judgment and opinion, sufficient financial resources and operating experience to occupy and operate the Premises in a first-class manner and meet its financial obligations; or (ii) whose proposed use of the Premises is not a permitted use under the terms of this Lease.

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

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

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

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

26. 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 Premises, which loss or damage is covered by valid and collectible casualty, fire and extended coverage insurance policies, to the extent that such loss or damage is recoverable under such insurance policies. Such mutual waivers shall be in addition to, and not in limitation or derogation of, any other waiver or release contained in this Lease with respect to any loss of, or damage to, property of the parties hereto. Inasmuch as such mutual waivers will preclude the assignment of any aforesaid claim by way of subrogation or otherwise to an insurance company (or any other person), each party hereby agrees immediately to give to each insurance company which has issued to such party policies of casualty, 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.

27. Title to Improvements:

The Town of Addison, Texas, is the sole owner of the Premises. Any and all improvements made to the Premises by Tenant 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, equipment, or removable trade fixtures owned by Tenant from the Premises, but Tenant shall be required to repair any damage to the 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 made to the Premises by Tenant and restore the Premises to the condition in which the same existed on the Commencement 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. If Tenant fails or refuses to remove any or all of Tenant's personal property, equipment, and trade fixtures from the Premises on or before the date of the termination of this Lease, the items which Tenant has failed or refused to remove: (i) shall be considered abandoned by Tenant, (ii) shall become the property of Landlord, and (iii) may be disposed of by Landlord in any manner desired by Landlord in Landlord's unfettered discretion.

28. Mechanics' and Materialmen's Liens:

Tenant agrees to defend, indemnify and hold Landlord harmless of and from all liability arising out of the filing of any mechanics' or materialmen's liens against the Premises by reason of any act or omission of Tenant or anyone claiming BY, THROUGH, OR 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 40 as additional rent; provided, however, that Landlord shall not so satisfy such liens until thirty (30) days after written notification to Tenant of Landlord's intention to do so and Tenant's failure during such thirty (30) day period to bond such liens or escrow funds with appropriate parties to protect Landlord's interest in the Premises.

29. Title:

Tenant enters into this Lease and accepts the Premises subject to: (i) the Airport Minimum Standards and the Rules and Regulations as amended or modified from time to time; (ii) easements, rights-of-way, and other interests in or encumbrances on Property (whether or not recorded) that may affect the Premises; (iii) all Laws promulgated by any governmental authority having jurisdiction over the Premises, and (iv) all of the terms, conditions, and provisions of this Lease.

30. Quiet Enjoyment and Subordination:

Landlord represents that Tenant, upon Tenant's payment of the Rent and other payments herein required and provided for, and Tenant's performance of the terms, conditions, covenants and agreements herein contained, shall peaceably and quietly have, hold and enjoy the 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, or to any other matter affecting, the 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, ground or other lease ("ground lease"), or other lien now existing or hereafter placed on the Premises or to declare this Lease prior and superior to any mortgage,

ground lease, deed of trust or other lien now existing or hereafter placed on the Premises (and Tenant agrees upon demand to execute such further instruments subordinating this Lease as Landlord may request), provided such subordination shall be upon the express conditions that (i) this Lease shall be recognized by the mortgagee (or ground lessor or holder of such other lien or interest) and that all of the rights of Tenant shall remain in full force and effect during the full term of this Lease so long as Tenant attorns to the mortgagee, its successor and assigns (or ground lessor or holder of such other lien or interest, their successors and assigns) and pays timely all Rent and other payments due hereunder and performs all of the duties and obligations of Tenant under this Lease; and (ii) in the event of foreclosure or any enforcement of any such mortgage, deed of trust, ground lease, or other lien, 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 under this Lease and attorn to the mortgagee, its successor and assigns (or ground lessor or holder of such other lien or interest, their successors and assigns). Tenant also agrees upon demand to execute further instruments declaring this Lease prior and superior to any mortgage, deed of trust, ground lease, or other lien and specifically providing that this Lease shall survive any foreclosure of such mortgage, deed of trust or other lien, or action to terminate a ground lease affecting the Premises. Upon any foreclosure of any mortgage, deed of trust or other lien now existing or hereafter placed on the Premises (or any sale in lieu thereof), or upon termination of a ground lease affecting the Premises, Tenant agrees to attorn to and recognize as landlord hereunder, the purchaser of Landlord's interest in the Premises at any foreclosure sale (or sale in lieu thereof) pursuant to any such mortgage, deed of trust or other lien, or the ground lessor (in the event of termination of a ground lease), if Tenant is required to do so by the applicable party (and Tenant agrees to execute an instrument to that effect as may be provided by such applicable party).

31. Access and Egress:

Landlord reserves, and Tenant hereby grants to Landlord, the full and unrestricted access to and egress from that portion of the Premises on which buildings or improvements are not located for Landlord, its tenants, employees, guests, patrons, invitees, contractors, suppliers of materials, furnishers of services, its or their equipment, vehicles, machinery and other property, and Manager, its officers, employees and agents, without charge to Landlord or to said persons or entities.

32. Rent on Net Return Basis:

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 Premises including, without limitation, maintenance, repairs, replacement, insurance, taxes and assessments, and this Lease shall be construed in accordance with such intention.

33. Holding Over:

Should Tenant, or any of Tenant's successors in interest fail to surrender the Premises, or any part thereof, on the expiration of the term of this Lease, such holding over shall constitute a tenancy from month to month only terminable at any time by either Landlord or Tenant after thirty (30) days' prior written notice to the other, at a monthly rental equal to one hundred fifty percent (150%) of the Base Rent paid for the last month of the Term of this Lease.

34. Waiver of Default:

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

35. Release of Landlord Upon Transfer:

All of Landlord's personal liability for the performance of the terms and provisions of this Lease (except for any liability accruing prior to such transfer) shall terminate upon a transfer of the 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 Premises.

36. 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.

37. Financial Information:

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

38. Estoppel Certificates:

A. Tenant agrees that from time to time, upon not less than thirty (30) days' prior written request by Landlord, Tenant will deliver to Landlord a statement in writing certifying: (i) that 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); (ii) the dates to which rent and other charges have been paid; (iii) Landlord is not in default under any term or provision of this Lease or, if then in default, the nature thereof in detail in accordance with an exhibit attached thereto; (iv) that, if requested by Landlord, Tenant will not pay Rent more than one (1) month in advance, (v) that this Lease will not be amended without notice to Landlord's mortgagee (or such other person as Landlord may identify), and (vi) that this Lease will not be terminated by Tenant without the same notice required by this Lease to be furnished by Tenant to Landlord also being furnished by Tenant to Landlord's mortgagee (or such other person as Landlord may identify), and Landlord's mortgagee (or such other person as Landlord may identify) shall have the same opportunity to cure such default within the curative period as allowed Landlord under this Lease; and (vii) any other information pertaining to Landlord, Tenant, this Lease or the Premises reasonably requested by Landlord.

B. Landlord agrees that from time to time, upon not less than thirty (30) days' prior written request by Tenant, Landlord will deliver to Tenant a statement in writing certifying: (i) that 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); (ii) the dates to which Rent and other charges have been paid; and/or (iii) 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.

39. Interest on Tenant's Obligations and Manner of Payment:

All monetary obligations of Tenant to Landlord under this Lease remaining unpaid ten (10) days after the due date of the same (if no due date has been established under other provisions hereof, the "due date" shall be the date upon which Landlord demands payment from Tenant in writing) shall bear interest per annum at the lesser of ten percent (10%) or the highest non-usurious rate then allowed by Law (the "Default Interest Rate"), 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 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.

40. Landlord's Lien:

In addition to the constitutional and statutory Landlord's liens, Tenant hereby grants to Landlord a security interest to secure payment of all rent due hereunder from Tenant, upon all goods, wares, equipment, fixtures, furniture and other personal property owned by Tenant and situated in or upon the Premises, together with the proceeds from the sale or lease thereof.

Such property shall not be removed without the consent of Landlord until all arrearages in rent then due to Landlord hereunder shall have been paid and discharged. Upon Tenant's failure to pay rent due within ten (10) days after the due date, Landlord may, in addition to any other remedies provided herein or by Law, enter upon the Premises and take possession of any and all goods, wares, equipment, fixtures, furniture and other personal property owned by Tenant and situated on the Premises without liability for trespass or conversion, and sell the same at public or private sale with or without having such property at the sale, after giving Tenant reasonable notice of the time and place of any such sale. Landlord has no right to and has no security interest in and may not take possession of any property which may be situated on the Premises but which is not owned by Tenant, including but not limited to property which may be owned by another and leased and/or loaned to Tenant. Unless otherwise required by Law, notice to Tenant of such sale shall be deemed sufficient if given in the manner prescribed in this Lease at least thirty (30) days before the time of the sale. Any public sale made under this Paragraph shall be deemed to have been conducted in a commercially reasonable manner if held in the Premises or where the property is located, after the time, place and method of sale and a general description of the types of property to be sold have been advertised in a daily newspaper published in Dallas County, Texas, for five (5) consecutive days before the date of the sale. Landlord or Landlord's assigns may purchase at a public sale and, unless prohibited by Law, at a private sale. The proceeds from any disposition dealt with in this paragraph, less any and all expenses connected with the taking of possession, holding and selling of the property including reasonable attorneys' fees and legal expenses), shall be applied as a credit against the indebtedness secured by the security interest granted herein. Any surplus shall be paid to Tenant or as otherwise required by Law, and Tenant shall pay any deficiency forthwith.

Upon request by Landlord, Tenant agrees to execute, as debtor, and deliver to Landlord financing statements in form sufficient as may be necessary to perfect the security interest of Landlord in the aforementioned property and proceeds thereof under the provisions of the Texas Business and Commerce Code. Landlord may at its election at any time file in the appropriate County records a copy of this Lease as a Financing Statement. Landlord, as Secured Party, has all of the rights and remedies afforded a secured party under the Texas Uniform Commercial Code in addition to and cumulative of the landlord's liens and rights provided by Law or by the other terms and provisions of this Lease. The constitutional and statutory liens for rent are expressly reserved; the security interest herein granted is in addition and supplementary thereto.

41. Corporate Execution:

If Tenant is a corporation or if this Lease shall be assigned by Tenant to a corporation or if Tenant sublets all or a portion of the Premises to a corporation, such corporation hereby agrees to execute and deliver to Landlord from time to time during the Term of this Lease such instruments as Landlord may reasonably request to evidence: (i) the authority of such corporation to transact business good standing with the State of Texas; and (ii) the authority of the officers of such corporation to execute this Lease or other documents in connection with this Lease.

42. Joint and Several Liability:

If more than one person or entity is defined as Tenant in this Lease, all of the duties, obligations, promises, covenants and agreements contained in this Lease to be paid and performed by Tenant shall be the joint and several obligations of all persons or entities defined as Tenant. Each person or entity defined as Tenant agrees that Landlord, in Landlord's sole discretion, may: (i) institute or bring suit against them, jointly and severally, or against any one or more of them; (ii) compromise or settle with any one or more of them for such consideration as Landlord may deem proper; and (iii) release one or more of them from liability hereunder, and that no such action by Landlord shall impair or affect Landlord's rights to collect costs, expenses, losses or damages incurred or suffered by Landlord from the other persons or entities defined as Tenant, or any of them, not so sued, compromised, settled with or released.

43. Independent Contractor:

It is understood and agreed that in leasing, occupying, and operating the Premises, Tenant is acting as an independent contractor and is not acting as agent, partner, joint venturer or employee of Landlord or Airport Manager.

44. Force Majeure:

A. In the event performance by Landlord of any term, condition or covenant in this Lease is delayed or prevented by an Act of God, strike, lockout, shortage of material or labor, restriction by any governmental authority, quarantine or mandatory closure order enacted in response to a pandemic or other public health crises, civil riot, flood,

or any other cause not within the control of Landlord, the period for performance of such term, condition or covenant shall be extended for a period equal to the period Landlord is so delayed or hindered.

B. In the event performance by Tenant of any term, condition or covenant in this Lease is delayed or prevented by an Act of God, strike, lockout, shortage of material or labor, restriction by any governmental authority, quarantine or mandatory closure order enacted in response to a pandemic or other public health crises, civil riot, flood, or any other cause not within the control of Tenant, the period for performance of such term, condition or covenant shall be extended for a period equal to the period Tenant is so delayed or hindered, provided, that Tenant (i) shall give prompt notice to Landlord of the prevention of performance as soon as the asserting party is reasonably aware of such prevention, and (ii) has the burden of demonstrating: (1) how and why its performance was so prevented, (2) the period of time during which it was prevented from performing (which under the facts may be equal to, or shorter or longer than, the duration of the Force Majeure event itself), and (3) that it used commercially reasonable efforts to mitigate and/or eliminate such prevention and resumed performance under this Lease as soon as reasonably practicable.

45. 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.

46. Use of Language; Landlord Consent:

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. For purposes of this Lease, "includes" and "including" are terms of enlargement and not of limitation or exclusive enumeration and use of the terms does not create a presumption that components not expressed are excluded.

The terms "day", "week", "month", "year" or any plural form of said terms shall be construed to mean on a calendar basis unless expressly stated otherwise. For the purposes herein, the term "business day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of Texas are authorized or required by law or other governmental action to close.

Where Landlord consent or approval is required in this Lease, such consent or approval may be given by the City Council of the Town of Addison, Texas or by the City Manager of the Town of Addison or their authorized designee.

47. 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.

48. Successors; No Third-Party Beneficiaries; No Waiver of Immunity; No Tax Representation:

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

Except as otherwise set forth in this Lease, this Lease and all of its provisions are solely for the benefit of the parties hereto and do not and are not intended to create or grant any rights, contractual or otherwise, to any third person or entity.

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

Notwithstanding any provision of this Lease, Landlord makes no representation that this Lease or any provision hereof will entitle or allow Tenant to receive any federal, state, county or local tax benefit, ad valorem or otherwise, whatsoever.

49. Severability:

The terms and provisions of this Lease are severable, and if any term or 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, and the invalid or unenforceable term or provision will be reformed to give effect (to the fullest extent possible) to the parties' intentions in a manner that is legal, valid, and enforceable. It is the parties' intent that the term of this Lease does not exceed any statutory limit; if it should be determined that the term of this Lease exceeds such period of time, the term hereof shall be reformed so as to make the term hereof not exceed such period of time.

50. Notices and Execution:

All notices under this Agreement shall be in writing and shall be deemed to be delivered, whether received or not, when (a) delivered in person; (b) deposited in the United States mail, postage paid, registered, or certified mail, (return receipt requested optional by the sender), addressed to the parties at the addresses indicated below or at such address as may have theretofore been specified by written notice delivered in accordance with this Section 50; or (c) sent by e-mail, with delivery being the next business day. If sent by e-mail, a confirmation-of-delivery receipt or report reflecting the time that the e-mail was delivered to the recipient's last notified e-mail address is prima facie evidence of receipt by the recipient, unless the sender receives a delivery failure notification indicating that the e-mail has not been delivered to the recipient.

TO LANDLORD:

Town of Addison, Texas
c/o Airport Manager
4545 Jimmy Doolittle Drive, Suite 200
Addison, Texas 75001
Attn: Asst. Director – Real Estate

and

Town of Addison, Texas
P.O. Box 9010
5300 Beltline Road
Dallas, TX 75001-9010

TO TENANT:

StoneDome Real Estate, LLC
c/o StoneDome Holdings, LLC
901 Quail Creek Court
Southlake, Texas 76092
Attn: Donald H. Stone, Manager

and

The Mahon Firm
141 Countryside Court, Suite 100
Southlake, TX 76092
Attn: StoneDome Real Estate, LLC

51. 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 THE TENANT AGREES TO INDEMNIFY AND HOLD THE CITY AND/LANDLORD HARMLESS FROM THE PAYMENT OF ANY SUCH FEES OR COMMISSIONS.**

52. 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.

53. Governing Law and Venue:

A. This Lease and all of the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Texas, without regard to "choice of laws" rules of any jurisdiction. Any and all

suits, actions or legal proceedings relating to this Agreement shall be maintained in the state or federal courts of Dallas County, Texas, which courts shall have exclusive jurisdiction for such purpose. Each of the parties submits to the exclusive jurisdiction of such courts for purposes of any such suit, action, or legal proceeding hereunder, and waives any objection or claim that any such suit, action, or legal proceeding has been brought in an inconvenient forum or that the venue of that suit, action, or legal proceeding is improper.

B. Any rights and remedies either party may have with respect to the other arising out of the performance of or failure to perform this Lease during the term hereof shall survive the cancellation, expiration or termination of this Lease. **NOTWITHSTANDING ANYTHING TO THE CONTRARY, THE PARTIES OBLIGATIONS AND LIABILITIES PURSUANT TO SECTIONS 20, 21, 30, EXHIBIT D, AND LEASE ADDENDUM #1 SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS LEASE AS DEEMED NECESSARY FOR THE ENFORCEMENT OF THE PARTIES RIGHTS AND OBLIGATIONS THEREUNDER.**

54. No Recording:

Tenant agrees that Tenant will not record this Lease in the real property records of Dallas County, Texas, without first securing the prior written consent of Landlord, which may be withheld at Landlord's sole discretion. However, Tenant agrees upon the written request of Landlord to execute, acknowledge and deliver to Landlord a short form lease in recordable form.

55. Diagram:

The diagram of the Premises attached hereto as Exhibit C merely evidences existing or contemplated improvements. By attaching such diagram as an exhibit to this Lease, Landlord is in no way contracting or bound to maintain or construct improvements exactly as shown thereon or prohibited from making additional or different improvements.

56. Time of Essence:

Time is of the essence in the payment and performance of the duties and obligations imposed upon Tenant by the terms and conditions of this Lease.

57. Special Conditions:

- A. Refer to Lease Addendum #1
- B. Refer to Lease Addendum #2

58. 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 Lease 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.

59. Entire Agreement and Amendments:

This Lease, consisting of 59 Paragraphs together with Exhibits A through G, Lease Addendum #1, Lease Addendum #2, and Lease Addendum #3 attached hereto and made a part hereof, together with the premises and recitals to this Lease set forth above which are incorporated herein, and any other documents incorporated herein (including, without limitation, the Rules and Regulations), embodies the entire agreement between Landlord and Tenant and supersedes all prior agreements and understandings, whether written or oral, and all contemporaneous oral agreements and understandings relating to the subject matter hereof. Except as otherwise specifically provided herein, no agreement hereafter made shall be effective to change, modify, discharge or effect an abandonment of this Lease, in whole or in part, unless such agreement is in writing and signed by or on behalf of the party against whom enforcement of the change, modification, discharge or abandonment is sought.

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

TENANT:

StoneDome Real Estate, LLC
a Texas limited liability company

By: StoneDome Holdings, LLC,
a Texas limited liability company,
its sole member

DocuSigned by:
Don Stone
By: _____
Donald H. Stone, Manager

LANDLORD:

Town of Addison, Texas
a home-rule municipality

By: _____
City Manager, Town of Addison

Printed Name: _____

EXHIBIT A

Legal Description of the Premises

DESCRIPTION

BEING a tract of land situated in the William Lomax Survey, Abstract No. 792, Dallas County, Texas, also being located on Addison Municipal Airport, Addison, Texas, and being more particularly described as follows:

COMMENCING at the intersection of the South right of way line of Westgrove Road and the West right of way line of Addison Road;

THENCE, West along the South right of way line of Westgrove Road a distance of 759.59 ft. to a point in the West right of way of Claire Chennault (60-ft. ROW);

THENCE, S 0°07'20" E, along the said West right of way a distance of 261.58 ft. to a point on a curve to the right; said curve having a central angle of 43°37'02", a radius of 70.0 ft., a chord bearing S 21°41'11" E, 52.01 ft. and an arc length of 53.28 ft.;

THENCE, S 43°29'42" W, along the right of way of Claire Chennault a distance of 260.50 ft. to the Point Of Beginning;

CONTINUE, THENCE, S 43°29'42" W, a distance of 220.0 ft. to a point;

THENCE, N 46°50'17" W, a distance of 191.95 ft.;

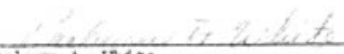
THENCE, N 43°22'26" E, a distance of 180.00 ft.;

~~THENCE, N 46°37'34" W, a distance of 40.00 ft.;~~

THENCE, N 43°22'26" E, a distance of 41.2 ft.;

THENCE, S 46°30'18" E, a distance of 232.41 ft. to the Point Of Beginning containing 1.011 Acres of land (44033.3 s.f.), more or less.

I HEREBY CERTIFY that this survey was made on the ground, that this plat correctly represents the facts found at the time of the survey, and that this professional service conforms to the current Texas Surveyors Association Standards and Specifications.



Raeburn A. White
Registered Public Surveyor, #1394

EXHIBIT C

Aerial Depiction of the Premises

This exhibit is for informational purposes only; it is not to be construed as accurate in area or dimension. The green shaded area depicts the approximate shared ramp ingress/egress easement area (Refer to Lease Addendum #2)



Lease No. 0650-5403

EXHIBIT D

Utility Expense Reimbursements

Conventional Hangar Lease for Commercial Aviation Use Concerning the Premises at 4581 Claire Chennault Drive, Addison Airport, Addison, Dallas County, Texas 75001

The party designated below will pay for the following utility charges serving the Premises including any related connection/disconnection charges assessed by the service provided:

(Check or mark once per line. Note: if a check or mark is omitted or not made for any line item or if more than one check or mark is made on any line item, Tenant is the responsible party to procure and pay for such service).

(1)	(2) N/A	(3) Landlord	(4) Tenant	(5) Provided by Landlord & Reimbursed by Tenant	(6) Further Description If Any
1. Water	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Water Meter # _____
2. Sewer / Storm Water	<input type="checkbox"/>		<input checked="" type="checkbox"/>		
3. Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ESIID #10443720001343201 Meter #110794747LG
4. Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	If available to the Premises – Meter #
5. Telephone/Data	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
6. Trash	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
7. Cable	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
8. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
9. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
10. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

The responsible party so designated above (i) may select or change the utility service provider from time to time over the term of the Lease, and (ii) shall be responsible, at its sole cost and expense, for obtaining and maintaining said utility connections at or for the Premises.

All utilities to be provided by Landlord and reimbursed by Tenant as indicated above (Column 5) shall be paid as follows:

1. In addition to the Base Rent, Tenant will pay Landlord as Additional Rent the costs for the utility services indicated herein and directly attributable or reasonably allocable to the Premises and associated with the referenced accounts (where each account is an account of or for Landlord).

2. Each month Landlord shall submit to Tenant an invoice for all such utility costs, including taxes, fees, and other related costs, billed to Landlord for the preceding billing cycle. Tenant shall pay, as Additional Rent, the amount of each such invoice no later than the first day of the month following the date of the invoice (and the obligation to pay the invoice for the last month (or partial month) of this Hangar Lease shall survive the expiration or termination of this Hangar Lease). Landlord agrees to reasonably cooperate with Tenant in the event Tenant, at Tenant's sole cost, should desire to inquire about, or to protest or appeal, the charges being assessed by the utility

Lease No. 0650-5403

service provider. To this end, Tenant shall give Landlord prior written notice of any such protest or appeal, and resolution thereof.

3. Landlord agrees not to assess any rebilling or administrative service fees for utility costs covered under this addendum.

4. Tenant's failure to timely pay said utility costs as Additional Rent shall be deemed to be an event of default by Tenant under the Lease. Landlord reserves all rights and remedies available to it under the Lease and by Law to collect all Rent due.

(END)

Lease No. 0650-5403

EXHIBIT E

Maintenance and Repair Responsibilities

Conventional Hangar Lease for Commercial Aviation Use Concerning the Premises at 4581 Claire Chennault Drive, Addison Airport, Addison, Dallas County, Texas 75001

	Landlord	Tenant	Comment
Ground Maintenance			
Building & Gate Locksmithing & Security	Maintains all public access gates	All, as required by Tenant's use and all Laws, including ordinances, rules and regulations. All doors and gates leading to Airport Operations Area are to be kept secured at all times.	
Fencing	Landlord maintains Airport perimeter fence (damage to such fence caused by or resulting from any of Tenant's, or its guests' and invitees, acts or omissions shall be paid for by Tenant)	All other fencing upon the Premises, if any, is Tenant's responsibility.	
Landscape & Lawn Care		All turf, beds and planters within the Leased Premises and all turf, beds and planters outside airport perimeter fence that are a part of the Leased Premises, unless otherwise requested by Landlord.	
Landscape Irrigation		Minimum Requirements by city ordinance	
Pavement - Parking	Structural repairs and reconstruction	Regular sweeping and snow removal. Any damage other than that resulting from normal wear and tear. Painting and striping as required for intended use or required by ordinance or otherwise by Landlord with Landlord's prior written consent.	
Pavement - Ramp	Structural repairs and reconstruction	Regular sweeping and snow removal. Any damage other than that resulting from normal wear and tear. Painting and striping as required for intended use, safe operations or as required by Landlord and with Landlord's prior written	
Trash Dumpster	Dumpster location or location changes at the sole discretion and direction of the Landlord.	To be provided at Tenant's sole cost and expense. Must be kept within the Leased Premises unless otherwise approved in advance by Landlord.	
Trash Dumpster screening, if required		Constructed and maintained at Tenant's sole cost and expense.	
Building Shell			

	Landlord	Tenant	Comment
Garage Overhead & Service Doors	Major repairs and replacement if required at sole discretion of Landlord.	General preventive maintenance and basic service and repair. Examples of general preventive maintenance and basic service and repairs would be servicing, maintaining or repairing springs, cables, rollers, latch & lock	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Hangar Doors and Door Motors	Major repairs and replacement if required at sole discretion of Landlord.	General preventive maintenance and basic services such as, sweeping and cleaning and lubricating floor tracks, and motor maintenance	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Hangar Floor	Major repairs and replacement if required at sole discretion of Landlord.	General preventive maintenance, sweeping, cleaning and safety markings as required by Landlord. Examples include cleaning floors of oils and chemical materials that may cause permanent damage to floor surface such as stains or peeling of floor coating.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Building & Hangar Insulation, if existing	Major repairs and replacement if required at sole discretion of Landlord (if outside the scope of the New Building Improvements). If repaired or replaced within the scope of New Building Improvements, any Landlord's responsibilities begin 5 years after the Effective Date.	General preventive maintenance, repair and replacement where required.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Painting and cleaning of building exterior	Performed by Landlord at sole discretion of Landlord (if outside the scope of the New Building Improvements). If repaired or replaced within the scope of New Building Improvements, any Landlord's responsibilities begin 5 years after the Effective Date.	General preventive maintenance, repair and replacement where required.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Repairs to exterior siding building, fascia, trim, etc.	Performed by Landlord at sole discretion of Landlord (if outside the scope of the New Building Improvements). If repaired or replaced within the scope of New Building Improvements, any Landlord's responsibilities begin 5 years after the Effective Date.	General preventive maintenance, repair and replacement where required.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Window and Glass Curtain Walls	Major repairs and replacement when required at sole discretion of Landlord (if outside the scope of the New Building Improvements). If repaired or replaced within the scope of New Building Improvements, any Landlord's responsibilities begin 5 years after the Effective Date.	General preventive maintenance, repair and replacement where required.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Roof	Major repairs and replacement when required at sole discretion of Landlord.	No penetrations without Landlord's prior written approval.	

	Landlord	Tenant	Comment
Roof rain-gutters and downspouts	Major repairs and replacement when required at sole discretion of Landlord (if outside the scope of the New Building Improvements). If repaired or replaced within the scope of New Building Improvements, any Landlord's responsibilities begin 5 years after the Effective Date.	General preventive maintenance, repair and replacement where required.	
Interior - Finish-out			
Janitorial Services		All cleaning and janitorial services are contracted for and paid by the Tenant, as required for by Tenant's use.	Damage caused by or resulting from Tenant, Tenant's employees, or its janitorial service providers shall be paid for by Tenant.
Interior Doors	Major repairs and replacement when required at sole discretion of Landlord (if outside the scope of the New Building Improvements). If repaired or replaced within the scope of New Building Improvements, any Landlord's responsibilities begin 5 years after the Effective Date.	General preventive maintenance, repair and replacement where required.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
All Interior and Exterior door locks (electronic or keyed)	Any lock changes or lock system changes must be approved by Landlord in advance. Maintain copies of access keys provided by Tenant.	General preventive maintenance, repair and replacement where required. Copies of access keys to be provided to Landlord with instruction and codes provided for any electronic locking systems.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Office/shop space flooring and floor cover	Major repairs and replacement at sole discretion of Landlord (if outside the scope of the New Building Improvements). If repaired or replaced within the scope of New Building Improvements, any Landlord's responsibilities begin 5 years after the Effective Date.	Major repair and replacement with Landlord's prior consent. General preventive maintenance, cleaning of all floor surfaces (carpet, tile and tile grout...) repair and replacement where required.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Painting Interior – Office and shop space		Repainting similar to existing condition. Major change in color, texture and material must be with Landlord's prior written consent. General preventive maintenance, cleaning, repair and replacement where required.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Painting Interior – Hangar space	Repainting similar to existing condition at sole discretion of the Landlord (if outside the scope of the New Building Improvements). If repaired or replaced within the scope of New Building Improvements, any Landlord's responsibilities begin 5 years after the Effective Date.	Any change in color, texture and material must be with Landlord's prior written consent. General preventive maintenance, cleaning, repair and replacement where required.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Walls & Ceilings	Major repairs and replacement at sole discretion of Landlord (if outside the scope of the New Building Improvements). If repaired or replaced within the scope of New Building	Repainting or repairing similar to existing condition. Major change in color, texture and material must be with Landlord's prior written	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or

	Landlord	Tenant	Comment
	Improvements, any Landlord's responsibilities begin 5 years after the Effective Date.	consent. General preventive maintenance, cleaning, repair and replacement where required.	omissions shall be paid for by Tenant)
Building Systems			
Air Compressor		Tenant's full responsibility.	
Electrical Systems	Major repairs, replacement or modifications at sole discretion of Landlord. General maintenance and repair (if outside the scope of the New Building Improvements). If repaired or replaced within the scope of New Building Improvements, any Landlord's responsibilities begin 5 years after the Effective Date.	Replacement or material change only with Landlord's prior written consent. Inform Landlord of any electrical issues or needed modifications.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Exterior Lighting & maintenance	Major repairs and replacement at sole discretion of Landlord. Landlord to replace bulbs as necessary (if outside the scope of the New Building Improvements). If repaired or replaced within the scope of New Building Improvements, any Landlord's responsibilities begin 5 years after the Effective Date.	Replacement or material change only with Landlord's prior written consent.	
Office and interior lighting	Major repairs and replacement of fixtures at sole discretion of Landlord (if outside the scope of the New Building Improvements). If repaired or replaced within the scope of New Building Improvements, any Landlord's responsibilities begin 5 years after the Effective Date.	Tenant to replace bulbs and lamps as necessary with similar bulb and lamp types.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Hangar light repair and replacement	Major repairs and replacement at sole discretion of Landlord. Landlord to replace bulbs as necessary (if outside the scope of the New Building Improvements). If repaired or replaced within the scope of New Building Improvements, any Landlord's responsibilities begin 5 years after the Effective Date.	Replacement or material change only with Landlord's prior written consent.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
HVAC	Major repairs and replacement at sole discretion of Landlord (if outside the scope of the New Building Improvements). If repaired or replaced within the scope of New Building Improvements, any Landlord's responsibilities begin 5 years after the Effective Date.	General maintenance and repairs at Tenant's sole cost. Replacement or material change only with Landlord's prior written consent. Examples of general maintenance and repair include routine services, preventive maintenance, thermostat battery replacement, filter changes and additional refrigerant as needed. When in doubt, Tenant is to contact Landlord for guidance.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)

	Landlord	Tenant	Comment
Window a/c units if any	Major repairs and replacement at sole discretion of Landlord (if outside the scope of the New Building Improvements). If repaired or replaced within the scope of New Building Improvements, any Landlord's responsibilities begin 5 years after the Effective Date.	General maintenance and repairs. Replacement or material change only with Landlord's prior written consent.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Plumbing systems	Major repairs and replacement at sole discretion of Landlord (if outside the scope of the New Building Improvements). If repaired or replaced within the scope of New Building Improvements, any Landlord's responsibilities begin 5 years after the Effective Date.	General maintenance and repairs at Tenant's sole cost. Replacement or material change only with Landlord's prior written consent. Examples of general maintenance and repairs are routine services and preventive maintenance, if required, to be performed by a licensed plumber.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Water heater	Replacement at Landlord's sole discretion (if outside the scope of the New Building Improvements). If repaired or replaced within the scope of New Building Improvements, any Landlord's responsibilities begin 5 years after the Effective Date.	General maintenance and repairs. Examples of general maintenance and repairs are routine services and preventive maintenance, if required, to be performed by a licensed plumber. Replacement with Landlord's prior written consent.	
Storm water drains	Major repairs and replacement and general maintenance (if outside the scope of the New Building Improvements). If repaired or replaced within the scope of New Building Improvements, any Landlord's responsibilities begin 5 years after the Effective Date.	Damage caused by or resulting from acts of Tenant, Tenant's employees, guests or invitees shall be paid for by Tenant.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Grease Traps	Landlord to have inspected and serviced upon tenant move-in.	Tenant's full responsibility.	
Tapping into Fire Main for fire suppression systems	Must be approved by Landlord in advance.	Tenant's full responsibility with Landlord's prior written consent.	
Fire Extinguishers		Tenant's full responsibility to supply and maintain required fire extinguishers to meet all applicable fire and building codes. Tenant is responsible for all periodic inspections of fire extinguishers to meet all applicable fire and building codes	

(END)

EXHIBIT F

Description of New Building Improvements

Pursuant to Lease Addendum #1 to the Lease, Tenant is obligated to make certain renovations and repairs to the Demised Premises to meet or exceed the capital investment of \$250,000 including but not limited to:

- 1.) Demolish and remove Existing Building Improvements determined to be non-code-compliant including electrical, HVAC, wood structure and single pane glazing currently surrounding the office area;
- 2.) Install wet-type Fire Suppression Sprinkler system throughout the hangar and office facility required by building code (none exists now);
- 3.) Fire alarm system will be installed in conjunction with the Fire Suppression System. (with cellular remote monitoring for alarm);
- 4.) Office area will be brought up to code by correcting electrical, plumbing and HVAC systems. A new HVAC unit will be installed;
- 5.) ADA compliant men and women restrooms to be installed. (no restrooms currently on site);
- 6.) The interior will have sheetrock replaced where needed and be finished in accordance with the needs of the sub-tenant, of same level of finish and appearance as their current lease space at 4500 Westgrove);
- 7.) Code compliant ceiling grid system with insulated tile and LED lighting throughout the office space;
- 8.) Floor covering installed throughout office area to match sub-tenants' current suite in 4500 Westgrove;
- 9.) The insulated dual-pane storefront glass and doors installed per code;
- 10.) The entire interior and exterior of the building will be painted;
- 11.) Revert portions of unused office space to the original attached carports; sprinklered and lighted per code.

Sub-tenant optional improvements include (up to \$150,000 additional value):

- 1.) Complete security system with cameras.
- 2.) Epoxy floor covering for the hangar floor.
- 3.) Large fans and special lighting in the hangar.
- 4.) Glass garage doors for the carport areas.

This Exhibit F hereby includes by reference the complete set of Construction Documents approved by the Town of Addison for the Building Improvements including but not limited to all architectural, civil, mechanical, and electrical and landscape drawings and specifications, together with all change orders and as-built modifications, warranties and guaranties procured by Tenant.

EXHIBIT G

Form of Irrevocable Standby Letter of Credit

[Lender Letterhead]

_____, 202__

Town of Addison, Texas
c/o City Manager
5300 Belt Line Road
Dallas, Texas 75254
Email: _____

Dear Mr./Ms. _____:

At the request of _____ [TENANT] _____, we have established in favor of the Town of Addison the enclosed Irrevocable Standby Letter of Credit # _____, in an amount not to exceed _____ and ___/100 Dollars (\$ _____ .00).

Please examine this instrument carefully. If you are unable to comply with the terms and conditions, please communicate with the applicant to arrange for an amendment.

All drawings under this credit must be accompanied by the original Letter of Credit for endorsement.

If we can be of further assistance, please do not hesitate to call us at _____.

Sincerely,

_____ [LENDER]

By: _____
Name: _____
Title: _____

Enclosure

cc: _____ [TENANT] _____

Attention: _____

[Lender Letterhead]

IRREVOCABLE LETTER OF CREDIT # _____

Date: _____, 202__

Beneficiary:

Town of Addison, Texas
c/o City Manager
5300 Belt Line Road
Dallas, Texas 75254
Email: _____

Applicant:

_____ [TENANT] _____

Attention: _____

Gentlemen:

We hereby issue our Irrevocable Standby Letter of Credit # _____ in favor of Beneficiary. This Letter of Credit is effective up to the aggregate amount of _____ and No/100 Dollars (\$_____.00) available by draft drawn on Issuer at sight, marked "Drawn under Irrevocable Standby Letter of Credit # _____" accompanied by the following:

1. Beneficiary's written statement purportedly signed by its authorized representative reading as follows: "The undersigned is authorized to make the following statement on behalf of Town of Addison, Texas ("Beneficiary"). Beneficiary hereby certifies that an event of default has occurred under that certain Lease Agreement dated _____, 20__, between Beneficiary and Applicant (the "Lease") with respect to the construction of the Building Improvements, as defined therein, and that such default is ongoing. The amount of the draft presented represents the amount known by me to be required to complete construction of the Building Improvements under the Lease.
2. This original Letter of Credit and any amendments thereto (if any). In the event of a partial drawing the original Letter of Credit will be endorsed and returned to you unless the Letter of Credit has expired or the amount available is reduced to zero.

Special Conditions:

1. Partial drawings are permitted under this Letter of Credit.
2. Other than Beneficiary's statement required above, the Issuer shall require no further substantiation of the occurrence of such an event of default, consent of Applicant, or proof of the necessity of the draw.
3. This Letter of Credit sets forth in full the terms of our undertaking and such undertaking shall not in any way be modified, amended or amplified by reference to any document, instrument or agreement referred to herein or to which this Letter of Credit relates, and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement.
4. Except as expressly stated herein, this undertaking is not subject to any agreement, condition or qualification.

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We hereby engage with you that documents drawn under and in compliance with the terms of this Letter of Credit will be duly honored if presented for payment to [LENDER], at _____, Attention: _____, prior to 5:00 pm on or before _____, 202__.

This Letter of Credit is subject to and governed by the Uniform Customs and Practice for Documentary credits of the International Chamber of Commerce (Publication 600, 2007 Revision).

_____ [LENDER] _____

By: _____

Name: _____

Title: _____

LEASE ADDENDUM #1

Construction of Building Improvements

Conventional Hangar Lease for Commercial Aviation Use concerning the Premises at 4581 Claire Chennault Drive, Addison Airport, Addison, Dallas County, Texas 75001

I. Construction of Building Improvements

Note: Capitalized terms used herein are the same as defined in the Lease unless otherwise expressly provided for. This Lease Addendum #1 is made a part of and hereby incorporated into the Lease by reference.

A. "Building Improvements": shall mean, without limitation the Existing Building Improvements as defined in the Preamble of the Lease, the New Building Improvements as defined in sub-section B below, and any Future Building or Other Improvements made to, constructed, installed, located or placed upon the Premises any time during the Term, as it may be amended or modified, as provided for sub-section C below. Except as provided for in the Lease or this Lease Addendum #1, Tenant may not construct, locate, install, place or erect any other improvements upon the Premises without the prior written consent of Landlord.

B. New Building Improvements

1. At Tenant's sole cost, expense and risk, Tenant shall construct certain building improvements more fully described in Exhibit F of the Lease, which is incorporated herein by reference (the "New Building Improvements").

Accordingly:

a. The New Building Improvements are to be constructed in accordance with plans and specifications prepared by a state licensed architect and/or engineer retained by Tenant (the "Design Plan"), which said Design Plan shall be submitted to Landlord for approval evidenced by the issuance of a building permit necessary to construct the New Building Improvements. Landlord's approval of the Design Plan or any other plans and/or specifications does not impose on Landlord any responsibility whatsoever, including, without limitation, any responsibility for the conformance of the plans and specifications with any governmental regulations, building codes, and the like, for which Tenant and its contractors shall have full and complete responsibility. Landlord agrees its approval of the Design Plan shall not be unreasonably withheld, conditioned or delayed.

b. Tenant shall bear all cost and expense of the demolition and removal of any Existing Improvements on, or in the Premises in accordance with the Design Plan.

c. The construction cost or value (separate and apart from the cost of design) of the New Building Improvements shall exceed Two Hundred and Fifty Thousand Dollars (\$250,000.00) (the "Construction Value"), and Tenant shall submit to Landlord upon request all commercially reasonable evidence of such Construction Value in a form acceptable to Landlord (the "Construction Value Evidence"). For purposes hereof, reasonable evidence of Construction Value would be satisfied by the American Institute of Architects (AIA) G702 and G703 Application for Payment certified by the Tenant, owner, architect or engineer and, Tenant's general contractor to be true and correct to their best knowledge or, some form of documentation similar thereto acceptable to Landlord.

d. If Tenant fails to submit the Design Plan to the Landlord for application of a building permit to construct the New Building Improvements within sixty (60) days following the Effective Date of this Lease then Landlord may, among its other remedies and at its sole discretion, terminate this Lease subject to the notice and cure provisions of Section 22 of the Lease.

e. Construction of the New Building Improvements may commence during the Preliminary Period of the Term as defined in Section 2 of the Lease, but no later than sixty (60) days after Landlord gives its approval of the Design Plans and Tenant obtains all pre-construction permits and approvals as described in subsection f. below. Except in the event of force majeure provided for in Section 44 of the Lease, if the Construction Commencement Date does not occur within six

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(6) calendar months after the Effective Date of this Lease, then such failure shall constitute an Event of Default, subject to notice and cure pursuant to Section 22 of the Lease. In the event Landlord terminates the Lease pursuant to Section 23, the Lease shall be and become null and void and, except for the obligation to pay any accrued but unpaid Rent, any provisions of this Lease regarding the condition of the Demised Premises (including all improvements thereon) upon the expiration or termination of this Lease, and any provisions of this Lease regarding any obligations or provisions that survive the Lease expiration or termination (including obligations regarding indemnity and environmental matters), neither party to this Agreement shall have any further rights one against the other, except that Landlord shall return to Tenant, if any, any deposits made by Tenant within five (5) business days following such termination

f. Once construction of the New Building Improvements commences ("Construction Commencement Date"), Tenant shall complete construction of the New Building Improvements, with reasonable diligence, without material deviation from the Design Plan, and any material deviation from the Design Plan shall be subject to the advance review and approval of Landlord.

For purposes herein "Construction Commencement Date" shall be deemed to have occurred after each of the following events has occurred (if required):

- (i) Approval of the Design Plan by Landlord which shall not be unreasonably conditioned, delayed or withheld;
- (ii) Tenant has been issued the required building permit(s) or licenses necessary to construct the New Building Improvements on the Demised Premises;
- (ii) Tenant shall have received (and shall have provided a true and correct copy to the Landlord) the FAA's determination to Tenant's filing of Form 7460 Notice of Proposed Construction or Alteration, if required;
- (iv) Execution of a contract with one or more qualified contractor, proof of required insurance and, the Letter of Credit, if required under sub-paragraph B below, and
- (v) The initiation of actual mobilization of construction equipment on the Demised Premises; and
- (vi) Tenant has delivered to Landlord written notice confirming that each of the foregoing items has occurred in a form reasonably satisfactory to Landlord.

g. If construction of the New Building Improvements is not Substantially Complete within six (6) full calendar months after the Construction Commencement Date, as each of these terms are defined below (the "Substantial Completion Date") [save and except for force majeure as provided for in Section 44 of the Lease], Tenant shall pay Landlord One Hundred Dollars (\$100.00) as additional Rent for each and every day thereafter until such completion is achieved. Such additional Rent shall be invoiced by Landlord in arrears monthly which said amount become due and payable by Tenant within ten (10) days following Tenant's date of receipt of said invoice.

- (i) "Substantially Complete" or "Substantial Completion" shall be (unless provided for elsewhere in this 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 New Building Improvements, if required. If a certificate of temporary or final occupancy is not required under the local building codes, Tenant shall deliver a notarized affidavit to the Landlord that all New Building Improvements are completed per the approved Designed Plan.

h. If Tenant fails to achieve Final Completion of the New Building Improvements in accordance with the Design Plan within eight (8) full calendar months after the Construction Commencement Date, Landlord may terminate this Lease pursuant subject to the notice and cure provisions of Section 22 of the Lease. In such case the Lease shall become null and void and, except for Tenant's obligation to pay any accrued but unpaid Rent, any provisions of this Lease regarding the condition of the Demised Premises (including all improvements thereon) upon the expiration or termination of this Lease, and any provisions of this Lease regarding any obligations or provisions that survive the Lease expiration or termination (including obligations regarding indemnity and environmental matters), neither party to this Agreement shall have any further rights one against the other, except that Landlord shall return to Tenant any deposits made by Tenant within thirty (30) business days following such termination.

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These terms are defined below (the "Substantial Completion Date") [save and except for force majeure as provided for in Section 44 of the Lease], Tenant shall pay Landlord One Hundred Dollars (\$100.00) as additional Rent for each and every day thereafter until such completion is achieved. Such additional Rent shall be invoiced by Landlord in arrears monthly which said amount become due and payable by Tenant within ten (10) days following Tenant's date of receipt of said invoice.

i. Final Completion of the New Building Improvements: "Final Completion" of the construction of the New Building Improvements shall be deemed to occur upon (i) Tenant has been issued a final Certificate of Occupancy and has provided landlord a copy of same upon request, (ii) Tenant's architect who designed the New Building Improvements, if any, certifies in writing the New Building Improvements have been completed in full satisfaction of the Design Plan, (ii) 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, and (iii) Tenant's Construction Cost Evidence defined in subsection 1.c above.

C. Future Building and Other Improvement Construction: To construct, locate, install, place or otherwise erect any other improvements upon the Premises other than the Existing Building Improvements and New Building Improvements provided for in the Lease or herein, shall be regarded "Future Building and Other Improvements" which shall be performed, if any, substantially in the same manner, standard and regard as provided in this Lease Addendum #1, including without limitation as required for the New Building Improvements and requirements for Construction Insurance, Performance and Performance Bond or Irrevocable, Stand-by Letter of Credit as set forth in subsection E, below.

D. General Terms and Conditions Governing New Building Improvements and Future Building and Other Improvements:

1. 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 20.B entitled *TENANT'S INDEMNITY OBLIGATION*. It is expressly understood and agreed that Tenant's construction of any 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 New Building Improvements or Future Building and Other Improvements as submitted by Tenant to Landlord and approved in writing by Landlord.

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

3. Tenant agrees that any construction or modification of the New Building Improvements or Future Building and Other Improvements (authorized to be constructed in writing by Landlord) on the 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") 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.

4. 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.

5. Tenant will properly and timely submit to the FAA the TxDOT, and any other governmental authority, entity or agency having jurisdiction regarding the Airport, a Notice of Proposed Construction or Alteration, when and as required, and such other forms and information as may be required by the FAA, TxDOT, or other governmental entity or agency having jurisdiction over the Airport.

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

E. Construction Insurance, Performance and Performance Bond or Irrevocable, Stand-by Letter of Credit:

In addition to the applicable insurance requirements set forth in Section 7 of the Lease:

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

2. In connection with the design and construction of any improvements on the Premises, architects, engineers, and construction 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.

3. In the event Tenant's Construction Value exceeds Five Hundred Thousand Dollars (\$500,000) Landlord reserves the right to require Tenant to deliver to Landlord an Irrevocable Standby Letter of Credit or, a Payment and Performance Bond (or another form of security acceptable to Landlord at Landlord's sole discretion) to secure the faithful performance of all construction work and the payment of all obligations arising during Tenant's construction of any Building Improvements (including without limitation, the New Building Improvements) including the payment of all persons performing labor or providing materials under or in connection with the said construction.

a.) If Landlord requires Tenant to deliver in favor of Landlord, at Tenant's sole cost and expense, an irrevocable, stand-by letter of credit in the amount of one hundred percent (100%) of the Tenant's total project costs (the "Letter of Credit"), such Letter of Credit shall be drawn upon by site draft conditioned only upon the certification of the Landlord that an event of default has occurred under this Lease with respect to the

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construction of the Building Improvements and Tenant has not cured the event of default after being given notice and a reasonable opportunity to cure as provided in this Lease. The form of such Letter of Credit is attached hereto and incorporated herein as Exhibit G. Tenant shall cause the original executed Letter of Credit to be delivered to Landlord prior to the Construction Commencement Date. Upon written approval by Landlord on not less than ten (10) business days written notice to Landlord from Tenant, Tenant shall have the right to reduce the amount of the Letter of Credit on no less than a monthly basis by an amount equal to the construction costs incurred and paid by Tenant during the immediately preceding calendar quarter as demonstrated by the Construction Value Evidence submitted to Landlord.

b.) Should Landlord require Tenant to 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.

F. Failure of the Parties to observe and comply with the requirements of this Lease Addendum #1, subject to notice and cure as provided in Section 23 of the Lease, shall be an Event of Default.

(End)

LEASE ADDENDUM #2

Shared Ramp Ingress/Egress Easement:

Conventional Hangar Lease for Commercial Aviation Use concerning the Premises at 4581 Claire Chennault Drive, Addison Airport, Addison, Dallas County, Texas 75001

Tenant hereby acknowledges the existence of a certain unrecorded .108-acre ingress/egress easement crossing the leased premises as shown and depicted in Exhibit B - Property Survey and Exhibit C – Aerial Depiction of Subject Site. Tenant further acknowledges the purpose of this easement is for proper movement of aircraft, along with vehicle, equipment, and pedestrian traffic related to airport operations to and from the Airport Common Facilities by Landlord's authorized users (and their employees, guests and other invitees). Tenant shall not at any time block, interfere or otherwise impede the use or access to this easement by any such authorized user of the Airport Common Facilities. Landlord reserves the right to remove or cause to be removed and impounded or confiscated, at Tenant's sole cost and expense, any obstruction (including any aircraft, vehicle or other type of tool or equipment) belonging to or otherwise placed by Tenant, Tenant's employees, guests or invitees contributing to the blockage, unsafe passage or unfettered use and access of the Access Easement as intended by Landlord. Tenant's failure to grant unrestricted and safe passage across the Access Easement by Landlord's authorized users of the Airport Common Facilities after receipt of written notice from Landlord is an event of default under this Lease and Landlord may, at its sole discretion, terminate this Lease without further notice or action by Landlord other than that required by law.

LEASE ADDENDUM #3

LANDLORD'S NOTICE OF OTHER TENANT'S RIGHT OF PEACEFUL ENJOYMENT

Tenant hereby acknowledges and agrees RR Investments, Inc dba Million Air Dallas ("Million Air"), and their officers, employees, agents and other guest have the right and use of the hangar portion of the Premises pursuant to the terms and conditions of that certain Convention Hangar Lease for Commercial Aviation Use first entered into March 28, 2022, and commenced on May 1, 2022 (the "Million Air Lease").

As provided for under the Million Air Lease, Landlord has elected to exercise its right to early terminate the Million Air Lease effective November 18, 2022. Until such time Million Air vacates the Premises or Landlord forcibly removes Million Air from the Premises, Tenant agrees not to disturb or be a nuisance to Million Air or, otherwise interfere with Million Air's right to peaceably use and enjoy their rights under their Lease. Tenant will use its best efforts to coordinate and cooperate with Landlord and Million Air whenever access to the hangar is required during this period.

Upon Million Air's vacancy of the premises, this Lease Addendum #3 shall have no further force or effect on this [StoneDome] Lease.