

RESOLUTION NO. 23-

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS APPROVING A FIRST AMENDMENT TO GROUND LEASE AMENDING THAT CERTAIN GROUND LEASE ENTERED BETWEEN THE TOWN OF ADDISON AND MERCURY AIR CENTER – ADDISON, INC. (D/B/A ATLANTIC AVIATION FBO) DATED AUGUST 11, 2020 BY AMENDING SECTION 2.B AND EXHIBIT 4.B OF THE GROUND LEASE IN THEIR ENTIRETY; AUTHORIZING THE CITY MANAGER TO EXECUTE THE FIRST AMENDMENT TO GROUND LEASE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Addison, Texas (“Town”) and Mercury Air Centers – Addison, Inc. (“Tenant”) executed a ground lease effective August 11, 2020 (the “Ground Lease”), whereby the Town leased to Tenant a certain parcel of improved land owned by the Town and located within Addison Airport, which property is now commonly referred to as 4400, 4451, 4453, 4480, 4530, 4532, and 4540 Glenn Curtiss Drive (the “Property”); and

WHEREAS, the Ground Lease has a base term of seven years and provides Tenant the opportunity to qualify for up to three lease term extensions in connection with Tenant’s development of the Property in three corresponding phases; and

WHEREAS, due to the accelerated deterioration of Tenant’s aircraft apron, Tenant is requesting to amend the Ground Lease to modify the timing of the development phases to allow certain renovations to the aircraft apron and its fixed base operations to be completed prior to the demolition of the existing building improvements at 4451 Glenn Curtiss Drive and construction of the larger jet hangar on said parcel.

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

SECTION 1. The First Amendment to Ground Lease between the Town of Addison and Mercury Air Center – Addison, Inc. a copy of which is attached to this Resolution as **Exhibit A**, is hereby approved and the City Manager is authorized to execute the same.

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, on this **23rd** day of **MAY 2023**.

TOWN OF ADDISON, TEXAS

Bruce Arfsten, Mayor

ATTEST:

Irma Parker, City Secretary

EXHIBIT A

2. **Amendment.** Landlord and Tenant agree to amend the Ground Lease by substituting Section 2. Term, subsection B of the Ground Lease in its entirety with the amended Section 2.B set forth in Exhibit "C."
3. **No Other Amendments.** Except to the extent modified or amended herein, all other terms, conditions, provisions, and obligations under the Ground Lease shall remain unchanged and in full force and effect during the Term of the Ground Lease.
4. **Authority to Execute.** The undersigned individuals, officers, and/or agents of the parties hereto have the authority to execute this First Amendment on behalf of each respective party, and each party certifies that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect.

IN WITNESS WHEREOF, the undersigned parties execute this First Amendment to Ground Lease as of the day, month, and year first above written.

TENANT:

**MERCURY AIR CENTER –
ADDISON, INC.**

LANDLORD:

TOWN OF ADDISON, TEXAS

By: _____

Louis T. Pepper, President and CEO

By: _____

David Gaines, City Manager

ACKNOWLEDGEMENTS

STATE OF TEXAS §
COUNTY OF COLLIN §

This instrument was acknowledged before me on May 11, 2023, by Louis T. Pepper, President and CEO of Mercury Air Center – Addison, Inc., a Texas corporation, on behalf of the company.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 11 day of May, 2023.



Janet Virga
Notary Public, State of Texas

STATE OF TEXAS §
COUNTY OF DALLAS §

This instrument was acknowledged before me on _____ 2023, by David Gaines, City Manager of the Town of Addison, Texas, a Texas home-rule municipality, on behalf of the municipality.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the ____ day of _____, 2023.

Irma G. Parker
Notary Public, State of Texas
Comm. Expires 08-07-2026
Notary ID 477006-4

Notary Public, State of Texas

EXHIBIT "A"

Legal Description of Demised Premises

BEING a tract of land situated in the William Lomax Survey, Abstract No. 796, Dallas County, Texas, and being a part of Addison Airport, an addition to the Town of Addison, Texas according to the plat thereof recorded in Volume 2005131, Page 82 in the Map Records of Dallas County, Texas (MRDCT) and being more particularly described as follows:

COMMENCING at a cut 'X' found in concrete in the north line of Glenn Curtiss, a 50 foot wide Ingress/Egress easement established by the final plat of said Addison Airport, said beginning point also being the southwest corner of Lot 1, Block 1 of Addison Jet Center, an addition to the Town of Addison, Texas, according to the plat thereof recorded under Instrument No. 201600298616 MRDCT;

THENCE South 21 degrees 06 minutes 32 seconds East, along the projected west line of said Lot 1, Block 1, 50.00 feet to a magnetic nail set in concrete in the south line of said Glenn Curtiss and the **POINT OF BEGINNING**;

THENCE North 68 degrees 52 minutes 29 seconds East, along the south line of said Glenn Curtiss, 29.12 feet to a magnetic nail set in concrete;

THENCE North 70 degrees 46 minutes 26 seconds East, continuing along the south line of said Glenn Curtiss, 156.46 feet to a 5/8-inch iron rod set with plastic cap stamped 'Sparr Surveys';

THENCE South 18 degrees 36 minutes 29 seconds East, departing the south line of said Glenn Curtiss, 274.21 feet to a 5/8-inch iron rod set with plastic cap stamped 'Sparr Surveys' in the north line of Taxiway T;

THENCE southwesterly, along the north line of said Taxiway T the following:

South 69 degrees 13 minutes 19 seconds West, 291.57 feet to a magnetic nail set in concrete;

South 06 degrees 51 minutes 50 seconds East, 3.85 feet to a 5/8-inch iron rod set with plastic cap stamped 'Sparr Surveys';

South 83 degrees 08 minutes 10 seconds West, 29.79 feet to a 5/8-inch iron rod set with plastic cap stamped 'Sparr Surveys';

South 86 degrees 32 minutes 07 seconds West, 19.79 feet to a 5/8-inch iron rod set with plastic cap stamped 'Sparr Surveys';

South 68 degrees 50 minutes 00 seconds West, 362.78 feet to a 5/8-inch iron rod set with plastic cap stamped 'Sparr Surveys' on the Object Free Area line, being 400 feet east of the runway centerline;

THENCE North 21 degrees 07 minutes 31 seconds West, along said Object Free Area line, at all times remaining 400 feet east of and parallel to said runway centerline, 863.87 feet to a 5/8-inch iron rod set with plastic cap stamped 'Sparr Surveys' in the south line of Taxiway U;

THENCE North 68 degrees 54 minutes 45 seconds East, along the south line of said Taxiway U, 275.09 feet to a magnetic nail set in concrete at the point of curvature of a circular curve to the left having a radius of 490.00 feet;

THENCE continuing along the south line of said Taxiway U and said curve to the left, through a central angle of 17 degrees 40 minutes 25 seconds an arc distance of 151.15 feet and having a chord which bears North 60 degrees 04 minutes 32 seconds East, 150.55 feet to a cut 'x' set in concrete;

THENCE South 47 degrees 16 minutes 38 seconds East, departing the south line of said Taxiway U, at 37.56 feet passing a cut 'x' found in concrete at the northwest corner of Lot 1, Block 1 of said Addison Jet Center, continuing along the west line of said Addison Jet Center, in all a distance of 240.10 feet to a 'PK' nail found;

THENCE South 21 degrees 06 minutes 32 seconds East, continuing along the west line of said Addison Jet Center, 403.19 feet to **POINT of BEGINNING** and containing 11.49 acres of land.

I, Brad Sparr, a Registered Professional Land Surveyor for Sparr Surveys, do hereby certify that this survey was made on the ground and, this drawing correctly represents the facts found at the time of survey and that this professional service conforms to the current Texas Society of Professional Surveyors Standards and Specifications for a Category 1B Condition III Survey.



Brad Sparr
Registered Professional
Land Surveyor No. 3701



EXHIBIT “B”

True and Correct Copy of the Ground Lease



VG-364-2020-202000250279

Dallas County
John F. Warren
Dallas County Clerk

Instrument Number: 202000250279

Real Property Recordings

Recorded On: September 15, 2020 10:55 AM

Number of Pages: 7

" Examined and Charged as Follows: "

Total Recording: \$46.00

***** THIS PAGE IS PART OF THE INSTRUMENT *****

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number: 202000250279
Receipt Number: 20200915000557
Recorded Date/Time: September 15, 2020 10:55 AM
User: Hilga R
Station: CC17

Record and Return To:

ADDISON AIRPORT
16051 ADDISON RD. STE. 220
ADDISON TX 75001



STATE OF TEXAS
Dallas County

I hereby certify that this Instrument was filed in the File Number sequence on the date/time printed hereon, and was duly recorded in the Official Records of Dallas County, Texas

John F. Warren
Dallas County Clerk
Dallas County, TX

AFTER RECORDING RETURN TO:

Addison Airport Management
c/o Real Estate Manager
16051 Addison Road, Suite 220
Addison, Texas 75001

MEMORANDUM OF LEASE TERMINATION

This Memorandum of Lease Termination ("Memorandum") is dated the 17th day of August, 2020, and is acknowledged and executed by and on behalf of the Town of Addison, Texas, a home-rule municipality ("Landlord" or "City"), and Mercury Air Center – Addison, Inc., a Texas corporation ("Tenant").

WHEREAS, by way of various assignments, Tenant leased from Landlord that certain **Property #0430**, which is generally located at 4400 Glenn Curtiss Drive (ALP #A7) at Addison Airport pursuant to the terms and conditions of that certain Office-Hangar Lease entered into and made effective April 1, 1990, in which Beech Holdings, Inc. was named as the original tenant; and

WHEREAS, subject to the terms and provisions of the above-referenced Office-Hangar Lease, the parties hereto terminated the Office-Hangar Lease effective September 30, 2020.

NOW, THEREFORE, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. The above and foregoing recitals are true and correct and are incorporated into this Memorandum and made a part hereof for all purposes.
2. Unless otherwise provided for under the above-referenced Office-Hangar Lease, neither party hereto has any further duty or obligation to the other with respect to the Office-Hangar Lease hereafter.
3. This Memorandum is solely for recording and notice purposes and shall not be construed to alter, modify, expand, diminish, or supplement the provisions of the Office-Hangar Lease or any other written agreement entered into by the parties hereto.

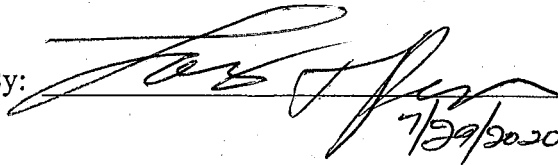
[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto execute this Memorandum of Lease Termination effective as of the date first given above.

TENANT:

Mercury Air Center – Addison, Inc.
a Texas corporation

By:



7/29/2020

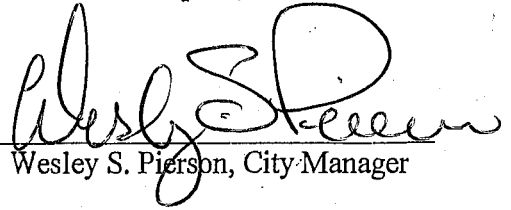
Printed Name: Louis T. Pepper

Title: President and CEO

LANDLORD:

Town of Addison, Texas,
a Home-Rule Municipality

By:



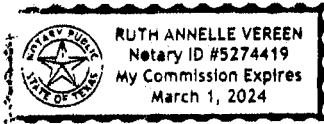
Wesley S. Pierson, City Manager

Resolution No. R20-056
August 11, 2020

ACKNOWLEDGEMENTS

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

Before me, the undersigned authority, on this day personally appeared Louis T. Pepper ,
President and CEO for Mercury Air Center – Addison, Inc., a Texas corporation, known to me
to be the person whose name is subscribed to the foregoing instrument and acknowledged to me
that he/she executed the same for the purposes and consideration therein expressed.

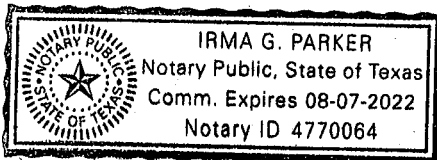


Ruth Annela Vereen

Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

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



Irma G. Parker

Notary Public, State of Texas

Attachment 1

Description of the Real Property Subject to the Office-Hangar Lease

LEASE AGREEMENT

April 1, 1990

TRACTS III and IV

DESCRIPTION

TRACT III:

BEING a tract of land situated in the William Lomax Survey, Abstract 792, Dallas County, Texas and located on Addison Municipal Airport, Addison, Texas and being more fully described as follows:

COMMENCING at an iron rod found for the southwest corner of a tract of land conveyed to O. J. Broughton and E. E. Ericson by deed recorded in Volume 4350, Page 491, Deed Records of Dallas County, Texas;

THENCE South 70 degrees 30 minutes 11 seconds West a distance of 224.86 feet to an iron rod found for the southeast corner of a 4.132 acre tract and the BEGINNING POINT of this description;

THENCE South 25 degrees 32 minutes 29 seconds East a distance of 9.73 feet to the northeasterly corner of a 0.158 acre tract for corner;

THENCE South 69 degrees 24 minutes 00 seconds West with the northerly line of said 0.158 acre tract a distance of 137.00 feet for corner;

THENCE South 20 degrees 19 minutes 33 seconds East a distance of 311.15 feet to a point 65 feet from the centerline of a taxiway for corner;

THENCE South 69 degrees 17 minutes 00 seconds West parallel to said taxiway a distance of 375.95 feet to a point 115 feet from the centerline of Taxiway "A" for corner;

THENCE North 20 degrees 43 minutes 00 seconds West parallel to Taxiway "A" a distance of 320.56 feet to the southwest corner of said 4.132 acre tract for corner;

THENCE North 69 degrees 17 minutes 00 seconds East with the southerly line of said 4.132 acre tract a distance of 514.25 feet to the BEGINNING POINT and containing 2.805 acres of land more or less.

AND SAVE AND EXCEPT any portion of such tract released from the Subleasehold Estate by Access Drive Agreement by and among Addison Airport Associates, Ltd., et al, dated November 18, 1986, filed January 13, 1987 and recorded in Volume 87007, Page 5996, Deed Records, Dallas County, Texas.

DESCRIPTION

TRACT IV:

BEING a strip of land measuring 190 feet along a more-or-less North-South axis and 19 feet along a more-or-less East-West axis, being the licence area granted to T.F. Stone Companies, Inc., by Do-Right Associates a/k/a Do-Right Commander Associates by License Agreement dated May 7, 1984, and being and including the Northwesterly corner of a tract of land situated in the William Lomax Survey, Abstract No. 792, Dallas County, Texas, and located on the Addison Municipal Airport, Addison, Dallas County, Texas, such tract out of which such strip is taken being more fully described as follows:

BEGINNING at an iron pin found for the Northwest corner of an 8.295 acre tract of land conveyed to Addison Airport, Inc., by deed recorded in Volume 4846, Page 568, Deed Records, Dallas County, Texas, said iron pin also being the Southwest corner of a tract of land conveyed to O. J. Broughton and E. E. Ericson by deed recorded in Volume 4350, Page 491, Deed Records, Dallas County, Texas; Thence South 0 degrees 20 minutes 20 seconds East, 50.00 feet; Thence South 82 degrees 45 minutes West, 18.64 feet; Thence 0 degrees 08 minutes East, 83.56 feet; THENCE South 20 degrees 10 minutes 40 seconds East, 60.04 feet; THENCE South 69 degrees 30 minutes West, 160.00 feet to the POINT OF BEGINNING:

THENCE South 20 degrees 10 minutes 40 seconds East, 208.00 feet;

THENCE South 69 degrees 30 minutes West, 137.00 feet;

THENCE North 20 degrees 10 minutes 40 seconds West, 208.00 feet;

THENCE North 69 degrees 30 minutes East, 137.00 feet;

THENCE South 20 degrees 10 minutes 40 seconds East, 73.00 feet to THE POINT OF BEGINNING and containing 0.65 acres of land, more or less.

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

GROUND LEASE AGREEMENT

This Ground Lease Agreement ("Lease" or "Agreement") is made and entered into as of September 1, 2020 (the "Effective Date"), by and among the Town of Addison, Texas, a Texas home-rule municipality (hereinafter sometimes referred to as "Landlord" or the "City"), and Mercury Air Center – Addison, Inc., a Texas corporation (hereinafter referred to as "Tenant") (Landlord and Tenant are sometimes referred to herein together as the "Parties").

WITNESSETH:

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

WHEREAS, the Airport is operated and managed for and on behalf of the City by Shimmick Construction Company, Inc. d/b/a Transportation Operations and Maintenance Services, a Colorado corporation. and SAMI Management, Inc., a Texas corporation (collectively the "Airport Manager"), pursuant to their respective management agreements each effective October 1, 2010 by and between the City and Airport Manager, and such Airport management may be changed by the City from time to time; and

WHEREAS, by way of various assignments, Tenant is currently leasing from Landlord that certain Property #0430, which is generally located at 4400 Glenn Curtiss Drive (ALP #A7) at Addison Airport pursuant to the terms and conditions of that certain Office-Hangar Lease entered into and made effective April 1, 1990, in which Beech Holdings, Inc. is named as the original tenant; and said Office Hangar Lease is now due to expire September 30, 2021; and

WHEREAS, by way of various assignments, Tenant is currently leasing from Landlord that certain Property #0440, which is generally located at 4451 (ALP #A8) and 4453 (ALP #A9) Glenn Curtiss Drive at Addison Airport pursuant to the terms and conditions of that certain ground lease first entered into and made effective September 30, 1981, in which Beech Holdings, Inc. is named as the original tenant; and said ground lease is now due to expire June 30, 2022; and

WHEREAS, by way of various assignments, Tenant is currently leasing from Landlord that certain Property #0400, which is generally located at 4480 Glenn Curtiss Drive (ALP #T7) at Addison Airport pursuant to the terms and conditions of that certain ground lease first entered into and made effective September 4, 1980, in which Three Rivers Gypsum, Inc. is named as the original tenant; and said ground lease is now due to expire June 29, 2021; and

WHEREAS, collectively the above referenced lease agreements for Property #0430, Property #0440 and Property #0400 are hereinafter referred to as the "**Mercury Original Leases**"; and

WHEREAS, Tenant is currently leasing from Landlord that certain **Property #0390**, which is generally located at 4540 Glenn Curtiss Drive (ALP #T5) at Addison Airport pursuant to the terms and conditions of that certain Conventional Hangar Lease for Commercial Aviation Use first entered into and made effective August 30, 2019 and is now due to expire September 30, 2020; and

WHEREAS, Tenant is currently leasing from Landlord that certain **Property #0420**, which is generally located at 4530 Glenn Curtiss Drive (ALP #T3) at Addison Airport pursuant to the terms and conditions of that certain Conventional Hangar Lease for Commercial Aviation Use first entered into and made effective August 5, 2019 and is due to expire February 28, 2021; and

WHEREAS, Tenant is currently leasing from Landlord that certain **Property #0410 Hangar Unit A, B & C**, which are generally located at 4532 Glenn Curtiss Drive (ALP #T1) at Addison Airport pursuant to the terms and conditions of that certain Conventional Hangar Lease for Commercial Aviation Use first entered into and made effective April 8, 2019 and, as amended and modified, is now due to expire February 28, 2021; and

WHEREAS, collectively the above referenced lease agreements for Property #0390, Property #0420 and Property #0410 are hereinafter referred to as the "Mercury's City Leases"; and

WHEREAS, by way of those certain:

- (i) Office-Hangar Lease Early Termination Agreement (4400 Glenn Curtiss Drive; ALP#A7); and
- (ii) Ground Lease Early Termination Agreement (4451 [ALP #A8] and 4453 [ALP #A9] Glenn Curtiss Drive); and
- (iii) Ground Lease Early Termination Agreement (4480 Glenn Curtiss Drive; ALP #T7)

each to be entered into and made effective by Landlord and Tenant simultaneously with this Ground Lease Agreement (so there effectively will be no lapse of time between the termination of the Mercury Original Leases and the commencement of this Ground Lease Agreement). Landlord and Tenant hereby mutually agree to terminate each of the Mercury Original Leases pursuant to the terms and condition set forth in each respective agreement; and

WHEREAS, Landlord and Tenant agree to early terminate or allow each of the Mercury's City Leases to expire, whichever occurs first, pursuant to the terms and conditions provided for in each respective lease agreement and in such a manner so there effectively is no lapse of time between the termination or expiration of each Mercury's City Lease and the commencement of this Ground Lease Agreement; and

WHEREAS, Tenant desires to lease from the City, and the City desires to lease to Tenant, a portion of the Airport generally described and hereinafter referred to as approximately 11.49 acres

(approximately 500,504 gross square feet) parcel or parcels of improved and unimproved land located at the street address commonly known as:

- (i) 4400 Glenn Curtiss (Property #0430 ALP #A7)
- (ii) 4451 Glenn Curtiss (Property #0440 ALP #A8)
- (iii) 4453 Glenn Curtiss (Property #0440 ALP #A9)
- (iv) 4480 Glenn Curtiss (Property #0400 ALP #T7)
- (v) 4530 Glenn Curtiss (Property #0420 ALP #T3)
- (vi) 4532 Glenn Curtiss (Property #0410 ALP #T1)
- (vii) 4540 Glenn Curtiss (Property #0390 ALP#T5)

within the Airport and as more particularly described in Exhibit 2- Legal Description of Demised Premises and as illustrated in Exhibit 3 – As-built Survey of Demised Premises (collectively the "Property Survey") attached hereto and incorporated herein, together with the non-exclusive right to use the Common Facilities as defined in Section 17 hereinbelow (referred to herein as the "Demised Premises") according to the terms and conditions set forth in this Agreement. The Parties mutually agree and accept the Property Survey for the purposes set forth in this Agreement; and

WHEREAS, the Parties hereby agree and mutually accept the signed and stamped Property Survey prepared by Sparr Surveys dated March 19, 2020 (Job #19000Y) to fairly describe the Demised Premises for the purpose of this Agreement.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

Section 1. Demise of the Premises: In consideration of and subject to the terms, covenants and conditions set forth in this Agreement, Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, the Demised Premises. This Lease is given and entered into subject to (i) all federal, state, and local laws, statutes, constitutional provisions, charters, ordinances, codes, rules, regulations, directives, policies, permits, standards, and orders (including, without limitation, court orders) of any governmental authority, entity, or agency (including, without limitation, the Town of Addison, Texas, the State of Texas, the Federal Aviation Administration, and the Texas Department of Transportation) whether in existence or hereafter enacted, adopted or imposed, and including, without limitation, any and all grant agreements or grant assurances, the Rules and Regulations, and the Minimum Standards, now existing or as hereafter agreed to, adopted or imposed, (ii) all restrictive covenants affecting the Demised Premises, (iii) all restrictions, easements, and other encumbrances on or matters affecting the Demised Premises, whether of record or not or which could be revealed by a survey of the Demised Premises, and (iv) all of the terms, conditions, and provisions of this Lease. In furtherance of the foregoing, Landlord represents to Tenant that, to the best of Landlord's actual knowledge, there are no mortgages, deeds of trust or monetary liens affecting the Demised Premises which are not filed of record.

Section 2. Term:

A. Subject to the termination and all other provisions of this Lease, the term hereof (the "Base Term") shall commence on the first day of the calendar month following the Effective Date (the "Commencement Date"), and shall end the last day of the eighty fourth (84th) full calendar month following the Commencement Date (and including the month of the Commencement Date) (the "Expiration Date"). The period of time beginning upon the Effective Date given above 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.

1. Inspection Period. Intentionally omitted.
2. Early Termination. Intentionally omitted.

B. Tenant may be eligible to qualify for and be granted additional lease term as provided for in the following manner:

1. Extended Term #1: Provided Tenant is (i) then not in default of this Lease, (ii) completes the demolition of the building improvements located at 4451 Glenn Curtiss, (iii) constructs a new jet hangar generally in its place (as more fully described in Section 6 below) with a total estimated Cost of Construction (as defined in below) of no less than Six Million Dollars (\$6,000,000US) and (iv) said construction is Substantially Complete (as defined in Section 6 below) no later than forty-eight (48) months following the Commencement Date (items ii, iii and iv of this sub-paragraph 1 are hereinafter collectively referred to as "Tenant's Capital Improvements Phase-1"), the Term hereof shall be extended an additional thirteen-years beyond the Base Term (or by adding 156 full calendar months to the end of the Base Term), hereinafter referred to as "Extended Term #1". Should Tenant construct the Tenant's Capital Improvements Phase-1 but the actual Cost of Construction is less than \$6,000,000, Tenant shall (at Tenant's sole option) pay to Landlord the difference between the actual Cost of Construction and \$6,000,000 to satisfy its obligation under (iii) herein.

2. Extended Term #2: Provided Tenant is (i) then not in default of this Lease, (ii) has already qualified and been granted Extended Term #1 above, (iii) completes the planned renovation and refurbishment of the FBO terminal located at 4400 Glenn Curtiss together with approximately 203,000 square feet of aircraft apron repair and replacement (as more fully described in Section 6 below) with a total Cost of Construction (as defined in below) of no less than Five Million Five Hundred Thousand Dollars (\$5,500,000 US), and (iv) said construction is Substantially Complete (as defined in Section 6 below) no later than seven (7) years following the Commencement Date (items iii and iv of this sub-paragraph 2 are hereinafter collectively referred to as "Tenant's Capital Improvements Phase-2"), the Term hereof shall be extended an additional fifteen-years beyond the Extended Term #1 (or by adding 180 full calendar months to the end of Extended Term #1), hereinafter referred to as "Extended Term #2." Should Tenant construct the Tenant's Capital Improvements Phase-2 but the actual Cost of Construction is less than \$5,500,000, Tenant shall (at Tenant's sole option) pay to Landlord the difference between the actual Cost of Construction and \$5,500,000 to satisfy its obligation under (iii) herein.

Notwithstanding Section 2.B.2 above, should Lessee, in its sole discretion, elect to exercise Extended Term #2 on or about the same time as Extended Term #1 and Tenant Substantially Completes both Tenant's Capital Improvements Phase-1 and Tenant's Capital Improvements Phase-2 as set forth in the Notice to Proceed with Construction required in Section 6.F below, the Term hereof shall be extended an additional twenty-eight years beyond the Base Term (or by adding 336 full calendar months to the end of the Base Term), hereinafter referred to as "Extended Term #2." Should Tenant construct both the Tenant's Capital Improvements Phase-1 and Phase-2 but the actual Cost of Construction of Tenant's Capital Improvements for Phase-1 and Phase-2 is less than \$11,500,000 Tenant may pay to Landlord the difference between the actual Cost of Construction and \$11,500,000 to satisfy its collective obligations under Section 2.B.1 (iii) and Section 2.B.2 (iii) above.

3. **Extended Term #3:** Provided Tenant is (i) then not in default of this Lease, (ii) has already qualified and been granted Extended Term #2, (iii) completes the renovation of what is commonly referred to as "Hangar 3" (ALP # A9) located at 4453 Glenn Curtiss, and (iv) demolishes the existing building improvements located at 4532 and 4530 Glenn Curtiss and, in their place, (v) construct new off-street vehicle parking to support Tenant's ongoing FBO operations (with each more fully described in Section 6 below), (vi) with a combined total Cost of Construction of no less than Two Million Five Hundred Thousand Dollars (\$2,500,000 US), and (vii) said construction is Substantially Complete (as defined in Section 6 below) no later than thirteen (13) years following the Commencement Date (items iii, iv, v, vi and vii of this sub-paragraph 3 are hereinafter collectively referred to as "Tenant's Capital Improvements Phase-3"), the Term hereof shall be extended an additional five years beyond the Extended Term #2 (or by adding 60 full calendar months to the end of Extended Term #2), hereinafter referred to as "Extended Term #3." Should Tenant construct the Tenant's Capital Improvements Phase-3 but the actual Cost of Construction is less than \$2,500,000, Tenant shall (at Tenant's sole option) may pay to Landlord the difference between the actual Cost of Construction and \$2,500,000 to satisfy its obligation under (iii) herein.

4. **Tenant's Capital Improvements:** the term "Tenant's Capital Improvements" shall collectively mean all, or any portion, of that described as Tenant's Capital Improvements Phase-1, Tenant's Capital Improvements Phase-2 and/or Tenant's Capital Improvements Phase-3 (each being more fully described in "Exhibit 4.B" attached hereto and incorporated herein by reference) constructed by Tenant or caused to be constructed by Tenant on to the Demised Premises.

5. **Cost of Construction:** the term "Cost of Construction" shall mean the cost or dollar amount expended in the design, permitting and construction of the facilities, including construction management. Tenant must exceed as stipulated for Tenant's Capital Improvements Phase-1, Tenant's Capital Improvements Phase-2 and Tenant's Capital Improvements Phase-3 above as a condition precedent for Tenant to be entitled to the respective Extended Term.

C. Notwithstanding the foregoing, it is the intent of the Parties to this Agreement not to allow the Term to exceed the maximum statutory limit of forty (40) consecutive full-calendar years from the Commencement Date.

D. The Parties hereby agree to execute a recordable document to be substantially in the form of the "Memorandum of Lease" attached hereto as **Exhibit 5** affirming, among other things if any, the Term Expiration Date, as may be amended from time to time, which may be requested in writing by either party.

Section 3. Rental; Security Deposit

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

1. **Base Rent:** Tenant agrees to and shall pay Landlord annual rental for the Demised Premises in an amount calculated to be the product of \$1.23 times the gross square feet of the Demised Premises as determined by the Property Survey (e.g. $\$1.23 \times 500,504$ gross square feet¹ = \$615,620.41), which amount shall be paid by Tenant in twelve equal monthly installments in advance on or before the first day of each calendar month (the "**Base Rent**", which shall be adjusted as set forth herein). The first monthly payment or installment of Base Rent in the amount of Fifty-One Thousand Three Hundred One Dollars and 70/100 (\$51,301.70) is due and payable on or before the Commencement Date. Thereafter, each installment of the Base Rent, subject to adjustment as set forth below, shall be due and payable on the first day of each calendar month during the Term hereof. All Rent is due on the first of each month and is delinquent after the tenth (10th) day of each month and subject to the provisions of Section 39.

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

3. For purposes of this Lease, the term "**Rent**" means Base Rent, additional rent, and 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 nonpayment of any Rent as for non-payment of Base Rent.

B. **Security Deposit:** No Security Deposit required.

Section 4. Adjustment of Rental:

A. Commencing on the second anniversary of the Commencement Date and on every second anniversary thereafter (hereinafter referred to as the "**Adjustment Date**"), the monthly rental due under Section 3.A.1, (Base Rent) shall be adjusted as follows:

¹ Rounded to the nearest whole number.

1. Annual Rent (including Base Rent) shall be adjusted to reflect changes in the Consumers' Price Index - All Items for Dallas, Texas Metropolitan Area (hereinafter referred to as the "Consumer Price Index"), as quoted in the publication *Consumer Price Index for All Urban Consumers (CPI-U)* for the Dallas-Fort Worth Consolidated Metropolitan Statistical Area which is issued by the U.S. Department of Labor, Bureau of Labor Statistics. The basic index ("Basic Index") is the Consumer Price Index existing as of the Commencement Date. The current index ("Current Index") is the Consumer Price Index on the first day of the calendar month preceding the then applicable Adjustment Date.

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

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

Section 5. Use of Demised Premises: During the Term, the Demised Premises shall be used and occupied by Tenant as set forth hereinbelow:

A. Permitted Uses: The Demised Premises shall be used and occupied by Tenant as set forth below and not for any other purpose without Landlord's prior written consent:

1. Sale of aircraft and aircraft parts;
2. Aircraft maintenance and repair, aircraft storage;
3. Aircraft training, aircraft management and charter;
4. Aircraft rentals;
5. Fixed Base Operations ("FBO"): being the sale of aircraft goods and services to the public, including without limitation providing for the storage of transient aircraft in aircraft hangars and the adjacent ramp area, and the dispensing of aviation fuel in accordance with and subject to the ordinances and regulations issued by the Town of Addison from time to time and/or the Airport Governing Documents;
6. Constructing, owning, and operating hangar facilities, public terminal, and restaurant(s), used directly in support of and in connection with the FBO services;
7. Office or administrative space used strictly in support of aeronautical operations or services, such as corporate flight operations offices and/or corporate aircraft management and charter services;

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

B. Prohibited or Restricted Use of Demised Premises:

1. The Demised Premises shall not, under any circumstance be used for any activity that (i) constitutes a violation of any federal, state, or local laws, ordinances, orders, directives, charters, rules, regulations, standards or policies); (ii) in Landlord's reasonable opinion creates or would create a nuisance or waste, or unreasonably disturb, annoy or interfere with other tenants or users of the Airport; (iii) increases insurance costs for Landlord; or (iv) would result in the Landlord being in violation of its grant assurances obligations to the federal government.
2. Tenant acknowledges that Landlord is bound by, and this Lease is subject to, the terms and conditions of any and all Federal Aviation Administration ("FAA"), Texas Department of Transportation ("TxDOT"), and other grant agreements, grant assurances and regulations regarding the Airport, including, without limitation, any grant, loan, regulation, or agreement under Section 22.055 of the Texas Transportation Code, as amended or superseded, whether now existing or made in the future. Tenant agrees not to act or fail to act in Demised Premises any way or manner that would cause Landlord to be in violation of any of the foregoing.

3. Tenant for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that (i) no person on the grounds of race, creed, color, national origin, sex, age or of a qualifying disability shall be excluded from participation in, denied the benefits of or be otherwise subjected to discrimination in the use of the Demised Premises; (ii) that in the construction of any improvements on, over or under the Demised Premises and the furnishing of services thereon, no person on the grounds of race, creed, color, national origin, sex, age, or qualifying disability shall be excluded from participation in, denied the benefits of or otherwise be subjected to discrimination; and (iii) that the Tenant shall use the Demised Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964 and as said Regulations may be amended.

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

5. Tenant shall not at any time leave the Demised Premises vacant, but shall in good faith continuously throughout the term of this Lease conduct and carry on in the entire Demised Premises the type of operations or use for which the Demised Premises are leased, except during periods in which the Demised Premises may not be occupied as a result of fire or other casualty or condemnation, a Force Majeure event (as defined in Section 42 below) in which case Tenant shall return to the Demised Premises within a commercially reasonable time following the cessation of the Force Majeure event, or during any commercially reasonable period necessary for making repairs and alterations, all such repairs and alterations to be diligently pursued to completion.

Section 6. Existing Building Improvements and the Construction of New Building Improvements:

A. Existing Building Improvements: Tenant's use and occupancy of the Demised Premises include those real property improvements having been already constructed and existing on the Demised Premises as of the Effective Date of this Ground Lease, which are more fully described in "Exhibit 3 – As-built Survey of Demised Premises" and "Exhibit 4A - Inventory of Existing Building Improvements as of Effective Date" attached hereto and incorporated herein by reference (the "Existing Building Improvements"). Tenant's acceptance of the Existing Building Improvements is expressly subject to the terms and conditions of Section 7 below.

B. New Building Improvements: Over the Term, Tenant may make New Building Improvements upon receipt of advance written approval from Landlord of the proposed Design Plan (as defined below), which approval shall not be unreasonably withheld, conditioned, or delayed.

“New Building Improvements” may consist of (i) material modifications to the Existing Building Improvements (e.g. expansion, demolition, structural changes to the building shell, roof, foundation, vehicle off-street parking or aircraft apron surfaces) and/or (ii) construction of new buildings and/or real property improvements on the Demised Premises including, but not limited to, Tenant's Capital Improvements defined in Section 2.B.4 above and more fully described in Exhibit 4B-Description of Tenant's Capital Improvements (including any material modifications made to any portion of the Existing Building Improvements), whether or not at Tenant's sole cost, expense and risk. For purposes herein, the term "Building Improvements" shall mean collectively the Existing Building Improvements and/or the New Building Improvements whichever the case may be. Except as provided for in this Agreement, Tenant may not construct, locate, install, place, or erect any other improvements upon the Demised Premises without the prior written consent of Landlord.

C. New Building Improvements shall be constructed on the Demised Premises in accordance with plans and specifications prepared by an architect and/or engineer selected by Tenant (the “Design Plan”), which Design Plan shall be submitted to Landlord and approved in writing by Landlord by the issuance of a Building Permit or other means as determined by Landlord.

D. Any architect or engineer employed by Tenant to design the New Building Improvements shall be duly licensed to practice architecture or engineering, as the case may be, in the State of Texas. Such construction shall be performed in the best, highest of quality (“First Class”) workmanlike manner consistent with the industry standard for new building improvements for executive jet FBOs 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, AND THEIR RESPECTIVE OFFICIALS, OFFICERS, EMPLOYEES AND AGENTS (IN BOTH THEIR OFFICIAL AND PRIVATE CAPACITIES) (THE “INDEMNIFIED PARTIES”)** FROM AND AGAINST ANY AND ALL SUCH COSTS, EXPENSES, CLAIMS, DAMAGES, PENALTIES, FINES, LIENS LIABILITIES, AND OBLIGATIONS DESCRIBED IN THE PRECEDING SENTENCE (TOGETHER, FOR PURPOSES OF THIS SUBSECTION, THE “DAMAGES”), INCLUDING SUCH COSTS, EXPENSES, CLAIMS, DAMAGES, PENALTIES, FINES, LIENS LIABILITIES, AND OBLIGATIONS WHICH ARE ALLEGED OR FOUND TO HAVE BEEN CAUSED BY OR RESULT FROM, IN WHOLE OR IN PART, THE NEGLIGENCE OF ANY OF THE INDEMNIFIED PARTIES (BUT NOT THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE INDEMNIFIED PARTIES), OR CONDUCT BY THE INDEMNIFIED PARTIES THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND, OR THE VIOLATION OF ANY TERM OF THE LEASE WITHOUT LIMITATION. HOWEVER, TO THE EXTENT GROSS NEGLIGENCE AND/OR WILLFUL MISCONDUCT ARE ALLEGED SIMULTANEOUSLY WITH CLAIMS REQUIRING DEFENSE AND INDEMNITY HEREIN, TENANT SHALL DEFEND ALL CLAIMS ALLEGED AGAINST THE INDEMNIFIED PARTIES. TENANT’S LIABILITY UNDER THIS INDEMNITY OBLIGATION SHALL BE REDUCED BY THAT PORTION OF THE TOTAL AMOUNT OF THE DAMAGES (EXCLUDING DEFENSE FEES AND COSTS) EQUAL TO THE INDEMNIFIED PARTIES’ PROPORTIONATE SHARE OF NEGLIGENCE, OR CONDUCT THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND, THAT CAUSED THE DAMAGES. LIKEWISE, TENANT’S LIABILITY FOR THE INDEMNIFIED PARTIES’ DEFENSE COSTS AND ATTORNEYS’ FEES SHALL BE REDUCED BY A PORTION OF THE DEFENSE COSTS AND ATTORNEYS’

FEES EQUAL TO THE INDEMNIFIED PARTIES' PROPORTIONATE SHARE OF NEGLIGENCE, OR CONDUCT THAT WOULD GIVE RISE TO THE STRICT LIABILITY OF ANY KIND, THAT CAUSED THE DAMAGES. THIS INDEMNIFICATION SHALL SURVIVE THE TERMINATION OF THIS LEASE. It is expressly understood and agreed that Tenant's construction of the New Building Improvements shall include the finish-out in accordance with the plans and specifications for the finish-out of the Building Improvements as submitted by Tenant to Landlord and approved in writing by Landlord, such approval not to be unreasonably withheld, delayed or conditioned.

E. 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.

F. Throughout the Term, Tenant shall not physically cause or authorize the commencing of the construction of any New Building Improvements (as provided for herein or otherwise) except and until Landlord delivers to Tenant its written *Notice to Proceed with Construction*, which shall not be unreasonably withheld by Landlord. Landlord's written *Notice to Proceed with Construction* shall, among other things, stipulate and serve evidence of (i) Tenant's no later than Construction Commencement Date; (ii), Tenant's required date to achieve Substantial Completion; (iii) Tenant's required date of Final Completion (as these two latter terms are defined in Subsection 6.K below); and to (iv) affirm Tenant's required minimum Cost of Construction of the New Building Improvements as provided for herein or as otherwise mutually agreed to by the Parties. For the purposes herein, it is reasonable for Landlord to withhold its written *Notice to Proceed with Construction* until Landlord has received delivery of (or the documented evidence thereof) in the form and content acceptable to Landlord as follows:

1. Written approval of the Design Plan by Landlord.
2. Copies of required building permit(s) or licenses necessary to construct the Building Improvements on the Demised Premises.
3. A true and correct copy of the Federal Aviation Administration's ("FAA's") Determination of Hazard and Tenant's filing of Form 7460 Notice of Proposed Construction or Alteration.
4. Execution of a contract with a qualified general contractor.
5. Proof of required Builder's Risk Insurance Policy.
6. Evidence that the Airport has been included as an additional obligee on the applicable general contractor's Payment and Performance Bond.

G. Tenant shall complete construction of the New Building Improvements authorized by Landlord with reasonable diligence, without material deviation from the Design Plan, and any material deviation from the Design Plan shall be subject to the prior review and approval of Landlord.

1. Save and except for Force Majeure as defined in Section 42 herein, if construction of the New Building Improvement is not Substantially Completed by and/or Final Completion is not achieved on or before the date first given in Landlord's written *Notice*

to Proceed with Construction (per Section 6.F above), or as otherwise provided for herein, Tenant shall then pay to Landlord upon written demand Two Hundred and Fifty Dollars (\$250.00) as additional rent for each and every day thereafter until such completion is achieved satisfactory to Landlord. Notwithstanding anything to the contrary herein, if after the issuance of the Notice to Proceed with Construction a determination is made by the FAA or other regulatory agency that has jurisdiction over the Premises or the applicable New Building Improvement that will increase the total cost of such project by a material amount over the total amount budgeted by Tenant, the parties will revise the scope of the work required in such Notice to Proceed with Construction in an equitable manner.

2. Tenant must (i) satisfactorily complete the required capital repairs on or before the stipulated Substantially Complete Date and (ii) provide satisfactory evidence Tenant has met or exceed the stipulated Cost of Construction value or amount set forth herein to qualify for the pending Extended Term and any remaining Extended Term options.

H. Tenant agrees that any construction or modification of the Building Improvements or any other improvements which may be authorized by Landlord, which authorization, if any, shall be in writing, on or within the Demised Premises shall comply with all standards, codes, and rules adopted by Landlord or Airport 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, 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.

I. Tenant will properly and timely submit to the Federal Aviation Administration (FAA), the Texas Department of Transportation (TxDOT), and any other governmental authority, entity or agency having jurisdiction regarding Addison Airport, a Notice of Proposed Construction or Alteration, when and as required, and such other forms and information as may be required by the FAA, TxDOT, or other governmental entity or agency having jurisdiction over Addison Airport.

J. Tenant further agrees that the Landlord shall be authorized at all times during any project of construction to enter upon the Demised Premises, and all parts thereof, in order to observe the performance of such construction, 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 Demised Premises.

K. “Substantial Completion of the New Building Improvements” or “Substantial Completion” shall be 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. “Final Completion” of the construction of the New Building Improvements shall be deemed to occur upon the issuance by Tenant’s architect or engineer who designed the New Building Improvements of such documentation as may be necessary to establish the final completion (closeout) of the construction of the New Building Improvements and the delivery by Tenant to Landlord of comprehensive As-Built Drawings and other such documentation reviewed by Tenant’s architect reflecting all approved changes and modifications to the originally approved Design Plan.

L. Failure of Tenant to observe and comply with the requirements of this Section, subject to notice and cure as provided for herein above and/or in Section 23(B) and/or Section 23(C), shall be an Event of Default.

Section 7. Acceptance of Demised Premises: TENANT ACKNOWLEDGES THAT TENANT HAS FULLY INSPECTED THE DEMISED PREMISES AND ACCEPTS THE DEMISED PREMISES AND THAT THE DEMISED PREMISES ARE LEASED TO TENANT "AS IS, WHERE IS, AND WITH ALL FAULTS AND PATENT AND LATENT DEFECTS", AND LANDLORD HAS NOT MADE, DOES NOT MAKE, AND SPECIFICALLY DISCLAIMS, ANY REPRESENTATION, PROMISE, COVENANT, AGREEMENT, GUARANTY OR WARRANTY OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, AS TO THE QUANTITY, QUALITY, CONDITION, SUITABILITY, HABITABILITY, OR FITNESS OF THE PROPERTY INCLUDING WITHOUT LIMITATION THE DEMISED PREMISES AND THE IMPROVEMENTS THEREON, FOR ANY PURPOSE WHATSOEVER, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION REGARDING SOIL CONDITIONS, AVAILABILITY OF UTILITIES [SUBJECT TO SECTION 16], DRAINAGE, ZONING LAWS, ENVIRONMENTAL LAWS, OR ANY OTHER FEDERAL, STATE OR LOCAL STATUTES, CODES, REGULATIONS OR ORDINANCES. TENANT ALSO ACKNOWLEDGES AND AGREES THAT TENANT'S INSPECTION AND INVESTIGATION OF THE DEMISED PREMISES HAVE BEEN (OR WILL BE) ADEQUATE TO ENABLE TENANT TO MAKE TENANT'S OWN DETERMINATION WITH RESPECT TO THE SUITABILITY OR FITNESS OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, WITH RESPECT TO SOIL CONDITIONS, AVAILABILITY OF UTILITIES [SUBJECT TO SECTION 16], DRAINAGE, ZONING LAWS, ENVIRONMENTAL LAWS, AND ANY OTHER FEDERAL, STATE OR LOCAL STATUTES, CODES, REGULATIONS OR ORDINANCES. TENANT ACKNOWLEDGES THAT THE DISCLAIMERS, AGREEMENTS AND OTHER STATEMENTS SET FORTH IN THIS PARAGRAPH ARE AN INTEGRAL PORTION OF THIS LEASE AND THAT LANDLORD WOULD NOT AGREE TO LEASE THE DEMISED PREMISES TO TENANT AS SET FORTH HEREIN WITHOUT THE DISCLAIMERS, AGREEMENTS AND OTHER STATEMENTS SET FORTH IN THIS PARAGRAPH. TENANT FURTHER ACKNOWLEDGES THAT TENANT IS NOT IN A DISPARATE BARGAINING POSITION WITH RESPECT TO LANDLORD. TENANT ACKNOWLEDGES AND AGREES FURTHER THAT THIS LEASE IS SUBJECT TO ANY AND ALL CURRENTLY EXISTING TITLE

EXCEPTIONS OR OTHER MATTERS OF RECORD OR ANY MATTER OR ITEM VISIBLE OR APPARENT FROM AN INSPECTION AFFECTING THE DEMISED PREMISES. TENANT WAIVES ANY EXPRESS OR IMPLIED WARRANTIES OF SUITABILITY, HABITABILITY, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND FURTHER WAIVES ALL CLAIMS BASED ON ANY DEFECT IN THE DEMISED PREMISES WHETHER OR NOT SUCH DEFECT COULD HAVE BEEN DISCOVERED BY TENANT'S REASONABLE INSPECTION. TENANT, AT ITS COST, SHALL BE ENTITLED TO PERFORM A PHASE I ENVIRONMENTAL STUDY, PROVIDING A COPY THEREOF TO LANDLORD, ALL AS MAY BE SPECIFIED IN MORE DETAIL IN SECTION 22.D. BELOW. WITHOUT LIMITING THE FOREGOING, THERE IS NO WARRANTY, EXPRESS OR IMPLIED, OF SUITABILITY, MERCHANTABILITY, HABITABILITY, OR FITNESS FOR ANY PARTICULAR PURPOSE GIVEN IN CONNECTION WITH THIS LEASE.

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

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

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

Tenant agrees that any new construction or modification of existing improvements on the Demised Premises will comply with all standards and rules published by the Landlord or by the Airport Manager (as of the Effective Date, the Airport Manager is as set forth in the Recitals, above, but the Airport Manager may be changed or modified by the City, and for purposes of this Lease the Airport Manager shall also mean any person or entity authorized by Landlord to manage and/or operate the Airport), including, but not limited to, the Airport's published "Construction/Maintenance Standards and Specifications," will comply with the Town of Addison building and related codes and zoning requirements or any other laws, ordinances, permits, rules, regulations, or policies of the Town of Addison, Texas, and will meet or exceed all applicable State and Federal standards, permits, laws, rules, or regulations. Tenant recognizes that the referenced Construction/Maintenance Standards and Specifications, Town of Addison building and related codes and zoning requirements and other laws, ordinances, permits, rules, regulations or policies, and all applicable State and Federal standards, laws,

rules, or regulations may be modified or amended from time to time and that compliance will be measured by such standards in effect at the time of a particular construction or modification of improvements after the initial construction of the Building Improvements pursuant to the Design Plan.

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

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

A. Without the prior written consent of Landlord (which consent may be granted or withheld in Landlord's sole and absolute discretion and opinion), Tenant shall have no power to and may not either voluntarily or involuntarily, by operation of law or otherwise, (i) assign, sell, pledge, encumber, mortgage, license, transfer, or otherwise convey in any manner whatsoever, including by merger, consolidation, operation of law, or otherwise, (together, "assign" or "assignment," and the person or entity to whom an assignment is made being an "assignee"), this Lease or any rights, duties, or obligations of Tenant hereunder (except to a leasehold mortgagee as hereinbelow provided and in accordance with and subject to all of the terms and conditions of this Lease) or (ii) sublet the whole or any part of the Demised Premises, and any such assignment or any subletting shall be null and void and may be deemed by Landlord (in Landlord's sole discretion) an event of default under Section 23 of this Lease. Any assignment or subletting shall be expressly subject to all the terms and provisions of this Lease, including the provisions of Section 5 pertaining to the Permitted Use of the Demised Premises. In the event of any Landlord-approved assignment or subletting, Tenant shall not assign Tenant's rights, duties, or obligations hereunder nor sublet the Demised Premises without first obtaining a written agreement from each such assignee or sublessee whereby each such transferee or sublessee agrees to be bound by the terms and provisions of this Lease. No such assignment or subletting shall constitute a novation. In the event of the occurrence of an event of default while the Demised Premises are assigned or sublet, Landlord, in addition to any other rights and 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 act as a waiver of any rights or remedies granted to or retained by Landlord under this Lease and shall not act as an election of remedies nor shall it prohibit Landlord from exercising its rights and remedies with respect to any other actual or proposed assignment or subletting, and Landlord's consent to any assignment shall not relieve Tenant or any Guarantor 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 Demised Premises for the purpose of renting aircraft storage only, provided that each sublease is evidenced by written agreement, signed and executed by Tenant and sublessee and fairly states:

1. Each sublessee agrees to be bound by the terms and provisions of the Ground Lease, including the provisions of Section 5 pertaining to the use of the Demised Premises, and in the event of any conflict between the terms of the Ground Lease and the terms of the sublease, the terms of the Lease shall control;
2. Such subletting shall not constitute a novation;
3. In the event of occurrence of an event of default while the Demised Premises are sublet, Landlord, in addition to any other remedies provided herein or by law, may at Landlord's option, collect directly from such subtenant all rents becoming due under such subletting and apply such rent against any sums due to Landlord hereunder;
4. Sublessee shall be obligated to obtain Landlord's consent to any action as to which Tenant is obligated to obtain such consent under the Lease;
5. Any such sublease is to automatically terminate upon termination of this Lease notwithstanding any other provision of the sublease to the contrary; and
6. Landlord shall have no responsibility or obligation for the performance by Tenant of its obligations under the sublease.

Neither this consent, the exercise by Landlord of its rights and remedies hereunder, nor the sublease or any other instrument shall give sublessee any rights directly or indirectly against Landlord or create or impose any obligation, duty, responsibility, or liability of Landlord in favor of or for the benefit of sublessee. Furthermore, Tenant agrees that in no way does any sublease release Tenant from any of its covenants, agreements, liabilities and duties under this 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 or remedies under this Lease or pursuant to law, in equity, or otherwise; that Tenant shall remain fully liable for the performance of each and every term, provision, covenant, duty and obligation of the Tenant under this Lease, including, without limitation, the duty to make any and all payments of Rent; and that any violation of any terms and conditions of this Lease by a sublessee may constitute a default under this Lease.

C. If consent by Landlord to an assignment is required hereunder, Tenant shall request, in writing, Landlord's consent to a proposed assignment and such request must include, in addition to any other information or materials that Landlord may request: (i) the name of the proposed assignee; (ii) the nature and character of the assignee's business; (iii) all material terms of the proposed assignment; and (iv) financial statements prepared or reviewed by an independent CPA, or other evidence of the proposed assignee to perform its obligations under this Lease.

For purposes hereof, an assignment will be deemed to occur if the person or persons who own or have voting control of more than 50% of Tenant on the Effective Date cease to own or have voting control of more than 50% of Tenant at any time during the Term. Tenant shall provide to Landlord from time to time, as requested by Landlord and in a form acceptable to Landlord, a written certification confirming that no such assignment has occurred without Landlord's consent, if such consent is required hereunder. For purposes hereof, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities.

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

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

F. Landlord agrees, if and so long as the leasehold estate of Tenant is encumbered by a leasehold mortgage and written notice to such effect has been given to Landlord, to give the holder of such leasehold mortgage at such address or addresses as may be specified in such written notice to Landlord for the giving of notices to the leasehold mortgagee, or as otherwise may be specified by the leasehold mortgagee to Landlord in writing, written notice of any default hereunder by Tenant, simultaneously with the giving of such notice to Tenant, and the holder of any such leasehold mortgage shall have the right, for a period of fifteen (15) days after its receipt of such notice or within any longer period of time specified in such notice, to take such action or to make payment as may be necessary or appropriate to cure any such default so specified, it being the intention of the parties hereto that Landlord shall not exercise Landlord's right to terminate this Lease without first giving any such leasehold mortgagee the notice provided for herein and affording any such leasehold mortgagee the right to cure such default as provided for herein.

G. Landlord further agrees to execute and deliver to any proposed leasehold mortgagee of Tenant a "Non-Disturbance Agreement" wherein Landlord agrees that Landlord will (i) recognize such mortgagee after foreclosure, or transfer in lieu of foreclosure, as Tenant hereunder, and (ii) continue to perform all of Landlord's obligations hereunder so long as such mortgagee performs all of the obligations of Tenant hereunder; provided, however, that notwithstanding the foregoing or any other provision of this Lease, such mortgagee or its successors and assigns after foreclosure or transfer in lieu of foreclosure shall not and does not have the right and shall not and does not have the power to assign (as defined in subsection A, of this Section 9) this Lease, or any right, interest, obligation, or liability hereunder, or any part of the Demised Premises, without the

prior written approval of Landlord, and any such assignment shall be null and a cause for immediate termination of this Lease by Landlord, it being the intent of this provision that such mortgagee shall have no greater right to assign or sublet this Lease, or any right, interest, obligation, or liability hereunder, or any part of the Demised Premises, than the Tenant has as set forth in this Section 9. Landlord also agrees to consider the execution and delivery to such proposed leasehold mortgagee any other documents which such proposed leasehold mortgagee may reasonably request concerning the mortgaging by Tenant of the leasehold estate created hereby; provided, however, that Landlord shall never be required to subordinate Landlord's interest in the Demised Premises to the mortgage of such proposed leasehold mortgagee.

H. Upon request by Landlord, Tenant shall provide to Landlord a complete and accurate roster of any subtenants which shall include, but not be limited to, name, legal mailing address, email address, daytime telephone number, 24-hour emergency contact information, term of sublease, together with the make, model, aircraft type and "N" number of any aircraft regularly stored or located on or in the Demised Premises covered by said sublease. Tenant's failure to provide said information as prescribed constitutes a default of this Lease, subject to notice and cure as provided in Section 23(B).

Section 10. Property Taxes and Assessments: Tenant shall pay, before they become delinquent, any and all property taxes or assessments, and any other governmental charges, fees or expenses (collectively, the "Taxes"), levied or assessed on any improvements on the Demised Premises, the personal property and fixtures on the Demised Premises, and, if applicable, upon the leasehold estate of Tenant created hereby. Upon the request of Landlord, Tenant shall from time to time furnish to Landlord "paid receipts" or other written evidence that all such taxes have been paid by Tenant. In the event Tenant shall fail to pay any such taxes, assessments, or charges prior to delinquency, Landlord shall have the right to pay (but not the obligation) or may cause all taxes, assessments, or charges to be paid and the reasonable costs thereof expended by Landlord plus interest thereon as provided in Section 39 of this Lease shall be paid by Tenant on demand. Subject to the payment of any outstanding Taxes, Tenant may protest, appeal or institute other formal proceedings to effect a reduction or abatement of real estate taxes and assessments with respect to real estate taxes and assessments levied against the improvements on the Demised Premises and/or the Tenant's leasehold interest in the Lease for any tax fiscal year that ends after the Commencement Date of this Lease. Such protest, appeal or other proceedings may be conducted only in the name of Tenant. To this end and at Tenant's expense, Tenant shall give Landlord written notice of any such protest or appeal and resolution thereof. Notwithstanding the foregoing, Tenant shall not contest the determination that the buildings and/or improvements are subject to taxation. If a final (non-appealable) determination is rendered by DCAD or a court of appropriate and competent jurisdiction that any such buildings or other improvements are not subject to property taxation, the rent (as the same may be adjusted) for the year in which such final determination becomes effective shall be increased by an amount equal to the property tax revenue from such buildings and improvements that Tenant would have paid to the Town of Addison, Texas in that year but for such final determination (and such initial increased amount shall be paid to Landlord on or before December 31 of such year, unless otherwise agreed to by Landlord); thereafter, the rent (as the same may be adjusted) as so increased shall continue, subject to adjustment as set forth in this Lease.

Section 11. Maintenance and Repair of Demised Premises:

A. Tenant shall, throughout the term hereof, maintain the Demised Premises and all improvements made thereto (including the Building Improvements and any other constructed or added Building Improvement made thereto in the future), fixtures, equipment and personal property in “good repair and in a first-class condition”, as such phrase is defined in the Lease Addendum #1 attached hereto, ordinary wear and tear excepted. Furthermore, Tenant shall, over the Term, continue to maintain the Demised Premises in accordance with all applicable ordinances, codes, rules and regulations of or adopted by the Town of Addison, Texas or any other agency with regulatory oversight of any or all portions of the Demised Premises and any buildings, improvements, fixtures, equipment and personal property on the Demised Premises. Tenant’s failure to keep the Demised Premises and all buildings, improvements, fixtures, equipment and personal property situated thereon in good repair and condition and compliant with all regulations, codes and ordinances as required by this Section 11 or elsewhere provided for in the Lease is an Event of Default, subject to Landlord’s written notice and Tenant cure period specified in Section 23, under this Lease (the foregoing is not intended to limit any remedies outside of this Lease that the City has to enforce violations of its ordinances). In the event Tenant shall fail to so maintain the Demised Premises and the buildings, improvements, fixtures, equipment and personal property (excluding aircraft stored in the Building Improvements) situated thereon, after notice and an opportunity to cure as provided in Section 23 below, in addition to its other rights and remedies, Landlord shall have the right (but not the obligation), in accordance with Section 24, to enter the Demised Premises without liability to Tenant to repair or cause to be repaired all such deficiencies and, or perform or cause to be performed such maintenance necessary to remedy such conditions; and all reasonable costs therefore expended by Landlord plus interest thereon as provided for in Section 39 shall be paid by Tenant upon demand.

B. Notwithstanding the foregoing, set forth as “Lease Addendum #1” attached hereto and incorporated herein by reference and made a part hereof, are “Tenant’s Leasehold Minimum Maintenance and Repair Standards and Practices,” which are intended as maintenance and repair standards and practices Landlord expects of Tenant. Tenant (and any of its successors or assigns) hereby agrees to meet or exceed the Tenant’s Leasehold Minimum Maintenance and Repair Standards and Practices throughout the Term. Notwithstanding the foregoing, as provided in Section 18 below, Landlord reserves the right, in its sole discretion, to introduce and adopt other regulations deemed appropriate and necessary by Landlord for the purpose, among other things, of protection of the property of Landlord. In the event Landlord should formally adopt similar leasehold maintenance and repair standards governing such practices of all ground leaseholds at Addison Airport (“Replacement Maintenance Standards”), such encompassing regulations and practices shall supersede and replace Lease Addendum #1 in its entirety upon the effective date of such Replacement Maintenance Standards for the duration of the Term. A copy of any new or amended maintenance and repair standards shall be provided to Tenant promptly after such adoption. In no case shall Tenant be liable for failure to follow any maintenance or repair standards for which it has not received notice thereof.

Section 12. Alterations, Additions, and Improvements: After completion of the New Building Improvements described in Section 6, Tenant shall not create any openings in the roof or exterior walls, or make any alterations, additions or improvements to the Demised Premises or any

improvements thereon or modifications thereto without the prior written consent of Landlord or Airport Manager. Consent for non-structural alterations, additions or improvements shall not be unreasonably withheld, conditioned, or delayed by Landlord or Airport Manager. Tenant shall have the right to erect or install shelves, bins, machinery, air conditioning or heating equipment and trade fixtures without consent, provided that Tenant complies with all applicable governmental laws, ordinances and regulations (including, without limitation and as may be required by law, obtaining a building permit).

All alterations, modifications, additions and improvements in and to the Demised Premises shall be performed in a First Class workmanlike manner consistent with the industry standard for alterations, modifications, additions and improvements to executive jet hangars and FBO terminal facilities, shall comply with all the standards and requirements set out above, and in Section 6 and Section 8, and Tenant shall promptly pay and discharge all costs, expenses, liens and any and all other liabilities and obligations which arise in connection therewith (**AND SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS LANDLORD AND AIRPORT MANAGER, AND THEIR RESPECTIVE OFFICIALS, OFFICERS, EMPLOYEES, AND AGENTS, FROM AND AGAINST ANY AND ALL SUCH COSTS, EXPENSES, CLAIMS, LIENS, LIABILITIES, AND OBLIGATIONS TO THE EXTENT REQUIRED IN SECTION 21**).

Section 13. Insurance and Bonds:

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

1. Insurance against loss or damage to improvements by fire, lightning, and all other risks from time to time included under standard extended coverage policies, and sprinkler, vandalism and malicious mischief, all in amounts sufficient to prevent Landlord or Tenant from becoming co-insurers of any loss under the applicable policies but in any event in amounts not less than one hundred percent (100%) of the full insurable value of the Demised Premises and any and all improvements thereon. The term "full insurable value" as used herein means actual replacement value at the time of such loss. Upon request, such replacement value shall be determined by a qualified appraiser, a copy of whose findings shall be submitted to Landlord, and, thereafter, proper adjustment in the limits of insurance coverage shall be affected.
2. Commercial General Liability insurance at minimum combined single limits of \$1,000,000 per-occurrence and \$1,000,000 general aggregate for bodily injury, death or property damage or destruction occurring on, in or about the Demised Premises, which coverage shall include products/completed operations (\$1,000,000 products/ completed operations aggregate). Coverage for products/completed operations must be maintained for at least two (2) years after construction work has been completed. Coverage must include contractual liability.

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

4. If applicable, boiler and pressure vessel insurance on all steam boilers and air compressors, parts thereof and appurtenances attached or connected thereto which by reason of their use or existence are capable of bursting, erupting, collapsing, imploding or exploding, in the minimum amount of \$500,000 for damage to or destruction of property resulting from such perils.

5. In connection with the design and construction of any improvements on the Demised Premises, architects, engineers, and constructions managers, including design/build contractors used by Tenant, shall carry professional liability insurance at minimum limits of \$250,000; this coverage must be maintained for at least two (2) years after the improvements are completed, and if coverage is written on a claims-made basis, a policy retroactive date equivalent to the inception date of this Lease (or earlier) must be maintained.

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

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

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

9. If Tenant is fueling aircraft at the Airport pursuant to a fueling permit or license issued by the City, Tenant shall maintain a minimum of \$1,000,000 in Pollution Liability Insurance coverage, which may be satisfied through sudden and accidental pollution coverage under Tenant's commercial general liability policy.

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

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

1. The Town of Addison, Texas, and the Airport Manager and their respective past and present officials, officers, employees and agents shall be named as additional insureds, or loss payees as the case may be, except with respect to the professional liability policies and workers compensation insurance.

2. All insurance policies which name the Town of Addison, Texas and the Airport Manager (and their respective past and present officials, officers, employees and agents) as additional insureds must be endorsed to read as primary coverage and non-contributory regardless of the application of other insurance.

3. A waiver of subrogation in favor of the Town of Addison, Texas, and the Airport Manager (and their respective past and present officials, officers, employees and agents) shall be contained in each policy required herein.

4. All insurance policies shall be endorsed to the effect that the Town of Addison, Texas and the Airport Manager will receive at least thirty (30) days written notice prior to cancellation or non-renewal of the insurance coverages (except that if such insurance is canceled for non-payment of premium, such notice shall be ten (10) days).

5. All liability policies shall contain no cross-liability exclusions or insured versus insured restrictions applicable to the claims of the Town of Addison or the Airport Manager.

6. Tenant may maintain reasonable and customary deductibles, subject to approval by Landlord.

7. Insurance must be purchased from insurers that are financially acceptable to Landlord and licensed to do business in the State of Texas.

8. Tenant shall provide written notice to Landlord of any material change in the insurance coverages required herein within thirty (30) days after the change in coverage.

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

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

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

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

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

2. Tenant shall cause its general contractor to obtain and keep, or cause to be kept, in full force and effect (during the period of initial construction of the Building Improvements) at no cost or expense to Landlord, 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 cause the general contractor to pay the premiums for such bonds. Bonds shall be issued by a surety company 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. 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. After the completion of the Building Improvements contemplated by this Lease, in the event that Tenant subsequently requests the commencement of additional construction or improvements in an amount equal to or greater than Five Hundred Thousand Dollars (\$500,000), then Tenant shall provide Landlord a Payment Bond and Performance Bond in the same manner as articulated in this Section 13.D.2.

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

Section 14. Casualty Damage or Destruction:

A. In case of any damage to or destruction of the buildings, structures, equipment, or any other improvements on or at the Demised Premises (including the Building Improvements), or any part thereof, Tenant will promptly give written notice thereof to Landlord, generally describing the nature and extent of such damage and/or destruction.

B. In case of any damage to or destruction of any building, structure, equipment, or other improvements (including the Building Improvements) on or at the Demised Premises, or any part thereof, Tenant, whether or not the insurance proceeds, if any, payable on account of such damage and/or destruction commence within a commercially reasonable time following such damage or destruction and diligently proceed to completion the restoration, repair and replacement of said building, structure, equipment, or other improvements as nearly as possible to their value, condition and character immediately prior to such damage and/or destruction and with at least as good workmanship and quality as such building, structure, equipment, or other improvements on

or at the Demised Premises being repaired or replaced, with such alterations in and additions thereto as may be approved in writing by Landlord (hereinafter sometimes referred to as the “Restoration”). All Restoration plans (whether design, architectural, or otherwise) shall be approved in writing by Landlord prior to the commencement of construction, which approval shall not be unreasonably withheld, delayed, or conditioned. All such design and construction shall comply with other Sections of this Lease concerning the design and construction of buildings and other improvements on or at the Demised Premises, including without limitation Sections 6, 8, and 13 hereof. Within a commercially reasonable time following damage or destruction of any Building Improvements, Tenant shall clear the Demised Premises of debris and maintain it in a safe and commercially reasonable state of cleanliness until the commencement of Restoration required hereunder.

C. All insurance proceeds payable on account of such damage to or destruction of the buildings, structures and equipment on the Demised Premises shall be held by an escrow agent mutually acceptable to Landlord and Tenant (all costs of escrow agent are to be paid from the insurance proceeds). Landlord shall be protected, and fully indemnified by Tenant in accordance with Sections 6 and 21 hereof and other relevant provisions of this Lease, in acting upon any certificate received in accordance with Section 14.D.1. below believed in good faith by Landlord to be genuine and to have been executed by the proper party and shall receive such certificate as conclusive evidence of any fact or as to any matter therein set forth. Such certificate shall be full warranty, authority, and protection to Landlord in acting thereon and Landlord shall be under no duty to take any action other than as set forth in this Section 14.

D. Insurance proceeds held by the escrow agent on account of any damage to or destruction of the buildings, structures and equipment on the Demised Premises, or any part thereof (less the costs, fees and out-of-pocket expenses incurred by Landlord, and Tenant in the collection and administration thereof, including, without limitation, adjuster’s and attorney’s fees and escrow agent expenses (“Net Insurance Proceeds”)) shall be applied as follows:

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

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

E. In the event Tenant does not commence Restoration within a commercially reasonable time following such damage or destruction, or after commencement Tenant does not diligently proceed to the completion of same shall be an Event of Default by Tenant pursuant to notice and cure in Section 23.B of this Lease. Landlord shall have the right, but not the obligation, to commence or complete Restoration as described hereinafter. Landlord's right to commence or complete Restoration shall begin after Landlord has given Tenant at least thirty (30) days written notice requesting (i) the commencement of Restoration, or (ii) that Tenant diligently proceed to the completion of Restoration, and Tenant during such thirty (30) day period fails to commence or fails to proceed to diligently complete Restoration. In such event, Landlord shall be entitled to obtain the insurance proceeds, and Tenant shall promptly pay any deficiency if such proceeds are not sufficient for Restoration.

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

Section 15. Condemnation:

A. If during the Term hereof, any part of the Demised Premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose or are sold to a condemning authority under threat of condemnation, and after such taking by or sale to said condemning authority the remainder of the Demised Premises is not susceptible to efficient and economic occupation and operation by Tenant, in Tenant's sole discretion, this Lease shall automatically terminate as of the date that said condemning authority takes possession of the Demised Premises, and Landlord shall refund to Tenant any prepaid but unaccrued rental less any sum then owing by Tenant to Landlord plus such amounts as set forth in Section 15(C) below.

B. If after such taking by or sale to said condemning authority Tenant determines that the remainder of the Demised Premises is susceptible to efficient and economic occupation and operation by Tenant, this Lease shall not terminate but the rental due hereunder shall be adjusted so that Tenant shall be required to pay for the remainder of the term hereof the sum obtained by multiplying each monthly rental installment due hereunder, as adjusted from time to time pursuant to Section 4, by a fraction, the numerator of which shall be the number of square feet remaining in the Demised Premises after the taking by or sale to said condemning authority and denominator of which shall be the square footage originally contained in the Demised Premises. The rental adjustment called for herein shall not commence until said condemning authority actually takes possession of the condemned portion of the Demised Premises. Additionally, upon such taking or sale, Landlord and Tenant shall review the status of the outstanding New Building Improvements and mutually agree upon the feasibility of each. Notwithstanding the infeasibility of a New Building Improvement, the Tenant may, in its sole discretion, elect to extend the Lease Term as though the applicable New Building Improvement had been completed; provided however, Tenant shall pay to Landlord any compensation for the taking related to the loss opportunity to construct the New Building Improvements.

C. If this Lease is not terminated pursuant to Section 15.A, above, Tenant shall commence within a commercially reasonable time following such taking or condemnation to restore any building and any other improvements on the Demised Premises, and the condemnation proceeds to which Landlord and Tenant are entitled shall be awarded and paid first to cover the costs and expenses for restoring the remaining portion of the Demised Premises to a condition susceptible to efficient and economic occupation and operation by Tenant, and any remaining proceeds to which Landlord and Tenant are entitled shall be awarded and paid to Landlord and Tenant, as their interest may appear. If this Lease is terminated pursuant to Section 15.A, condemnation proceeds to which Landlord and Tenant are entitled shall be awarded and paid to Landlord and Tenant as their interests may appear in any condemnation proceeding. For any termination or partial termination of this Lease due to a condemnation, Tenant shall receive proceeds commensurate with the value of the then-existing New Building Improvements that are subject to such sale or taking and no longer usable by Tenant.

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

Section 17. Common Facilities: Tenant and Tenant's employees, agents, servants, customers and other invitees shall have the non-exclusive right to use all common facilities, improvements, equipment and services which may now exist or which may hereafter be provided by Landlord for the accommodation and convenience of Landlord's customers and tenants, including landing and takeoff facilities, means of ingress and egress to the Demised Premises, other Airport installations, and all other reasonable services which may be provided with or without charge from time to time by Landlord in operating the Airport ("Common Facilities"). All such Common Facilities shall at all times be under the exclusive control, operation and management of Landlord and may be rearranged, modified, changed, or altered from time to time at Landlord's sole discretion. Under no circumstances shall Landlord remove or terminate Tenant's ingress and egress or take any action that would materially change Tenant's ingress and egress to the Demised Property for its Permitted Use without providing Tenant alternative ingress and egress.

Section 18. Rules and Regulations: Landlord has adopted *Addison Airport Minimum Standards and Requirements for Commercial Aeronautical Service Providers* (also commonly referred to as the "Minimum Standards" or "Airport Minimum Standards") and *Addison Airport Rules and Regulations* (also commonly referred to as the "Rules and Regulations" or "Airport Rules and Regulations"), which shall govern Tenant in the use of the Demised Premises and all Common Facilities, a copy of which has been furnished to Tenant. The Minimum Standards and Rules and Regulations are incorporated by reference as if written verbatim herein, and Tenant always agrees to comply fully with these governing documents. Landlord, in its sole discretion, shall have the right to amend, modify and alter these Minimum Standards and Rules and Regulations from time to time in a reasonable manner or may introduce other regulations as deemed necessary for the purpose of assuring the safety, welfare, convenience and protection of property of Landlord, Tenant and all other

tenants and customers of the In no case shall Tenant be liable for failure to follow any of the Minimum Standards or Rules and Regulations for which it has not received notice thereof.

Section 19. Signs and Equipment: After first securing Landlord's approval, which shall not be unreasonably withheld, delayed or conditioned, Tenant shall have the right from time to time to install and operate signs depicting Tenant's name and operate radio, communications, meteorological, aerial navigation and other equipment and facilities in or on the Demised Premises that may be reasonably necessary for the operation of Tenant's business, provided such signs and equipment are installed and maintained in compliance with all applicable governmental laws, rules, and regulations, including the City sign ordinance, and do not interfere with the operation of any navigation facilities or Airport communications (including, without limitation, navigation facilities or Airport communications used or operated by the Federal Aviation Administration).

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

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

Section 21. Indemnity and Exculpation:

A. Exculpation. The Town of Addison, Texas and all other Addison Persons and the Manager Persons (for purposes of this subparagraph A, as the terms "Addison Persons" and "Manager Persons" are defined in subparagraph B below), shall not be liable to Tenant or to any Tenant Persons (for purposes of this subparagraph A, as the term "Tenant Persons" is defined in subparagraph B below), or to any other person whomsoever, for any death or injury to persons or damage to or destruction of property or any other harm on or about the 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. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, TENANT AGREES TO AND SHALL FULLY DEFEND (WITH COUNSEL REASONABLY ACCEPTABLE TO LANDLORD WHEN SUCH CLAIM IS NOT A COVERED CLAIM UNDER TENANT'S INSURANCE), INDEMNIFY AND HOLD HARMLESS (I) THE TOWN OF ADDISON, TEXAS, AND ITS ELECTED OFFICIALS, OFFICERS, EMPLOYEES, AGENTS, REPRESENTATIVES, AND VOLUNTEERS OF THE TOWN OF ADDISON, TEXAS, INDIVIDUALLY OR COLLECTIVELY, IN BOTH THEIR OFFICIAL AND PRIVATE CAPACITIES (THE TOWN OF ADDISON, TEXAS, AND THE ELECTED OFFICIALS, THE OFFICERS, EMPLOYEES, REPRESENTATIVES, AND VOLUNTEERS OF THE TOWN OF ADDISON, TEXAS EACH BEING AN "ADDISON PERSON" AND

COLLECTIVELY THE "ADDISON PERSONS") AND (II) AIRPORT MANAGER AND AIRPORT MANAGER'S OWNERS, OFFICERS, EMPLOYEES AND AGENTS (AIRPORT MANAGER AND AIRPORT MANAGER'S OWNERS, OFFICERS, EMPLOYEES AND AGENTS EACH BEING A "MANAGER PERSON" AND COLLECTIVELY THE "MANAGER PERSONS"), FROM AND AGAINST ANY AND ALL CLAIMS, ACTIONS, PROCEEDINGS, CAUSES OF ACTION, DEMANDS, LOSSES, LIENS, HARM, DAMAGES, PENALTIES, FINES, LIABILITIES, EXPENSES, LAWSUITS, JUDGMENTS, COSTS, AND FEES (INCLUDING REASONABLE ATTORNEY FEES AND COURT COSTS) OF ANY KIND AND NATURE WHATSOEVER MADE UPON, INCURRED BY, SUFFERED BY, OR ASSERTED AGAINST ANY ADDISON PERSON OR ANY MANAGER PERSON OR THE DEMISED PREMISES, WHETHER DIRECTLY OR INDIRECTLY, (COLLECTIVELY FOR PURPOSES OF THIS SUBPARAGRAPH B, "DAMAGES"), THAT RESULT FROM, RELATE TO, OR ARISE OUT OF, IN WHOLE OR IN PART, FROM:

(I) ANY CONDITION OF THE DEMISED PREMISES CAUSED IN WHOLE OR IN PART BY TENANT OR BY ANY OF TENANT'S OWNERS, DIRECTORS, SHAREHOLDERS, PARTNERS, MANAGERS, OFFICERS, EMPLOYEES, AGENTS, REPRESENTATIVES, ENGINEERS, CONSULTANTS, CONTRACTORS, SUBCONTRACTORS, TENANTS, LICENSEES, INVITEES, PATRONS, CONCESSIONAIRES, OR ANY OTHER PERSON OR ENTITY FOR WHOM TENANT IS LEGALLY RESPONSIBLE, AND THEIR RESPECTIVE OWNERS, DIRECTORS, SHAREHOLDERS, PARTNERS, OFFICERS, MANAGERS, EMPLOYEES, AGENTS, REPRESENTATIVES, ENGINEERS, CONSULTANTS, CONTRACTORS, SUBCONTRACTORS, TENANTS, LICENSEES, INVITEES, PATRONS, AND CONCESSIONAIRES, OR ANY OTHER PERSON ACTING BY OR UNDER THE AUTHORITY OR WITH THE PERMISSION OF TENANT, TENANT'S TENANTS, OR ANY OTHER PERSON ENTERING THE PREMISES UNDER EXPRESS OR IMPLIED INVITATION OF TENANT DURING THE TERM (COLLECTIVELY, "TENANT PERSONS"); PROVIDED, HOWEVER, TENANT PERSON SHALL NOT INCLUDE ANY ADDISON PERSON OR MANAGER PERSON; AND

(II) ANY CONSTRUCTION ON OR REPAIR TO THE DEMISED PREMISES, OR THE DEMISED PREMISES BECOMING OUT OF REPAIR DUE TO THE FAULT OF TENANT OR ANY TENANT PERSONS, FOR ANY REASON INCLUDING BY FAILURE OF EQUIPMENT, PIPES, OR WIRING, OR BROKEN GLASS, OR BY THE BACKING UP OF DRAINS, OR BY GAS, WATER, STEAM, ELECTRICITY OR OIL LEAKING, ESCAPING OR FLOWING INTO THE PREMISES, REGARDLESS OF THE SOURCE, OR BY DAMPNES OR BY FIRE, EXPLOSION, FALLING PLASTER OR CEILING; AND

(III) BREACH OF THE 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 OF THE TOWN OF ADDISON, TEXAS, ANY OTHER ADDISON PERSON, THE AIRPORT MANAGER, OR ANY OTHER MANAGER PERSON, OR BY ANY ACT OR OMISSION BY THE TOWN OF ADDISON, TEXAS, ANY OTHER ADDISON PERSON, THE AIRPORT MANAGER, OR ANY OTHER MANAGER PERSON THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND.

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

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

C. **Release.** TENANT HEREBY RELEASES THE TOWN OF ADDISON, TEXAS AND ALL OTHER ADDISON PERSONS (AS THE TERM "ADDISON PERSONS" IS DEFINED IN SUBPARAGRAPH B. OF THIS SECTION 21) AND AIRPORT MANAGER AND ALL OTHER MANAGER PERSONS (AS THE TERM "MANAGER PERSONS" IS DEFINED IN SUBPARAGRAPH B. OF THIS SECTION 21) (COLLECTIVELY THE "RELEASED PARTIES) 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 SECTION 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 DEMISED PREMISES BECOMING OUT OF REPAIR OR BY DEFECT IN OR FAILURE OF EQUIPMENT, PIPES, OR WIRING, OR BROKEN GLASS, OR BY THE BACKING UP OF DRAINS, OR BY GAS, WATER, STEAM, ELECTRICITY OR OIL LEAKING, ESCAPING OR FLOWING INTO THE DEMISED PREMISES, REGARDLESS OF THE SOURCE, OR BY DAMPNES OR BY FIRE, EXPLOSION, FALLING PLASTER OR CEILING OR FOR ANY OTHER REASON WHATSOEVER, AND FOR (II) ANY LOSS OR DAMAGE THAT MAY RESULT FROM OR BE OCCASIONED BY OR THROUGH THE ACTS OR OMISSIONS OF OTHER TENANTS OF LANDLORD OR CAUSED BY OPERATIONS IN CONSTRUCTION OF ANY PRIVATE, PUBLIC, OR QUASI-PUBLIC WORK.

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

Section 22. Environmental Compliance:

A. **No Storage or Disposal:** Tenant shall not install, store, use, treat, transport, discharge or dispose (or permit or acquiesce in the installation, storage, use, treatment,

transportation, discharge or disposal by Tenant, its directors, officers, shareholders, members, partners, agents, employees, invitees, contractors, subcontractors, independent contractors, or subtenants) on the Demised Premises or any portion of the Common Facilities, any: (a) asbestos in any form; (b) urea formaldehyde foam insulation; (c) transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls in excess of 50 parts per million; or (d) any other chemical, material, air pollutant, toxic pollutant, waste, or substance which is regulated as toxic or hazardous or exposure to which is prohibited, limited or regulated by the Resource Conservation Recovery Act (42 U.S.C. §6901, et seq., as amended or superseded), the Comprehensive and Environmental Response Compensation and Liability Act (42 U.S.C. §9601, et seq. as amended or superseded), the Hazardous Materials Transportation Act, the Toxic Substances Control Act, the Clean Air Act, and/or the Clean Water Act, or any other federal, state, county, regional, local or other governmental authority laws, rules, orders, standards, policies, or regulations, or which, even if not so regulated may or could pose a hazard to the health and safety of the occupants of the Demised Premises and/or any portions of the Common Facilities, and which is either: (i) in amounts in excess of that permitted or deemed safe under any applicable law, rule, order, standard, policy, or regulation or (ii) in any manner prohibited or deemed unsafe under applicable law, rule, order, standard, policy, or regulation. (The substances referred to in (a), (b), (c) or (d) are collectively referred to hereinafter as "Hazardous Materials").

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

TENANT'S FURTHER INDEMNITY OBLIGATION. TENANT SHALL INDEMNIFY, DEFEND, SAVE AND HOLD HARMLESS LANDLORD AND ALL OTHER ADDISON PERSONS, AND AIRPORT MANAGER AND ALL OTHER MANAGER PERSONS, FROM AND AGAINST, AND REIMBURSE LANDLORD AND ALL OTHER ADDISON PERSONS, AND AIRPORT MANAGER AND ALL OTHER MANAGER PERSONS FOR ANY AND ALL OBLIGATIONS, DAMAGES, INJUNCTIONS, FINES, PENALTIES, DEMANDS, CLAIMS, COSTS, FEES, CHARGES, EXPENSES, ACTIONS, CAUSES OF ACTION, JUDGMENTS, LIABILITIES, SUITS, PROCEEDINGS AND LOSSES OF WHATEVER KIND OR NATURE (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES AND COURT COSTS), AND ALL CLEANUP OR REMOVAL COSTS (COLLECTIVELY FOR PURPOSES OF THIS SUBSECTION, "DAMAGES") AND ALL ACTIONS OF ANY KIND ARISING OUT OF OR IN ANY WAY CONNECTED WITH, (I) THE GENERATION, INSTALLATION, STORAGE, USE, TREATMENT, TRANSPORTING, DISPOSAL OR DISCHARGE OF HAZARDOUS MATERIALS IN OR ON THE DEMISED PREMISES AND/OR ANY PORTION OF THE AIRPORT, INCLUDING THE COMMON FACILITIES, OR ANY PROPERTY ADJACENT TO THE AIRPORT, BY TENANT OR ANY TENANT PERSONS, AND (II) ALL FINES, SUITS, PROCEDURES, CLAIMS AND ACTIONS OF ANY KIND ARISING OUT OF TENANT'S FAILURE TO PROVIDE ALL INFORMATION, MAKE ALL SUBMISSIONS AND TAKE ALL STEPS REQUIRED BY THE RELEVANT AUTHORITY UNDER THE CLEANUP LAWS OR ANY OTHER ENVIRONMENTAL LAW, RULE, STANDARD, REGULATION, OR POLICY ("ENVIRONMENTAL DAMAGES"). SUCH DEFENSE, INDEMNITY, AND HOLD HARMLESS OBLIGATION SHALL AND DOES INCLUDE DAMAGES ALLEGED OR FOUND TO HAVE BEEN CAUSED, IN WHOLE OR IN PART, BY THE NEGLIGENCE [BUT NOT THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT] OF THE LANDLORD, ANY OTHER ADDISON PERSON, AIRPORT MANAGER, OR ANY OTHER MANAGER PERSON, OR BY ANY ACT OR OMISSION OF LANDLORD, ANY OTHER ADDISON PERSON, AIRPORT MANAGER, OR ANY OTHER MANAGER PERSON THAT MAY GIVE RISE TO STRICT LIABILITY OF ANY KIND. HOWEVER, TENANT'S LIABILITY UNDER THIS CLAUSE SHALL BE REDUCED BY THAT PORTION OF THE TOTAL AMOUNT OF THE ENVIRONMENTAL DAMAGES (EXCLUDING DEFENSE FEES AND COSTS) EQUAL TO THE ADDISON PERSON OR ADDISON PERSONS', OR MANAGER PERSON OR MANAGER PERSONS' (AS THE CASE MAY BE) PROPORTIONATE SHARE OF NEGLIGENCE, OR CONDUCT THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND, THAT CAUSED THE LOSS. LIKEWISE, TENANT'S LIABILITY FOR AN ADDISON PERSON OR ADDISON PERSONS' OR ANY MANAGER PERSON OR MANAGER PERSONS' DEFENSE COSTS AND ATTORNEYS' FEES SHALL BE REDUCED BY THAT PORTION OF THE DEFENSE COSTS AND ATTORNEYS' FEES EQUAL TO THE ADDISON PERSON OR ADDISON PERSONS' OR ANY MANAGER PERSON OR MANAGER PERSONS' (AS THE CASE MAY BE) PROPORTIONATE SHARE OF NEGLIGENCE, OR CONDUCT THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND, THAT CAUSED THE LOSS. In addition to and not in limitation of Landlord's other rights and remedies, Tenant's failure to abide by the terms of this Section shall be restrainable by injunction.

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

D. Prior to the Commencement Date of this Lease, the Tenant, at Tenant's sole cost and expense, shall be entitled to conduct a Phase I Environmental Site Assessment ("ESA") with respect to the Demised Premises. If the Phase I ESA indicates the likely presence of Hazardous Materials on the Demised Premises, Tenant shall be entitled to conduct a Phase II ESA at Tenant's sole cost and expense. If the Phase II ESA indicates the presence of Hazardous Materials on the Demised Premises, Tenant shall be entitled, as its sole remedy, to disaffirm this Lease, in which case this Lease shall become null and void and no further obligation shall be borne by either party hereto. A copy of a Phase I ESA and Phase II ESA, if any, shall be delivered promptly to Landlord upon completion.

E. NOTWITHSTANDING ANYTHING IN THIS LEASE TO THE CONTRARY, TENANT SHALL NOT HAVE ANY LIABILITY OR OBLIGATION UNDER THIS LEASE TO ANY PARTY ARISING OUT OF OR RELATED TO, THE GENERATION, INSTALLATION, STORAGE, USE, TREATMENT, TRANSPORTING, DISPOSAL, OR DISCHARGE OF HAZARDOUS MATERIALS IN, ON, OR UNDER ANY PORTION OF THE AIRPORT OTHER THAN THE DEMISED PREMISES (INCLUDING, BUT NOT LIMITED TO, THE COMMON FACILITIES, THE AIRPORT FUEL FARM, OR ANY PROPERTY ADJACENT TO THE AIRPORT), EVEN IF SUCH HAZARDOUS MATERIALS MIGRATES, DRAINS, OR LEACHES ONTO OR UNDER THE DEMISED PREMISES, UNLESS A TENANT PARTY GENERATED, INSTALLED, STORED, USED, TREATED, TRANSPORTED, DISPOSED OR DISCHARGED SUCH HAZARDOUS MATERIALS.

F. **SURVIVAL: THE OBLIGATIONS AND LIABILITIES OF THE PARTIES PURSUANT TO THE TERMS OF SECTIONS 6, 21, 22 AND 28 SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS LEASE.**

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

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

C. Failure of Tenant to comply with any term, condition or covenant of this Lease (other than the payment of rent or other sum of money, or the payment of taxes, utilities or insurance premiums, or other payments Tenant is to make under this Lease, as set forth in Subsection A and B of this Section 23) and such failure shall not be cured within either (i) a specific cure period provided for in this Lease applicable to such failure, or (ii) if not otherwise specified, thirty (30) days after written notice thereof to Tenant; provided, however, in the event such failure is not susceptible of cure within such thirty (30) day period, then such thirty (30) day period shall be extended for an additional period of time necessary to cure so long as Tenant has provided

Landlord written notice of the curative measures Tenant proposes to undertake and commenced to cure such failure within the initial thirty (30) day period and thereafter diligently pursues such cure.

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

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

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

G. Abandonment or cessation of use of the Demised Premises or any substantial portion thereof for the purpose leased by Tenant for a period of ninety (90) consecutive days.

H. Tenant is in default of any other lease or agreement with the Town of Addison after notice and opportunity to cure, if applicable, or, provided Tenant is the holder of a valid aviation fuel dispensing permit or license issued by the Town of Addison, is in default of said fuel dispensing permit or license after notice and opportunity to cure, if applicable.

Section 24. Remedies of Landlord: Upon the occurrence of any of Event of Default by Tenant under this Lease, Landlord, without prejudice to any other legal, equitable, or contractual right or remedy, shall have the option to pursue any one or more of the following rights or remedies using lawful force if necessary or appropriate, without notice or demand whatsoever:

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

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

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

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

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

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

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

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

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

For purposes of this Section, "Damages" includes, without limitation, all actual, incidental, and or consequential damages, court costs, interest, and attorneys' fees incurred by Landlord and arising from Tenant's breach of this Lease, including, without limitation, the cost of (i) recovering possession of the Demised Premises, (ii) removing and storing Tenant's and any other occupant's property, (iii) re-letting the Demised Premises, including, without limitation, the costs of brokerage commissions and cleaning, make-ready, or repairing the Demised Premises for a substitute tenant or tenants, (iv) collecting any money owed by Tenant or a substitute tenant, (v) repairing any damage caused by any Tenant Persons, (vi) performing any obligation of Tenant under the Lease, and (vii) any other loss or cost incurred by Landlord as a result of, or arising from, Tenant's breach of the Lease or Landlord's exercise of its rights and remedies for such breach.

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

Pursuit of any of the foregoing rights or remedies by Landlord shall not preclude Landlord's pursuit of any of the other rights or remedies herein provided or any other rights or remedies provided by law, in equity, or otherwise, nor shall pursuit of any right or remedy herein provided constitute a forfeiture or waiver of any Rent due to Landlord hereunder or of any damages accruing to Landlord by reason of the violation of any of the terms, conditions and covenants herein contained. For the avoidance of doubt, Landlord has no right to take possession of any property which may be situated on the Demised Premises but which is not owned by Tenant including, but not limited to, aircraft any other property which may be owned by a subtenant or licensee of Tenant, or leased or loaned to Tenant.

Section 25. Default by Landlord: No default by Landlord hereunder shall constitute an eviction or disturbance of Tenant's use and possession of the Demised Premises or render Landlord liable for damages (including consequential damages) or entitle Tenant to be relieved from any of Tenant's obligations hereunder (including the obligation to pay rent) or grant Tenant any right of deduction, abatement, set-off or recovery or entitle Tenant to take any action whatsoever with regard to the Demised Premises or Landlord until thirty (30) days after Tenant has given Landlord written notice specifically setting forth such default by Landlord, and Landlord has failed to cure such default within said thirty (30) day period, or in the event such default cannot be cured within said thirty (30) day period then within an additional reasonable period of time so long as Landlord has commenced curative action within said thirty (30) day period and thereafter is diligently attempting to cure such default. If Landlord fails to cure such default within said thirty (30) day period, or within said additional reasonable period, Tenant shall have the right as its sole and exclusive remedy to:

A. Proceed to cure such default (provided such cure occurs entirely within the Demised Premises) and deduct the cost of curing same plus interest thereon at the rate of ten percent (10%) per annum from the next succeeding rental installment(s) due by Tenant to Landlord hereunder;

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

C. Terminate this lease upon thirty (30) days advance notice.

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

Section 26. Mitigation of Damages:

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

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

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

2. Landlord will not be obligated to offer the Demised Premises to a prospective tenant when other premises suitable for that prospective tenant's use are (or soon will be) available in any other premises located at Addison Airport.
3. Landlord will not have any obligation to lease the Demised Premises for any rental less than the current rate then prevailing for similar space at Addison Airport (or if no similar space is available, the current fair market rental then prevailing for similar space in comparable buildings in the same market area as the Demised Premises) nor shall Landlord be obligated to enter into a new lease under any terms or conditions that are unacceptable to Landlord.
4. Landlord will not be obligated to enter any lease with any prospective tenant whose reputation is not acceptable to Landlord, in Landlord's commercially reasonable judgment and opinion.
5. Landlord will not be obligated to enter into a lease with any prospective tenant: (i) which does not have, in Landlord's sole judgment and opinion, sufficient financial resources and operating experience to operate the Demised Premises in a First Class manner consistent with industry standards for general aviation FBOs and meet its financial obligations; or (ii) whose proposed use of the Demised Premises is not a permitted use under the terms of this Lease.
6. Landlord will not be required to expend any amount of money to alter, remodel or otherwise make the Demised Premises suitable for use by any prospective tenant.

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

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

B. Tenant's right to seek actual damages as a result of a default by Landlord under this Lease shall be conditioned on Tenant taking all actions reasonably required, under the circumstances, to minimize any loss or damage to Tenant's property or business, or to any of

Tenant's officers, employees, agents, invitees, or other third parties that may be caused by any such default of Landlord.

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

Section 28. Title to Improvements:

A. Any and all improvements on the Demised Premises, including, without limitation, the Building Improvements constructed on the Demised Premises by or for Tenant, shall be owned by Tenant during the Term of this Agreement.

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

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

Section 29. Mechanics' and Materialmen's Liens Indemnity:

A. TENANT AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS TO THE FULL EXTENT AS PROVIDED IN THIS LEASE, THE INDEMNIFIED PERSONS FROM AND AGAINST ALL LIABILITY ARISING OUT OF THE FILING OF ANY MECHANICS' OR MATERIALMEN'S LIENS AGAINST THE DEMISED PREMISES BY REASON OF ANY ACT OR OMISSION OF TENANT OR ANYONE CLAIMING UNDER TENANT (INCLUDING, WITHOUT LIMITATION, ANY TENANT PERSONS), AND LANDLORD, AT LANDLORD'S OPTION, MAY SATISFY SUCH LIENS AND COLLECT THE AMOUNT EXPENDED FROM TENANT TOGETHER WITH INTEREST THEREON AS PROVIDED IN SECTION 39 as additional rent; provided, however, that Landlord shall not so satisfy such liens until fifteen (15) days after written notification to Tenant of Landlord's intention to do so and Tenant's failure during such fifteen (15) day period to bond such liens or escrow funds with appropriate parties to protect Landlord's interest in the Demised Premises, unless a shorter period of time is dictated by applicable law.

Section 30. INTENTIONALLY DELETED.

Section 31. Quiet Enjoyment and Subordination: Landlord represents that Tenant, upon payment of the Rent and performance of the terms, conditions, covenants and agreements herein contained, shall (subject to all of the terms and conditions of this Lease) peaceably and quietly have, hold and enjoy the Demised Premises during the full Term of this Lease. Landlord further is hereby irrevocably vested with full power and authority by Tenant to subordinate Tenant's interest hereunder to any mortgage, deed of trust or other lien hereafter placed on the Demised Premises or to declare this Lease prior and superior to any mortgage, deed of trust or other lien hereafter placed on the Demised Premises; provided, however, any such subordination shall be upon the express condition that the lienholder executes a commercially reasonable subordination non-disturbance attornment ("SNDA") in which it is acknowledged that (i) this Lease shall be recognized by the mortgagee and that all of the rights of Tenant shall remain in full force and effect during the full Term of this Lease on condition that Tenant attorn to the mortgagee, its successors and assigns, and perform all of the covenants and conditions required by the terms of this Lease, and (ii) in the event of foreclosure or any enforcement of any such mortgage, the rights of Tenant hereunder shall expressly survive and this Lease shall in all respects continue in full force and effect so long as Tenant shall fully perform all Tenant's obligations hereunder and attorn to the purchaser. Tenant also agrees upon demand to execute further instruments declaring this Lease prior and superior to any mortgage, deed of trust or other lien and specifically providing that this Lease shall survive the foreclosure of such mortgage, deed of trust or other lien.

Section 32. Rent on Net Return Basis: The rent provided for in this Lease shall be an absolutely net return to Landlord for the Term of this Lease, free of any loss, expenses or charges with respect to the Demised Premises, including, without limitation, maintenance, repairs, replacement, insurance, taxes and assessments, and this Lease shall be construed in accordance with and to effectuate such intention.

Section 33. Holding Over: Should Tenant, or any of Tenant's successors in interest fail to surrender the Demised Premises, or any part thereof, on the expiration of the Term of this Lease, such holding over shall constitute a tenancy from month to month only terminable at any time by either Landlord or Tenant after thirty (30) days prior written notice to the other, at a monthly rental equal to one hundred twenty-five percent (125%) of the Base Rent paid for the last month of the Term of this Lease.

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

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

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

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

Section 38. Estoppel Certificates: Landlord and Tenant agree that from time to time, upon not less than ten (10) business days' prior written request by the other, it will deliver to the other a statement in writing certifying that:

- A. This Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease as modified is in full force and effect and stating the modifications).
- B. The dates to which Rent and other charges have been paid.
- C. The other party is not in default under any term or provision of this Lease or if in default the nature thereof in detail in accordance with an exhibit attached thereto.

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

Section 39. Interest on Tenant's Obligations and Manner of Payment: All monetary obligations of Tenant to Landlord under this Lease remaining unpaid ten (10) days after the due date of the same (if no due date has been established under other provisions hereof, the "due date" shall be the date upon which Landlord demands payment from Tenant in writing) shall bear interest at the rate of ten percent (10%) per annum (or the maximum interest rate permitted by law, whichever is lower) from and after said tenth (10th) day until paid. If more than twice during the Term of the Lease Tenant's personal or corporate check is not paid by the bank on which it is drawn for whatever reason, Landlord may require by giving written notice to Tenant that the payment of all future monetary obligations of Tenant under this Lease are to be made on or before the due date by cash, cashier's check, certified check or money order, and the delivery of Tenant's personal or corporate check will no longer constitute payment of such monetary obligations. Any acceptance by Landlord of a personal or corporate check after such notice shall not be deemed or construed as a waiver or estoppel of Landlord to require other payments as required by said notice. Notwithstanding the foregoing, Tenant's failure to pay any monetary amount due payable is a monetary default of this Lease.

Section 40. Special Events: Landlord may sponsor certain special events, including, but not limited to, air shows, to be conducted on portions of the Airport, which may limit or obstruct access to the Premises and/or to the Airport ("Special Events"), and Tenant agrees and consents to the same. As a material inducement to Landlord to enter into this Lease, and notwithstanding anything to the contrary contained herein, Tenant (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 Demised Premises and/or to the Airport; (ii) **releases, waives and discharges** Landlord and Airport Manager, and Landlord Persons and Manager Persons, from claims for any loss, damage, cost, expense or claim arising or resulting from or pertaining to the limitation or obstruction of access to the Demised Premises and/or to the Airport due to the Special Events, including, without limitation, death, injury to person or property or loss of business or revenue except to the extent caused by the gross negligence or willful misconduct of Landlord, Airport Manager, Addison Persons and Manager Person (the "Released Claims"); (iii) **covenants not to sue** the Landlord or Airport Manager, or any of the Landlord Persons and Manager Persons, for any Released Claims; (iv) agrees that the terms contained in this Section are intended and shall be construed to be as broad and inclusive as possible under the laws of the State of Texas; (v) agrees that if any portion of this Section is held to be invalid or unenforceable, the remainder of this Section shall not be affected thereby but shall continue in full force and effect; and (vi) agrees that the provisions of this Section 40 will be included in any sublease or user agreement for the Premises. Landlord agrees to give Tenant reasonable prior written notice of such Special Events so that Tenant may make alternative arrangements for access to the Demised Premises and/or to the Airport.

Section 41. Landlord/Tenant Relationship: It is understood and agreed that in leasing, using, occupying, and operating the Demised Premises, Tenant is a tenant and is not acting as an agent, partner, joint venture, independent contractor or employee of Landlord or Airport Manager.

Section 42. Force Majeure:

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

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

Section 43. Exhibits: All exhibits, attachments, annexed instruments, and addenda referred to herein shall be considered a part hereof for all purposes with the same force and effect as if copied verbatim herein.

Section 44. Use of Language: Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular shall be held to include the plural, unless the context otherwise requires.

Section 45. Captions: The captions or headings, sections, or paragraphs in this Lease are inserted for convenience only and shall not be considered in construing the provisions hereof if any question of intent should arise.

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

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

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

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

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

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

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

TO LANDLORD:

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

TO TENANT:

Mercury Air Center – Addison, Inc.
dba Atlantic Aviation
Attn: Louis T. Pepper, CEO
5201 Tennyson Pkwy., Suite 150
Plano, Texas 75024

And

And

Messer, Fort & McDonald, PLLC
Attn: Brenda N. McDonald
6371 Preston Road, Suite 200
Frisco, Texas 75034
Email: brenda@txmunicipallaw.com

Al Archuleta,
Regional Manager
Atlantic Aviation Services
7930 Airport Blvd.
Houston, Texas 77061
Al.Archuleta@atlanticaviation.com

And

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

And

Intentionally Left Blank

Section 49. Fees or Commissions: Each party hereto hereby covenants and agrees with the other that such party shall be solely responsible for the payment of any brokers', agents', or finders' fees or commissions agreed to by such party arising from the execution of this Lease or the performance of the terms and provisions contained herein, and such party agrees to indemnify and hold the other party harmless from the payment of any such fees or commissions.

Section 50. Counterparts: This Lease may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

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

Section 52. Governing Law and Venue; Survivability of Rights and Remedies: This Lease and all 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. Any rights and remedies either party may have with respect to the other arising out of the performance of or failure to perform this Lease during the Term hereof shall survive the cancellation, expiration or termination of this Lease.

Section 53. Entire Agreement and Amendments; Authorized Persons: This Lease, consisting of fifty-three (53) Sections and Exhibits 1, 2, 3, 4A, 4B, 5, and Addendum #1 attached hereto, embodies the entire agreement between Landlord and Tenant and supersedes all prior agreements, including the Mercury Original Leases that will be terminated simultaneously with the effective date of this agreement, and understandings, whether written or oral, and all contemporaneous oral agreements and understandings relating to the subject matter hereof. Except as otherwise specifically provided herein, no agreement hereafter made shall be effective to change, modify, discharge or effect an abandonment of this Lease, in whole or in part, unless such agreement is in

writing and signed by or in behalf of the party against whom enforcement of the change, modification, discharge or abandonment is sought.

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

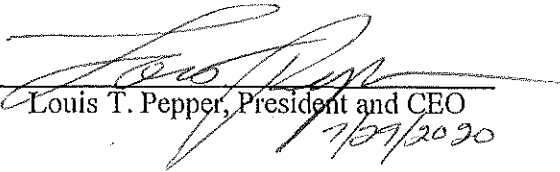
EXECUTED as of the day, month, and year first above written.

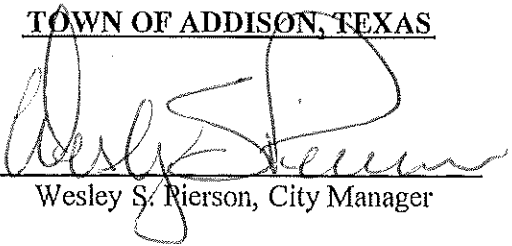
TENANT:

LANDLORD:

MERCURY AIR CENTER – ADDISON, INC.

TOWN OF ADDISON, TEXAS

By: 
Louis T. Pepper, President and CEO
7/29/2020

By: 
Wesley S. Rierson, City Manager

Resolution No. R20-056
August 11, 2020

ACKNOWLEDGEMENTS

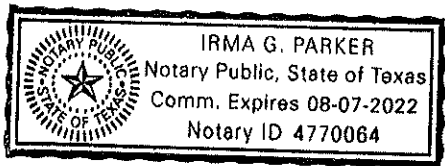
STATE OF TEXAS §

§

COUNTY OF DALLAS §

This instrument was acknowledged before me on August 12, 2020, by Wesley S. Pierson, City Manager of the Town of Addison, Texas, a home-rule municipality, on behalf of the said municipality.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 12th day of August, 2020.



Irma G. Parker
Notary Public, State of Texas

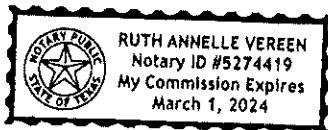
STATE OF TEXAS §

§

COUNTY OF COLLIN §

This instrument was acknowledged before me on July 29, 2020, by Louis T. Pepper, President of Mercury Air Center – Addison, Inc. a Texas corporation, on behalf of the said company.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 29th day of July, 2020.



Ruth Annelle Vereen
Notary Public, State of Texas

**LIST OF EXHIBITS AND ADDENDUMS
TO THIS GROUND LEASE AGREEMENT**

Exhibit 1: Legal Description of Addison Airport

Exhibit 2: Legal Description (Boundary Survey) of Demised Premises

Exhibit 3: As-built Survey of Demised Premises

Exhibit 4A: Inventory of Existing Building Improvements as of Effective Date

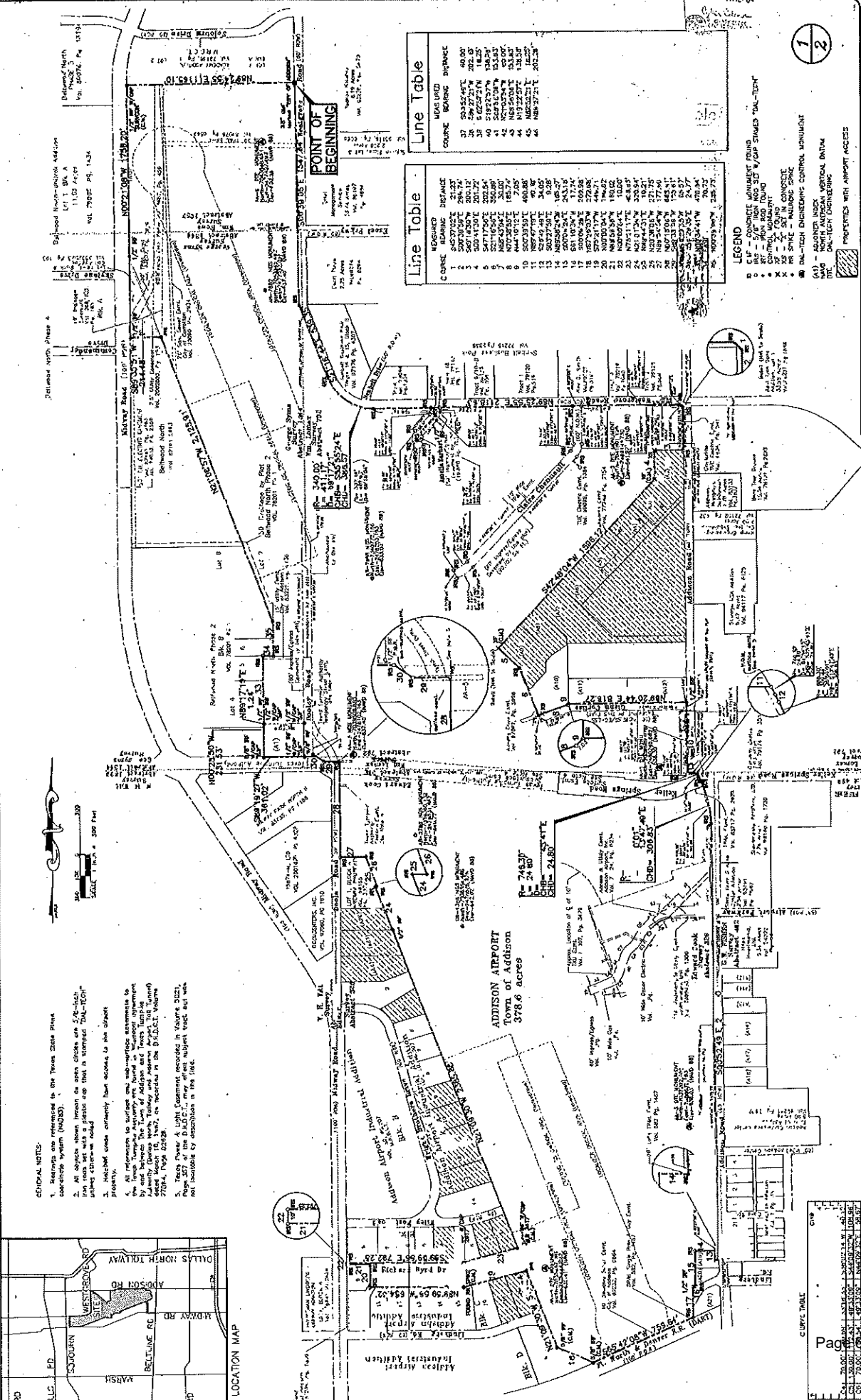
Exhibit 4B: Description of Tenant's Capital Improvements to be Constructed

Exhibit 5: Memorandum of Lease

Addendum #1- Tenant's Leasehold Minimum Maintenance and Repair Standards and Practices

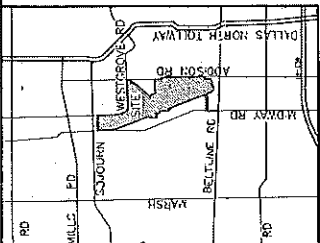
EXHIBIT 1

Legal Description of Addison Airport



GENERAL NOTES:

1. Interests are referenced to the Texas State Plant concrete system (MDS).
2. All details shown herein on open circles are 24-inch run notes with a person cap that is stamped 'DAL-TECH' unless otherwise noted.
3. Hatched areas indicate that access to the airport property.
4. All references to surface and sub-surface monuments to be found are shown on the plan. All monuments are to be established by the Town of Addison and Texas Landmark Authority. Details for monuments are provided on the D.A.L.C. Volume 278-A, Page 02828.
5. Texas Power & Light Company recorded in Volume 3022, page 357 of the D.A.L.C. may affect subject tract, but with no indication of description in this file.



Line Table

COURSE	MEASURED DISTANCE	BEARING	LENGTH
1	400.00	S 00° 00' 00" E	400.00
2	286.74	S 28° 27' 27" W	286.74
3	202.95	S 62° 52' 27" W	202.95
4	202.95	S 27° 07' 33" E	202.95
5	347.17	S 00° 00' 00" E	347.17
6	350.89	S 00° 00' 00" E	350.89
7	185.74	N 00° 00' 00" E	185.74
8	400.00	N 00° 00' 00" E	400.00
9	400.00	N 00° 00' 00" E	400.00
10	400.00	N 00° 00' 00" E	400.00
11	400.00	N 00° 00' 00" E	400.00
12	400.00	N 00° 00' 00" E	400.00
13	400.00	N 00° 00' 00" E	400.00
14	400.00	N 00° 00' 00" E	400.00
15	400.00	N 00° 00' 00" E	400.00
16	400.00	N 00° 00' 00" E	400.00
17	400.00	N 00° 00' 00" E	400.00
18	400.00	N 00° 00' 00" E	400.00
19	400.00	N 00° 00' 00" E	400.00
20	400.00	N 00° 00' 00" E	400.00
21	400.00	N 00° 00' 00" E	400.00
22	400.00	N 00° 00' 00" E	400.00
23	400.00	N 00° 00' 00" E	400.00
24	400.00	N 00° 00' 00" E	400.00
25	400.00	N 00° 00' 00" E	400.00
26	400.00	N 00° 00' 00" E	400.00
27	400.00	N 00° 00' 00" E	400.00
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42	400.00	N 00° 00' 00" E	400.00
43	400.00	N 00° 00' 00" E	400.00
44	400.00	N 00° 00' 00" E	400.00
45	400.00	N 00° 00' 00" E	400.00
46	400.00	N 00° 00' 00" E	400.00

Line Table

COURSE	MEASURED DISTANCE	BEARING	LENGTH
37	400.00	N 00° 00' 00" E	400.00
38	400.00	N 00° 00' 00" E	400.00
39	400.00	N 00° 00' 00" E	400.00
40	400.00	N 00° 00' 00" E	400.00
41	400.00	N 00° 00' 00" E	400.00
42	400.00	N 00° 00' 00" E	400.00
43	400.00	N 00° 00' 00" E	400.00
44	400.00	N 00° 00' 00" E	400.00
45	400.00	N 00° 00' 00" E	400.00
46	400.00	N 00° 00' 00" E	400.00

LEGEND

- CONCRETE MONUMENT FOUND
- CONCRETE MONUMENT TO BE FOUND
- CONTROL MONUMENT
- FOUND CONCRETE
- RE-SURFACE - AIRPORT DRIVE
- DAL-TECH ENGINEERING CONTROL MONUMENT
- (A) - ADDISON NORTH AMERICAN VERTICAL DATUM
- (B) - DAL-TECH ENGINEERING

PROPERTIES WITH AIRPORT ACCESS

DALTECH ENGINEERING, INC.
 CONSTRUCTION MANAGERS
 17511 MILLS HWY
 MCKINNEY, TEXAS 75069
 (972) 562-1272 (FAX) 562-1274

FINAL PLAN
ADDISON AIRPORT
 TOWN OF ADDISON, TEXAS

DATE: 01/18/2018
 JOB NO: 2018-001
 CONTRACT NO: 2018-001
 SHEET NO: 1 OF 2

Team of Addison Airport
 City Manager: *John Chan*
 City Engineer: *John Chan*
 Mayor: *John Chan*

Exhibit 2

Legal Description of Demised Premises

BEING a tract of land situated in the William Lenax Survey, Abstract No. 796, ~~State~~ County, Texas, and being a part of Addison Airport, an addition to the Town of Addison, Texas according to the plat thereof recorded in Volume 200511, Page 82 in the Map Records of Dallas County, Texas (MRDCT) and being more particularly described as follows:

COMMENCING at a cut 'x' found in concrete in the north line of Glenn Curtis, a 50 foot wide ingress/egress easement established by the final plat of said Addison Airport, said beginning point also being the southwest corner of Lot 1, Block 1 of Addison Jet Center, an addition to the Town of Addison, Texas, according to the plat thereof recorded under Instrument No. 201600296616 MRDCT;

THENCE South 21 degrees 16 minutes 32 seconds East, along the projected west line of said Lot 1, Block 1, 50.00 feet to a magnetic nail set in concrete in the south line of said Glenn Curtis and the **POINT OF BEGINNING**;

THENCE North 69 degrees 52 minutes 29 seconds East, along the south line of said Glenn Curtis, 29.72 feet to a magnetic nail set in concrete;

THENCE North 70 degrees 46 minutes 26 seconds East, continuing along the south line of said Glenn Curtis, 156.46 feet to a 5/8-inch iron rod set with plastic cap stamped "Span Surveys";

THENCE South 18 degrees 36 minutes 29 seconds East, departing the south line of said Glenn Curtis, 274.21 feet to a 5/8-inch iron rod set with plastic cap stamped "Span Surveys" in the north line of Parkway T;

THENCE Southwesterly, along the north line of said Parkway T the following:

South 69 degrees 38 minutes 19 seconds West, 291.87 feet to a magnetic nail set in concrete;

South 06 degrees 51 minutes 50 seconds East, 3.85 feet to a 5/8-inch iron rod set with plastic cap stamped "Span Surveys";

South 83 degrees 00 minutes 10 seconds West, 29.79 feet to a 5/8-inch iron rod set with plastic cap stamped "Span Surveys";

South 84 degrees 32 minutes 07 seconds West, 19.79 feet to a 5/8-inch iron rod set with plastic cap stamped "Span Surveys";

South 66 degrees 50 minutes 00 seconds West, 362.78 feet to a 5/8-inch iron rod set with plastic cap stamped "Span Surveys" on the Object Free Area line, being 400 feet east of the runway centerline;

THENCE North 21 degrees 07 minutes 31 seconds West, along said Object Free Area line, at all times remaining 400 feet east of and parallel to said runway centerline, 863.87 feet to a 5/8-inch iron rod set with plastic cap stamped "Span Surveys" in the south line of Parkway U;

THENCE North 68 degrees 54 minutes 45 seconds East, along the south line of said Parkway U, 275.08 feet to a magnetic nail set in concrete at the point of curvature of a circular curve to the left having a radius of 490.00 feet;

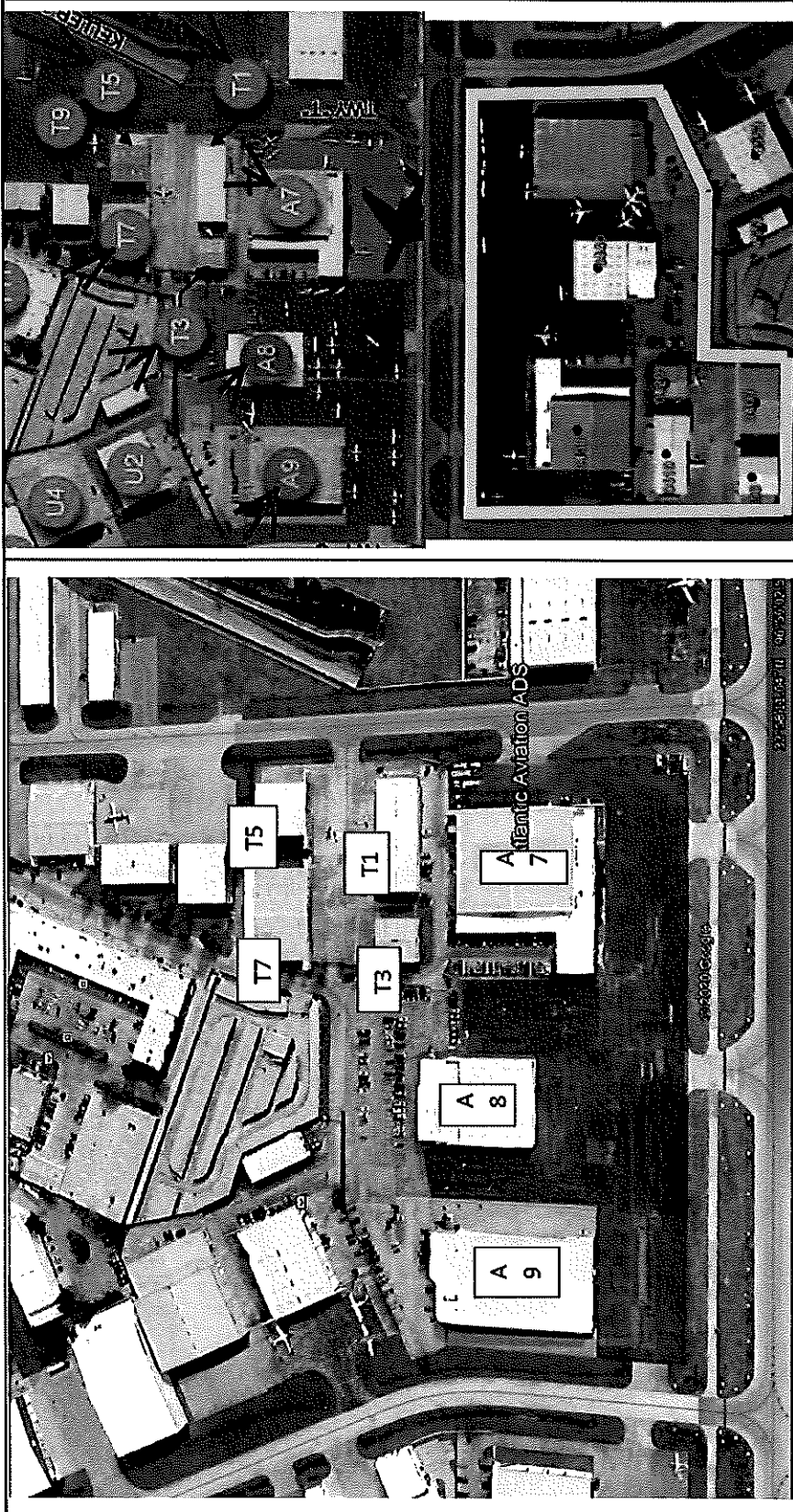
THENCE continuing along the south line of said Parkway U and said curve to the left, through a central angle of 17 degrees 40 minutes 25 seconds an arc distance of 151.05 feet and having a chord which bears North 60 degrees 04 minutes 32 seconds East, 150.25 feet to a cut 'x' set in concrete;

THENCE South 47 degrees 16 minutes 38 seconds East, departing the south line of said Parkway U, at 57.56 feet passing a cut 'x' found in concrete at the northwest corner of Lot 1, Block 1 of said Addison Jet Center; continuing along the west line of said Addison Jet Center, an all a distance of 240.10 feet to a 'P' nail found;

THENCE South 21 degrees 06 minutes 12 seconds East, continuing along the west line of said Addison Jet Center, 403.19 feet to **POINT OF BEGINNING** and containing 13.49 acres of land.

EXHIBIT 4A
Inventory & Description of Existing Building Improvements
as of Effective Date

Atlantic Aviation ADS – Current Atlantic Leased buildings – 6/2/2020



Yellow boundary contains 500,504 Sq. Ft. Land or 11.49 acres (Hangars 108,444 SF & Offices 32,514 SF)
(i) 4400 Glenn Curtiss (Property #0430 ALP #A7): Hangar 26,000 SF, FBO 22,310 SF. Built 1985. Land 124,873 SF
(ii) 4451 Glenn Curtiss (Property #0440 ALP #A8): Hangar 15,242 SF and offices 1,884 SF. Built 1964. Land 279,519 SF.
(iii) 4453 Glenn Curtiss (Property #0440 ALP #A9): Hangar 32,500 SF, Offices 8,320 SF. Built 1964. Land included w/ A8
(iv) 4480 Glenn Curtiss (Property #0400 ALP #T7): Hangar 13,736 SF. Built 1980. Land 28,358 SF.
(v) 4530 Glenn Curtiss (Property #0420 ALP #T3): Hangar 4,030 SF. Built 1979. Land 13,575 SF.
(vi) 4532 Glenn Curtiss (Property #0410 ALP #T1): Hangar 10,336 SF. Built 1979. Land 28,937 SF.
(vii) 4540 Glenn Curtiss (Property #0390 ALP#T5 Hangar 6,600 SF. Built 1979. Land 25,244 SF.

Atlantic Aviation ADS _ Proposed development phases – 6/2/2020

Exhibit 4B
Description of "Tenant's Capital Improvements" to be Constructed Pursuant to this Ground Lease Agreement

<p>The diagram illustrates the proposed development phases for Atlantic Aviation ADS. Phase 1 (center) features a 'NEW HANGAR 2' (205,428 SF, Hangar Dove) and a 'RAMP' (203,000 SF, New and Renovated). It also shows an 'EXPANDED PARKING AREA' and 'EXISTING HANGAR 3 TO BE REMOVED'. Phase 2 (right) includes a 'NEW PARKING AREA' and 'AOA ACCESS'. Phase 3 (top) shows a 'NEW PARKING AREA'. Existing Hangar 1 and Hangar 2 are noted as 'EXISTING HANGAR 1 AND HANGAR 2 AND FBO TO REMAIN'. Other labels include 'EXISTING TAILLINE TO REMAIN', 'EXISTING HANGAR TO BE REMOVED', 'NEW TRUCKING AREA', 'TAXIWAY TANGGO', 'REVANATED PARKING AREA', 'EXISTING HANGAR TO BE REMOVED', 'NEW HANGAR 3', '325'-0" (width of Phase 1 area), '30' (width of Phase 1 area), '320' (width of Phase 1 area), '25,000 S.E. HANGAR 3,000 S.F. OFFICE', 'CONSTRUCTION LINE (0' HIGH)', and 'REVANATED PARKING AREA'.</p>	<table border="1"> <tr> <td data-bbox="1096 243 1161 1967"> <p><u>Extended Term #1:</u> Scope of work: Demolition of building A8 located at 4451 Glenn Curtiss + constructs a new jet hangar in its place. Minimum spend: \$6,000,000 US. Completion: No later than 48 months following the Commencement Date Term Extension: Additional thirteen-years beyond the Base Term</p> </td> <td data-bbox="1161 243 1372 1967"> <p><u>Extended Term #2:</u> Scope of work: Completes the planned renovation and refurbishment of the FBO terminal located at 4400 Glenn Curtiss + 203,000 square feet of aircraft apron repair and replacement. Minimum spend: \$5,500,000 US. Completion: No later than 7 years following the Commencement Date. Term Extension: Additional fifteen-years beyond the Extended Term # 1.</p> </td> <td data-bbox="1372 243 1474 1967"> <p><u>Extended Term #3:</u> Scope of work completes the renovation of "Hangar 3" located at 4453 Glenn Curtiss + demolishes the existing building improvements located at 4532 and 4530 Glenn Curtiss and, in their place construct new off-street vehicle parking to support Tenant's ongoing FBO operations. Minimum spend: \$2,500,000 US. Completion: No later than 13 years following the Commencement Date Term Extension: Additional five-years beyond the Extended Term # 2.</p> </td> </tr> </table>	<p><u>Extended Term #1:</u> Scope of work: Demolition of building A8 located at 4451 Glenn Curtiss + constructs a new jet hangar in its place. Minimum spend: \$6,000,000 US. Completion: No later than 48 months following the Commencement Date Term Extension: Additional thirteen-years beyond the Base Term</p>	<p><u>Extended Term #2:</u> Scope of work: Completes the planned renovation and refurbishment of the FBO terminal located at 4400 Glenn Curtiss + 203,000 square feet of aircraft apron repair and replacement. Minimum spend: \$5,500,000 US. Completion: No later than 7 years following the Commencement Date. Term Extension: Additional fifteen-years beyond the Extended Term # 1.</p>	<p><u>Extended Term #3:</u> Scope of work completes the renovation of "Hangar 3" located at 4453 Glenn Curtiss + demolishes the existing building improvements located at 4532 and 4530 Glenn Curtiss and, in their place construct new off-street vehicle parking to support Tenant's ongoing FBO operations. Minimum spend: \$2,500,000 US. Completion: No later than 13 years following the Commencement Date Term Extension: Additional five-years beyond the Extended Term # 2.</p>
<p><u>Extended Term #1:</u> Scope of work: Demolition of building A8 located at 4451 Glenn Curtiss + constructs a new jet hangar in its place. Minimum spend: \$6,000,000 US. Completion: No later than 48 months following the Commencement Date Term Extension: Additional thirteen-years beyond the Base Term</p>	<p><u>Extended Term #2:</u> Scope of work: Completes the planned renovation and refurbishment of the FBO terminal located at 4400 Glenn Curtiss + 203,000 square feet of aircraft apron repair and replacement. Minimum spend: \$5,500,000 US. Completion: No later than 7 years following the Commencement Date. Term Extension: Additional fifteen-years beyond the Extended Term # 1.</p>	<p><u>Extended Term #3:</u> Scope of work completes the renovation of "Hangar 3" located at 4453 Glenn Curtiss + demolishes the existing building improvements located at 4532 and 4530 Glenn Curtiss and, in their place construct new off-street vehicle parking to support Tenant's ongoing FBO operations. Minimum spend: \$2,500,000 US. Completion: No later than 13 years following the Commencement Date Term Extension: Additional five-years beyond the Extended Term # 2.</p>		

EXHIBIT 5

Form of Memorandum of Lease

AFTER RECORDING RETURN TO:

Addison Airport Management
c/o Real Estate Manager
16051 Addison Road, Suite 220
Addison, Texas 75001

MEMORANDUM OF LEASE

This Memorandum of Lease is dated as of _____, 20__, and executed by and between the Town of Addison, Texas, a home-rule municipality ("Landlord" or "City") and Mercury Air Center – Addison, Inc., a Texas corporation ("Tenant"). Capitalized terms not otherwise defined in this Memorandum will have the same meaning ascribed to such terms in the Ground Lease.

WHEREAS, a Ground Lease was executed on _____, 2019 (the "Ground Lease") between Landlord and Tenant wherein Landlord leased to Tenant and Tenant leased from Landlord a certain parcel of land owned by the City and located at and within Addison Airport ("Airport"), more fully described in Exhibit "A" attached hereto and made a part hereof, and in that certain boundary survey dated _____, which property is now commonly referred to as [Street Address(es)] Addison Road; and

WHEREAS, the Term of the Ground Lease begins on the Commencement Date and continues for _____ () full calendar months; and

WHEREAS, the address of Landlord as set forth in the Ground Lease is:

Town of Addison, Texas
c/o City Manager
5300 Belt Line road
Dallas, Texas 75254

and

Town of Addison, Texas
c/o Addison Airport Manager
16051 Addison Road, Suite 220
Addison, Texas 75001
Attn: Real Estate Manager

and;

WHEREAS, the address of Tenant as set forth in the Ground Lease is:

Mercury Air Center – Addison, Inc.
dba Atlantic Aviation
Attn: Louis T. Pepper, CEO
5201 Tennyson Pkwy., Suite 150
Plano, Texas 75024

And

Al Archuleta,
Regional Manager
Atlantic Aviation Services
7930 Airport Blvd.
Houston, Texas 77061
Al.Archuleta@atlanticaviation.com

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

IN WITNESS WHEREOF, the undersigned parties have executed this Memorandum of Lease on the day and the year first set forth above.

Tenant: Mercury Air Center- Addison, Inc.

Landlord: Town of Addison, Texas

By: _____

By: _____

Wesley S. Pierson, City Manager

Printed Name: _____

Title: _____

ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared _____, _____ of Mercury Air Center – Addison, Inc., a Texas corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purposes and consideration therein stated.

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

[SEAL]

By: _____
Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

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

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

[SEAL]

By: _____
Notary Public, State of Texas

Exhibit A
To Memorandum of Ground Lease
Legal Description of Demised Premises

BEING a tract of land situated in the William Lomas Survey, Abstract No. 796, Dallas County, Texas, and being a part of Addison Airport, an addition to the Town of Addison, Texas according to the plat thereof recorded in Volume 2005131, Page 52 in the Map Records of Dallas County, Texas (MRCR) and being more particularly described as follows:

COMMENCING at a cut 'X' found in concrete in the north line of Glenn Curtes, a 50 foot wide Egress/Egress easement established by the first plat of said Addison Airport, said beginning point also being the southwest corner of Lot 1, Block 1 of Addison Jet Center, an addition to the Town of Addison, Texas, according to the plat thereof recorded under instrument No. 201600298516 MRCR;

THENCE South 21 degrees 06 minutes 32 seconds East, along the projected west line of said Lot 1, Block 1, 50.00 feet to a magnetic nail set in concrete in the south line of said Glenn Curtes and the **POINT OF BEGINNING**;

THENCE North 68 degrees 52 minutes 29 seconds East, along the south line of said Glenn Curtes, 20.12 feet to a magnetic nail set in concrete;

THENCE North 70 degrees 46 minutes 26 seconds East, continuing along the south line of said Glenn Curtes, 156.46 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

THENCE South 10 degrees 36 minutes 24 seconds East, departing the south line of said Glenn Curtes, 274.21 feet to a 5/16-inch iron rod set with plastic cap stamped "Sparr Surveys" in the north line of Taxway T;

THENCE southwesterly, along the north line of said Taxway T 410, following:

South 89 degrees 13 minutes 19 seconds West, 291.57 feet to a magnetic nail set in concrete;

South 06 degrees 51 minutes 50 seconds East, 3.85 feet to a 5/16-inch iron rod set with plastic cap stamped "Sparr Surveys";

South 03 degrees 00 minutes 10 seconds West, 29.72 feet to a 5/16-inch iron rod set with plastic cap stamped "Sparr Surveys";

South 06 degrees 37 minutes 07 seconds West, 19.79 feet to a 5/16-inch iron rod set with plastic cap stamped "Sparr Surveys";

South 68 degrees 50 minutes 00 seconds West, 362.78 feet to a 5/16-inch iron rod set with plastic cap stamped "Sparr Surveys" on the Outer Free Area line, being 400 feet east of the runway centerline;

THENCE North 21 degrees 07 minutes 31 seconds West, along said Object Free Area line, at all times remaining 100 feet east of and parallel to said runway centerline, 843.87 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" in the south line of Taxway U;

THENCE North 68 degrees 54 minutes 45 seconds East, along the south line of said Taxway U, 276.02 feet to a magnetic nail set in concrete at the point of curvature of a circular curve to the left having a radius of 490.00 feet;

THENCE continuing along the south line of said Taxway U and said curve to the left, through a central angle of 17 degrees 40 minutes 23 seconds on the distance of 131.75 feet and having a chord which bears North 60 degrees 04 minutes 32 seconds East, 150.55 feet to a cut 'X' set in concrete;

THENCE South 47 degrees 16 minutes 53 seconds East, departing the south end of said Taxway U, 37.58 feet passing a cut 'X' found in concrete at the northwest corner of Lot 1, Block 1 of said Addison Jet Center, continuing along the west line of said Addison Jet Center, in all a distance of 240.10 feet to a 'PK' nail found;

THENCE South 21 degrees 04 minutes 11 seconds East, continuing along the west line of said Addison Jet Center, 403.19 feet to **POINT OF BEGINNING** and containing 11.94 acres of land.

Lease Addendum #1

Tenant's Leasehold Minimum Maintenance and Repair Standards and Practices

I. **Purpose:** Pursuant to Section 11 (or elsewhere as provided for) of the Lease¹ the Tenant is required to maintain the Demised Premises and all improvements, fixtures, equipment and personal property thereto in "good repair and in a first class condition" and in accordance with all applicable ordinances, codes, rules and regulations of or adopted by the City of Addison or any regulating agency with oversight of any or all portions of the Demised Premises throughout the Term as it may be extended or otherwise amended.

Additionally, Section 28 entitled Title to Improvements provides, among other things, Tenant shall own and hold title to any building improvements constructed on the Demised Premises and upon the expiration or early termination of the ownership of said building improvements, said building improvements shall merge with the title of the Demised Premises and become the property of the Landlord. Landlord may, at Landlord sole discretion, elect Tenant to: (i) deliver to Landlord the Demised Premises clean and free of trash and in good repair and condition in accordance with these Tenant's Leasehold Minimum Maintenance and Repair Standards and Practices together with all fixtures and equipment situated in the Demised Premises with reasonable wear and tear excepted.; or (ii) prior to the expiration or early termination of the Term, demolish and remove or cause to be removed from the Demised Premises all building improvements together with any fixtures or equipment remaining and restore the Demised Premises to reasonably the same condition it was found immediately prior Tenant's taking possession of the Demised Premises as of the Effective Date. Such demolition and removal shall be performed at Tenant's sole cost and risk in accordance with all prevailing ordinances, codes, rules, and regulations governing same.

Therefore, these Tenant's Leasehold Minimum Maintenance and Repair Standards and Practices ("Maintenance Standards") hereby set forth in general the minimum level of standard of maintenance and repair or practice the Landlord expects of Tenant and Tenant (or any of its successors and, or assigns) agrees to be obliged in order to comply with the terms and conditions of the Lease.

II. **Governing Standard or Practice:** Section 8.A. of the Lease states the Tenant agrees to comply with all laws, ordinances, rules, regulations, directives, permits, policies or standards of any governmental authority, entity, or agency affecting the use of the Demised Premises; and any "Construction/Maintenance Standards and Specifications" published by Landlord or its Airport Manager governing such matters at Addison Airport. Section 11.B. of the Lease states "Should there ever arise a conflict between the degree of standard or duty to practice any such standard or practice between [these Maintenance Standards] and any new construction and maintenance and

¹ All capitalized terms used in these Tenant's Minimum Leasehold Maintenance Standards and Procedures are as used and defined in the underlying Lease unless otherwise defined herein.

repair standard so adopted by the Landlord, the standard and/or practice representing the higher or greater degree of standard and/or practice shall prevail as if such higher degree of standard and/or practice is incorporated into and made a part of these [Maintenance Standards].

III. Terminology Used: Unless otherwise provided herein, the definition and/or the description of certain terms used or referred to below shall be the same as defined in the Lease or ASTM International Standard E2018-15² (as it may be amended or modified from time to time or its equivalence as generally accepted by the United States commercial real estate industry at the time).

For the purpose herein the standard being in “*good repair and in first-class condition*” generally means when the building component or system is serving its designed function, is of working condition and operating well, shows evidence of being well taken care of and does not require immediate or short-term repairs above its *de minimis* threshold or does not evidence a material physical deficiency.

Building System – Interacting or independent components or assemblies, which form single integrated units that comprise a building and its site work, such as pavement and flatwork, structural frame, roofing, exterior walls, plumbing, HVAC, electrical, etc. (ASTM E2018-15).

Component – A portion of a building system, piece of equipment, or building element (ASTM E2018-15).

Deferred Maintenance – Physical deficiencies that could have been remedied with routine maintenance, normal operating maintenance, etc., excluding *de minimus* conditions that generally do not present a material physical deficiency to the subject property (ASTM E2018-15).

Effective Age – The estimated age of a building component that considers actual age as affected by maintenance history, location, weather conditions, and other factors. Effective Age may be more or less than actual age (ASTM E2018-15).

Engineer: Designation reserved by law for a person professionally qualified, examined, and licensed by the appropriate governmental board having jurisdiction, to perform engineering services (ASTM E2018-15).

Expected Useful Life – The average amount of time in years that an item, component, or system is estimated to function without material repair when installed new and assuming routine maintenance is practiced (ASTM E2018-15).

Fair Condition – To be found in working condition but may require immediate or short-term repairs above the *de minimis* threshold of not evidencing a material physical deficiency (ASTM E2018-15).

Normal Wear and Tear - Defined as deterioration that results from the intended use of the commercial premises, including breakage or malfunction due to age or deteriorated condition, but the term does not include deterioration that results from negligence, carelessness, accident or abuse

² ASTM Designation E2018-15; November 2015 ASTM International, 100 Barr Harbor Drive, PO Box C700, West Conshohocken PA 19428-2929, United States

of the premises, equipment or chattels by the Tenant, by a guest or invitee of the Tenant (Section 93.006[b]); Chapter 93 of the Texas Property Code entitled “Commercial Tenancies”

Physical Deficiency (ies) – The presence of a conspicuous defect or defects and/or material deferred maintenance of a subject property’s material systems, components, or equipment as observed. Specifically excludes deficiencies that may be remedied with routine maintenance, miscellaneous minor repairs, normal operating maintenance, etc. (ASTM E2018-15).

Poor Condition – Found not to be in working condition or requires immediate or short-term repairs substantially above the *de minimis* threshold of not evidencing a material physical deficiency (ASTM E2018-15).

Routine Maintenance - Repair that does not require specialized equipment, professional services, or licensed contractors but, rather can be corrected within the budget and skill set of typical property maintenance staff (ASTM E2018-15).

IV. Baseline Property Condition Assessment: Beginning on or about the tenth (10th) anniversary but no later than the twelfth (12th) anniversary of the Term, Tenant shall procure, at the sole cost of Tenant, a Property Condition Assessment baseline report (PCA) to be prepared, written and signed by a licensed professional engineer qualified to assess the condition of the Demised Premises and all Building Improvements, fixtures and equipment made a part thereto pursuant to the then-operative version of ASTM International Standard Designation E2018 as of the date the PCA is performed. If at that time, for any reason, ASTM International no longer publishes standards for conducting property condition assessments for commercial real estate in the United States, Landlord and Tenant shall mutually agree to adopt another similar standard of practice to be performed by qualified third Parties recognized and accepted by the commercial real estate industry in the United States.

For any portion of the Demised Premises designed and constructed with the intent to be used for the storage and movement of aircraft, the PCA shall also include an aircraft pavement condition assessment performed for such areas in accordance with FAA Advisory Circular 150/5380-7A “Airport Pavement Management Program” and ASTM Standard Designation D5340 “Standard Test Method for Airport Pavement Condition Index Surveys” (or their respective operative standard in effect at the time of the PCA report date) (the “Pavement Standards”). If no such standard exists at the time, the pavement condition assessment shall be performed based on prevailing industry standards as of the date of the assessment.

A. Within thirty (30) days of the published date of the PCA report Tenant shall deliver to Landlord a complete signed original copy of the PCA report together with the aircraft pavement condition assessment, if any, together with:

(1.) “Tenant’s Remedy Plan”, a written plan prepared by Tenant itemizing and given in sufficient detail Tenant’s plan to remedy and cure, at Tenant’s sole cost and expense, any and all Physical Deficiencies and, or Deferred Maintenance matters identified and communicated in the PCA report. Tenant’s Remedy Plan shall indicate, among other things, that all work will be completed in a good and workman like condition pursuant to

all local building codes and ordinances as required by the Lease within one hundred and eighty (180) calendar days from the date of the PCA's published report date (the "Remedy Period") unless otherwise agreed to in writing by Landlord.

(a.) If the pavement condition index (PCI), as defined in the Pavement Standards, reflects a score less than 70 (or its equivalence) the Tenant's Remedy Plan shall set forth in sufficient detail Tenant's intended remedy and cost estimate necessary to increase the aircraft pavement PCI score to a minimum of 70 within the Remedy Period.

(b.) In the event the PCA recommends supplemental testing or evaluation of any building component including, but not limited to, structural, building envelope, roofing, HVAC, plumbing, electrical, fire alarm and suppression, elevator, hangar door and/or door operators, environmental, pavement and ADA, Tenant's Remedy Plan shall reflect Tenant's plan to complete such supplemental investigations as recommended within the Remedy Period.

(2.) "**Tenant's Facility Maintenance and Repair Plan**" (or "Maintenance Plan") which sets forth in sufficient detail Tenant's stated itemized objectives to maintain and keep all building components and systems, pavement and landscaped areas in good condition and repair together with any planned capital repairs, including those cited in the PCA report and any capital improvements planned within the next ten (10) years following the PCA published report date. Additionally, the Maintenance Plan should include but not be limited to the following:

(a.) Tenant's schedule and checklist for periodic self-inspection of all major building components and systems on annualized basis.

(b.) Tenant shall periodically update the Maintenance Plan to reflect scheduled repairs made together with itemized repair costs given, new conditions found as a result of Tenant's periodic self-inspections and Tenant's plan to maintain or repair said condition.

B. If Tenant fails to deliver to Landlord a complete signed original Baseline PCA Report, Tenant's Remedy Plan and Tenant's Facility Maintenance and Repair Plan as required herein. Landlord may provide written notice thereof to Tenant. Tenant shall have sixty (60) days after receipt of such notice to provide such report or plan. Tenant's failure to provide the documentation required herein shall be considered an event of default of the Lease. Tenant's failure to promptly remedy any Physical Deficiency (ies) identified and communicated in any PCA report as required herein is also considered an event of default under the Lease. In the event of such default(s), in addition to all other rights and remedies available to Landlord under the Lease and by law, Landlord may, but not be obligated to, cause such reports and plans to be prepared and implemented as deemed commercially reasonable; and all reasonable costs therefore expended by Landlord plus interest thereon as provided for in Section 39 of the Lease shall be paid by Tenant upon demand.

V. Requirement for Subsequent Baseline Property Condition Report Updates, Tenant Remedy Plan Updates and Tenant's Facility Maintenance and Repair Plan Updates:

A. Upon each ten (10) year anniversary of the Term (but not later than two (2) years after each 10-year anniversary) Tenant shall procure, at its sole cost and expense, a PCA update (including aircraft pavement condition assessment) with the subsequent PCA report being of similar form and scope as the initial baseline PCA outlined above. Consideration should be given to the age of all building components and whether any special assessments might be warranted. Within thirty (30) days of the published date of the subsequent PCA report, Tenant shall deliver to Landlord a complete signed original of the subsequent PCA report together with the aircraft pavement condition assessment findings. Simultaneously, Tenant shall deliver to Landlord its Tenant Remedy Plan setting forth Tenant's itemized and detailed plan for remedying and curing all Physical Deficiencies and/or Deferred Maintenance matters identified and communicated in the subsequent PCA report. Similarly, Tenant shall also deliver to Landlord Tenant's Facility Maintenance and Repair Plan updated to reflect the most recent subsequent PCA report findings and recommendations.

B. With no more than seventy-two (72) and no less than sixty (60) months remaining until the Lease Expiration Date, Tenant shall procure, at its sole cost and expense, a final PCA report (including aircraft pavement condition assessment) with the final PCA report being of similar form and scope as the initial baseline PCA outlined above (the "Final PCA Report"). Consideration should be given to the age of all building components and whether any special assessments might be warranted. Within thirty (30) days of the published date of the Final PCA Report, Tenant shall deliver to Landlord a complete signed original of the Final PCA Report together with the aircraft pavement condition assessment findings. Simultaneously, Tenant shall deliver to Landlord its Tenant Remedy Plan setting forth Tenant's itemized and detailed plan for remedying and curing all Physical Deficiencies and/or Deferred Maintenance matters identified and communicated in the Final PCA Report. Similarly, Tenant shall also deliver to Landlord Tenant's Facility Maintenance and Repair Plan updated to reflect the Final PCA Report findings and recommendations which are to be implemented through the Lease Expiration Date.

VI. Qualification of Property Condition Reviewer: The qualifications of a third-party consultant performing or overseeing the PCA shall be:

- Licensed in the state of Texas as a professional architecture or engineer;
- Demonstrated experience working with general aviation type properties;
- Having working knowledge of relevant FAA Advisory Circulars and ASTM Standards relating to facility and pavement maintenance and survey standards affecting the subject property type and scope (size and complexity, etc.); and
- Experience preparing property condition reports.

VII. Record Retention: Throughout the Term Tenant shall diligently gather and retain in an orderly manner all documentation affecting and relating to the Building Improvements and any fixtures or equipment made a part of the Demised Premises. To the extent possible the Tenant shall retain digital copies of all such documentation, which can be easily reviewed, inspected, and

sourced. All such documents are to be made available to each consultant assigned to perform the property condition assessment and pavement condition analysis. Such documents to be retained should include but not be limited to:

- Site plan – updated as necessary.
- Property Survey – updated as necessary to reflect any changes to the leased premises.
- Construction and “as-built” drawings together with written building specifications.
- Certificate of Occupancy and building permits.
- Building Owner’s Manual received from the General Contractor
- Pavement Condition Assessment Reports (aircraft apron and other)
- Insurance casualty claims and adjustment reports affecting the Building Improvements
- Description of future/planned material improvement or repairs.
- Outstanding notices and citations for building, fire, and zoning code and ADA violations
- Previously prepared, if any, Property Condition Assessment reports or engineering testing and surveys pertaining to any aspect of the subject property’s physical condition.
- Lease listing literature, listing for sale, marketing/promotional literature such as photographs, descriptive information, reduced floor plans, etc.
- Periodic inspection reports (self or third-party) and supporting documentation.
- Irrigation Plans, updated as needed
- Operating manuals, instructions, parts lists

VIII. *Reversionary Process (at Lease Expiration or Early Termination):* Pursuant to the terms and conditions of the Lease, unless otherwise amended or modified the Lease is due to expire at the end of the Lease Expiration Date at which time any and all Building Improvements and any subsequent improvements and alterations made thereto as defined in the Lease revert and become under the ownership of the Landlord. If Tenant is not then in default of the Lease, Tenant shall have the right to remove all personal property and trade fixtures owned by the Tenant from the Demised Premises, but Tenant shall be required to repair any damage to the Demised Premises caused by such removal, which work shall be conducted in a good and workmanlike manner and at Tenant’s sole cost and expense.

Accordingly, in order to facilitate an orderly transfer of all the ownership interests of the Demised Premises, Tenant shall deliver or cause to be delivered to Landlord all of the following on or before the Expiration Date, or earlier termination of the Lease:

A. Tenant's Representations: Tenant shall certify and attest in writing, in a form acceptable to Landlord:

(1.) Tenant conveys to Landlord in good and indefeasible title all the Building Improvements free and clear of any and all liens, assessments, easements, security interests and other encumbrances; and

(2.) There are no lessees or sub-lessees in possession of any portion of the Building Improvements, tenants at sufferance or trespassers; and

(3.) There are no mechanic's liens, Uniform Commercial Code liens or unrecorded liens against the Building Improvements, and all obligations of Tenant arising from the ownership and operation of the Demised Premises and any business operated on the Building Improvements including but not limited to taxes, leasing commissions, salaries, contracts, and similar agreements, have been paid or will be paid before the Expiration Date; and

(4.) There is no pending or threatened litigation, condemnation, or assessment affecting the Building Improvements; and

(5.) Tenant has disclosed to Landlord any and all known conditions of a material nature with respect to the Building Improvements which may affect the health or safety of any occupant of the Demised Premises. Except as disclosed in writing by Landlord or Tenant, the Improvements have no known latent structural defects or construction defects of a material nature, and none of the improvements has been constructed with materials known to be a potential health hazard to occupants of the Building Improvements; and

(6.) Except as otherwise disclosed in writing by Tenant to Landlord, the Building Improvements does not contain any Hazardous Materials other than lawful quantities properly stored in containers in compliance with applicable laws. For the purpose herein, "Hazardous Materials" means any pollutants, toxic substances, oils, hazardous wastes, hazardous materials or hazardous substances as defined in or pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, as amended, the Clean Water Act, as amended, or any other federal, state or local environmental law, ordinance, rule, or regulation, whether existing or subsequently enacted during the Term.

- B.** Any rental and monies due under the Lease unless paid in full; and
- C.** A Bill of Sale conveying personal property remaining or left on the Demised Premises, if any, free and clear of liens, security interest and encumbrances; and
- D.** All plans, drawings and specifications respecting the Building Improvements, including as-built plans and specifications, landscape plans, building system plans (HVAC, Telecom/Data, Security System, plumbing) air-conditioning in Tenant's possession or control; and
- E.** Inventory with corresponding descriptions and identification of all keys, lock combinations, access codes and other such devices or means to access every securable

portion, compartment, cabinet, panel, closet, gate or point of entry within the Demised Premises; and

- F. All soil reports, engineering and architectural studies, grading plans, topographical maps, feasibility studies and similar information in Tenant's possession or control relating to the Demised Premises; and.
- G. A list and complete copies of all current service contracts, maintenance contracts, management contracts, warranties, licenses, permits, operating agreements, reciprocal easement agreements, maps, if any, applicable to the Demised Premises, certificate of occupancy, building inspection approvals and covenants, and conditions and restrictions respecting the Demised Premises; and
- H. Copies of all utility bills (electric, water/sewer and gas) and similar records respecting the Building Improvements for the past three (3) months; and
- I. A schedule of all service contracts, agreements and other documents not expressly referenced herein relating to the Demised Premises.

End

BEING a tract of land situated in the William Lomax Survey, Abstract No. 796, Dallas County, Texas, and being a part of Addison Airport, an addition to the Town of Addison, Texas, according to the Survey of said Addison Airport, as shown on the Survey Records of Dallas County, Texas (MBCDT) and being more particularly described as follows:

COMPREHENSIVE as a 1/4 Section 1, Block 1, Addition to the north line of Glenn Curtiss, a 95-foot wide Impressed Egress easement established by the final plat of said Addison Airport, said impinged point also being the southwest corner of Lot 1, Block 1, of Addison Jct Center, an addition to the Town of Addison, Texas, according to the plat thereof recorded under Instrument No. 201000298616 MBCDT;

THENCE South 71 degrees 16 minutes 32 seconds East, along the projected west line of said Lot 1, Block 1, of Addison Jct Center, to a magnetic north set in concrete in the south line of said Glenn Curtiss and the **POINT OF BEGINNING**;

THENCE North 68 degrees 52 minutes 20 seconds East, along the south line of said Glenn Curtiss, 29.12 feet to a magnetic north set in concrete;

THENCE North 70 degrees 46 minutes 35 seconds East, continuing along the south line of said Glenn Curtiss, 156.46 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

THENCE South 18 degrees 36 minutes 39 seconds East, departing the south line of said Glenn Curtiss, 274.21 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" in the north line of **Trajectory U**;

THENCE southwesterly, along the north line of said **Trajectory U**, the following:

- South 69 degrees 13 minutes 19 seconds West, 291.57 feet to a magnetic north set in concrete;
- South 04 degrees 51 minutes 09 seconds East, 3.05 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";
- South 03 degrees 41 minutes 10 seconds West, 29.79 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";
- South 06 degrees 32 minutes 07 seconds West, 19.79 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";
- South 08 degrees 59 minutes 00 seconds West, 362.78 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" on the object free area line, being 400 feet east of the runway centerline;
- THENCE** North 21 degrees 07 minutes 31 seconds West, along said Object Free Area line, at all times remaining 400 feet east of and parallel to said runway centerline, 863.87 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" in the south line of **Trajectory U**;
- THENCE** North 08 degrees 54 minutes 45 seconds East, along the south line of said **Trajectory U**, 275.09 feet to a magnetic north set in concrete at the point of curvature of a circular curve to the left, having a radius of 490.00 feet;
- THENCE** continuing along the south line of said **Trajectory U** and said curve to the left, through a central angle of 17 degrees 40 minutes 25 seconds an arc distance of 151.15 feet and having a radius which bears North 04 degrees 04 minutes 22 seconds East, 150.55 feet to a 1/2" x 1/2" x 240.10 feet to a "PK" nail found;
- THENCE** South 17 degrees 16 minutes 36 seconds East, departing the south line of said **Trajectory U**, 127.56 feet to a magnetic north set in concrete at the center of said **Block 1**, Lot 1, of Addison Jct Center, continuing along the west line of said **Block 1** Center, in all a distance of 240.10 feet to a "PK" nail found;
- THENCE** South 21 degrees 06 minutes 06 seconds East, continuing along the west line of said Addison Jct Center, 403.19 feet to **POINT OF BEGINNING** and containing 11.49 acres of land.

I, Brad Sparr, a Registered Professional Land Surveyor for Sparr Surveys, do hereby certify that this survey was made on the ground and that the drawing correctly represents the facts found at the time of survey and that the professional service conforms to the current Texas Society of Professional Surveyors Standards and Specifications for a Category I Boundary Survey.



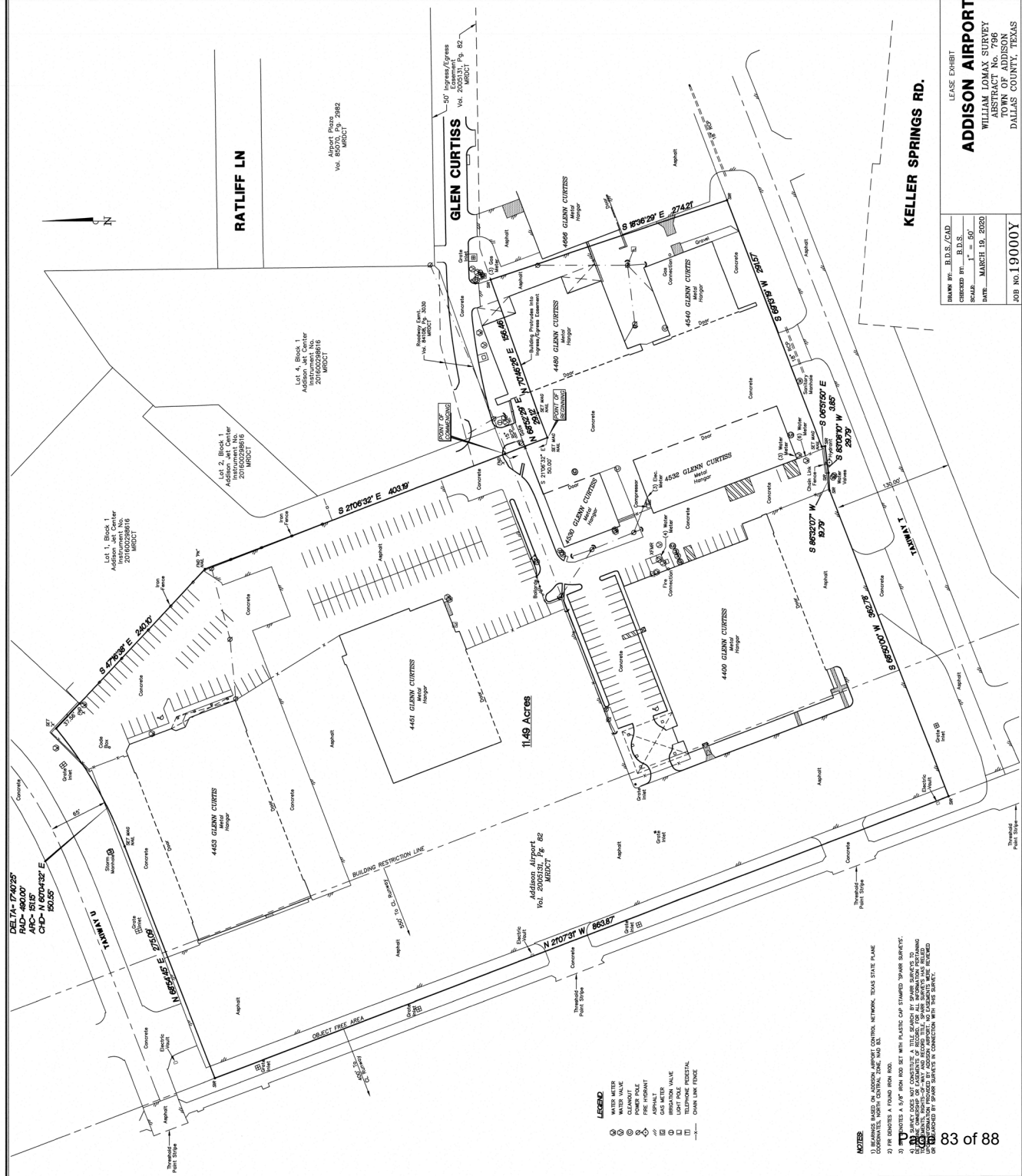
Brad Sparr
Registered Professional
Land Surveyor No. 3701



Sparr Surveys
2553 C.R. 722
McKinney, Texas 75089
(214) 544-2297

ADDISON AIRPORT
WILLIAM LOMAX SURVEY
ABSTRACT No. 796
TOWN OF ADDISON
DALLAS COUNTY, TEXAS

LEASE EXHIBIT
DRAWN BY: B.D.S./CAD
CHECKED BY: B.D.S.
SCALE: 1" = 50'
DATE: MARCH 19, 2020
JOB NO. 19000Y



- LEGEND**
- WATER METER
 - CLAMNET
 - POWER POLE
 - GAS METER
 - TELEPHONE
 - TELEPHONE FENCE
 - CHAIN LINK FENCE

NOTES

- 1) BEARINGS BASED ON ADDISON AIRPORT CONTROL NETWORK, TEXAS STATE PLANE COORDINATES, NORTH ZONE, NAD 83.
- 2) THIS SURVEY IS A 1/4 SECTION SURVEY.
- 3) THIS SURVEY DOES NOT CONSTITUTE A TITLE SEARCH BY SPARR SURVEYS. THE SURVEYOR HAS CONDUCTED A VISUAL INSPECTION OF THE PUBLIC RECORDS TO VERIFY THE CORRECT IDENTIFICATION OF THE TRACTS AND TO VERIFY THE RELIABILITY OF THE INSTRUMENTS ON WHICH THIS SURVEY IS BASED. THE SURVEYOR IS NOT GUARANTEED BY POWER SURVEYS IN CONNECTION WITH THIS SURVEY.

EXHIBIT “C”

Section 2. Term B. of Ground Lease, in its entirety, is to be replaced and superseded with the following:

EXHIBIT "C"

Section 2.B of Ground Lease, in its entirety, is to be replaced and superseded with the following:

Section 2. Term:

B. Tenant may be eligible to qualify for and be granted additional lease term as provided for in the following manner:

1. **Extended Term #1:** Provided Tenant is (i) then not in default of this Lease, (ii) completes the planned renovation and refurbishment of the FBO terminal located at 4400 Glenn Curtiss together with approximately 203,000 square feet of aircraft apron repair and replacement (as more fully described in Section 6 below) with a total estimated Cost of Construction (as defined below) of no less than Six Million Dollars (\$6,000,000 US); and (iii) said construction is Substantially Complete (as defined in Section 6 below) no later than forty-eight (48) months following the Commencement Date (item ii of this sub-paragraph 1 is hereinafter referred to as "Tenant's Capital Improvements Phase-1"), the Term hereof shall be extended an additional thirteen (13) years beyond the Base Term (or by adding 156 full calendar months to the end of the Base Term), hereinafter referred to as "Extended Term #1." Should Tenant construct the Tenant's Capital Improvements Phase-1 but the actual Cost of Construction is less than \$6,000,000, Tenant shall (at Tenant's sole option in lieu of forfeiting Extended Term #1) pay to Landlord the difference between the actual Cost of Construction and \$6,000,000 to satisfy its obligation under (ii) above.

2. **Extended Term #2:** Provided Tenant is (i) then not in default of this Lease; (ii) has already qualified and has been granted Extended Term #1 above; (iii) completes the demolition of the building improvements located at 4451 Glenn Curtiss and constructs a new jet hangar generally in its place (as more fully described in Section 6 below) with a total Cost of Construction (as defined below) of no less than Five Million Five-Hundred Thousand Dollars (\$5,500,000 US); and (iv) said construction is Substantially Complete (as defined in Section 6 below) no later than seven (7) years following the Commencement Date (items iii and iv of this sub-paragraph 2 are hereinafter collectively referred to as "Tenant's Capital Improvements Phase-2"), the Term hereof shall be extended an additional fifteen (15) years beyond the Extended Term #1 (or by adding 180 full calendar months to the end of Extended Term #1), hereinafter referred to as "Extended Term #2." Should Tenant construct the Tenant's Capital Improvements Phase-2 but the actual Cost of Construction is less than \$5,500,000, Tenant shall (at Tenant's sole option in lieu of forfeiting Extended Term #2) pay to Landlord the difference between the actual Cost of Construction and \$5,500,000 to satisfy its obligation under (iii) above.

Notwithstanding Section 2.B.2 above, should Tenant, in its sole discretion, elect to exercise Extended Term #2 on or about the same time as Extended Term #1, and Tenant Substantially Completes both Tenant's Capital Improvements Phase 1 and Tenant's Capital Improvements Phase 2 as set forth in the Notice to Proceed with Construction required in

Section 6.F below, the Term hereof shall be extended an additional twenty-eight (28) years beyond the Base Term (or by adding 336 full calendar months to the end of the Base Term), hereinafter referred to as "Extended Term #2." Should Tenant construct both the Tenant's Capital Improvements Phase 1 and Phase 2, but the actual Cost of Construction of Tenant's Capital Improvements for Phase 1 and Phase 2 is less than \$11,500,000, Tenant shall (at Tenant's sole option in lieu of forfeiting Extended Term #1 and Extended Term #2) pay to Landlord the difference between the actual Cost of Construction and \$11,500,000 to satisfy its collective obligations under Section 2.B.1 (ii) and Section 2.B.2 (iii) above.

3. **Extended Term #3:** Provided Tenant is (i) then not in default of this Lease; (ii) has already qualified and has been granted Extended Term #2; (iii) completes the renovation of what is commonly referred to as "Hangar 3" (ALP # A9) located at 4453 Glenn Curtiss; (iv) demolishes the existing building improvements located at 4530 and 4532 Glenn Curtiss and, in their place; (v) construct new off-street vehicle parking to support Tenant's ongoing FBO operations (with each more fully described in Section 6 below); (vi) with a combined total Cost of Construction of no less than Two Million Five Hundred Thousand Dollars (\$2,500,000 US); and (vii) said construction is Substantially Complete (as defined in Section 6 below) no later than thirteen (13) years following the Commencement Date (items iii, iv, v, vi and vii of this sub-paragraph 3 are hereinafter collectively referred to as "Tenant's Capital Improvements Phase 3"), the Term hereof shall be extended an additional five (5) years beyond the Extended Term #2 (or by adding 60 full calendar months to the end of Extended Term #2), hereinafter referred to as "Extended Term #3." Should Tenant construct the Tenant's Capital Improvements Phase 3 but the actual Cost of Construction is less than \$2,500,000, Tenant shall (at Tenant's sole option in lieu of forfeiting Extended Term #3) pay to Landlord the difference between the actual Cost of Construction and \$2,500,000 to satisfy its obligation under (iii) herein.

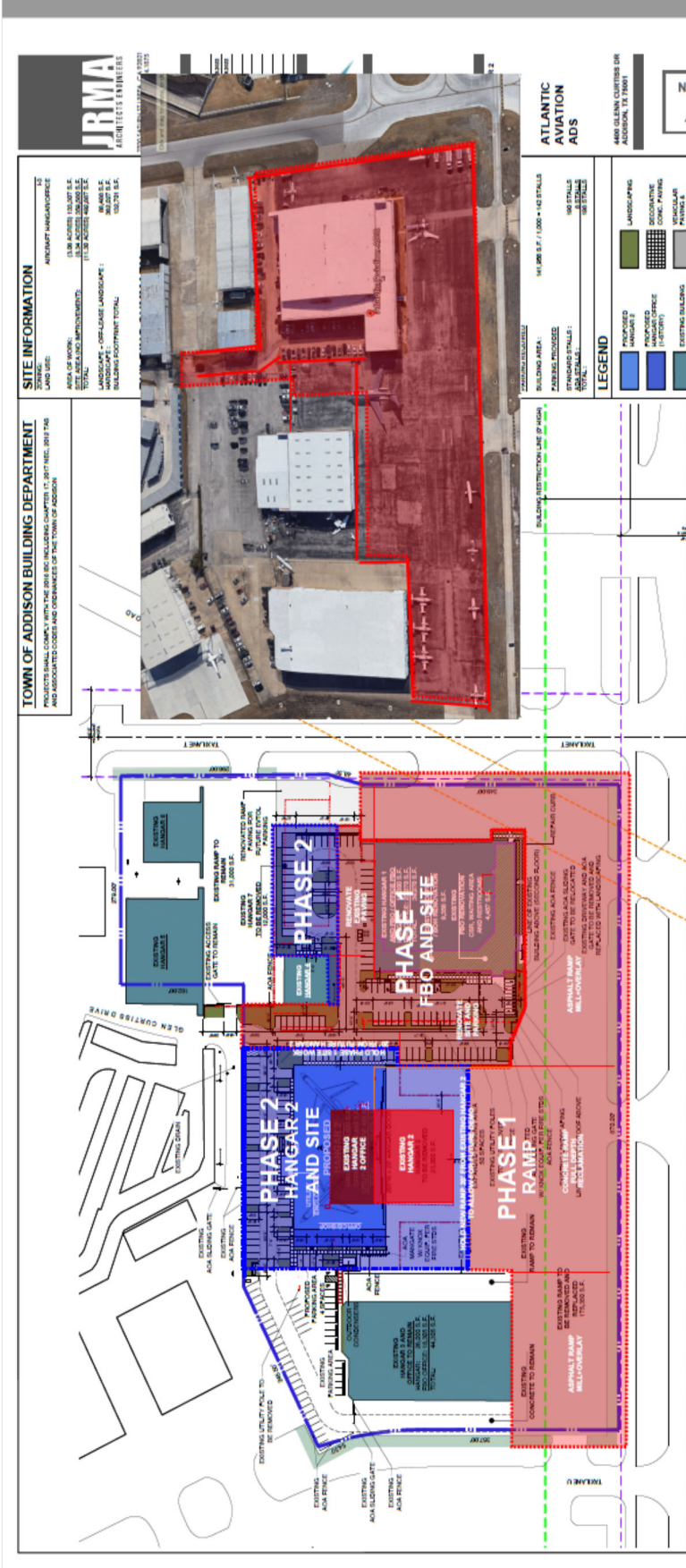
4. **Tenant's Capital Improvements:** The term "Tenant's Capital Improvements" shall collectively mean all or any portion of that which is described as Tenant's Capital Improvements Phase 1; Tenant's Capital Improvements Phase 2; and/or Tenant's Capital Improvements Phase 3 (each being more fully described in "Exhibit 4.B" attached hereto and incorporated herein by reference).

5. **Cost of Construction:** The term "Cost of Construction" shall mean the cost or dollar amount expended in the design, permitting, and construction of the facilities, including construction management. Tenant must exceed as stipulated for Tenant's Capital Improvements Phase 1, Tenant's Capital Improvements Phase 2, and Tenant's Capital Improvements Phase 3 as a condition precedent for Tenant to be entitled to the respective Extended Terms.

EXHIBIT “D”

Ex bit 4.B of Ground Lease, in its entirety, is to be replaced and superseded with the following:

EXHIBIT 4.B



Extended Term #1:

- **Scope of Work:** Complete the planned renovation and refurbishment of the FBO terminal located at 4400 Glenn Curtiss Dr. +203,000 square feet of aircraft apron repair and replacement.
- **Minimum Spend:** \$6 million
- **Completion:** No later than 48 months following the Commencement Date.
- **Term Extension:** Additional 13-years beyond Base Term.

Extended Term #2:

- **Scope of Work:** Demolition of building A8 located at 4451 Glenn Curtiss & construct a new jet hangar in its place
- **Minimum Spend:** \$5.5 million
- **Completion:** No later than 7years following the Commencement Date.
- **Term Extension:** Additional 15-years beyond Extended Term #1.

Extended Term #3 (Not Depicted Above):

- **Scope of Work:** complete the renovation of "Hangar 3" located at 4453 Glenn Curtiss + demolishes the existing building improvements located at 4532 and 4530 Glenn Curtiss and, in their place construct new off-street vehicle parking to support Tenant's ongoing FBO operations.
- **Minimum Spend:** \$2,500,000 US.
- **Completion:** No later than 13 years following the Commencement Date
- **Term Extension:** Additional five-years beyond the Extended Term # 2.