

Addison Airport - Fuel Spill Cherry Air
1998

✓

9-9-02

Cherry Air

Currently 4 MW

Will install another Well 5 Total

Will begin quarterly monitoring
of all fibre for 2 quarters

James Taylor

Leak-Tec Corp

817-572-0347

Doug Bodie - Cherry Air Contact

TNRCC - Verónica Fuentes - Outside Contr.

AES Regulatory Svcs Inc

512-990-7467 x 308

To do this week

ADDISON AIRPORT

NONPUBLIC AIRCRAFT FUELS DISPENSING PERMIT

In consideration of a one time fee of \$1,000.00 CHERRY AIR, INC. is hereby granted a Nonpublic Aircraft Fuels Dispensing Permit from the City of Addison, Texas, subject to and upon the terms and conditions hereinafter set forth.

I. Purpose

- A) These rules of procedure are established for the purpose of providing guidelines to be followed by parties conducting Nonpublic Aircraft Fuels Dispensing Service (hereinafter "Permittees") on Addison Airport (the "Airport") which is owned by the City of Addison ("City") and operated by Addison Airport of Texas, Inc. ("Addison") pursuant to an Operating Agreement.
- B) All parties who dispense aircraft fuel on the Airport must hold a Fueling Dispensing Permit issued by the City.

II. Restriction from Public Aircraft Fuels Dispensing Service

Permittees holding Nonpublic Aircraft Fuels Dispensing Permits shall be restricted from selling aircraft fuels to other airport users, including locally based and transient aircraft. Fueling of any aircraft not owned or leased by Permittee shall constitute a violation of the Fueling Concession Permit and, consequently, may call for immediate revocation of said Permit. Upon request by City, Permittee shall provide evidence of ownership or lease of any aircraft being fueled.

III. Personnel

Personnel engaged in dispensing aircraft fuels shall be properly trained in all fueling, handling and associated safety procedures and shall in all fueling and plane handling operations conform to all of the best practices for such operations. - Observation of practice to the contrary by City and Notification thereof to the Permittee will be the cause for re-evaluation of such personnel as qualified to perform the operation. Failure on the part of Permittee to correct malpractice of fueling and related safety procedures shall constitute a violation of the Fueling Concession Permit and consequently may call for revocation of said Permit.

IV. Fuel

Permittee shall provide aircraft fuel of the types required by those aircraft which Permittee serves and shall not fuel aircraft with fuels other than those approved by the aircraft engine manufacturers for the type and length of operations involved. Aviation fuels received, stored and dispensed shall conform to ASTM Standard D910 for AV-Gas and ASTM Standard D-1655 for Turbo fuel. No waivers shall be acceptable unless specifically approved for a short duration by City in writing following a request for a waiver in writing by Permittee. City shall be the sole judge of possible waiver of fuel standards in any short term emergency.

Prior to issuance of this Permit, the prospective Permittee shall furnish a letter of Product Commitment, Allocation of Product and Certification of Compliance to the Fuel Specifications for the fuels to be dispensed from a supplier acceptable to City. Non periodic samples of fuel as received and fuels as dispensed may be required of the Permittee by City on a reasonable basis as determined by the City and Permittee will at no cost to City have basic and or complete specification testing of such samples performed by laboratory testing service and the results of such testing will be transmitted to airport in its original form by the testing service or Permittee. Such Laboratory Testing Service would preferably not be that of the supplier, however should the supplier's laboratory be almost singularly available such supplier's laboratory may perform the testing provided the sample is submitted "blind" and not singularly identifiable.

V. Fueling Facilities

A) Trucks

- 1.) Permittee shall furnish mobile dispensing single product trucks, at least one for each type fuel to be dispensed, each having a minimum capacity of 1,000 gallons for AV Gas and 2,000 gallons for Turbo fuel. In no instance shall any mobile dispensing truck exceed 2,500 gallon shell capacity. Separate filter or filter separator for equipment dispensing pumps, meters, bottom tank loading and grounding services for each type of fuel shall be required. Trucks shall be properly maintained, operated and equipped in accordance with applicable Federal Aviation Administration, Airport and National Fire Protection Association recommendations, requirements and regulations. Aircraft refueler units shall be attended and operated only by persons

instructed in methods of proper use and operations and who are qualified to use such refueler units in accordance with safety requirements. Each qualified operator shall be required to carry on his person an Identification Card issued by his employer certifying his qualifications.

- 2.) The Permittee shall not allow unlawful use of the equipment if defective and will operate the equipment in a safe, efficient, clean and as designed manner.
- 3.) Prior to the first use of a mobile dispensing truck on City Airport, the Permittee shall present such truck for inspection and approval by City. City's approval is mandatory to the mobile dispensing trucks use or operation and such approval shall be by the City Fire Marshall or his designee. Periodically, Permittee shall allow mechanical and dispensing system inspection of said trucks by City and shall cease operation of the trucks until any malfunction or discrepancy so noted is corrected to the satisfaction of City. Operation of mobile dispensing trucks with known mechanical or operational deficiencies shall constitute a violation of this Permit and may cause immediate revocation thereof.

Permittee shall make his own daily mobile dispensing truck inspection in accordance with the form furnished by City and shall maintain such inspection form for at least one year. These inspection files shall be available to City on request. Failure to make daily inspections of the mobile dispensing trucks or to maintain these inspection form files or make them available to City on request shall constitute a violation of this Permit and may cause immediate revocation thereof.

B) Tank Farm

- 1.) For each grade of fuel, there must be installed a minimum of two (2) 12,000 gallon tanks. Facilities for the bottom loading of mobile dispensing trucks are required. Fuel storage tanks shall be underground and such installations shall be in the location approved by City in the designated fuel farm areas, which loca-

tion is shown on Exhibit "A" hereto, and shall comply with applicable Uniform Building Code Standards, Fire Codes and Ordinances of the City of City and Recommendations of the National Fire Protection Association.

- 2.) Fuel storage tanks shall comply with requirements set out by Environmental Protection Agency and the Federal Aviation Administration. Detail plans and specifications for such tank farm installation shall be presented to City for approval 15 days prior to the anticipated date to commence construction of the facility. Facility construction shall not commence prior to approval by City.

After completion of the fuel farm and before initial use City shall approve such installation. After the fuel farm is in operation, Permittee shall allow City to make joint inspections of the facility in the manner of the Daily Inspection Record Forms to be furnished by City. Failure to (i) secure facility approval before use, (ii) allow joint inspection or (iii) correct any discrepancy in the condition of the fuel farm or the products stored therein shall constitute a violation of this Permit.

- 3.) All construction of improvements on tank farm shall conform with any General Architectural Requirements of the City and shall be undertaken in accordance with local, state and federal codes, ordinances and regulations now or hereafter in force and effect. Permittee shall, at its sole cost and expense, obtain all necessary building permits, and all labor and material bonds. Upon completion of construction, title to all such tank farm improvements shall vest in the City.

- 4.) Permittee shall, at its sole cost and expense, maintain fuel farm, all improvements thereon, and all appurtenances thereto, in a presentable condition consistent with good business practice and equal in appearance and character to other similar improvements on said Airport.

Permittee shall make daily inspections of his portion of the fuel farm in accordance with the Form furnished by City and shall maintain a file of these inspections for at least one year.

Permittee shall make records of receipt of fuels in accordance with Forms furnished by City and shall maintain a file of these receipt records for at least one year. Inspection and receipt records are to be made available on reasonable request from City. Failure to (i) inspect on a daily basis, (ii) make receipt records, (iii) maintain files of these records or (iv) make them available to City on request shall constitute a violation of this Permit and may cause revocation thereof.

Permittee shall perform whatever reasonable maintenance City deems necessary. If said maintenance is not undertaken by Permittee within ten days after receipt of written notice, Permittee shall be in default of this agreement, and operations shall cease until such maintenance and other requirements are undertaken and completed. Continued use of the equipment or facility after such notice shall constitute a violation of this Permit and may cause immediate revocation thereof.

- 5.) Permittee shall, in the event it shall become necessary to make physical changes on its premises, promptly make such changes and installations at its sole expense. Such changes shall be approved by the City.
- 6.) Permittee shall assume and pay for all costs or charges for utility services furnished to Permittee during the term of this Permit; provided, however, that Permittee shall have the right to connect to any and all storm and sanitary sewers and utility outlets at its own expense; and Permittee shall pay for any and all service charges incurred therefor.
- 7.) Trash, Garbage, Inc.

Permittee shall provide a complete and proper arrangement for the adequate handling and disposal, away from the Airport, of all trash, garbage and other refuse generated as a result of the operation of its tank farm. Permittee shall provide and use suitable covered metal receptacles for all such garbage, trash and other refuse. Piling of boxes, cartons, barrels or other similar items, in an unsightly or unsafe manner, on or about the demised premises, shall not be permitted.

VI. Insurance and Indemnification

A) Fire Insurance

Insurance shall be maintained by Permittee in accordance with the provisions of Permittee's Ground Lease.

B) Indemnification

The City and Addison shall stand indemnified by Permittee as herein provided. Permittee is and shall be deemed to be an independent contractor and operator responsible to all parties for its acts or omissions, and City and Addison shall in no way be responsible therefor. Permittee covenants and agrees to indemnify, hold harmless and defend City and Addison, their officers, agents, servants, and employees from and against any and all claims for damages or injury to persons or property arising out of or incident to the use of this Permit and Occupancy of the premises by Permittee its employees, patrons, contractors or subcontractors; and Permittee does hereby assume all liability and responsibility for injuries, claims or suits for damages to persons or property of whatsoever kind or character, whether real or asserted, occurring during the term of this Permit in connection with the use or occupancy of the premises by Permittee, its employees, patrons, contractors or subcontractors. Permittee shall indemnify City and Addison against any and all mechanics and materialmen's liens or any other types of liens imposed upon the premises demised hereunder arising as a result of Permittee's conduct or inactivity.

Permittee shall promptly, after the execution of this permit, provide public liability insurance for personal injuries, including death, growing out of any one accident or other cause in a minimum sum of Five Million and No/100 Dollars (\$5,000,000.00) for one person and Five Million and No/100 Dollars (\$5,000,000.00) for two or more persons; shall provide property damage liability insurance in a minimum sum of Five Million and No/100 Dollars (\$5,000,000.00) for property damage growing out of any one accident or other cause.

Permittee shall maintain said insurance with insurance underwriters authorized to do business in the State of Texas satisfactory to City. Permittee shall furnish City with a Certificate from the insurance carrier showing such insurance to be in full force and effect

during the term of this permit, or shall deposit with City copies of said policies.

Said policies or certificates shall contain a provision that written notice of cancellation or of any material change in said policy by the insurer shall be delivered to City at least thirty days in advance of the effective date thereof.

VII. Fees

A) Fuel Flowage Fee

As consideration for this Permit for securing the right to dispense aircraft fuel, Permittee shall pay to City a Flowage Fee in an amount equal to fourteen and one-half cents (\$0.145) for each gallon of aviation fuel received by Permittee during the term of this Permit. The City reserves the right to increase or decrease the Flowage Fee as, in its sole discretion, may be necessary. The Permittee shall be given 30 days' written notice prior to any change in the Flowage Fee becoming effective. Flowage Fee shall be paid in monthly installments as follows: On or before the tenth day of each calendar month during the term of this Permit beginning the 10th day of the month after this Permit is issued, Permittee shall pay to City a sum equal to the product of the applicable Flowage Fee multiplied by the total amount of aviation fuel received, sold or dispensed on the Addison Airport by Permittee during the preceding full or partial calendar month. Concurrent with its payment, Permittee shall prepare and deliver to City a statement of amount of fuel received, sold or dispensed during the preceding calendar month, certified to be correct by Permittee authorized representative. Such statement shall be submitted on the form provided by City.

Permittee shall keep at its facilities located at the Airport a permanent accurate set of books and records of aviation fuel received, sold or dispensed by it on the Airport, including sales slips, order records, records of transactions with suppliers, shipping records, records of fuel inventory, tax reports, bank records and any other records as may be needed to permit an effective audit of aviation fuel received, sold or dispenses by it. All such records shall be retained and preserved for at least 24 months after the end of the calendar year to which they relate and shall be subject to inspection and audit by City and its agent at all reasonable times.

On or before the 60th day after the expiration of each calendar year and the 30th day after the expiration or termination of this Permit, Permittee shall deliver to City at its offices a statement sworn to by Permittee or Permittee's authorized representative and certified to be correct by an independent certified public accountant, showing the amount of aviation fuel received, sold or dispensed during the calendar year next preceding the date on which such statement is due. In the event any provision of this Permit or the enforcement thereof by City, requires accounting of the flowage fee and the payment thereof for a period less than 12 months, such shorter period shall be treated as one year for the purpose of an annual statement, and such statement shall be delivered to City within 30 days after termination of such shorter period.

In the event City is not satisfied with any statement of aviation fuel received, sold or dispensed submitted by Permittee, City shall have the right to cause its auditors or auditors of its choosing to audit all books and records, wherever located, pertaining to the aviation fuel received, sold or dispensed in or from the Airport. If the amount of aviation fuel received, sold or dispensed reported in such statement or statements is determined to be understated more than two percent, the expense of such audit shall be borne by Permittee. Permittee shall promptly pay to City any deficiency, or City shall promptly refund to Permittee any overpayment, as the case may be, which is established by such audit.

If Permittee fails to prepare and deliver promptly any monthly, annual or other statement required under this Permit, City may, in addition to exercising any of the remedies provided to City under this Permit, or at law, make an audit of all books and records, including Permittee bank accounts, which in any way pertain to or show the aviation fuel received, sold or dispensed and to prepare the statement or statements which Permittee failed to prepare and deliver. Such audit shall be made and such statement or statements shall be prepared by a certified public accountant. The statement or statements so prepared, shall be conclusive on Permittee, and Permittee shall pay upon demand all expenses of the audit and other services.

B) Annual Fee

In addition to the fee provided for in paragraph A above, Permittee shall pay annually to City

the sum of \$150.00 to cover the cost of the annual inspection made by Town of Addison Fire Department. Such inspection fee shall be due and payable within ten days upon receipt of a statement from City.

C) Payment

Other remedies for nonpayment of flowage fee notwithstanding, if the monthly flowage fee payment is not received by City on or before the tenth day of the month for which the flowage fee is due, a service charge of five percent (5%) of the past-due amount owed on such date shall become due and payable in addition to the regular flowage fee owed under this Permit. Additionally, if any sums due the City are not paid within ten (10) days after the due date thereof, the amount thus due shall bear interest from the due date at the rate of ten percent (10%) per annum until such amount is fully paid.

VIII. Cancellation

A) Cancellation by Permittee

This Permit may be cancelled by Permittee upon thirty days' written notice to the City, but only after all payments due have been paid.

B) Cancellation by the City

This Permit shall be subject to cancellations by City in the event Permittee shall:

1. Be in arrears in the payment of the whole or any part of the amounts agreed upon for a period of ten days after the time such payments become due;
2. Make a general assignment for the benefit of creditors;
3. File a voluntary petition in bankruptcy;
4. Abandon the demised premises;
5. Discontinue fueling operations;
6. Fail to replace any improvements which have been destroyed by fire, explosions, etc., within six months from the date of such destruction;

7. Default in the performance of any of the covenants and conditions required herein (except rental payments) to be kept and performed by Permittee, and such default continues for a period of thirty days after receipt of a written notice from City of said default; or
8. Default in the performance of any of the covenants required herein (except rental payments) to be kept and performed by Permittee and receipt of notice of such default on three occasions within any eighteen month period.

In any of the aforesaid events, City may take immediate possession of the demised premises and remove Permittee's effects, forcibly, if necessary, without being deemed guilty of trespassing. Upon said entry, this Permit shall terminate.

All rental due shall be payable to said date of termination. Failure of the City to declare the agreement terminated upon the default of Permittee for any of the reasons set out shall not operate to bar or destroy the right of City to cancel the permit by reason of any subsequent violation of the terms hereof.

IX. Term of Permit

Unless otherwise cancelled or terminated in accordance with the provisions hereof, this Permit shall remain effective until (i) the termination or expiration (whichever occurs first) of that certain ground lease between the City and Addison as Lessor and Airport Associates, Ltd., as Lessee, dated the 23rd day of June, 1983, or (ii) fifteen years from the date of execution of this Permit, whichever occurs first, following which termination or expiration this Permit shall be void and of no further force or effect.

X. Assignment, Transfer or Subletting

Without the written consent of the City, Permittee shall not assign, sublet or transfer this permit nor any privileges herein contained. It is specifically stipulated and agreed that Permittee will not enter into any tie-in agreements with other operators or sublet any of the rights herein whereby other operators share in the privileges or the services authorized in this Agreement.

XI. Suspension of Lease

During the time of war or national emergency, City shall have the right to lease the landing area or any part thereof to the United States Government for military use. If any such lease is executed, any provisions of Permittee's agreement which are inconsistent with the provisions of the lease to the Government will be suspended.

XII. Taxes

Permittee agrees to pay any taxes or assessments which may be lawfully levied against Permittee's occupancy or use of the demised premises or any improvements placed thereon as a result of Permittee's occupancy.

XIII. Relocation of Improvements

City reserves the right, on six months' notice, to relocate or replace Permittee's tank farm improvements in substantially similar form at another generally comparable location on said Airport at the expense of the City.

XIV. Subordination of Agreement

This Permit shall be subordinate to the provisions of any existing or future agreement between City and the United States relative to the operation or maintenance of the Airport, the execution of which has or may be required as a condition precedent to the expenditure of Federal funds for the development of the Airport, and this Permit shall be modified or amended at no cost or expense to the City or Addison as required in order to be consistent with any such agreement or agreements. This Permit shall be subject to such additional rules, regulations, ordinances or amendments hereto as may be promulgated by the City from time to time; provided no such changes, additions or amendments shall increase.


XV. This Permit shall become effective upon compliance with all of the terms and conditions contained herein as determined by the City.

Executed this the 17th day of JUNE, 1991.

CHERRY AIR, INC.

TOWN OF ADDISON

By: 

By: 

C16-Cherry5

ADDISON FIRE DEPARTMENT
FIRE PREVENTION DIVISION

APPLICATION FOR PERMIT TO
DISPENSE FUEL ON ADDISON AIRPORT
TOWN OF ADDISON
ADDISON, TEXAS 75001

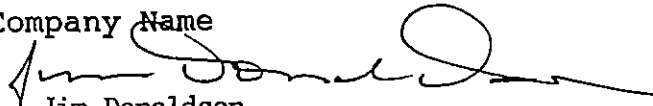
Application is hereby made for a (check one):

- Public Aircraft Fuels Dispensing Permit
 Non Public Aircraft Fuels Dispensing Permit

Attached to this application should be (check all attached):

- Check or money order for \$1,000.00 made payable to The Town of Addison
 Drawings showing required building, aircraft ramp, and aircraft parking area
 Copy of lease for building, ramp, and parking area above
 Drawing showing layout of Tank Farm which includes size and complete details of the design of fuel storage, loading, and dispensing equipment
 Copy of lease/sublease for Tank Farm area from Addison Airport of Texas, Inc. and Town of Addison or other lessor
 Description of fuel dispensing trucks showing type of fuel, total capacity, vehicle identification number, make and model year
 Letter from fuel supplier of product commitment, allocation of product, and certification of compliance of fuel specifications
 Letter of commitment from an insurance underwriter to issue the insurance as required by the Fuels Dispensing Permit

APPLICANT:

Addison Aircraft Storage
Company Name

By: Jim Donaldson
Officer or Owner of Company
Owner
Title

Date: May 30, 1991

AAS → **ADDISON AVIATION SERVICES**

May 30, 1991

Ms. Elaine Difiglia
Town of Addison
5350 Beltline Road
Addison, Texas 75001

Dear Ms. Difiglia:

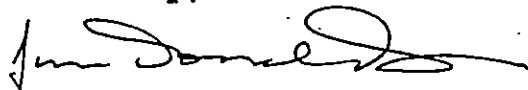
Application is hereby made for a non-public permit to dispense fuel on Addison Airport in the name of Addison Aircraft Storage.

The fuel farm has two twelve thousand gallons Jet-A fuel tanks with bottom loading capabilities and has had prior approval from the Fire Department.

Our refueler is a 1970 Dodge, Model R140, Vehicle Identification Number M81HM1J301689 with a capacity of 2500 gallons. It also has had prior approval from the Fire Department.

I have spoken with Mr. Larry McCallum and he will be in touch with you concerning the application fee since this is an assignment of an existing permit.

Sincerely,



Jim Donaldson

TOWN OF ADDISON
Miscellaneous Cash
06-10-91 15:59:36

Receipt # 028997
Account # CK # 2879
CHERRY-AIR FUEL DISPENSING PERMIT
Amount tendered > 1,000.00

Item paid Amount paid
120004254000000000 1,000.00

Change returned > 0.00

THANK YOU

Your cashier MELANIE



**TOWN OF
ADDISON**

BUILDING INSPECTION DEPARTMENT

(214) 450-2880

Post Office Box 144 Addison, Texas 75001

16801 Westgrove

MEMO TO: () Fire
 () Health
 () Parks
 () Planning & Zoning
 () Utilities/Streets ()
 FROM: Building Inspection Department
 DATE: 4-21-97
 SUBJECT: Certificate of Occupancy

An application has been submitted to our office for a certificate of occupancy at the following location:

ADDRESS: 4584 Olive Chennault SUITE # _____
 BUSINESS NAME: Cherry - Air, Inc. PHONE # 248-1707

After reviewing your records and/or visiting the site, please do one of the following:

APPROVAL

If you have no objections to the certificate being issued at this time, please sign and return to us.

APPROVED TO ISSUE: Maia A. Metalk DATE: 8-5-97

HOLD

If you object to issuing the certificate, state reason, sign and return to us. Reason: _____

SIGNED: _____ DATE: _____

PLEASE NOTE THAT AT THE END OF 10 WORKING DAYS AFTER THE "HOLD" DATE, THE CERTIFICATE WILL BE ISSUED UNLESS YOU REQUEST AN EXTENSION IN WRITING.

IF YOU FEEL THAT A TEMPORARY CERTIFICATE CAN BE ISSUED WHILE THE PROBLEM IS BEING CORRECTED PLEASE INDICATE BELOW.

TEMPORARY FROM _____ TO _____ (SIGNED) _____

PLEASE NOTE THAT THE PERMANENT CERTIFICATE WILL BE ISSUED AT THE END OF THE TEMPORARY PERIOD UNLESS YOU REQUEST AN EXTENSION IN WRITING.

IF THIS FORM IS NOT RETURNED TO BUILDING INSPECTION WITHIN 5 WORKING DAYS OF THE MEMO DATE, WE WILL ASSUME THAT YOUR DEPARTMENT HAS NO OBJECTIONS TO ISSUING THE CERTIFICATE.

ADDISON AIRPORT

PUBLIC AIRCRAFT FUELS DISPENSING PERMIT

SELF SERVICE

In consideration of a one time fee of \$1,000.00 _____ is hereby granted a Public Aircraft Fuels Dispensing Permit ("Permit") from the City of Addison, Texas, subject to and upon the terms and conditions hereinafter set forth.

I. Purpose

- A) These rules or procedure are established for the purpose of providing guidelines to be followed by parties conducting public Aircraft Fuels Dispensing Service (hereinafter "Concessionaire") on Addison Airport (the "Airport") which is owned by the City of Addison ("City") and operated by Addison Airport of Texas, Inc. ("Addison") pursuant to an Operating Agreement.
- B) All parties who dispense aircraft fuel on the Airport must hold a Fueling Dispensing Permit issued by the City.

II. Buildings

- A. Concessionaire shall construct or lease a building providing a minimum of 256 square feet of properly lighted and heated floor space for public lounge/food area and rest rooms (two required). Such building shall be properly located (on leased premises) to serve the public during hours of fuel sales. All buildings and signs are subject to approval by City.
- B. Adjacent to the building described hereinabove, concessionaire shall lease or construct an aircraft parking ramp capable of supporting 12,500 lb. gross weight aircraft for AV-GAS (100 Octane) sales or 60,000 lb. gross weight aircraft for Jet-A-Turbo Fuel sales with a minimum of 25,000 square feet. This aircraft parking ramp must have adequate permanent tie down facilities (4 required however, they may be located at the facility of the on-field representative)for aircraft parking space and be properly marked. The ramps shall be laid out to provide space for 2 aircraft fueling and 4 waiting to receive fuel. Concessionaire shall maintain the aircraft ramp in a safe operating condition so as to avoid any potential damage to aircraft.
- C. All fuel sales shall be conducted on Concessionaire's leased premises.

III. Personnel

- A) Sufficient properly trained personnel shall be available to serve the public a minimum of sixteen hours per day, seven days per week. If fuel is sold when an on-field representative is not present, the on-field representative shall provide emergency response personnel with a demonstrated 30 minute response time to the field. The Concessionaire shall require on-field representatives to be easily identifiable as a representative of the concessionaire when on-site servicing the property or responding to an emergency; courteous and furnish good, prompt and efficient service at all times and shall provide service in a fair, equal and nondiscriminatory basis to all Airport users. Such personnel may not dispense fuel and may act only in an advisory capacity.

- B) Solicitation of fueling services in a loud, boisterous, offensive or obstructive manner shall not be permitted.

- C) Personnel engaged in dispensing aircraft fuels shall be properly trained in fueling, handling and associated safety procedures and shall in all fueling and plane handling operations conform to all of the best practices for such operations. Observation of practice to the contrary of the City and notification thereof to the Concessionaire will be the cause for re-evaluation of such personnel as qualified to perform the operation. Failure on the part of Concessionaire to correct malpractice of fueling and related safety procedures shall constitute a violation of the Permit.

IV. Fuel

- A) Concessionaire shall provide one grade of aircraft fuel, including 100 Octane and Jet-A-Turbo Fuel at each site. Concessionaire shall not fuel aircraft with fuels other than those approved by the aircraft engine manufacturers for the type of aircraft involved. Aviation fuels received, stored and dispensed shall conform to ASTM Standard D-910 for AV-Gas and ASTM Standard D-1655 for Turbo fuel. No waivers shall be acceptable unless specifically approved for a short duration by City in writing following a request for a waiver in writing by Concessionaire. City shall be the sole judge of possible waiver of fuel standards in any short term emergency.

Prior to issuance of this Permit, the prospective Concessionaire shall furnish a letter of Product Commitment, Allocation of Product and Certification of Compliance to the Fuel Specifications for the fuels to be dispensed from a supplier acceptable to City. Non periodic samples of fuel as received and fuels as dispensed may be required of the Concessionaire by City on a reasonable basis as

determined by the City and Concessionaire will at no cost to City have a basic and or complete specification testing of such samples performed by laboratory testing service and the results of such testing will be transmitted to the City in its original form by the testing service or Concessionaire. Such Laboratory Testing Service would preferably not be that of the supplier, however should the supplier's laboratory be almost singularly available such supplier's laboratory may perform the testing provided the sample is submitted "blind" and not singularly identifiable.

- B) Fuel may be dispensed only into aircraft. No person may dispense fuel for vehicle use or into portable containers of any kind.

V. Fueling Facilities

A) Dispensing Pumps

- 1) Dispensing pumps (2 required) shall be properly maintained, operated and equipped in accordance with applicable Federal Aviation Administration, Airport and National Fire Protection Association recommendations, requirements and regulations. Pumps shall be operated only by persons instructed in methods of proper use and operations and who are qualified to use such refueller units in accordance with safety requirements. Each qualified operator shall be required to demonstrate his authorization, certifying his qualifications.
- 2) The Concessionaire shall not allow unlawful use of the equipment if defective and will operate the equipment in a safe, efficient, clean and as designed manner.
- 3) Prior to the first use of a dispensing pump on Addison Airport, the Concessionaire shall make his own daily dispensing pump inspection in accordance with the form furnished by City and shall maintain such inspection form for at least one year. These inspection files shall be available to City on request. Failure to make daily inspections of the dispensing pumps or to maintain these inspection form files or make them available to City on request shall constitute a violation of this Permit and may cause revocation thereof.

B) Self-Service Fueling Facility

The self-service fueling facility shall, as minimum, be equipped with the following:

- 1) Large, easily recognizable markings to indicate the type of fuel.
- 2) Placard instructions on the use of the Facility including the pump, proper grounding and emergency procedures.
- 3) Properly serviced fire extinguisher with instructions for use.
- 4) Ground rods of sufficient length to reach permanent underground moisture and industry accepted static discharge ground wires.
- 5) Adequate lighting for the facility and aircraft.
- 6) Free phone for local calls and 24-hour service direct line to Concessionaire's home office.
- 7) Video surveillance camera.
- 8) An automatic device designed to prevent the dispensing of fuel if the aircraft is not properly grounded.
- 9) Placard identifying the on-field representative, their phone number, hours of operation and the emergency number for the on-field representative when they are not present on the field.

C. Tank Farm

- 1) Storage tanks for fuel shall have minimum total capacities of 24,000 gallons (two 12,000 gallon tanks). . Fuel storage tanks shall be underground and such installations shall be in the location approved by City in the designated fuel farm areas, which location is shown on Exhibit "A" hereto, and shall comply with applicable Uniform Building Code Standards, Fire Codes and Ordinances of the City of Addison and Recommendations of the National Fire Protection Association.
- 2) Fuel storage tanks shall comply with requirements set out by the Environmental Protection Agency and the Federal Aviation Administration. Detail plans and specifications for such tank farm installation shall be presented to City for approval 15 days prior to the anticipated date to commence construction of the facility. Facility construction shall not commence prior to approval by City.

After completion of the fuel farm and before initial use City shall approve

such installation. After the fuel farm is in operation, Concessionaire shall allow City to make joint inspections of the facility in the manner of the Daily Inspection Record Forms to be furnished by City. Failure to (I) secure facility approval before use, (ii) allow joint inspection or (iii) correct any discrepancy in the condition of the fuel farm or the products stored therein shall constitute a violation of this Permit and may cause revocation thereof.

- 3) All construction of improvements on tank farm shall conform with any General Architectural Requirements of the City and shall be undertaken in accordance with local, state and federal codes, ordinances and regulations now or hereafter in force and effect. Concessionaire shall, at its sole cost and expense, obtain all necessary building permits, and all labor and material bonds. Upon completion of construction, title to all such tank farm improvements shall vest in the City of Addison.
- 4) Concessionaire shall, at its sole cost and expense, maintain fuel farm, all improvements thereon, and all appurtenances thereto, in a presentable condition consistent with good business practice and equal in appearance and character to other similar improvements on said Airport.

Concessionaire shall make daily inspections of his portion of the fuel farm in accordance with the Form furnished by City and shall maintain a file of these inspections for at least one year. Concessionaire shall make records of receipt of fuels in accordance with Forms furnished by City and shall maintain a file of these receipt records for at least one year. Inspection and receipt records are to be made available on reasonable request from City. Failure to (I) inspect on a daily basis, (ii) make receipt records, (iii) maintain files of these records or (iv) make them available to City on request shall constitute a violation of this Permit and may cause revocation thereof.

Concessionaire shall perform whatever reasonable maintenance City deems necessary. If said maintenance is not undertaken by Concessionaire within ten days after receipt of written notice, Concessionaire shall be in default of this agreement, and operations shall cease until such maintenance and other requirements are undertaken and completed. Continued use of the equipment or facility after such notice shall constitute a violation of this Permit and may cause immediate revocation thereof.

- 5.) Concessionaire shall, in the event it shall become necessary to make physical changes on it's premises, promptly make such changes and

installations at its sole expense. Such changes shall be approved by the City.

- 6.) Concessionaire shall assume and pay for all costs or charges for utility services furnished to Concessionaire during the term of this Permit; provided, however, that Concessionaire shall have the right to connect to any and all storm and sanitary sewers and utility outlets at its own expense; and Concessionaire shall pay for any and all service charges incurred therefor.

D. Trash, Garbage, etc.

Concessionaire shall provide a complete and proper arrangement for the adequate handling and disposal, away from the Airport, of all trash, garbage and other refuse generated as a result of the operation of its tank farm. Concessionaire shall provide and use suitable covered metal receptacles for all such garbage, trash and other refuse. Piling of boxes, cartons, barrels or other similar items, in an unsightly or unsafe manner, on or about the demised premises, shall not be permitted.

VI. Services

Concessionaire shall be required to serve the public by:

- A) Fueling aircraft
- B) Provide Transient Aircraft Parking
- C) Provide lounge and restroom facilities

VII. Hours of Operation

Fueling service shall be made available to the public on a minimum sixteen-hour basis, and Concessionaire shall provide for storage or parking of transient aircraft during hours of operation, seven days per week on Concessionaire's premises as specified under paragraph II. B).

VIII. Insurance and Indemnification

- A) Fire Insurance

Insurance shall be maintained by Concessionaire in accordance with the provisions of Concessionaire's Ground Lease.

B) Indemnification

The City and Addison shall stand indemnified by Concessionaire as herein provided. Concessionaire is and shall be deemed to be an independent contractor and operator responsible to all parties for its acts or omissions, and City and Addison shall in no way be responsible therefor. Concessionaire covenants and agrees to indemnify, hold harmless and defend City and Addison, their officers, agents, servants, and employees from and against any and all claims for damages or injury to persons or property arising out of or incident to the use of this Permit and Occupancy of the premises by Concessionaire its employees, patrons, contractors or subcontractors; and Concessionaire does hereby assume all liability and responsibility for injuries, claims or suits for damages to persons or property of whatsoever kind or character, whether real or asserted, occurring during the term of this Permit in connection with the use or occupancy of the premises by Concessionaire, its employees, patrons, contractors or subcontractors. Concessionaire shall indemnify City and Addison against any and all mechanics and materialmen's liens or any other types of liens imposed upon the premises demised hereunder arising as a result of Concessionaire's conduct or inactivity.

Concessionaire shall promptly, after the execution of this permit, provide public liability insurance for personal injuries, including death, growing out of any one accident or other cause in a minimum sum of Five Million and No/100 Dollars (\$5,000,000.00) for one person and Five Million and No/100 Dollars (\$5,000,000.00) for two or more persons; shall provide property damage liability insurance in a minimum sum of Five Million and No/100 Dollars (\$5,000,000.00) for property damage growing out of any one accident or other cause.

Concessionaire shall maintain said insurance with insurance underwriters authorized to do business in the State of Texas satisfactory to City. Concessionaire shall furnish City with a Certificate from the insurance carrier showing such insurance to be in full force and effect during the term of this permit, or shall deposit with City copies of said policies.

Said policies or certificates shall contain a provision that written notice of cancellation shall contain a provision that written notice of cancellation or of any material change in said policy by the insurer shall be delivered to City at least thirty days in advance of the effective date thereof.

IX. Fees

A) Fuel Flowage Fee

As consideration for this Permit for securing the right to dispense aircraft fuel, Concessionaire shall pay to City a Flowage Fee in an amount equal to fourteen and one-half cents (\$.145) for each gallon of aviation fuel received by Concessionaire during the term of this Permit. The City reserves the right to increase or decrease the Flowage Fee as, in its sole discretion, may be necessary. The Concessionaire shall be given 30 days' written notice prior to any change in the Flowage Fee becoming effective. Flowage Fee shall be paid in monthly installments as follows: On or before the tenth day of each calendar month during the term of this Permit beginning March 10, 1991. Concessionaire shall pay to City a sum equal to the product of the applicable Flowage Fee multiplied by the total amount of aviation fuel received on the Addison Airport by Concessionaire during the preceding full or partial calendar month. Concurrent with its payment, Concessionaire shall prepare and deliver to City a statement of the amount of fuel received, sold or dispensed during the preceding calendar month, certified to be correct by Concessionaire's authorized representative. Such statement shall be submitted on the form provided by City.

Concessionaire shall keep at its facilities located at the airport a permanent accurate set of books and records of all aviation fuel received, sold or dispensed by it on the Airport, including sales slips, order records, records of transaction with suppliers, shipping records, records of fuel inventory, tax reports, bank records and any other records as may be needed to permit an effective audit of aviation fuel received, sold or dispensed by it. All such records shall be retained and preserved for at least 24 months after the end of the calendar year to which they relate and shall be subject to inspection and audit by City and its agent at all reasonable times.

On or before the 60th day after the expiration of each calendar year and the 30th day after the expiration of termination of this Permit, Concessionaire shall deliver to City at its offices a statement sworn to by Concessionaire or Concessionaire's authorized representative and certified public accountant, showing the amount of aviation fuel received, sold or dispensed during the calendar year next preceding the date on which such statement is due. In the event any provision of this Permit or the enforcement thereof by City, requires accounting of the flowage fee and the payment thereof for a period less than 12 months, such shorter period shall be treated as one year for the purpose of an annual statement, and such statement shall be delivered to City within 30 days after termination of such shorter period.

In the event City is not satisfied with any stat of aviation fuel received, sold or dispenses submitted by Concessionaire, City shall have the right to cause its auditors or auditors of its choosing to audit all books and records, wherever

located, pertaining to the aviation fuel received, sold or dispensed in or from the Airport. If the amount of aviation fuel received, sold or dispenses reported in such statement or statements is determined to be understated more than two percent, the expense of such audit shall be borne by Concessionaire. Concessionaire shall promptly pay to City any deficiency, or City shall promptly refund to Concessionaire any overpayment, as the case may be, which is established by such audit.

If Concessionaire fails to prepare and deliver promptly any monthly, annual or other statement required under this Permit, City may, in addition to exercising any of the remedies provided to City under this Permit, or at law, make an audit of all books and records, including Concessionaire's bank accounts, which in any way pertain to or show the aviation fuel received, sold or dispensed and to prepare the statement or statements which Concessionaire failed to prepare and deliver. Such audit shall be made and such statement or statements shall be prepared by a certified public accountant. The statement or statements so prepared, shall be conclusive on Concessionaire, and Concessionaire shall pay upon demand all expenses of the audit and other services.

B) Annual Fee

In addition to the fee provided for in paragraph A above, Concessionaire shall pay annually to City the sum of \$150.00 to cover the cost of the annual inspection made by Town of Addison Fire Department. Such inspection fee shall be due and payable within ten days upon receipt of a statement from City.

C) Payment

Other remedies for nonpayment of flowage fee notwithstanding, if the monthly flowage fee payment is not received by the City on or before the tenth day of the month for which the flowage fee is due, a service charge of five percent (5%) of the past-due amount owed on such date shall become due and payable in addition to the regular flowage fee owed under this Permit. Additionally, if any sums due the City are not paid within ten (10) days after the due date thereof, the amount thus due shall bear interest from the due date at the rate of ten percent (10%) per annum until such amount is fully paid.

X. Cancellation

A) Cancellation by Concessionaire

This Permit may be canceled by Concessionaire upon thirty days' written notice to the City, but only after all payments due have been paid.

B) Cancellation by the City

This Permit shall be subject to cancellations by City in the event Concessionaire shall:

1. Be in arrears in the payment of the whole or any part of the amount agreed upon for a period of ten days after the time such payments become due.
2. Make a general assignment for the benefit of creditors.
3. File a voluntary petition in bankruptcy.
4. Abandon the demised premises.
5. Discontinue fueling operations.
6. Fail to replace any improvements which have been destroyed by fire, explosions, etc., within six months from the date of such destruction, or
7. Default in the performance of any of the covenants and conditions required herein (except rental payments) to be kept and performed by Concessionaire and such default continues for a period of thirty days after receipt of a written notice from City of said default.
8. Default in the performance of any of the covenants required herein (except rental payments) to be kept and performed by Concessionaire and receipt of notice of such default on three occasions within any eighteen month period.

- C) In any of the aforesaid events, City may take immediate possession of the demised premises and remove Concessionaire's effects, forcibly, if necessary, without being deemed guilty of trespassing. Upon said entry, this Permit shall terminate.

All rental due shall be payable to said date of termination. Failure of the City to declare the agreement terminated upon the default of Concessionaire for any of the reasons set out shall not operate to bar or destroy the right of City to cancel the permit by reason of any subsequent violation of the terms hereof.

- D) In the event of termination or cancellation of this Permit, no application for a new Permit shall be made by Concessionaire or considered by the City for a period of one (1) year following termination or cancellation.

XI. Term of Permit

Unless otherwise canceled or terminated in accordance with the provisions hereof, this Permit shall remain effective until (I) the termination or expiration (whichever occurs first) of that certain ground lease between the City and Addison as Lessor and _____ as Lessee, dated the _____ day of _____, 19____, or (ii) fifteen years from the date of execution of this Permit, whichever occurs first, following which termination or expiration this Permit shall be void and of no further force or effect.

XII. Assignment, Transfer or Subletting

Without the written consent of the City, Concessionaire shall not assign, sublet or transfer this permit nor any privileges herein contained. It is specifically stipulated and agreed that Concessionaire will not enter into any tie-in agreements with other operators or sublet any of the rights herein whereby other operators share in the privileges or the services authorized in this Agreement. The Concessionaire may contract with another firm to provide the on-field representative and emergency response personnel. The Concessionaire must keep the City and Addison informed of who their local agent is. If a local agent is not identified, fuel sales will cease until one is provided.

XIII. Suspension of Lease

During the time of war or national emergency, City shall have the right to lease the landing area or any part thereof to the United States Government for military use. If any such lease is executed, any provisions of Concessionaire's agreement which are inconsistent with the provisions of the lease to the Government will be suspended.

XIV. Taxes

Concessionaire agrees to pay any taxes or assignments which may be lawfully levied against Concessionaire's occupancy or use of the demised premises or any improvements placed thereon as a result of Concessionaire's occupancy.

XV. Relocation of Improvements

City reserves the right, on six months' notice, to relocate or replace Concessionaire's tank farm improvements in substantially similar form at another generally comparable location on said Airport at the expense of the City.

XVI. Subordination of Agreement

This Permit shall be subordinate to the provisions of any existing or future agreement

between City and the United States relative to the operation or maintenance of the Airport, the execution of which has or may be required as a condition precedent to the expenditure of Federal funds for the development of the Airport, and this Permit shall be modified or amended at no cost or expense to the City or Addison as required in order to be consistent with any such agreement or agreements. This Permit shall be subject to such additional rules, regulations, ordinances or amendments hereto as may be promulgated by the City from time to time; provided no such changes, additions or amendments shall increase.

XVII. This Permit shall become effective upon compliance with all of the terms and conditions contained herein as determined by the City.

Executed this the _____ day of _____, 19_____.

TOWN OF ADDISON

By: _____

CONCESSIONAIRE



ADDISON AIRPORT

May 7, 1998

Mr. John Baumgartner
Public Works Department
P.O. Box 144
Addison, Texas 75001

Re: Your Letter dated April 27, 1998 regarding "Fuel Contamination"

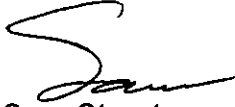
Dear John:

This letter is in response to your letter mentioned above. AATI will continue our attempts to ensure that James Donaldson ("Cherry Air") adheres to his lease obligations to AATI. However, I wanted to clarify several things mentioned in your letter. First, AATI is not, and has not been, in default of the Operating Agreement and the 1990 Agreement. In fact, AATI has fully complied with both agreements. As you know, upon AATI's receipt of two letters from the Town concerning fuel spills by Cherry Air, AATI promptly notified the tenant of the matters identified in the Town's letters and demanded the tenant to remedy those deficiencies. We have continued to insist that the tenant adhere to his obligations and to remedy the deficiencies. We have diligently monitored the tenant's compliance and the tenant has remedied many of the issues raised by the Town. In short, AATI's obligation is to insist that the tenant comply with its lease obligations and enforce the terms of the lease and we have clearly done so. Thus, your statement that AATI is somehow "in default" is entirely without any basis.

Nevertheless, AATI has a goal, which it believes the Town also shares, to insure that the tenant meets its obligation. You and I have agreed to cooperate to see that the Cherry Air environmental problems are resolved by the tenant. You have assured me several times that the Town's goal is to remedy the problems created by Cherry Air and not to contend that AATI is in default and has failed to

meet its obligations. On this basis, I will accept you and the Town at your word and we will proceed in accordance with your statements to me. Should my reliance on your statements not be appropriate, I would expect your courtesy in notifying me otherwise. Thank You.

Sincerely,

A handwritten signature in black ink, appearing to read "Sam Stuart". The signature is fluid and cursive, with a large initial "S" and a long horizontal stroke at the end.

Sam Stuart

President

Addison Airport of Texas, Inc.

ENVIRONMENTAL ASSOCIATES, INC



LEAKTEC CORPORATION

Post Office Box 170968
Arlington, Texas 76003-0968
(817) 572-0347
FAX (817) 478-9871

Mr. James Donaldson
4584 Claire Chennault
Dallas, Texas 75248

May 5, 1998

Re: Site update, 15405 Addison Rd., Addison, Texas

Dear Mr. Donaldson,

As requested during our meeting on April 30, 1998, the following is a summary of the work which has been completed at the above location and what that work has revealed.

To date a total of 23 "push" soil sampling locations have been installed and a total of four (4) monitor wells (1 - 4" and 3 - 2" diameter).

From these locations a total of 88 soil samples were taken and field screened. From these 88 soil samples, 32 soil samples were submitted for laboratory analysis. Also from these locations, a total of 10 water samples were taken.

All soil and groundwater samples were submitted to an authorized laboratory for analysis of Total Petroleum Hydrocarbons and Benzene, Toluene, Xylene and Ethyl Benzene.

Results of the analysis to date indicate that if this site's groundwater is classified as a Category 2, which is most likely, none of the analyzed constituents are above the TNRCC allowable limits.

Based on the information collected to date I would imagine that at the best we could file for immediate closure of the site and at worst, perform 2 to 3 quarterly samplings of the monitor wells prior to closure.

Currently we are gathering the remainder of the information required to complete the Risk Based Site Assessment. This report which we estimated would be completed within 45 days from the start of the project should be completed within this time frame and forwarded to you for signature and review.

If you have any questions, please feel free to call at any time.

Sincerely

A handwritten signature in black ink, appearing to read 'James Taylor', is written over a horizontal line.

James Taylor



PUBLIC WORKS DEPARTMENT

(972) 450-2871

Post Office Box 144 Addison, Texas 75001

16801 Westgrove

April 27, 1998

Certified Mail # P 108 409 959

Mr. Sam Stuart
Addison Airport of Texas, Inc.
4505 Claire Chennault
Addison, Texas 75248

Re: Fuel Contamination

Dear Sam:

This letter is written in response to Kurt Horn's letter dated April 23, 1998. While the Town of Addison is pleased to see action taking place to bring this fuel facility into compliance with all applicable regulations and the abatement of nuisances, we still consider AATI to be in default of the operating agreement.

As long as we continue to see significant progress being made to bring this facility into compliance we will not exercise our rights to cure. We respectfully request a revised action plan and schedule to show when you anticipate this facility to be in full compliance so we can replace our aging water line. I would anticipate receiving a revised schedule by May 15, 1998.

Thank you for your continued diligence in addressing this issue.

Sincerely,

John R. Baumgartner, P.E.
Director of Public Works

cc: Ken Dippel
Kurt Horn
Hardy Thompson
Ron Whitehead



ADDISON AIRPORT

April 23, 1998

Mr. John Baumgartner
Director of Public Works
Town of Addison
P.O. Box 144
Addison, Texas 75001

RE: Cherry Air Fuel Farm

Dear John:

Pursuant to previous discussions, we need written confirmation that the Town of Addison is satisfied with the proposed method of soil testing and time frame of the proposed work. The soil samples were taken last Wednesday, April 15th, and monitoring wells were put in place. Test results should be in very soon. Specifically, two monitoring wells were placed beside the proposed water line site.

The clean up of the property has exceeded the 30-day cure period. We feel they are taking reasonable steps and dutifully carrying out their proposed plan and addressing all the issues in your earlier letters. You and I have discussed and agreed to this schedule for Cherry Air, verbally. We just want to confirm in writing that the Town approves of the proposed testing and clean up schedule from Leak-Tec and Cherry Air and that they are making a reasonable efforts to resolve the issues identified in your March 17th letter, thereby extending the cure period so long as they continue to exercise diligence in the testing and clean up process.

We will be waiting for your response. If you have any question please contact me at 248-7733, extension 104.

Sincerely,

Kurt Horn
Assistant Airport Manager
Addison Airport of Texas, Inc.

03/27/98 16:43

972 380 0048

ADDISON AVIA SVC

002

03/27/1999 12:05

817-47898.

LEAK TEC CORP

PAGE 02

ENVIRONMENTAL ASSOCIATES, INC.



LEAKTEC CORPORATION

Post Office Box 170968
Arlington, Texas 76003-0968
(817) 572-0347
FAX (817) 478-9871

March 27, 1998

Mr. Doug Boddie
Cherry Air, Inc.
4584 Claire Chennault
Dallas, Texas 75248

Re: Work schedule at Cherry Air Fuel Farm

Dear Mr. Boddie:

Enclosed please find a schedule of events which outlines the major steps to be taken to complete the Risk-Based Assessment at the above mentioned location.

As you might expect, this is only an outline of the major divisions of work. There are many steps within each of these major categories. Also, please be aware that weather or other unavoidable delays can occur, but we will strive to complete the work as quickly as possible.

If you have any questions, please call at any time.

Sincerely,

A handwritten signature in black ink, appearing to read 'James Taylor', written over a white background.

James Taylor

jskm

enclosure

Schedule of Events Cherry Air Fuel Farm Site Investigation	
1. Preliminary Planning	3 - 5 days
2. Soil Borings	5 - 7 days
3. Monitor Well Installation	5 - 7 days
4. Preparation of Maps	2 - 3 weeks
5. Preparation of Bore Logs	2 - 3 weeks
6. Potential Receptor Survey	4 - 5 days
7. Prepare Summary Tables	1 week
8. Report Preparation	1 - 1½ weeks
Total Estimated Time to Completion	45 days
The above time frames do not include weather or other unavoidable delays.	



PUBLIC WORKS DEPARTMENT

Post Office Box 144 Addison, Texas 75001

(972) 450-2871

16801 Westgrove

March 17, 1998

Certified Mail No. P 108 409 955

Mr. Sam Stuart
Addison Airport of Texas, Inc.
4505 Claire Chennault
Addison, Texas 75248

Re: Fuel Contamination

Dear Sam:

On January 28, 1998 we sent you a letter regarding the existence of fuel products around the Cherry Air fuel farm. Attached is a copy of the correspondence we have received from Cherry Air's consultant.

On Friday, March 13, 1998 there was another report of free fuel product on the ground just west of the Cherry Air fuel facility. This appears to be a continuation of the same problem and we are concerned about the amount of time that has passed since our first request.

I know you are as concerned as we are regarding the potential impact to the surrounding environment from fuel contamination. We respectfully request that this fueling problem be cleaned up as soon as possible and that the appropriate steps are taken to minimize the reoccurrence of any fuel contamination.

We suggest the following action:

- 1 Removing the fuel contaminated soil near the water line.
- 2 Remove the source of contamination.
- 3 Immediate clean up of all fuel spilled on the surface.
- 4 Report the spill to the Texas Natural Resource Conservation Commission (TNRCC).
- 5 Contract with a qualified environmental consultant to prepare an assessment of the horizontal and vertical extent of contamination at the site in accordance with TNRCC rules and regulations. The assessment should include whether ground water has been affected. Prepare and implement a corrective action plan if required by TNRCC.
- 6 Furnish documentation that all technical deadlines required by Texas Administrative Code (TAC) Chapter 334, pertaining to leak detection and overflow protection, have been met.
- 7 Furnish the Addison Department of Public Works with a copy of all reports and correspondence regarding this matter.

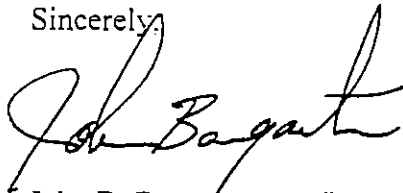
Mr. Sam Stuart
March 17, 1998
Page Two

8 Provide evidence that the fuel farm will conform to the December 1998 petroleum storage tank upgrades mandated by the TNRCC/EPA.

This letter is your formal notice as required under "Section 4 - Upkeep of third Party Areas and Jet Port" of the "Agreement of Specification and Amendment to the Agreement for Operation of the Addison Airport between the City of Addison, Texas, and Addison Airport, Inc.," and "Section 9. Standards of Operation," "Section 16. Alteration, Construction by Company for Airport Purposes," "Section 21. Applicable Governmental Requirements," "Section 23. Federal Airport Aid," and "Section 29. Events of Default and Remedies of the "Agreement for Operation of the Addison Airport between the City of Addison, Texas and Addison Airport Inc."

I trust we can work together to get this issue resolved quickly. Please call me at 450-2871 if you have any questions or need additional information.

Sincerely,



John R. Baumgartner, P.E.
Director of Public Works

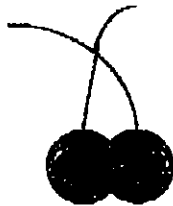
cc: Ken Dippel
Ron Whitehead

Attachment:

Environmental Documentation provided by Leak-Tec Corporation (22 pages)

Cherry-Air, Inc.

"Complete Aviation Involvement"



Date: March 27, 1998
 Time: _____
 Number of pages including cover sheet: 3

To: John Baumgartner
Director of Public Works
Town of Addison

 Phone: _____
 Fax phone: 972-450-2837
 CC: _____

From: Kenneth Donaldson

 Phone: (972) 248-1707
 Fax phone: (972) 380-0046

REMARKS: Urgent For your review Reply ASAP Please comment

ENVIRONMENTAL ASSOCIATES, INC



LEAK-TEC CORPORATION

Post Office Box 170968
Arlington, Texas 76003-0968
(817) 572-0347
FAX (817) 478-9871

March 27, 1988

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Cherry Air, Inc.
4584 Claire Chennault
Dallas, Texas 75248

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If you have any questions, please call at any time.

Sincerely,



James Taylor

:skm

enclosure

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PUBLIC WORKS DEPARTMENT

(972) 450-2871

Post Office Box 144 Addison, Texas 75001

16801 Westgrove

March 17, 1998

Certified Mail No. P 108 409 955

Mr. Sam Stuart
Addison Airport of Texas, Inc.
4505 Claire Chennault
Addison, Texas 75248

Re: Fuel Contamination

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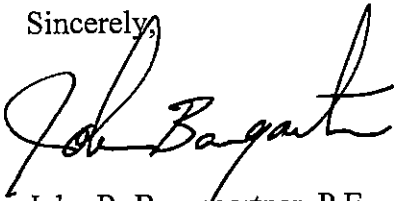
Mr. Sam Stuart
March 17, 1998
Page Two

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Sincerely,



John R. Baumgartner, P.E.
Director of Public Works

cc: Ken Dippel
Ron Whitehead

Attachment:

Environmental Documentation provided by Leak-Tec Corporation (22 pages)

TOWN OF
ADDISON

PUBLIC WORKS

To: Jay Lajone

From: John Baumgartner

Company: Bennett & Weston

Phone: 972/450-2871

FAX: 972/450-2837

FAX #: (214) 373-6810

Date: 3/6/98

16801 Westgrove

P.O. Box 144

Addison, TX 75001

of pages (including cover): 16

Original in mail

Per your request

FYI

Call me

Comments:



FUEL FARM

DAILY INSPECTION

As required by the Aircraft Fuels Dispensing Permits granted by the City of Addison, an inspection of each fuel storage facility must be performed daily by the permittee with a copy of each inspection form maintained on file for review by the fire department upon request.

The purpose of this inspection checklist is to help insure reasonable minimum fire safety in the operation of fuel storage facilities. These requirements are based upon sound engineering principles and field experience as established by the National Fire Protection Association, Standard 407, and the Uniform Fire Code and Standards.

COMPANY NAME _____ ADDRESS _____
TYPE OF FUEL _____ CAPACITY _____
TYPE OF FUEL _____ CAPACITY _____
TYPE OF FUEL _____ CAPACITY _____

Y N

- Is area free of accumulations of trash, debris and weeds or grass?
Is area fenced and secured against unauthorized entry?

PLACARDING:

Y N

- Is permittee's name posted?
Emergency shut-off location
Emergency shut-off operation (PUSH-PULL-BREAK GLASS?)
Flammable/No Smoking Signs
Types of Fuel, etc.
Is fire extinguisher properly mounted and accessible?
Does fire extinguisher have a current inspection tag?
Is fire extinguisher sealed?
Is the extinguisher hose/nozzle free of obstructions?
Are bonding/grounding cables in good repair?
Do the fuel transfer hoses have any significant blistering, cuts, saturation or abrasions exposing reinforcing material?
Do any connections leak?
Has the Emergency shut-off device been operationally tested in the last 3 months?
Do any electrical components including motors, wiring, switches or conduit appear to be damaged?

COMMENTS: _____

Inspected by: _____

Date: _____



FIRE DEPARTMENT

(972) 450-7200 FAX (972) 450-7208

Post Office Box 144 Addison, Texas 75001

4798 Airport Parkway

Friday, March 06, 1998

To: Gordon C. Robbins, Deputy Fire Chief

From: Mark A. Metdker, Section Fire Inspector

Subject: Airport Questions

This morning I returned a call to Jay Lajone (214) 691-1776 ext. 225. Mr. Lajone is an attorney for Bennett and Weston law firm. He said he had a client that had obtained a piece of property not on the airport, but adjacent to it. He then asked what our requirements are for storing fuel. I told him the exempt amounts of airplane fuel is very small, 5 to 10 gallons. He stated his client would need to store more fuel than the exempt amounts. I told him either an above ground or below ground fuel storage tank would be necessary. He would also be required to furnish us with a site plan of the facility, with type and quantity of liquids to be stored.

I also talked to Brandon Griesel of AATI. He asked if I would mail him a copy of the daily fuel farm inspection list.

John:

This summarizes our recent activity on the airport. Please call me at x 7220 if you have questions.

Gordo

ADDISON AIRPORT

NONPUBLIC AIRCRAFT FUELS DISPENSING PERMIT

In consideration of a one time fee of \$1,000.00 _____ is hereby granted a NonPublic Aircraft Fuels Dispensing Permit from the City of Addison, Texas, subject to and upon the terms and conditions hereinafter set forth.

I. Purpose

- A) These rules or procedure are established for the purpose of providing guidelines to be followed by parties conducting NonPublic Aircraft Fuels Dispensing Service (hereinafter "Permittees") on Addison Airport (the "Airport") which is owned by the City of Addison ("City") and operated by Addison Airport of Texas, Inc. ("Addison") pursuant to an Operating Agreement.
- B) All parties who dispense aircraft fuel on the Airport must hold a Fueling Dispensing Permit issued by the City.

II. Restriction from Public Aircraft Fuels Dispensing Service

Permittees holding NonPublic Aircraft Fuels Dispensing Permits shall be restricted from selling aircraft fuels to other airport users, including locally based and transient aircraft. Fueling of any aircraft not owned or leased by Permittee shall constitute a violation of the Fueling Concession Permit and, consequently, may call for immediate revocation of said Permit. Upon request by City, Permittee shall provide evidence of ownership or lease of any aircraft being fueled.

III. Personnel

Personnel engaged in dispensing aircraft fuels shall be properly trained in fueling handling and associated safety procedures and shall in all fueling and plane handling operations conform to all of the best practices for such operations. Observation of practice to the contrary by the City and notification thereof to the Permittee will be the cause for re-evaluation of such personnel as qualified to perform the operation. Failure on the part of Permittee to correct malpractice of fueling and related safety procedures shall constitute a violation of the Fueling Concession Permit and consequently may call for revocation of said Permit.

IV. Fuel

Permittee shall provide aircraft fuel of the types required by those aircraft which

Permittee serves and shall not fuel aircraft with fuels other than those approved by the aircraft engine manufacturers for the type and length of operations involved. Aviation fuels received, stored and dispensed shall conform to ASTM Standard D910 for AV-Gas and ASTM Standard D-1655 for Turbo fuel. No waivers shall be acceptable unless specifically approved for a short duration by City in writing following a request for a waiver in writing by Permittee. City shall be the sole judge of possible waiver of fuel standards in any short term emergency.

Prior to issuance of this Permit, the prospective Permittee shall furnish a letter of Product Commitment, Allocation of Product and Certification of Compliance to the Fuel Specifications for the fuels to be dispensed from a supplier acceptable to City. Non periodic samples of fuel as received and fuels as dispensed may be required of the Permittee by City on a reasonable basis as determined by the City and Permittee will at no cost to City have a basic and or complete specification testing of such samples performed by laboratory testing service and the results of such testing will be transmitted to the airport in its original form by the testing service or Permittee. Such Laboratory Testing Service would preferably not be that of the supplier, however should the supplier's laboratory be almost singularly available such supplier's laboratory may perform the testing provided the sample is submitted "blind" and not singularly identifiable.

V. Fueling Facilities

A) Trucks

- 1.) Permittee shall furnish mobile dispensing single product trucks, at least two for each type fuel to be dispensed, each having a minimum capacity of 1,000 gallons for AV Gas and 2,000 gallons for Turbo fuel. In no instance shall any mobile dispensing truck exceed 2,500 gallon shell capacity. Separate filter or filter separator for equipment dispensing pumps, meters, bottom tank loading and grounding services for each type of fuel shall be required. Trucks shall be properly maintained, operated and equipped in accordance with applicable Federal Aviation Administration, Airport and National Fire Protection Association recommendations, requirements and regulations. Aircraft refueller units shall be attended and operated only by persons instructed in methods of proper use and operations and who are qualified to use such refueller units in accordance with safety requirements. Each qualified operator shall be required to carry on his person an Identification Card issued by his employer certifying his qualifications.
- 2.) The Permittee shall not allow unlawful use of the equipment if defective and will operate the equipment in a safe, efficient, clean and as designed

manner.

- 3.) Prior to the first use of a mobile dispensing truck on Addison Airport, the Permittee shall present such truck for inspection and approval by City. City's approval is mandatory to the mobile dispensing trucks use or operation and such approval shall be by the City Fire Marshall or his designee. Periodically, Permittee shall allow mechanical and dispensing system inspection of said trucks by City and shall cease operation of the trucks until any malfunction or discrepancy so noted is corrected to the satisfaction of City. Operation of mobile dispensing trucks with known mechanical or operational deficiencies shall constitute a violation of this Permit and may cause immediate revocation thereof.

Permittee shall make his own daily mobile dispensing truck inspection in accordance with the form furnished by City and shall maintain such inspection form for at least one year. These inspection files shall be available to City on request. Failure to make daily inspections of the mobile dispensing trucks or to maintain these inspection form files or make them available to City on request shall constitute a violation of this Permit and may cause immediate revocation thereof.

B) Tank Farm

- 1.) For each grade of fuel, there must be installed a minimum of two (2) 12,000 gallon tanks.. Facilities for the bottom loading of mobile dispensing trucks are required. Fuel storage tanks shall be underground and such installations shall be in the location approved by City in the designated fuel farm areas, which location is shown on Exhibit "A" hereto, and shall comply with applicable Uniform Building Code Standards, Fire Codes and Ordinances of the City of City and Recommendations of the National Fire Protection Association.
- 2.) Fuel storage tanks shall comply with requirements set out by the Environmental Protection Agency and the Federal Aviation Administration. Detail plans and specifications for such tank farm installation shall be presented to City for approval 15 days prior to the anticipated date to commence construction of the facility. Facility construction shall not commence prior to approval by City.

After completion of the fuel farm and before initial use City shall approve such installation. After the fuel farm is in operation, Permittee shall allow City to make joint inspections of the facility in the manner of the Daily Inspection Record Forms to be furnished by City. Failure to (I) secure

facility approval before use, (ii) allow joint inspection or (iii) correct any discrepancy in the condition of the fuel farm or the products stored therein shall constitute a violation of this Permit and may cause revocation thereof.

- 3.) All construction of improvements on tank farm shall conform with any General Architectural Requirements of the City and shall be undertaken in accordance with local, state and federal codes, ordinances and regulations now or hereafter in force and effect. Permittee shall, at its sole cost and expense, obtain all necessary building permits, and all labor and material bonds. Upon completion of construction, title to all such tank farm improvements shall vest in the City.
- 4.) Permittee shall, at its sole cost and expense, maintain fuel farm, all improvements thereon, and all appurtenances thereto, in a presentable condition consistent with good business practice and equal in appearance and character to other similar improvements on said Airport.

Permittee shall make daily inspections of his portion of the fuel farm in accordance with the Form furnished by City and shall maintain a file of these inspections for at least one year. Permittee shall make records of receipt of fuels in accordance with Forms furnished by City and shall maintain a file of these receipt records for at least one year. Inspection and receipt records are to be made available on reasonable request from City. Failure to (i) inspect on a daily basis, (ii) make receipt records, (iii) maintain files of these records or (iv) make them available to City on request shall constitute a violation of this Permit and may cause revocation thereof.

Permittee shall perform whatever reasonable maintenance City deems necessary. If said maintenance is not undertaken by Permittee within ten days after receipt of written notice, Permittee shall be in default of this agreement, and operations shall cease until such maintenance and other requirements are undertaken and completed. Continued use of the equipment or facility after such notice shall constitute a violation of this Permit and may cause immediate revocation thereof.

- 5.) Permittee shall, in the event it shall become necessary to make physical changes on its premises, promptly make such changes and installations at its sole expense. Such changes shall be approved by the City.
- 6.) Permittee shall assume and pay for all costs or charges for utility services furnished to Permittee during the term of this Permit; provided, however,

that Permittee shall have the right to connect to any and all storm and sanitary sewers and utility outlets at its own expense; and Permittee shall pay for any and all service charges incurred therefor.

7.) Trash, Garbage, Inc.

Permittee shall provide a complete and proper arrangement for the adequate handling and disposal, away from the Airport, of all trash, garbage and other refuse generated as a result of the operation of its tank farm. Permittee shall provide and use suitable covered metal receptacles for all such garbage, trash and other refuse. Piling of boxes, cartons, barrels or other similar items, in an unsightly or unsafe manner, on or about the demised premises, shall not be permitted.

VI. Insurance and Indemnification

A) Fire Insurance

Insurance shall be maintained by Permittee in accordance with the provisions of Permittee's Ground Lease.

B) Indemnification

The City and Addison shall stand indemnified by Permittee as herein provided. Permittee is and shall be deemed to be an independent contractor and operator responsible to all parties for its acts or omissions, and City and Addison shall in no way be responsible therefor. Permittee covenants and agrees to indemnify, hold harmless and defend City and Addison, their officers, agents, servants, and employees from and against any and all claims for damages or injury to persons or property arising out of or incident to the use of this Permit and Occupancy of the premises by Permittee its employees, patrons, contractors or subcontractors; and Permittee does hereby assume all liability and responsibility for injuries, claims or suits for damages to persons or property of whatsoever kind or character, whether real or asserted, occurring during the term of this Permit in connection with the use or occupancy of the premises by Permittee, its employees, patrons, contractors or subcontractors. Permittee shall indemnify City and Addison against any and all mechanics and materialmen's liens or any other types of liens imposed upon the premises demised hereunder arising as a result of Permittee's conduct or inactivity.

Permittee shall promptly, after the execution of this permit, provide public

liability insurance for personal injuries, including death, growing out of any one accident or other cause in a minimum sum of Five Million and No/100 Dollars (\$5,000,000.00) for one person and Five Million and No/100 Dollars (\$5,000,000.00) for two or more persons; shall provide property damage liability insurance in a minimum sum of Five Million and No/100 Dollars (\$5,000,000.00) for property damage growing out of any one accident or other cause.

Permittee shall maintain said insurance with insurance underwriters authorized to do business in the State of Texas satisfactory to City. Permittee shall furnish City with a Certificate from the insurance carrier showing such insurance to be in full force and effect during the term of this permit, or shall deposit with City copies of said policies.

Said policies or certificates shall contain a provision that written notice of cancellation shall contain a provision that written notice of cancellation or of any material change in said policy by the insurer shall be delivered to City at least thirty days in advance of the effective date thereof.

VII. Fees

A) Fuel Flowage Fee

As consideration for this Permit for securing the right to dispense aircraft fuel, Permittee shall pay to City a Flowage Fee in an amount equal to fourteen and one-half cents (\$0.145) for each gallon of aviation fuel received by Permittee during the term of this Permit. The City reserves the right to increase or decrease the Flowage Fee as, in its sole discretion, may be necessary. The Permittee shall be given 30 days' written notice prior to any change in the Flowage Fee becoming effective. Flowage Fee shall be paid in monthly installments as follows: On or before the tenth day of each calendar month during the term of this Permit beginning the 10th day of the month after this Permit is issued, Permittee shall pay to City a sum equal to the product of the applicable Flowage Fee multiplied by the total amount of aviation fuel received on the Addison Airport by Permittee during the preceding full or partial calendar month. Concurrent with its payment, Permittee shall prepare and deliver to City a statement of the amount of fuel received, sold or dispensed during the preceding calendar month, certified to be correct by Permittee's authorized representative. Such statement shall be submitted on the form provided by City.

Permittee shall keep at its facilities located at the airport a permanent accurate set of books and records of all aviation fuel received, sold or dispensed by it on the Airport, including sales slips, order records, records of transaction with suppliers, shipping records, records of fuel inventory, tax reports, bank records and any

other records as may be needed to permit an effective audit of aviation fuel received, sold or dispensed by it. All such records shall be retained and preserved for at least 24 months after the end of the calendar year to which they relate and shall be subject to inspection and audit by City and its agent at all reasonable times.

On or before the 60th day after the expiration of each calendar year and the 30th day after the expiration of termination of this Permit, Permittee shall deliver to City at its offices a statement sworn to by Permittee or Permittee's authorized representative and certified to be correct by an independent certified public accountant, showing the amount of aviation fuel received, sold or dispensed during the calendar year next preceding the date on which such statement is due. In the event any provision of this Permit or the enforcement thereof by City, requires accounting of the flowage fee and the payment thereof for a period less than 12 months, such shorter period shall be treated as one year for the purpose of an annual statement, and such statement shall be delivered to City within 30 days after termination of such shorter period.

In the event City is not satisfied with any statement of aviation fuel received, sold or dispenses submitted by Permittee, City shall have the right to cause its auditors or auditors of its choosing to audit all books and records, wherever located, pertaining to the aviation fuel received, sold or dispensed in or from the Airport. If the amount of aviation fuel received, sold or dispenses reported in such statement or statements is determined to be understated more than two percent, the expense of such audit shall be borne by Permittee. Permittee shall promptly pay to City any deficiency, or City shall promptly refund to Permittee any overpayment, as the case may be, which is established by such audit.

If Permittee fails to prepare and deliver promptly any monthly, annual or other statement required under this Permit, City may, in addition to exercising any of the remedies provided to City under this Permit, or at law, make an audit of all books and records, including Permittee's bank accounts, which in any way pertain to or show the aviation fuel received, sold or dispensed and to prepare the statement or statements which Permittee failed to prepare and deliver. Such audit shall be made and such statement or statements shall be prepared by a certified public accountant. The statement or statements so prepared, shall be conclusive on Permittee, and Permittee shall pay upon demand all expenses of the audit and other services.

B) Annual Fee

In addition to the fee provided for in paragraph A above, Permittee shall pay annually to City the sum of \$150.00 to cover the cost of the annual inspection

made by Town of Addison Fire Department. Such inspection fee shall be due and payable within ten days upon receipt of a statement from City.

C) Payment

Other remedies for nonpayment of flowage fee notwithstanding, if the monthly flowage fee payment is not received by the City on or before the tenth day of the month for which the flowage fee is due, a service charge of five percent (5%) of the past-due amount owed on such date shall become due and payable in addition to the regular flowage fee owed under this Permit. Additionally, if any sums due the City are not paid within ten (10) days after the due date thereof, the amount thus due shall bear interest from the due date at the rate of ten percent (10%) per annum until such amount is fully paid.

VIII. Cancellation

A) Cancellation by Permittee

This Permit may be canceled by Permittee upon thirty days' written notice to the City, but only after all payments due have been paid.

B) Cancellation by the City

This Permit shall be subject to cancellations by City in the event Permittee shall:

1. Be in arrears in the payment of the whole or any part of the amount agreed upon for a period of ten days after the time such payments become due;
2. Make a general assignment for the benefit of creditors;
3. File a voluntary petition in bankruptcy;
4. Abandon the demised premises;
5. Discontinue fueling operations;
6. Fail to replace any improvements which have been destroyed by fire, explosions, etc., within six months from the date of such destruction;
7. Default in the performance of any of the covenants and conditions required herein (except rental payments) to be kept and performed by Permittee and such default continues for a period of thirty days after receipt of a written notice from City of said default; or

8. Default in the performance of any of the covenants required herein (except rental payments) to be kept and performed by Permittee and receipt of notice of such default on three occasions within any eighteen month period.

In any of the aforesaid events, City may take immediate possession of the demised premises and remove Permittee's effects, forcibly, if necessary, without being deemed guilty of trespassing. Upon said entry, this Permit shall terminate.

All rental due shall be payable to said date of termination. Failure of the City to declare the agreement terminated upon the default of Permittee for any of the reasons set out shall not operate to bar or destroy the right of City to cancel the permit by reason of any subsequent violation of the terms hereof.

IX. Term of Permit

Unless otherwise canceled or terminated in accordance with the provisions hereof, this Permit shall remain effective until (I) the termination or expiration (whichever occurs first) of that certain ground lease between the City and Addison as Lessor and _____ as Lessee, dated the _____ day of _____, 19____, or (ii) fifteen years from the date of execution of this Permit, whichever occurs first, following which termination or expiration this Permit shall be void and of no further force or effect.

X. Assignment, Transfer or Subletting

Without the written consent of the City, Permittee shall not assign, sublet or transfer this permit nor any privileges herein contained. It is specifically stipulated and agreed that Permittee will not enter into any tie-in agreements with other operators or sublet any of the rights herein whereby other operators share in the privileges or the services authorized in this Agreement.

XI. Suspension of Lease

During the time of war or national emergency, City shall have the right to lease the landing area or any part thereof to the United States Government for military use. If any such lease is executed, any provisions of Permittee's agreement which are inconsistent with the provisions of the lease to the Government will be suspended.

XII. Taxes

Permittee agrees to pay any taxes or assignments which may be lawfully levied against

Permittee's occupancy or use of the demised premises or any improvements placed thereon as a result of Permittee's occupancy.

XIII. Relocation of Improvements

City reserves the right, on six months' notice, to relocate or replace Permittee's tank farm improvements in substantially similar form at another generally comparable location on said Airport at the expense of the City.

XIV. Subordination of Agreement

This Permit shall be subordinate to the provisions of any existing or future agreement between City and the United States relative to the operation or maintenance of the Airport, the execution of which has or may be required as a condition precedent to the expenditure of Federal funds for the development of the Airport, and this Permit shall be modified or amended at no cost or expense to the City or Addison as required in order to be consistent with any such agreement or agreements. This Permit shall be subject to such additional rules, regulations, ordinances or amendments hereto as may be promulgated by the City from time to time; provided no such changes, additions or amendments shall increase.

XV. This Permit shall become effective upon compliance with all of the terms and conditions contained herein as determined by the City.

Executed this the _____ day of _____, 19_____.

TOWN OF ADDISON

By: _____

Permittee

2/16/98

Owners and operators must report releases by phone to the appropriate TNRCC Region Office within 24 hours of confirmation. The owner and operator should use this form to comply with the reporting requirements in Title 30, Texas Administrative Code §334.77(b). Submit the completed form within 20 days after release confirmation. EXCEPT IN EMERGENCIES, THE TNRCC WILL INITIATE ACTION ON THIS CASE ONLY WHEN THE COMPLETED FORM (pages 6 through 15) IS SUBMITTED WITH ATTACHMENTS TO BOTH THE APPROPRIATE TNRCC REGIONAL OFFICE AND TO THE CENTRAL OFFICE IN AUSTIN (PST Division, MC 137, P.O. Box 13087, Austin, Texas 78711). DO NOT MODIFY THIS FORM IN ANY WAY. Complete all applicable blanks. Incomplete forms will be returned without review. All proposals for the next appropriate corrective action activity must be submitted by a CAS and PM in the format outlined in the guidance document entitled *Preapproval for Corrective Action Activities* (RG-111).

SUMMARY

Based on the information obtained during this release determination and by comparing the contaminant levels to the stated action levels, check one of these four items as appropriate:

- This was a suspected release. No contamination was detected due to this suspected release.
- This site is an LPST site. Contaminant levels exceed action levels (or one of the other criteria applies).
- This site is not an LPST site. Contaminant levels do not exceed action levels (and none of the other criteria applies).
- This site is not an LPST site. No contamination was detected (and none of the other criteria applies).

IF THIS SITE IS AN LPST SITE, COMPLETE THE REMAINDER OF THIS FORM (except Section B). If this site is not an LPST site, stop here and complete Sections A, C, and G (and Section B if applicable) of the attached form.

- Check here if this site is an existing LPST case and this Release Determination Report is being submitted only as the tank removal-from-service documentation.

Answer the following questions in this Summary Section if this is an LPST case and if the CAS and PM sign the form in Section G. This section is to be completed by a CAS and PM only. If the form is completed by someone other than a CAS and PM, leave the rest of this Summary Section blank and go to Section A.

Is this case eligible for reimbursement of necessary corrective actions? YES NO If not, appropriate corrective action in accordance with applicable rules and guidance may continue without specific direction or approval from the PST Division, however, coordination with the PST Division is recommended. If the site is eligible for reimbursement, all corrective action activities, with the exception of NAPL recovery and emergency abatement activities, must be preapproved prior to initiation.

The next appropriate step for this site, if it is an LPST site, is (check one only):

- Case closure** If checked, attach *Site Closure Request Form* (TNRCC-0028). Please be sure the site meets all requirements for closure prior to submitting the *Site Closure Request Form*. Are there costs associated with case closure? YES NO If YES, and if the site is eligible for reimbursement, attach a cost proposal and workplan with the *Site Closure Request Form*.
- Risk-Based Assessment** The risk-based assessment is needed only when the existing assessment data is not an adequate basis for site closure. Please critically evaluate the need for additional assessment before selecting this option. Refer to pamphlet RG-175 for guidance on conducting the risk-based assessment. Attach a detailed workplan and proposal if the site is eligible for reimbursement. A proposal must be submitted with this form if the RP is financially able to undertake necessary corrective actions.
- Corrective action other than risk-based assessment** Attach a detailed workplan and proposal if the site is eligible for reimbursement and the RP is financially able to undertake necessary corrective actions.

Is the responsible party financially able to complete the next appropriate step? YES NO If Yes, attach proposal as specified above. If No, contact the PST Division at 512/239-2200 to request information on the State-Lead option. Financial ability determination forms must be completed and submitted to document that the RP is financially unable to continue necessary corrective actions.

A. GENERAL INFORMATION

LPST ID No.: 112934 (If known) TNRCC Region: 04 Priority: 4.1
(see pages 13-15)

Facility ID No.: 0050235 Required unless one of the following applies:

- Check here if tank registration is not required for this site (per 30 TAC §334.7), and check one of the following as applicable:
- the tank(s) are partially excluded or exempted from jurisdiction under 30 TAC Chapter 334. Specify type or usage of tank(s): _____
 - these tanks were permanently removed from the ground before May 8, 1986 (provide date of removal _____);
 - these tanks remained in the ground but were emptied, cleaned, and filled with inert substance before January 1, 1974 (provide date of activities: _____);
 - these tanks were out of operation, their existence was unknown, and they were permanently removed from service within 60 days of their discovery (provide date of discovery: _____, Provide method of discovery: _____)

Prior to this investigation, was this site ever an LPST site? YES or NO If yes, provide LPST ID number: _____

Tank Owner: Addison Aviation / Cherry Air

Tank Owner Mailing Address: 4584 Claire Chennault

Tank Owner City: Addison State: TX Zip: 75248

Tank Owner Contact Person: Mr. Doug Boddie Phone: 972/380-0737 Fax no.: 972/380-0046

Tank Operator (if different from tank owner): _____

Tank Operator Mailing Address: _____

Tank Operator City: _____ State: _____ Zip: _____

Tank Operator Contact Person: _____ Phone: _____ Fax no.: _____

Land Owner (if different from tank owner and operator): Town of Addison

Land Owner Mailing Address: P.O. Box 9010

Land Owner City: Addison State: TX Zip: 75001

Land Owner Contact Person: John Baumgartner Phone: 972/450-2886 Fax no.: _____

If this site is an LPST site, which of these parties will oversee the corrective actions at this site?

Tank Owner Tank Operator Land Owner

Other (not the contractor or consultant): Name: _____

Address: _____

City: _____ State: _____ Zip: _____ Contact person: _____

Phone: _____ Fax: _____

A representative of the party overseeing the corrective action must sign this form in Section G. Please note that no matter which party conducts corrective action, the tank owner and the tank operator are jointly responsible for the necessary corrective actions.

Facility Name: Cherry Air Fuel Farm

Facility Physical Address: 15405 Addison Rd.

Facility City: Addison County: Dallas County Code (see p. 16): 057

INDICATE TYPE OF RELEASE: (check one) Suspected Confirmed but below action levels (not an LPST site)
 Confirmed and above action levels (LPST site) No evidence of contamination (all results below detection limits)
 Please refer to flowchart and Title 30 Texas Administrative Code, §334.71 - 334.77 for descriptions and procedures for suspected and confirmed releases.

A. GENERAL INFORMATION

Were copies of this **COMPLETED** form (excluding pages 1 through 5) and appropriate attachments, including a proposal (if RP is financially able), sent to both the TNRCC Central Office and to the Region Office? **YES** **NO** (IF COPIES ARE NOT SENT TO BOTH OFFICES, THIS DOCUMENT WILL BE RETURNED WITHOUT REVIEW).

Indicate number of tanks currently and formerly located at this site (attach pages as necessary):

	Type (UST/AST)	Product Type	Size (approx. gal)	
Current:	UST	JP 4	12,000	
	UST	JP 4	12,000	
	_____	_____	_____	
	_____	_____	_____	
	_____	_____	_____	
	_____	_____	_____	
	_____	_____	_____	
Former:	_____	_____	_____	<u>Date Removed from Service</u>
	_____	_____	_____	
	_____	_____	_____	
	_____	_____	_____	
	_____	_____	_____	

B. SUSPECTED RELEASE INFORMATION

Complete only this section and sections E through G as appropriate when the situation of a suspected release has occurred and it was documented that a release had not occurred.

Date suspected release discovered: _____ Reason release suspected: _____

Date suspected release reported to TNRCC: _____ Reported to: _____

Possible source(s) of release: (check all that apply) Tanks: USTs ASTs Piping Overfills/spills Unknown
 Other: _____

Type of substance(s) suspected released: (check all that apply) Gasoline Diesel Used Oil Aviation Gasoline
 Jet Fuel (type: _____) Alcohol-blended fuel (Type and percentage of alcohol: _____)
 Other: (be specific) _____

Were UST/AST system tank and/or line tightness tests performed? YES or NO (check one) If yes, attach test data and results.
 Did the tests indicate that all tanks and piping were tight? YES or NO (check one) If No, specify the portion of the tank system(s) that were found not to be tight: _____

Were any repairs conducted on the tank system(s)? YES or NO (check one) If yes, describe type(s) and location of repairs: _____

Were tightness tests performed after repairs were conducted? YES or NO (check one) If yes, attach test data and results.
 Did the tests indicate that the repaired items were tight? YES or NO If No, specify the portion of the tank system(s) that were found not to be tight: _____

Were any soil confirmation samples collected? YES or NO (check one) If yes, were all potential source areas investigated?
 YES or NO If samples were collected, attach descriptions of sample locations, collection methods, and laboratory results.

Were any groundwater confirmation samples collected? YES or NO (check one) If yes, were all potential source areas investigated? YES or NO If samples were collected, attach descriptions of sample locations, collection methods, aquifer name, and laboratory results.
 (Groundwater sampling is not required at this point unless there is reasonable suspicion of impact.)

C UNCONFIRMED RELEASE INFORMATION
Complete this section only if a release was confirmed.

Date release confirmed: 1/28/98 Date release reported to TNRCC: 1/28/98 Reported to: Lonnie Gilley/Region 4

Is this the first release from a UST or AST discovered at this site? YES NO

Is there any other contamination or potential impacts to human health from any source other than the tank systems at this site?
 YES NO If yes, indicate type and location of contamination: _____

Reported to TNRCC by: Site Visit by Lonnie Gilley Representing: TNRCC - Region 4

Method of release discovery:

- Samples collected during tank removal-from-service activities Impact to utility line
- Samples collected during other tank system construction activities Impact to surface water
- Samples collected during release determination investigation Impact to water well
- Other: See attached LPST Case Incident Report

Method of release confirmation: (check all that apply)

- Soil samples Groundwater samples Surface water samples Documentation of presence of NAPL

Source(s) of release: (check all that apply) Tanks: USTs ASTs Piping Overfills/spills Unknown
 Other: _____

Substance(s) released: (check all that apply) Gasoline Diesel Used Oil Aviation Gasoline

Alcohol-blended fuel (Type and percentage of alcohol: _____)
 Jet Fuel (type: JP-4) Other: (be specific) _____

Amount of product released: _____ Chemical Abstract Service registry #: _____ (for hazardous substances)

Were any soil confirmation samples collected? YES or NO (check one) If yes, attach descriptions of sample locations, collection methods and laboratory results.

Type of native soil: (check one) Clay or silt Sand, gravel or rock

Were any groundwater confirmation samples collected? YES or NO (check one) If yes, attach descriptions of sample locations, collection methods, aquifer name, and laboratory results.

Known Impact(s): (check all that apply) Soil GW Surface Water Subsurface Utilities - type: _____
 Buildings Water wells Other sensitive receptors: _____

Was the land owner (if different from the tank owner) notified of the contamination? YES or NO (check one) If Yes, attach copy of the letter which provided the notification. If No, documentation that notification was provided must be submitted within 30 days from the date the impact is discovered.

Possibly Threatened: (check all that apply) GW Surface Water Subsurface Utilities - type: Water line
 Buildings Water wells Other sensitive receptors: _____

Was NAPL detected (greater than 0.01 feet)? YES or NO (check one) If yes, describe how and where it was detected, the thickness detected, and the recovery actions taken: Free product >0.01 feet observed in excavation approximately 75' southwest of source installed by utility crews. Depth approximately 1/4". RP is removing product.

D. ABATEMENT MEASURES

Were abatement measures initiated to stop the release or to recover the released substance? YES or NO (check one) If yes, describe the abatement and/or recovery measures taken and the dates and duration of the activities: RP has started product recovery.

Were UST/AST system tank and/or line tightness tests performed? YES or NO (check one) If yes, attach test results.
 Did the tests indicate that all tanks and piping were tight? YES or NO If No, specify the portion of the tank system(s) that were found not to be tight:

Were any repairs conducted on the tank system(s)? YES or NO (check one) If yes, describe type(s) and location of repairs:

Were tightness tests performed after repairs were conducted? YES or NO (check one) If yes, attach test results. N/A
 Did the tests indicate that the repaired items were tight? YES or NO If No, specify the portion of the tank system(s) that were found not to be tight:

E. FIRE/OTHER OFFICIALS

Were any other officials notified? YES NO (check one) If Yes, indicate:

<u>Name</u>	<u>Representing</u>	<u>Phone number</u>	<u>Date(s) Notified</u>
<u>Bob Wallingford</u>	<u>Addison Fire Dept.</u>	<u>972/450-7203</u>	<u>1/28/98</u>
<u>John Baumgartner</u>	<u>Addison Public Works</u>	<u>972/450-2886</u>	<u>1/28/98</u>
<u>Sam Stuart</u>	<u>Addison Airport</u>	<u>972/248-7733</u>	<u>1/28/98</u>

Were any directives issued by the fire or other officials? YES NO If Yes, describe directives and actions taken in response to the directive: Removal of free product (ongoing) and assessment of extent of contamination

F. WASTE DISPOSITION

Indicate the status of all wastes and other materials generated:

<u>Type of waste (soil, water, product)</u>	<u>Quantity</u>	<u>Current location</u>	<u>Method and location of disposal or treatment</u>
<u>Product</u>	<u>Unknown at</u>	<u>RP Site</u>	<u>To be disposed of by RP</u>
	<u>this time</u>		

G. REPORT PREPARATION

A Licensed On-Site Supervisor may complete and sign this form when the supervisor is acting in an approved capacity for tank removal-from-service or tank system repair activities.

Licensed On-Site Supervisor: James Taylor ILP Reg. No.: 000670 Exp. Date: 1/23/99

Company: Leak-Tec Corporation

Telephone No.: 817/572-0347 FAX No.: 817/478-9871

Based on the results of the site investigation and the additional information presented herein, I certify that the site investigation activities performed either by me, or under my direct supervision, including subcontracted work, were conducted in accordance with accepted industry standards/practices and further, that all such tasks were conducted in compliance with applicable TNRCC published rules, guidelines and the laws of the State of Texas. I have reviewed the information included within this report, and consider it to be complete, accurate and representative of the conditions discovered during the site investigation. I acknowledge that if I intentionally or knowingly make false statements, representations, or certifications in this report, I may be subject to administrative, civil, and/or criminal penalties.

Signature: James Taylor Date: 2-24-98

OR

Project Manager: PM Reg. No.: Exp. Date:

Company:

Telephone No.: FAX No.:

Based on the results of the site investigation and the additional information presented herein, I certify that the site investigation activities performed either by me, or under my direct supervision, including subcontracted work, were conducted in accordance with accepted industry standards/practices and further, that all such tasks were conducted in compliance with applicable TNRCC published rules, guidelines and the laws of the State of Texas. I have reviewed the information included within this report, and consider it to be complete, accurate and representative of the conditions discovered during the site investigation. I acknowledge that if I intentionally or knowingly make false statements, representations, or certifications in this report, I may be subject to administrative, civil, and/or criminal penalties.

PM Signature: Date:

AND

CAS Representative: CAS Reg No.: Exp. Date:

Company:

Telephone No.: FAX No.:

By my signature affixed below, I certify that I am the duly authorized representative of the Correction Action Specialist named and that I have personally reviewed the site investigation results and other relevant information presented herein and considered them to be in accordance with accepted standards/practices and in compliance with the applicable TNRCC published rules, guidelines and the laws of the State of Texas. Further, that the information presented herein is considered complete, accurate and representative of the conditions discovered during the site investigation. I acknowledge that if I intentionally or knowingly make false statements, representations, or certifications in this report, I may be subject to administrative, civil, and/or criminal penalties.

Signature of CAS Representative: Date:

If the CAS or On-Site Supervisor does not complete and sign this form, provide the following information on the person who has prepared the form:

Name: Company:

Telephone No.: FAX No.:

Signature: Date:

Name of Tank Owner or Operator contact:

Telephone No.: FAX No.:

By my signature affixed below, I certify that I have reviewed this report for accuracy and completeness of information regarding points of contact and the facility and storage tank system history and status. I acknowledge that if I intentionally or knowingly make false statements, representations, or certifications in this report related to the contact information, and the facility and storage tank system history and status information, I may be subject to administrative, civil, and/or criminal penalties. I attest that I have reviewed this report for accuracy and completeness. I understand that I am responsible for addressing this matter.

Signature: Jim Donaldson Date: 3-2-98

ST CASE PRIORITIZATION

The actions listed for each priority serve as a guide to assist the tank owner and operator in determining appropriate actions based on site conditions. Preapproval for corrective action activities should be obtained for sites eligible for reimbursement. Please refer to the applicable rules in Title 30, Texas Administrative Code, §334.72-334.81 and other TNRCC guidance for more detailed information.

PRIORITY 1 SITES

Is NAPL (free product) present? yes no Utilize all known information on site soils, vapors, groundwater, surface water, and other impacts and mark all boxes which match site conditions. The lowest value is the site priority. If the answers to any statements are unknown, additional assessment, usually in the form of a Risk-Based Assessment (RBA), should be completed.

PRIORITY	ACTIONS
<input type="checkbox"/> 1.1 Explosive levels, or concentrations of vapors that could cause acute health effects are present in a residence or other building. (If yes, ensure the local fire authority or State Fire Marshal (512/918-7100) and the local TNRCC Region Office have been notified.)	Emergency Actions: Notify appropriate authorities, property owners, and potentially affected parties. Mitigate vapor impact. Additional Actions: Conduct receptor survey. Conduct assessment of contaminant plumes. Determine target cleanup levels. Conduct remediation as necessary.
<input type="checkbox"/> 1.2 An active public water supply well, public water supply line, or public surface water intake is impacted or immediately threatened by the release. (If yes, ensure the public authority and the local TNRCC Region Office have been notified.)	Emergency Actions: Notify appropriate authorities, well users, and property owners. Prevent further migration. Mitigate impact. Discontinue use of water supply. Additional Actions: Provide alternative water source*. Conduct receptor survey. Conduct assessment of contaminant plumes in relation to water supply impact. Determine target cleanup levels. Conduct remediation as necessary.
<input type="checkbox"/> 1.3 A sole-source domestic water supply well or line, or sole-source domestic surface water intake is impacted or immediately threatened by the release. (Ensure the well user or surface water user and the local TNRCC Region Office have been notified.)	Emergency Actions: Notify appropriate authorities, well users, and property owners. Prevent further migration. Mitigate impact. Discontinue use of water supply. Additional Actions: Provide alternative water source*. Conduct receptor survey. Conduct assessment of contaminant plumes in relation to water supply impact. Determine target cleanup levels. Conduct remediation as necessary.
<input type="checkbox"/> 1.4 Explosive vapors are present in a subsurface utility system, but no building or residence is impacted. (Ensure the utility authority and the local TNRCC Region Office have been notified.)	Emergency Actions: Notify appropriate authorities, property owners, and affected parties. Mitigate vapor impact. Additional Actions: Conduct receptor survey. Conduct assessment of contaminant plumes. Determine target cleanup levels. Conduct remediation as necessary.
<input type="checkbox"/> 1.5 NAPL is present at the ground surface, on surface water bodies, surface water runoff, or in utilities other than water supply lines. (Ensure the utility authority is notified if utilities are affected. Ensure free product removal actions are implemented as required pursuant to 30 TAC 334.79.)	Emergency Actions: Notify appropriate authorities, property owners, and affected parties. Secure area. Additional Actions: Conduct free product removal activities. Prevent migration of free product. Conduct assessment in relation to impact. Conduct receptor survey. Determine target cleanup levels. Conduct remediation as necessary.
<input type="checkbox"/> 1.6 The Edwards aquifer, recharge zone or transition zone is impacted.	Emergency Actions: Recover free product if present. Additional Actions: Initiate assessment activities. Conduct assessment in relation to impact. Conduct receptor survey. Determine target cleanup levels. Conduct remediation as necessary. Determine if free product is present and, if so, conduct free product removal activities.
<input type="checkbox"/> 1.7 Ambient outdoor vapor/particulate concentrations exceed concentrations of concern from an acute exposure, or safety viewpoint.	Emergency Actions: Notify appropriate authorities, property owners, and affected parties. Mitigate immediate impacts. Additional Actions: Conduct sufficient assessment to determine exposure pathways, receptor types and locations, and target cleanup goals. Determine if free product is present and, if so, conduct free product removal activities.

*Reimbursement for provision of alternative water supply is contingent upon 30 TAC 334.308 (c)(3).

PRIORITY 2 SITES

PRIORITY		ACTIONS
<input type="checkbox"/> 2.1	Soils or water contaminated by the release are exposed and unsecured from public access and dwellings, playgrounds, parks, day care centers, schools, or similar use facilities are located within 500 feet of those soils.	Remove, cover, or otherwise secure exposed soils or water. Fill open excavations. Conduct actions necessary to contain contamination or prevent impact or exposure.
<input type="checkbox"/> 2.2	A former vapor impact is associated with this site, or free product is present in close proximity to subsurface utilities or other natural or man-made conduit and there is potential for the accumulation of explosive vapors or vapors that could cause acute effects in a building or other structure.	Remediate/remove vapors, free product, or contaminated soils. Determine migration pathways and remove/prevent migration pathways. Conduct assessment of contaminant plumes in relation to the potential vapor pathway. Determine target cleanup levels. Conduct actions necessary to contain contamination or prevent impact or exposure.
<input type="checkbox"/> 2.3	A domestic water supply well or line, or a domestic surface water intake is impacted or immediately threatened by the release, but the user has access to another public or private water supply. (Ensure the user and the local TNRCC Region Office have been notified.)	Notify proper authorities, users, and property owners. Prevent migration to water intake. Provide alternative water supply if necessary. Conduct assessment to identify contaminant plumes and exposure pathways in relation to water intake. Determine appropriate target cleanup goals based on site conditions. Conduct actions necessary to contain contamination or prevent impact or exposure.
<input type="checkbox"/> 2.4	A non-public or non-domestic water supply well is impacted or immediately threatened. (Do not consider monitor wells.) (Ensure the user and the local TNRCC Region Office have been notified.)	Notify proper authorities, well users, and property owners. Prevent migration to water well. Provide alternative water supply if necessary. Plug water well if necessary. Conduct assessment to identify contaminant plumes and exposure pathways in relation to water well. Determine appropriate target cleanup goals based on site conditions. Conduct actions necessary to contain contamination or prevent impact or exposure.
<input type="checkbox"/> 2.5 ¹	Groundwater is impacted and a public or domestic water supply well is located within 0.25 miles of the UST/AST system or source area. (Answer yes if a well is present, but the well use is unknown). (See footnote 1 before responding.)	Determine completion data and usage of well(s) if not already known. Conduct receptor survey to locate additional wells and other potential receptors (if not already done). Evaluate well impact potential. Determine appropriate cleanup goals based on site conditions. Conduct actions necessary to contain contamination or prevent impact or exposure.
<input type="checkbox"/> 2.6	Groundwater or storm water runoff is impacted and discharges within 500 feet of the known extent of contamination to a surface water body used for human drinking water, contact recreation, habitat to a protected or listed endangered plant and animal species.	Conduct assessment which addresses the contaminant plumes in relation to the surface water. Determine target cleanup levels. Conduct actions necessary to contain contamination or prevent impact or exposure. Notify property owners if impact is documented.
<input type="checkbox"/> 2.7	A public or domestic water supply well that produces from a groundwater zone which is not impacted or threatened is located within the known extent of contamination. (Answer yes if a well is present, but the well use is unknown.)	Notify well users and property owners. Determine completion data and usage of water well(s). Conduct receptor survey to locate additional sensitive receptors. Investigate well impact or cross-contamination potential. Plug well(s) if necessary. Determine target cleanup levels. Conduct actions necessary to contain contamination or prevent impact or exposure. Monitor water well for groundwater quality.

PRIORITY 3 SITES

	PRIORITY	ACTIONS
<input type="checkbox"/> 3.1 ¹	Groundwater is impacted and a public or domestic water supply well is located between 0.25 and 0.5 miles from the UST/AST system or source area. (Answer yes if a well is present in this interval, but the well use is unknown.) (See footnote 1 before responding.)	Determine completion data and usage of well(s) if not already known. Conduct receptor survey to locate additional wells and other potential receptors (if not already done). Evaluate well impact potential. Evaluate need for remediation.
<input type="checkbox"/> 3.2	Groundwater is impacted and the impacted groundwater zone may discharge between 500 feet and 0.25 miles of the UST/AST or source area to a surface water body used for human drinking water, contact recreation, or habitat to a protected or listed endangered plant and animal species.	Conduct assessment which evaluates potential to impact the surface water. Evaluate need for remediation.
<input type="checkbox"/> 3.3 ¹	Groundwater is impacted and a non-public or non-domestic water supply well is located within 0.25 miles of the UST/AST system or source area. (See footnote 1 before responding.)	Determine completion data and usage of well(s) if not already known. Conduct receptor survey to locate additional wells and other potential receptors (if not already done). Evaluate well impact potential contaminate. Evaluate need for remediation.
<input type="checkbox"/> 3.4	A non-community or non-domestic water supply well that produces from a groundwater zone which is not impacted or threatened is located within the known extent of contamination. (If a well is present, but the use of the well is unknown, answer yes to 2.7 instead.)	Notify well users and property owners. Determine completion data and usage of well(s) if not already known. Conduct receptor survey to locate additional wells and other potential receptors (if not already done). Investigate well impact or cross-contamination potential. Monitor water well for groundwater quality. Evaluate need for remediation.
<input type="checkbox"/> 3.5 ²	A designated major or minor aquifer groundwater is impacted or immediately threatened. (See footnote 2 before responding.)	Conduct assessment of soil and groundwater contaminant plumes in relation to major or minor aquifer. Conduct receptor survey and water well inventory. Evaluate need for remediation.

PRIORITY 4 SITES

	PRIORITY	ACTIONS
<input type="checkbox"/> 4.0	The extent of contamination has not been defined, but there is no indication that any of the other case priority conditions apply.	Conduct assessment of soil and/or groundwater contaminant plumes. Conduct receptor survey and water well inventory. Evaluate site conditions to determine need for additional corrective actions.
<input checked="" type="checkbox"/> 4.1	Groundwater is affected.	Conduct assessment of soil and groundwater contaminant plumes. Conduct receptor survey and water well inventory. Evaluate site conditions to determine need for additional corrective actions.
<input type="checkbox"/> 4.2	The vertical extent of contamination has been defined and the assessment results document that groundwater is not affected.	Conduct assessment of soil contaminant plume. Conduct receptor survey and water well inventory. Evaluate site conditions to determine need for additional corrective actions.

1. Consider only: wells producing from the same interval as the impacted groundwater zone at the release site, wells which may provide a cross-contamination pathway, or wells where completion details are unknown.
2. Refer to Major and Minor Aquifers of Texas Maps prepared by Texas Water Development Board, September 1990. Do not consider the low permeability Beaumont clays of the Beaumont Formation for the Gulf Coast aquifer. Do not consider a perched groundwater zone overlaying the principal producing portion of the aquifer unless the two are hydrologically connected.

COUNTY CODE LIST

1	Anderson	38	Childress	75	Fayette	112	Hopkins	149	Live Oak	186	Pecos	223	Terry
2	Andrews	39	Clay	76	Fisher	113	Houston	150	Llamb	187	Polk	224	Throckmorton
3	Angelina	40	Cochran	77	Floyd	114	Howard	151	Loving	188	Potter	225	Titus
4	Aransas	41	Coke	78	Foard	115	Hudspeth	152	Lubbock	189	Presidio	226	Tom Green
5	Archer	42	Coleman	79	Fort Bend	116	Hunt	153	Lynn	190	Rains	227	Travis
6	Armstrong	43	Collin	80	Franklin	117	Hutchinson	154	McCulloch	191	Randall	228	Trinity
7	Atascosa	44	Collingsworth	81	Freestone	118	Irion	155	McLennan	192	Reagan	229	Tyler
8	Austin	45	Colorado	82	Frio	119	Jack	156	McMullen	193	Real	230	Upshur
9	Bailey	46	Comal	83	Gaines	120	Jackson	157	Madison	194	Red River	231	Upton
10	Bandera	47	Comanche	84	Galveston	121	Jasper	158	Marion	195	Reeves	232	Uvalde
11	Bastrop	48	Concho	85	Garza	122	Jeff Davis	159	Martin	196	Refugio	233	Val Verde
12	Baylor	49	Cooke	86	Gillespie	123	Jefferson	160	Mason	197	Roberts	234	Van Zandt
13	Bee	50	Coryell	87	Glasscock	124	Jim Hogg	161	Matagorda	198	Robertson	235	Victoria
14	Bell	51	Cottle	88	Goliad	125	Jim Wells	162	Maverick	199	Rockwell	236	Walker
15	Bexar	52	Crane	89	Gonzales	126	Johnson	163	Medina	200	Runnels	237	Waller
16	Blanco	53	Crockett	90	Gray	127	Jones	164	Menard	201	Rusk	238	Ward
17	Borden	54	Crosby	91	Grayson	128	Karnes	165	Midland	202	Sabine	239	Washington
18	Bosque	55	Culberson	92	Gregg	129	Kaufman	166	Milan	203	San	240	Webb
19	Bowie	56	Dallam	93	Grimes	130	Kendall	167	Mills	204	San Jacinto	241	Wharton
20	Brazoria	57	Dallas	94	Guadalupe	131	Kenedy	168	Mitchell	205	San Patricio	242	Wheeler
21	Brazos	58	Dawson	95	Hale	132	Kent	169	Montague	206	San Saba	243	Wichita
22	Brewster	59	Deaf Smith	96	Hall	133	Kerr	170	Montgomery	207	Schleicher	244	Wilbarger
23	Briscoe	60	Delta	97	Hamilton	134	Kimble	171	Moore	208	Scurry	245	Willacy
24	Brooks	61	Denton	98	Hansford	135	King	172	Morris	209	Shackelford	246	Williamson
25	Brown	62	DeWitt	99	Hardeman	136	Kinney	173	Motley	210	Shelby	247	Wilson
26	Burleson	63	Dickens	100	Hardin	137	Kleberg	174	Nacogdoches	211	Sherman	248	Winkler
27	Burnet	64	Dimmit	101	Harris	138	Knox	175	Navarro	212	Smith	249	Wise
28	Caldwell	65	Donley	102	Harrison	139	Lamar	176	Newton	213	Somerville	250	Wood
29	Calhoun	66	Duval	103	Hartley	140	Lamb	177	Nolan	214	Starr	251	Yoakum
30	Callahan	67	Eastland	104	Haskell	141	Lampasas	178	Nueces	215	Stephens	252	Young
31	Cameron	68	Ector	105	Hays	142	La Salle	179	Ochiltree	216	Sterling	253	Zapata
32	Camp	69	Edwards	106	Hemphill	143	Lavaca	180	Oldham	217	Stonewall	254	Zavala
33	Carson	70	Ellis	107	Henderson	144	Lee	181	Orange	218	Sutton		
34	Cass	71	El Paso	108	Hidalgo	145	Leon	182	Palo Pinto	219	Swisher		
35	Castro	72	Erath	109	Hill	146	Liberty	183	Panola	220	Tarrant		
36	Chambers	73	Falls	110	Hockley	147	Limestone	184	Parker	221	Taylor		
37	Cherokee	74	Fannin	111	Hood	148	Lipscomb	185	Parmer	222	Terrell		

To the Responsible Party - please note that the Release Report Form (TNRCC-0621) must be completed and submitted within 20 days from the date of release discovery.

LPST CASE
INCIDENT REPORT
TNRCC Use Only

LPST ID No. 112934 Facility No.: 0050235 Priority: 4.1 Region: 04

Region Lead Central Office Lead Date: 01-28-98
This case was previously a Region lead case and is now being referred to the Central Office
Date of referral: _____

Responsible Party (RP) Name: Addison Aviation / Cherry Air
Address: 4584 Claire Chennault
City: DALLAS State: TX Zip: 75248
Contact Person: Mr. Jim Donaldson, President
Phone: (972) 248-1707 Fax: (972) 380-0046

The RP is the: Tank Owner Tank Operator Land Owner
 Other _____

Facility Name: Cherry Air Fuel Farm
Physical Address: 15405 Addison Road City: Addison County: Dallas No. 057

Do the contaminant levels exceed the action levels? YES NO. If No, and the site does not meet any of the other required conditions for an LPST site (see page 3 of the Release Report form); this site is not an LPST site and an ID number should not be issued.

How was the release confirmed?
 Sample results from tank removal from service activities
 Sample results from other release determination activities
 Emergency environmental impact (vapor impact, water well impact, etc.)
Specify type of impact:
 Presence of non-aqueous phase liquids (Shown in nearby excavation for a water line. Location has a history of overfills of Jet A Fuel)
 Other _____

Prior to this release incident, was this site an LPST site? YES NO
If Yes, provide LPST ID no.: N/A

Comments: Large spill of Jet A Fuel occurred on 11/25/97 (~200 gallons) which filled a drainage ditch. The water line trench was dug a few feet from the drainage ditch.

Region Inspector: Lonnie Silley Date: 01-28-98
Approval (if required): _____ Date: _____

TNRCC-Complete this form when a telephone report of a confirmed release from a regulated storage tank is received. If the site is an LPST site (contamination exceeds action levels or meets another requirement), obtain an LPST ID number and e-mail the completed form to Helen Welch in the RPR Section and fax or mail the form to the Responsible Party (if the RP has not already been notified of the LPST ID number).

* Lone Star Environmental

DBA of *American Environmental Tank Testing, Inc. *

TEST CERTIFICATE

Tank Owner: Cherry Air, Inc.
 Address: 4584 Clair Chennault
 City, State: Addison, TX 75248
 Contact Person: Christine
 Telephone: 972-248-1707
 Site Address: 4584 Clair Chennault
 City, State: Addison, TX 75248
 Test Method: Horner EZY 3
 Test Date: 01/26/98

Tank	Capacity	Product	Tank Result	Line Result	Leak Det. Result
#1	12,000	Jet Fuel	Passed	Passed	NA
#2	12,000	Jet Fuel	Passed	Passed	NA

Remarks: This is to certify that the above tanks and associated piping systems are tight and meet the criteria established by the NFPA pamphlet 329. Suction system: no line leak detector required. Suction system tested under a Horner EZY-3 full system test. Suction piping meets guidelines of section 280.41 (b) (2) of release detection regulations for piping from EPA.

Approval Byron Bolton CA-0372

P.O. Box 152826, Arlington, TX 76015-8826 Tel: 800-738-2600 Fax: 800-426-4406

Corporate Office: 2058 N. Mills #452, Claremont CA 91711



PUBLIC WORKS DEPARTMENT

(972) 450-2871

Post Office Box 144 Addison, Texas 75001
9010

16801 Westgrove

January 28, 1993

Certified Mail No. P 108 409 797

Mr. Sam Stuart
Addison Airport of Texas, Inc.
4505 Claire Chennault
Addison, Texas 75248

Re: Fuel Contamination

Dear Sam:

During the replacement of the cross airport water line we became aware that there may be a significant fuel issue along the south side of the Cherry Air fuel farm and the south end of the 300, 400 and 500 series t-hangers.

During the installation of the water line, we observed free fuel product seeping from the ground into the utility trench. On Monday, January 19, 1998, we saw fuel in several areas on the surface of the ground on the Cherry Air fuel farm and the tract immediately west of the site. Kurt Horn and Zane Ryan were notified and clean-up has started.

We are particularly concerned because the petroleum product can adversely impact the water line and even migrate down the water line bedding, negatively affecting the watershed.

I know you are as concerned as we are regarding the potential impact to the surrounding environment from fuel contamination. We respectfully request that this problem, and any other fuel farm contamination be cleaned up as soon as possible.

We suggest the following action:

1. Removing the fuel contaminated soil near the water line.
2. Remove the source of contamination.
3. Immediate clean-up of all fuel spilled on the surface.
4. Report the spill to the Texas Natural Resource Conservation Commission (TNRCC).
5. Contract with a qualified environmental consultant to prepare an assessment of the horizontal and vertical extent of contamination at the site in accordance with TNRCC rules and regulations. The assessment should include whether ground water has been affected. Prepare and implement a corrective action plan if required by TNRCC.

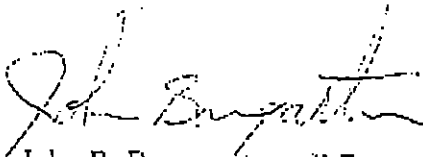
Mr. Sam Stuart
January 28, 1998
Page Two

6. Furnish documentation that all technical deadlines required by Texas Administrative Code (TAC) Chapter 334, pertaining to leak detection and overfill protection, have been met.
7. Furnish the Addison Department of Public Works with a copy of all reports and correspondence regarding this matter.
8. Provide evidence that the fuel farms will conform to the December 1998 petroleum storage tank upgrades, mandated by the TNRCC/EPA.

This letter is your formal notice as required under "Section 4 - Upkeep of third Party Areas and Jet Port" of the "Agreement of Specification and Amendment to the Agreement for Operation of the Addison Airport between the City of Addison, Texas, and Addison Airport, Inc.," and "Section 9. Standards of Operation," "Section 16. Alteration, Construction by Company for Airport Purposes," "Section 21. Applicable Governmental Requirements," "Section 23. Federal Airport Aid," and "Section 29. Events of Default and Remedies of the "Agreement for Operation of the Addison Airport between the City of Addison, Texas and Addison Airport Inc."

I trust we can work together to get this issue resolved quickly. Please call me at 450-2871 if you have any questions or need additional information.

Sincerely,



John R. Baumgartner, P.E.
Director of Public Works

cc: Ken Dippel
Ron Whitehead



ADDISON AIRPORT

February 3, 1998

VIA HAND DELIVERY

Mr. James Donaldson
Mr. John Barbee
d/b/a Addison Aircraft Storage
4584 Claire Chennault
Dallas, Texas 75248

Re: Fuel Contamination

Gentlemen:

Reference is made to a certain Ground Lease made and entered into as of June 17, 1981, between the City of Addison and Addison Airport of Texas, Inc. ("AATI"), as Landlord, and Dunham Oil Tool Company, Inc., as Tenant, which Ground Lease was subsequently assigned to Airport Associates, Ltd., which Ground Lease in turn, by Assignment of Lease made on January 3, 1989, was assigned to James Donaldson and John Barbee d/b/a Addison Aircraft Storage.

Furthermore, reference is made to a certain Ground Lease, commonly known as a Fuel Farm Lease, made and entered into on June 23, 1983, by and among the City of Addison, Texas, and AATI, as Landlord, and Airport Associates, Ltd., as Tenant, which Ground Lease was subsequently assigned to James Donaldson and John Barbee d/b/a Addison Aircraft Storage, by Assignment of Lease made on January 3, 1989.

Pursuant to both Ground Leases, Tenant agreed to comply with all governmental laws, ordinances and regulations applicable to the use of the Demised Premises all at Tenant's sole cost and expense and further agreed to maintain in good repair and condition the Demised Premises and all improvements, fixtures, equipment and personal property on the Demised Premises. Furthermore, Tenant agreed to indemnify and hold AATI harmless for any loss, expense, or claim arising out of damage to property or person on or about the Demised Premises and any adjacent area thereto owned by Landlord.

By letter dated January 28, 1998, the Town of Addison gave written notice to AATI that you were not adhering to the terms and provisions of your Ground Leases regarding the maintenance and condition for your Demised Premises and, in particular, the Town made reference to fuel contamination.

Mr. James Donaldson
Mr. John Barbee
February 3, 1998
Page 2

A true and correct copy of the January 28, 1998 letter is enclosed herein and incorporated by reference.

Demand is hereby made upon Tenant to remedy the deficiencies identified in the Town's written notice of January 28, 1998 to AATI.

Failure of Tenant to comply with any term, condition or covenant of the Ground Leases and the failure to cure such deficiencies within 30 days after written notice to Tenant shall be an event of default by Tenant under the Ground Leases.

In the event of a default, AATI will enforce the terms and provisions of the Ground Leases and pursue its remedies it may have under the Ground Leases or at law or in equity.

If you have any questions about the Town's letter, please contact Mr. John Baumgartner, Director of Public Works, at (972) 450-2871.

We would appreciate your response to AATI regarding this matter within ten (10) days.

Very truly yours,



Sam Stuart
President
Addison Airport of Texas, Inc.

Enc. (January 28, 1998 letter from Town of Addison)

1695202.1

Cherry-Air, Inc.

"Complete Aviation Involvement"

February 12, 1998

Mr. Sam Stuart
President
Addison Airport of Texas, Inc.
4505 Claire Chennault
Dallas, TX 75248

RE: Fuel Contamination

Dear Mr. Stuart:

I am writing in reference to your letter of February 3, 1998, and Mr. John Baumgartner's letter to you dated January 28, 1998, concerning the fuel contamination at our fuel farm.

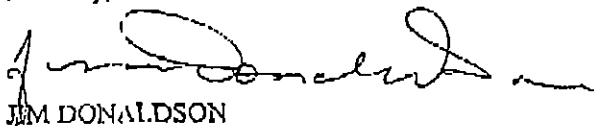
As you are aware, I have been involved with the operation of this fuel farm in excess of 14 years prior to the fuel spill in November.

I want to express my concern over the fuel spill and pledge my commitment in removing the contamination. Action that we have taken to this date is:

1. Removed all fuel from surface of ground.
2. Removed the fuel contaminated soil
3. Contracted to an environmental service to dispose of contaminated soil
4. Contracted to have our tanks pressured tested
5. Contracted to an environmental consultant to investigate and prepare a proposal for corrective action
6. Contacted the TNRCC
7. Reported our procedures and actions to Mr. John Baumgartner and Mr. Neil Gayden with the Town of Addison

I will keep you informed as to our progress in the clean up of this contamination.

Sincerely,



JIM DONALDSON

JD/jmc

RISK BASED ASSESSMENT WORKPLAN

LPST ID No.: 112934
Responsible Party: Addison Aviation/Cherry Air
Facility Name: Cherry Air Fuel Farm
Facility Address: 15405 Addison Rd.
Facility City: Addison
Facility County: Dallas
Facility ID No.: 0050235
TNRCC Region: 04
Case Priority: 4.1

Site Description/History

This site contains two (2) 12,000 gallon USTs which both contain JP 4 aviation fuel. Small transport trucks are filled from these 2 tanks to be used to refuel aircraft on Addison Airport property.

On or around November 24 and 25, 1997, during the delivery of fuel to these two tanks, one of the tanks was overfilled and JP 4 fuel released to the surface. This spill was remediated by the responsible party and approximately 100 yards of soil excavated and disposed of.

On Monday, January 19, 1998, Addison Aviation was informed by the Town of Addison and Addison Airport of Texas, Inc., that they observed possible significant fuel contamination adjacent to the tank area during the replacement of a water line. It was assumed that a second spill had occurred. This spill was remediated by the RP by removing approximately 120 yards of soil, followed by transportation and disposal.

The RP contracted with Lone Star Environmental to test both tanks and lines at this location. The results indicated the system was tight.

The RP was directed by Addison Airport to, among other items, "contract with a qualified environmental consultant to prepare an assessment of the horizontal and vertical extent of contamination".

During our inspection of the site, we observed free product floating on water in an excavation approximately 5-6' deep, southwest of the tank cavity, approximately 60' away.

WORKPLAN

Proposed Activity: 04-1 Risk Based Assessment

Goals of Proposed Activity

1. Determine the vertical and horizontal extent of soil contamination
2. Delineate groundwater contamination
3. Compare findings and results to Plume Delineation Criteria
4. Compare findings and results to the RBA guidelines for possible closure under Plan A

Description of Activities

1. Preliminary Planning

Review Existing Facility Information: List of all facilities (not limited to PST regulated) within 500 feet of the site that could be a source of contaminants will be obtained. Information such as regional geology and hydrogeologic maps will be briefly reviewed. The use of uppermost groundwater zone within a 0.5 mile radius from the LPST site will be identified and evaluated.

Past, current and future land uses of the site will be investigated and described. Based on the current land use, the site and the area will be identified as either commercial, industrial, or residential. Information related to source history such as current and former tank systems, potential sources on and offsite, inventory control records, tank tightness tests and previous onsite assessment work will be obtained and evaluated.

Receptor Survey: A walking field survey within a 500 foot radius of the site and a database search of water well records within a 0.5 mile radius from the site will be conducted to identify potential receptors and exposure pathways.

Conceptual Site Model: Information obtained during the preliminary planning phase, in conjunction with considerations for Plan A and site prioritization, will be used to obtain a three-dimensional representation of the site conditions and an initial Conceptual Site Model (CSM) will be developed. During the investigative process, the CSM will be reevaluated to reflect the actual site conditions.

2. One 10-hour day of direct push sampling will be required to adequately determine lateral delineation of soil contamination. Sampling will begin at the tankhold then radiate outward until soil contamination is no longer observed. Continuous sampling will be performed at each of the sample points and a photo ionization detector will be utilized to field screen samples and aid in the selection of samples to be submitted for laboratory analysis.

A minimum of fifteen soil samples obtained from the temporary sample points will be submitted to the laboratory and analyzed for Total Petroleum Hydrocarbons (TPH), EPA Method 1005, and Benzene, Toluene, Ethyl Benzene and Xylenes (BTEX) by EPA Method 8020. The soil sample exhibiting the greatest TPH concentration will additionally be analyzed for Polynuclear Aromatic Hydrocarbons (PAH) by EPA Method 8270. One soil sample will be obtained and submitted for Soil Parameter Analyses.

Groundwater samples will be obtained from the temporary points, where possible. A maximum of 12 groundwater samples obtained from the temporary sampling points will be submitted for laboratory analysis. Samples will be analyzed for TPH, BTEX and Methyl Tert Butyl Ether (MTBE), EPA Method 8020. The groundwater sample exhibiting the greatest concentration of TPH will additionally be analyzed for PAH by EPA Method 8270.

One upgradient water sample with analysis results below detection limits in all constituents will be analyzed for Total Dissolved Solids (TDS) by EPA Method 160.1.

3. Four monitor wells will be installed to document contaminant migration and groundwater flow. One (1) 4" well will be placed near the fuel cavity. Two (2) 2" wells will be placed in positions down gradient from the cavity. One 2" well will be placed in an upgradient position. Each well will be constructed with PVC casing and installed to an approximate depth of 20'. Groundwater levels encountered during push sampling and during the drilling process will determine the screened interval. The wells will be developed, properly purged, then sampled with disposable bailers. Samples will be submitted to the laboratory and analyzed for TPH, BTEX and MTBE. The groundwater sample exhibiting the greatest concentration of TPH will additionally be analyzed for PAH by EPA Method 8270. Prior to sampling, groundwater level measurements will be obtained for the preparation of a groundwater gradient report. Soil samples from the zone of greatest contamination, immediately above the saturated zone, and from the bottom of the boring of each well will be submitted for laboratory analysis of TPH and BTEX. The soil sample exhibiting the greatest TPH concentration will additionally be analyzed for PAH by EPA Method 8270.

Reporting of Activities

Following the completion of the activities described above, an *Assessment Report* form (TNRCC-0562) will be submitted to TNRCC.

Waste Management

All soil cuttings, development and purge water will be stored in 55-gallon drums prior to transportation and disposal at approved facilities.

Preapproval Request Forms

Based on the ineligibility of this site for reimbursement from the state, no preapproval request form is included.

Assumptions

The proposed workplan and cost estimates are based on the following assumptions:

- The groundwater on site is impacted
- The depth to groundwater will be less than 20 feet below ground surface. A total of up to 20 temporary direct push sampling points and a total of four permanent monitoring wells will be installed. Monitor well placement will be determined by on site conditions derived from push sampling. If the field conditions are such that additional work is required, costs will change appropriately. ***Verbal authorization from the TNRCC case coordinator will be obtained prior to implementing additional work.***

- The field work is assumed to last three days (Monday through Wednesday). The proposed schedule of the field work is itemized as follows:

Day 1: Installation of temporary sampling points

Day 2: Installation of permanent monitoring wells

Day 3: Well development and sampling

- Ten drums of soil cuttings and three drums of development and purge water will require disposal as follows:
 - soil cuttings will be disposed as Class II non-hazardous waste at a landfill approved to accept Class II non-hazardous wastes
 - development and purge water will be sent to a fluids recycling facility

Attachments

Site Map

ADDISON ROAD

APPROXIMATE AREA OF PROPOSED INVESTIGATION

VACANT SOIL COVERED AREA

FENCED STORAGE AREA

GRASS

TAXI WAY

GRASS

HANGAR BUILDING

GATE

WOODEN FENCE

GRAVEL COVERED

12K JP-4 UNDERGROUND TANK

12K JP-4 UNDERGROUND TANK

CHAIN LINK FENCE

SOIL

4'

STORM DRAIN APPX. 1 FOOT DEEP

OPEN EXCAVATION APPX 6 FEET DEEP NAPL ON WATER

DISCHARGE TO SURFACE

SURFACE DRAINAGE AREA

SOIL COVERED

NEW WATER LINE TRENCH

LODGE BUILDING

GRASS

GRASS

APPARENT GRADIENT



DENOTES APPROXIMATE LOCATIONS OF PROPOSED MONITOR WELLS

ENVIRONMENTAL ASSOCIATES, INC.

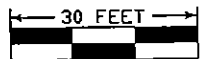


LEAK-TEC CORPORATION

SITE LOCATION : 15405 ADDISON ROAD

MAP TYPE : PROPOSED AREA OF INVESTIGATION

DATE : 2/16/98



C.C. Ron Whitehead 2-13-98
Chris Terry



February 11, 1998

ADDISON AIRPORT

Mr. James Donaldson
Cherry Air
4584 Claire Chennault
Dallas, TX 75248

RE: Fuel Permit

Dear Mr. Donaldson,

Last week we engaged the environmental engineering firm of E.A. Engineering. On Friday, February 6, 1998 during a preliminary visit to the fuel farm area, they observed in the ditch for the new water line that runs next to your fuel farm, fuel or what they call phase separated hydrocarbons. As you know, you have had two fuel spills recently in this area. E.A. has suggested that per the TNRCC guidelines, you must remove this separated fuel when it is first observed.

The Addison Fire Department enforces the fueling guidelines including spills such as this. You may have had conversations with them or the TNRCC concerning this immediate cleanup issue. If not, please get with them as soon as possible for their guidance. To that end, this letter will be forwarded to the fire chief for his records. Your cleanup contractor should coordinate their work through the fire department and the TNRCC. Please let us know promptly about the steps you are taking to resolve this. Zane/We will visit with you within the next few days to see how this matter is progressing.

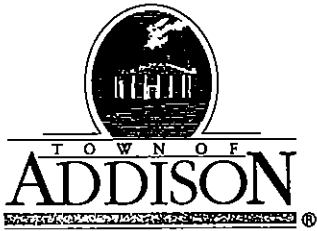
Sincerely,

A handwritten signature in black ink, appearing to read 'Sam Stuart', with a long horizontal line extending to the right.

Sam Stuart
President
Addison Airport of Texas, Inc.

C: Bob Wallingford - Fire Chief
John Baumgartner - Director of Public Works

BCC: David Moran
Tracey Lindeen



Post Office Box 9010 Addison, Texas 75001-9010

5300 Belt Line Road

(972) 450-7000
FAX (972) 450-7043

February 9, 1998

Mr. Sam Stuart
Addison Airport of Texas, Inc.
4505 Claire Chennault
Addison, Texas 75248

Dear Sam:

I felt it was important to follow up in writing regarding our conversation on February 6, 1998. The letter dated January 28, 1998 regarding fuel contamination was intended to solely address the situation regarding Cherry Air.

Please call me if you have any questions or need additional information.

Sincerely,

John Baumgartner
Director of Public Works

cc: Ken Dippel
Ron Whitehead



ADDISON AIRPORT

February 9, 1998

Mr. John Baumgartner
Public Works Department
P.O. Box 144
Addison, TX 75001

RE: Your January 28, 1998 Letter

Dear John,

As we discussed on Friday, AATI is prepared to notify all tenants who lease fuel farms or who have fuel permits about the matters and demands set forth in your January 28, 1998 letter.

As you know, we have previously made written demand upon tenant James Donaldson about the "Cherry Air" fuel spill. We are prepared to do the same with respect to other tenants of the Airport who lease fuel farms.

However, as we agreed, the Town is in agreement to provide an additional 60 days to AATI to analyze the issues raised in your letter and to develop a response to the issues mentioned.

Accordingly, please sign below acknowledging the Town's agreement that AATI has an additional 60 days from today to address the issues set forth in your letter.

I appreciate your courtesy and cooperation. I look forward to working positively with you on this topic.

Very Truly Yours,

Sam Stuart
President

AGREED:
Town of Addison

BY: _____
John Baumgartner

Copies: ^{Ken Dippel} Ron Whitehead
Chris Terry
2-6-98
Mike Murphy
2-6-98



ADDISON AIRPORT

February 5, 1998

Mr. John Baumgartner
Public Works Department
P.O. Box 144
Addison, TX 75001

RE: Your January 28, 1998 Letter

Dear John,

Pursuant to Section 4 of the 1990 Agreement between the Town and AATI, AATI has made written demand upon the third party with respect to the fuel contamination mentioned in your January 28, 1998 letter.

Enclosed is a copy of AATI's letter of February 3, 1998.

Very Truly Yours,



Sam Stuart

Enclosure



ADDISON AIRPORT

February 3, 1998

VIA HAND DELIVERY

Cherry Air, Inc.
4584 Claire Chennault
Dallas, Texas 75248

Re: Fuel Contamination

Gentleman:

Reference is made to the enclosed letter dated February 3, 1998, and the January 28, 1998 letter from the Town of Addison that is enclosed herein.

Further reference is made to a certain Addison Airport Nonpublic Aircraft Fuels Dispensing Permit executed on June 17, 1991 by Cherry Air, Inc.

Pursuant to that Permit, Cherry Air, Inc. covenanted and agreed to indemnify, hold harmless and defend Addison Airport of Texas, Inc., their officers, agents, servants, and employees from and against any and all claims for damages or injury to property or persons arising out of or incident to the use of the Permit and occupancy of the premises by Cherry Air, Inc. and its employees, patrons, contractors and subcontractors.

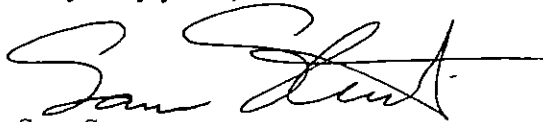
Demand is hereby made by AATI and its officers, agents, servants and employees that you indemnify and hold them harmless for the deficiencies set forth in the Town's letter of January 28, 1998. Further demand is made for you to timely remedy such deficiencies set forth in the Town's letter.

Accordingly, demand is made that you provide notice of this claim to your property damage insurer.

Cherry Air, Inc.
February 3, 1998
Page 2

We look forward to your written acceptance of your obligations pursuant to the indemnity provisions of the Permit.

Very truly yours,

A handwritten signature in black ink, appearing to read "Sam Stuart", with a long horizontal flourish extending to the right.

Sam Stuart
President
Addison Airport of Texas, Inc.

Enc. (February 3, 1998 letter with enclosure of the Town's January 28, 1998 letter).

1695317.1



ADDISON AIRPORT

February 3, 1998

VIA HAND DELIVERY

Mr. James Donaldson
Mr. John Barbee
d/b/a Addison Aircraft Storage
4584 Claire Chennault
Dallas, Texas 75248

Re: Fuel Contamination

Gentlemen:

Reference is made to a certain Ground Lease made and entered into as of June 17, 1981, between the City of Addison and Addison Airport of Texas, Inc. ("AATI"), as Landlord, and Dunham Oil Tool Company, Inc., as Tenant, which Ground Lease was subsequently assigned to Airport Associates, Ltd., which Ground Lease in turn, by Assignment of Lease made on January 3, 1989, was assigned to James Donaldson and John Barbee d/b/a Addison Aircraft Storage.

Furthermore, reference is made to a certain Ground Lease, commonly known as a Fuel Farm Lease, made and entered into on June 23, 1983, by and among the City of Addison, Texas, and AATI, as Landlord, and Airport Associates, Ltd., as Tenant, which Ground Lease was subsequently assigned to James Donaldson and John Barbee d/b/a Addison Aircraft Storage, by Assignment of Lease made on January 3, 1989.

Pursuant to both Ground Leases, Tenant agreed to comply with all governmental laws, ordinances and regulations applicable to the use of the Demised Premises all at Tenant's sole cost and expense and further agreed to maintain in good repair and condition the Demised Premises and all improvements, fixtures, equipment and personal property on the Demised Premises. Furthermore, Tenant agreed to indemnify and hold AATI harmless for any loss, expense, or claim arising out of damage to property or person on or about the Demised Premises and any adjacent area thereto owned by Landlord.

By letter dated January 28, 1998, the Town of Addison gave written notice to AATI that you were not adhering to the terms and provisions of your Ground Leases regarding the maintenance and condition for your Demised Premises and, in particular, the Town made reference to fuel contamination.

Mr. James Donaldson
Mr. John Barbee
February 3, 1998
Page 2

A true and correct copy of the January 28, 1998 letter is enclosed herein and incorporated by reference.

Demand is hereby made upon Tenant to remedy the deficiencies identified in the Town's written notice of January 28, 1998 to AATI.

Failure of Tenant to comply with any term, condition or covenant of the Ground Leases and the failure to cure such deficiencies within 30 days after written notice to Tenant shall be an event of default by Tenant under the Ground Leases.

In the event of a default, AATI will enforce the terms and provisions of the Ground Leases and pursue its remedies it may have under the Ground Leases or at law or in equity.

If you have any questions about the Town's letter, please contact Mr. John Baumgartner, Director of Public Works, at (972) 450-2871.

We would appreciate your response to AATI regarding this matter within ten (10) days.

Very truly yours,

A handwritten signature in black ink, appearing to read "Sam Stuart", with a long horizontal flourish extending to the right.

Sam Stuart
President
Addison Airport of Texas, Inc.

Enc. (January 28, 1998 letter from Town of Addison)

Fold at line over top of envelope to

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Mr. Sam Stuart
Addison Airport of Texas
P.O. Box 34067
Dallas TX 75234

4a. Article Number

P 108 409 796

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-97-8-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
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- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Mr. Sam Stuart
Addison Airport of Texas
4505 Claire Chernault
Addison TX 75248

4a. Article Number

P 108 409 797

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

2/3/98

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X Sam Stuart

8. Addressee's Address (Only if requested and fee is paid)

Form 3811, December 1994

102595-97-8-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.



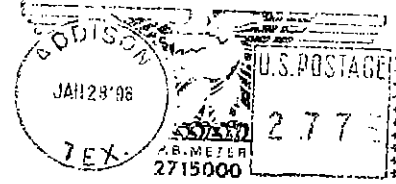
PUBLIC WORKS DEPARTMENT
P.O. Box 144
Addison, Texas 75001

the right of the return address

CERTIFIED

P 108 409 796

MAIL



Mr. Sam Stuart
Addison Airport of Texas, Inc.
P.O. Box 34067
Dallas TX 75234

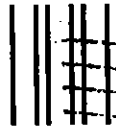
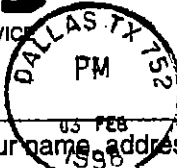
USA



75001/0144



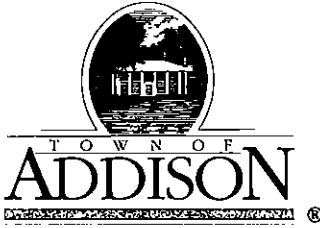
UNITED STATES POSTAL SERVICE



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

• Print your name, address, and ZIP Code in this box •

Town of Addison - Public Works
P.O. Box 144
Addison TX 75001



FIRE DEPARTMENT

(972) 450-7200 FAX (972) 450-7208

Post Office Box 144 Addison, Texas 75001

4798 Airport Parkway

Memorandum

To: John Baumgartner P.E., Director of Public Works

From: Gordon C. Robbins, Deputy Fire Chief

Date: Friday, January 30, 1998

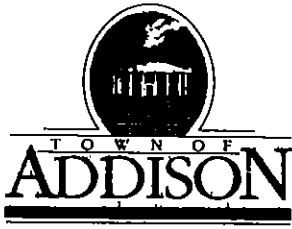
Re: Fire inspection of Cherry Air

John:

Attached are the inspection reports from our most recent inspection of Cherry Air's fueler and facilities. As you can see, they are substantially in compliance with applicable ordinances; the only exception being worn rear tires on the fueler truck.

If you have any questions please contact me at extension 7220.

Copy: file



AIRCRAFT REFUELER

DAILY INSPECTION

As required by the Aircraft Fuels Dispensing Permits granted by the City of Addison, an inspection of each aircraft refueler vehicle must be performed daily by the permittee with a copy of each inspection form maintained on file for review by the fire department upon request.

The purpose of this inspection checklist is to help insure reasonable minimum fire safety in the operation of aircraft refueler vehicles during ground fuel servicing of aircraft. These requirements are based upon sound engineering principles and field experience as established by the National Fire Protection Association, Standard 407, and the Uniform Fire Code and Standards.

COMPANY NAME CHERRY AIR ADDRESS 4584 CLAIRE CHENAULT
VEHICLE IDENTIFICATION _____ VEHICLE MAKE/MODEL DODGE
TYPE OF FUEL JET CAPACITY 3000 GAL.

Y N

- Is vehicle free of accumulations of grease, oil or other combustibles?
- Is vehicle conspicuously and legibly marked: "FLAMMABLE," "AVIATION GASOLINE," "JET-A" or other type fuel in cargo tank?
- Is a "NO SMOKING" sign posted in the cab and are "NO SMOKING" signs visible from all sides of the vehicle?
- Are emergency shut-off controls clearly marked?

Fire Extinguishers:

- Do both have current inspection tags?
- Are both properly charged?
- Are both sealed?
- Are discharge hoses and nozzles free of obstructions?
- Is vehicle exhaust system in good repair?
- Is vehicle engine air intake equipped with an air filter or other flame arrester?
- Do any vehicle engine fuel connections leak?
- Are vehicle tires in good repair and properly inflated?*
- Are vehicle brakes working properly?
- Are bonding/grounding cables in good repair?
- Do the fuel dispensing hoses have any significant blistering, cuts, saturation or abrasions exposing reinforcement material?
- Do any fuel dispensing connections leak?
- Is PTO/Brake Interlock system functioning properly?

COMMENTS: 4 REAR TIRES NEED REPLACING

Inspected by: MEYER 2540

Date: 1-29-98

Copies - Kurt - fax
Mike Murphy
Jim Pierce
Hardy Thompson



PUBLIC WORKS DEPARTMENT

Post Office Box 144 Addison, Texas 75001

(972) 450-2871

16801 Westgrove

January 28, 1998

Certified Mail No. P 108 409 796

Mr. Sam Stuart
Addison Airport of Texas, Inc.
4505 Claire Chennault
Addison, Texas 75248

Re: Fuel Contamination

Dear Sam:

During the replacement of the cross airport water line we became aware that there may be a significant fuel issue along the south side of the Cherry Air fuel farm and the south end of the 300, 400 and 500 series t-hangars.

During the installation of the water line, we observed free fuel product seeping from the ground into the utility trench. On Monday, January 19, 1998, we saw fuel in several areas on the surface of the ground on the Cherry Air fuel farm and the tract immediately west of the site. Kurt Horn and Zane Ryan were notified and clean-up has started.

We are particularly concerned because the petroleum product can adversely impact the water line and even migrate down the water line bedding, negatively affecting the watershed.

I know you are as concerned as we are regarding the potential impact to the surrounding environment from fuel contamination. We respectfully request that this problem, and any other fuel farm contamination be cleaned up as soon as possible.

We suggest the following action:

1. Removing the fuel contaminated soil near the water line.
2. Remove the source of contamination.
3. Immediate clean-up of all fuel spilled on the surface.
4. Report the spill to the Texas Natural Resource Conservation Commission (TNRCC).
5. Contract with a qualified environmental consultant to prepare an assessment of the horizontal and vertical extent of contamination at the site in accordance with TNRCC rules and regulations. The assessment should include whether ground water has been affected. Prepare and implement a corrective action plan if required by TNRCC.

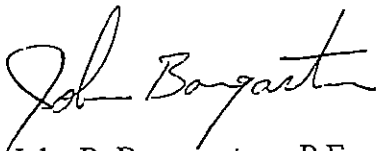
Mr. Sam Stuart
January 28, 1998
Page Two

6. Furnish documentation that all technical deadlines required by Texas Administrative Code (TAC) Chapter 334, pertaining to leak detection and overfill protection, have been met.
7. Furnish the Addison Department of Public Works with a copy of all reports and correspondence regarding this matter.
8. Provide evidence that the fuel farms will conform to the December 1998 petroleum storage tank upgrades, mandated by the TNRCC/EPA.

This letter is your formal notice as required under "Section 4 - Upkeep of third Party Areas and Jet Port" of the "Agreement of Specification and Amendment to the Agreement for Operation of the Addison Airport between the City of Addison, Texas, and Addison Airport, Inc.," and "Section 9. Standards of Operation," "Section 16. Alteration, Construction by Company for Airport Purposes," "Section 21. Applicable Governmental Requirements," "Section 23. Federal Airport Aid," and "Section 29. Events of Default and Remedies of the "Agreement for Operation of the Addison Airport between the City of Addison, Texas and Addison Airport Inc."

I trust we can work together to get this issue resolved quickly. Please call me at 450-2871 if you have any questions or need additional information.

Sincerely,



John R. Baumgartner, P.E.
Director of Public Works

cc: Ken Dippel
Ron Whitehead