

Addison Airport - TNRCC Leaking Petroleum Tank

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**Oxford**

NO. 753 1/3

Barry R. McBee, *Chairman*  
R. B. "Ralph" Marquez, *Commissioner*  
John M. Baker, *Commissioner*  
Jeffrey A. Saitas, *Executive Director*



## TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

*Protecting Texas by Reducing and Preventing Pollution*

August 31, 1998

Mr. Ray Stern  
R. Stern F.B.O Limited Partnership  
4553 Keller Springs Road - Suite 2  
Dallas, Texas 75248

Re: Leaking Petroleum Storage Tank (LPST) Case Closure of Subsurface Release of Petroleum Hydrocarbons at the R. Stern F.B.O Fuel Farm 15411 Addison Road, Addison, (Dallas County), Texas. (LPST ID No. 110033, FAC ID - 0044612) - Priority 4.2

Dear Mr. Stern:

This letter confirms the completion of corrective action requirements for the release incident at the above-referenced facility. Based upon the submitted information and with the provision that the documentation provided to this agency was accurate and representative of site conditions, we determined that the site has met closure requirements. No further corrective action will be necessary.

Although contaminant concentrations were reported above TNRCC Screening Levels, the following criteria were used as justification for site closure:

- The analytical results indicated that the concentrations of the contaminants of concern (COCs) are below the commercial/industrial health based target soil concentrations.
- The site is currently being used as a fueling facility and the future use is expected to remain commercial.

For any subsequent release from an underground or aboveground storage tank at this site, the deductible will be increased in accordance with Section 26.3512 of the Texas Water Code. Please note that financial assurance must be maintained for all operational storage tanks at this site.

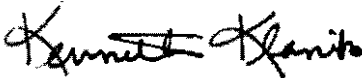
If there are to be any monitor well plugging or other necessary site restoration activities to complete site closure, complete a *Final Site Closure Report* and submit the report to both the local TNRCC Regional Field Office and to the Central Office in Austin to document actual site closure. For sites which are eligible for reimbursement through the Petroleum Storage Tank Remediation Fund, written preapproval should be obtained prior to initiation of site closure activities. Reimbursement claims for activities that are not preapproved will not be paid until all claims for preapproved work are processed and paid.

Mr. Ray Stern  
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Please note that the *Final Site Closure Report*, if necessary, will be the last submittal associated with this case. This letter signifies the completion of corrective action associated with the release. No subsequent TNRCC correspondence will be issued in response to the *Final Site Closure Report*.

All correspondence must include the LPST ID Number and submitted to both the local TNRCC Regional Field Office and the Central Office in Austin. Should you have any questions, please contact me or Mr. Sam Voore of my staff at 512/239-2200. **Please reference the LPST ID Number when making inquiries.** Your cooperation in this matter has been appreciated.

Sincerely,



Kenneth Klanika  
Acting Team Leader, Team I  
PST Responsible Party Remediation Section  
Remediation Division

SKV/mel  
110033.fnn

cc: Mr. Sam Barrett, TNRCC Region 4 Field Office, 817/469-6750  
1101 East Arkansas Lane, Arlington, Texas 76010-6499

## LEASE AGREEMENT

This Lease Agreement ("Lease") is made and entered into as of the 11th day of September, 1998 by and between Landlord and Tenant.

### WITNESSETH:

1. Definitions and Basic Provisions. The following definitions and basic provisions shall be used in conjunction with and limited by the reference thereto in the provisions of this Lease:

(a) "Landlord":

Addison Airport of Texas, Inc.  
4505 Claire Chennault  
Dallas, Texas 75248

(b) "Town":

Town of Addison  
16801 Westgrove Road  
Addison, Texas 75001-0144

(c) "Tenant":

R. Stern F.B.O. Limited Partnership  
4553 Keller Springs Road  
Dallas, Texas 75248

(d) "Premises":

Nine fuel tanks located at 15411 Addison Road on Addison Airport, Addison, Texas (the "Airport"), designated as tanks #1, #2, #3 and #4 more particularly described on Exhibit "A" attached hereto (the "Tanks"), together with all improvements located thereon (the "Fuel Farm Facility").

(e) "Lease Term":

Commencing on the 15<sup>th</sup> day of September, 1998 (the "Commencement Date") and ending on the 31st day of December, 2000.

(f) "Basic Rental":

Tenant agrees to pay Landlord, without notice, demand, offset or deduction, rental for the Premises at the rate of Four Thousand Dollars and No/100 (\$4000.00) per month in advance. Basic Rental has been determined by Landlord as described on Exhibit "B" attached hereto. The first of such instalments shall be due and payable on or before the Commencement Date, and a like installment shall be due on or before the first day of each calendar month thereafter during the term hereof. If payments of the monthly installments of rental due under this Lease are made late (after the 10th day of the month) more than once in any three (3) month period, Tenant, upon the delivery of written notice to Tenant by Landlord therefor (the "Additional Deposit Notice"), shall be required to pay to Landlord an amount equal to the then current monthly rental installment (the "Additional Deposit") to be held and applied by Landlord as an addition to the security deposit which was deposited with Landlord upon Tenant's execution of this Lease pursuant to subparagraph (h) of this paragraph. If Tenant does not deliver the Additional Deposit to Landlord within ten (10) days after the delivery of the Additional Deposit Notice, such failure shall be an event of default under this Lease.

(g) "Permitted Uses":

Receiving, storage and dispensing of aviation fuels in accordance with all applicable governmental requirements and all Applicable Environmental Laws.

(h) "Security Deposit":

Tenant has deposited with Landlord, upon Tenant's execution of this Lease, \$4000.00 to be held by Landlord as a security deposit. Such security deposit shall be held by Landlord without interest as security for the performance by Tenant of Tenants covenants and obligations under this Lease. The security deposit is not an advance payment of rental or a measure of liquidated damages in case of default by Tenant. Upon the occurrence of any event of default, Landlord may, from time to time, without prejudice to any other remedy provided herein or provided by law use the security deposit to the extent necessary to make good any arrearages of rental and any other damage, injury,

expense or liability caused to Landlord by such event of default. Following any such application of the security deposit, Tenant shall pay to Landlord, on demand, the amount so applied in order to restore the security deposit to its original amount. If Tenant is not then in default hereunder, any remaining balance of such security deposit shall be returned by Landlord to Tenant upon the expiration or termination of this Lease.

(i) "Prior Lease":

Previously Landlord has leased the Premises to Tenant under a prior lease (the "Prior Lease") which has expired before the Commencement Date. Tenant hereby acknowledges and agrees that ownership of all improvements and fixtures located upon the Premises, including, without limitation, the Tanks, have vested in the Town upon the expiration of the Prior Lease.

(j) "Existing Contamination/Remediation":

Tenant acknowledges and agrees that any Contaminants (herein defined) existing at the Premises on the date of this Lease arose from Tenant's operations at the Premises prior to the Commencement Date (any such Contaminants, "Existing Contamination"). Tenant agrees that Tenant at Tenant's sole cost and expense is responsible for the remediation of the Existing Contamination in compliance with the requirements of all Applicable Environmental Laws (hereinafter defined). Promptly after the Commencement Date, Tenant agrees to commence or to continue (if already commenced) all actions necessary to remediate all Existing Contamination and any and all other Contaminants hereafter existing at the Premises so that the Premises is brought into and thereafter is maintained in compliance with all Applicable Environmental Laws. Tenant expressly acknowledges and agrees that all claims, demands, causes of action, losses, damages, liabilities, costs and expenses (including attorney's fees and court costs) pertaining to the Existing Contamination and/or the remediation thereof are covered by the indemnity and hold harmless contained in subparagraph (d) of Paragraph 5.

(k) "As is, Where is, With All Faults":

AS A MATERIAL INDUCEMENT TO LANDLORD TO ENTER INTO THIS LEASE, TENANT HEREBY EXPRESSLY ACKNOWLEDGES AND AGREES THAT TENANT IS FULLY AWARE OF THE CONDITION OF THE TANKS AND THE FUEL FARM FACILITY, IN PARTICULAR, AND THE PREMISES, IN GENERAL, AND THAT TENANT HAS AND HEREBY ACKNOWLEDGES THAT TENANT DOES ACCEPT THE TANKS, THE FUEL FARM FACILITY, AND THE PREMISES IN "AS IS, WHERE IS WITH ALL FAULTS," CONDITION. LANDLORD FURTHER DISCLAIMS ALL WARRANTIES, REPRESENTATIONS AND COVENANTS, ORAL OR WRITTEN, EXPRESS OR IMPLIED, CONCERNING THE TANKS, THE FUEL FARM FACILITY AND THE PREMISES OTHER THAN THOSE EXPRESSLY SET FORTH IN THIS LEASE. AS A MATERIAL INDUCEMENT TO LANDLORD TO ENTER INTO THIS LEASE, TENANT HEREBY ACKNOWLEDGES THAT TENANT IS NOT ENTITLED TO AND TENANT HAS NOT RELIED UPON ANY WARRANTY, REPRESENTATION OR COVENANT OF LANDLORD, ORAL OR WRITTEN, EXPRESS OR IMPLIED, IN CONNECTION WITH THE TANKS, THE FUEL FARM FACILITY OR THE PREMISES OTHER THAN THOSE EXPRESSLY SET FORTH IN THIS LEASE.

(l) "Base Lease":

Landlord rights to the Premises arise under and pursuant to the operating agreement between the Town and Landlord which covers the Airport (the "Base Lease").

2. Lease Grant. Landlord, in consideration of the rent to be paid and the other covenants and agreements to be performed by Tenant and upon the terms and conditions hereinafter stated, does hereby lease, demise and let unto Tenant the Premises commencing on the Commencement Date and ending on the last day of the Lease Term, unless sooner terminated as herein provided. By occupying the Premises, Tenant shall be deemed to have accepted the same as suitable for the purposes herein intended and to have acknowledged that the same comply fully with Landlord's covenants and obligations.

3. Adjustment of Rental. Commencing on the first anniversary of the Commencement Date and on every anniversary of the Commencement Date thereafter (each such anniversary, an "Adjustment Date"), the Basic Rental due under subparagraph (f) of paragraph 1 shall be adjusted as follows:

- (a) A comparison shall be made between the Consumer Price Index (All Urban Consumers) for the Dallas, Texas Metropolitan Area published by the United States Department of Labor, Bureau of Labor Statistics (hereinafter referred to as the "Price Index"), as it

existed on the Commencement Date and as it exists on the first day of the calendar month preceding the then applicable Adjustment Date.

- (b) The monthly Basic Rental for the one year period beginning with and following the then applicable Adjustment Date shall be either increased or decreased, as the case may be, by the percentage of increase or decrease in the Price Index between the Commencement Date and the then applicable Adjustment Date, but in no event shall such monthly Basic Rental ever be decreased below the Basic Rental set forth in subparagraph (f) of paragraph 1.
- (c) In the event that the Price Index is unavailable for whatever reason for the computations set forth hereinabove, another index selected by Landlord approximating the Price Index as closely as feasible shall be substituted therefor.

4. Landlord's and Tenant's Responsibilities.

- (a) Landlord shall perform all of Landlord's obligations under the Base Lease except that Tenant shall be responsible for performance of any obligations contained in the Base Lease pertaining to the Premises.
- (b) Tenant shall be responsible for all other obligations concerning the Premises, including, but not limited to, the following:
  - (i) Tenant shall be responsible for all utility deposits and payments, including, but not limited to, electricity, telephone, water and gas for utilities supplied to the Premises.
  - (ii) Tenant shall comply with all rules and regulations promulgated by any governmental authority relating to the Premises, including without limitation, the rules and regulations of the Airport concerning conduct of Tenant's business at the Airport, and tank upgrades and compliance regulations.
  - (iii) Tenant shall not alter the Premises in any way or make improvements to the Premises without Landlord's prior written consent. Tenant shall not place or erect any signs at the Premises without Landlord's prior written consent.
  - (iv) Tenant shall be responsible for all "make-ready" and "start-up" expenses in putting the Premises in operation or continuing the Premises in operation.
  - (v) Tenant shall maintain the Premises and all equipment used in connection with the Premises in good repair and condition, including making all necessary replacements and upgrades (including replacements and upgrades required by Applicable Environmental Laws), and upon the expiration of this Lease Term or any earlier termination of this Lease or repossession of the Premises by Landlord because of Tenant's default under this Lease, Tenant shall be required to deliver the Premises to Landlord in good repair and condition with all equipment in operating condition and in compliance with all Applicable Environmental Laws. All replacements and upgrades of equipment shall become the property of the Town upon the expiration or termination of this Lease and may not be removed from the Premises by Tenant. Tenant further agrees that upon the expiration or termination of this Lease Tenant will deliver the Premises to Landlord in the condition required by all Applicable Environmental Laws.
- (c) Tenant shall, during the term hereof, maintain at Tenant's sole cost and expense insurance relating to the Premises as follows:
  - (i) Property insurance providing coverage on an all risks basis in an amount adequate to cover the replacement value of all personal property, fixtures, equipment and improvements located at, upon or under the Premises.
  - (ii) Commercial general liability insurance, including broad form contractual coverage, for bodily injury, death and property damage relating to the Premises on an occurrence basis with a minimum single limit of \$1,000,000.
  - (iii) Pollution liability insurance against claims of bodily injury, property damage and clean up costs arising or resulting from spills, overflows, leaks or releases of petroleum products upon, in, under or from the Premises or other environmental incidents occurring at the Premises with such insurance to afford protection of not less than \$1,000,000.
  - (iv) Worker's compensation insurance covering all persons employed by Tenant in connection with any work done on or about the Premises or, in lieu of such workman's compensation insurance, a program of self-insurance complying with all rules, regulations and requirements of the State of Texas.

All such policies of Insurance (i) shall be issued by insurance companies acceptable to Landlord, (ii) shall contain deductibles, exclusions and waivers of subrogation acceptable to Landlord, (iii) shall name Landlord and the Town as an additional insured or loss payee, as the case may be, and (iv) shall provide for at least ten (10) days written notice to Landlord and the Town prior to cancellation, modification or non-renewal. Tenant shall provide Landlord with duplicate originals of all insurance policies required by this subparagraph.

- (d) Tenant shall, during the term hereof, maintain in effect at Tenant's sole cost and expense an aircraft fuels dispensing permit issued by the Town and all other governmental permits, licenses or approvals required in connection with the use and operation of the Premises. Failure of Tenant to obtain or maintain all governmental permits, licenses or approvals necessary for the use and operation of the Premises shall not excuse Tenant from the payment and performance of Tenant's duties and obligations under this Lease, including the obligation to pay rental.
- (e) During the term of this Lease, Tenant shall pay prior to delinquency all taxes and assessments levied or assessed against the Premises and/or the fixtures, equipment, improvements and personal property comprising a part of or located upon the Premises, and if applicable, upon the leasehold estate created by this Lease. Tenant also shall pay prior to delinquency all taxes and other governmental fees or charges levied or assessed upon or applicable to Tenant's operations at the Premises. Upon the request of Landlord, Tenant shall furnish Landlord with evidence that Tenant has paid any and all such taxes, assessments, fees or charges prior to delinquency.

5. Environmental.

- (a) As used in this Lease, "Applicable Environmental Laws" means and includes any and all federal, state, or local (including, without limitation, the Town) environmental, health and/or safety-related laws, regulations, standards, court decisions, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant or the Premises. As used in this Lease, "Contaminants" means any hazardous substance, hazardous waste, hazardous material, extremely hazardous substance, toxic substance, toxic pollutant or contaminant prohibited, requiring special handling, requiring remediation or otherwise dealt with under any Applicable Environmental Laws, including any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including without limitation, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or may become in the future listed, defined or regulated in any manner by any Applicable Environmental Laws based upon, directly or indirectly, such properties or effects.
- (b) The Tanks are owned by the Town and leased to Tenant pursuant to this Lease. Tenant shall be responsible for: (i) the maintenance, repair and replacement of the Tanks; (ii) leaks or discharges of aviation fuel or other substances from the Tanks; and (iii) compliance of the Tanks, the Premises and the Fuel Farm Facility with all Applicable Environmental Laws. Tenant shall be responsible for any additions or upgrades necessary to the Premises (including the Tanks) in order for the Premises to be in compliance with all Applicable Environmental Laws. If the Tanks are damaged or if leaks, or discharges of aviation fuel or other substances from the Tanks are caused by the misuse, misconduct, or negligence of Tenant or of Tenant's directors, officers, partners, principals, employees, agents, contractors, representatives, guests, customers or invitees, Tenant shall reimburse Landlord for all losses, costs, expenses or damages sustained in connection with the repair or replacement of the Tanks or in connection with the remediation of the leaks, discharge of aviation fuel or other substances from the Tanks, including, but not limited to, damages to the Premises, Fuel Farm Facility or any other property.
- (c) Tenant shall not suffer, permit, allow or cause the Premises to be in violation of, or do anything or permit anything to be done which will subject the Premises to any remedial obligations under any Applicable Environmental Laws assuming disclosure to the applicable governmental authorities of all relevant facts, conditions and circumstances pertaining to the Premises and will promptly notify Landlord in writing of any existing, pending or threatened investigation or inquiry by any governmental authority in connection with any Applicable Environmental Laws. "Tenant" for the purpose of this sub-paragraph shall include Tenant and Tenant's directors, officers, partners, principals, employees, agents, contractors, representatives, guests, customers or invitees. Tenant shall obtain any permits, licenses or similar authorizations required or necessary to construct, occupy, operate or use any buildings, improvements, fixtures and equipment

forming a part of the Premises by reason of any Applicable Environmental Laws. Tenant will not use or permit the use of the Premises in a manner which will result in the disposal or other release of any Contaminants on the Premises or onto neighboring premises. Tenant shall be permitted to store on the Premises aviation fuel in accordance with all Applicable Environmental Laws. In the event Tenant fails to comply with or perform any of the foregoing covenants and obligations, after notice to Tenant as provided in subparagraph (b) of paragraph 14, Landlord may declare an event of default under paragraph 14 and exercise any and all rights or remedies hereunder and undertake all actions necessary to remediate and remove from the Premises (and any neighboring premises) any release, emission or discharge of Contaminants (or if remediation or removal is prohibited by law, to take whatever action is required by law) and the cost of the remediation or removal or such other action shall be a demand obligation owing by Tenant to Landlord pursuant to this Lease and shall be subject to and covered by the provisions of paragraph 7. Upon Landlord's request, at any time and from time to time, Tenant will permit at Landlord's expense an inspection or audit of the Premises by an engineering or consulting firm selected by Landlord, to confirm the presence or absence of Contaminants on the Premises.

(d) **TENANT HEREBY AGREES TO INDEMNIFY AND HOLD LANDLORD (FOR PURPOSES OF THIS SUBPARAGRAPH, REFERENCES TO LANDLORD SHALL INCLUDE LANDLORD'S ELECTED OFFICIALS, DIRECTORS, EMPLOYEES, OFFICERS, CONTRACTORS AND AGENTS AND ANY PERSONS OR ENTITIES OWNED OR CONTROLLED BY OR AFFILIATED WITH THEM) HARMLESS FROM AND AGAINST, AND TO REIMBURSE LANDLORD WITH RESPECT TO, ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION, LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES (INCLUDING ATTORNEY'S FEES AND COURT COSTS) OF ANY AND EVERY KIND AND CHARACTER, KNOWN OR UNKNOWN, FIXED OR CONTINGENT, ASSERTED AGAINST OR INCURRED BY LANDLORD AT ANY TIME AND FROM TIME TO TIME BY REASON OF, IN CONNECTION WITH OR ARISING OUT OF (I) THE BREACH OF ANY COVENANT OR AGREEMENT OF TENANT CONTAINED IN THIS PARAGRAPH REGARDING APPLICABLE ENVIRONMENTAL LAWS, (II) THE FAILURE OF TENANT TO PERFORM ANY OBLIGATION REQUIRED TO BE PERFORMED BY TENANT REGARDING APPLICABLE ENVIRONMENTAL LAWS, (III) ANY VIOLATION BY TENANT OF ANY APPLICABLE ENVIRONMENTAL LAWS WITH RESPECT TO THE PREMISES, (IV) ANY ACT, OMISSION, EVENT OR CIRCUMSTANCE EXISTING OR OCCURRING PRIOR TO THE RELEASE DATE RESULTING IN THE PRESENCE OF A DISCHARGE ON THE PREMISES OR RELEASE FROM THE PREMISES OF CONTAMINANTS, REGARDLESS OF WHETHER THE ACT, OMISSION, EVENT OR CIRCUMSTANCE CONSTITUTED A VIOLATION OF ANY APPLICABLE ENVIRONMENTAL LAWS AT THE TIME OF ITS EXISTENCE OR OCCURRENCE, AND (V) ANY AND ALL CLAIMS OR PROCEEDINGS (WHETHER BROUGHT BY PRIVATE PARTY OR GOVERNMENTAL AGENCIES) FOR BODILY INJURY, PROPERTY DAMAGE, ABATEMENT OR REMEDIATION, ENVIRONMENTAL DAMAGE OR IMPAIRMENT OR ANY OTHER INJURY OR DAMAGE RESULTING FROM OR RELATING TO ANY CONTAMINANTS LOCATED UPON OR MIGRATING INTO, FROM OR THROUGH THE PREMISES OR ONTO NEIGHBORING PREMISES, CAUSED BY TENANT (WHETHER OR NOT THE ALLEGED LIABILITY IS ATTRIBUTABLE TO THE HANDLING, STORAGE, GENERATION, TRANSPORTATION OR DISPOSAL OF SUCH SUBSTANCE OR THE MERE PRESENCE OF CONTAMINANTS ON THE PREMISES), WHICH LANDLORD MAY INCUR. THE FOREGOING INDEMNITY SHALL APPLY WITH RESPECT TO MATTERS CAUSED BY OR ARISING FROM THE NEGLIGENCE OF LANDLORD, BUT SHALL NOT APPLY SO AS TO INDEMNIFY LANDLORD AGAINST MATTERS CAUSED BY OR ARISING FROM LANDLORD'S OWN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. THE "RELEASE DATE" AS USED HEREIN SHALL MEAN THE DATE TENANT IS REQUIRED TO AND DOES SURRENDER POSSESSION OF THE PREMISES BECAUSE OF AN EVENT OF DEFAULT OR BECAUSE OF THE EXPIRATION OR TERMINATION OF THE TERM OF THIS LEASE. WITHOUT BROADENING THE DESCRIPTION OF THE MATTERS COVERED BY THE FOREGOING INDEMNITY, SUCH INDEMNITY SHALL NOT TERMINATE UPON THE RELEASE DATE, BUT WILL SURVIVE THE RELEASE DATE. ANY AMOUNT TO BE PAID UNDER THIS PARAGRAPH 5 BY TENANT TO LANDLORD SHALL BE DEMAND OBLIGATION OWING BY TENANT AND SHALL BE SUBJECT TO AND COVERED BY THE PROVISIONS OF PARAGRAPH 7.**

(e) Tenant grants to Landlord and to Landlord's employees, agents, contractors, consultants and other representatives access to the Premises for the purposes contemplated in this paragraph, including environmental inspections and audits.

6. Assignment and Subletting. Tenant shall not assign or in any manner transfer this Lease or any



estate or interest therein, or sublet the Premises or any part thereof, or grant any license, concession or other right of occupancy or use of any portion of the Premises without the prior written consent of Landlord. Consent of Landlord to one or more assignments or sublettings shall not operate as a waiver of Landlord's rights as to any subsequent assignments and sublettings. Notwithstanding any assignment or subletting, Tenant and any guarantor of Tenant's obligations under this Lease shall at all times remain fully responsible and liable for the payment of the rent herein specified and for compliance with all of Tenant's other obligations under this Lease. In the event of the transfer and assignment by Landlord of Landlord's interest in this Lease, so long as the Assignee assumes all of Landlord's obligations hereunder, Landlord shall be released from any further obligations hereunder, and Tenant agrees to look solely to such successor in interest of Landlord for performance of such obligations. Tenant shall not mortgage, pledge or otherwise encumber Tenant's interest in this Lease or in the Premises without the prior written consent of Landlord.

7. Right of Landlord to Perform. Tenant agrees that if Tenant fails to perform any act or to take any action which hereunder Tenant is required to perform or take, or to pay any money to any party other than Landlord which hereunder Tenant is required to pay, then after thirty (30) days' notice to Tenant, Landlord, in Tenant's name or in Landlord's own name, and in addition to any other remedies specified herein or otherwise available, may but shall not be obligated to perform or cause to be performed such act or take such action or pay such money, and any reasonable expenses so incurred by Landlord, and any money so paid by Landlord, shall be a demand obligation owing by Tenant to Landlord and Landlord, upon making such payment, shall be subrogated to all of the rights of the person, corporation or body politic receiving such payment.

8. INDEMNITY. LANDLORD SHALL NOT BE LIABLE FOR AND TENANT WILL INDEMNIFY AND SAVE HARMLESS LANDLORD OF AND FROM ALL FINES, SUITS, CLAIMS, DEMANDS, LOSSES AND ACTIONS (INCLUDING ATTORNEYS FEES) FOR ANY INJURY TO PERSON OR DAMAGE TO OR LOSS OF PROPERTY ON OR ABOUT THE PREMISES CAUSED BY THE NEGLIGENCE OR MISCONDUCT OR BREACH OF THIS LEASE BY TENANT OR TENANT'S DIRECTORS, OFFICERS, PARTNERS, PRINCIPALS, EMPLOYEES, AGENTS, CONTRACTORS, REPRESENTATIVES, GUESTS, CUSTOMERS OR INVITEES OR BY ANY OTHER PARTY ENTERING THE PREMISES UNDER THE EXPRESS OR IMPLIED INVITATION OF TENANT, OR ARISING OUT OF TENANT'S USE OF THE PREMISES. LANDLORD SHALL NOT BE LIABLE OR RESPONSIBLE FOR ANY LOSS OR DAMAGE TO ANY PROPERTY OR DEATH OR INJURY TO ANY PARTY OCCASIONED BY THEFT, FIRE, ACT OF GOD, PUBLIC ENEMY, INJUNCTION, RIOT, STRIKE, INSURRECTION, WAR, COURT ORDER, REQUISITION OR OTHER GOVERNMENTAL BODY OR AUTHORITY, OR ANY OTHER MATTER BEYOND CONTROL OF LANDLORD, OR FOR ANY INJURY OR DAMAGE OR INCONVENIENCE WHICH MAY ARISE THROUGH REPAIR OR ALTERATION OF ANY PART OF THE PREMISES, OR FAILURE TO MAKE REPAIRS, OR FROM ANY CAUSE WHATSOEVER.

9. Existing Mortgages. Landlord covenants, represents and warrants that as of the Commencement Date, Landlord has not executed or entered into any deed of trust or mortgage that presently encumbers the Premises.

10. Inspection. Landlord or Landlord's officers, agents and representatives shall have the right to enter into and upon any and all parts of Premises at all reasonable hours to inspect same so long as such inspection shall not unreasonably interfere with Tenant's use and enjoyment of the Premises.

11. Condemnation. If the entire Premises, or so much thereof that the remainder cannot be used for the purposes leased, shall be taken in condemnation proceeding by an eminent domain authority, or sold in lieu of condemnation, this Lease automatically shall terminate on the date that the eminent domain authority actually takes possession of all or the portion of the Premises so taken or sold, and Landlord shall refund to Tenant any prepaid but unaccrued rental (less any unpaid amount then owed to Landlord by Tenant). If after a taking or sale of a portion of the Premises to an eminent domain authority the remainder of the Premises still can be used for the purposes leased, this Lease shall not terminate, but if the size or configuration of the remainder of the Premises is such that the operation of the Premises is adversely affected in a material way, Landlord agrees to grant Tenant an equitable rental reduction. All condemnation awards or proceeds or the proceeds of a sale in lieu of condemnation shall belong to Landlord, and Tenant shall not have (and hereby waives and releases) any claim to any portion thereof.

12. Fire or Other Casualty. In the event that the Premises or improvements thereon should be totally destroyed by fire, tornado or other casualty or in the event they should be so damaged that rebuilding or repairs cannot be completed within ninety (90) days after the date of such damage, either Landlord or Tenant may terminate this Lease, in which event the rent shall be abated during the unexpired portion of this Lease effective with the date of such damage. In the event the Premises or improvements thereon should be damaged by fire, tornado or other casualty covered by Tenant's insurance, but only to such extent that rebuilding or repairs can be completed within ninety (90) days after the date of such damage, or if the damage should be more serious but neither Landlord nor Tenant elects to terminate this Lease, in either such event Landlord shall, within thirty (30) days after the date of such damage, commence to rebuild or repair the Premises and shall proceed with reasonable diligence to restore the Premises to substantially the same condition in which it was immediately prior to the happening of the casualty, except that Landlord shall not be required to rebuild, repair or replace any part of the equipment or other improvements which may have been placed by Tenant on or within the Premises. Landlord shall allow Tenant a fair diminution of rent during the time the Premises are unfit for the intended use unless the fire or other casualty is the result of negligence or misconduct by Tenant or by Tenant's employees, agents, contractors, other representatives, customers or invitees, in which event there shall be no abatement or diminution in rent. Any insurance which may be carried by Tenant against loss or damage to the Premises shall be for the benefit of Landlord, and all proceeds

thereof shall be paid to Landlord and shall be retained by Landlord if the improvements on the Premises are not reconstructed.

13. Holding Over. Should Tenant, or any of Tenant's successors in interest, hold over on the Premises, or any part thereof, after the expiration of the term of this Lease, unless otherwise agreed in writing, such holding over shall constitute and be construed as tenancy from month to month only, at a rental equal to the rent payable for the last month of the term of this Lease plus twenty-five percent (25%) of such amount. The inclusion of the preceding sentence shall not be construed as Landlord's consent for Tenant to hold over.

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

- (a) Tenant shall fail to pay any installment of the rent hereby reserved and such failure shall continue for a period of ten (10) days.
- (b) Tenant shall fail to comply with any term, provision or covenant of this Lease, other than the payment of rent, and shall not cure such failure within thirty (30) days of written notice thereof from Landlord or, if such failure cannot be reasonably cured within thirty (30) days, Tenant has not commenced to effect such cure, and is not diligently pursuing effectuating such cure.
- (c) Default by Tenant under any other agreement with Landlord covering premises at the Airport.
- (d) Tenant shall fail to deliver the Additional Deposit to Landlord within ten (10) days after the delivery by Landlord to Tenant of the Additional Deposit Notice.
- (e) Tenant shall make a general assignment for the benefit of creditors.
- (f) Tenant shall file a petition under any section or chapter of the National Bankruptcy Act, as amended, or under any similar law or statute of the United States or any State thereof, or Tenant shall be adjudged bankrupt or insolvent in proceedings filed against Tenant thereunder and such adjudication shall not be vacated or set aside or stayed within the time permitted by law.
- (g) A receiver or Trustee shall be appointed for all or substantially all of the assets of Tenant and such receivership shall not be terminated or stayed within the time permitted by law.

15. Remedies. Upon the occurrence of any event of default specified in paragraph 14, Landlord shall have the option to pursue any one or more of the following remedies without any notice or demand whatsoever:

- (a) Terminate this Lease, in which event Tenant immediately shall surrender the Premises to Landlord. If Tenant fails to so surrender the Premises, Landlord may, without prejudice to any other remedy which Landlord may have for possession of the Premises or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other party who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim for damages therefor; and Tenant shall pay to Landlord on demand the amount of rent due hereunder as it comes due plus attorneys fees or costs incurred in obtaining possession of the Premises, less the proceeds of any reletting.
- (b) Terminate this Lease, in which event Tenant immediately shall surrender the Premises to Landlord. If Tenant fails to so surrender the Premises, Landlord may, without prejudice to any other remedy which Landlord may have for possession of the Premises or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other party who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim for damages therefor. Tenant shall pay to Landlord on the date of such termination damages in an amount equal to the excess, if any, of the present value total amount of all monthly rental and other amounts to be paid by Tenant to Landlord hereunder for the period which would otherwise have constituted the unexpired portion of the term of this Lease over the present value fair market rental value of the Premises for such unexpired portion of the term of this Lease.
- (c) Enter upon and take possession of the Premises without terminating this Lease and without being liable for prosecution or for any claim for damages therefor, and expel or remove Tenant and any other party who may be occupying the Premises or any part thereof. Landlord may (but shall not be required to) relet the Premises and receive the rent therefor. Tenant agrees to pay to Landlord monthly or on demand from time to time any deficiency that may arise by reason of any such reletting. In determining the amount of such deficiency, brokerage commissions, attorneys' fees, remodeling expenses and other costs of reletting shall be subtracted from the amount of rent received under such reletting.

- (d) Enter upon the Premises without terminating this Lease and without being liable for prosecution or for any claim for damages therefor, and do whatever Tenant is obligated to do under the terms of this Lease. Tenant agrees to pay Landlord on demand for expenses which Landlord may incur in thus effecting compliance with Tenant's obligations under this Lease, together with interest thereon at the rate of the lesser of the maximum non-usurious contractual rate of interest or eighteen percent (18%) per annum from the date expended until paid. Landlord shall not be liable for any damages resulting to Tenant from such action, whether caused by negligence of Landlord or otherwise.

No re-entry or taking possession of the Premises by Landlord shall be construed as an election on Landlord's part to terminate this Lease, unless a written notice of such intention be given to Tenant. Notwithstanding any such reletting or re-entry or taking possession, Landlord may at any time thereafter elect to terminate this Lease for a previous default. Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to Landlord hereunder or of any damages accruing to Landlord by reason of the violation of any of the terms, provisions and covenants herein contained. Landlord's acceptance of rent following an event of default hereunder shall not be construed as Landlord's waiver of such event of default. No waiver by Landlord of any violation or breach of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions, and covenants herein contained. Forbearance by Landlord to enforce one or more of the remedies herein provided upon an event of default shall not be deemed or construed to constitute a waiver of any other violation or default. The loss or damage that Landlord may suffer by reason of termination of this Lease or the deficiency from any reletting as provided for above shall include the expense of repossession and any repairs undertaken by Landlord following repossession. If any of Tenant's property ("Tenant Property") remains upon the Premises upon the expiration of the Lease Term or any earlier termination of this Lease or any repossession of the Premises by Landlord because of Tenant's default under this Lease, Landlord shall have the right to remove any or all Tenant Property from the Premises and store such Tenant Property, and Tenant shall be obligated to reimburse Landlord for all of the costs incurred by Landlord in removing and storing such Tenant Property. Landlord shall not be required to release any Tenant Property to Tenant until Tenant has paid Landlord all costs incurred by Landlord in removing and storing such Tenant Property and all other amounts owed by Tenant to Landlord pursuant to this Lease, including, without limitation, unpaid rental and costs incurred by Landlord to repair the Premises. As a material inducement to Landlord to enter into this Lease, Tenant, to the fullest extent allowed by law hereby waives all requirements that Landlord undertake any action to mitigate Landlord's damages arising from a default by Tenant under this Lease.

16. Security Interest. In addition to the statutory Landlord's lien, Landlord shall have, at all times, a valid security interest to secure payment of all rent and other sums of money becoming due hereunder from Tenant, and to secure payment of any damages or loss which Landlord may suffer by reason of the breach of Tenant of any covenant, agreement or condition contained herein, upon all goods, wares, equipment, improvements and other personal property of Tenant presently, or which may hereafter be, situated on the Premises, and all proceeds therefrom, and such property shall not be removed therefrom without the consent of Landlord until all arrearages in rent as well as any and all other sums of money then due Landlord hereunder shall first have been paid and discharged and all the covenants, agreements and conditions hereof have been fully satisfied and performed by Tenant. Upon the occurrence of any event of default by Tenant, Landlord may, in addition to any other remedies provided herein, enter upon the Premises and take possession of any and all goods, wares, equipment, improvements and other personal property of Tenant situated on the Premises, without liability for trespass or conversion, and sell the same at public or private sale, with or without having such property at the sale, after giving reasonable notice of the time and place of any public sale or of the time after which any private sale is to be made, at which sale the Landlord or Landlord's assigns may purchase, unless otherwise prohibited by law. Landlord shall have all of the rights and may exercise any or all of the remedies available to a secured party under the Texas Uniform Commercial Code, as amended (the "Code"), and reasonable notice for purposes of any provision of the Code requiring such notice shall be deemed to have been given if notice is given in the manner prescribed in this Lease at least five (5) days before the time of sale. The proceeds from such disposition, less any and all expenses in connection with the taking of possession, holding and selling of the property (including reasonable attorney's fees and legal expenses), shall be applied as a credit against the indebtedness secured by the security interest granted in this paragraph. Any surplus shall be paid to Tenant, or as otherwise required by law, Tenant shall pay any deficiencies forthwith. The statutory lien for Rent is not hereby waived, the security interest herein granted being in addition and supplementary thereto.

17. Surrender of Premises. No act or thing done by Landlord or Landlord's agents during the term hereby granted shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept a surrender of the Premises shall be valid unless the same be made in writing and subscribed by Landlord.

18. Attorneys' Fees/Interest. If, on account of any breach or default by Tenant of Tenant's obligations under this Lease, it shall become necessary for Landlord to employ an attorney to enforce, defend or assert Landlord's rights or remedies, then Landlord shall be entitled to collect reasonable attorneys' fees incurred by Landlord from Tenant. All monetary obligations of Tenant to Landlord under this Lease remaining unpaid ten (10) days after the due date of the same (if no due date has been established under other provisions hereof, the "due date" shall be the date upon which Landlord demands payment from Tenant in writing) shall bear interest at the lesser of the highest non-usurious contractual interest rate or eighteen percent (18%) per annum from and after said tenth (10<sup>th</sup>) day until paid.

19. Meehanics Liens. Tenant will not permit any mechanic's lien or liens to be placed upon the Premises or improvements thereon during the term hereof caused by or resulting from any work performed, materials furnished or obligations incurred by or at the request of Tenant, and in the case of filing any such lien, Tenant will promptly pay same. If default in payment thereof shall continue for twenty (20) days after written notice thereof from Landlord to Tenant, Landlord shall have the right and privilege at Landlord's option of paying the same or any portion thereof without inquiry as to the validity thereof, and any amounts so paid, including expenses and interest, shall be so much additional indebtedness hereunder due from Tenant to Landlord and shall be repaid to Landlord immediately on rendition of bill therefor, together with interest thereon at the highest lawful rate until repaid.

20. Notices. Each provision of this Lease, or of any applicable governmental laws, ordinances, regulations, and other requirements with reference to the sending, mailing or delivery of any notice, or with reference to the making of any payment by Tenant to Landlord, shall be deemed to be complied with when and if the following steps are taken:

- (a) All Basic Rental and other payments required to be made by Tenant to Landlord hereunder shall be payable to Landlord in Dallas County, Texas, at the address hereinbelow set forth, or at such other address as Landlord may specify from time to time by written notice delivered in accordance herewith.
- (b) Any notice or document required to be delivered hereunder shall be deemed to be delivered if actually received and whether or not received when deposited in the United States mail, postage prepaid, certified or registered mail, (with or without return receipt requested) addressed to the parties hereto at the respective addresses set out opposite their names below, or at such other address as they have theretofore specified by written notice delivered in accordance herewith:

LANDLORD:

Addison Airport of Texas, Inc.  
4505 Claire Chennault  
Dallas, Texas 75248

TENANT:

R. Stern F.B.O. Limited Partnership  
4553 Keller Springs Road  
Dallas, Texas 75248

21. Separability; Interpretation. If any clause or provision of this Lease is illegal, invalid or unenforceable under laws effective during the term of this Lease, then and in such event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby, and it is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable there be added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable. This Lease shall be construed and interpreted under and governed by the laws of the State of Texas.

22. Amendments; Binding Effect. This Lease may not be altered, changed or amended, except by instrument in writing signed by both parties hereto. No provision of this Lease shall be deemed to have been waived by Landlord unless such waiver be in writing signed by Landlord and addressed to Tenant, nor shall any custom or practice which may grow up between the parties in the administration of the terms hereof be construed to waive or lessen the right of Landlord to insist upon the performance by Tenant in strict accordance with the terms hereof. The terms, provisions, covenants and conditions contained in this Lease shall apply to, inure to the benefit of, and be binding upon the parties hereto, and upon their respective successors in interest and legal representatives, except as otherwise herein expressly provided.

23. Quiet Enjoyment/Waiver. Provided Tenant has performed all of the terms, covenants, agreements and conditions of this Lease, including the payment of Basic Rental and all other payments due hereunder, to be paid and performed by Tenant, Tenant shall peaceably and quietly hold and enjoy the Premises for the term hereof, without hindrance from Landlord, subject to the terms and conditions of this Lease. To the extent permitted by law, Tenant waives the benefit of all existing and future rent control legislation and statutes and similar governmental rules and regulations.

24. Gender/Exhibits. Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise required. All exhibits attached to this Lease are incorporated herein by reference for all purposes.

25. Joint and Several Liability. If there be more than one Tenant, the obligations hereunder imposed upon Tenant shall be joint and several. If there be a guarantor of Tenant's obligations hereunder, the obligations hereunder imposed upon Tenant shall be the joint and several obligations of Tenant and such guarantor and

Landlord need not first proceed against the Tenant hereunder before proceeding against such guarantor, nor shall any such guarantor be released from its guaranty for any reason whatsoever, including, without limitation, in case of any amendments hereto, waivers hereof or failure to give such guarantor any notices hereunder.

26. No Recording. Neither this Lease nor any memorandum hereof shall be recorded by Tenant without the prior written consent of Landlord.

27. Captions. The captions contained in this Lease are for convenience of reference only, and in no way limit or enlarge the terms and conditions of this Lease.

28. Survival. All of the terms, conditions, promises, covenants, and agreements contained herein which are not fully paid or performed on the date of the expiration of the term of this Lease or any earlier termination of this Lease shall survive the expiration of the term of this Lease or the termination of this Lease until paid or performed.

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

30. Net Lease. Except for the rental due to the Town under the Base Lease, it is intended that the rent provided for in this Lease shall be an absolutely net return to Landlord for the entire term of this Lease, free of any loss, expense or charge with respect to the Premises, including, without limitation, maintenance, repairs, replacements, insurance costs, taxes and assessment, and this Lease shall be construed in accordance with and to effectuate such intent.

DATED AS OF the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

LANDLORD:

Addison Airport of Texas, Inc.  
A Texas Corporation

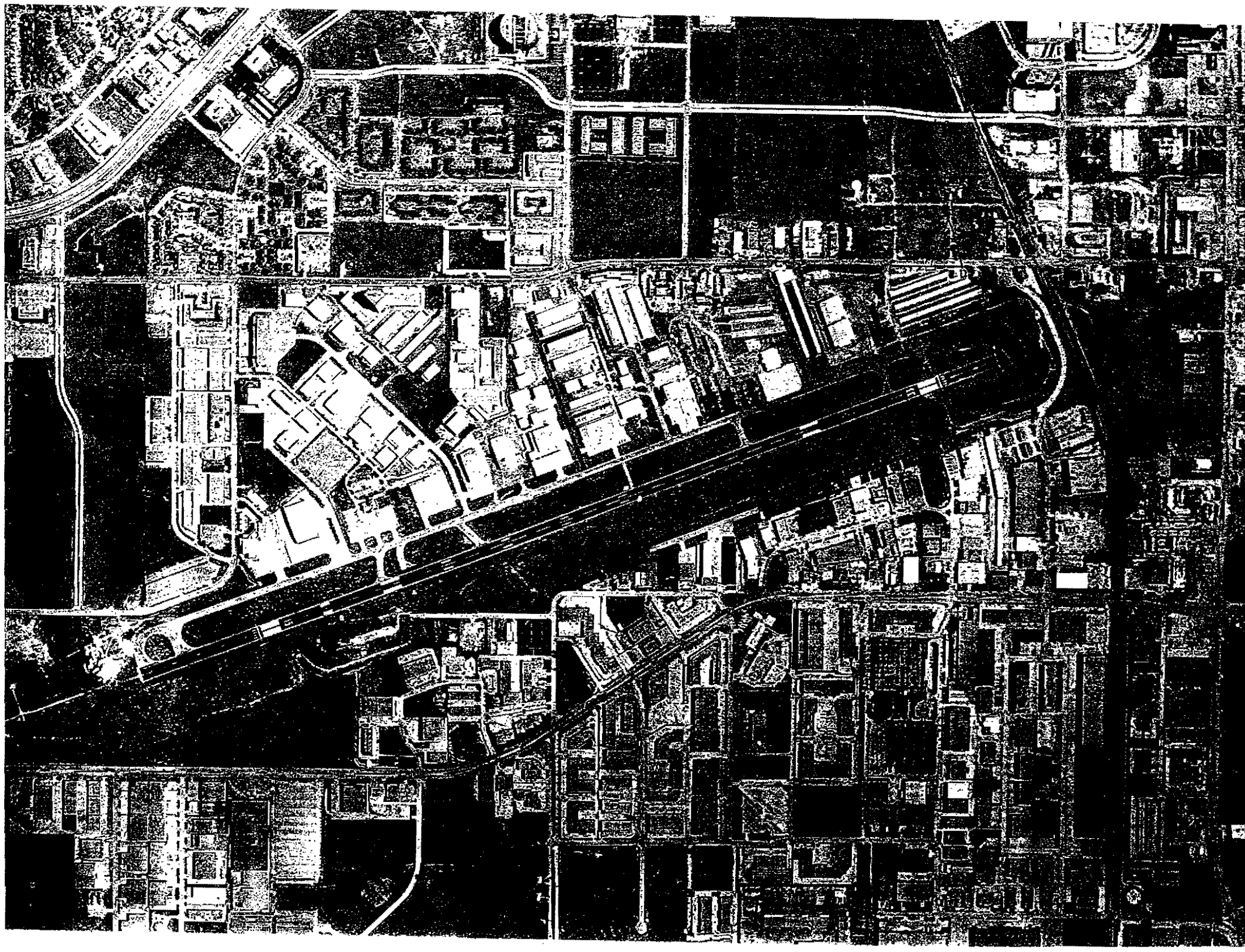
By \_\_\_\_\_ Name \_\_\_\_\_  
\_\_\_\_\_ Title \_\_\_\_\_  
\_\_\_\_\_

TENANT:

R. Stern FBO Limited Partnership  
A Texas Limited Partnership

By \_\_\_\_\_ Name \_\_\_\_\_  
\_\_\_\_\_ Title \_\_\_\_\_

KH



## Exhibit B

Method of determining Basic Rental to be attached per paragraph 1(f)

<u>Size of Tank</u>	<u>Rate per Month</u>
<i>0 – 1999 Gallon Tanks</i>	\$250
<i>2000 – 7999 Gallon Tanks</i>	\$500
<i>8000 Gallon or Larger</i>	\$1000

THE STATE OF TEXAS }  
COUNTY OF DALLAS }

ASSIGNMENT OF GROUND LEASE

This Assignment of Ground Lease, the "Assignment", is entered into and effective as of September 1, 1996, at Addison, Texas, between R. Stern Holdings Limited Partnership, "Assignor", and R. Stern F.B.O. Limited Partnership, "Assignee".

WHEREAS, a lease executed on May 31, 1984, between City of Addison, Addison Airport of Texas, Inc., and Ray Stern, , a copy of which is attached hereto as Exhibit "A"; and

WHEREAS, the above described Lease was assigned by Ray Stern as Assignor to Stern Air, Inc. as Assignee by Assignment of Lease, a copy which is attached hereto as Exhibit "B", and the above described Lease was acquired through Foreclosure on August 6, 1996 by R. Stern Holdings Limited Partnership; and

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

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

AGREEMENT

1. Assignor hereby assigns, bargains, sells, and conveys to Assignee, effective as the date above, all of Assignor's rights, title, and interest in and to the Ground Lease.
2. Prior to the effective date of this Assignment, Assignee agrees to pay an Assignment Fee in the amount of Two Hundred Fifty Dollars and no/100 (\$250.00) to Landlord.
3. As additional consideration for this Assignment, Ray Stern, individually, guarantees to undertake all necessary actions to insure that the fuel storage tanks located on the demised premises comply with all standards required by the Texas Natural Resource Conservation Commission ("TNRCC"). Failure to complete this undertaking and to obtain verification of compliance with the TNRCC standards within sixty days of this Assignment shall entitle Landlord to either: (1) declare the Lease to be in default and exercise all remedies for such breach; or (2) undertake the necessary repairs to the fuel storage tanks such that they comply with the TNRCC standards and be reimbursed in full by Ray Stern for all out-of-pocket expenses incurred in performing this action.
4. Assignee hereby agrees to be bound by and to comply with the terms of the Ground Lease.
5. This Assignment shall be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest, and assigns.

EXECUTED the day and year first above written.

ASSIGNOR:

R. STERN HOLDINGS LIMITED PARTNERSHIP

By:

Its:

ASSIGNEE:

R. STERN F.B.O. LIMITED PARTNERSHIP

By:

Its:



**CONSENT OF LANDLORD**

The undersigneds are the Landlord in the Ground Lease described in the foregoing Assignment and each hereby consents to the Assignment of the Ground Lease to Assignee, waiving none of their rights thereunder as to the Assignor or the Assignee.

LANDLORD:

ADDISON AIRPORT OF TEXAS, INC.

By: 

Its: President

ACKNOWLEDGMENT

THE STATE OF TEXAS }  
COUNTY OF DALLAS }

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

GIVEN under my hand and seal of office this 19<sup>TH</sup> day of AUGUST, 1996.

\_\_\_\_\_  
Notary Public  
DALLAS  
County, Texas

THE STATE OF TEXAS }  
COUNTY OF DALLAS }

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

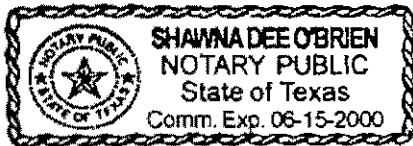
GIVEN under my hand and seal of office this 19<sup>TH</sup> day of AUGUST, 1996.

\_\_\_\_\_  
Notary Public  
DALLAS  
County, Texas

THE STATE OF TEXAS }  
COUNTY OF DALLAS }

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

GIVEN under my hand and seal of office this 20<sup>TH</sup> day of August, 1996.



Shawna Dee O'Brien  
Notary Public  
Dallas  
County, Texas

THE STATE OF TEXAS

§

GROUND LEASE

COUNTY OF DALLAS

§

§

This Ground Lease (hereinafter referred to as the "Lease") is made and entered into this 31st day of May, 1984, by and among the City of Addison, Texas, a municipal corporation (hereinafter sometimes referred to as the "City"), Addison Airport of Texas, Inc., a Texas corporation (hereinafter sometimes referred to as "AATI"), and RAY STERN (hereinafter referred to as "Tenant").

W I T N E S S E T H :

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

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

WHEREAS, Tenant previously has leased certain other premises located at the Airport pursuant to a Ground Lease (hereinafter referred to as the "Primary Ground Lease") between the City, AATI and Tenant; and

WHEREAS, Tenant has been granted by the City either a Public Aircraft Fuels Dispensing Permit or a Non-Public Aircraft Fuels Dispensing Permit (the applicable of said permits being hereinafter referred to as the "Permit") to dispense aircraft fuels at the Airport in compliance with the terms and conditions of the Permit; and

WHEREAS, under the Permit Tenant is required to install certain improvements at the Airport in connection with the dispensing of aircraft fuels; and

WHEREAS, Tenant wishes to lease the demised premises for the purpose of installing, maintaining and operating the improvements at the Airport required by the Permit; and

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

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

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

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

3. Term. The term hereof shall commence on the earlier of July 1, 1984, or the first day of the first calendar month after Tenant completes the installation hereinbelow described and opens for business at the demised premises (the applicable date being hereinafter referred to as the "Commencement Date"), and shall end on the earlier of (i) the date of the cancellation, termination or expiration of the Permit (whichever first occurs), (ii) the date of the termination or expiration of the Primary Ground Lease (whichever first occurs), or (iii) 180 months after the Commencement Date; provided, however, that any entry upon the demised premises by Tenant prior to the Commencement Date shall be subject to all of the terms and conditions hereof except that rental shall not accrue.

Notwithstanding anything to the contrary contained herein, Landlord shall have the right to terminate this Lease if Tenant has not (i) commenced the installation of the improvements described in paragraph 6 within ninety (90) calendar days after the date hereof, or (ii) completed the installation of the improvements described in paragraph 6 (other than future modifications in and improvements to the Road Area which may be required by Landlord under paragraph 17) within one hundred eighty (180) days after the date hereof.

4. Rental. Subject to adjustment as hereinbelow provided, Tenant agrees to pay to Landlord, without notice, demand, offset or deduction, rent for the demised premises at the rate of FORTY-THREE AND 20/100----- Dollars (\$43.20) per month in advance. The first of such installments shall be due and payable on or before the Commencement Date, and a like installment shall be due and payable on or before the first day of each calendar month thereafter during the term hereof.

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

A. A comparison shall be made between the Consumer Price Index (All Urban Consumers) for the Dallas, Texas Metropolitan Area published by the United States Department of Labor, Bureau of Labor Statistics (hereinafter referred to as the "Price Index"), as it existed on the Commencement Date and as it exists on the first day of the calendar month preceding the then applicable Adjustment Date.

B. The monthly rental for the two (2) year period beginning with and following the then applicable Adjustment Date shall be either increased or decreased, as the case

may be, by the percentage of increase or decrease in the Price Index between the Commencement Date and the then applicable Adjustment Date, but in no event shall such monthly rental ever be decreased below the monthly rental set forth in paragraph 4.

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

6. Use of Demised Premises and Installation of Improvements. The demised premises shall be used and occupied by Tenant only for the installation, maintenance and operation of the improvements required by the Permit and by paragraph 17, and not otherwise without the prior written consent of Landlord.

Prior to the commencement of the installation of such improvements, Tenant shall submit plans and specifications to Landlord depicting in reasonable detail the type and manner of the installation of such improvements. All installation shall be strictly in accordance with the plans and specifications submitted to and approved by Landlord.

Installation of such improvements by Tenant shall be performed in a first class, workmanlike manner, and Tenant agrees to promptly pay and discharge all costs, expenses, claims for damages, liens and any and all other liabilities and obligations which arise in connection with any such installation.

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

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

9. Assignment, Subletting and Mortgaging of Leasehold Estate.

A. Without the prior written consent of Landlord, Tenant may not assign this Lease or any rights of Tenant hereunder (except to a leasehold mortgagee as hereinbelow provided) or sublet the whole or any part of the demised premises. Any assignment or subletting shall be expressly subject to all the terms and provisions of this Lease, including the provisions of paragraph 6 pertaining to the use of the demised premises. In the event of any assignment or subletting, Tenant shall not assign Tenant's rights hereunder or sublet the demised premises without first obtaining and delivering to Landlord a written agreement from each such assignee or subtenant whereby each such assignee or subtenant agrees to be bound by the terms and provisions of this Lease. No such assignment or subletting shall constitute a novation. In the event of the occurrence of an event of default while the demised premises are assigned or sublet, Landlord, in addition to any other remedies provided herein or by law, may at Landlord's option, collect directly from such assignee or

subtenant all rents becoming due under such assignment or subletting and apply such rent against any sums due to Landlord hereunder. No direct collection by Landlord from any such assignee or subtenant shall release Tenant from the payment or performance of Tenant's obligations hereunder.

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

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

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

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

to perform all of Landlord's obligations hereunder so long as such mortgagee or its successors and assigns performs all of the obligations of Tenant hereunder. Landlord also agrees to execute and deliver to such proposed leasehold mortgagee any other documents which such proposed leasehold mortgagee may reasonably request concerning the mortgaging by Tenant of the leasehold estate created hereby; provided, however, that Landlord shall never be required to subordinate Landlord's interest in the demised premises to the mortgage of such proposed leasehold mortgage.

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

11. Maintenance and Repair of Demised Premises.

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

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

12. Alterations, Additions and Improvements. After completion of the improvements referenced in paragraph 6, Tenant shall not make any alterations, additions or improvements to the demised premises without the prior written consent of Landlord. Consent for non-structural alterations, additions or improvements shall not be unreasonably withheld by Landlord. Tenant shall comply with all applicable governmental laws, ordinances and regulations in making any such alterations, additions or improvements. All alterations, additions and improvements in and to the demised premises shall be performed in a first class, workmanlike manner, and Tenant shall promptly pay and discharge all costs, expenses, claims for damages, liens and any and all other liabilities and obligations which arise in connection therewith.

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

(i) Insurance against loss or damage to improvements by fire, lightning, and other risks from time to time included under standard extended coverage policies, and sprinkler, vandalism and malicious mischief, all in amounts sufficient to prevent Landlord or Tenant from becoming co-insurers of any loss under the applicable policies but in any event in amounts not less than eighty percent (80%) of the full insurable value of such improvements. The term "full insurable value" as used herein means actual replacement value at the time of such loss. Upon request,

such replacement value shall be determined by a qualified appraiser, a copy of whose findings shall be submitted to Landlord, and, thereafter, proper adjustment in the limits of insurance coverage shall be effected.

(ii) General public liability insurance against claims for bodily injury, death or property damage occurring on, in or about the demised premises, such insurance to afford protection to Landlord of not less than \$5,000,000.00 with respect to any one person, \$5,000,000.00 with respect to any one accident and not less than \$5,000,000.00 with respect to property damage.

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

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

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

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

All such policies of insurance (i) shall be issued by insurance companies acceptable to Landlord, (ii) shall name Landlord (and if Landlord so requests the City) as an additional insured or loss payee, as the case may be, and (iii) shall provide for at least thirty (30) days written notice to Landlord (and if Landlord so requests the City) prior to cancellation or modification. Tenant shall provide Landlord with duplicate originals of all insurance policies required by this paragraph.

#### 14. Casualty Damage or Destruction.

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

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



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

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

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

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

E. In the event that Tenant does not promptly commence Restoration, or after commencement Tenant does not diligently proceed to the completion of same, Landlord shall have the right to commence or complete Restoration after Landlord has given Tenant thirty (30) days prior written notice requesting the commencement of Restoration or that Tenant diligently proceed to the completion of same if Tenant during such thirty (30) day period does not so commence or proceed to diligently complete Restoration. In such event, Landlord shall retain the insurance proceeds, and Tenant shall pay any deficiency if such proceeds are not sufficient for Restoration.

#### 15. Condemnation.

A. If during the term hereof, any part of the demised premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, or is sold to a condemning authority under threat of condemnation, and after such taking by or sale to said condemning authority the remainder of the demised premises is not susceptible to efficient and economic occupation and

operation by Tenant, this Lease shall automatically terminate as of the date that said condemning authority takes possession of the condemned portion of the demised premises, and Landlord shall refund to Tenant any prepaid but unaccrued rental less any sum then owing by Tenant to Landlord.

B. If after such taking by or sale to said condemning authority the remainder of the demised premises is susceptible to efficient and economic occupation and operation by Tenant, this Lease shall not terminate but the rental due hereunder shall be adjusted so that Tenant shall be required to pay for the remainder of the term hereof the sum obtained by multiplying each monthly rental installment due hereunder, as adjusted from time to time pursuant to paragraph 5, by a fraction, the numerator of which shall be the number of square feet remaining in the demised premises after the taking by or sale to said condemning authority and the denominator of which shall be the square footage originally contained in the demised premises. The rental adjustment called for herein shall not commence until said condemning authority actually takes possession of the condemned portion of the demised premises.

C. If this Lease is not terminated pursuant to Section A, Tenant shall promptly restore the improvements and/or equipment on the demised premises, and the condemnation proceeds to which Landlord and Tenant are entitled shall be awarded and paid first to cover the costs and expenses for restoring the remaining portion of the demised premises to a condition susceptible of efficient and economic occupation and operation by Tenant, and any remaining proceeds to which Landlord and Tenant are entitled shall be awarded and paid to Landlord and Tenant, as their interests may appear. If this Lease is terminated pursuant to Section A, condemnation proceeds to which Landlord and Tenant are entitled shall be awarded and paid to Landlord and Tenant as their interests may appear.

16. Utilities. Tenant shall be responsible at Tenant's sole cost and expense for obtaining all utility connections at or for the demised premises and Tenant shall pay all charges for water, electricity, gas, sewer, telephone or any other utility connections, tap-in fees and services furnished to the demised premises during the term hereof. Landlord shall in no event be liable or responsible for any cessation or interruption in any such utility services.

17. Common Road. As part of the required improvements to the demised premises, Tenant shall install, repair, replace and maintain during the term hereof a six inch (6") crushed rock road across that portion of the demised premises designated as "Road Area") on attached Exhibit A. Such Road Area is intended to be an integral part of a common road to be installed, repaired, replaced and maintained for the purpose of furnishing access, ingress and egress to and from portions of the Airport and the demised premises and similar facilities. Consequently, Landlord hereby reserves and Tenant hereby grants rights of access, ingress and egress across such Road Area for all users of the Airport and such users' employees, agents, servants, customers and other invitees. Landlord further hereby reserves the right to require and Tenant hereby agrees to make reasonable future modifications in and improvements to such Road Area for the purpose of enhancing and improving such Road Area for access, ingress and egress.

18. Rules and Regulations. Landlord has adopted Rules and Regulations (hereinafter referred to as the "Rules and Regulations") which shall govern Tenant in the use of the demised premises and all common facilities, a copy of which has

been furnished to Tenant. The Rules and Regulations are incorporated by reference as if written verbatim herein, and Tenant agrees to comply fully at all times with the Rules and Regulations. Landlord shall have the right to amend, modify and alter the Rules and Regulations from time to time in a reasonable manner for the purpose of assuring the safety, welfare and convenience of Landlord, Tenant and all other tenants and customers of the Airport.

19. No Signs. Without the express prior written consent of Landlord, Tenant shall not construct, erect, install, paint or otherwise permit, suffer or allow to exist any sign located on or about the demised premises.

20. Landlord's Right of Entry. Landlord and Landlord's authorized representatives shall have the right, during normal business hours, to enter the demised premises (i) to inspect the general condition and state of repair thereof, (ii) to make repairs permitted under this Lease, (iii) to show the demised premises to any prospective tenant or purchaser or (iv) for any other reasonable and lawful purpose. During the final one hundred eighty (180) days of the term hereof, Landlord and Landlord's authorized representatives shall have the right to erect and maintain on or about the demised premises customary signs advertising the demised premises for lease or for sale.

21. Indemnity and Exculpation.

A. Landlord shall not be liable to Tenant or to Tenant's employees, agents, servants, customers, invitees, or to any other party whomsoever, for any injury to persons or damage to property on or about the demised premises or any adjacent area owned by Landlord caused by the negligence or misconduct of Tenant, Tenant's employees, servants, customers, invitees, subtenants, licensees or concessionaires or any other party entering the demised premises under the express or implied invitation of Tenant, or arising out of the use of the demised premises by Tenant or the conduct of Tenant's business thereon, or arising out of any breach or default by Tenant in the performance of Tenant's obligations hereunder; and Tenant hereby agrees to indemnify Landlord and hold Landlord harmless from any loss, expense or claim arising out of such damage or injury.

B. Landlord and Landlord's agents and employees shall not be liable to Tenant for any injury to persons or damage to property resulting from the demised premises becoming out of repair or by defect in or failure of equipment, pipes, or wiring, or broken glass, or by the backing up of drains, or by gas, water, steam, electricity or oil leaking, escaping or flowing into the demised premises, regardless of the source, or by dampness or by fire, explosion, falling plaster or ceiling or for any other reason whatsoever. Landlord shall not be liable to Tenant for any loss or damage that may be occasioned by or through the acts or omissions of other tenants of Landlord or caused by operations in construction of any private, public or quasi-public work, or of any other parties whomsoever, excepting only duly authorized agents and employees of Landlord.

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

A. Failure of Tenant to pay any installment of rent or any other sum payable to Landlord hereunder on the date that the same is due and such failure shall continue for a period of ten (10) days.

B. Failure of Tenant to comply with any term, condition or covenant of this Lease, other than the payment of rent or other sum of money, and such failure shall not be cured within thirty (30) days after written notice thereof to Tenant.

C. Default by Tenant under the Permit and/or under the Primary Ground Lease.

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

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

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

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

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

A. Terminate this Lease, in which event Tenant shall immediately surrender the demised premises to Landlord. If Tenant fails to so surrender the demised premises, Landlord may, without prejudice to any other remedy which Landlord may have for possession of the demised premises or arrearages in rent, enter upon and take possession of the demised premises and expel or remove Tenant and any other person who may be occupying the demised premises or any part thereof, without being liable for prosecution or any claim for damages therefor. Tenant shall pay to Landlord on demand the amount of all loss and damage which Landlord may suffer by reason of such termination, whether through inability to relet the demised premises on satisfactory terms or otherwise.

B. Terminate this Lease, in which event Tenant shall immediately surrender the demised premises to Landlord. If Tenant fails to so surrender the demised premises, Landlord may, without prejudice to any other remedy which Landlord may have for possession of the demised premises or arrearages in rent, enter upon and take possession of the demised premises and expel or remove Tenant and any other person who may be occupying the demised premises or any part thereof, without being liable for prosecution or any claim for damages therefor. Tenant shall pay to Landlord on the date of such termination damages in an amount equal to the excess, if any, of the total amount of all monthly rental and other amounts to be paid by Tenant to Landlord hereunder for the period which would otherwise have constituted the unexpired portion of the term of this Lease over the then fair market rental value of the demised premises for such unexpired portion of the term of this Lease.

C. Enter upon and take possession of the demised premises without terminating this Lease and without being liable for prosecution or for any claim for damages

therefor, and expel or remove Tenant and any other person who may be occupying the demised premises or any part thereof. Landlord may relet the demised premises and receive the rent therefor. Tenant agrees to pay to Landlord monthly or on demand from time to time any deficiency that may arise by reason of any such reletting. In determining the amount of such deficiency, brokerage commissions, attorneys' fees, remodeling expenses and other costs of reletting shall be subtracted from the amount of rent received under such reletting.

D. Enter upon the demised premises without terminating this Lease and without being liable for prosecution or for any claim for damages therefor, and do whatever Tenant is obligated to do under the terms of this Lease. Tenant agrees to pay Landlord on demand for expenses which Landlord may incur in thus effecting compliance with Tenant's obligations under this Lease, together with interest thereon at the rate of eighteen percent (18%) per annum from the date expended until paid. Landlord shall not be liable for any damages resulting to Tenant from such action, whether caused by negligence of Landlord or otherwise.

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

24. Default by Landlord. No default by Landlord hereunder shall constitute an eviction or disturbance of Tenant's use and possession of the demised premises or render Landlord liable for damages or entitle Tenant to be relieved from any of Tenant's obligations hereunder (including the obligation to pay rent) or grant Tenant any right of deduction, abatement, set-off or recoupment or entitle Tenant to take any action whatsoever with regard to the demised premises or Landlord until thirty (30) days after Tenant has given Landlord written notice specifically setting forth such default by Landlord, and Landlord has failed to cure such default within said thirty (30) day period, or in the event such default cannot be cured within said thirty (30) day period then within an additional reasonable period of time so long as Landlord has commenced curative action within said thirty (30) day period and thereafter is diligently attempting to cure such default. If any mortgagee of Landlord has given Tenant its address for notices and specifically requests such notice, Tenant agrees to give the notice required hereinabove to such mortgagee at the same time Tenant gives same to Landlord, and to accept curative action, if any, undertaken by such mortgagee as if such curative action had been taken by Landlord.

25. Waiver of Subrogation. Each party hereto waives any and every claim which arises or may arise in such party's favor against the other party hereto during the term of this Lease for any and all loss of, or damage to, any of such party's property located within or upon, or constituting a part of, the demised premises, which loss or damage is covered by valid and collectible fire and extended coverage insurance policies, to the extent that such loss or damage is recoverable under such insurance policies. Such mutual waivers shall be in addition to, and not in limitation or derogation of, any other waiver or release contained in this Lease with respect to any loss of, or damage to, property of the parties hereto. Inasmuch as such mutual waivers will preclude the assignment of any aforesaid claim by way of subrogation or otherwise to an insurance company (or any other party), each party hereby agrees

immediately to give to each insurance company which has issued to such party policies of fire and extended coverage insurance, written notice of the terms of such mutual waivers, and to cause such insurance policies to be properly endorsed, if necessary, to prevent the invalidation of such insurance coverages by reason of such waivers.

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

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

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

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

and (ii) in the event of foreclosure or any enforcement of any such mortgage, the rights of Tenant hereunder shall expressly survive and this Lease shall in all respects continue in full force and effect so long as Tenant shall fully perform all Tenant's obligations hereunder and attorn to the purchaser. Tenant also agrees upon demand to execute further instruments declaring this Lease prior and superior to any mortgage, deed of trust or other lien, and specifically providing that this Lease shall survive the foreclosure of such mortgage, deed of trust or other lien.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

37. Interest on Tenant's Obligations and Manner of Payment. All monetary obligations of Tenant to Landlord under this Lease remaining unpaid ten (10) days after the due date of the same (if no due date has been established under other provisions hereof, the "due date" shall be the date upon which Landlord demands payment from Tenant in writing) shall bear interest at the rate of eighteen percent (18%) per annum from and after said tenth (10th) day until paid. If more than twice during the term of this Lease Tenant's personal or corporate check is not paid by the bank on which it is drawn for whatever reason, Landlord may require by giving written notice to Tenant that the payment of all future monetary obligations of Tenant under this Lease are to be made on or before the due date by cash, cashier's check, certified check or money order, and that the delivery of Tenant's personal or corporate check will no longer constitute payment of such monetary obligations. Any acceptance by Landlord of a personal or corporate check after such notice shall not be deemed or construed as a waiver or estoppel of Landlord to require other payments as required by said notice.

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

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

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



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

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

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

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

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

LANDLORD:

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

City of Addison, Texas  
P. O. Box 144  
Addison, Texas 75001

TENANT:

Ray Stern  
4553 Keller Springs Road  
Dallas, Texas 75248

(214) 387-4448

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

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

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

49. Entire Agreement and Amendments. This Lease, consisting of forty-nine (49) paragraphs and Exhibits A through B attached hereto, embodies the entire agreement between Landlord and Tenant and supersedes all prior agreements and

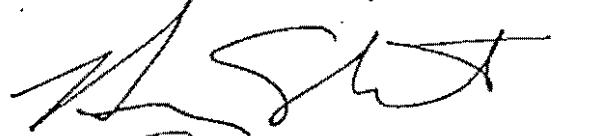
understandings, whether written or oral, and all contemporaneous oral agreements and understandings relating to the subject matter hereof. Except as otherwise specifically provided herein, no agreement hereafter made shall be effective to change, modify, discharge or effect an abandonment of this Lease, in whole or in part, unless such agreement is in writing and signed by or on behalf of the party against whom enforcement of the change, modification, discharge or abandonment is sought.

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

LANDLORD:

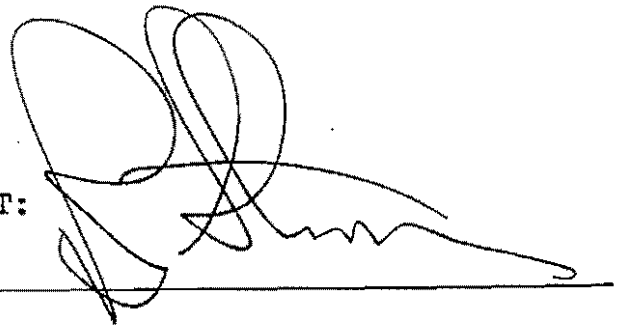
ADDISON AIRPORT OF TEXAS, INC.

By  
Title

  
\_\_\_\_\_  
\_\_\_\_\_

TENANT:

By  
Title

  
\_\_\_\_\_  
\_\_\_\_\_

STATE OF TEXAS }  
COUNTY OF DALLAS

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 1st day of June, 1984.

Barthyl L. James  
Notary Public  
Dallas  
County, Texas

STATE OF TEXAS }  
COUNTY OF DALLAS

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 1st day of June, 1984.

Barthyl L. James  
Notary Public  
Dallas  
County, Texas

# EXHIBIT B

## ASSIGNMENT OF LEASE

THIS AGREEMENT is made this the 26 day of October, 1984, at Addison, Texas, between Ray Stern, hereinafter called "Assignor", and Stern Air, Inc., hereinafter called "Assignee".

WHEREAS, a lease executed on May 31, 1984, between CITY OF ADDISON and ADDISON AIRPORT OF TEXAS, INC., as the Lessor, and the Assignor as Lessee, by the terms of which certain real property located on the Addison Airport was leased to the Assignor as Lessee upon the terms and conditions provided therein; and

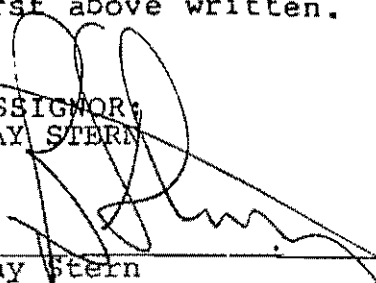
WHEREAS, the Assignor now desires to assign the lease to Assignee, and the Assignee desires to accept the assignment thereof;

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

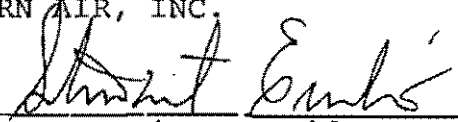
This agreement shall be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest, and assigns.

EXECUTED the day and year first above written.

ASSIGNOR:  
RAY STERN

  
\_\_\_\_\_  
Ray Stern

ASSIGNEE:  
STERN AIR, INC.

  
\_\_\_\_\_  
Stewart Erwin, President

CONSENT OF LESSOR

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

LESSOR:

CITY OF ADDISON

BY

  
\_\_\_\_\_  
ADDISON AIRPORT OF TEXAS, INC.

BY

  
\_\_\_\_\_

THE STATE OF TEXAS }  
                                  }  
COUNTY OF DALLAS }

ASSIGNMENT OF GROUND LEASE

This Assignment of Ground Lease, the "Assignment", is entered into and effective as of September 1, 1996, at Addison, Texas, between R. Stern Holdings Limited Partnership, "Assignor", and R. Stern F.B.O. Limited Partnership, "Assignee".

WHEREAS, a lease executed on February 11, 1982, between City of Addison, Addison Airport of Texas, Inc., and Jet Fuels, Inc., a copy of which is attached hereto as Exhibit "A"; and

WHEREAS, the above described Lease was assigned by Ray Stern, dba Jet Fuels, Inc. as Assignor to Stern Air, Inc. as Assignee by Assignment of Lease, a copy which is attached hereto as Exhibit "B", and the above described Lease was acquired through Foreclosure on August 6, 1996 by R. Stern Holdings Limited Partnership; and

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

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

AGREEMENT

1. Assignor hereby assigns, bargains, sells, and conveys to Assignee, effective as the date above, all of Assignor's rights, title, and interest in and to the Ground Lease.
2. Prior to the effective date of this Assignment, Assignee agrees to pay an Assignment Fee in the amount of Two Hundred Fifty Dollars and no/100 (\$250.00) to Landlord.
3. As additional consideration for this Assignment, Ray Stern, individually, guarantees to undertake all necessary actions to insure that the fuel storage tanks located on the demised premises comply with all standards required by the Texas Natural Resource Conservation Commission ("TNRCC"). Failure to complete this undertaking and to obtain verification of compliance with the TNRCC standards within sixty days of this Assignment shall entitle Landlord to either: (1) declare the Lease to be in default and exercise all remedies for such breach; or (2) undertake the necessary repairs to the fuel storage tanks such that they comply with the TNRCC standards and be reimbursed in full by Ray Stern for all out-of-pocket expenses incurred in performing this action.
4. Assignee hereby agrees to be bound by and to comply with the terms of the Ground Lease.
5. This Assignment shall be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest, and assigns.

EXECUTED the day and year first above written.

ASSIGNOR:

R. STERN HOLDINGS LIMITED PARTNERSHIP

By:

RAY STERN, PRESIDENT, STERN HOLDINGS, INC.  
Its: GENERAL PARTNER

ASSIGNEE:

R. STERN F.B.O. LIMITED PARTNERSHIP

By:

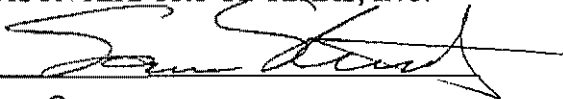
RAY STERN, PRESIDENT, STERN HOLDINGS, INC.  
Its: GENERAL PARTNER

CONSENT OF LANDLORD

The undersigneds are the Landlord in the Ground Lease described in the foregoing Assignment and each hereby consents to the Assignment of the Ground Lease to Assignee, waiving none of their rights thereunder as to the Assignor or the Assignee.

LANDLORD:

ADDISON AIRPORT OF TEXAS, INC.

By: 

Its: President

ACKNOWLEDGMENT

THE STATE OF TEXAS }  
COUNTY OF DALLAS }

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

GIVEN under my hand and seal of office this 19<sup>TH</sup> day of AUGUST, 1996.

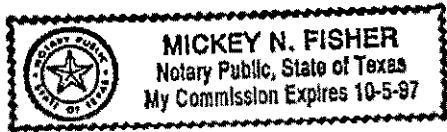


[Signature]  
Notary Public  
DALLAS  
County, Texas

THE STATE OF TEXAS }  
COUNTY OF DALLAS }

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

GIVEN under my hand and seal of office this 19<sup>TH</sup> day of AUGUST, 1996.

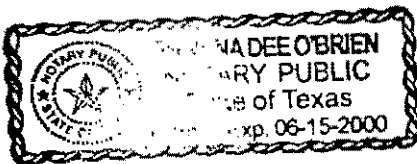


[Signature]  
Notary Public  
DALLAS  
County, Texas

THE STATE OF TEXAS }  
COUNTY OF DALLAS }

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

GIVEN under my hand and seal of office this 20<sup>th</sup> day of August, 1996.



[Signature]  
Notary Public  
Dallas  
County, Texas



ASSIGNMENT OF LEASE

THIS AGREEMENT is made this the 26 day of October, 1984, at Addison, Texas, between Ray Stern, d/b/a Jet Fuels, Inc., hereinafter called "Assignor", and Stern Air, Inc., hereinafter called "Assignee".

WHEREAS, a lease executed on February 11, 1982, between CITY OF ADDISON and ADDISON AIRPORT OF TEXAS, INC., as the Lessor, and the Assignor as Lessee, by the terms of which certain real property located on the Addison Airport was leased to the Assignor as Lessee upon the terms and conditions provided therein; and

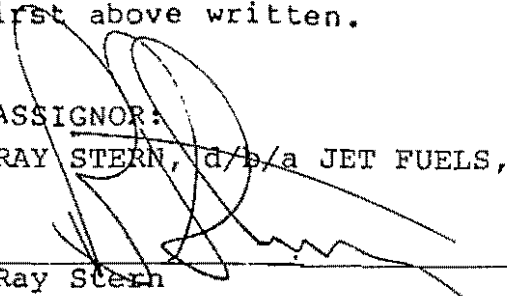
WHEREAS, the Assignor now desires to assign the lease to Assignee, and the Assignee desires to accept the assignment thereof;

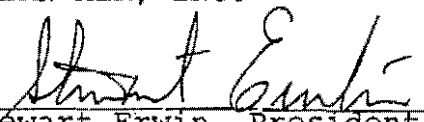
NOW, THEREFORE, for and in consideration of the sum of Ten and no/100 Dollars (\$10.00), receipt of which is hereby acknowledged, and the agreement of the Assignee, hereinafter set forth, the Assignor hereby assigns and transfers to the Assignee, its successors and assigns, all of his right, title and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

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

EXECUTED the day and year first above written.

ASSIGNOR:  
RAY STERN, d/b/a JET FUELS, INC.

  
\_\_\_\_\_  
Ray Stern  
ASSIGNEE:  
STERN AIR, INC.

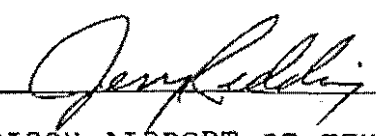
  
\_\_\_\_\_  
Stewart Erwin, President

CONSENT OF LESSOR

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

LESSOR:

CITY OF ADDISON

By   
\_\_\_\_\_  
ADDISON AIRPORT OF TEXAS, INC.

By   
\_\_\_\_\_

THE STATE OF TEXAS  
COUNTY OF DALLAS

§  
§  
§

EXHIBIT A

GROUND LEASE F 1/2

This Ground Lease (hereinafter referred to as the "Lease") is made and entered into this 11th day of February, 1982, by and among the City of Addison, Texas, a municipal corporation (hereinafter sometimes referred to as the "City"), Addison Airport of Texas, Inc., a Texas corporation (hereinafter sometimes referred to as "AATI"), and JET FUELS, INC.

\_\_\_\_\_ (hereinafter referred to as "Tenant").

W I T N E S S E T H :

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

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

INC.  
WHEREAS, JETFLIGHT, previously has leased certain other premises located at the Airport pursuant to a Ground Lease (hereinafter referred to as the "Primary Ground Lease") between the City, AATI and Tenant; and

WHEREAS, Tenant has been granted by the City either a Public Aircraft Fuels Dispensing Permit or a Non-Public Aircraft Fuels Dispensing Permit (the applicable of said permits being hereinafter referred to as the "Permit") to dispense aircraft fuels at the Airport in compliance with the terms and conditions of the Permit; and

WHEREAS, under the Permit Tenant is required to install certain improvements at the Airport in connection with the dispensing of aircraft fuels; and

WHEREAS, Tenant wishes to lease the demised premises for the purpose of installing, maintaining and operating the improvements at the Airport required by the Permit; and

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

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

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

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

3. Term. The term hereof shall commence on the earlier of April 1, 1982, or the first day of the first calendar month after Tenant completes the installation hereinbelow described and opens for business at the demised premises (the applicable date being hereinafter referred to as the "Commencement Date"), and shall end on the earlier of (i) the date of the cancellation, termination or expiration of the Permit (whichever first occurs), (ii) the date of the termination or expiration of the Primary Ground Lease (whichever first occurs), or (iii) 180 months after the Commencement Date; provided, however, that any entry upon the demised premises by Tenant prior to the Commencement Date shall be subject to all of the terms and conditions hereof except that rental shall not accrue.

Notwithstanding anything to the contrary contained herein, Landlord shall have the right to terminate this Lease if Tenant has not (i) commenced the installation of the improvements described in paragraph 6 within ninety (90) calendar days after the date hereof, or (ii) completed the installation of the improvements described in paragraph 6 (other than future modifications in and improvements to the Road Area which may be required by Landlord under paragraph 17) within one hundred eighty (180) days after the date hereof.

4. Rental. Subject to adjustment as hereinbelow provided, Tenant agrees to pay to Landlord, without notice, demand, offset or deduction, rent for the demised premises at the rate of THIRTY AND 12/100----- Dollars (\$ 30.12) per month in advance. The first of such installments shall be due and payable on or before the Commencement Date, and a like installment shall be due and payable on or before the first day of each calendar month thereafter during the term hereof.

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

A. A comparison shall be made between the Consumer Price Index (All Urban Consumers) for the Dallas, Texas Metropolitan Area published by the United States Department of Labor, Bureau of Labor Statistics (hereinafter referred to as the "Price Index"), as it existed on the Commencement Date and as it exists on the first day of the calendar month preceding the then applicable Adjustment Date.

B. The monthly rental for the two (2) year period beginning with and following the then applicable Adjustment Date shall be either increased or decreased, as the case

may be, by the percentage of increase or decrease in the Price Index between the Commencement Date and the then applicable Adjustment Date, but in no event shall such monthly rental ever be decreased below the monthly rental set forth in paragraph 4.

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

6. Use of Demised Premises and Installation of Improvements. The demised premises shall be used and occupied by Tenant only for the installation, maintenance and operation of the improvements required by the Permit and by paragraph 17, and not otherwise without the prior written consent of Landlord.

Prior to the commencement of the installation of such improvements, Tenant shall submit plans and specifications to Landlord depicting in reasonable detail the type and manner of the installation of such improvements. All installation shall be strictly in accordance with the plans and specifications submitted to and approved by Landlord.

Installation of such improvements by Tenant shall be performed in a first class, workmanlike manner, and Tenant agrees to promptly pay and discharge all costs, expenses, claims for damages, liens and any and all other liabilities and obligations which arise in connection with any such installation.

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

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

9. Assignment, Subletting and Mortgaging of Leasehold Estate.

A. Without the prior written consent of Landlord, Tenant may not assign this Lease or any rights of Tenant hereunder (except to a leasehold mortgagee as hereinbelow provided) or sublet the whole or any part of the demised premises. Any assignment or subletting shall be expressly subject to all the terms and provisions of this Lease, including the provisions of paragraph 6 pertaining to the use of the demised premises. In the event of any assignment or subletting, Tenant shall not assign Tenant's rights hereunder or sublet the demised premises without first obtaining and delivering to Landlord a written agreement from each such assignee or subtenant whereby each such assignee or subtenant agrees to be bound by the terms and provisions of this Lease. No such assignment or subletting shall constitute a novation. In the event of the occurrence of an event of default while the demised premises are assigned or sublet, Landlord, in addition to any other remedies provided herein or by law, may at Landlord's option, collect directly from such assignee or

subtenant all rents becoming due under such assignment or subletting and apply such rent against any sums due to Landlord hereunder. No direct collection by Landlord from any such assignee or subtenant shall release Tenant from the payment or performance of Tenant's obligations hereunder.

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

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

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

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

to perform all of Landlord's obligations hereunder so long as such mortgagee or its successors and assigns performs all of the obligations of Tenant hereunder. Landlord also agrees to execute and deliver to such proposed leasehold mortgagee any other documents which such proposed leasehold mortgagee may reasonably request concerning the mortgaging by Tenant of the leasehold estate created hereby; provided, however, that Landlord shall never be required to subordinate Landlord's interest in the demised premises to the mortgage of such proposed leasehold mortgagee.

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

11. Maintenance and Repair of Demised Premises.

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

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

12. Alterations, Additions and Improvements. After completion of the improvements referenced in paragraph 6, Tenant shall not make any alterations, additions or improvements to the demised premises without the prior written consent of Landlord. Consent for non-structural alterations, additions or improvements shall not be unreasonably withheld by Landlord. Tenant shall comply with all applicable governmental laws, ordinances and regulations in making any such alterations, additions or improvements. All alterations, additions and improvements in and to the demised premises shall be performed in a first class, workmanlike manner, and Tenant shall promptly pay and discharge all costs, expenses, claims for damages, liens and any and all other liabilities and obligations which arise in connection therewith.

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

(i) Insurance against loss or damage to improvements by fire, lightning, and other risks from time to time included under standard extended coverage policies, and sprinkler, vandalism and malicious mischief, all in amounts sufficient to prevent Landlord or Tenant from becoming co-insurers of any loss under the applicable policies but in any event in amounts not less than eighty percent (80%) of the full insurable value of such improvements. The term "full insurable value" as used herein means actual replacement value at the time of such loss. Upon request,

such replacement value shall be determined by a qualified appraiser, a copy of whose findings shall be submitted to Landlord, and, thereafter, proper adjustment in the limits of insurance coverage shall be effected.

(ii) General public liability insurance against claims for bodily injury, death or property damage occurring on, in or about the demised premises, such insurance to afford protection to Landlord of not less than \$5,000,000.00 with respect to any one person, \$5,000,000.00 with respect to any one accident and not less than \$5,000,000.00 with respect to property damage.

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

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

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

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

All such policies of insurance (i) shall be issued by insurance companies acceptable to Landlord, (ii) shall name Landlord (and if Landlord so requests the City) as an additional insured or loss payee, as the case may be, and (iii) shall provide for at least thirty (30) days written notice to Landlord (and if Landlord so requests the City) prior to cancellation or modification. Tenant shall provide Landlord with duplicate originals of all insurance policies required by this paragraph.

#### 14. Casualty Damage or Destruction.

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

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



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

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

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

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

E. In the event that Tenant does not promptly commence Restoration, or after commencement Tenant does not diligently proceed to the completion of same, Landlord shall have the right to commence or complete Restoration after Landlord has given Tenant thirty (30) days prior written notice requesting the commencement of Restoration or that Tenant diligently proceed to the completion of same if Tenant during such thirty (30) day period does not so commence or proceed to diligently complete Restoration. In such event, Landlord shall retain the insurance proceeds, and Tenant shall pay any deficiency if such proceeds are not sufficient for Restoration.

#### 15. Condemnation.

A. If during the term hereof, any part of the demised premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, or is sold to a condemning authority under threat of condemnation, and after such taking by or sale to said condemning authority the remainder of the demised premises is not susceptible to efficient and economic occupation and

operation by Tenant, this Lease shall automatically terminate as of the date that said condemning authority takes possession of the condemned portion of the demised premises, and Landlord shall refund to Tenant any prepaid but unaccrued rental less any sum then owing by Tenant to Landlord.

B. If after such taking by or sale to said condemning authority the remainder of the demised premises is susceptible to efficient and economic occupation and operation by Tenant, this Lease shall not terminate but the rental due hereunder shall be adjusted so that Tenant shall be required to pay for the remainder of the term hereof the sum obtained by multiplying each monthly rental installment due hereunder, as adjusted from time to time pursuant to paragraph 5, by a fraction, the numerator of which shall be the number of square feet remaining in the demised premises after the taking by or sale to said condemning authority and the denominator of which shall be the square footage originally contained in the demised premises. The rental adjustment called for herein shall not commence until said condemning authority actually takes possession of the condemned portion of the demised premises.

C. If this Lease is not terminated pursuant to Section A, Tenant shall promptly restore the improvements and/or equipment on the demised premises, and the condemnation proceeds to which Landlord and Tenant are entitled shall be awarded and paid first to cover the costs and expenses for restoring the remaining portion of the demised premises to a condition susceptible of efficient and economic occupation and operation by Tenant, and any remaining proceeds to which Landlord and Tenant are entitled shall be awarded and paid to Landlord and Tenant, as their interests may appear. If this Lease is terminated pursuant to Section A, condemnation proceeds to which Landlord and Tenant are entitled shall be awarded and paid to Landlord and Tenant as their interests may appear.

16. Utilities. Tenant shall be responsible at Tenant's sole cost and expense for obtaining all utility connections at or for the demised premises and Tenant shall pay all charges for water, electricity, gas, sewer, telephone or any other utility connections, tap-in fees and services furnished to the demised premises during the term hereof. Landlord shall in no event be liable or responsible for any cessation or interruption in any such utility services.

17. Common Road. As part of the required improvements to the demised premises, Tenant shall install, repair, replace and maintain during the term hereof a six inch (6") crushed rock road across that portion of the demised premises designated as "Road Area") on attached Exhibit A. Such Road Area is intended to be an integral part of a common road to be installed, repaired, replaced and maintained for the purpose of furnishing access, ingress and egress to and from portions of the Airport and the demised premises and similar facilities. Consequently, Landlord hereby reserves and Tenant hereby grants rights of access, ingress and egress across such Road Area for all users of the Airport and such users' employees, agents, servants, customers and other invitees. Landlord further hereby reserves the right to require and Tenant hereby agrees to make reasonable future modifications in and improvements to such Road Area for the purpose of enhancing and improving such Road Area for access, ingress and egress.

18. Rules and Regulations. Landlord has adopted Rules and Regulations (hereinafter referred to as the "Rules and Regulations") which shall govern Tenant in the use of the demised premises and all common facilities, a copy of which has

been furnished to Tenant. The Rules and Regulations are incorporated by reference as if written verbatim herein, and Tenant agrees to comply fully at all times with the Rules and Regulations. Landlord shall have the right to amend, modify and alter the Rules and Regulations from time to time in a reasonable manner for the purpose of assuring the safety, welfare and convenience of Landlord, Tenant and all other tenants and customers of the Airport.

19. No Signs. Without the express prior written consent of Landlord, Tenant shall not construct, erect, install, paint or otherwise permit, suffer or allow to exist any sign located on or about the demised premises.

20. Landlord's Right of Entry. Landlord and Landlord's authorized representatives shall have the right, during normal business hours, to enter the demised premises (i) to inspect the general condition and state of repair thereof, (ii) to make repairs permitted under this Lease, (iii) to show the demised premises to any prospective tenant or purchaser or (iv) for any other reasonable and lawful purpose. During the final one hundred eighty (180) days of the term hereof, Landlord and Landlord's authorized representatives shall have the right to erect and maintain on or about the demised premises customary signs advertising the demised premises for lease or for sale.

21. Indemnity and Exculpation.

A. Landlord shall not be liable to Tenant or to Tenant's employees, agents, servants, customers, invitees, or to any other party whomsoever, for any injury to persons or damage to property on or about the demised premises or any adjacent area owned by Landlord caused by the negligence or misconduct of Tenant, Tenant's employees, servants, customers, invitees, subtenants, licensees or concessionaires or any other party entering the demised premises under the express or implied invitation of Tenant, or arising out of the use of the demised premises by Tenant or the conduct of Tenant's business thereon, or arising out of any breach or default by Tenant in the performance of Tenant's obligations hereunder; and Tenant hereby agrees to indemnify Landlord and hold Landlord harmless from any loss, expense or claim arising out of such damage or injury.

B. Landlord and Landlord's agents and employees shall not be liable to Tenant for any injury to persons or damage to property resulting from the demised premises becoming out of repair or by defect in or failure of equipment, pipes, or wiring, or broken glass, or by the backing up of drains, or by gas, water, steam, electricity or oil leaking, escaping or flowing into the demised premises, regardless of the source, or by dampness or by fire, explosion, falling plaster or ceiling or for any other reason whatsoever. Landlord shall not be liable to Tenant for any loss or damage that may be occasioned by or through the acts or omissions of other tenants of Landlord or caused by operations in construction of any private, public or quasi-public work, or of any other parties whomsoever, excepting only duly authorized agents and employees of Landlord.

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

A. Failure of Tenant to pay any installment of rent or any other sum payable to Landlord hereunder on the date that the same is due and such failure shall continue for a period of ten (10) days.

B. Failure of Tenant to comply with any term, condition or covenant of this Lease, other than the payment of rent or other sum of money, and such failure shall not be cured within thirty (30) days after written notice thereof to Tenant.

C. Default by Tenant under the Permit and/or under the Primary Ground Lease.

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

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

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

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

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

A. Terminate this Lease, in which event Tenant shall immediately surrender the demised premises to Landlord. If Tenant fails to so surrender the demised premises, Landlord may, without prejudice to any other remedy which Landlord may have for possession of the demised premises or arrearages in rent, enter upon and take possession of the demised premises and expel or remove Tenant and any other person who may be occupying the demised premises or any part thereof, without being liable for prosecution or any claim for damages therefor. Tenant shall pay to Landlord on demand the amount of all loss and damage which Landlord may suffer by reason of such termination, whether through inability to relet the demised premises on satisfactory terms or otherwise.

B. Terminate this Lease, in which event Tenant shall immediately surrender the demised premises to Landlord. If Tenant fails to so surrender the demised premises, Landlord may, without prejudice to any other remedy which Landlord may have for possession of the demised premises or arrearages in rent, enter upon and take possession of the demised premises and expel or remove Tenant and any other person who may be occupying the demised premises or any part thereof, without being liable for prosecution or any claim for damages therefor. Tenant shall pay to Landlord on the date of such termination damages in an amount equal to the excess, if any, of the total amount of all monthly rental and other amounts to be paid by Tenant to Landlord hereunder for the period which would otherwise have constituted the unexpired portion of the term of this Lease over the then fair market rental value of the demised premises for such unexpired portion of the term of this Lease.

C. Enter upon and take possession of the demised premises without terminating this Lease and without being liable for prosecution or for any claim for damages

therefor, and expel or remove Tenant and any other person who may be occupying the demised premises or any part thereof. Landlord may relet the demised premises and receive the rent therefor. Tenant agrees to pay to Landlord monthly or on demand from time to time any deficiency that may arise by reason of any such reletting. In determining the amount of such deficiency, brokerage commissions, attorneys' fees, remodeling expenses and other costs of reletting shall be subtracted from the amount of rent received under such reletting.

D. Enter upon the demised premises without terminating this Lease and without being liable for prosecution or for any claim for damages therefor, and do whatever Tenant is obligated to do under the terms of this Lease. Tenant agrees to pay Landlord on demand for expenses which Landlord may incur in thus effecting compliance with Tenant's obligations under this Lease, together with interest thereon at the rate of eighteen percent (18%) per annum from the date expended until paid. Landlord shall not be liable for any damages resulting to Tenant from such action, whether caused by negligence of Landlord or otherwise.

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

24. Default by Landlord. No default by Landlord hereunder shall constitute an eviction or disturbance of Tenant's use and possession of the demised premises or render Landlord liable for damages or entitle Tenant to be relieved from any of Tenant's obligations hereunder (including the obligation to pay rent) or grant Tenant any right of deduction, abatement, set-off or recoupment or entitle Tenant to take any action whatsoever with regard to the demised premises or Landlord until thirty (30) days after Tenant has given Landlord written notice specifically setting forth such default by Landlord, and Landlord has failed to cure such default within said thirty (30) day period, or in the event such default cannot be cured within said thirty (30) day period then within an additional reasonable period of time so long as Landlord has commenced curative action within said thirty (30) day period and thereafter is diligently attempting to cure such default. If any mortgagee of Landlord has given Tenant its address for notices and specifically requests such notice, Tenant agrees to give the notice required hereinabove to such mortgagee at the same time Tenant gives same to Landlord, and to accept curative action, if any, undertaken by such mortgagee as if such curative action had been taken by Landlord.

25. Waiver of Subrogation. Each party hereto waives any and every claim which arises or may arise in such party's favor against the other party hereto during the term of this Lease for any and all loss of, or damage to, any of such party's property located within or upon, or constituting a part of, the demised premises, which loss or damage is covered by valid and collectible fire and extended coverage insurance policies, to the extent that such loss or damage is recoverable under such insurance policies. Such mutual waivers shall be in addition to, and not in limitation or derogation of, any other waiver or release contained in this Lease with respect to any loss of, or damage to, property of the parties hereto. Inasmuch as such mutual waivers will preclude the assignment of any aforesaid claim by way of subrogation or otherwise to an insurance company (or any other party), each party hereby agrees

immediately to give to each insurance company which has issued to such party policies of fire and extended coverage insurance, written notice of the terms of such mutual waivers, and to cause such insurance policies to be properly endorsed, if necessary, to prevent the invalidation of such insurance coverages by reason of such waivers.

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

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

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

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

and (ii) in the event of foreclosure or any enforcement of any such mortgage, the rights of Tenant hereunder shall expressly survive and this Lease shall in all respects continue in full force and effect so long as Tenant shall fully perform all Tenant's obligations hereunder and attorn to the purchaser. Tenant also agrees upon demand to execute further instruments declaring this Lease prior and superior to any mortgage, deed of trust or other lien and specifically providing that this Lease shall survive the foreclosure of such mortgage, deed of trust or other lien.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

37. Interest on Tenant's Obligations and Manner of Payment. All monetary obligations of Tenant to Landlord under this Lease remaining unpaid ten (10) days after the due date of the same (if no due date has been established under other provisions hereof, the "due date" shall be the date upon which Landlord demands payment from Tenant in writing) shall bear interest at the rate of eighteen percent (18%) per annum from and after said tenth (10th) day until paid. If more than twice during the term of this Lease Tenant's personal or corporate check is not paid by the bank on which it is drawn for whatever reason, Landlord may require by giving written notice to Tenant that the payment of all future monetary obligations of Tenant under this Lease are to be made on or before the due date by cash, cashier's check, certified check or money order, and that the delivery of Tenant's personal or corporate check will no longer constitute payment of such monetary obligations. Any acceptance by Landlord of a personal or corporate check after such notice shall not be deemed or construed as a waiver or estoppel of Landlord to require other payments as required by said notice.

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

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

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



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

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

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

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

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

LANDLORD:

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

City of Addison, Texas  
P. O. Box 144  
Addison, Texas 75001

TENANT:

JET FUELS, INC.  
4553 Keller Springs  
Dallas, Texas 75248

Ray Stern, President

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

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

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

49. Entire Agreement and Amendments. This Lease, consisting of forty-nine (49) paragraphs and Exhibits A through B attached hereto, embodies the entire agreement between Landlord and Tenant and supersedes all prior agreements and

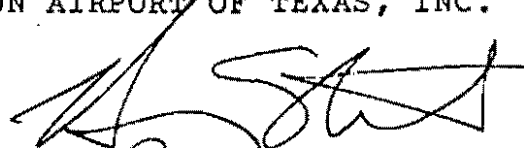
understandings, whether written or oral, and all contemporaneous oral agreements and understandings relating to the subject matter hereof. Except as otherwise specifically provided herein, no agreement hereafter made shall be effective to change, modify, discharge or effect an abandonment of this Lease, in whole or in part, unless such agreement is in writing and signed by or on behalf of the party against whom enforcement of the change, modification, discharge or abandonment is sought.

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

LANDLORD:

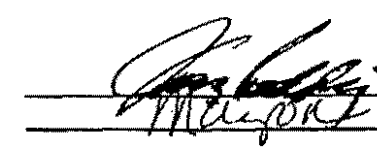
ADDISON AIRPORT OF TEXAS, INC.

By  
Title

  
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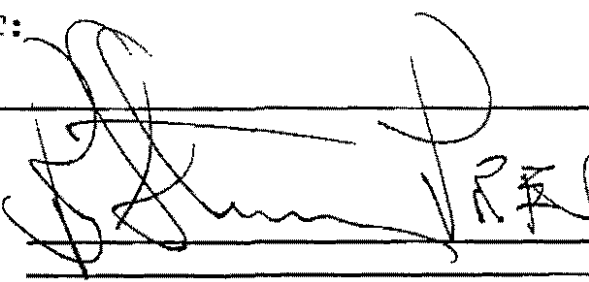
CITY OF ADDISON, TEXAS

By  
Title

  
\_\_\_\_\_  
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TENANT:

By  
Title

  
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\_\_\_\_\_

JET FUELS, INC.



## ADDISON AIRPORT

July 6, 1998

Mr. Jim Donaldson  
Cherry Air  
4584 Claire Chennault  
Dallas, Texas 75248

RE: New lease for the fuel farm

Dear Mr. Donaldson:

This is a follow-up letter to our discussion last Friday concerning a new lease on your fuel farm. Both the Town and AATI feel there are a couple of conditions that need to be met prior to the letting of a new lease. First though, we would like to clarify a few points from Friday's meeting. During the meeting, you said that TNRCC is satisfied with the clean up of your fuel farm. We disagree. If your fuel farm site was clean there would be no need for three more quarterly monitorings for site closure. Secondly, after our meeting, I spoke with John Baumgartner concerning your conversation with him. The Town wants to insure that there is going to be no effect from your repeated spills to their proposed water line site that abuts your ground lease property. Clarification of these issues is important because while an action plan has been accepted by TNRCC, completion and site closure are far from over. That is the very point that impacts our ability and desire to sign a new lease with you for the fuel farm.

That brings me to the following specifics or requirements that have to be met in order for you to receive a new lease that will continue through the end of our term as the airport operator.

1. Two more clean quarterly monitoring samples must be taken from the fuel farm monitoring wells with the results submitted to TNRCC and us for evaluation.
2. The tank farm must be in compliance with EPA December 22, 1998 standards.
3. The Town must have assurances from your environmental specialist that there will be no impact from the remaining fuel in the ground on the water line that they want to place beside your fuel farm facility and that the water well near your property has not been tainted.
4. The Town, at their cost, will also do a soil analysis to validate the test results you submitted to TNRCC.

Jim Donaldson  
June 29, 1998  
Page 2

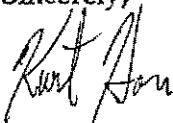
5. You must get in compliance with all environmental compliance issues, identified here or that may arise hereafter, i.e. storm water pollution program.

Should any of the above conditions either not be met or result in the existence of contamination at unacceptable levels or affect the Town's ability to place the water line in its proposed location, no new lease will be granted until such time it is demonstrated that your facility is in compliance again with all applicable environmental regulations.

Your current agreement expires on August 22<sup>nd</sup>. Both the Town and AATI believe these are reasonable requirements. It is clear that you cannot complete all of the requirements before that date, i.e. the monitoring well testing. Therefore, we will be forwarding you a lease that will commence month-to-month after August 22<sup>nd</sup>. This lease will be extended upon the completion of the above requirements or terminated in December if the tanks are not upgraded. All fuel farm leases that have or will expire will be placed under these same leasing arrangements.

Sam Stuart and John Baumgartner have reviewed these conditions and agreed this is a fair and acceptable way to approach a new fuel farm lease. If you have any further questions please contact me at (972) 248-7733, extension 104.

Sincerely,



Kurt Horn  
Addison Airport of Texas, Inc.

c: John Baumgartner, City Engineer  
Sam Stuart

## LEASE AGREEMENT

This Lease Agreement ("Lease") is made and entered into as of the 11th day of September, 1998 by and between Landlord and Tenant.

### WITNESSETH:

1. Definitions and Basic Provisions. The following definitions and basic provisions shall be used in conjunction with and limited by the reference thereto in the provisions of this Lease:

(a) "Landlord":

Addison Airport of Texas, Inc.  
4505 Claire Chennault  
Dallas, Texas 75248

(b) "Town":

Town of Addison  
16801 Westgrove Road  
Addison, Texas 75001-0144

(c) "Tenant":

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

(d) "Premises":

Two fuel tanks located at 15409 Addison Road on Addison Airport, Addison, Texas (the "Airport"), designated as tanks #1 and #2 more particularly described on Exhibit "A" attached hereto (the "Tanks"), together with all improvements located thereon (the "Fuel Farm Facility").

(e) "Lease Term":

Commencing on the 15<sup>th</sup> day of September, 1998 (the "Commencement Date") and ending on the 31st day of December, 2000.

(f) "Basic Rental":

Tenant agrees to pay Landlord, without notice, demand, offset or deduction, rental for the Premises at the rate of Two Thousand Dollars and No/100 (\$2000.00) per month in advance. Basic Rental has been determined by Landlord as described on Exhibit "B" attached hereto. The first of such installments shall be due and payable on or before the Commencement Date, and a like installment shall be due on or before the first day of each calendar month thereafter during the term hereof. If payments of the monthly installments of rental due under this Lease are made late (after the 10th day of the month) more than once in any three (3) month period, Tenant, upon the delivery of written notice to Tenant by Landlord therefor (the "Additional Deposit Notice"), shall be required to pay to Landlord an amount equal to the then current monthly rental installment (the "Additional Deposit") to be held and applied by Landlord as an addition to the security deposit which was deposited with Landlord upon Tenant's execution of this Lease pursuant to subparagraph (h) of this paragraph. If Tenant does not deliver the Additional Deposit to Landlord within ten (10) days after the delivery of the Additional Deposit Notice, such failure shall be an event of default under this Lease.

(g) "Permitted Uses":

Receiving, storage and dispensing of aviation fuels in accordance with all applicable governmental requirements and all Applicable Environmental Laws.

(h) "Security Deposit":

Tenant has deposited with Landlord, upon Tenant's execution of this Lease, \$2000.00 to be held by Landlord as a security deposit. Such security deposit shall be held by Landlord without interest as security for the performance by Tenant of Tenants covenants and obligations under this Lease. The security deposit is not an advance payment of rental or a measure of liquidated damages in case of default by Tenant. Upon the occurrence of any event of default, Landlord may, from time to time, without prejudice to any other remedy provided herein or provided by law use the security deposit to the

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Labor, Bureau of Labor Statistics (hereinafter referred to as the "Price Index"), as it existed on the Commencement Date and as it exists on the first day of the calendar month preceding the then applicable Adjustment Date.

- (b) The monthly Basic Rental for the one year period beginning with and following the then applicable Adjustment Date shall be either increased or decreased, as the case may be, by the percentage of increase or decrease in the Price Index between the Commencement Date and the then applicable Adjustment Date, but in no event shall such monthly Basic Rental ever be decreased below the Basic Rental set forth in subparagraph (f) of paragraph 1.
- (c) In the event that the Price Index is unavailable for whatever reason for the computations set forth hereinabove, another index selected by Landlord approximating the Price Index as closely as feasible shall be substituted therefor.

4. Landlord's and Tenant's Responsibilities.

- (a) Landlord shall perform all of Landlord's obligations under the Base Lease except that Tenant shall be responsible for performance of any obligations contained in the Base Lease pertaining to the Premises.
- (b) Tenant shall be responsible for all other obligations concerning the Premises, including, but not limited to, the following:
  - (i) Tenant shall be responsible for all utility deposits and payments, including, but not limited to, electricity, telephone, water and gas for utilities supplied to the Premises.
  - (ii) Tenant shall comply with all rules and regulations promulgated by any governmental authority relating to the Premises, including without limitation, the rules and regulations of the Airport concerning conduct of Tenant's business at the Airport, and tank upgrades and compliance regulations.
  - (iii) Tenant shall not alter the Premises in any way or make improvements to the Premises without Landlord's prior written consent. Tenant shall not place or erect any signs at the Premises without Landlord's prior written consent.
  - (iv) Tenant shall be responsible for all "make-ready" and "start-up" expenses in putting the Premises in operation or continuing the Premises in operation.
  - (v) Tenant shall maintain the Premises and all equipment used in connection with the Premises in good repair and condition, including making all necessary replacements and upgrades (including replacements and upgrades required by Applicable Environmental Laws), and upon the expiration of this Lease Term or any earlier termination of this Lease or repossession of the Premises by Landlord because of Tenant's default under this Lease, Tenant shall be required to deliver the Premises to Landlord in good repair and condition with all equipment in operating condition and in compliance with all Applicable Environmental Laws. All replacements and upgrades of equipment shall become the property of the Town upon the expiration or termination of this Lease and may not be removed from the Premises by Tenant. Tenant further agrees that upon the expiration or termination of this Lease Tenant will deliver the Premises to Landlord in the condition required by all Applicable Environmental Laws.
- (c) Tenant shall, during the term hereof, maintain at Tenant's sole cost and expense insurance relating to the Premises as follows:
  - (i) Property insurance providing coverage on an all risks basis in an amount adequate to cover the replacement value of all personal property, fixtures, equipment and improvements located at, upon or under the Premises.
  - (ii) Commercial general liability insurance, including broad form contractual coverage, for bodily injury, death and property damage relating to the Premises on an occurrence basis with a minimum single limit of \$1,000,000.
  - (iii) Pollution liability insurance against claims of bodily injury, property damage and clean up costs arising or resulting from spills, overflows, leaks or releases of petroleum products upon, in, under or from the Premises or other environmental incidents occurring at the Premises with such insurance to afford protection of not less than \$1,000,000.
  - (iv) Worker's compensation insurance covering all persons employed by Tenant in connection with any work done on or about the Premises or, in lieu of such workman's compensation insurance, a program of self-insurance complying with

all rules, regulations and requirements of the State of Texas.

All such policies of Insurance (i) shall be issued by insurance companies acceptable to Landlord, (ii) shall contain deductibles, exclusions and waivers of subrogation acceptable to Landlord, (iii) shall name Landlord and the Town as an additional insured or loss payee, as the case may be, and (iv) shall provide for at least ten (10) days written notice to Landlord and the Town prior to cancellation, modification or non-renewal. Tenant shall provide Landlord with duplicate originals of all insurance policies required by this subparagraph.

- (d) Tenant shall, during the term hereof, maintain in effect at Tenant's sole cost and expense an aircraft fuels dispensing permit issued by the Town and all other governmental permits, licenses or approvals required in connection with the use and operation of the Premises. Failure of Tenant to obtain or maintain all governmental permits, licenses or approvals necessary for the use and operation of the Premises shall not excuse Tenant from the payment and performance of Tenant's duties and obligations under this Lease, including the obligation to pay rental.
- (e) During the term of this Lease, Tenant shall pay prior to delinquency all taxes and assessments levied or assessed against the Premises and/or the fixtures, equipment, improvements and personal property comprising a part of or located upon the Premises, and if applicable, upon the leasehold estate created by this Lease. Tenant also shall pay prior to delinquency all taxes and other governmental fees or charges levied or assessed upon or applicable to Tenant's operations at the Premises. Upon the request of Landlord, Tenant shall furnish Landlord with evidence that Tenant has paid any and all such taxes, assessments, fees or charges prior to delinquency.

5. Environmental.

- (a) As used in this Lease, "Applicable Environmental Laws" means and includes any and all federal, state, or local (including, without limitation, the Town) environmental, health and/or safety-related laws, regulations, standards, court decisions, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant or the Premises. As used in this Lease, "Contaminants" means any hazardous substance, hazardous waste, hazardous material, extremely hazardous substance, toxic substance, toxic pollutant or contaminant prohibited, requiring special handling, requiring remediation or otherwise dealt with under any Applicable Environmental Laws, including any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including without limitation, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or may become in the future listed, defined or regulated in any manner by any Applicable Environmental Laws based upon, directly or indirectly, such properties or effects.
- (b) The Tanks are owned by the Town and leased to Tenant pursuant to this Lease. Tenant shall be responsible for: (i) the maintenance, repair and replacement of the Tanks; (ii) leaks or discharges of aviation fuel or other substances from the Tanks; and (iii) compliance of the Tanks, the Premises and the Fuel Farm Facility with all Applicable Environmental Laws. Tenant shall be responsible for any additions or upgrades necessary to the Premises (including the Tanks) in order for the Premises to be in compliance with all Applicable Environmental Laws. If the Tanks are damaged or if leaks or discharges of aviation fuel or other substances from the Tanks are caused by the misuse, misconduct, or negligence of Tenant or of Tenant's directors, officers, partners, principals, employees, agents, contractors, representatives, guests, customers or invitees, Tenant shall reimburse Landlord for all losses, costs, expenses or damages sustained in connection with the repair or replacement of the Tanks or in connection with the remediation of the leaks, discharge of aviation fuel or other substances from the Tanks, including, but not limited to, damages to the Premises, Fuel Farm Facility or any other property.
- (c) Tenant shall not suffer, permit, allow or cause the Premises to be in violation of, or do anything or permit anything to be done which will subject the Premises to any remedial obligations under any Applicable Environmental Laws assuming disclosure to the applicable governmental authorities of all relevant facts, conditions and circumstances pertaining to the Premises and will promptly notify Landlord in writing of any existing, pending or threatened investigation or inquiry by any governmental authority in connection with any Applicable Environmental Laws. "Tenant" for the purpose of this sub-paragraph shall include Tenant and Tenant's directors, officers, partners, principals, employees, agents, contractors, representatives, guests, customers or invitees. Tenant shall obtain any permits, licenses or similar authorizations required or necessary to

construct, occupy, operate or use any buildings, improvements, fixtures and equipment forming a part of the Premises by reason of any Applicable Environmental Laws. Tenant will not use or permit the use of the Premises in a manner which will result in the disposal or other release of any Contaminants on the Premises or onto neighboring premises. Tenant shall be permitted to store on the Premises aviation fuel in accordance with all Applicable Environmental Laws. In the event Tenant fails to comply with or perform any of the foregoing covenants and obligations, after notice to Tenant as provided in subparagraph (b) of paragraph 14, Landlord may declare an event of default under paragraph 14 and exercise any and all rights or remedies hereunder and undertake all actions necessary to remediate and remove from the Premises (and any neighboring premises) any release, emission or discharge of Contaminants (or if remediation or removal is prohibited by law, to take whatever action is required by law) and the cost of the remediation or removal or such other action shall be a demand obligation owing by Tenant to Landlord pursuant to this Lease and shall be subject to and covered by the provisions of paragraph 7. Upon Landlord's request, at any time and from time to time, Tenant will permit at Landlord's expense an inspection or audit of the Premises by an engineering or consulting firm selected by Landlord, to confirm the presence or absence of Contaminants on the Premises.

- (d) **TENANT HEREBY AGREES TO INDEMNIFY AND HOLD LANDLORD (FOR PURPOSES OF THIS SUBPARAGRAPH, REFERENCES TO LANDLORD SHALL INCLUDE LANDLORD'S ELECTED OFFICIALS, DIRECTORS, EMPLOYEES, OFFICERS, CONTRACTORS AND AGENTS AND ANY PERSONS OR ENTITIES OWNED OR CONTROLLED BY OR AFFILIATED WITH THEM) HARMLESS FROM AND AGAINST, AND TO REIMBURSE LANDLORD WITH RESPECT TO, ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION, LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES (INCLUDING ATTORNEY'S FEES AND COURT COSTS) OF ANY AND EVERY KIND AND CHARACTER, KNOWN OR UNKNOWN, FIXED OR CONTINGENT, ASSERTED AGAINST OR INCURRED BY LANDLORD AT ANY TIME AND FROM TIME TO TIME BY REASON OF, IN CONNECTION WITH OR ARISING OUT OF (I) THE BREACH OF ANY COVENANT OR AGREEMENT OF TENANT CONTAINED IN THIS PARAGRAPH REGARDING APPLICABLE ENVIRONMENTAL LAWS, (II) THE FAILURE OF TENANT TO PERFORM ANY OBLIGATION REQUIRED TO BE PERFORMED BY TENANT REGARDING APPLICABLE ENVIRONMENTAL LAWS, (III) ANY VIOLATION BY TENANT OF ANY APPLICABLE ENVIRONMENTAL LAWS WITH RESPECT TO THE PREMISES, (IV) ANY ACT, OMISSION, EVENT OR CIRCUMSTANCE EXISTING OR OCCURRING PRIOR TO THE RELEASE DATE RESULTING IN THE PRESENCE OF A DISCHARGE ON THE PREMISES OR RELEASE FROM THE PREMISES OF CONTAMINANTS, REGARDLESS OF WHETHER THE ACT, OMISSION, EVENT OR CIRCUMSTANCE CONSTITUTED A VIOLATION OF ANY APPLICABLE ENVIRONMENTAL LAWS AT THE TIME OF ITS EXISTENCE OR OCCURRENCE, AND (V) ANY AND ALL CLAIMS OR PROCEEDINGS (WHETHER BROUGHT BY PRIVATE PARTY OR GOVERNMENTAL AGENCIES) FOR BODILY INJURY, PROPERTY DAMAGE, ABATEMENT OR REMEDIATION, ENVIRONMENTAL DAMAGE OR IMPAIRMENT OR ANY OTHER INJURY OR DAMAGE RESULTING FROM OR RELATING TO ANY CONTAMINANTS LOCATED UPON OR MIGRATING INTO, FROM OR THROUGH THE PREMISES OR ONTO NEIGHBORING PREMISES, CAUSED BY TENANT (WHETHER OR NOT THE ALLEGED LIABILITY IS ATTRIBUTABLE TO THE HANDLING, STORAGE, GENERATION, TRANSPORTATION OR DISPOSAL OF SUCH SUBSTANCE OR THE MERE PRESENCE OF CONTAMINANTS ON THE PREMISES), WHICH LANDLORD MAY INCUR. THE FOREGOING INDEMNITY SHALL APPLY WITH RESPECT TO MATTERS CAUSED BY OR ARISING FROM THE NEGLIGENCE OF LANDLORD, BUT SHALL NOT APPLY SO AS TO INDEMNIFY LANDLORD AGAINST MATTERS CAUSED BY OR ARISING FROM LANDLORD'S OWN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. THE "RELEASE DATE" AS USED HEREIN SHALL MEAN THE DATE TENANT IS REQUIRED TO AND DOES SURRENDER POSSESSION OF THE PREMISES BECAUSE OF AN EVENT OF DEFAULT OR BECAUSE OF THE EXPIRATION OR TERMINATION OF THE TERM OF THIS LEASE. WITHOUT BROADENING THE DESCRIPTION OF THE MATTERS COVERED BY THE FOREGOING INDEMNITY, SUCH INDEMNITY SHALL NOT TERMINATE UPON THE RELEASE DATE, BUT WILL SURVIVE THE RELEASE DATE. ANY AMOUNT TO BE PAID UNDER THIS PARAGRAPH 5 BY TENANT TO LANDLORD SHALL BE DEMAND OBLIGATION OWING BY TENANT AND SHALL BE SUBJECT TO AND COVERED BY THE PROVISIONS OF PARAGRAPH 7.**
- (e) Tenant grants to Landlord and to Landlord's employees, agents, contractors, consultants and other representatives access to the Premises for the purposes contemplated in this paragraph, including environmental inspections and audits.



6. Assignment and Subletting. Tenant shall not assign or in any manner transfer this Lease or any estate or interest therein, or sublet the Premises or any part thereof, or grant any license, concession or other right of occupancy or use of any portion of the Premises without the prior written consent of Landlord. Consent of Landlord to one or more assignments or sublettings shall not operate as a waiver of Landlord's rights as to any subsequent assignments and sublettings. Notwithstanding any assignment or subletting, Tenant and any guarantor of Tenant's obligations under this Lease shall at all times remain fully responsible and liable for the payment of the rent herein specified and for compliance with all of Tenant's other obligations under this Lease. In the event of the transfer and assignment by Landlord of Landlord's interest in this Lease, so long as the Assignee assumes all of Landlord's obligations hereunder, Landlord shall be released from any further obligations hereunder, and Tenant agrees to look solely to such successor in interest of Landlord for performance of such obligations. Tenant shall not mortgage, pledge or otherwise encumber Tenant's interest in this Lease or in the Premises without the prior written consent of Landlord.

7. Right of Landlord to Perform. Tenant agrees that if Tenant fails to perform any act or to take any action which hereunder Tenant is required to perform or take, or to pay any money to any party other than Landlord which hereunder Tenant is required to pay, then after thirty (30) days' notice to Tenant, Landlord, in Tenant's name or in Landlord's own name, and in addition to any other remedies specified herein or otherwise available, may but shall not be obligated to perform or cause to be performed such act or take such action or pay such money, and any reasonable expenses so incurred by Landlord, and any money so paid by Landlord, shall be a demand obligation owing by Tenant to Landlord and Landlord, upon making such payment, shall be subrogated to all of the rights of the person, corporation or body politic receiving such payment.

8. INDEMNITY. LANDLORD SHALL NOT BE LIABLE FOR AND TENANT WILL INDEMNIFY AND SAVE HARMLESS LANDLORD OF AND FROM ALL FINES, SUITS, CLAIMS, DEMANDS, LOSSES AND ACTIONS (INCLUDING ATTORNEYS FEES) FOR ANY INJURY TO PERSON OR DAMAGE TO OR LOSS OF PROPERTY ON OR ABOUT THE PREMISES CAUSED BY THE NEGLIGENCE OR MISCONDUCT OR BREACH OF THIS LEASE BY TENANT OR TENANT'S DIRECTORS, OFFICERS, PARTNERS, PRINCIPALS, EMPLOYEES, AGENTS, CONTRACTORS, REPRESENTATIVES, GUESTS, CUSTOMERS OR INVITEES OR BY ANY OTHER PARTY ENTERING THE PREMISES UNDER THE EXPRESS OR IMPLIED INVITATION OF TENANT, OR ARISING OUT OF TENANT'S USE OF THE PREMISES. LANDLORD SHALL NOT BE LIABLE OR RESPONSIBLE FOR ANY LOSS OR DAMAGE TO ANY PROPERTY OR DEATH OR INJURY TO ANY PARTY OCCASIONED BY THEFT, FIRE, ACT OF GOD, PUBLIC ENEMY, INJUNCTION, RIOT, STRIKE, INSURRECTION, WAR, COURT ORDER, REQUISITION OR OTHER GOVERNMENTAL BODY OR AUTHORITY, OR ANY OTHER MATTER BEYOND CONTROL OF LANDLORD, OR FOR ANY INJURY OR DAMAGE OR INCONVENIENCE WHICH MAY ARISE THROUGH REPAIR OR ALTERATION OF ANY PART OF THE PREMISES, OR FAILURE TO MAKE REPAIRS, OR FROM ANY CAUSE WHATEVER.

9. Existing Mortgages. Landlord covenants, represents and warrants that as of the Commencement Date, Landlord has not executed or entered into any deed of trust or mortgage that presently encumbers the Premises.

10. Inspection. Landlord or Landlord's officers, agents and representatives shall have the right to enter into and upon any and all parts of Premises at all reasonable hours to inspect same so long as such inspection shall not unreasonably interfere with Tenant's use and enjoyment of the Premises.

11. Condemnation. If the entire Premises, or so much thereof that the remainder cannot be used for the purposes leased, shall be taken in condemnation proceeding by an eminent domain authority, or sold in lieu of condemnation, this Lease automatically shall terminate on the date that the eminent domain authority actually takes possession of all or the portion of the Premises so taken or sold, and Landlord shall refund to Tenant any prepaid but unaccrued rental (less any unpaid amount then owed to Landlord by Tenant). If after a taking or sale of a portion of the Premises to an eminent domain authority the remainder of the Premises still can be used for the purposes leased, this Lease shall not terminate, but if the size or configuration of the remainder of the Premises is such that the operation of the Premises is adversely affected in a material way, Landlord agrees to grant Tenant an equitable rental reduction. All condemnation awards or proceeds or the proceeds of a sale in lieu of condemnation shall belong to Landlord, and Tenant shall not have (and hereby waives and releases) any claim to any portion thereof.

12. Fire or Other Casualty. In the event that the Premises or improvements thereon should be totally destroyed by fire, tornado or other casualty or in the event they should be so damaged that rebuilding or repairs cannot be completed within ninety (90) days after the date of such damage, either Landlord or Tenant may terminate this Lease, in which event the rent shall be abated during the unexpired portion of this Lease effective with the date of such damage. In the event the Premises or improvements thereon should be damaged by fire, tornado or other casualty covered by Tenant's insurance, but only to such extent that rebuilding or repairs can be completed within ninety (90) days after the date of such damage, or if the damage should be more serious but neither Landlord nor Tenant elects to terminate this Lease, in either such event Landlord shall, within thirty (30) days after the date of such damage, commence to rebuild or repair the Premises and shall proceed with reasonable diligence to restore the Premises to substantially the same condition in which it was immediately prior to the happening of the casualty, except that Landlord shall not be required to rebuild, repair or replace any part of the equipment or other improvements which may have been placed by Tenant on or within the Premises. Landlord shall allow Tenant a fair diminution of rent during the time the Premises are unfit for the intended use unless the fire or other casualty is the result of negligence or misconduct by Tenant or by Tenant's employees, agents, contractors, other representatives, customers or invitees, in which event there shall be no abatement or diminution in rent. Any insurance which may

be carried by Tenant against loss or damage to the Premises shall be for the benefit of Landlord, and all proceeds thereof shall be paid to Landlord and shall be retained by Landlord if the improvements on the Premises are not reconstructed.

13. Holding Over. Should Tenant, or any of Tenant's successors in interest, hold over on the Premises, or any part thereof, after the expiration of the term of this Lease, unless otherwise agreed in writing, such holding over shall constitute and be construed as tenancy from month to month only, at a rental equal to the rent payable for the last month of the term of this Lease plus twenty-five percent (25%) of such amount. The inclusion of the preceding sentence shall not be construed as Landlord's consent for Tenant to hold over.

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

- (a) Tenant shall fail to pay any installment of the rent hereby reserved and such failure shall continue for a period of ten (10) days.
- (b) Tenant shall fail to comply with any term, provision or covenant of this Lease, other than the payment of rent, and shall not cure such failure within thirty (30) days of written notice thereof from Landlord or, if such failure cannot be reasonably cured within thirty (30) days, Tenant has not commenced to effect such cure, and is not diligently pursuing effectuating such cure.
- (c) Default by Tenant under any other agreement with Landlord covering premises at the Airport.
- (d) Tenant shall fail to deliver the Additional Deposit to Landlord within ten (10) days after the delivery by Landlord to Tenant of the Additional Deposit Notice.
- (e) Tenant shall make a general assignment for the benefit of creditors.
- (f) Tenant shall file a petition under any section or chapter of the National Bankruptcy Act, as amended, or under any similar law or statute of the United States or any State thereof, or Tenant shall be adjudged bankrupt or insolvent in proceedings filed against Tenant thereunder and such adjudication shall not be vacated or set aside or stayed within the time permitted by law.
- (g) A receiver or Trustee shall be appointed for all or substantially all of the assets of Tenant and such receivership shall not be terminated or stayed within the time permitted by law.

15. Remedies. Upon the occurrence of any event of default specified in paragraph 14, Landlord shall have the option to pursue any one or more of the following remedies without any notice or demand whatsoever:

- (a) Terminate this Lease, in which event Tenant immediately shall surrender the Premises to Landlord. If Tenant fails to so surrender the Premises, Landlord may, without prejudice to any other remedy which Landlord may have for possession of the Premises or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other party who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim for damages therefor; and Tenant shall pay to Landlord on demand the amount of rent due hereunder as it comes due plus attorneys fees or costs incurred in obtaining possession of the Premises, less the proceeds of any reletting.
- (b) Terminate this Lease, in which event Tenant immediately shall surrender the Premises to Landlord. If Tenant fails to so surrender the Premises, Landlord may, without prejudice to any other remedy which Landlord may have for possession of the Premises or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other party who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim for damages therefor. Tenant shall pay to Landlord on the date of such termination damages in an amount equal to the excess, if any, of the present value total amount of all monthly rental and other amounts to be paid by Tenant to Landlord hereunder for the period which would otherwise have constituted the unexpired portion of the term of this Lease over the present value fair market rental value of the Premises for such unexpired portion of the term of this Lease.
- (c) Enter upon and take possession of the Premises without terminating this Lease and without being liable for prosecution or for any claim for damages therefor, and expel or remove Tenant and any other party who may be occupying the Premises or any part thereof. Landlord may (but shall not be required to) relet the Premises and receive the rent therefor. Tenant agrees to pay to Landlord monthly or on demand from time to time any deficiency that may arise by reason of any such reletting. In determining the amount of such deficiency, brokerage commissions, attorneys' fees, remodeling expenses and other costs of reletting shall be subtracted from the amount of rent received under such

reletting.

- (d) Enter upon the Premises without terminating this Lease and without being liable for prosecution or for any claim for damages therefor, and do whatever Tenant is obligated to do under the terms of this Lease. Tenant agrees to pay Landlord on demand for expenses which Landlord may incur in thus effecting compliance with Tenant's obligations under this Lease, together with interest thereon at the rate of the lesser of the maximum non-usurious contractual rate of interest or eighteen percent (18%) per annum from the date expended until paid. Landlord shall not be liable for any damages resulting to Tenant from such action, whether caused by negligence of Landlord or otherwise.

No re-entry or taking possession of the Premises by Landlord shall be construed as an election on Landlord's part to terminate this Lease, unless a written notice of such intention be given to Tenant. Notwithstanding any such reletting or re-entry or taking possession, Landlord may at any time thereafter elect to terminate this Lease for a previous default. Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to Landlord hereunder or of any damages accruing to Landlord by reason of the violation of any of the terms, provisions and covenants herein contained. Landlord's acceptance of rent following an event of default hereunder shall not be construed as Landlord's waiver of such event of default. No waiver by Landlord of any violation or breach of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions, and covenants herein contained. Forbearance by Landlord to enforce one or more of the remedies herein provided upon an event of default shall not be deemed or construed to constitute a waiver of any other violation or default. The loss or damage that Landlord may suffer by reason of termination of this Lease or the deficiency from any reletting as provided for above shall include the expense of repossession and any repairs undertaken by Landlord following repossession. If any of Tenant's property ("Tenant Property") remains upon the Premises upon the expiration of the Lease Term or any earlier termination of this Lease or any repossession of the Premises by Landlord because of Tenant's default under this Lease, Landlord shall have the right to remove any or all Tenant Property from the Premises and store such Tenant Property, and Tenant shall be obligated to reimburse Landlord for all of the costs incurred by Landlord in removing and storing such Tenant Property. Landlord shall not be required to release any Tenant Property to Tenant until Tenant has paid Landlord all costs incurred by Landlord in removing and storing such Tenant Property and all other amounts owed by Tenant to Landlord pursuant to this Lease, including, without limitation, unpaid rental and costs incurred by Landlord to repair the Premises. As a material inducement to Landlord to enter into this Lease, Tenant, to the fullest extent allowed by law hereby waives all requirements that Landlord undertake any action to mitigate Landlord's damages arising from a default by Tenant under this Lease.

16. Security Interest. In addition to the statutory Landlord's lien, Landlord shall have, at all times, a valid security interest to secure payment of all rent and other sums of money becoming due hereunder from Tenant, and to secure payment of any damages or loss which Landlord may suffer by reason of the breach of Tenant of any covenant, agreement or condition contained herein, upon all goods, wares, equipment, improvements and other personal property of Tenant presently, or which may hereafter be, situated on the Premises, and all proceeds therefrom, and such property shall not be removed therefrom without the consent of Landlord until all arrearages in rent as well as any and all other sums of money then due Landlord hereunder shall first have been paid and discharged and all the covenants, agreements and conditions hereof have been fully satisfied and performed by Tenant. Upon the occurrence of any event of default by Tenant, Landlord may, in addition to any other remedies provided herein, enter upon the Premises and take possession of any and all goods, wares, equipment, improvements and other personal property of Tenant situated on the Premises, without liability for trespass or conversion, and sell the same at public or private sale, with or without having such property at the sale, after giving reasonable notice of the time and place of any public sale or of the time after which any private sale is to be made, at which sale the Landlord or Landlord's assigns may purchase, unless otherwise prohibited by law. Landlord shall have all of the rights and may exercise any or all of the remedies available to a secured party under the Texas Uniform Commercial Code, as amended (the "Code"), and reasonable notice for purposes of any provision of the Code requiring such notice shall be deemed to have been given if notice is given in the manner prescribed in this Lease at least five (5) days before the time of sale. The proceeds from such disposition, less any and all expenses in connection with the taking of possession, holding and selling of the property (including reasonable attorney's fees and legal expenses), shall be applied as a credit against the indebtedness secured by the security interest granted in this paragraph. Any surplus shall be paid to Tenant, or as otherwise required by law, Tenant shall pay any deficiencies forthwith. The statutory lien for Rent is not hereby waived, the security interest herein granted being in addition and supplementary thereto.

17. Surrender of Premises. No act or thing done by Landlord or Landlord's agents during the term hereby granted shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept a surrender of the Premises shall be valid unless the same be made in writing and subscribed by Landlord.

18. Attorneys' Fees/Interest. If, on account of any breach or default by Tenant of Tenant's obligations under this Lease, it shall become necessary for Landlord to employ an attorney to enforce, defend or assert Landlord's rights or remedies, then Landlord shall be entitled to collect reasonable attorneys' fees incurred by Landlord from Tenant. All monetary obligations of Tenant to Landlord under this Lease remaining unpaid ten (10) days after the due date of the same (if no due date has been established under other provisions hereof, the "due date" shall be the date upon which Landlord demands payment from Tenant in writing) shall bear interest at the lesser of the highest non-usurious contractual interest rate or eighteen percent (18%) per annum from and after said tenth (10<sup>th</sup>) day until paid.

19. Mechanics Liens. Tenant will not permit any mechanic's lien or liens to be placed upon the Premises or improvements thereon during the term hereof caused by or resulting from any work performed, materials furnished or obligations incurred by or at the request of Tenant, and in the case of filing any such lien, Tenant will promptly pay same. If default in payment thereof shall continue for twenty (20) days after written notice thereof from Landlord to Tenant, Landlord shall have the right and privilege at Landlord's option of paying the same or any portion thereof without inquiry as to the validity thereof, and any amounts so paid, including expenses and interest, shall be so much additional indebtedness hereunder due from Tenant to Landlord and shall be repaid to Landlord immediately on rendition of bill therefor, together with interest thereon at the highest lawful rate until repaid.

20. Notices. Each provision of this Lease, or of any applicable governmental laws, ordinances, regulations, and other requirements with reference to the sending, mailing or delivery of any notice, or with reference to the making of any payment by Tenant to Landlord, shall be deemed to be complied with when and if the following steps are taken:

- (a) All Basic Rental and other payments required to be made by Tenant to Landlord hereunder shall be payable to Landlord in Dallas County, Texas, at the address hereinbelow set forth, or at such other address as Landlord may specify from time to time by written notice delivered in accordance herewith.
- (b) Any notice or document required to be delivered hereunder shall be deemed to be delivered if actually received and whether or not received when deposited in the United States mail, postage prepaid, certified or registered mail, (with or without return receipt requested) addressed to the parties hereto at the respective addresses set out opposite their names below, or at such other address as they have theretofore specified by written notice delivered in accordance herewith:

LANDLORD:

Addison Airport of Texas, Inc.  
4505 Claire Chennault  
Dallas, Texas 75248

TENANT:

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

21. Separability; Interpretation. If any clause or provision of this Lease is illegal, invalid or unenforceable under laws effective during the term of this Lease, then and in such event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby, and it is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable there be added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable. This Lease shall be construed and interpreted under and governed by the laws of the State of Texas.

22. Amendments; Binding Effect. This Lease may not be altered, changed or amended, except by instrument in writing signed by both parties hereto. No provision of this Lease shall be deemed to have been waived by Landlord unless such waiver be in writing signed by Landlord and addressed to Tenant, nor shall any custom or practice which may grow up between the parties in the administration of the terms hereof be construed to waive or lessen the right of Landlord to insist upon the performance by Tenant in strict accordance with the terms hereof. The terms, provisions, covenants and conditions contained in this Lease shall apply to, inure to the benefit of, and be binding upon the parties hereto, and upon their respective successors in interest and legal representatives, except as otherwise herein expressly provided.

23. Quiet Enjoyment/Waiver. Provided Tenant has performed all of the terms, covenants, agreements and conditions of this Lease, including the payment of Basic Rental and all other payments due hereunder, to be paid and performed by Tenant, Tenant shall peaceably and quietly hold and enjoy the Premises for the term hereof, without hindrance from Landlord, subject to the terms and conditions of this Lease. To the extent permitted by law, Tenant waives the benefit of all existing and future rent control legislation and statutes and similar governmental rules and regulations.

24. Gender/Exhibits. Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise required. All exhibits attached to this Lease are incorporated herein by reference for all purposes.

25. Joint and Several Liability. If there be more than one Tenant, the obligations hereunder imposed

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upon Tenant shall be joint and several. If there be a guarantor of Tenant's obligations hereunder, the obligations hereunder imposed upon Tenant shall be the joint and several obligations of Tenant and such guarantor and Landlord need not first proceed against the Tenant hereunder before proceeding against such guarantor, nor shall any such guarantor be released from its guaranty for any reason whatsoever, including, without limitation, in case of any amendments hereto, waivers hereof or failure to give such guarantor any notices hereunder.

26. No Recording. Neither this Lease nor any memorandum hereof shall be recorded by Tenant without the prior written consent of Landlord.

27. Captions. The captions contained in this Lease are for convenience of reference only, and in no way limit or enlarge the terms and conditions of this Lease.

28. Survival. All of the terms, conditions, promises, covenants, and agreements contained herein which are not fully paid or performed on the date of the expiration of the term of this Lease or any earlier termination of this Lease shall survive the expiration of the term of this Lease or the termination of this Lease until paid or performed.

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

30. Net Lease. Except for the rental due to the Town under the Base Lease, it is intended that the rent provided for in this Lease shall be an absolutely net return to Landlord for the entire term of this Lease, free of any loss, expense or charge with respect to the Premises, including, without limitation, maintenance, repairs, replacements, insurance costs, taxes and assessment, and this Lease shall be construed in accordance with and to effectuate such intent.

DATED AS OF the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

LANDLORD:

Addison Airport of Texas, Inc.  
A Texas Corporation

By \_\_\_\_\_ Name \_\_\_\_\_  
\_\_\_\_\_ Title \_\_\_\_\_  
\_\_\_\_\_

TENANT:

James Donaldson & John Barbee d/b/a  
Addison Aircraft Storage

By \_\_\_\_\_ Name \_\_\_\_\_  
\_\_\_\_\_ Title \_\_\_\_\_

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DESCRIPTION

BEING a tract of land situated in the E. Cook Survey, Abstract 226, Town of Addison, Dallas County, Texas, and located on the Addison Municipal Airport, Addison, Texas; said tract being more particularly described as follows:

COMMENCING at the intersection of the centerline of Addison Road and the northern R.O.W. of St. Louis Southwestern Railway Company (100' ROW);

THENCE, N 2°58' W, along said centerline a distance of 365.5 ft. to a point;

THENCE, S 89°48'10" W, a distance of 30.0 ft. to the POINT OF BEGINNING;

THENCE, S 89°48'10" W, a distance of 70.0 ft. to a point;

THENCE, N 01°35'29" W, a distance of 22.0 ft. to a point;

THENCE, N 89°48'10" E, a distance of 70.0 ft. to a point;

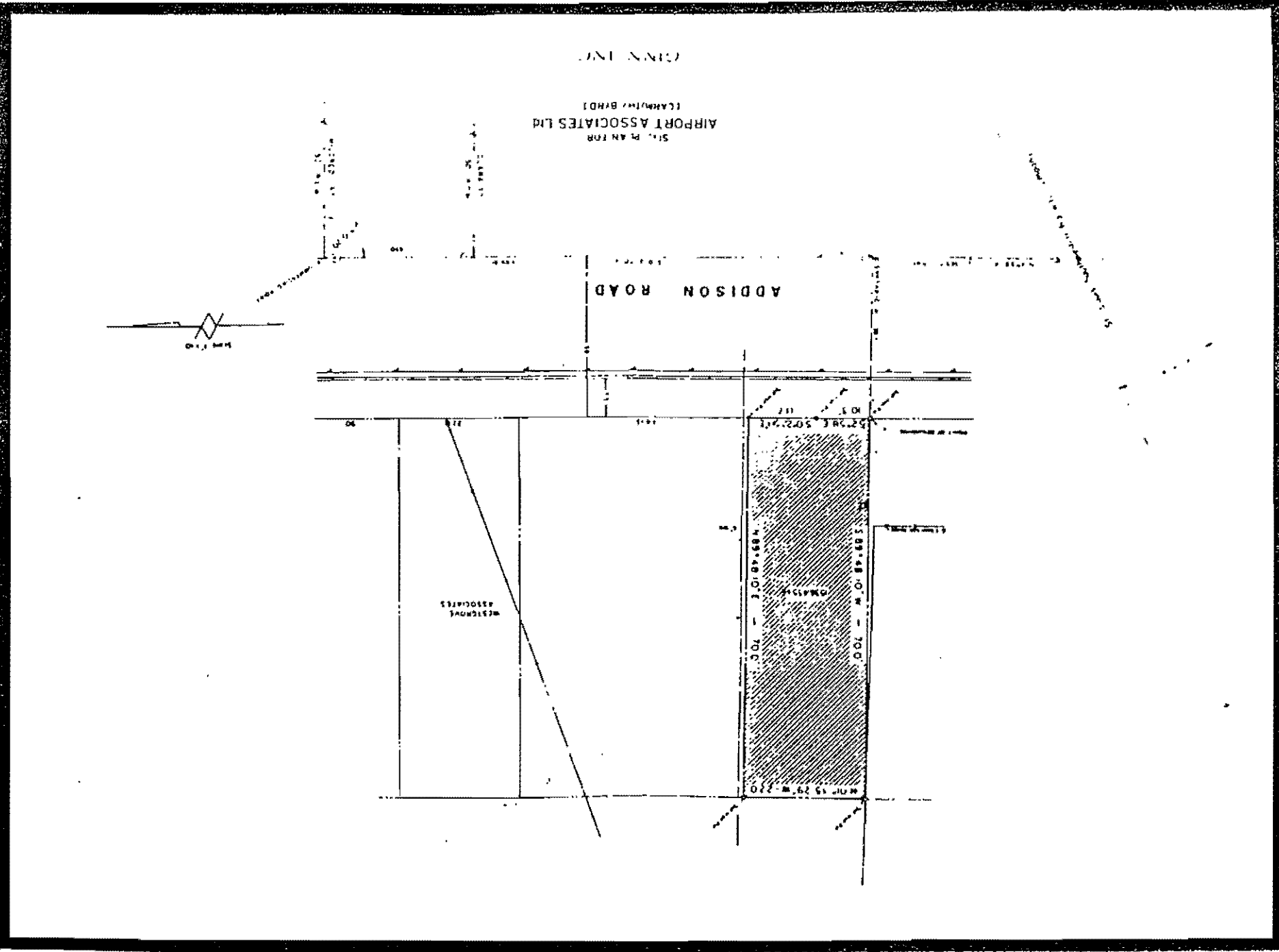
THENCE, S 00°22'50" E, parallel to and 30 feet from centerline of Addison Road (along the right-of-way) a distance of 11.7 ft. to a point;

THENCE, S 02°58'00" E, a distance of 10.3 ft. along said R.O.W. to the Point Of Beginning and containing 1,536.435 s.f. of land, more or less.

Legal Description

EXHIBIT A

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Site Plan

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## Exhibit B

Method of determining Basic Rental to be attached per paragraph 1(f)

<u>Size of Tank</u>	<u>Rate per Month</u>
<i>0 – 1999 Gallon Tanks</i>	\$250
<i>2000 – 7999 Gallon Tanks</i>	\$500
<i>8000 Gallon or Larger</i>	\$1000



EXHIBIT "C"

THE STATE OF TEXAS  
COUNTY OF DALLAS

§  
§  
§

111  
17/11  
Fuel Vendor  
GROUND LEASE

This Ground Lease (hereinafter referred to as the "Lease") is made and entered into this 23 day of June, 1983, by and among the City of Addison, Texas, a municipal corporation (hereinafter sometimes referred to as the "City"), Addison Airport of Texas, Inc., a Texas corporation (hereinafter sometimes referred to as "AATI"), and AIRPORT ASSOCIATES, LTD. (hereinafter referred to as "Tenant").

W I T N E S S E T H :

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

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

WHEREAS, Tenant previously has leased certain other premises located at the Airport pursuant to a Ground Lease (hereinafter referred to as the "Primary Ground Lease") between the City, AATI and Tenant; and

WHEREAS, Tenant has been granted by the City either a Public Aircraft Fuels Dispensing Permit or a Non-Public Aircraft Fuels Dispensing Permit (the applicable of said permits being hereinafter referred to as the "Permit") to dispense aircraft fuels at the Airport in compliance with the terms and conditions of the Permit; and

WHEREAS, under the Permit Tenant is required to install certain improvements at the Airport in connection with the dispensing of aircraft fuels; and

WHEREAS, Tenant wishes to lease the demised premises for the purpose of installing, maintaining and operating the improvements at the Airport required by the Permit; and

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

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

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

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

Expires  
August 22, 1983

3. Term. The term hereof shall commence on the earlier of August 22, 1983, or the first day of the first calendar month after Tenant completes the installation hereinbelow described and opens for business at the demised premises (the applicable date being hereinafter referred to as the "Commencement Date"), and shall end on the earlier of (i) the date of the cancellation, termination or expiration of the Permit (whichever first occurs), (ii) the date of the termination or expiration of the Primary Ground Lease (whichever first occurs), or (iii) 180 months after the Commencement Date; provided, however, that any entry upon the demised premises by Tenant prior to the Commencement Date shall be subject to all of the terms and conditions hereof except that rental shall not accrue.

Notwithstanding anything to the contrary contained herein, Landlord shall have the right to terminate this Lease if Tenant has not (i) commenced the installation of the improvements described in paragraph 6 within ninety (90) calendar days after the date hereof, or (ii) completed the installation of the improvements described in paragraph 6 (other than future modifications in and improvements to the Road Area which may be required by Landlord under paragraph 17) within one hundred eighty (180) days after the date hereof.

4. Rental. Subject to adjustment as hereinbelow provided, Tenant agrees to pay to Landlord, without notice, demand, offset or deduction, rent for the demised premises at the rate of THIRTY-FIVE AND 59/100 Dollars (\$ 35.59 ) per month in advance. The first of such installments shall be due and payable on or before the Commencement Date, and a like installment shall be due and payable on or before the first day of each calendar month thereafter during the term hereof.

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

A. A comparison shall be made between the Consumer Price Index (All Urban Consumers) for the Dallas, Texas Metropolitan Area published by the United States Department of Labor, Bureau of Labor Statistics (hereinafter referred to as the "Price Index"), as it existed on the Commencement Date and as it exists on the first day of the calendar month preceding the then applicable Adjustment Date.

B. The monthly rental for the two (2) year period beginning with and following the then applicable Adjustment Date shall be either increased or decreased, as the case

may be, by the percentage of increase or decrease in the Price Index between the Commencement Date and the then applicable Adjustment Date, but in no event shall such monthly rental ever be decreased below the monthly rental set forth in paragraph 4.

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

6. Use of Demised Premises and Installation of Improvements. The demised premises shall be used and occupied by Tenant only for the installation, maintenance and operation of the improvements required by the Permit and by paragraph 17, and not otherwise without the prior written consent of Landlord.

Prior to the commencement of the installation of such improvements, Tenant shall submit plans and specifications to Landlord depicting in reasonable detail the type and manner of the installation of such improvements. All installation shall be strictly in accordance with the plans and specifications submitted to and approved by Landlord.

Installation of such improvements by Tenant shall be performed in a first class, workmanlike manner, and Tenant agrees to promptly pay and discharge all costs, expenses, claims for damages, liens and any and all other liabilities and obligations which arise in connection with any such installation.

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

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

9. Assignment, Subletting and Mortgaging of Leasehold Estate.

A. Without the prior written consent of Landlord, Tenant may not assign this Lease or any rights of Tenant hereunder (except to a leasehold mortgagee as hereinbelow provided) or sublet the whole or any part of the demised premises. Any assignment or subletting shall be expressly subject to all the terms and provisions of this Lease, including the provisions of paragraph 6 pertaining to the use of the demised premises. In the event of any assignment or subletting, Tenant shall not assign Tenant's rights hereunder or sublet the demised premises without first obtaining and delivering to Landlord a written agreement from each such assignee or subtenant whereby each such assignee or subtenant agrees to be bound by the terms and provisions of this Lease. No such assignment or subletting shall constitute a novation. In the event of the occurrence of an event of default while the demised premises are assigned or sublet, Landlord, in addition to any other remedies provided herein or by law, may at Landlord's option, collect directly from such assignee or

subtenant all rents becoming due under such assignment or subletting and apply such rent against any sums due to Landlord hereunder. No direct collection by Landlord from any such assignee or subtenant shall release Tenant from the payment or performance of Tenant's obligations hereunder.

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

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

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

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

to perform all of Landlord's obligations hereunder so long as such mortgagee or its successors and assigns performs all of the obligations of Tenant hereunder. Landlord also agrees to execute and deliver to such proposed leasehold mortgagee any other documents which such proposed leasehold mortgagee may reasonably request concerning the mortgaging by Tenant of the leasehold estate created hereby; provided, however, that Landlord shall never be required to subordinate Landlord's interest in the demised premises to the mortgage of such proposed leasehold mortgage.

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

11. Maintenance and Repair of Demised Premises.

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

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

12. Alterations, Additions and Improvements. After completion of the improvements referenced in paragraph 6, Tenant shall not make any alterations, additions or improvements to the demised premises without the prior written consent of Landlord. Consent for non-structural alterations, additions or improvements shall not be unreasonably withheld by Landlord. Tenant shall comply with all applicable governmental laws, ordinances and regulations in making any such alterations, additions or improvements. All alterations, additions and improvements in and to the demised premises shall be performed in a first class, workmanlike manner, and Tenant shall promptly pay and discharge all costs, expenses, claims for damages, liens and any and all other liabilities and obligations which arise in connection therewith.

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

(i) Insurance against loss or damage to improvements by fire, lightning, and other risks from time to time included under standard extended coverage policies, and sprinkler, vandalism and malicious mischief, all in amounts sufficient to prevent Landlord or Tenant from becoming co-insurers of any loss under the applicable policies but in any event in amounts not less than eighty percent (80%) of the full insurable value of such improvements. The term "full insurable value" as used herein means actual replacement value at the time of such loss. Upon request,

such replacement value shall be determined by a qualified appraiser, a copy of whose findings shall be submitted to Landlord, and, thereafter, proper adjustment in the limits of insurance coverage shall be effected.

(ii) General public liability insurance against claims for bodily injury, death or property damage occurring on, in or about the demised premises, such insurance to afford protection to Landlord of not less than \$5,000,000.00 with respect to any one person, \$5,000,000.00 with respect to any one accident and not less than \$5,000,000.00 with respect to property damage.

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

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

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

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

All such policies of insurance (i) shall be issued by insurance companies acceptable to Landlord, (ii) shall name Landlord (and if Landlord so requests the City) as an additional insured or loss payee, as the case may be; and (iii) shall provide for at least thirty (30) days written notice to Landlord (and if Landlord so requests the City) prior to cancellation or modification. Tenant shall provide Landlord with duplicate originals of all insurance policies required by this paragraph.

#### 14. Casualty Damage or Destruction.

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

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

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

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

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

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

E. In the event that Tenant does not promptly commence Restoration, or after commencement Tenant does not diligently proceed to the completion of same, Landlord shall have the right to commence or complete Restoration after Landlord has given Tenant thirty (30) days prior written notice requesting the commencement of Restoration or that Tenant diligently proceed to the completion of same if Tenant during such thirty (30) day period does not so commence or proceed to diligently complete Restoration. In such event, Landlord shall retain the insurance proceeds, and Tenant shall pay any deficiency if such proceeds are not sufficient for Restoration.

#### 15. Condemnation.

A. If during the term hereof, any part of the demised premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, or is sold to a condemning authority under threat of condemnation, and after such taking by or sale to said condemning authority the remainder of the demised premises is not susceptible to efficient and economic occupation and

operation by Tenant, this Lease shall automatically terminate as of the date that said condemning authority takes possession of the condemned portion of the demised premises, and Landlord shall refund to Tenant any prepaid but unaccrued rental less any sum then owing by Tenant to Landlord.

B. If after such taking by or sale to said condemning authority the remainder of the demised premises is susceptible to efficient and economic occupation and operation by Tenant, this Lease shall not terminate but the rental due hereunder shall be adjusted so that Tenant shall be required to pay for the remainder of the term hereof the sum obtained by multiplying each monthly rental installment due hereunder, as adjusted from time to time pursuant to paragraph 5, by a fraction, the numerator of which shall be the number of square feet remaining in the demised premises after the taking by or sale to said condemning authority and the denominator of which shall be the square footage originally contained in the demised premises. The rental adjustment called for herein shall not commence until said condemning authority actually takes possession of the condemned portion of the demised premises.

C. If this Lease is not terminated pursuant to Section A, Tenant shall promptly restore the improvements and/or equipment on the demised premises, and the condemnation proceeds to which Landlord and Tenant are entitled shall be awarded and paid first to cover the costs and expenses for restoring the remaining portion of the demised premises to a condition susceptible of efficient and economic occupation and operation by Tenant, and any remaining proceeds to which Landlord and Tenant are entitled shall be awarded and paid to Landlord and Tenant, as their interests may appear. If this Lease is terminated pursuant to Section A, condemnation proceeds to which Landlord and Tenant are entitled shall be awarded and paid to Landlord and Tenant as their interests may appear.

16. Utilities. Tenant shall be responsible at Tenant's sole cost and expense for obtaining all utility connections at or for the demised premises and Tenant shall pay all charges for water, electricity, gas, sewer, telephone or any other utility connections, tap-in fees and services furnished to the demised premises during the term hereof. Landlord shall in no event be liable or responsible for any cessation or interruption in any such utility services.

17. Common Road. As part of the required improvements to the demised premises, Tenant shall install, repair, replace and maintain during the term hereof a six inch (6") crushed rock road across that portion of the demised premises designated as "Road Area" on attached Exhibit A. Such Road Area is intended to be an integral part of a common road to be installed, repaired, replaced and maintained for the purpose of furnishing access, ingress and egress to and from portions of the Airport and the demised premises and similar facilities. Consequently, Landlord hereby reserves and Tenant hereby grants rights of access, ingress and egress across such Road Area for all users of the Airport and such users' employees, agents, servants, customers and other invitees. Landlord further hereby reserves the right to require and Tenant hereby agrees to make reasonable future modifications in and improvements to such Road Area for the purpose of enhancing and improving such Road Area for access, ingress and egress.

18. Rules and Regulations. Landlord has adopted Rules and Regulations (hereinafter referred to as the "Rules and Regulations") which shall govern Tenant in the use of the demised premises and all common facilities, a copy of which has



been furnished to Tenant. The Rules and Regulations are incorporated by reference as if written verbatim herein, and Tenant agrees to comply fully at all times with the Rules and Regulations. Landlord shall have the right to amend, modify and alter the Rules and Regulations from time to time in a reasonable manner for the purpose of assuring the safety, welfare and convenience of Landlord, Tenant and all other tenants and customers of the Airport.

19. No Signs. Without the express prior written consent of Landlord, Tenant shall not construct, erect, install, paint or otherwise permit, suffer or allow to exist any sign located on or about the demised premises.

20. Landlord's Right of Entry. Landlord and Landlord's authorized representatives shall have the right, during normal business hours, to enter the demised premises (i) to inspect the general condition and state of repair thereof, (ii) to make repairs permitted under this Lease, (iii) to show the demised premises to any prospective tenant or purchaser or (iv) for any other reasonable and lawful purpose. During the final one hundred eighty (180) days of the term hereof, Landlord and Landlord's authorized representatives shall have the right to erect and maintain on or about the demised premises customary signs advertising the demised premises for lease or for sale.

21. Indemnity and Exculpation.

A. Landlord shall not be liable to Tenant or to Tenant's employees, agents, servants, customers, invitees, or to any other party whomsoever, for any injury to persons or damage to property on or about the demised premises or any adjacent area owned by Landlord caused by the negligence or misconduct of Tenant, Tenant's employees, servants, customers, invitees, subtenants, licensees or concessionaires or any other party entering the demised premises under the express or implied invitation of Tenant, or arising out of the use of the demised premises by Tenant or the conduct of Tenant's business thereon, or arising out of any breach or default by Tenant in the performance of Tenant's obligations hereunder; and Tenant hereby agrees to indemnify Landlord and hold Landlord harmless from any loss, expense or claim arising out of such damage or injury.

B. Landlord and Landlord's agents and employees shall not be liable to Tenant for any injury to persons or damage to property resulting from the demised premises becoming out of repair or by defect in or failure of equipment, pipes, or wiring, or broken glass, or by the backing up of drains, or by gas, water, steam, electricity or oil leaking, escaping or flowing into the demised premises, regardless of the source, or by dampness or by fire, explosion, falling plaster or ceiling or for any other reason whatsoever. Landlord shall not be liable to Tenant for any loss or damage that may be occasioned by or through the acts or omissions of other tenants of Landlord or caused by operations in construction of any private, public or quasi-public work, or of any other parties whomsoever, excepting only duly authorized agents and employees of Landlord.

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

A. Failure of Tenant to pay any installment of rent or any other sum payable to Landlord hereunder on the date that the same is due and such failure shall continue for a period of ten (10) days.

B. Failure of Tenant to comply with any term, condition or covenant of this Lease, other than the payment of rent or other sum of money, and such failure shall not be cured within thirty (30) days after written notice thereof to Tenant.

C. Default by Tenant under the Permit and/or under the Primary Ground Lease.

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

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

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

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

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

A. Terminate this Lease, in which event Tenant shall immediately surrender the demised premises to Landlord. If Tenant fails to so surrender the demised premises, Landlord may, without prejudice to any other remedy which Landlord may have for possession of the demised premises or arrearages in rent, enter upon and take possession of the demised premises and expel or remove Tenant and any other person who may be occupying the demised premises or any part thereof, without being liable for prosecution or any claim for damages therefor. Tenant shall pay to Landlord on demand the amount of all loss and damage which Landlord may suffer by reason of such termination, whether through inability to relet the demised premises on satisfactory terms or otherwise.

B. Terminate this Lease, in which event Tenant shall immediately surrender the demised premises to Landlord. If Tenant fails to so surrender the demised premises, Landlord may, without prejudice to any other remedy which Landlord may have for possession of the demised premises or arrearages in rent, enter upon and take possession of the demised premises and expel or remove Tenant and any other person who may be occupying the demised premises or any part thereof, without being liable for prosecution or any claim for damages therefor. Tenant shall pay to Landlord on the date of such termination damages in an amount equal to the excess, if any, of the total amount of all monthly rental and other amounts to be paid by Tenant to Landlord hereunder for the period which would otherwise have constituted the unexpired portion of the term of this Lease over the then fair market rental value of the demised premises for such unexpired portion of the term of this Lease.

C. Enter upon and take possession of the demised premises without terminating this Lease and without being liable for prosecution or for any claim for damages

therefor, and expel or remove Tenant and any other person who may be occupying the demised premises or any part thereof. Landlord may relet the demised premises and receive the rent therefor. Tenant agrees to pay to Landlord monthly or on demand from time to time any deficiency that may arise by reason of any such reletting. In determining the amount of such deficiency, brokerage commissions, attorneys' fees, remodeling expenses and other costs of reletting shall be subtracted from the amount of rent received under such reletting.

D. Enter upon the demised premises without terminating this Lease and without being liable for prosecution or for any claim for damages therefor, and do whatever Tenant is obligated to do under the terms of this Lease. Tenant agrees to pay Landlord on demand for expenses which Landlord may incur in thus effecting compliance with Tenant's obligations under this Lease, together with interest thereon at the rate of eighteen percent (18%) per annum from the date expended until paid. Landlord shall not be liable for any damages resulting to Tenant from such action, whether caused by negligence of Landlord or otherwise.

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

24. Default by Landlord. No default by Landlord hereunder shall constitute an eviction or disturbance of Tenant's use and possession of the demised premises or render Landlord liable for damages or entitle Tenant to be relieved from any of Tenant's obligations hereunder (including the obligation to pay rent) or grant Tenant any right of deduction, abatement, set-off or recoupment or entitle Tenant to take any action whatsoever with regard to the demised premises or Landlord until thirty (30) days after Tenant has given Landlord written notice specifically setting forth such default by Landlord, and Landlord has failed to cure such default within said thirty (30) day period, or in the event such default cannot be cured within said thirty (30) day period then within an additional reasonable period of time so long as Landlord has commenced curative action within said thirty (30) day period and thereafter is diligently attempting to cure such default. If any mortgagee of Landlord has given Tenant its address for notices and specifically requests such notice, Tenant agrees to give the notice required hereinabove to such mortgagee at the same time Tenant gives same to Landlord, and to accept curative action, if any, undertaken by such mortgagee as if such curative action had been taken by Landlord.

25. Waiver of Subrogation. Each party hereto waives any and every claim which arises or may arise in such party's favor against the other party hereto during the term of this Lease for any and all loss of, or damage to, any of such party's property located within or upon, or constituting a part of, the demised premises, which loss or damage is covered by valid and collectible fire and extended coverage insurance policies, to the extent that such loss or damage is recoverable under such insurance policies. Such mutual waivers shall be in addition to, and not in limitation or derogation of, any other waiver or release contained in this Lease with respect to any loss of, or damage to, property of the parties hereto. Inasmuch as such mutual waivers will preclude the assignment of any aforesaid claim by way of subrogation or otherwise to an insurance company (or any other party), each party hereby agrees

immediately to give to each insurance company which has issued to such party policies of fire and extended coverage insurance, written notice of the terms of such mutual waivers, and to cause such insurance policies to be properly endorsed, if necessary, to prevent the invalidation of such insurance coverages by reason of such waivers.

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

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

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

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

and (ii) in the event of foreclosure or any enforcement of any such mortgage, the rights of Tenant hereunder shall expressly survive and this Lease shall in all respects continue in full force and effect so long as Tenant shall fully perform all Tenant's obligations hereunder and attorn to the purchaser. Tenant also agrees upon demand to execute further instruments declaring this Lease prior and superior to any mortgage, deed of trust or other lien and specifically providing that this Lease shall survive the foreclosure of such mortgage, deed of trust or other lien.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

37. Interest on Tenant's Obligations and Manner of Payment. All monetary obligations of Tenant to Landlord under this Lease remaining unpaid ten (10) days after the due date of the same (if no due date has been established under other provisions hereof, the "due date" shall be the date upon which Landlord demands payment from Tenant in writing) shall bear interest at the rate of eighteen percent (18%) per annum from and after said tenth (10th) day until paid. If more than twice during the term of this Lease Tenant's personal or corporate check is not paid by the bank on which it is drawn for whatever reason, Landlord may require by giving written notice to Tenant that the payment of all future monetary obligations of Tenant under this Lease are to be made on or before the due date by cash, cashier's check, certified check or money order, and that the delivery of Tenant's personal or corporate check will no longer constitute payment of such monetary obligations. Any acceptance by Landlord of a personal or corporate check after such notice shall not be deemed or construed as a waiver or estoppel of Landlord to require other payments as required by said notice.

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

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

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

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

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

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

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

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

LANDLORD:

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

City of Addison, Texas  
P. O. Box 144  
Dallas, Texas 75001

TENANT:

AIRPORT ASSOCIATES, LTD  
6336 Greenville Avenue  
Dallas, Texas 75206

Don V. Averitt  
Alan T. Gregory

363-4492

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

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

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

49. Entire Agreement and Amendments. This Lease, consisting of forty-nine (49) paragraphs and Exhibits A through B attached hereto, embodies the entire agreement between Landlord and Tenant and supersedes all prior agreements and

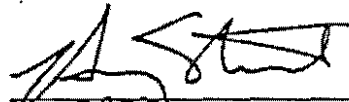
understandings, whether written or oral, and all contemporaneous oral agreements and understandings relating to the subject matter hereof. Except as otherwise specifically provided herein, no agreement hereafter made shall be effective to change, modify, discharge or effect an abandonment of this Lease, in whole or in part, unless such agreement is in writing and signed by or on behalf of the party against whom enforcement of the change, modification, discharge or abandonment is sought.

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

LANDLORD:

ADDISON AIRPORT OF TEXAS, INC.

By  
Title

  
PRES

CITY OF ADDISON, TEXAS

By  
Title

  
Manager

TENANT:

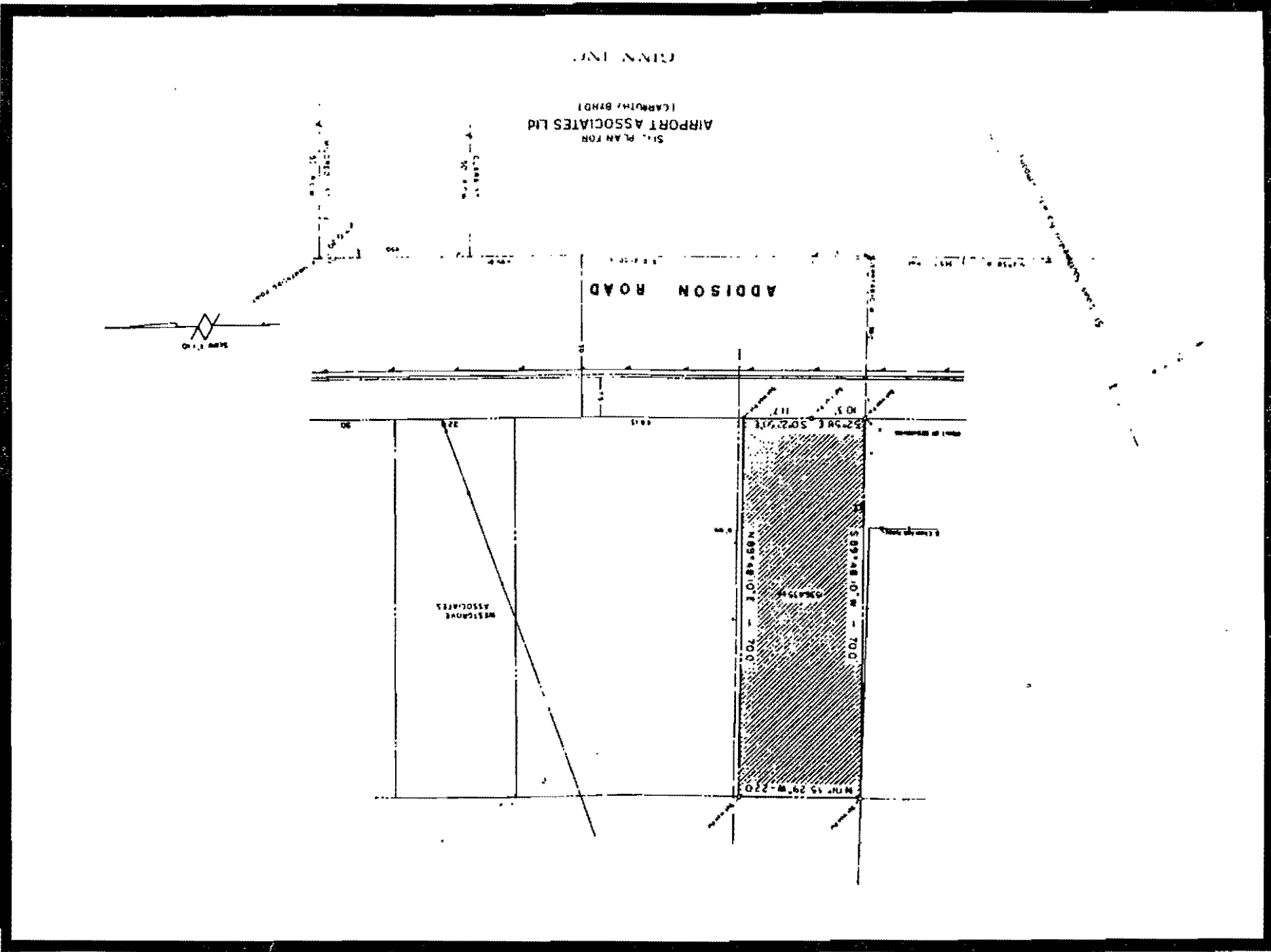
AIRPORT ASSOCIATES, LTD., a Texas  
limited partnership

By  
Title

  
General Partner

0209S





Site Plan

DESCRIPTION

BEING a tract of land situated in the E. Cook Survey, Abstract 326, Town of Addison, Dallas County, Texas, and located on the Addison Municipal Airport, Addison, Texas; said tract being more particularly described as follows:

COMMENCING at the intersection of the centerline of Addison Road and the northern R.O.W. of St. Louis Southwestern Railway Company (100' ROW);

THENCE, N 2°58' W, along said centerline a distance of 365.5 ft. to a point;

THENCE, S 89°48'10" W, a distance of 30.0 ft. to the POINT OF BEGINNING;

THENCE, S 89°48'10" W, a distance of 70.0 ft. to a point;

THENCE, N 01°35'29" W, a distance of 22.0 ft. to a point;

THENCE, N 89°48'10" E, a distance of 70.0 ft. to a point;

THENCE, S 00°22'50" E, parallel to and 30 feet from centerline of Addison Road (along the right-of-way) a distance of 11.7 ft. to a point;

THENCE, S 02°58'00" E, a distance of 10.3 ft. along said R.O.W. to the Point Of Beginning and containing 1,536.435 a.f. of land, more or less.

**Legal Description**