

**Memorandum of Lease and Proposed Construction of
Improvements at the Grand Prairie Municipal Airport**

Date: _____, 2016

Lessor: The City of Grand Prairie, Texas

Lessor's Mailing Address: (include county) P.O. Box 534045, Grand Prairie, TX 75053

Lessee: Staggerwing Development #4, LLC

Lessee's Mailing Address: (include county) 516 Estate Drive, Grand Prairie, TX 75052

Lessee's Trade Name: Staggerwing Development #4, LLC

Date of Lease: _____, 2016

Premises: To be surveyed and described, but this is land at the Grand Prairie Municipal Airport, 3116 S. Great Southwest Parkway, Grand Prairie, Tarrant County, Texas. Staggerwing will modify an existing hangar, currently designated as 25 S A, and expand it with an approximately 3000 sq. ft. building to make a flight school. Along with the flight school, there will be parking provided, as well as an approximately 10,000 square foot maintenance hangar with a ramp for access between the hangar and the taxiways at the airport.

Additionally, Staggerwing, through a related construction company, shall construct an additional taxiway so that airplanes will have extended access past the existing hangars at the Airport to the newly constructed flight school facilities and any future development in the south part of the Airport, and Staggerwing will construct a run up area at the south end of the Airport, so that there will be additional clearance between aircraft approaching the runway or the taxi lane.

Term: Thirty years, beginning on the date of issuance of the Certificate of Occupancy for the flight school, estimated to be August 2016, or when CO is issued. and ending in approximately _____, 2046, plus Lessee shall have an option for two additional five year terms.

Additional Provisions and Improvements to be constructed in the leased land:

Staggerwing shall enter into a ground lease for property immediately south of the row of hangars recently constructed by Staggerwing at the Airport, and will construct facilities for the use of Sky Mates Flight School, which is a currently existing flight school operating out of the Arlington Municipal Airport.

Staggerwing, or related companies, shall construct such facilities at the Airport, essentially consisting of offices, classrooms, break areas, pilot planning rooms, etc., and will incorporate one of the existing hangars, at the southeast end of the more recently constructed hangars.

In addition to the classroom and office building, Staggerwing will construct an approximately 10,000 square foot hangar to be used by the flight school for maintenance or storage of the approximately 30 aircraft that will be utilized at the flight school. There will be a related ramp for the aircraft to access the hangar, and a parking lot built for the benefit of the flight school, and its students, employees, and officers. The parking lot will be accessible from the extension of the vehicular access road along the east side of the Airport and/or from an approved approach constructed to allow access to the parking lot from South Great Southwest Parkway.

Once the flight school facilities are constructed, the ground lease and the leasehold interest of Staggerwing will be assigned to the flight school entity. It is anticipated that the flight school will purchase fuel for their airplanes and lease additional tie down or hangar space at the Airport for the aircraft that they will base and operate out of the Airport.

Staggerwing will enter into a lease contract and will construct, at their cost, the private flight school facilities, the parking lot, fence around the parking lot, gate access, maintenance hangar, the access from South Great Southwest Parkway, and all utilities for the flight school. In addition, Staggerwing will make any necessary reconfiguration of the Airport's perimeter fencing to allow access to the parking lot and maintain the security fencing in the Airport.

The engineering design will be done by Bannister Engineering, subject to review by the City and by the FAA or designee, to insure that the work will meet the standards for construction at an Airport.

Additional Provisions and Improvements to be constructed at the Grand Prairie Municipal Airport:

Staggerwing shall use Bannister Engineering to design an extension of the existing (recently constructed) taxiway, approximately 255 feet to allow access from the existing hangars to the proposed ramp area for the flight school facilities. The plan shall be reviewed by the City and by an appropriate entity to assure the parties that the taxiway will meet all appropriate standards for Airport construction.

Staggerwing shall construct the taxiway at such a time as it will allow access to the proposed flight school. The City shall enter into a contract with Staggerwing for such taxiway, and shall pay no more than \$235,000.00 (Two hundred thirty-five thousand dollars) for such taxiway.

Staggerwing shall also construct a run up pad at the South end of the Airport, approximately 100' X 100', in order to allow room for at least two aircraft to run up, and thus to allow enough clearance for traffic to continue to the runway while other aircraft are waiting to access runway or Airport facilities. The City shall pay no more than \$147,500 (One hundred forty-seven thousand five hundred dollars) for such run up area.

If approved by the City's Transportation Manager, Staggerwing will construct a right turn only approach off of Great Southwest Parkway, in order to allow traffic to enter the parking lot for the flight school, and to keep such traffic from having to traverse the length of the vehicular access

road through the Airport past the Terminal area, the Fire Station, and all of the hangars in the South part of the Airport.

Additional Provisions: This Agreement shall be incorporated into the appropriate Lease and construction documents between the parties, and will be binding on all parties. If a conflict exists between any term of this Agreement and other documents generated from this agreement, the terms of the specific documents shall control.

Staggerwing, and/or its assigns, shall, subject to the approval of Lessor, construct, maintain and operate all of the described flight school facilities upon the demised premises, which will be owned by Lessor. Under the terms of the lease, Lessee may assign such facilities to other parties for aviation uses, or may convey all or a portion of Lessee's interest in the demised premises.

Lessee shall not commit any act that would enable someone to claim a lien on the real property owned by Lessor, upon which Lessee shall construct improvements according to the terms of the Lease.

The parties will abide by all of the terms of such Lease, the Rules and Regulations of the Airport, and the Minimum Standard Requirements for Airport Aeronautical Services, all of which are contained, referenced, or attached to the referenced Lease.

Signed on this the _____ day of _____, 2016.

The City of Grand Prairie, Texas, Lessor

By: _____

Printed Name: _____

Title: _____

Staggerwing Development #4, LLC, Lessee

By: Isabelle DeBaun

Printed Name: Isabelle DeBaun

Title: Managing Member

The State of Texas

County of _____

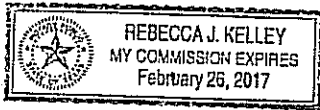
This instrument was acknowledged before me on the _____ day of _____, 2015, by _____ (name) _____ (title) of _____ (entity), on behalf of said entity.

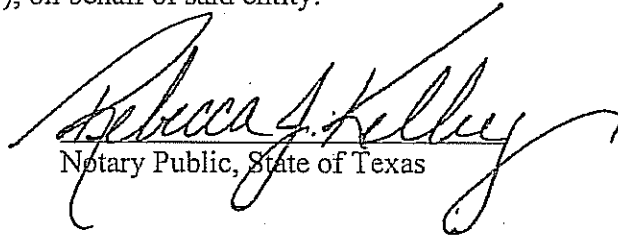
Notary Public, State of Texas

The State of Texas

County of DALLAS

This instrument was acknowledged before me on the 21st day of March, 2015, by Isibelle De Baun (name) MANAGING MEMBER (title) of Staggerwing Development #4 (entity), on behalf of said entity.




Notary Public, State of Texas