

CONSENT TO COLLATERAL ASSIGNMENT OF LEASE

This Consent to Collateral Assignment of Lease (the “Consent”) is made between the City of Denton, Texas, a Texas home rule municipal corporation (“City” or “Landlord”), Sykes-Vaughan Investments, LLC, a Texas Limited Liability Company (“Assignor”) and Huntington National Bank, a National Banking Association (“Assignee”).

WHEREAS, the City is the sole owner and landlord of a pad site at Denton Enterprise Airport located at 1945 Matt Wright Lane, Denton, Texas 76207 (the “Property”); and

WHEREAS, the Property is subject to a ground lease, described as the Airport Lease Agreement dated May 20, 1997, between the City and Hangar 10 Flying Museum, as subsequently amended and assigned to Sykes-Vaughan Investments, LLC (collectively, the “Lease” and the property rights granted thereunder the “Leasehold Estate”); and

WHEREAS, Assignee provided financing for the purchase of the Leasehold Estate and certain improvements on such ground leased property; and

WHEREAS, for the purpose of securing and enforcing the payment obligations of Assignor to Assignee, Assignor now wishes to collaterally assign the Lease to the Assignee through the Leasehold Deed of Trust attached hereto as **Exhibit A** (the “Leasehold Deed of Trust”); and

WHEREAS, Section IX.C of the Lease provides preconditions that must be met before the City will consent to a collateral assignment and those preconditions have been satisfied or are satisfied herein;

NOW THEREFORE, in consideration of the mutual covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City hereby consents to Assignor’s collateral assignment of the Leasehold Estate to Assignee, through the Leasehold Deed of Trust (the “Collateral Assignment”) attached as Exhibit “A,” under the following terms and conditions:

1. Assignor shall pay to the City a transfer fee of One Thousand Dollars (\$1,000.00) in connection with the City providing its consent to the Collateral Assignment of the Leasehold Estate.
2. Assignor will pay or will have Assignee pay for all of the City’s administrative costs for handling and processing the Collateral Assign.
3. Assignee certifies that it has reviewed the Lease and accepts the provisions applicable to the Assignee as Lender as defined therein, including but not limited to Section IX.C.
4. Assignee shall give the City copies of any written notice which Assignee gives to Assignor of any default by Assignor under any financing agreement, promissory note, or the Collateral Assignment at the same time it gives notice to the Assignor. Any such notice shall be delivered as follows:

City Manager
City of Denton
215 E. McKinney
Denton, Texas 76201

with copies to:

Airport Manager
Denton Enterprise Airport
5000 Airport Road
Denton, Texas 76207

City Attorney
City of Denton
215 E. McKinney
Denton, Texas 76201

5. The City agrees to provide Assignee a contemporaneous copy of all written notices provided to Assignor under the Lease. Wherein a notice of default or breach has been provided by the City to Assignor and Assignee, Assignee shall be entitled, at its option, to cure such default or breach, and the City shall accept such cure from Assignee. If the default or breach is not cured as provided under the Lease, the City shall have the remedies available to it as set out therein. Any notice to be delivered from City to Assignee shall be delivered to the following:

Huntington National Bank
Attn: Legal Department
41 S. High Street
Columbus, OH 43215

6. Should Assignee foreclose or otherwise obtain Assignor's rights and interest in the Leasehold Estate, the City will not unreasonably withhold its consent to an assignment by Assignee to future successors upon being provided with the potential successor's (i) financial statement, (ii) confirmation of no outstanding taxes, liens, or judgments, and (ii) a demonstrated history of aviation experience. The City shall be the sole judge of any potential successor's qualifications, which shall be reasonably exercised.
7. In the event of any inconsistency between the terms and conditions of the Lease and the terms and conditions of this Consent, then the Lease shall govern and control.
8. If any provisions of this Consent shall be held or deemed to be illegal, inoperative, or unenforceable, the same shall not affect any other provisions contained herein; the remaining provisions to remain in full force and effect.

9. The City hereby represents and warrants that this Consent is made with proper authority under ordinance.
10. Assignee, its authorized representatives or agents, may, upon reasonable advanced notice (written or oral) to Assignor and City and at any reasonable times, enter the Property for the purposes of inspecting, repairing, or removing personal property. Assignee may further, upon reasonable advanced written notice to City and Assignor and at reasonable times, enter upon the Property to exhibit or conduct a sale(s) of any or all of the collateral pledged to Assignee, subject to the City's interests under the Lease.
11. This Consent shall be governed by and construed in accordance with the laws of the State of Texas. Exclusive venue for any action related to this Consent shall be solely in a court of competent jurisdiction in Denton County, Texas.
12. This Consent will bind and inure to the benefit of the parties, their heirs, executors, administrators, successors in interest, and assigns.

IN WITNESS HEREOF, the parties have executed this Consent as of the date written below.

[Signatures on following page]

Dated: _____

ASSIGNOR:

Sykes-Vaughan Investments, LLC, a Texas limited liability company

DocuSigned by:
By: J. Micheal Sykes
279DCD70F673462...
Name: J. Micheal Sykes
Title: CEO

ASSIGNEE:

Huntington National Bank, a national banking association

DocuSigned by:
By: Jake Coursey
7868B0490409460...
Name: Jake Coursey
Title: SVP

CITY OF DENTON
Landlord

By: _____
Name: _____
Title: _____

ATTEST:
LAUREN THODEN, CITY SECRETARY

By: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

DocuSigned by:
By: Marcella Lunn
4B070831B4AA438...