

March 24, 2021

WHEREAS, Regal Assets, LLC (“Regal Assets”) currently leases approximately 1,099,188 square feet of land with existing improvements at Dallas Love Field under that certain Consolidated Lease of Land and Facilities dated April 1, 2019 (the “Consolidated Lease”) approved on February 27, 2019, by Resolution No. 19-0306; and

WHEREAS, Regal Assets also currently leases approximately 373,083 square feet of land with existing improvements under that certain Lease of Land and Facilities at Dallas Love Field between the City of Dallas and Associated Air Center, Inc., as amended and assigned to Regal Assets (the “South Lease”) approved on November 10, 1993, by Resolution No. 93-4134; and

WHEREAS, the City now desires to terminate the South Lease and incorporate the same premises into the Consolidated Lease under the existing terms and conditions in the Consolidated Lease; and

WHEREAS, the City also desires to add an additional ten years to the primary term of the Consolidated Lease and an additional ten-year extension option in consideration of a \$2,000,000.00 increase in Regal Assets’ existing capital investment obligation and an additional rent payment of \$1,500,000.00 to the City.

Now, Therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That the termination of the South Lease is hereby approved, and the City Manager is hereby authorized to execute: **(1)** appropriate documentation to terminate the lease with Regal Assets, approved as to form by the City Attorney; and **(2)** the First Amendment to the Consolidated Lease between the City of Dallas and Regal Assets, approved as to form by the City Attorney.

SECTION 2. That the key terms and conditions of the First Amendment are as follows:

- a. The primary term of the Consolidated Lease shall be extended by an additional ten years and expire on March 31, 2059, subject to the existing options to extend the lease and one additional ten-year extension option.
- b. Regal Assets shall increase its current capital investment obligation by \$2,000,000.00.
- c. Regal Assets shall pay the City, as additional rent, a sum of \$1,500,000.00 within thirty days of the effective date of the First Amendment.

March 24, 2021

SECTION 3. That the Chief Financial Officer is hereby authorized to deposit all revenues received under the Lease to Aviation Operating Fund, Fund 0130, Department AVI, Unit 7722, Revenue Code 7707.

SECTION 4. That this contract is designated as Contract No. AVI-2021-00015900.

SECTION 5. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.