

June 28, 2023

WHEREAS, on November 1, 2016, the City of Dallas (“City”) to enter into a thirty-year Lease of Land (the “Base Lease”) with DCS Aviation, LLC (“DCS”) dba Development & Construction Services, LLC, with two five-year renewal options, for approximately 91,700 square feet (2.11 acres) of land (the “Leased Premises”) at Dallas Executive Airport (the “Airport”), authorized by Resolution No. 16-0489; and

WHEREAS, pursuant to the Base Lease, DCS was required to develop and construct new aircraft hangars with vehicular parking and aircraft ramp area on the undeveloped land; and

WHEREAS, to fund the development and construction of the leasehold improvements, DCS granted two leasehold mortgages to First State Bank; and

WHEREAS, on July 1, 2017, the City to entered into a twenty-nine year and four-month Lease of Land and Facilities (the “Lease-Back”) with DCS with two five-year renewal options (to run concurrently with the Base Lease), whereby the City leased back the Leased Premises with the hangar improvements constructed by DCS, authorized by Resolution No. 17-1034; and

WHEREAS, the City has since subleased all eight aircraft hangars leased back from DCS to various end-users of the facilities, and collects rent from such end-users; and

WHEREAS, the City and DCS have mutually agreed to terminate the Base Lease and Lease-Back in consideration of a termination payment; and

WHEREAS, the termination payment shall be paid in two separate installments, the first of which DCS will assign to First State Bank as part of this transaction.

Now, Therefore,

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

SECTION 1. That the City Manager is hereby authorized to execute a Termination of Lease Agreements (“Termination Agreement”) between the City of Dallas and DCS Aviation, LLC dba Development & Construction Services, LLC, consented to by First State Bank, as leasehold mortgagee, approved as to form by the City Attorney.

SECTION 2. That pursuant to the Termination Agreement, the City will deliver a total termination payment of \$6,000,000.00 to DCS in two separate installments, the first of which DCS is assigning to First State Bank, as the leasehold mortgagee.

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SECTION 3. That the Chief Financial Officer is hereby authorized to disburse funds payable to First State Bank via wire transfer upon execution of the Termination Agreement and charge same in the amount necessary to cause the release of any and all of First State Bank's lien(s) on the leasehold estate(s), which amount shall be provided to the City by DCS within three (3) days of City Council approval of this resolution, but not to exceed \$6,000,000.00, to Aviation Fund, Fund 0130, Department AVI, Unit 7731, Object 3899.

SECTION 4. That the Chief Financial Officer is hereby authorized to disburse funds payable to DCS Aviation, LLC upon execution of the Termination Agreement and charge same in an amount not to exceed \$6,000,000.00 less the amount necessary to cause the release of any and all of First State Bank's lien(s) on the leasehold estate(s) and disbursed to First State Bank via wire transfer, to Aviation Fund, Fund 0130, Department AVI, Unit 7731, Object 3899, Encumbrance/Contract No. AVI-2023-00021787, Vendor VS91465.

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.