

April 12, 2023

WHEREAS, on January 1, 2021, the City of Dallas entered into a new thirty-four year and five-month Consolidated Lease of Land and Facilities (the “Lease”) with TWG Aviation, Ltd. (“TWG”), for approximately 619,065 square feet (14.21 acres) of land with existing facilities at Dallas Love Field (the “Airport”), authorized by City Council Resolution No. 20-1876; and

WHEREAS, there is an outstanding capital improvement obligation to expend no less than \$6,000,000.00 in the construction of a new aircraft hangar with office space, vehicular parking, and aircraft ramp areas on the undeveloped Tract 3 by December 31, 2023 as part of TWG’s Phase I improvements; and

WHEREAS, due to delays associated with the Airport’s airfield construction projects, TWG was only given possession of the Tract 3 property on April 1, 2022, fifteen months after the effective date of the Lease; and

WHEREAS, during the design of the Phase I improvements, TWG discovered electrical equipment owned by Oncor Electric on the Tract 3 premises that services Denton Dr. and does not have any connections to TWG’s leased premises; and

WHEREAS, TWG has, with the consent of the City, subleased the entirety of the leased premises to Business Jet Center, Ltd. (“BJC”); and

WHEREAS, BJC is prepared to enter into a sub-sublease with a sub-subtenant that would result in a capital investment of no less than \$7,500,000.00 on its leasehold at the Airport; and

WHEREAS, in consideration of the additional capital investment into the Airport, the City desires to amend the Lease to include an attornment provision that would allow a sub-subtenant who is not in default under the terms of its sub-sublease and who invests at least \$7,500,000.00 of capital improvements into the leased premises to continue its peaceful possession of the premises in the event the Lease terminates.

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 the First Amendment to the Consolidated Lease of Land and Facilities (the “First Amendment”) between the City of Dallas and TWG Aviation, Ltd., approved as to form by the City Attorney.

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SECTION 2. That the First Amendment contains the following terms and conditions

- a. The leased premises shall be reduced by approximately 500 square feet to exclude the area that will be occupied by Oncor's relocated electrical equipment, and the rent shall be adjusted accordingly.
- b. The City shall reimburse TWG for the costs associated with relocating the Oncor electrical equipment in the form of monthly rent reduction/credits in an amount not to exceed \$459,670.49.
- c. The deadline for completing TWG's Phase I Improvements and the rent abatement for a portion of the Tract 3 Land shall be extended by an additional fifteen months to March 31, 2025.
- d. An attornment provision that would allow a sub-subtenant who is not in default under the terms of its sub-sublease and who invests at least \$7,500,000.00 of capital improvements into the leased premises to continue its peaceful possession of the sub-subleased premises in the event the lease terminates as a result of the actions or inactions of the lessee.

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 First Amendment is designated as Contract No. AVI-2023-00020969.

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.