

WHEREAS, EAN Holdings, LLC (Lessee) currently leases on a month-to-month basis approximately 196,139 square feet of land and improvements under a lease dated November 1, 1998 which expired of its own terms on February 1, 2007; and,

WHEREAS, Lessee currently leases on a month-to-month basis approximately 49,234 square feet of land and improvements under a lease dated January 1, 1992 which expired of its own terms on December 31, 2001; and,

WHEREAS, in order for the City to implement construction of its Central Receiving Facility at Dallas Love Field it is necessary to terminate Lessee's existing leases and relocate Lessee to the proposed leased premises; and,

WHEREAS, the City and Lessee desire to enter into a new five-year lease agreement ("Lease") for improved land at Dallas Love Field containing approximately 5.8 acres ("Leased Premises").

Now, Therefore,

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

Section 1. That the proposed Lease with EAN Holdings, LLC for a primary term of five years and providing annual rent in the amount of approximately \$102,215 payable in monthly installments of approximately \$8,517 is hereby approved and the City Manager is authorized to execute, on behalf of the City of Dallas, the Lease after approval as to form by the City Attorney.

Section 2. That the Lease evidences, among other things, the following terms and conditions:

- (a) The Lease term and the payment of rent shall begin at beneficial occupancy of the improvements or 18 months from the effective date of the Lease, whichever date occurs first.
- (b) The lease shall include one five-year option to extend the term, subject to the City and Lessee approval.

- (c) Rent during the five (5) year Lease term will be set at \$.40 per square foot per year for the total square footage of the Leased Premises estimated at 255,539 square feet and will be subject to escalation every three years by whichever adjustment is greater; (i) three (3%) percent of the existing rental rate; or (ii) aggregate of the CPI index over the previous three year period; or (iii) the prevailing rental rate for Improved Ground at the Airport, provided however, the aggregate escalation for any three-year period shall not exceed nine percent (9%). Rent for the improvements made upon the Leased Premises by Lessee will not apply during the initial five-year term. However, under a hold-over or renewal period beyond the five-year term, rent for improvements constructed by Lessee and Improved Ground will be adjusted to the prevailing rates for similar improvements and Improved Ground at the Airport with no cap.
- (d) The exact size of the proposed Lease Premises are subject to a final survey and upon completion of such survey and acceptance by the Director of Aviation, the annual rent, as provided in Sections 1 & 2 herein, shall be adjusted accordingly.
- (e) Any time during the Lease term after whichever date occurs first; (i) beneficial occupancy of the improvements or; (ii) 18 months from the effective date of the Lease, the City will have the option to relocate Lessee or re-take all or any portion of the Leased Premises with one hundred eighty (180) days written notice to Lessee. Enterprise will have the option to terminate the Lease at any time with a one hundred eighty (180) day written notice to City.
- (f) If City exercises its option to relocate or re-take all or any portion of the Leased Premises, City will reimburse Lessee for its unamortized capital investment made during the Lease term, up to Four Million Five Hundred Thousand dollars (\$4,500,000), provided, any reimbursement of a capital improvements will be based on a 5-year amortization period commencing upon beneficial occupancy of the improvements.

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- (g) Lessee shall, within eighteen (18) months from the effective date of the Lease, expend not less than \$2,500,000 on capital improvements to the Leased Premises. In addition to expenditures on the Leased Premises Lessee shall; (i) relocate the existing turn lane and any other turn lanes, curb modifications and access ramps; (ii) design and relocate the Cell Phone Lot (the City will provide program and planning assistance for final configuration); (iii) landscape the Leased Premises using plants and materials required by the Love Field Modernization Program and; (iv) provide all fencing and gate hardware required for the Leased Premises, as part of the required \$2,500,000 investment. Lessee may choose to invest in additional capital improvements at their discretion during the term; however, any investment in excess of \$4,500,000 made after the effective date of the lease will not be eligible for reimbursement in the event of a re-taking or relocation by the City.
- (h) The new Lease containing approximately 255,539 square feet of land will be contingent upon Lessee maintaining a car rental concession contract with the City at Dallas Love Field and in the event Lessee ceases to maintain a concession contract, all property subject to the new Lease will revert to the City, provided, that Lessee has the right to assign or sublease its leasehold interest to any third party which has a car rental concession contract with the City at Dallas Love Field.

Section 3. That the City Controller be and is hereby authorized to deposit all revenues received under the Lease to: Aviation Operating Fund 0130; Agency AVI; Unit 7722; Revenue Source 7814.

Section 4. 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.

Distribution: Mark Duebner, Aviation Department, Dallas Love Field
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APPROVED BY
CITY COUNCIL

JUN 22 2011


City Secretary