

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, TEXAS APPROVING A CONSENT TO COLLATERAL ASSIGNMENT OF AN AIRPORT LEASE BETWEEN SYKES-VAUGHAN INVESTMENTS, LLC AND COMPASS BANK; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on June 20, 2017 the City of Denton, Texas (hereinafter the “City”) approved that certain consent to assignment of that certain Airport Lease (the “Lease”) from BAM Denton Management Ventures, LLC (hereinafter “BAM”) to Sykes-Vaughan Investments, LLC (“Sykes-Vaughan”); and

WHEREAS, Sykes-Vaughan has agreed to collaterally assign its interest in the Lease to Compass Bank as evidenced by that certain Collateral Assignment of Leases, dated June 30, 2017, attached hereto as Exhibit A; and

WHEREAS, the Lease requires written consent of the City for the Assignment to be effective and Sykes-Vaughan has requested the City for such consent; and

WHEREAS, at the July 25, 2017 meeting of the Council Airport Committee, the committee recommended that the City approve the Consent by a vote of 2-0; and

WHEREAS, the City Council deems it in the public interest to give consent to the assignment contemplated above; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The findings and recitations contained in the preamble of this Ordinance are incorporated herein by reference.

SECTION 2. The City Manager or his designee is hereby authorized to execute a Consent to the Collateral Assignment of Leases in the form attached hereto as Exhibit A and made a part of this Ordinance for all purposes.

SECTION 3. This Ordinance shall become effective immediately upon its passage and approval.

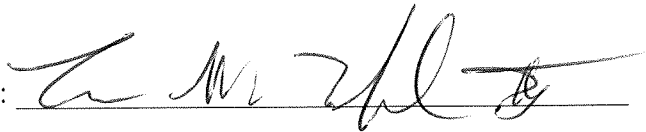
PASSED AND APPROVED this the _____ day of _____, 2017.

CHRIS WATTS, MAYOR

ATTEST:
JENNIFER WALTERS, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
AARON LEAL, INTERIM CITY ATTORNEY

BY:  _____

COLLATERAL ASSIGNMENT OF LEASES

This Collateral Assignment of Leases is made between Sykes-Vaughan Investments LLC, a Texas limited liability company ("Assignor") and Compass Bank ("Assignee").

WHEREAS, a ground lease, described as the Airport Lease Agreement Fixed Base Operator dated effective August 4, 2015, by and between City of Denton, Texas, a municipal corporation, as Lessor, and BAM Denton Management Ventures, LLC, a Texas limited liability company, as Lessee, was executed effective as of September 1, 2015 by and between BAM Denton Management Ventures LLC and the City of Denton, Texas ("Landlord"), as Owner and Assignor as Lessee for a primary term of forty (40) years, subject to earlier termination as provided in the lease, which was assigned to and assumed by Sykes-Vaughan Investments LLC, a Texas limited liability company in the Airport Lease Assignment and Assumption Agreement dated June 15, 2017 between BAM Denton Management Ventures LLC d/b/a Business Air and Sykes-Vaughan Investments LLC;

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

WHEREAS, Assignor now wishes to assign the leases to the Assignee, and the Assignee wishes to accept the assignment, for the purpose of securing and enforcing the payment obligations of Assignor to Assignee.

Assignment.

In Consideration of \$10.00 in hand paid, the receipt and sufficiency of which is hereby acknowledged, and in consideration of the obligations for the payment of money incurred by Assignor under those certain note payable to Assignee in the original principal amounts of \$5,960,000.00 dated June 30, 2017 (the "Indebtedness"), and for the purpose of securing and enforcing such Indebtedness, the Assignor assigns to the Assignee and the Assignee's heirs, assigns, executors, and administrators all right, title and interest in and to the leases described above.

Binding on Successors.

This Collateral Assignment of Leases will bind and inure to the benefit of the parties, their heirs, executors, administrators, successors in interest, and assigns.

Dated June 30, 2017

ASSIGNOR:

Sykes-Vaughan Investments LLC, a Texas
limited liability company

By: W. A. Roper Vaughan
W. A. Roper Vaughan, Manager

By: J. Micheal Sykes
J. Micheal Sykes, Manager

ASSIGNEE:

Compass Bank

By: Ernie McGee
Name: ERNE MCGEE
Title: CITY PRESIDENT

CONSENT OF LANDLORD

The Landlord in the leases described in the foregoing assignment consents to assigning the
lease to Compass Bank.

City of Denton, Landlord

By: _____
Name: _____
Title: _____

ATTEST:
JENNIFER WALTERS, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
AARON LEAL, INTERIM CITY ATTORNEY

BY: 