

AN ORDINANCE 2012-02-02-0074

AUTHORIZING THE ASSIGNMENT, ASSUMPTION AND AMENDMENT OF A CONTRACT AND IN-KIND LEASE AGREEMENT WITH THE CITY OF SAN ANTONIO FIRE DEPARTMENT FROM GALLS, AN ARAMARK COMPANY LLC TO GALLS, LLC.

* * * *

WHEREAS, pursuant to Ordinance No. 2008-09-04-0743, the City entered into a Contract for a Web-Based Commissary System to provide uniforms for the San Antonio Fire Department with Galls, an Aramark Company, LLC, for the term October 1, 2008, to September 30, 2010 (“Contract”); and

WHEREAS, for the purpose of establishing a location at which apparel and other items available for purchase under the web-based uniform purchase program can be displayed, the City as Landlord and Galls, an Aramark Company, LLC as Tenant, entered into an in-kind lease agreement providing for the rental of approximately 946 square feet of space at 4531 South Zarzamora Street in San Antonio for an initial term commencing October 1, 2008 and ending September 30, 2010, and providing for three (3) one-year renewal terms (“Lease Agreement”); and

WHEREAS, pursuant to Ordinance No. 2010-09-30-0848, the parties extended said contract for a period of one year, from October 1, 2010, to September 30, 2011; and

WHEREAS, pursuant to Ordinance No. 2011-09-15-0760, the parties amended said contract as set forth in said Ordinance, and also extended said contract for a period of one year, from October 1, 2011, to September 30, 2012; and

WHEREAS, in September 2011, Galls, an Aramark Company, LLC was purchased by CI Capital Partners LLC, and its legal name has been changed to Galls, LLC; and

WHEREAS, under the terms of the Contract and Lease Agreement, the consent of the City Council to the purchase transaction described above, and to the assignment, assumption and amendment of the Contract and Lease Agreement to reflect the change of name of Galls, an Aramark Company, LLC to Galls, LLC, is required; **NOW, THEREFORE;**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The assignment, assumption and amendment of the Contract for a Web-Based Commissary System to provide uniforms for the San Antonio Fire Department between the City of San Antonio and Galls, an Aramark Company, LLC, to Galls LLC, is approved.

SECTION 2. The assignment, assumption, and amendment of the in-kind lease for a location at 4531 South Zarzamora Street in San Antonio for apparel under the Web-Based Uniform

Purchase Program between the City of San Antonio and Galls, an Aramark Company, LLC, to Galls LLC, is approved.

SECTION 3. The City Manager or her designee is hereby authorized to execute the documents attached as **Exhibit 1** and **Exhibit 2** on behalf of the City, in order to evidence the actions taken by this Ordinance.

SECTION 4. There is no fiscal impact associated with this Ordinance.

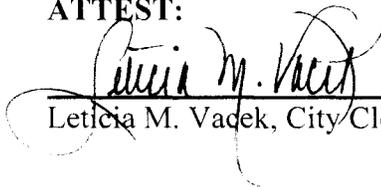
SECTION 5. This Ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED and APPROVED this 2nd day of February, 2012.



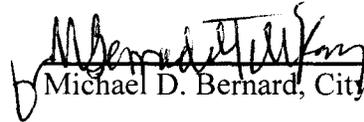
M A Y O R
Julián Castro

ATTEST:



Leticia M. Vadek, City Clerk

APPROVED AS TO FORM:



Michael D. Bernard, City Attorney



Request for
COUNCIL
ACTION

City of San Antonio



Agenda Voting Results - 19

Name:	6, 7, 9, 10, 11, 12, 13, 14A, 14B, 14C, 14D, 14E, 14F, 16, 17, 18, 19, 20, 22A, 22B, 22C						
Date:	02/02/2012						
Time:	10:31:09 AM						
Vote Type:	Motion to Approve						
Description:	An Ordinance authorizing the Assignment, Assumption and Amendment of a Contract and in-kind Lease Agreement with the City of San Antonio Fire Department from Galls, an Aramark Company LLC to Galls, LLC, now owned by CI Capital Partners LLC. [Erik Walsh, Deputy City Manager; Charles N. Hood, Fire Chief]						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Julián Castro	Mayor		x				
Diego Bernal	District 1		x				
Ivy R. Taylor	District 2	x					
Leticia Ozuna	District 3		x				
Rey Saldaña	District 4		x				
David Medina Jr.	District 5		x				
Ray Lopez	District 6		x			x	
Cris Medina	District 7		x				
W. Reed Williams	District 8		x				
Elisa Chan	District 9		x				x
Carlton Soules	District 10	x					

E X H I B I T 1

THE STATE OF TEXAS

§

THE COUNTY OF BEXAR

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**AFFIDAVIT REGARDING CITY OF SAN ANTONIO, TEXAS
COMMISSARY SYSTEM CONTRACT**

BEFORE ME, the undersigned authority, on this day personally appeared **LARRY DISMUKES**, known to me to be the person whose name is subscribed to this instrument, and who, being by me first duly sworn, did depose and state as follows:

1. My name is **LARRY DISMUKES**. I am above the age of 18 years, have never been convicted of a felony, and competent to testify to the matters set forth below. All of these matters are within my personal knowledge.
2. I am the duly appointed, qualified, and acting President of **Galls, an ARAMARK Company LLC**, a Delaware limited liability company (hereafter referred to as "Galls"). I possess full authority to execute and deliver this instrument on behalf of Galls.
3. Galls is the Vendor in that one certain *Commissary System Contract* between Galls and the City of San Antonio, a Texas home-rule municipal corporation ("City") entered into in September, 2008 ("Contract"). The Contract was approved by City's City Council on September 4, 2008, pursuant to Ordinance No. 2008-09-04-0743. The first one-year extension of the Contract was approved by City's City Council on September 30, 2010, pursuant to Ordinance No. 2010-09-30-0848. The second one-year extension of the Contract was approved by City's City Council on September 15, 2011, pursuant to Ordinance No. 2011-09-15-0760. There is one (1) one-year extension remaining in the Contract.
4. The Contract commenced on October 1, 2008. At all times from October 1, 2008, through September 30, 2011, Galls was owned entirely by **ARAMARK Uniform & Career Apparel, LLC**, a Delaware limited liability company. ("ARAMARK")
5. On or about September 30, 2011, ARAMARK sold, transferred, and conveyed the power to vote 50% or more of the equity interests in and to Galls to **GALLS INTERMEDIATE HOLDINGS, LLC**, an affiliate of **CI Capital Partners LLC**, a Delaware limited liability company ("CI"). This transaction is hereafter referred to as the "Change of Control Transaction").

6. Article XXI, Section 21.1 of the Contract requires the City's consent, evidenced by passage of an Ordinance by City's City Council, to any assignment of any interest under the Contract. The Change of Control Transaction constitutes an assignment of interests under the Contract.
7. In accordance with Article XXI, Section 21.1 of the Contract, Galls hereby requests the City to consent to the assignment of interests under the Contract resulting from the Change of Control Transaction.
8. After the Change of Control Transaction, Galls will continue to be the Vendor under the Contract, and all of the terms and conditions of the Contract will remain unchanged and in full force and effect for the remainder of the current extension term, which expires on September 30, 2012.
9. I understand and acknowledge that the City is relying upon the recitations set forth above in executing and delivering its *Consent of City of San Antonio to Assignment of Interests under Contract* that is attached to this Affidavit.
10. FURTHER, AFFIANT SAYETH NOT.



LARRY DISMUKES, AFFIANT

LARRY DISMUKES
AFFIANT'S PRINTED NAME

SUBSCRIBED AND SWORN TO before me, the undersigned Notary Public in and for the State of Kentucky by the said **LARRY DISMUKES**, this 10th day of October, 2011.



Notary Public, State of ~~Texas~~
Kentucky

SEE PAGE FOLLOWING FOR
CONSENT OF CITY OF SAN ANTONIO TO
ASSIGNMENT OF INTERESTS UNDER CONTRACT

**CONSENT OF CITY OF SAN ANTONIO TO
ASSIGNMENT OF INTERESTS
UNDER CONTRACT**

The undersigned, a _____ of the San Antonio Fire Department, in accordance with the provisions of Article XXI, Section 21.1 of the Contract, hereby evidences the consent of the City to the assignment of interests under the Contract resulting from the Change of Control Transaction

This Consent is contingent upon the passage of an Ordinance by the San Antonio City Council approving the assignment of interests under the Contract resulting from the Change of Control Transaction.

Dated:

October ____, 2011

Printed Name

Title

San Antonio Fire Department

E X H I B I T 2

Consent to Assignment of Office Lease

This Consent to Assignment of Office Lease (“Consent”) is entered into among the City of San Antonio (Landlord) and Galls, LLC, successor to Galls, an ARAMARK COMPANY LLC (Tenant).

Predicate Facts

Tenant is the tenant under the below described Lease, and Landlord is the landlord.

The initial term of the Lease commenced on October 1, 2008.

At all times from October 1, 2008 through September 30, 2011, Tenant was owned entirely by **ARAMARK Uniform & Career Apparel, LLC**, a Delaware limited liability company (“ARAMARK”).

On or about September 30, 2011, ARAMARK sold, transferred, and conveyed the poser to vote 50% or more of the equity interest in and to Tenant to **GALLS INTERMEDIARY HOLDING, LLC, an affiliate of CI CAPITAL PARTNERS LLC**, a Delaware limited liability company (“CI”). This transaction is hereafter referred to as the “Change of Control Transaction”).

The full legal name of CI is presently GALLS, LLC.

Under Section 21 of the Lease, the Change of Control Transaction requires the Landlord’s prior written consent.

Tenant shall remain the Tenant under the Lease, and the terms and conditions of the Lease will remain unchanged and in full force and effect.

Landlord consents to the Change of Control Transaction, and Landlord and Tenant wish to enter into and execute this Consent to evidence such consent.

Rights and Obligations

Now Therefore, in consideration of the premises, the mutual covenants and promises contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. Identifying Information.

Ordinance Authorizing 2012-02-02-____, passed and approved February 2,

Consent to Assignment: 2012.
Lease: Office Lease executed by Tenant on October 16, 2008, with an initial term of October 1, 2008 through September 30, 2010.

Ordinance Authorizing Original Lease: 2008-09-04-0743, passed and approved September 4, 2008.

Transferor in Change of Control Transaction: ARAMARK Uniform & Career Apparel, LLC

Transferee in Change of Control Transaction: GALLS, LLC

Assignment Fee (City Code § 37-18): None to be paid by Tenant or received by Landlord

2. Defined Terms.

All terms defined in the Lease and not otherwise defined in this Consent to Assignment, when used in this instrument, have the meanings ascribed to them in the Lease.

3. Consent.

Landlord consents to the assignment contemplated by this agreement, but this consent is dependent on the other terms of this agreement. This consent is further contingent upon the passage of an Ordinance by Landlord's City Council approving this instrument and the Change of Control Transaction.

4. No Default.

As a part of the inducement to Landlord to execute and deliver this consent, Tenant represents to Landlord and Assignee that:

- a. The Lease is in full force and effect according to its terms.
- b. Landlord is not in default under the Lease.
- c. Tenant has no offset or claim against Landlord that would reduce or impair its obligations to Landlord under the Lease.

5. Assignment Fee.

No assignment fee will be paid by Tenant or received by Landlord in connection with this Consent.

6. Same Terms and Conditions.

This Consent is a fully integrated statement of the Lease. Except as expressly modified by this Consent, the Lease remains a comprehensive statement of the rights and obligations of Landlord and Tenant under the Lease. Landlord, and Tenant reaffirm the Lease, as and if modified by this Consent.

7. Public Information.

The parties acknowledge that this instrument is public information within the meaning of Chapter 552 of the Texas Government Code and accordingly may be disclosed to the public.

This Document Continued on Page Following

8. Effective Date.

Upon the passage of an Ordinance by Landlord's City Council approving this instrument and the Change of Control Transaction, this Consent shall be effective from and after October 1, 2011.

In Witness Whereof, the parties have hereunto caused their representatives to set their hands.

Landlord:

City of San Antonio, a Texas
municipal corporation

By: _____

Printed
Name: _____

Title: _____

Date: _____

Tenant:

GALLS, , LLC

By: _____

Printed
Name: _____

Title: _____

Date: _____

Approved as to Form:

Assistant City Attorney