

AN ORDINANCE 2015-01-08-0005

**CONSENTING TO THE ASSIGNMENT AND ASSUMPTION OF A
LEASE AGREEMENT FROM AERONEV, LLC TO QUINTANILLA
MANAGEMENT COMPANY AT THE SAN ANTONIO
INTERNATIONAL AIRPORT.**

* * * * *

WHEREAS, pursuant to Ordinance No. 2013-12-19-0915 adopted by City Council on December 19, 2013, Aeronev, LLC (“Aeronev”) entered into a five year lease of 28,181 square feet of ground space and 14,037.5 square feet of building space at the San Antonio International Airport; and

WHEREAS, Aeronev has requested the City’s consent to the assignment and assumption by Quintanilla Management Company of the rights and obligations under the Lease Agreement; **NOW THEREFORE:**

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

SECTION 1. Consent is hereby provided for the assignment and assumption of the lease held by Aeronev, LLC to Quintanilla Management Company. The City Manager or her designee is hereby authorized to execute the Assignment and Assumption of Lease with Landlord Consent, a copy of which is set out in **Exhibit 1**.

SECTION 2. Funds generated by this Ordinance will be deposited as per the table below:

Amount	General Ledger	Internal Order	Fund
\$11,272.40	4409040	233000000004	51001000
\$45,341.13	4409016	233000000004	51001000
Total Amount \$56,613.53			

SECTION 3. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance, may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

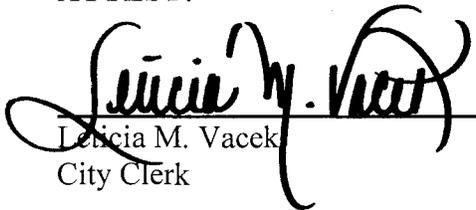
SECTION 4. This Ordinance shall take effect immediately upon receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

NHR
1/8/15
Item No. 8

PASSED and APPROVED this 8th day of January, 2015.


M A Y O R
Ivy R. Taylor

ATTEST:


Leticia M. Vacek
City Clerk

APPROVED AS TO FORM:


Martha G. Sepeda
Acting City Attorney

Agenda Item:	8 (in consent vote: 4, 5, 6, 7, 8, 9, 11)						
Date:	01/08/2015						
Time:	09:29:04 AM						
Vote Type:	Motion to Approve						
Description:	An Ordinance consenting to the assignment and assumption agreement of the lease agreement from Aero Nev LLC to Quintanilla Management Company at the San Antonio International Airport. [Ed Belmares, Assistant City Manager; Frank Miller, Director, Aviation]						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ivy R. Taylor	Mayor		x				
Roberto C. Trevino	District 1		x				
Alan Warrick	District 2		x				
Rebecca Viagran	District 3		x				
Rey Saldaña	District 4		x				
Shirley Gonzales	District 5		x				
Ray Lopez	District 6		x				x
Cris Medina	District 7		x			x	
Ron Nirenberg	District 8		x				
Joe Krier	District 9		x				
Michael Gallagher	District 10		x				

Exhibit 1

ASSIGNMENT AND ASSUMPTION OF LEASE WITH LANDLORD CONSENT
(San Antonio International Airport)

This Assignment and Assumption of Lease with Landlord Consent (this "**Assignment**") is effective as of _____ (the "**Effective Date**"), which is the date of closing and funding of the Transaction further described in Recital B, and entered into between AERONEV, LLC, a Texas limited liability company ("**Assignor**"), and QUINTANILLA MANAGEMENT COMPANY, a Texas corporation ("**Assignee**"), and acknowledged, accepted, approved, and consented to by the CITY OF SAN ANTONIO, a municipal corporation of the State of Texas ("**Landlord**").

RECITALS

A. Landlord and Assignor entered into that certain San Antonio International Airport Lease Agreement pursuant to Ordinance No. 2013-12-19-0915 executed by Landlord on January 22, 2014 and Assignor on November 25, 2013 (the "**Lease**"), pursuant to which Assignor leases 28,181 square feet of Ground Space and 14,037.5 square feet of Building Space (the "**Leased Premises**") at the San Antonio International Airport located at 935 Paul Wilkins Blvd., San Antonio, TX 78216 (the "**Airport**") from Landlord.

B. Assignee has agreed to purchase from Assignor, and Assignor agreed to sell to Assignee, certain of Assignor's assets (the "**Transaction**"), including, but not limited to, all of Assignor's right, title, and interest in and to the Lease, pursuant to that certain Asset Purchase and Sale Agreement dated effective September 18, 2014 (the "**Purchase Agreement**").

C. Assignor desires to assign all of its right, title, and interest in and to the Lease to Assignee, Assignee desires to accept the assignment and assume all of Assignor's duties, liabilities, and obligations under the Lease from and after the Effective Date, and both Assignor and Assignee desire to obtain Landlord's consent to the assignment.

D. Landlord is willing to consent to the assignment and assumption subject to the terms and conditions of this Assignment.

AGREEMENT

Assignor and Assignee agree as follows:

1. **Recitals**. The recitals above are true and correct and are incorporated herein by reference.

2. **Assignment**. Assignor hereby unconditionally assigns, conveys, delivers, sells, and transfers all of its right, title, and interest in and to the Lease to Assignee.

3. **Assumption**. Assignee hereby accepts Assignor's assignment of all of Assignor's right, title, and interest in and to the Lease, unconditionally assumes all of Assignor's liabilities arising under the Lease to be performed from and after the Effective Date, and agrees to perform all of Assignor's duties and obligations under the Lease from and after the Effective Date (collectively, the "**Assumed Obligations**"). Assignee shall indemnify, defend and hold Assignor harmless from and against any loss or damage (including reasonable attorneys' fees and court costs) resulting from Assignee's failure to perform the Assumed Obligations. Assignor

shall indemnify, defend and hold Assignee harmless from and against any loss or damage (including reasonable attorneys' fees and court costs) occurring or related to Assignor's failure to perform its liabilities and obligations under the Lease prior to the Effective Date, subject to any limitations on Assignor's liability found in the Purchase Agreement.

4. Consent to Assignment. Landlord hereby consents to this Assignment, which consent shall become null and void if the closing and funding of Transaction does not occur after this Assignment is approved by City Council.

5. Assignor's Representations and Warranties. Assignor represents and warrants to Assignee and Landlord that: (a) the Lease constitutes the entire agreement between Assignor and Landlord concerning the Leased Premises and there are no other agreements between Assignor and Landlord relating to the Leased Premises or the Lease; (b) Assignor has complied with all terms and conditions of the Lease and the Lease is in full force and effect; (c) Landlord is not in default under any of the terms, conditions, or covenants of the Lease; (d) Assignor does not have any rights to any credit, claim, cause of action, offset, or similar charge against Landlord or the rent due under the Lease, or any setoffs, counterclaims, or defenses against Landlord with respect to any matter arising under or related to the Lease from the commencement of the Lease to the Effective Date of this Assignment; (e) Assignor has not encumbered, hypothecated, assigned, or otherwise transferred the Lease; (f) Assignor has not sublet the Leased Premises or any portion of the Leased Premises to any person or entity; (g) Assignor has not granted to any person or entity any use or occupancy rights regarding the Leased Premises other than any use or occupancy rights that Landlord may have under the Lease; (h) Assignor's execution and delivery of this Assignment has been fully authorized by all necessary corporate action; (i) Assignor is not in default under any of the terms, conditions, or covenants of the Lease; and (j) the person signing this Assignment on behalf of Assignor has the requisite authority to do so and the power and authority to bind Assignor.

6. Assignee's Representations and Warranties. Assignee represents and warrants to Assignor and Landlord that: (a) Assignee shall comply with all terms, covenants, and conditions of the Lease from and after the Effective Date; (b) Assignee does not have any setoffs, counterclaims, or defenses against Landlord with respect to any matter arising under or related to the Lease from the commencement of the Lease to the Effective Date of this Assignment; (c) Assignee's execution and delivery of this Assignment has been fully authorized by all necessary corporate action; and (d) the person signing this Assignment on behalf of Assignee has the requisite authority to do so and the authority and power to bind Assignee.

7. Third Party Beneficiary. Assignor and Assignee acknowledge and agree that Landlord is a third party beneficiary of this Assignment and of each covenant, representation, and warranty made by Assignor or Assignee.

8. Release. As a material inducement for Landlord to consent to this Assignment, Assignor, on its own behalf and on behalf of its respective predecessors, hereby releases Landlord and its parents, subsidiaries and affiliated entities, its agents, partners, officers, directors and employees, and the heirs, executors, administrators, successors, and assigns of any of the foregoing (collectively, the "Landlord Parties") from any and all liabilities, claims, damages, causes of action, and any other form or relief, whether legal or equitable, that are, have been, or could have been asserted in any way against the Landlord Parties with respect to the Lease, Landlord's performance under the Lease, or the Leased Premises from the commencement of the Lease to the Effective Date of this Assignment; provided, however, that

nothing in this Assignment shall release the Landlord Parties from their obligations to be performed under the Lease from and after the Effective Date.

9. Brokers. Assignor and Assignee agree that Landlord shall not be liable for any brokerage commission in connection with this Assignment and each agree to indemnify, defend, and hold Landlord harmless from and against any such claims for a commission and any costs or expenses incurred by Landlord defending any claim for such a commission.

10. Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of Texas without regard for conflict of laws principles.

11. Amendments. This Assignment shall not be amended or modified except by a written document signed by the parties and consented to by Landlord.

12. Entire Agreement. This Assignment, the Purchase Agreement, and the documents concerning the Transaction executed in connection with or contemplated by the Purchase Agreement constitute all of the agreements between Assignor and Assignee concerning the subject matter of this Assignment and supersede all prior agreements, whether written or oral, concerning the subject matter of this Assignment.

13. Conflicts. If this Assignment conflicts with the Lease, the conflicting provision of this Assignment shall control with respect to the conflicting matter.

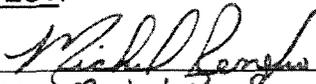
14. Successors and Assigns. This Assignment shall be binding on and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

15. Further Assurances. In addition to this Assignment, promptly upon request from time to time, the parties shall execute and deliver such other documents and shall take such other actions as may be reasonably requested by the other parties to effectuate, carry out, and comply with all of the terms of this Assignment and to effectuate this Assignment.

16. Counterparts. This Assignment may be executed in any number of counterparts delivered by e-mail, fax, or other electronic means. Counterpart signature pages transmitted via e-mail, fax, or other electronic means shall be deemed to be originals and shall collectively constitute one, original Assignment for all purposes.

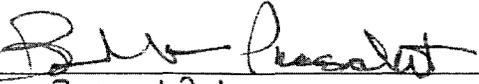
[Remainder of Page Intentionally Left Blank – Signatures Follow]

ATTEST:

By: 
Name: Michel Renfro
Title: _____

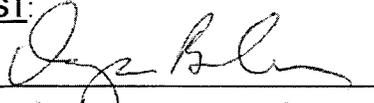
ASSIGNOR:

AERONEV, LLC
a Texas limited liability company

By: 
Name: Brian Weiner
Title: President

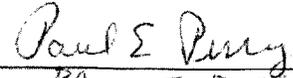
Assignor, Assignee, and Landlord have executed this Assignment and Assumption of Lease with Landlord Consent as of the Effective Date.

ATTEST:

By: 
Name: Darlene W Becken
Title: _____

ASSIGNEE:

QUINTANILLA MANAGEMENT COMPANY
a Texas corporation

By: 
Name: PAUL E PERRY
Title: CEO

Landlord hereby consents to Assignor's assignment of the Lease to Assignee; provided, however, that Landlord's consent to this Assignment and acceptance of rent from Assignee shall not be construed as (1) Landlord's consent to any subsequent assignment or transfer of the Lease, (2) a waiver of any of the terms or conditions of the Lease, or (3) any release of Assignor from any of Assignor's obligations under the Lease.

ATTEST:

By: _____
City Clerk

LANDLORD:

CITY OF SAN ANTONIO, a municipal
corporation of the State of Texas

APPROVED AS TO FORM:

City Attorney

By: _____
Name: _____
Title: _____