

AN ORDINANCE **2014-11-13-0904**

AUTHORIZING THE ASSIGNMENT OF A LEASE AGREEMENT WITH ZACHRY INDUSTRIAL, INC. TO HH AVIATION, LLC. AT SAN ANTONIO INTERNATIONAL AIRPORT.

* * * * *

WHEREAS, Zachry Industrial, Inc. (Zachry) currently has a ten-year lease for 15,400 square feet of hangar space and 60,644 square feet of ground space at San Antonio International Airport (Airport) which expires in November 2019; and

WHEREAS, Zachry and HH Aviation, LLC. (HH Aviation) have executed an Assignment and Assumption Agreement whereby Zachry assigns all right, title and interest in and to the lease agreement and HH Aviation assumes all of the rights, duties, interests, liabilities and obligations in, to, and under the lease agreement; **NOW THEREFORE:**

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

SECTION 1. The City Manager, or her designee, is hereby authorized to execute the attached Assignment & Assumption Agreement transferring all obligations and liabilities under the Lease Agreement from Zachry Industrial, Inc. to HH Aviation, LLC. A copy of the Assignment & Assumption Agreement is set out in **Attachment I** to this Ordinance.

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

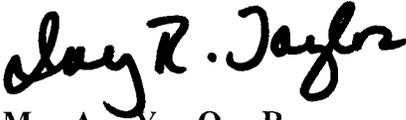
Amount	General Ledger	Internal Order	Fund
\$51,600.21	4409016	233000000004	51001000
\$36,785.81	4409040	233000000004	51001000
Total Amt \$88,386.02			

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.

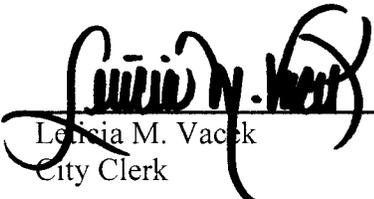
SECTION 4. This Ordinance shall be effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

KRH
11/13/14
Item No. 17

PASSED and APPROVED this 13th day of November, 2014.

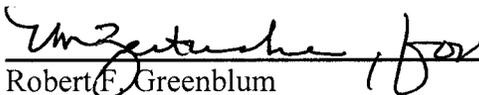

M A Y O R
Ivy R. Taylor

ATTEST:



Leticia M. Vaccik
City Clerk

APPROVED AS TO FORM:



Robert F. Greenblum
City Attorney

Agenda Item:	17 (in consent vote: 5, 6, 8, 9, 10, 11, 13, 15A, 15B, 16, 17, 18, 19A, 19B, 22, 23, 24, 25, 26, 27, 28, 30, 31, 33, 37A, 37B, 37C, 37D, 37E)						
Date:	11/13/2014						
Time:	09:45:37 AM						
Vote Type:	Motion to Approve						
Description:	An Ordinance consenting to the assignment and assumption of a lease agreement from Zachry Industrial, Inc. to Atherton Properties, Inc. doing business as HH Aviation 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				
Diego Bernal	District 1		x				x
Keith Toney	District 2		x				
Rebecca Viagran	District 3		x				
Rey Saldaña	District 4	x					
Shirley Gonzales	District 5	x					
Ray Lopez	District 6		x				
Cris Medina	District 7		x				
Ron Nirenberg	District 8		x				
Joe Krier	District 9		x			x	
Michael Gallagher	District 10		x				

Attachment I

ASSIGNMENT & ASSUMPTION AGREEMENT

THIS ASSIGNMENT & ASSUMPTION AGREEMENT ("AGREEMENT") is a triparty agreement made and entered into by and between **Zachry Industrial, Inc.** ("Assignor"); **HH Aviation, LLC.**, ("Assignee") and the **City of San Antonio** ("City") acting by and through its City Manager pursuant to Ordinance No. _____ passed and approved on _____ with reference to the following facts:

WHEREAS, The City and Assignor entered into that certain San Antonio International Airport Lease (the "Lease Agreement") on December 2, 2009, pursuant to Ordinance No. 2009-11-19-0932 under which Assignor leases approximately 60,644 square feet of ground space at the San Antonio International Airport (the "Airport") (as such leased space is more particularly described in the Lease Agreement, the "Leased Premises"), which includes a building containing approximately 15,400 square feet; and

WHEREAS, Assignor and Assignee have previously entered into that certain Asset Purchase and Sale Agreement dated October 17, 2014 (the "Purchase Agreement"), whereby Assignor has agreed to assign and transfer to Assignee all of Assignor's rights, duties, interests, liabilities and obligations in, to and under the Lease Agreement;

WHEREAS, Assignor desires to assign to Assignee all of Assignor's right, title and interest in and to the Lease Agreement, and Assignee desires to accept the assignment of such right, title and interest in and to the Lease Agreement and to assume all of Assignor's rights and obligations in, to and under the Lease Agreement that may arise or are to be performed from and after the effective date of this Agreement.

WHEREAS, Assignor has requested that the City approve the assignment of Assignor's rights, duties, interests, liabilities and obligations in, to and under the Lease Agreement to Assignee; and

WHEREAS, the City is willing to grant this request of Assignor to assign its rights, duties, interests, liabilities and obligations in, to and under the Lease Agreement to Assignee;

NOW THEREFORE: in consideration of the terms, covenants and promises, agreements and demises herein contained, and for other good and valuable consideration, each to the other given, the receipt and sufficiency of which is hereby acknowledged, Assignor, Assignee and City agree as follows:

A. The Assignor hereby transfers, assigns, and sets over to the Assignee all right, title and interest of the Assignor in, to and under the Lease Agreement.

B. In consideration of Ten Dollars and other valuable consideration therefor, the Assignee hereby accepts, assumes, takes over and succeeds to all of the Assignor's rights, duties, interests, liabilities and obligations in, to and under the Lease Agreement that arise or accrue from and after the effective date of this Agreement. Assignee agrees to all of the terms, conditions, provisions, covenants and obligations contained in the Lease Agreement which the Assignor is obligated to keep or perform to the extent such arise or accrue on or after the effective date of this Agreement, including, but not limited to, liabilities and environmental contamination of the Leased Premises and pursuant to the terms of the Lease Agreement. **Assignee shall indemnify and hold harmless the City of San Antonio and Assignor from and against any and all such assumed duties, liabilities, or obligations.**

C. In consideration therefor, the Assignor hereby remains liable for all of Assignor's rights, duties, interests, liabilities and obligations under the Lease Agreement which arose or accrued before the effective date of this Agreement. Assignor shall remain liable to the City of San Antonio for any liabilities or environmental contamination of the Leased Premises to the extent such liabilities or environmental

contamination of the Leased Premises arose or accrued before the effective date of this Agreement, and only to the extent Assignor would otherwise be responsible for such liabilities or environmental contamination of the Leased Premises under the Lease Agreement. Pursuant to and in accordance with the terms of the Lease Agreement, **Assignor shall indemnify and hold harmless the City of San Antonio with respect to any and all such duties, liabilities, or obligations.**

D. The effective date of this Assignment & Assumption Agreement shall be the date of execution by the City Manager, but in no event earlier than the Closing Date (as defined in the Purchase Agreement) and in any event the effectiveness of this Assignment & Assumption Agreement is conditioned upon the Closing (as defined in the Purchase Agreement) occurring as contemplated by the Purchase Agreement. In the event that Assignee and Assignor do not close on the transaction contemplated by the Purchase Agreement, this Assignment & Assumption Agreement shall be null and void and of no effect.

E. This Assignment & Assumption Agreement is executed in multiple counterparts each of which contains all require original signatures and shall be considered an original on its own.

[The remainder of this page was intentionally left blank.]

IN WITNESS WHEREOF, the undersigned have duly executed this Assignment & Assumption Agreement as of the dates set forth below.

ASSIGNOR:
ZACHRY INDUSTRIAL, INC.

ASSIGNEE:
HH Aviation, LLC.

By: Joe J. [Signature]

By: Charles [Signature]

Its: Executive Vice President

Its: Exp. CFO

Date: 10/17/14

Date: 10.17.14

LESSOR:
CITY OF SAN ANTONIO

ATTEST:

By: Sheryl Sculley, City Manager

City Clerk

Date: _____

Approved as to form:

City Attorney