

**CITY OF EL PASO, TEXAS
DEPARTMENT HEAD'S SUMMARY REQUEST FOR COUNCIL
ACTION (RCA)**

DEPARTMENT: Airport
AGENDA DATE: April 3, 2007
CONTACT PERSON/PHONE: Patrick T. Abeln, A.A.E.
DISTRICT(S) AFFECTED: 3

CITY CLERK DEPT.
07 MAR 26 AM 8:35

SUBJECT:

Resolution authorizing the City Manager to sign a Lessor's Approval of Assignment of General Aviation Ground Lease Agreement by and between the City of El Paso (Lessor), Sahara Air, LLC (Assignor) and ATI Jet (Assignee).

BACKGROUND / DISCUSSION:

In June 1990 the City of El Paso entered into the above referenced lease agreement with WJN Corporation ("WJN") covering 52,128 square feet of land known as 7007 Boeing Dr. The same year, WJN built a hangar on the land. Subsequently, WJN sold the improvements to Sahara Air, LLC in May 2004 and sublet the entire hangar to the existing subtenant, ATI Jet, Inc. ("ATI"), an authorized subtenant at this location since 1997. Sahara Air and ATI are now requesting to have the lease assigned solely to ATI.

ATI primarily provides passenger and air medical charter services with only 5% of its business devoted to small air freight. It is one of the largest jet charter/air ambulance companies in the Southwest (between Phoenix and Dallas) and owns a fleet of 8 aircraft: 4 Lear 35's, 3 Lear 55's and 1 Lear 25.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one? If so, when?
Yes. This same lease was assigned from WJN Corporation to Sahara Air, LLC and was approved by Council on June 3, 2003.

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

N/A. This is a revenue-generating lease.

*****REQUIRED AUTHORIZATION*****

LEGAL: (if required) Raymond L. Telles **FINANCE:** (if required) _____

Raymond L. Telles, Assistant City Attorney

OTHER: Patrick T. Abeln, Director of Aviation Patrick Abeln
(Example: if RCA is initiated by Purchasing, client department should sign also)

Information copy to appropriate Deputy City Manager

APPROVED FOR AGENDA:

CITY MANAGER: _____ **DATE:** _____

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Manager be authorized to sign a Lessor's Approval of Assignment by and between the City of El Paso ("Lessor"), Sahara Air, LLC ("Assignor") and ATI Jet, Inc. ("Assignee") for the following described property:

Lot 12 and 13, Block 4, El Paso International Airport Tracts, Unit 2, City of El Paso, El Paso County, Texas, municipally known and numbered as 7007 Boeing, El Paso, Texas.

ADOPTED this the ____ day of _____ 2007.

THE CITY OF EL PASO

John F. Cook
Mayor

ATTEST:

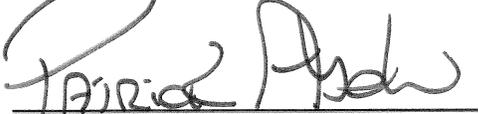
Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:



Raymond L. Telles
Assistant City Attorney

APPROVED AS TO CONTENT:



Patrick T. Abeln, A. A. E.
Director of Aviation

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STATE OF TEXAS §
 §
COUNTY OF EL PASO §

LESSOR'S APPROVAL OF ASSIGNMENT

The City of El Paso ("Lessor") entered into a General Aviation Commercial Ground Lease dated June 1, 1990 ("Agreement"), between the Lessor and WJN Corporation, which was subsequently assigned to Sahara Air, LLC ("Assignor") pursuant to a Lessor's Approval of Assignment dated June 2, 2004 covering the following described leased premises:

Lot 12 and 13, Block 4, El Paso International Airport Tracts, Unit 2, City of El Paso, El Paso County, Texas, being more particularly described in Exhibit A, attached hereto and made a part hereof, and municipally known and numbered as 7007 Boeing Drive, El Paso, Texas ("Premises").

1. **CONSENT TO ASSIGNMENT.** Lessor hereby approves and consents to the assignment of the Agreement from Assignor to ATI Jet, Inc. ("Assignee"), on the condition that Assignee assumes and becomes liable to pay any and all sums owing or becoming due Lessor under the terms of the Agreement from and after the effective date of the assignment of the Agreement to Assignee, and upon the further condition that Assignee agrees to accept and abide by all the terms, covenants, and conditions of the Agreement.
2. **PROOF OF INSURANCE AND INDEMNIFICATION.** Assignee has provided a certificate of insurance to evidence compliance with the insurance requirements of the Agreement and expressly agrees to be bound by the indemnification provisions contained in the Agreement.
3. **RATIFICATION OF AGREEMENT.** Except as expressly modified herein, no provision of this consent alters or modifies any of the terms and conditions of the Agreement; all other terms and conditions of the Agreement shall remain in full force and effect.
4. **ADDRESS FOR NOTICE.** Notices to Assignee and Assignor shall be sufficient if sent by certified mail, postage prepaid, addressed to:

ASSIGNEE: ATI Jet, Inc.
 7007 Boeing
 El Paso, Texas 79925

ASSIGNOR: Sahara Air, LLC
 P.O. Box 221048
 El Paso, Texas 79913
 Attn: Mr. Robert E. Jones

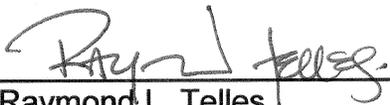
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- 5. **AUTHORIZED REPRESENTATIVE.** The persons signing this Lessor's Approval of Assignment on behalf of the Assignee and Assignor represent and warrant that they have the authority legally to bind the Assignee or Assignor, respectively, to the provisions of this Lessor's Approval of Assignment.
- 6. **NON-WAIVER.** The Lessor's Approval of Assignment hereby given by Lessor shall not end the need for Lessor's consent for any future assignments.
- 7. **EFFECTIVE DATE.** The parties have executed this Lessor's Approval of Assignment hereto this _____ day of _____ 2007.

LESSOR: CITY OF EL PASO

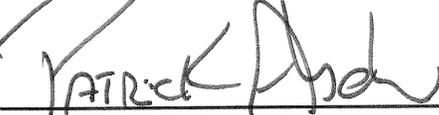
 Joyce A. Wilson
 City Manager

APPROVED AS TO FORM:



 Raymond L. Telles
 Assistant City Attorney

APPROVED AS TO CONTENT:



 Patrick T. Abeln, A.A.E.
 Director of Aviation

LESSOR'S ACKNOWLEDGEMENT

THE STATE OF TEXAS)
)
 COUNTY OF EL PASO)

This instrument was acknowledged before me on this ____ day of _____, 2007, by **Joyce A. Wilson** as **City Manager** of the **City of El Paso, Texas**. (Lessor)

 Notary Public, State of Texas

My Commission Expires:

(SIGNATURES AND ACKNOWLEDGMENTS CONTINUE ON FOLLOWING PAGE)

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ATTEST:

[Signature]
Printed Name: DeeAnna Underhill

ASSIGNOR: Sahara Air, LLC

[Signature]
Printed Name: Lyle Byrum
Title: Manager

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ATTEST:

[Signature]
Printed Name: DeeAnna Underhill

ASSIGNEE: ATI Jet, Inc.

[Signature]
Printed Name: Lyle Byrum
Title: President

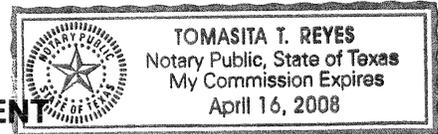
ASSIGNOR'S ACKNOWLEDGEMENT

THE STATE OF Texas)
COUNTY OF El Paso)

This instrument was acknowledged before me on this 20th day of February, 2007,
by Lyle Byrum as manager of Sahara Air, LLC (Assignor).

[Signature]
Notary Public, State of Texas

My Commission Expires:
04/16/08



ASSIGNEE'S ACKNOWLEDGEMENT

THE STATE OF Texas)
COUNTY OF El Paso)

This instrument was acknowledged before me on this 20th day of February, 2007,
by Lyle Byrum as President of ATI Jet, Inc. (Assignee)

[Signature]
Notary Public, State of Texas

My Commission Expires:
04/16/08

