

AN ORDINANCE **98584**

**AUTHORIZING THE EXECUTION OF A CONSENT TO ASSIGNMENT AND ASSUMPTION OF LEASE AGREEMENT (INCORPORATING ESTOPPEL CERTIFICATE) GRANTING THE CITY'S CONSENT TO THE ASSIGNMENT OF THE LEASEHOLD INTEREST OF HMC RETIREMENT PROPERTIES, L.P., THE CURRENT LESSEE, TO HIGHLAND HOSPITALITY, L.P., A DELAWARE LIMITED PARTNERSHIP, TO USE THE CITY OF SAN ANTONIO-OWNED GERMAN-ENGLISH SCHOOL, LOCATED AT 421 S. ALAMO STREET, AND ALSO CONSENTING TO A SUBLEASE FROM HIGHLAND HOSPITALITY, L.P., TO HHC TRS OP, L.L.C., ITS INDIRECT WHOLLY OWNED SUBSIDIARY, ("HHC OPERATING LESSEE"), WHICH WILL SERVE AS THE OPERATING ENTITY, IN CONNECTION WITH A PENDING SALE OF PLAZA SAN ANTONIO, A MARRIOTT HOTEL, THE CONTIGUOUS PROPERTY, BY HMC RETIREMENT PROPERTIES, L.P., TO HIGHLAND HOSPITALITY, L.P.**

\* \* \* \* \*

**WHEREAS**, the City entered into a Lease Agreement with Plaza Nacional Group, Ltd. pursuant to Ordinance No. 49048 dated February 9, 1978 for the use of two buildings located at 421 S. Alamo Street known as the German-English School, on Lots 4 and 5, New City Block 155; contiguous to what is now known as the Plaza San Antonio, a Marriott Hotel, which Lease Agreement was assigned to Plaza National-San Antonio Limited on July 30, 1980, then amended pursuant to Ordinance No. 61560 on October 3, 1985, then assigned to LRP San Antonio Limited Partnership, as approved by Ordinance No. 79766 on March 10, 1994, thereafter assigned to HMC Retirement Properties, Inc., pursuant to Ordinance No. 82640 on June 15, 1995, and most recently, through Ordinance No. 88957 dated December 17, 1998, the City consented to the assignment and assumption of the Lease Agreement by HMC Retirement Properties, L.P., the current Lessee, and successor to HMC Retirement Properties, Inc. following a merger; and

**WHEREAS**, HMC Retirement Properties, L.P. wishes to assign its leasehold interest to Highland Hospitality, L.P., a Delaware Limited Partnership, and has requested that the City consent to such assignment and assumption of the Lease Agreement and to a sublease from Highland Hospitality, L.P. to HHC TRS OP, L.L.C., its indirect wholly owned subsidiary ("HHC Operating Lessee") which will serve as the operating entity in connection with a pending sale of the Plaza San Antonio by HMC Retirement Properties, L.P., to Highland Hospitality, L.P.; **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 a Consent to Assignment and Assumption of Lease Agreement (Incorporating Estoppel

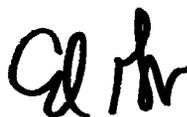
Certificate) from HMC Retirement Properties, L.P. to Highland Hospitality, L.P., to use the City-owned German-English School located at 421 S. Alamo Street, including a consent to a sublease from Highland Hospitality, L.P., to HHC TRS OP, L.L.C., its indirect wholly owned subsidiary, ("HHC Operating Lessee"), which will serve as the operating entity, in connection with a pending sale of Plaza San Antonio, a Marriott Hotel, the contiguous property, by HMC Retirement Properties, L.P., to Highland Hospitality, L.P.. A copy of said document in substantially final form, along with a copy of the Assignment and Assumption Agreement, are both affixed hereto as **Attachment I**, and such authorization to execute includes any other documents, as first reviewed and approved by the City Attorney.

**SECTION 2.** The authorization to execute the Consent to Assignment and Assumption of Lease Agreement (Incorporating Estoppel Certificate) and any other documents, as first reviewed and approved by the City Attorney, is contingent on the completion of the closing of the pending sale of Plaza San Antonio, a Marriott Hotel, the contiguous property, by HMC Retirement Properties, L.P., to Highland Hospitality, L.P. by December 31, 2003, unless the date of closing is extended by mutual agreement of the parties, with the Director of the Department of Asset Management, as designee of the City Manager, authorized to execute any extension, as to the City's consent, if deemed in the best interest of the City of San Antonio. Failing to extend such December 31, 2003 closing date, this ordinance and the authority granted hereunder shall become null and void and of no further force or effect.

**SECTION 3.** No funds will be encumbered by this ordinance.

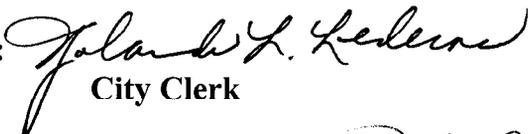
**SECTION 4.** This ordinance shall take effect on the 28th day of December 2003.

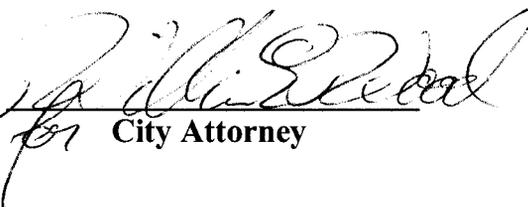
**PASSED AND APPROVED** this 18th day of December 2003.



M A Y O R

**EDWARD D. GARZA**

ATTEST:   
City Clerk

APPROVED AS TO FORM:   
City Attorney