

**CITY OF EL PASO, TEXAS  
AGENDA ITEM  
DEPARTMENT HEAD'S SUMMARY FORM**

**DEPARTMENT:** AIRPORT

**AGENDA DATE:** January 12, 2016

**CONTACT PERSON NAME AND PHONE NUMBER:** Monica Lombraña, A.A.E. 780-4793

**DISTRICT(S) AFFECTED:** 2

**SUBJECT:**

That the City Manager be authorized to sign the Lessor's Approval of Assignment of the Amended and Restated Butterfield Trail Industrial Park Lease by and among the City of El Paso ("Lessor"), Butterfield Trail Trust I ("Assignor") and ELP Zane 7, LLC for the following described property:

All of Lot 3 and a portion of Lots 2C and 4, Block 1, Butterfield Industrial Park Unit One, Replat "A", an addition to the City of El Paso, El Paso County, Texas, containing 220,767.75 square feet of land and municipally known as 7 Zane Grey, El Paso, Texas.

**Current Annual rent:** 220,767.75 @ \$0.24/sf = \$52,984.26/annum with scheduled 5 year rental adjustments based on percentage increase in the CPI over base year rent with a 20% cap.

**Term remaining:** Forty-nine and one-half (49 ½) years including one-ten (10) year Option.

**Subtenants:** Stoneridge Electronica, Inc.  
Nut Processors, Inc.

**BACKGROUND / DISCUSSION:**

Covington Group, Inc., and its predecessor Covington Capital, have a long and storied history in the El Paso, Texas commercial real estate market dating back to the late 1980's. Over the years it has owned millions of square feet of buildings and thousands of acres and today, the original principals of the company still maintain ownership in buildings and land in El Paso. Covington is very familiar with the market dynamics in El Paso and their intent is to acquire and improve industrial real estate particularly in the Butterfield Trail Industrial Park by maximizing value in the properties and holding them for investment. Covington's intent with the project is to retrofit and/or upgrade each building in the portfolio in different ways depending on the needs of each property.

**PRIOR COUNCIL ACTION:**

2/10/11, 7/21/11, 7/31/12, 6/16/15

**AMOUNT AND SOURCE OF FUNDING:**

N/A - Revenue generating.

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**BOARD / COMMISSION ACTION:**

N/A

\*\*\*\*\*REQUIRED AUTHORIZATION\*\*\*\*\*

**DEPARTMENT HEAD:**

  
Monica Lombraña, A.A.E., Aviation Director

*Information copy to appropriate Deputy City Manager*

## 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"), Butterfield Trail Trust I ("Assignor") and ELP Zane 7, LLC ("Assignee") for the following described property:

All of Lot 3 and a portion of Lots 2C and 4, Block 1, Butterfield Industrial Park Unit One, Replat "A", City of El Paso, El Paso County, Texas, municipally known and numbered as 7 Zane Grey, El Paso, Texas.

ADOPTED this the \_\_\_\_ day of \_\_\_\_\_, 2016.

THE CITY OF EL PASO

\_\_\_\_\_  
Oscar Leaser  
Mayor

ATTEST

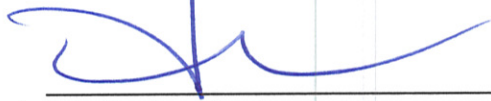
\_\_\_\_\_  
Richarda Duffy Momsen  
City Clerk

APPROVED AS TO FORM:



\_\_\_\_\_  
Marvin Foust  
Assistant City Attorney

APPROVED AS TO CONTENT:

  
\_\_\_\_\_  
for: Monica Lombraña, A.A.E.  
Director of Aviation

STATE OF TEXAS           §  
   §  
COUNTY OF EL PASO   §

**LESSOR'S APPROVAL OF ASSIGNMENT**

The City of El Paso ("Lessor") entered into an Amended and Restated Butterfield Trail Industrial Park Lease effective July 1, 2015 ("Lease"), between the Lessor and Butterfield Trail Trust I ("Assignor") covering the following described leased premises:

All of Lot 3 and a portion of Lots 2C and 4, Block 1, Butterfield Industrial Park Unit One, Replat "A", City of El Paso, El Paso County, Texas, municipally known and numbered as 7 Zane Grey, El Paso, Texas.

1. **CONSENT TO ASSIGNMENT.** Lessor hereby approves and consents to the assignment of the Lease from Assignor to ELP Zane 7, LLC ("Assignee"), on the condition that Assignee assumes and becomes liable to pay any and all sums owing or becoming due Lessor under terms of the Lease from and after the effective date of the assignment of the Lease to Assignee, and upon the further condition that Assignee agree to accept and abide by all the terms, covenants, and conditions of the Lease.
2. **PROOF OF INSURANCE AND INDEMNIFICATION.** Assignee has provided a certificate of insurance to evidence compliance with the insurance requirements of the Lease and expressly agrees to be bound by the indemnification provisions contained in the Lease.
3. **RELEASE.** Assignor is hereby released and discharged by Lessor from all rights, privileges, responsibilities and obligations under the Lease first arising and accruing from and after the effective date of the assignment of the Lease and Lessor and Assignee each hereby acknowledges that, as of the effective date of the assignment, Assignee enjoys all such rights and privileges and is responsible for satisfying all such obligations the same as if the Lease had originally been executed between Lessor and Assignee.
4. **SECURITY DEPOSIT.** No Security Deposit is required as a condition to this Approval.
5. **RATIFICATION OF AGREEMENT.** No provision of this consent alters or modifies any of the terms and conditions of the Lease. Except as expressly modified herein, all terms and conditions of the Lease shall remain in full force and effect.
6. **ADDRESS FOR NOTICE.** Notices to Assignee shall be sufficient if sent by certified mail, postage prepaid, addressed to:

ELP Zane 7, LLC  
c/o Covington Group, Inc.  
Attn: Brandon Gallup  
Acquisitions & Asset Management  
Western Region  
740 East Campbell Road, Suite 515  
Richardson, Texas 75081

7. **AUTHORIZED REPRESENTATIVE.** The person signing this Lessor's Approval of Assignment on behalf of the Assignee represents and warrants that he or she has the authority legally to bind the Assignee to the provisions of this Lessor's Approval of Assignment.
8. **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.
9. **EFFECTIVE DATE.** The Effective Date of this Lessor's Approval of Assignment will be \_\_\_\_\_, 2016.
10. **COUNTERPARTS.** This Lessor's Approval of Assignment may be executed in any number of counterparts, each of which shall be deemed an original for all purposes, and all of which shall constitute one and the same instrument as if all parties had signed the same signature page.

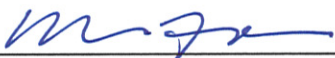
[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

APPROVED THIS \_\_\_\_ day of \_\_\_\_\_, 2016.

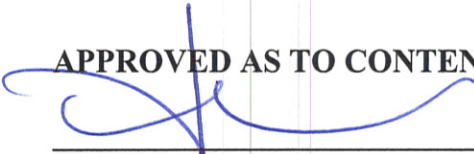
LESSOR: CITY OF EL PASO

\_\_\_\_\_  
Tomás González  
City Manager

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Marvin Foust  
Assistant City Attorney

APPROVED AS TO CONTENT:

  
\_\_\_\_\_  
for: Monica Lombraña, 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 \_\_\_\_\_, 2016, by Tomás González as **City Manager** of the **City of El Paso, Texas** (Lessor).

My Commission Expires:  
\_\_\_\_\_

\_\_\_\_\_  
Notary Public, State of Texas

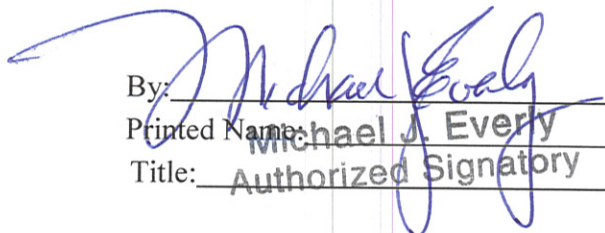
(SIGNATURES CONTINUE ON THE FOLLOWING PAGE)

ATTEST:

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

ASSIGNOR:

BUTTERFIELD TRAIL TRUST I

By:   
Printed Name: Michael J. Every  
Title: Authorized Signatory

ATTEST:

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

ASSIGNEE:

ELP ZANE 7, LLC

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ACKNOWLEDGEMENT

THE STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,  
by \_\_\_\_\_, \_\_\_\_\_ of Butterfield Trust I  
(Assignor), on behalf of said trust.

*see attached*  
\_\_\_\_\_  
Notary Public State of \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

## ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
County of Los Angeles

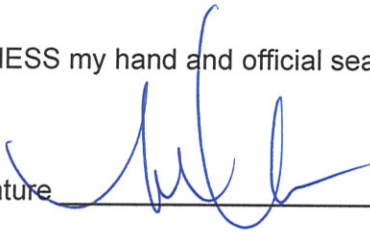
On December 4, 2015 before me, Tracy Melissa Franco, Notary Public  
(insert name and title of the officer)

personally appeared Michael J. Everly  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(Seal)



**ATTEST:**

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

**ASSIGNOR:**

**BUTTERFIELD TRAIL TRUST I**

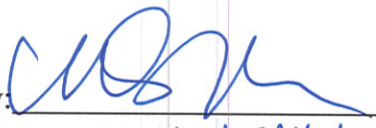
By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ATTEST:**

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

**ASSIGNEE:**

**ELP ZANE 7, LLC**

By:   
Printed Name: Mark Milakovich  
Title: Authorized Representative

**ACKNOWLEDGEMENT**

THE STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,  
by \_\_\_\_\_, \_\_\_\_\_ of Butterfield Trust I  
(Assignor), on behalf of said trust.

\_\_\_\_\_  
Notary Public State of \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

ACKNOWLEDGEMENT

THE STATE OF Texas  
COUNTY OF Dallas

This instrument was acknowledged before me on this 16 day of December 2015,  
by Mark Milakovich, Authorized Representative of ELP Zane 7, LLC  
(Assignee), on behalf of said limited liability company.

Kevin Labor  
Notary Public State of Texas

My Commission Expires: March 23, 2019

