

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

DEPARTMENT: Airport
AGENDA DATE: July 8, 2008
CONTACT PERSON/PHONE: Patrick T. Abeln-780-4724
DISTRICT(S) AFFECTED: 3

SUBJECT:

APPROVE a resolution / ordinance / lease to do what? **OR AUTHORIZE** the City Manager to do what? Be descriptive of what we want Council to approve. Include \$ amount if applicable.

Resolution authorizing the City Manager to sign a Lessor's Approval of Sublease by and between the City of El Paso (Lessor), Cutter Aviation El Paso, Inc. ("Lessee") and Integrated Airline Services, Inc. ("Sublessee") for office and bay area space.

BACKGROUND / DISCUSSION:

Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action?

Cutter Aviation El Paso, Inc. has been a Fixed Base Operator at El Paso International since November 1, 1963 and, presently, also operates under a Fuel Site Agreement at the north cargo facility located at 253 George Perry. Under the provisions of this agreement this lease requires that the City approve any proposed sublease of the premises.

Integrated Airlines Services, Inc., a cargo freight loading company out of Denver, CO., has also been a north cargo tenant on Airport property since July 2002 and is contracted by FedEx to provide service to the US Postal Service under separate contract. Integrated has acquired more customers and is now requesting to sublease additional office and bay area parking space from Cutter at the fuel farm site.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one? If so, when? Lessor's Approvals of Sublease are commonly executed documents at the Airport with the last one having been approved by Council on May 13, 2008.

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 sublease for the Lessee.

BOARD / COMMISSION ACTION:

Enter appropriate comments or N/A
This Lessor's Approval of Sublease was approved by the Airport Advisory Board on June 19, 2008.

COUNCIL ACTION REQUIRED: City Council did not delegate the authority to sign airport leases, concession agreements or operating agreements.

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

LEGAL: (if required) _____

Raymond L. Velles, Asst. City Attorney

FINANCE: (if required) _____

CITY CLERK DEPT.
08 JUN 30 AM 10:13

OTHER:

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

(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 Sublease between the City of El Paso ("Lessor"), Cutter Aviation El Paso, Inc. ("Lessee") and Integrated Airline Services, Inc. ("Sublessee") regarding a portion of the premises located at 253 George Perry Blvd., El Paso, Texas 79925.

APPROVED this _____ day of _____ 2008.


CITY OF EL PASO

ATTEST:

John F. Cook
Mayor

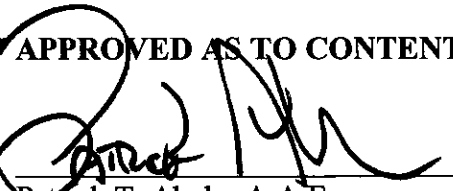
Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:



Raymond L. Telles
Assistant City Attorney

APPROVED AS TO CONTENT:



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

4. **Proof of Insurance.** Sublessee has provided Lessor with a certificate of insurance to evidence compliance with the insurance requirements of the Lease and understands and agrees that Lessor's consent to sublease is expressly contingent upon Sublessee maintaining the required levels of insurance and Sublessee's providing proof of such to Lessor. Failure to comply with any insurance requirements may result in a revocation of Lessor's consent to the sublease and termination of this Lessor's Approval of Sublease and the sublease.
5. **Reporting Requirements.** As additional consideration for Lessor's approval, Sublessee agrees that it shall furnish to Lessor, on or before the tenth (10th) day of each month, an accurate report of Sublessee's operations at the El Paso International Airport during the preceding month. The report shall include, but not be limited to: (i) the amount of cargo, freight, or mail loaded or off-loaded from any aircraft by Sublessee, its customers, contractors, or agents; and (ii) the type of aircraft and name of aircraft operator handled. Sublessee agrees to provide this information in such detail and on the form as prescribed by the Director of Aviation. Failure to comply with the reporting requirements may result in a revocation of the Lessor's consent to the sublease and termination of this Lessor's Approval of Sublease and the sublease.
6. **Lessee's Obligations.** Notwithstanding any provision to the contrary in the sublease, this Lessor's Approval of Sublease shall in no way release the Lessee or any person or entity claiming by, through, or under Lessee, including Sublessee, from any of its covenants, agreements, liabilities, and duties under the Lease, as same may be amended from time to time. Lessee shall remain liable to Lessor for any defaults under the Lease, whether such default is caused by Lessee or Sublessee or anyone claiming by or through either Lessee or Sublessee. The foregoing shall not be deemed to restrict or diminish any right, which Lessor may have against Lessee or Sublessee, in law or in equity, for violation of the Lease.
7. **Purpose.** This Lessor's Approval of Sublease does not constitute approval by Lessor of any of the provisions of the sublease document or agreement; nor shall the same be construed to amend the Lease in any respect. The sole purpose of the sublease shall be to set forth the rights and obligations between Lessee and Sublessee. In no event, however, shall Lessor be deemed to be in privity of contract with Sublessee or owe any obligation or duty to Sublessee under the Lease or otherwise; any duties of Lessor under the Lease being in favor of, for the benefit of, and enforceable solely by Lessee.
8. **Non-Waiver.** Nothing herein shall be deemed a waiver of any of Lessor's rights under the Lease. This Lessor's Approval of Sublease does not end the need for Lessor's approval of any future subleases or for any other matter for which Lessor's approval is required under the Lease or otherwise.
9. **Subordinate Rights.** The sublease is, in all aspects, subject and subordinated to the Lease as the same may be amended. The terms of the Lease shall prevail in

the case of any conflict between the provisions of the Lease, sublease, or this Lessor's Approval of Sublease.

If, at any time prior to the expiration of the term of the sublease, the Lease shall terminate or be terminated for any reason (or Lessee's right to possession shall terminate without termination of the Lease), this Lessor's Approval of Sublease and the sublease shall simultaneously terminate.

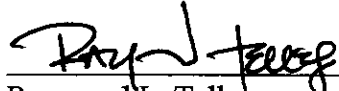
- 10. **Authorized Parties.** The persons signing this Lessor's Approval of Sublease on behalf of the Lessee and Sublessee represent and warrant that they have the authority to legally bind their respective entity to the provisions of this instrument. Further, Lessee and Sublessee acknowledge and agree to be bound by all the terms and conditions of this Lessor's Approval of Sublease as set forth herein.

IN WITNESS WHEREOF, this Lessor's Approval of Sublease has been executed and shall be effective as of the date first noted above.

CITY OF EL PASO:

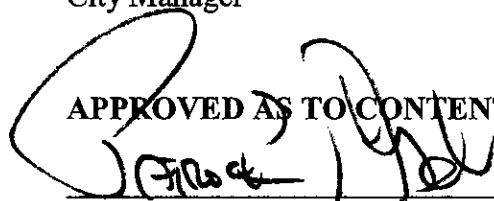
Joyce A. Wilson
City Manager

APPROVED AS TO FORM:



Raymond L. Telles
Assistant City Attorney

APPROVED AS TO CONTENT:



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

ACKNOWLEDGMENT


THE STATE OF TEXAS)
)
COUNTY OF EL PASO)

This instrument was acknowledged before me on this _____ day of _____, 2008, by **Joyce A. Wilson** as **City Manager** of the **City of El Paso**. (Lessor).

Notary Public, State of Texas

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]


LESSEE: CUTTER AVIATION EL PASO, INC.


Printed Name: Alfonso Moreno Jr
Title: V.P. / G.M.

ACKNOWLEDGMENT

THE STATE OF Texas)
COUNTY OF EL Paso)

This instrument was acknowledged before me on this 17th day of June, 2008,
by ALFONSO MORENO JR as VP / G.M of Cutter Aviation El Paso, Inc. (Lessee).


Notary Public, State of Texas

My Commission Expires:
2/24/2011

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

SUBLESSEE: INTEGRATED AIRLINE SERVICES, INC.

[Handwritten Signature]
Printed Name: Harry B. Combs, Jr
Title: CEO

ACKNOWLEDGMENT

THE STATE OF Colorado
COUNTY OF Denver

This instrument was acknowledged before me on this 17th day of June, 2008,
by Harry B. Combs, Jr as CEO of Integrated Airline Services, Inc.
(Sublessee.)

[Handwritten Signature]
Notary Public, State of Colorado

My Commission Expires:
2/9/2009

