

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

**DEPARTMENT:** Aviation

**AGENDA DATE:** September 1, 2020

**CONTACT PERSON NAME AND PHONE NUMBER:** Sam Rodriguez, (915) 212-7301

**DISTRICT(S) AFFECTED:** District 3

**CITY STRATEGIC GOAL 1:** Create an Environment Conducive to Strong, Sustainable Economic Development.

**SUBJECT:**

This is a Resolution to authorize the City Manager to sign a First Amendment to the Air Cargo Center Agreement by and between the City of El Paso ("Lessor") and Federal Express Corporation ("Lessee") located at 501 George Perry Blvd., Suite A, El Paso, Texas, to add Suite B to include additional square footage for warehouse space, loading dock and vehicle parking space and ground service equipment parking apron, and to include an additional ten (10) years to the contract term, to clarify repair and maintenance responsibility and rental amounts for the new space and to update and include mandated Federal Aviation Administration contract provisions.

The new rental fee for the entire premises (office, warehouse, vehicle parking and aircraft/GSE parking space) will be \$744,393.73. This is an increase of \$44,696.53 per year in rental fees.

**BACKGROUND / DISCUSSION:**

The Department of Aviation is requesting approval of this item to allow Federal Express Corporation (FedEx) to expand its operations at the El Paso International Airport (EPIA) by adding 6,103 square feet of warehouse space in the suite adjacent its current location in the Airport's North Cargo Facility. FedEx has outgrown its current leased space and needs this additional space to safely loading and unloading packages and other cargo from its aircraft. Additionally, EPIA will be demolishing the wall between the two suites and the existing office space on behalf of FedEx. FedEx will reimburse EPIA for the cost of the work plus 6% interest over ten years of the lease term starting on the day the Lessee takes possession of the newly renovated space.

**Term:** Twenty years with no options; lease was to terminate on 6/10/2022; once approved, the lease will expire on 6/10/2032.

**New Rental Fees:**

<b>501 George Perry, Suite A (existing)</b>	<b># SF</b>	<b>Annual Rental Rate</b>	<b>Annual Rent</b>	<b>Monthly Rent</b>
Office/Warehouse	59,774	\$9.3063	\$556,274.78	\$46,356.23
GSE parking	150,602	\$0.7643	\$115,105.11	\$9,592.09
Vehicle parking	37,050	\$0.7643	\$28,317.32	\$2,359.78
			<b>\$699,697.20</b>	<b>\$58,308.10</b>
<b>501 George Perry, Suite B (new)</b>	<b># SF</b>	<b>Annual Rental Rate</b>	<b>Annual Rent</b>	<b>Monthly Rent</b>
Warehouse	6,103	\$6.5100	\$39,730.53	\$3,310.88
GSE parking	3,900	\$0.7640	\$2,979.60	\$248.30
Vehicle parking	2,600	\$0.7640	\$1,986.40	\$165.53
			<b>\$44,696.53</b>	<b>\$3,724.71</b>
<b>Reimbursement for Improvements</b>	<b>Estimated Cost of Construction</b>	<b>Interest - 6% (10 years)</b>	<b>Est. Total Cost of Improvements</b>	<b>Est. Additional Monthly Payment</b>
Cost of construction/demolition	\$50,648.13	\$16,827.64	\$67,475.77	\$562.30
		<b>Annual Cost</b>	<b>\$6,747.58</b>	<b>\$562.30</b>
<b>Estimated Rental Fees with Improvements</b>			<b>\$751,141.31</b>	<b>\$62,595.11</b>

The amendment also updates the contract provisions that are required to be included in all airport leases, which became a requirement since the original lease was approved. All other terms and conditions of the lease will remain unchanged.

**PRIOR COUNCIL ACTION:**

6/11/2002 – Approval of Air Cargo Center Lease

**AMOUNT AND SOURCE OF FUNDING:**

N/A: This is a revenue generating item.

**BOARD / COMMISSION ACTION:**

N/A

**DEPARTMENT HEAD:**



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Sam Rodriguez, P.E.  
Chief Operations & Transportation Officer/Director of Aviation

**RESOLUTION**

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

That the City Manager be authorized to sign a First Amendment to the Air Cargo Center Agreement by and between the City of El Paso ("Lessor") and Federal Express Corporation ("Lessee") located at 501 George Perry Blvd., Suite A, El Paso, Texas, to add Suite B to include additional square footage for warehouse space, loading dock and vehicle parking space and ground service equipment parking apron, and to include an additional ten (10) years to the contract term, to clarify repair and maintenance responsibility and rental amounts for the new space and to update and include mandated Federal Aviation Administration contract provisions.

Dated this \_\_\_\_ day of \_\_\_\_\_ 2020.

**CITY OF EL PASO**

\_\_\_\_\_  
Dee Margo  
Mayor

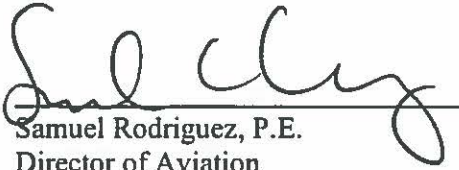
**ATTEST:**

\_\_\_\_\_  
Laura D. Prine  
City Clerk

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Josette Flores  
Senior Assistant City Attorney

**APPROVED AS TO CONTENT:**

  
\_\_\_\_\_  
Samuel Rodriguez, P.E.  
Director of Aviation

**STATE OF TEXAS            )        **FIRST AMENDMENT TO AIR CARGO****  
  )        **CENTER AGREEMENT -**  
**COUNTY OF EL PASO        )        **EL PASO INTERNATIONAL AIRPORT****

This First Amendment to the Air Cargo Center Agreement (the "Amendment") is made and entered into this \_\_\_\_\_ day \_\_\_\_\_, 2020, by and between the City of El Paso, a municipal corporation existing under the laws of the State of Texas (the "Lessor"), and Federal Express Corporation, a corporation organized under the laws of the State of Delaware (the "Lessee").

**WHEREAS**, Lessor and Lessee entered into an Air Cargo Center Agreement (the "Lease"), with an effective date of June 11, 2002, to lease office, warehouse and ramp space located at Suite A of the Air Cargo Center, 501 George Perry Blvd., El Paso International Airport (the "Airport"), El Paso, El Paso County, Texas, all as more particularly described therein (the "Suite A Premises") and generally described as:

Approximately 59,774 square feet of office and warehouse space in Suite A at the Air Cargo Center;

Approximately 37,050 square feet of loading dock and space directly in front of the Air Cargo Center;

Approximately 150,602 square feet of the aircraft parking apron and ground service equipment parking apron directly behind the Air Cargo Center; and

A portion of the vehicle parking area and the roadway, located in front of and adjacent to the Air Cargo Center.

**WHEREAS**, Lessee desires to lease additional warehouse and ramp space, and other space located at Suite B of the Air Cargo Center, which space is adjacent to the existing Suite A Premises, generally described as follows:

Approximately 6,103 square feet of warehouse space in the Air Cargo Center;

Approximately 2,600 square feet of loading dock and space directly in front of the Air Cargo Center;

Approximately 3,900 square feet of the ground service equipment parking apron directly behind the Air Cargo Center; and

A portion of the vehicle parking area and the roadway, located in front of and adjacent to the Air Cargo Center.

**NOW, THEREFORE,** in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree to amend the Lease as follows:

1. **Section 1.01, Description of Premises Demised,** of the Lease is amended to add the following to the Premises leased from Lessor:

E. Approximately 6,103 square feet of warehouse space in the Air Cargo Center, as shown on Exhibit A-1, attached hereto and incorporated herein by reference, for Lessee's exclusive use; and

F. Approximately 2,600 square feet of loading dock and space directly in front of the Air Cargo Center as shown on Exhibit B-1, attached hereto and incorporated herein by reference, for Lessee's exclusive use basis; and

G. Approximately 3,900 square feet of the ground service equipment parking apron directly behind the Air Cargo Center as shown on Exhibit B-1; and

H. The roadway, located in front of and adjacent to the Air Cargo Center, as shown on Exhibit B-1 on a non-exclusive basis;

all of which will hereinafter be referred to as the "Suite B Premises".

2. **Section 2.04, Improvements to Suite B,** is added to the Lease to read as follows:

**Section 2.04. Improvements to Suite B.** Lessor shall repair the existing improvements to the interior of the Suite B Warehouse Space as described in Exhibit C-1, attached hereto and incorporated herein by reference. As of the effective date of this Amendment, Lessee accepts the Suite B Premises, except for the Suite B Warehouse Space, in "AS-IS" CONDITION. Lessor shall have no responsibility as to the condition of this portion of the Suite B Premises and shall not be responsible for the maintenance, upkeep, or repair necessary to keep the Suite B Premises in a safe and serviceable condition. With regard to the Suite B Warehouse Space, Lessee will accept that space upon completion of the Lessor's repairs and improvements in "AS-IS" CONDITION, and Lessor shall have no further responsibility as to the condition of this space and shall not be responsible for the maintenance, upkeep, or repair necessary to keep this space in a safe and serviceable condition; provided, however, and notwithstanding anything in the foregoing seemingly to the contrary, Lessor acknowledges and agrees that, pursuant to Section 3.01 of the Lease, and in Section 2.03, Article VI and Article VII referenced therein, Lessor shall be responsible for the maintenance and correction of defects in the same Structural Elements (as defined in Section 2.03 of the Lease) of the Suite B Premises as if the Suite B Premises were part of the original Air Cargo Center and Premises and for restoration of the Suite B Premises under the circumstances described in Articles VI and VII of the Lease.

Lessee has requested that the firewall that currently separates Suites A and B be removed to allow for efficient use of the space as shown in Exhibit D, attached hereto and incorporated herein by reference. Lessor will complete these improvements on behalf the Lessee, and Lessee shall reimburse Lessor for the actual cost of the Exhibit D improvements as provided in Section 5.01.2 as amended.

Lessee will have the opportunity to review and comment on the design and bids for the construction of the Suite B Warehouse Space improvements. Lessee shall, upon receipt of the design and proposed costs of the proposed improvements, have fifteen calendar (15) days to provide comments and/or alterations to the design or to inform Lessor that it does not wish for Lessor to proceed with the construction of the identified improvements. If it fails to provide comments and/or alterations or to inform Lessor within that time period, it shall be considered to have agreed to the construction of the improvements as designed. If it chooses to cancel the improvements, it shall promptly reimburse Lessor for Lessor's costs incurred to that date.

The improvements to be made pursuant to this Section 2.04 and Exhibit C-1 and Exhibit D are collectively referred to as "Suite B Lessor Improvements". Within thirty (30) days following Lessee's execution and delivery of this Amendment, Lessor shall enter into a construction contract for the Suite B Lessor Improvements and shall cause the Suite B Lessor Improvements to be completed and the Suite B Warehouse Space to be delivered to Lessee ready for occupancy no later than one hundred twenty (120) days thereafter.

3. **Section 4.01, Effective Date and Term.** The parties hereby extend the term of this Agreement so that it now expires on June 10, 2032.

4. **Section 5.01.2, Annual Rental for Suite B,** is added to the Lease to read as follows:

**Section 5.01.2, Annual Rental for Suite B** In addition to paying rentals for the Suite A Premises, Lessee shall pay rentals for the Suite B Premises. For the purpose of computing the rental payments, Lessor and Lessee agree that the Suite B Premises and the initial rental rates for the Suite B Premises shall be as follows:

6,103 sq. ft. of Warehouse Space at \$6.51 per. sq. ft. = \$39,730.53 per annum.

2,600 sq. ft. of Loading Dock Space at \$.7640 per. sq. ft. = \$1,986.40 per annum.

3,900 sq. ft. of Ground Service Equipment Parking Apron at \$.7640 per. sq. ft. = \$2,979.60 per annum.

Therefore, the initial Annual Rental for the Suite B Premises shall be \$44,696.53 beginning on the effective date of this First Amendment.

In addition to the Annual Rental for Suite B Premises, Lessee shall reimburse Lessor for the costs of the Suite B Lessor Improvements as set forth in Section 2.04 on a monthly basis over a ten (10) year period with the first reimbursement payment to be made by Lessee on the date that the repairs and improvements are inspected and accepted by Lessee and the last reimbursement payment to be made ten years after the first reimbursement payment is made to Lessor by Lessee, as set forth in the payment schedule appearing in Exhibit E, attached hereto and incorporated by reference ("Improvements Rent"). Improvements Rent shall be equal to amortization of the cost of the Suite B Lessor Improvements over an amortization period of ten (10) years, as described more fully in Exhibit E, at an imputed interest rate of six percent (6%). Lessee shall pay the Improvements Rent at the same time as, the monthly rentals set forth above, beginning on the first day of the month following Lessee's occupancy of the Suite B Premises and at the same time it pays its monthly rentals as required by this Lease.

Although this Amendment will be effective upon the date it is approved by the El Paso City Council, Lessor and Lessee agree that no rent for the Suite B Warehouse Space shall be due until Lessor has completed the repairs and improvements to the Suite B Warehouse Space and the Suite B Warehouse Space repairs and improvements are inspected and accepted by Lessee. At that time, Lessee shall immediately begin paying rental for the Suite B Warehouse Space. If the repairs and improvements to the Suite B Warehouse Space are not completed and accepted at the end of a month, the rent for this space shall be pro-rated on a daily basis, and thereafter Lessee shall begin paying the rent for the Suite B Warehouse Space on a monthly basis as required by this Lease.

5. **Section 5.02, Readjustment of Annual Rental**, of the Lease is deleted in its entirety.
6. **Section 10.03, Notices**, is amended as to Lessor's and Lessee's addresses, as follows:

LESSOR:	City Clerk City of El Paso 300 N. Campbell El Paso, Texas 79901	Director of Aviation El Paso International Airport 6701 Convair Road El Paso, Texas 79925-1099
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LESSEE: Federal Express Corporation  
Attn: Manager, Airport Relations & Development (#02-0334)  
3620 Hacks Cross Road  
Building H, 3<sup>rd</sup> Floor  
Memphis, Tennessee 38125

WITH A COPY TO: Federal Express Corporation  
Attn: Managing Director, Commercial &  
Real Estate Transactions (#02-0334)  
3620 Hacks Cross Road  
Building B, 3<sup>rd</sup> Floor  
Memphis, Tennessee 38125

7. **Section 10.06, Nondiscrimination Covenant**, of the Lease is deleted and replaced in its entirety to read as follows:

**Section 10.06, Compliance with Nondiscrimination Requirements**. During the performance of this contract, the Lessee, for itself, its assignees, and successors in interest (for purposes of this Section 10.06 hereinafter referred to as the "Contractor"), agrees as follows:

1. **Compliance with Regulations:** The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
2. **Nondiscrimination:** The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.
3. **Solicitations for Subcontracts, including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.
4. **Information and Reports:** The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Lessor (for purposes of this Section 10.06 hereinafter referred to as the "sponsor") or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to the sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.
5. **Sanctions for Noncompliance:** In the event of a Contractor's noncompliance with the non-discrimination provisions of this contract, the sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:
  - a. Withholding payments to the Contractor under the contract until the Contractor complies; and/or
  - b. Cancelling, terminating, or suspending a contract, in whole or in part.
6. **Incorporation of Provisions:** The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant

thereto. The Contractor will take action with respect to any subcontract or procurement as the sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the sponsor to enter into any litigation to protect the interests of the sponsor. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

**8. Section 10.07, Affirmative Action is hereby amended in its entirety to read as follows:**

Lessee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, and any amendments thereto, and any other federal statutes or regulations applicable to the receipt of federal assistance from the Department of Transportation by local governments for Airport use, or otherwise applicable to persons leasing premises from the City of El Paso, to insure that no person shall, on the grounds of race, color, sex, age, disability or national origin be excluded from participating in or receiving the services or benefits of any program of activity covered by this Subpart. Lessee assures that it will require that its covered sub-organizations (sublessees) provide assurances to Lessor, as set forth herein, that they similarly will undertake affirmative action programs, and that they will require assurance from their sub-organizations (sublessees) to the same effect.

**9. Section 10.19, FAA Order 1400.11 is hereby added to the Lease, to read as follows:**

**10.19 FAA Order 1400.11.** Pursuant to Federal Aviation Administration Order 1400.11, effective August 27, 2013, and because the described Premises are located at the El Paso International Airport which is subject to regulation by, among others, the U.S. Federal Aviation Administration ("FAA"), the parties specifically agree to the following:

1. A. Lessee for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that in the event facilities are constructed, maintained, or otherwise operated on the property described in this Lease for a purpose for which a Federal Aviation Administration activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, Lessee will maintain and operate such facilities and services in compliance with all requirements imposed by the Acts and Regulations set out in Federal Aviation Administration Order 1400.11, Appendix 4, as same may be amended from time to time (the "Acts and Regulations") such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.

B. With respect to the Lease, in the event of breach of any of the above nondiscrimination covenants, Lessor will have the right to terminate the Lease and to enter or re-enter and repossess said Premises and the facilities thereon, and hold the same as if said easement had never been made or issued. [FAA Order 1400.11, Appendix C]

2. A. The Lessee for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Lessee will use the premises in compliance with all other requirements imposed by or pursuant to the Acts and Regulations.

B. With respect to the Lease, in the event of breach of any of the above nondiscrimination covenants, Lessor will have the right to terminate the Lease and to enter or re-enter and repossess said Premises and the facilities thereon, and hold the same as if said easement had never been made or issued. [FAA Order 1400.11, Appendix D]

3. A. During the term of this Lease, Lessee for itself, its successors in interest, and assigns, as a part of the consideration hereof, agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 et seq.), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration’s Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). Grantee shall take reasonable steps to ensure that LEP persons have meaningful access to its programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits discrimination because of sex in education programs or activities (20 U.S.C. 1681 et seq).

B. In the event of breach of any of the covenants in this section 3, Lessor shall have the rights and remedies set forth in sections 1 and 2 above, in addition to all other rights and remedies available to it under applicable law. [FAA Order 1400.11, Appendix E]

10. **Section 10.20 General Civil Rights Provision**, is hereby added to the Lease, to read as follows:

Lessee agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. If the Lessee transfers its obligation to another, the transferee is obligated in the same manner as the transferor.

This provision obligates the Lessee for the period during which the property is owned, used or possessed by the Lessee and the airport remains obligated to the Federal Aviation Administration. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

11. **Ratification**. Except as herein amended, all other terms and conditions of the Lease, not specifically modified by this Amendment shall remain unchanged and in full force and effect.

12. **Effective Date**. This Amendment shall be effective upon the date it is approved by the El Paso City Council.


(SIGNATURES BEGIN ON THE FOLLOWING PAGE)

EXECUTED this \_\_\_\_ day of \_\_\_\_\_, 2020.

**LESSOR: CITY OF EL PASO**

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

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Rosette Flores  
Senior Assistant City Attorney

**APPROVED AS TO CONTENT:**

  
\_\_\_\_\_  
Samuel Rodriguez, P.E.  
Director of Aviation

**ACKNOWLEDGMENT**

THE STATE OF TEXAS    )  
  )  
COUNTY OF EL PASO    )

This instrument was acknowledged before me on this \_\_\_\_ day of \_\_\_\_\_, 2020, by Tomás González as City Manager of the City of El Paso, Texas (Lessor).

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

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

**LESSEE**

**FEDERAL EXPRESS CORPORATION**

By: D. Cook  
Printed Name: DOWNA COOK  
Title: Vice President

Approved by Legal: cjm 08/12/2020  
Lease #02-0334-002

**ACKNOWLEDGMENT**

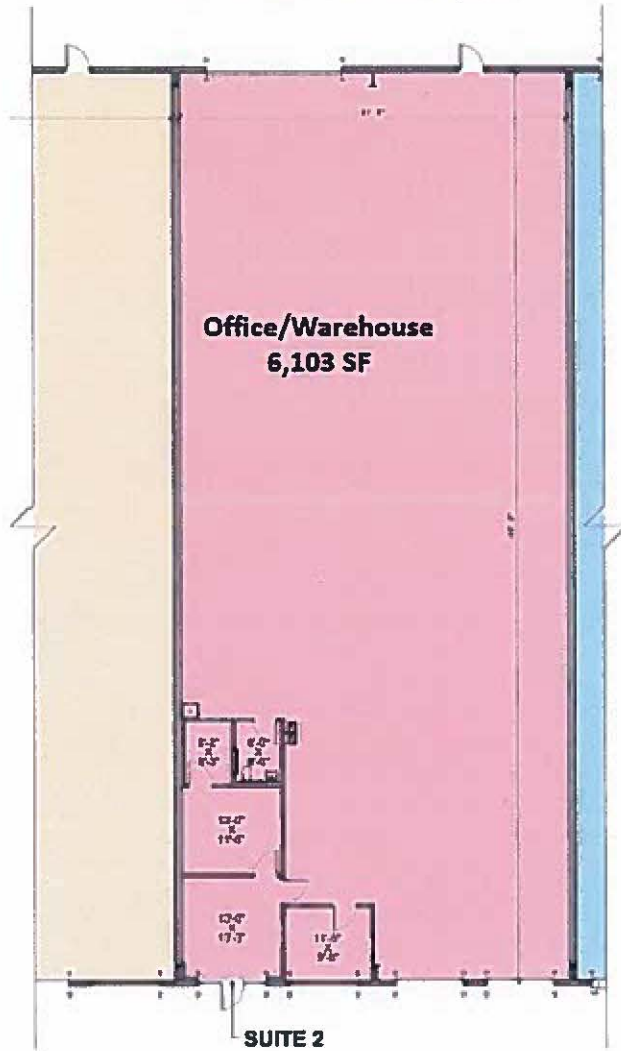
THE STATE OF TENNESSEE    )  
  )  
COUNTY OF SHELBY        )

This instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2020,  
by \_\_\_\_\_, as \_\_\_\_\_ of Federal Express Corporation  
(Lessee), a Delaware corporation, on behalf of said corporation.

\_\_\_\_\_

Notary Public

**Exhibit A-1  
Suite B Premises  
Office and Warehouse Space**



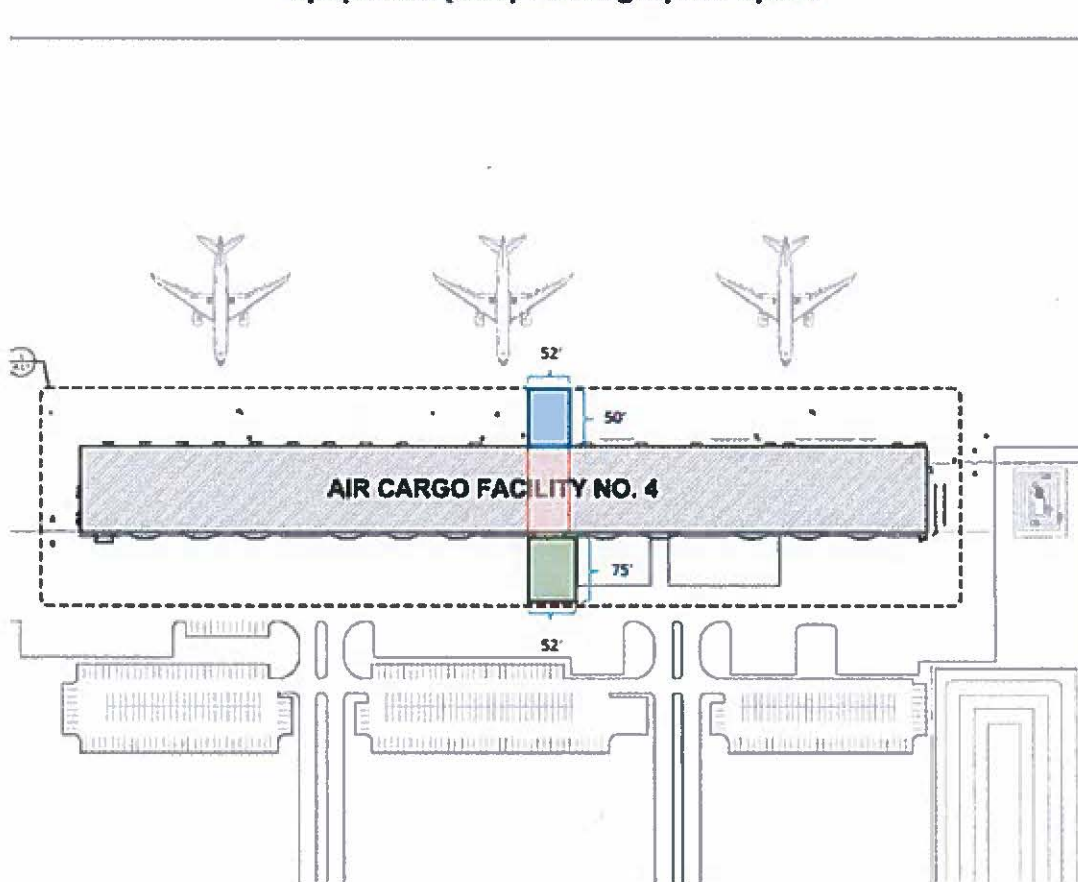
**FLOOR PLAN ZONE "A"  
AIR CARGO FACILITY NO. 4**

SCALE: 1/8" = 1'-0"



**KEY MAP**  
MTS

**Exhibit B -1**  
**Suite B Premises**  
**Loading Dock, Vehicle Parking and Ground Service**  
**Equipment (GSE) Parking Apron Space**



- GSE Parking Apron Space – 3,900 SF
- Loading Dock and Vehicle Parking Space – 2,600 SF
- Office/Warehouse Space – 6, 103 SF

**Exhibit C-1**  
**Description of Suite B Space Improvements and Repairs**

Federal Express is proposing to expand the footprint of its operations at the El Paso International Airport (EPIA) into the suite adjacent (Suite B) to its current location at 501 George Perry Boulevard, Suite A. The previous tenant left in place improvements, which include the following:

- Foyer
- Office areas (2)
- Rest room (toilet and sink)
- Utility sink in the open bay area
- Cooling for the foyer and one office area
- Radiant heating units (2)

As Federal Express has decided that it would not make use of the above-mentioned improvements, with the exception of the two (2) radiant heating units, EPIA will demolish the aforementioned improvements.

The following fixtures, improvements and/or equipment will need to be repaired to bring the space into compliance with Federal Express' operational needs:

- Add lighting fixtures to Suite B to mirror those in Suite A
- Repair firewall between Suites B and C
- Patch spalled concrete in bay area

It is estimated that this work will be completed within 120 days from the award of the contract for construction.



## EXHIBIT E

FedEx Expansion into Suite B - Estimation on Impact to Rental Fees				
<b>Suite A</b>				
501 George Perry, Suite A	# SF	Annual Rental Rate	Annual Rent	Monthly Rent
Office/warehouse	59,774.0000	\$ 9.3063	\$ 556,274.78	\$ 46,356.23
GSE parking	150,602.0000	\$ 0.7643	\$ 115,105.11	\$ 9,592.09
Vehicle parking	37,050.0000	\$ 0.7643	\$ 28,317.32	\$ 2,359.78
			<b>\$ 699,697.20</b>	<b>\$ 58,308.10</b>
<b>Suite B</b>				
501 George Perry, Suite B	# SF	Annual Rental Rate	Annual Rent	Monthly Rent
Office/warehouse	6,103.0000	\$ 6.5100	\$ 39,730.53	\$ 3,310.88
GSE parking	3,900.0000	\$ 0.7640	\$ 2,979.60	\$ 248.30
Vehicle parking	2,600.0000	\$ 0.7640	\$ 1,986.40	\$ 165.53
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<b>Reimbursement for Improvements</b>	<b>Estimated Cost of Construction</b>	<b>Interest - 6% (10 years)</b>	<b>Est. Total Cost of Improvements</b>	<b>Est. Additional Monthly Payment</b>
Remove wall	\$ 66,028.77	\$ 21,937.80	\$ 87,966.57	\$ 733.05
		<b>Annual Cost</b>	<b>\$ 8,796.66</b>	<b>\$ 733.05</b>
<b>Estimated Rental Fees with Improvements</b>			<b>\$ 753,190.39</b>	<b>\$ 62,765.87</b>

**Exhibit E**

**Simple Loan Calculator**

---

Enter values	
Loan amount	\$ 66,028.77
Annual interest rate	6.00%
Loan period in years	10.0
Monthly payment	\$ 733.05
Number of payments	120
Total interest	\$ 21,937.80
Total cost of loan	\$ 87,966.57

No.	Beginning Balance	Payment	Principal	Interest	Ending Balance
1	\$ 66,028.77	\$ 733.05	\$ 402.91	\$ 330.14	\$ 65,625.86
2	\$ 65,625.86	\$ 733.05	\$ 404.93	\$ 328.13	\$ 65,220.93
3	\$ 65,220.93	\$ 733.05	\$ 406.95	\$ 326.10	\$ 64,813.98
4	\$ 64,813.98	\$ 733.05	\$ 408.98	\$ 324.07	\$ 64,405.00
5	\$ 64,405.00	\$ 733.05	\$ 411.03	\$ 322.02	\$ 63,993.97
6	\$ 63,993.97	\$ 733.05	\$ 413.08	\$ 319.97	\$ 63,580.88
7	\$ 63,580.88	\$ 733.05	\$ 415.15	\$ 317.90	\$ 63,165.73
8	\$ 63,165.73	\$ 733.05	\$ 417.23	\$ 315.83	\$ 62,748.51
9	\$ 62,748.51	\$ 733.05	\$ 419.31	\$ 313.74	\$ 62,329.20
10	\$ 62,329.20	\$ 733.05	\$ 421.41	\$ 311.65	\$ 61,907.79
11	\$ 61,907.79	\$ 733.05	\$ 423.52	\$ 309.54	\$ 61,484.27
12	\$ 61,484.27	\$ 733.05	\$ 425.63	\$ 307.42	\$ 61,058.64
13	\$ 61,058.64	\$ 733.05	\$ 427.76	\$ 305.29	\$ 60,630.88
14	\$ 60,630.88	\$ 733.05	\$ 429.90	\$ 303.15	\$ 60,200.98
15	\$ 60,200.98	\$ 733.05	\$ 432.05	\$ 301.00	\$ 59,768.93
16	\$ 59,768.93	\$ 733.05	\$ 434.21	\$ 298.84	\$ 59,334.72
17	\$ 59,334.72	\$ 733.05	\$ 436.38	\$ 296.67	\$ 58,898.33
18	\$ 58,898.33	\$ 733.05	\$ 438.56	\$ 294.49	\$ 58,459.77
19	\$ 58,459.77	\$ 733.05	\$ 440.76	\$ 292.30	\$ 58,019.02
20	\$ 58,019.02	\$ 733.05	\$ 442.96	\$ 290.10	\$ 57,576.06
21	\$ 57,576.06	\$ 733.05	\$ 445.17	\$ 287.88	\$ 57,130.88
22	\$ 57,130.88	\$ 733.05	\$ 447.40	\$ 285.65	\$ 56,683.48
23	\$ 56,683.48	\$ 733.05	\$ 449.64	\$ 283.42	\$ 56,233.84
24	\$ 56,233.84	\$ 733.05	\$ 451.89	\$ 281.17	\$ 55,781.96
25	\$ 55,781.96	\$ 733.05	\$ 454.14	\$ 278.91	\$ 55,327.81
26	\$ 55,327.81	\$ 733.05	\$ 456.42	\$ 276.64	\$ 54,871.40
27	\$ 54,871.40	\$ 733.05	\$ 458.70	\$ 274.36	\$ 54,412.70
28	\$ 54,412.70	\$ 733.05	\$ 460.99	\$ 272.06	\$ 53,951.71

**Exhibit E**

No.	Beginning Balance	Payment	Principal	Interest	Ending Balance
29	\$ 53,951.71	\$ 733.05	\$ 463.30	\$ 269.76	\$ 53,488.41
30	\$ 53,488.41	\$ 733.05	\$ 465.61	\$ 267.44	\$ 53,022.80
31	\$ 53,022.80	\$ 733.05	\$ 467.94	\$ 265.11	\$ 52,554.86
32	\$ 52,554.86	\$ 733.05	\$ 470.28	\$ 262.77	\$ 52,084.58
33	\$ 52,084.58	\$ 733.05	\$ 472.63	\$ 260.42	\$ 51,611.95
34	\$ 51,611.95	\$ 733.05	\$ 474.99	\$ 258.06	\$ 51,136.95
35	\$ 51,136.95	\$ 733.05	\$ 477.37	\$ 255.68	\$ 50,659.58
36	\$ 50,659.58	\$ 733.05	\$ 479.76	\$ 253.30	\$ 50,179.83
37	\$ 50,179.83	\$ 733.05	\$ 482.16	\$ 250.90	\$ 49,697.67
38	\$ 49,697.67	\$ 733.05	\$ 484.57	\$ 248.49	\$ 49,213.10
39	\$ 49,213.10	\$ 733.05	\$ 486.99	\$ 246.07	\$ 48,726.11
40	\$ 48,726.11	\$ 733.05	\$ 489.42	\$ 243.63	\$ 48,236.69
41	\$ 48,236.69	\$ 733.05	\$ 491.87	\$ 241.18	\$ 47,744.82
42	\$ 47,744.82	\$ 733.05	\$ 494.33	\$ 238.72	\$ 47,250.49
43	\$ 47,250.49	\$ 733.05	\$ 496.80	\$ 236.25	\$ 46,753.69
44	\$ 46,753.69	\$ 733.05	\$ 499.29	\$ 233.77	\$ 46,254.40
45	\$ 46,254.40	\$ 733.05	\$ 501.78	\$ 231.27	\$ 45,752.62
46	\$ 45,752.62	\$ 733.05	\$ 504.29	\$ 228.76	\$ 45,248.33
47	\$ 45,248.33	\$ 733.05	\$ 506.81	\$ 226.24	\$ 44,741.51
48	\$ 44,741.51	\$ 733.05	\$ 509.35	\$ 223.71	\$ 44,232.17
49	\$ 44,232.17	\$ 733.05	\$ 511.89	\$ 221.16	\$ 43,720.27
50	\$ 43,720.27	\$ 733.05	\$ 514.45	\$ 218.60	\$ 43,205.82
51	\$ 43,205.82	\$ 733.05	\$ 517.03	\$ 216.03	\$ 42,688.79
52	\$ 42,688.79	\$ 733.05	\$ 519.61	\$ 213.44	\$ 42,169.18
53	\$ 42,169.18	\$ 733.05	\$ 522.21	\$ 210.85	\$ 41,646.97
54	\$ 41,646.97	\$ 733.05	\$ 524.82	\$ 208.23	\$ 41,122.15
55	\$ 41,122.15	\$ 733.05	\$ 527.44	\$ 205.61	\$ 40,594.71
56	\$ 40,594.71	\$ 733.05	\$ 530.08	\$ 202.97	\$ 40,064.63
57	\$ 40,064.63	\$ 733.05	\$ 532.73	\$ 200.32	\$ 39,531.90
58	\$ 39,531.90	\$ 733.05	\$ 535.40	\$ 197.66	\$ 38,996.50
59	\$ 38,996.50	\$ 733.05	\$ 538.07	\$ 194.98	\$ 38,458.43
60	\$ 38,458.43	\$ 733.05	\$ 540.76	\$ 192.29	\$ 37,917.67
61	\$ 37,917.67	\$ 733.05	\$ 543.47	\$ 189.59	\$ 37,374.20
62	\$ 37,374.20	\$ 733.05	\$ 546.18	\$ 186.87	\$ 36,828.02
63	\$ 36,828.02	\$ 733.05	\$ 548.91	\$ 184.14	\$ 36,279.10
64	\$ 36,279.10	\$ 733.05	\$ 551.66	\$ 181.40	\$ 35,727.44
65	\$ 35,727.44	\$ 733.05	\$ 554.42	\$ 178.64	\$ 35,173.02
66	\$ 35,173.02	\$ 733.05	\$ 557.19	\$ 175.87	\$ 34,615.84
67	\$ 34,615.84	\$ 733.05	\$ 559.98	\$ 173.08	\$ 34,055.86
68	\$ 34,055.86	\$ 733.05	\$ 562.78	\$ 170.28	\$ 33,493.08

**Exhibit E**

No.	Beginning Balance	Payment	Principal	Interest	Ending Balance
69	\$ 33,493.08	\$ 733.05	\$ 565.59	\$ 167.47	\$ 32,927.50
70	\$ 32,927.50	\$ 733.05	\$ 568.42	\$ 164.64	\$ 32,359.08
71	\$ 32,359.08	\$ 733.05	\$ 571.26	\$ 161.80	\$ 31,787.82
72	\$ 31,787.82	\$ 733.05	\$ 574.12	\$ 158.94	\$ 31,213.70
73	\$ 31,213.70	\$ 733.05	\$ 576.99	\$ 156.07	\$ 30,636.72
74	\$ 30,636.72	\$ 733.05	\$ 579.87	\$ 153.18	\$ 30,056.85
75	\$ 30,056.85	\$ 733.05	\$ 582.77	\$ 150.28	\$ 29,474.08
76	\$ 29,474.08	\$ 733.05	\$ 585.68	\$ 147.37	\$ 28,888.39
77	\$ 28,888.39	\$ 733.05	\$ 588.61	\$ 144.44	\$ 28,299.78
78	\$ 28,299.78	\$ 733.05	\$ 591.56	\$ 141.50	\$ 27,708.22
79	\$ 27,708.22	\$ 733.05	\$ 594.51	\$ 138.54	\$ 27,113.71
80	\$ 27,113.71	\$ 733.05	\$ 597.49	\$ 135.57	\$ 26,516.22
81	\$ 26,516.22	\$ 733.05	\$ 600.47	\$ 132.58	\$ 25,915.75
82	\$ 25,915.75	\$ 733.05	\$ 603.48	\$ 129.58	\$ 25,312.27
83	\$ 25,312.27	\$ 733.05	\$ 606.49	\$ 126.56	\$ 24,705.78
84	\$ 24,705.78	\$ 733.05	\$ 609.53	\$ 123.53	\$ 24,096.25
85	\$ 24,096.25	\$ 733.05	\$ 612.57	\$ 120.48	\$ 23,483.68
86	\$ 23,483.68	\$ 733.05	\$ 615.64	\$ 117.42	\$ 22,868.04
87	\$ 22,868.04	\$ 733.05	\$ 618.71	\$ 114.34	\$ 22,249.33
88	\$ 22,249.33	\$ 733.05	\$ 621.81	\$ 111.25	\$ 21,627.52
89	\$ 21,627.52	\$ 733.05	\$ 624.92	\$ 108.14	\$ 21,002.60
90	\$ 21,002.60	\$ 733.05	\$ 628.04	\$ 105.01	\$ 20,374.56
91	\$ 20,374.56	\$ 733.05	\$ 631.18	\$ 101.87	\$ 19,743.38
92	\$ 19,743.38	\$ 733.05	\$ 634.34	\$ 98.72	\$ 19,109.04
93	\$ 19,109.04	\$ 733.05	\$ 637.51	\$ 95.55	\$ 18,471.53
94	\$ 18,471.53	\$ 733.05	\$ 640.70	\$ 92.36	\$ 17,830.84
95	\$ 17,830.84	\$ 733.05	\$ 643.90	\$ 89.15	\$ 17,186.94
96	\$ 17,186.94	\$ 733.05	\$ 647.12	\$ 85.93	\$ 16,539.82
97	\$ 16,539.82	\$ 733.05	\$ 650.36	\$ 82.70	\$ 15,889.46
98	\$ 15,889.46	\$ 733.05	\$ 653.61	\$ 79.45	\$ 15,235.85
99	\$ 15,235.85	\$ 733.05	\$ 656.88	\$ 76.18	\$ 14,578.98
100	\$ 14,578.98	\$ 733.05	\$ 660.16	\$ 72.89	\$ 13,918.82
101	\$ 13,918.82	\$ 733.05	\$ 663.46	\$ 69.59	\$ 13,255.36
102	\$ 13,255.36	\$ 733.05	\$ 666.78	\$ 66.28	\$ 12,588.58
103	\$ 12,588.58	\$ 733.05	\$ 670.11	\$ 62.94	\$ 11,918.47
104	\$ 11,918.47	\$ 733.05	\$ 673.46	\$ 59.59	\$ 11,245.00
105	\$ 11,245.00	\$ 733.05	\$ 676.83	\$ 56.23	\$ 10,568.17
106	\$ 10,568.17	\$ 733.05	\$ 680.21	\$ 52.84	\$ 9,887.96
107	\$ 9,887.96	\$ 733.05	\$ 683.61	\$ 49.44	\$ 9,204.35
108	\$ 9,204.35	\$ 733.05	\$ 687.03	\$ 46.02	\$ 8,517.31

Exhibit E

No.	Beginning Balance	Payment	Principal	Interest	Ending Balance
109	\$ 8,517.31	\$ 733.05	\$ 690.47	\$ 42.59	\$ 7,826.84
110	\$ 7,826.84	\$ 733.05	\$ 693.92	\$ 39.13	\$ 7,132.92
111	\$ 7,132.92	\$ 733.05	\$ 697.39	\$ 35.66	\$ 6,435.53
112	\$ 6,435.53	\$ 733.05	\$ 700.88	\$ 32.18	\$ 5,734.66
113	\$ 5,734.66	\$ 733.05	\$ 704.38	\$ 28.67	\$ 5,030.28
114	\$ 5,030.28	\$ 733.05	\$ 707.90	\$ 25.15	\$ 4,322.37
115	\$ 4,322.37	\$ 733.05	\$ 711.44	\$ 21.61	\$ 3,610.93
116	\$ 3,610.93	\$ 733.05	\$ 715.00	\$ 18.05	\$ 2,895.93
117	\$ 2,895.93	\$ 733.05	\$ 718.58	\$ 14.48	\$ 2,177.35
118	\$ 2,177.35	\$ 733.05	\$ 722.17	\$ 10.89	\$ 1,455.19
119	\$ 1,455.19	\$ 733.05	\$ 725.78	\$ 7.28	\$ 729.41
120	\$ 729.41	\$ 733.05	\$ 729.41	\$ 3.65	\$ 0.00