

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

**DEPARTMENT:** Airport

**AGENDA DATE:** November 10, 2009

**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 a Butterfield Trail Industrial Park Lease by and between the city of El Paso ("Lessor:), EastGroup Properties, L.P. ("Assignor") and Air Matrix Holdings, LP ("Assignee").

**BACKGROUND / DISCUSSION:**

EastGroup has been a Butterfield Trail Industrial Park ("BTIP") lessee at #15 Founders since the inception of the Lease on December 1, 1997 leasing approximately 194,711 square feet of land.

The initial term of the Lease is for 40 years, terminating on November 30, 2037 and generating annual revenues of \$36,508.32. There are 28 years remaining on the initial lease term, with one – 10 and one -5 year option. All terms and conditions of Lease to remain the same.

EastGroup now desires to assign the current Lease to Air matrix Holdings, LP. Air Matrix is engaged primarily in the business of manufacturing, assembly and supply of raw materials to the maquila industry in Mexico. Air Matrix Sales is the operating entity of this group and owns a Mexican subsidiary named Air Matrix Sales Mexico, SA de RL de CV. Air Matrix Holdings is a real estate partnership set up to segregate the real property from the operating entity of Air Matrix Sales. They are sister partnerships who have the same exact ownership.

Air Matrix is planning on placing 4-6 employees in BTIP during the first few months with an increase to 20 employees by year's end.

**PRIOR COUNCIL ACTION:**

Last BTIP Lease Assignment was approved by Council on March 11, 2008.

**AMOUNT AND SOURCE OF FUNDING:**

N/A. This is a revenue generating lease.

**BOARD / COMMISSION ACTION:**

N/A

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

**DEPARTMENT HEAD:**



(If Department Head Summary Form is initiated by Purchasing, client department should sign also)

*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"), EastGroup Properties, L.P. ("Assignor"), and Air Matrix Holdings, LP ("Assignee") for the following described property:

A portion of Lots 6, 7, and 8, Block 3, Butterfield Trail Industrial Park, Unit One, Replat A, City of El Paso, El Paso County, Texas, and municipally known as 15 Founders Blvd., El Paso, Texas.

ADOPTED this \_\_\_\_ day of \_\_\_\_\_ 2009.

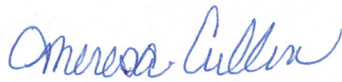
### THE CITY OF EL PASO

\_\_\_\_\_  
John F. Cook  
Mayor

### ATTEST:

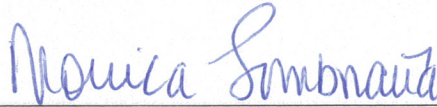
\_\_\_\_\_  
Richarda Duffy Momsen  
City Clerk

### APPROVED AS TO FORM:



\_\_\_\_\_  
Theresa Cullen  
Deputy City Attorney

### APPROVED AS TO CONTENT:



\_\_\_\_\_  
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 a Butterfield Trail Industrial Park Lease, with an effective date of December 1, 1997 between Lessor and Eastgroup Properties, L.P. ("Assignor") ("Lease") covering the following described leased premises:

A portion of Lots 6, 7, and 8, Block 3, Butterfield Trail Industrial Park, Unit One, Replat A, City of El Paso, El Paso County, Texas, being more particularly described in **EXHIBIT A**, and attached hereto and made a part hereof, and municipally known as 15 Founders Blvd., El Paso, Texas ("Premises").

1.     **CONSENT TO ASSIGNMENT.** Lessor hereby approves and consents to the assignment of the Lease from Assignor to Air Matrix Holdings, LP, a Texas limited partnership ("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 Lease from and after the effective date of the assignment of the Lease to Assignee, and upon the further condition that Assignee agrees 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 AND ASSUMPTION.** Assignor shall be released and discharged from all rights, privileges and obligations under the Agreement arising from and after the effective date of the assignment of the Agreement and Assignee shall, as of the effective date of the assignment, enjoy all rights and privileges and be responsible for satisfying all such obligations the same as if the Agreement had originally been executed between Lessor and Assignee.
4.     **RATIFICATION OF LEASE.** Except as expressly modified herein, no provision of this consent alters or modifies any of the terms and conditions of the Lease; all other terms and conditions of the Lease shall remain in full force and effect.
5.     **ADDRESS FOR NOTICE.** Notices to Assignee and Assignor shall be sufficient if sent by certified mail, postage prepaid, addressed to:

**ASSIGNEE:**           Air Matrix Holdings, LP  
                          3616 Derick Road  
                          El Paso, Texas 79925  
                          Attn: Daniel Dominguez



With a copy to: Gordon Mott & Davis, P.C  
4695 N. Mesa, Suite 100  
El Paso, Texas 79912  
Attn: Patrick R. Gordon

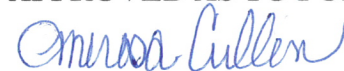
**ASSIGNOR:** EastGroup Properties, L.P.  
300 One Jackson Place  
188 East Capitol Street  
Jackson, Mississippi 39201

6. **AUTHORIZED REPRESENTATIVE.** The persons signing this Lessor's Approval of Assignment on behalf of the Assignee, Assignor, and Guarantor represent and warrant that they have the legal authority to bind the Assignee, Assignor or Guarantor, respectively, to the provisions of this Lessor's Approval of Assignment.
7. **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.
8. **EFFECTIVE DATE.** The parties have approved this Lessor's Approval of Assignment hereto this \_\_\_\_ day of \_\_\_\_\_ 2009.

**LESSOR: CITY OF EL PASO**

\_\_\_\_\_  
Joyce A. Wilson  
City Manager

**APPROVED AS TO FORM:**



Theresa Cullen  
Deputy City Attorney

**APPROVED AS TO CONTENT:**



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 \_\_\_\_\_, 2009, by **Joyce A. Wilson** 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)

**ASSIGNOR: Eastgroup Properties, L.P.**  
A Delaware limited partnership

By: EastGroup Properties General Partners,  
Inc., its sole general partner

By: [Signature]  
Printed Name: KEVIN SAGER  
Title: VICE PRESIDENT

By: [Signature: Brent Wood]  
Printed Name: BRENT WOOD  
Title: Sr. v.p.

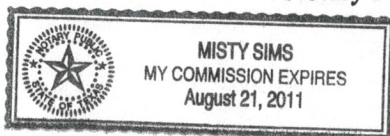
**ASSIGNOR'S ACKNOWLEDGMENT**

THE STATE OF Texas )  
 )  
COUNTY OF Harris )

This instrument was acknowledged before me on this 23 day of October, 2009, by  
KEVIN SAGER AND BRENT WOOD as AUTHORIZED OFFICERS of EastGroup Properties, L.P.  
(Assignor).

My Commission Expires:  
8/21/11

[Signature]  
Notary Public, State of Texas



(SIGNATURES CONTINUE ON THE FOLLOWING PAGE)

**ASSIGNEE:**

**AIR MATRIX HOLDINGS, LP**, a Texas  
limited partnership

By: Air Matrix Holdings Management, LLC  
Its: General Partner

By: [Signature]  
Printed Name: DANIEL DOMINGUEZ  
Title: VICE-PRESIDENT

**ASSIGNEE'S ACKNOWLEDGMENT**

THE STATE OF Texas  
COUNTY OF El Paso

This instrument was acknowledged before me on this 19<sup>th</sup> day of October, 2009, by  
**Air Matrix Holdings, LP** (Assignee), by Daniel Dominguez as Vice President of Air Matrix  
Holdings Management, LLC, Assignee's general partner.

My Commission Expires:  
1-7-2013

Matilda Margaret Toro  
Notary Public, State of Texas



**PROPERTY DESCRIPTION  
4.470 ACRES**

Being a portion of Lots 6, 7 and 8, Block 3, Butterfield Trail Industrial park Unit One, Replat A, City of El Paso, El Paso County, Texas and being more particularly described by metes and bounds as follows:

**COMMENCING FOR REFERENCE** at the City Monument at the centerline intersection of Founders Boulevard (120 feet wide) and Zane Gray Street (90 feet wide) from which the City Monument of Butterfield Trail Boulevard bears South  $00^{\circ}59'34''$  East, a distance of 1,745.59 feet;

**THENCE**, along the centerline of said Founders Boulevard, North  $88^{\circ}54'00''$  East, a distance of 10.59 feet to a point;

**THENCE**, leaving said centerline, North  $01^{\circ}06'00''$  West, a distance of 60.00 feet to a found 1/2" rebar in the North right-of-way line of said Founders Boulevard and **POINT OF BEGINNING** for the herein described tract;

**THENCE**, leaving said right-of-way line, North  $00^{\circ}59'28''$  East, a distance of 428.84 feet to a found 1/2" rebar;

**THENCE**, North  $88^{\circ}53'24''$  East, a distance of 455.85 feet to a found 1/2" rebar;

**THENCE**, South  $00^{\circ}52'28''$  East, a distance of 417.52 feet to a found 1/2" rebar in the North right-of-way line of said Founders Boulevard;

**THENCE**, along said right-of-way line, the following two courses;

Along the arc of a curve to the right (Delta Angle =  $08^{\circ}09'24''$ , Radius = 1,127.11 feet, Chord = South  $84^{\circ}49'18''$  West, 160.32 feet) a distance of 160.46 feet to a set "X" in curb;

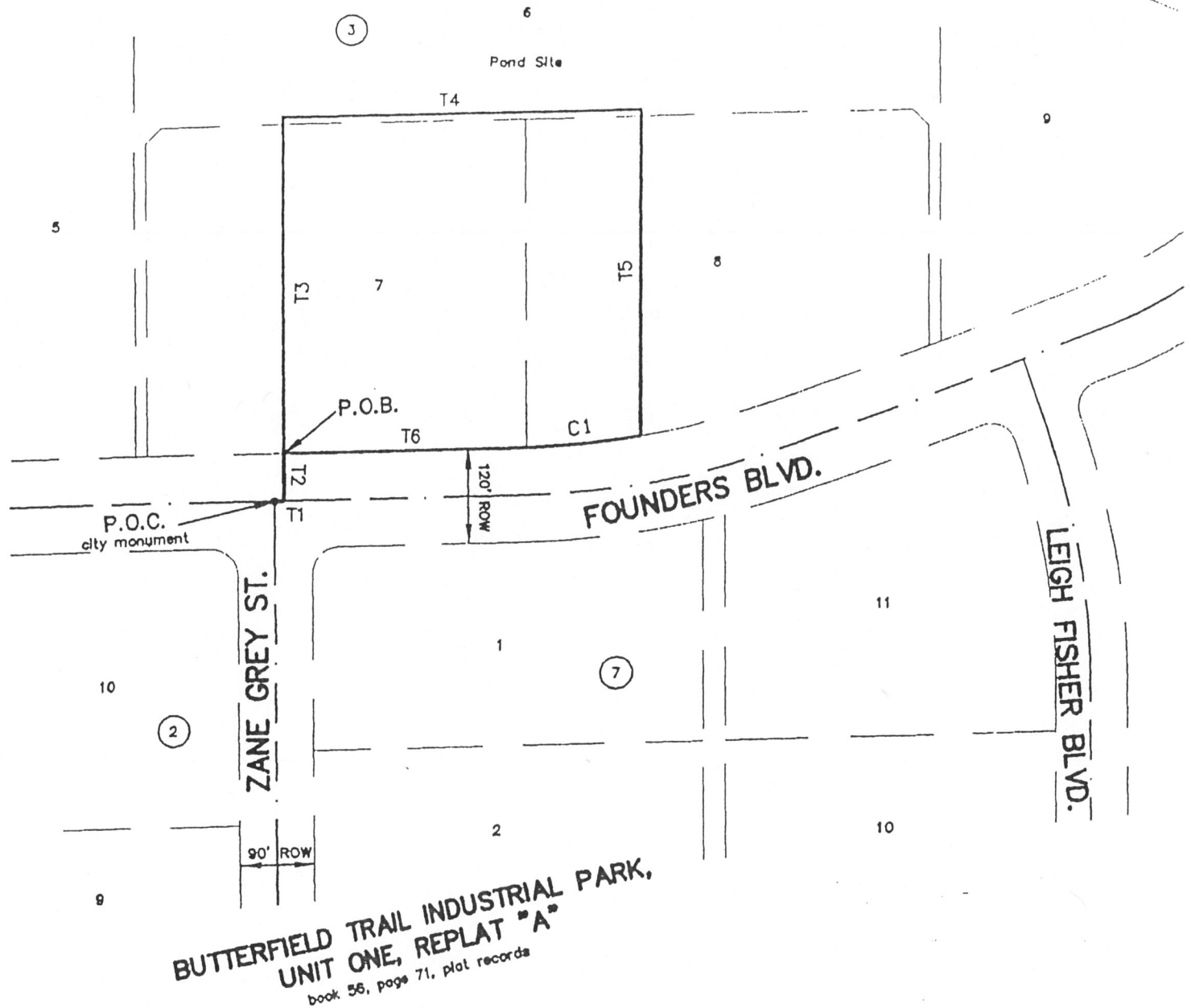
South  $88^{\circ}54'00''$  West, a distance of 295.09 feet to the **POINT OF BEGINNING** and containing 4.470 acres of land.

**PREPARED BY:**

Faught & Associates Inc.  
El Paso, Texas  
November 24, 1997  
Job No. S5510-16

**EXHIBIT "A"**

# EXHIBIT "A"



NOT A GROUND SURVEY

194,711 Sq. Ft.  
or  
4.470 Acres

**Faught & Associates Inc.**  
CONSULTING ENGINEERS

433 Executive Center Blvd.  
El Paso, Texas 79902  
(915) 542-4900

EXHIBIT  
PORTION OF LOTS 6, 7, AND 8, BLOCK 3,  
BUTTERFIELD TRAIL INDUSTRIAL PARK,  
UNIT ONE, REPLAT "A",  
CITY OF EL PASO, EL PASO COUNTY, TEXAS

Drawn By: JC

Date: 8-26-94

Scale: 1"=200'

Job No: 5010-52S