

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

**DEPARTMENT:** AIRPORT

**AGENDA DATE:** July 31, 2012

**CONTACT PERSON NAME AND PHONE NUMBER:** Monica Lombraña, A.A.E./780-4724

**DISTRICT(S) AFFECTED:** All Districts

**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.**

This is a Resolution to authorize the City Manager to sign a Lessor's Acknowledgement of Assignment by and between the City of El Paso and Butterfield Trail Trust I for the following described property:

Lots 12, 13, and 14, Block 8, Butterfield Trail Industrial Park Unit Two, an addition to the City of El Paso, El Paso County, Texas, municipally known and numbered as 19Leigh Fisher Blvd., El Paso, Texas.

**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? What are the citizen concerns?**

On December 1, 1985, the City of El Paso entered into a lease for a term of thirty-nine (39) years and eleven (11) months with one (1) additional term of ten (10) years. The present annual rent is \$54,306.00 with 13 years plus the 10 year Option remaining on the term. The property is located in Butterfield Trail Industrial Park and contains approximately 323,255 square feet of land. On May 30, 2007, Kasco Industrial Capital, Inc., the successor in interest to Kasco Ventures, Butterfield 2, granted a Deed of Trust, Assignment of Leases, Rents and Contracts, Security Agreement and Fixture Filing to Allstate Life Insurance Company. Subsequently, Kasco Industrial Capital, Inc. defaulted under the terms of a Note that had been assigned from Allstate Life Insurance Company to Road Bay Investments, LLC and further assigned to Butterfield Trail Trust 1, a Delaware statutory trust. On September 6, 2011, Butterfield Trail Trust 1 was the highest bidder at Foreclosure Sale. In accordance with the Lease, Butterfield Trail Trust 1 has succeeded to all Kasco Industrial Capital, Inc.'s rights, interests, duties and obligations under the Lease with an effective date of September 6, 2011. This agenda item will allow the City, as Lessor, to acknowledge the assignment of the Lease to Butterfield Trail Trust 1 as pursuant to the Trustee's Assignment.

**PRIOR COUNCIL ACTION:**

**Has the Council previously considered this item or a closely related one?** Dec. 24, 1985, May 16, 1997 and July 21, 2011.

**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

---

**BOARD / COMMISSION ACTION:** N/A

Enter appropriate comments or 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 Acknowledgment of Assignment by and between the City of El Paso and Butterfield Trail Trust I for the following described property:

Lots 12, 13, and 14, Block 8, Butterfield Trail Industrial Park Unit Two, an addition to the City of El Paso, El Paso County, Texas, municipally known and numbered as 19 Leigh Fisher Blvd., El Paso, Texas.

ADOPTED this the \_\_\_\_ day of \_\_\_\_\_ 2012.

THE CITY OF EL PASO

ATTEST:

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

\_\_\_\_\_  
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 ACKNOWLEDGMENT  
OF ASSIGNMENT**

**WHEREAS**, the City of El Paso ("Lessor") entered into a Butterfield Trail Industrial Park Lease ("Original Lease"), with an effective date of December 1, 1985, by and between Lessor and Kasco Ventures Butterfield 12 covering the following described leased premises:

Lots 12, 13, and 14, Block 8, Butterfield Trail Industrial Park Unit Two, an addition to the City of El Paso, El Paso County, Texas, municipally known and numbered as 19 Leigh Fisher Blvd., El Paso, Texas, and further described in Exhibit "A" attached hereto and made a part hereof ("Property"),

**WHEREAS**, on May 30, 2007, Kasco Industrial Capital, Inc., as the successor in interest to Kasco Ventures Butterfield 12, granted a Deed of Trust, Assignment of Leases, Rents and Contracts, Security Agreement and Fixture Filing (the "Deed of Trust") to Allstate Life Insurance Company, an Illinois corporation, and encumbered the Lease (as hereinafter defined);

**WHEREAS**, on July 21, 2011, Lessor and Kasco Industrial Capital, Inc. entered into a First Amendment to the Butterfield Trail Industrial Park Lease ("First Amendment to the Lease"), and the Original Lease and the First Amendment to the Lease shall hereinafter be collectively referred to herein as the "Lease";

**WHEREAS**, Kasco Industrial Capital, Inc. defaulted under the terms of the Note (as defined in the Trustee's Assignment) and Deed of Trust which had been assigned by Allstate Life Insurance Company to Road Bay Investments, LLC, a Delaware limited liability company, and further assigned to Butterfield Trail Trust I, a Delaware statutory trust;

**WHEREAS**, on Sept. 6, 2011, Butterfield Trail Trust I, a Delaware statutory trust, was the highest bidder at Foreclosure Sale (as defined in the Trustee's Assignment) as evidenced by a Substitute Trustee's Assignment of Ground Lease recorded in the Real Property Records of El Paso County, Texas, as Instrument No. 20110061946 (the "Trustee's Assignment"); and

**WHEREAS**, in accordance with the terms of the Lease, Butterfield Trail Trust I has succeeded to all of Kasco Industrial Capital, Inc's rights, interests, duties and obligations under the Lease as of the effective date of the assignment of the Lease to Butterfield Trail Trust I pursuant to the Trustee's Assignment.

**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 as follows:

1. **ACKNOWLEDGMENT OF ASSIGNMENT.** Lessor hereby acknowledges the assignment of the Lease to Butterfield Trail Trust I (“Assignee”) pursuant to the Trustee’s Assignment. Lessor also acknowledges that there is no Exhibit “B” attached to the First Amendment to the Lease because payment dates for the Rent Payment Plan are identified in Exhibit “A” to the First Amendment to the Lease. Assignee hereby acknowledges its obligation to pay any and all sums owing or becoming due to Lessor under the terms of the Lease from and after the effective date of the assignment of the Lease to Assignee pursuant to the Trustee’s Assignment, and Assignee further acknowledges its acceptance of, and agreement to abide by, all the terms, covenants, and conditions of the Lease first arising and accruing from and after the effective date of the assignment of the Lease to Assignee pursuant to the Trustee’s Assignment.
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 acknowledges that it is bound by the indemnification provisions contained in the Lease.
3. **GUARANTOR.** Kasco Industrial Capital, Inc. is released and discharged by Lessor from all rights, privileges 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. **RATIFICATION OF AGREEMENT.** Except as expressly modified herein, no provision of this acknowledgment 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.

Lessor hereby acknowledges that Assignee (or its predecessor in interest) has fully paid all of the amounts set forth in the Rent Payment Plan (as defined in the First Amendment to Lease).

5. **ADDRESS FOR NOTICE.** Notices to Assignee shall be sufficient if sent by certified mail, postage prepaid, addressed to:

**ASSIGNEE:** Butterfield Trail Trust I  
c/o CBRE Global Investors, LLC  
515 South Flower Street, 31<sup>st</sup> Floor  
Los Angeles, California 90071  
Attention: A. Gavin Hinze

6. **AUTHORIZED REPRESENTATIVE.** The person signing this Lessor’s Acknowledgment of Assignment on behalf of the Assignee represents and warrants that

he has the authority legally to bind the Assignee to the provisions of this Lessor's Acknowledgment of Assignment.

- 7. **NON-WAIVER.** The Lessor's Acknowledgment of Assignment hereby given by Lessor shall not end the need for Lessor's consent for any future assignments that require Lessor's consent pursuant to the terms and conditions of the Lease.
- 8. **EFFECTIVE DATE.** The parties have executed this Lessor's Acknowledgment of Assignment hereto this \_\_\_\_ day of \_\_\_\_\_ 2012.

**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 \_\_\_\_\_, 2012, 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)

**ASSIGNEE: BUTTERFIELD TRAIL TRUST I**

By: CBRE Global Investors, LLC,  
a Delaware limited liability company,  
as agent for Assignee

By: *Michael J. Everly*  
Printed Name: Michael J. Everly  
Title: Authorized Signatory

**ASSIGNEE'S ACKNOWLEDGMENT**

**THE STATE OF CALIFORNIA )**

**COUNTY OF Los Angeles )**

On 03 July 2012, before me, Barbara A. Mons Notary Public a Notary Public, 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 *Barbara A. Mons* (Seal)





PROPERTY DESCRIPTION  
323,255 SQUARE FEET OR 7.421 ACRES

Being all of Lots 12, 13 and 14, Block 8, Butterfield Trail Industrial Park Unit 2, 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 Butterfield Trail Boulevard and Lee Fisher Boulevard;

THENCE, along the centerline of said Lee Fisher Boulevard, South  $12^{\circ}12'07''$  West, a distance of 106.15 feet to a point;

THENCE, leaving said centerline, North  $87^{\circ}47'53''$  West, a distance of 45.00 feet to a point in the westerly right-of-way line of said Lee Fisher Boulevard and POINT OF BEGINNING for the herein described tract;

THENCE, along said westerly right-of-way line, South  $02^{\circ}12'07''$  West, a distance of 767.65 feet to the southeast corner of Lot 12, Block 8;

THENCE, along the south line of said Lot 12 the following three courses:

North  $87^{\circ}47'53''$  West, a distance of 385.00 feet to a point for corner;

South  $02^{\circ}12'07''$  West, a distance of 142.50 feet to a point for corner;

North  $87^{\circ}47'53''$  West, a distance of 20.00 feet to the southwest corner of said Lot 12;

THENCE, along said westerly line of said Lots 12 and 13, North  $02^{\circ}12'07''$  East, a distance of 517.50 feet to the northwest corner of said Lot 13;

THENCE, along the south line of Lot 14, Block 8, North  $87^{\circ}47'53''$  West, a distance of 15.00 feet to the southwest corner of said Lot 14;

THENCE, along the westerly line of said Lot 14, North  $02^{\circ}12'07''$  East, a distance of 253.80 feet to the northwest corner of said Lot 14, in the south right-of-way line of said Butterfield Trail Boulevard;

THENCE, along said south right-of-way line, the following four courses:

Along the arc of a curve to the right (Delta Angle =  $02^{\circ}41'44''$ , Radius = 1,036.81 feet, Chord = North  $71^{\circ}47'42''$  East, 48.77 feet) a distance of 48.78 feet to a point for corner;

Along the arc a curve to the right (Delta Angle =  $18^{\circ}57'18''$ , Radius = 1036.81 feet, Chord = North  $82^{\circ}37'13''$  East, 341.44 feet) a distance of 343.00 feet to a point for corner;

South  $87^{\circ}54'08''$  East, a distance of 2.55 feet to a point for corner;

Along the arc a curve to the right (Delta Angle =  $90^{\circ}06'15''$ , Radius = 35.00 feet, Chord = South  $42^{\circ}51'01''$  East, 49.54 feet) a distance of 55.04 feet to the POINT OF BEGINNING and containing 323,255 square feet or 7.421 acres of land.

Prepared By:  
FAUGHT & ASSOCIATES INC.  
El Paso, Texas  
July 24, 1985  
Job No. 5010-52

