

TO: James L. App, City Manager
FROM: Meg Williamson, Assistant City Manager
SUBJECT: Airport Lease Amendment – Johnson/Weber
DATE: June 1, 2010

NEEDS: For the City Council to adopt Resolution No. 10-XX approving a Lease Assignment and Amendment to the Lease agreement with Frank Johnson and Mike Weber for property in the Airport Industrial Park.

- FACTS:**
1. On July 1, 1996, the City entered in to a long-term lease agreement with Thomas H. Cameron, Jr., for Lot 9 of Parcel 16 (PRAL 96-025) in the Airport Industrial Park.
 2. On October 19, 1999, the City approved assignment of the lease to Frank Johnson and Mike Weber under the same terms and conditions.
 3. On July 17, 2007, the City adopted Resolution #07-151, approving an amendment to the lease agreement, which added Arnold Del Rio as an additional lessee.
 4. Mr. Johnson and Mr., Weber have now sold their remaining interest in the leasehold and request to be removed as lessees, with Arnold Del Rio assuming all responsibilities and liabilities under the agreement.
 5. The lease is in full compliance, as Mr. Del Rio has maintained all obligations under the agreement for the past two years.
 6. No other modifications to the agreement are requested.

**ANALYSIS
AND**

CONCLUSION: Arnold Del Rio has been an Airport tenant and business owner for many years. He has repeatedly demonstrated his ability to meet the obligations of this and other agreements previously. He does operate a viable aviation service business on the airport.

POLICY

REFERENCE: Adopted Lease Agreement and Airport Lease Policy

FISCAL

IMPACT: None

- OPTIONS:**
- A. Adopt Resolution No. 10-XX, approving an assignment and amendment to the lease agreement.
 - B. Amend, modify, or reject the above option.

Attachments (2):

1. Resolution 10-XX
2. Lease Amendment

RESOLUTION NO. 10-xx

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES
APPROVING A CONSENT TO ASSIGNMENT AND AMENDMENT TO THE
AIRPORT LEASE BETWEEN FRANK JOHNSON AND MIKE WEBER FOR LOT 9,
PARCEL 16, PRAL 96-025
(5052 Wing Way, Paso Robles, CA)**

WHEREAS, the City of El Paso de Robles continues to operate, maintain and develop the Paso Robles Municipal Airport for the service and benefit of the community; and

WHEREAS, long-term lease of land in the Airport Industrial Park is beneficial and in the best interest of the community, and;

WHEREAS, said agreements require occasional amendment due to changing conditions, and;

WHEREAS, that certain lease agreement dated July 1, 1996, between the City and Thomas H. Cameron, Jr., assigned to Frank Johnson and Mike Weber on October 19, 1999, added Arnold Del Rio as additional lessee on July 17, 2007, remains in full compliance, and Lessees have requested said amendment to fully assign the lease to Arnold Del Rio ,

THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. That the City Council of the City of Paso Robles does hereby approve the Consent to Assignment of Lease and Third Amendment to Lease dated June 1, 2010, and;

Section 2. That the City Council of the City of Paso Robles does hereby authorize the execution of the necessary documents as required.

PASSED AND ADOPTED by the City Council of the City of Paso Robles, this 1st day of June, 2010, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Duane Picanco, Mayor

ATTEST:

Lonnie Dolan, Deputy City Clerk

**RECORDING REQUESTED BY AND
UPON RECORDATION RETURN TO:**

City of El Paso de Robles
1000 Spring Street
Paso Robles, CA 93446

Attn: City Manager

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

THIRD AMENDMENT TO LEASE

This THIRD AMENDMENT TO LEASE (this "**Third Amendment**") is made and entered into as of June 1, 2010, by and between FRANK JOHNSON, ("**Johnson**"), MICHAEL E. WEBER ("**Weber**") and ARNOLD DEL RIO, ("**Del Rio**") as individuals, (collectively, "**Lessees**") and the CITY OF EL PASO de ROBLES, a municipal corporation ("**City**"), who agree as follows:

RECITALS

A. This Consent and Amendment is made with respect to that certain Municipal Airport Property Lease made and entered into on July 1, 1996, by and between City, as Lessor, and Thomas H. Cameron, Jr., as lessee (the "**Original Lease**") with respect to certain area situated at the Paso Robles Municipal Airport located in El Paso de Robles, California and referred to in the Original Lease as Lot 9 of Airport Parcel 16 of Parcel Map PRAL 96-025 (the "**Premises**").

B. The First Amendment to Lease, dated October 19th, 1999, assigning the Original Lease from Thomas H. Cameron, Jr. to Frank Johnson and Mike Weber, as Lessees, was approved by the City on that date, in accordance with provisions of Section 11 (Assignment and Subletting) of the Original Lease.

C. The Second Amendment to Lease, dated July 17, 2007, adding Arnold Del Rio, an individual as an Additional Lessee, was approved by the City on that date.

D. The purpose of this Third Amendment is to assign the leasehold interests of Frank Johnson and Mike Weber (collectively, "**Assignors**") in the Premises to Arnold Del Rio ("**Assignee**") and to reflect that Arnold Del Rio shall be the sole lessee under the Lease, as amended to date.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, Lessees, and City agree as follows:

1. Assignors hereby desire to assign, and Assignor desires to accept, their entire interest in the Lease, and City does hereby consent to such assignment to Assignee, so that Arnold Del Rio shall be the sole lessee under the Lease. For purposes of providing notices under the Lease, the address for lessee shall be:

Arnold Del Rio
5062 Wing Way
Paso Robles, CA 93446
2. As of the date of this Third Amendment, Assignors are hereby released from any and all obligations and liabilities under the Lease.
3. In all matters not specifically addressed by this Third Amendment, the terms and conditions of the Lease shall remain in full force and effect.
4. Use of Premises. Section 3 (Conduct of Business by Tenant) of the Original Lease addresses the requirements and restrictions for Tenant's business conduct on the Premises. In addition, any conduct of business on the leased premises shall be subject to the current Airport Rules & Regulations, Minimum Standards for Aeronautical Activities and adopted City Ordinances applicable to the conduct of said business within the City.
5. Attorneys' Fees. If any party commences an action against any of the parties arising out of or in connection with this Third Amendment, the prevailing party or parties shall be entitled to recover from the losing party or parties reasonable attorneys' fees and costs of suit.
6. Lease in Full Force. All capitalized terms used herein but not specifically defined in this Amendment shall have the meanings ascribed to such terms in the Original Lease. The Original Lease, as amended to date, is referred to herein as the "Lease." All references in the Original Lease to the "Lease" shall herein and hereafter refer to the Original Lease, as amended to date. Except for those provisions which are inconsistent with this Third Amendment and those terms, covenants and conditions for which performance has heretofore been completed, all other terms, covenants and conditions of the Lease shall remain in full force and effect and Lessee, and City hereby ratify the Lease, as amended hereby.
7. No Brokers. Lessee, City and each Additional Lessee each warrants to the others that it has had no dealings with any real estate broker or agent in connection with the negotiation of this Amendment and that it knows of no real estate broker or agent who is or might be entitled to a commission in connection with this Third Amendment. Each party to this Third Amendment shall indemnify, defend and hold harmless the other parties from and against any and all claims asserted against such other party by any real estate broker, finder or intermediary relating to any act of the indemnifying party in connection with this Third Amendment.
8. Governing Law. This Third Amendment shall be governed by and construed and enforced in accordance with the laws of the State of California.
9. Binding Effect. This Third Amendment shall be binding upon and inure to the benefit of City, its successors and assigns and Lessee and its permitted successors and assigns.
10. Invalidity of Provisions. If any provision of this Third Amendment is found to be invalid or unenforceable by any court of competent jurisdiction, the invalidity or unenforceability of

any such provision shall not affect the validity and enforceability of the remaining provisions hereof.

- 11. Counterparts. This Third Amendment may be executed in counterparts, each of which shall be deemed an original part and all of which together shall constitute a single agreement.
- 12. Approval by City; Recordation of Third Amendment. The parties hereby acknowledge and agree that this Third Amendment is subject to the adoption of a Resolution by the City approving this Third Amendment, with findings. Following the approval of this Third Amendment and the adoption of the Resolution by the City, the parties acknowledge and agree that this Third Amendment shall be executed by the parties and recorded with the County of San Luis Obispo Recorder's office.

IN WITNESS WHEREOF, this Third Amendment is executed as of the date first written above.

Assignors:

City of El Paso de Robles:

Frank Johnson, an individual

James L. App, City Manager

ATTEST:

Michael E. Weber, an individual

Assignee

Lonnie Dolan, Deputy City Clerk

Arnold Del Rio, an individual