

TO: James L. App, City Manager  
FROM: Meg Williamson, Assistant City Manager  
SUBJECT: Airport Lease Amendment - Lubrizol  
DATE: May 7, 2013

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NEEDS: For the City Council to adopt Resolution No. 13-XX approving a Fifth Amendment to Airport Lease with the Lubrizol Corporation, for Parcel 14 (3115 Propellor Drive) in the Airport Industrial Park.

FACTS:

1. The original lease on Parcel 14 of the Airport Industrial Park was executed in 1980. It has been amended or assigned at various times to accommodate the current needs of the lessee, who remains in full compliance with all terms and conditions of the agreement
2. Current operations on the lease site dictate the need for further expansion. This includes a small (approximately 7762 square feet) adjacent area, not currently a part of the leased premises.
3. The lessee desires to add this property under the same terms and conditions as the current lease agreement. The rental rate for the increased area is calculated at current market value.

ANALYSIS  
AND

CONCLUSION: The Lessee has been a valuable tenant and asset to our community, having provided solid contributions to the local economic and employment base. As growth continues, so do the physical needs on the site. The proposed land addition is logical. It will augment the lessee's operation as they continue to expand and be more a benefit to the airport and the city.

POLICY

REFERENCE: Adopted Lease Agreement and Airport Lease Policy

FISCAL

IMPACT: The increased rental rate will yield just over \$2700 in additional Airport revenue.

OPTIONS:

- A. Adopt Resolution No. 13-XX, approving the requested lease amendment.
- B. Amend, modify, or reject the above option.

Attachments (2):

1. Resolution 13-XX
2. Fifth Amendment to Airport Lease

**RESOLUTION NO. 13-XX**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES  
APPROVING A FIFTH AMENDMENT TO AIRPORT LEASE WITH  
THE LUBRIZOL CORPORATION**

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WHEREAS, the City of El Paso de Robles entered into a long-term lease agreement for Parcel 14 of the Airport Industrial Park with National Aero Services on July 1, 1980; and

WHEREAS, the agreement has been satisfactorily maintained through amendments and assignments necessary to accommodate changing demands on the premises, and

WHEREAS, The current Lessee of Record, The Lubrizol Corporation, has requested an amendment which provides for the addition of approximately 7,762 square feet of available land, adjacent to the subject lease site, and

WHEREAS, the City finds the use of and continued operation on the leased premises to be of benefit to the community.

THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. That the City Council of the City of Paso Robles does hereby approve the Fifth Amendment to Airport Lease for Parcel 14 of PRAL 88-207, adding 7,762.5 square feet of land to the leased premises.

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

PASSED AND ADOPTED by the City Council of the City of Paso Robles, this 7<sup>th</sup> day of May, 2013, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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Duane Picanco, Mayor

ATTEST:

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Caryn Jackson, Deputy City Clerk

**Recording Requested by  
And when Recorded Return to:**

**City of Paso Robles  
Department of Public Works  
1000 Spring Street  
Paso Robles, CA 93446**

For Recorder's Use Only

**FIFTH AMENDMENT TO AIRPORT LEASE  
THE LUBRIZOL CORPORATION  
[3115 PROPELLOR DRIVE]**

THIS FIFTH AMENDMENT TO AIRPORT LEASE (this "Amendment") is made and entered into this 1st day of April, 2013, by and between the City of El Paso de Robles, a political subdivision and one of the cities to the State of California, (the "Landlord") and The Lubrizol Corporation, an Ohio Corporation, (the "Tenant") who agree as follows:

**RECITALS**

- A.** Landlord and Chemron, formerly National Aero Services, entered into that certain Municipal Airport Lease dated July 1, 1980, and executed October 7, 1980, (the "Lease") providing for the leasing by Tenant of Parcels 33 & 34 of Parcel Map PRAL 77-469 at the Paso Robles Municipal Airport (the "Premises"). The Lease was recorded in the Official Records of the County of San Luis Obispo on or about August 13, 1982, as Instrument No. 33473, Book 2425, Page 351.
- B.** Landlord and Tenant agreed to an unrecorded Amendment to Lease Agreement (the "First Amendment") on December 1, 1981, whereby the northern boundary of the Premises was relocated approximately 75 feet, increasing the area of the Premises.
- C.** Landlord and Tenant agreed to an Estoppel Certificate with Wells Fargo Bank on February 18, 1986, which was recorded on or about March 6, 1986, in Volume 2807, Page 900, et seq.
- D.** Landlord and Tenant agreed to an unrecorded amendment to Lease Agreement (the "Second Amendment") on October 1, 1987, whereby the northern boundary of the Premises was relocated approximately 80 feet, increasing the area of the Premises to 3.69 acres.
- E.** Landlord recorded Parcel Map PRAL 88-207 on June 4, 1991 (48PM23), which defined Premises as Parcel 14 and increased the area of the Premises to 4.67 acres (the "Third Amendment").
- F.** Landlord and Tenant agreed to an Assignment and Assumption, Estoppel, Consent and Amendment to Lease Agreement dated April 2, 2002, amending the Lease (the "Fourth Amendment") to reflect the assignment of substantially all assets of Chemron to The Lubrizol Corporation, including all rights and responsibilities as Tenants under the Lease. A Memorandum of Assignment and Assumption, Estoppel, Consent and Amendment to Lease Agreement was recorded on April 24, 2002, as Document No. 2002034111.
- G.** Tenant has proposed the construction of an additional onsite warehouse facility, which will require adjacent land not currently included in the Premises, to accommodate the increased parking required by the proposed onsite warehouse facility.
- H.** The Landlord and Tenant now desire to amend the terms and conditions of the Lease as provided herein.

**AGREEMENT**

1. Amendment of Lease. It is hereby agreed the area of the Premises shall be increased approximately **7656 square feet** by the addition of land more specifically described on **Exhibit "A"** and depicted on **Exhibit "B"**, attached hereto and incorporated by reference (the "Additional Premises").
  
2. Rent. For and in consideration of the Additional Premises, the monthly rent for the Premises shall be increased by **\$31.85**, which increase is based on the current rental rate per square foot, as provided in the Lease. The new rental amount shall then be escalated annually according to the escalation procedure provided in the Lease.
  
3. Conditions. The Additional Premises shall be subject to all terms, conditions, requirements and obligations of the Lease. Any and all development on the Premises and the Additional Premises shall conform to an approved development plan or amendment thereto, as required by City Zoning Regulation, including, but not limited to adherence to established future setbacks for Propellor Drive, City Planning and Development Review for aesthetics, and Building and Zoning Codes, as may be in effect and amended from time to time.
  
4. Notice. All notices, demands and communications between parties of this Amendment shall be sent to the following:

To Landlord:  
  
City of Paso Robles  
1000 Spring Street  
Paso Robles, CA 93446  
Attn. City Manager

To Tenant:  
  
The Lubrizol Corporation  
29400 Lakeland Blvd.  
Wycliffe, OH 44092-2298  
Attn. General Counsel

5. No Further Amendment. Except as set forth in this Amendment, all of the provisions of the Lease as amended by this Amendment, shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed this 1st day of April, 2013.

**CITY OF EL PASO DE ROBLES**

**THE LUBRIZOL CORPORATION**

By: \_\_\_\_\_  
James L. App, City Manager

By: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Caryn Jackson, Deputy City Clerk

Approved as to Form:

By: \_\_\_\_\_  
Iris Yang, City Attorney

**EXHIBIT "A"**

**LEGAL DESCRIPTION**

Lease Site expansion at the Paso Robles Municipal Airport, County of San Luis Obispo, State of California, expansion of Parcel 14 of Parcel Map PRAL 88-207, said expansion area being more particularly described as follows:

A portion of the "Remainder Parcel" as shown on Parcel Map PRAL 88-207 and recorded in Book 48 of Parcel Maps, Page 23, San Luis Obispo County Records:

Beginning at the southeast corner of said Parcel 14 of Parcel Map PRAL 88-207; thence along the easterly line of Parcel 14, N 00° 06' 45" E, 135.00 feet; thence S 40° 20' 02" E, 177.27 feet; thence N 89° 56' 10" W, 115.00 feet to the TRUE POINT OF BEGINNING.

Containing 7,762.5 sq. ft., more or less.

Bearings and distances based on Parcel Map PRAL 88-207, 48/PM/23.

**EXHIBIT "B"**  
**Depiction of Premises and Additional Premises**

