

TO: James L. App, City Manager
FROM: Meg Williamson, Assistant City Manager
SUBJECT: Airport Lease Assignment - Culver
DATE: September 1, 2015

NEEDS: For the City Council to adopt Resolution No. 15-XXX approving an Assignment and Assumption Agreement for the lease with Milton C. Culver, et al, for property in the Airport Industrial Park.

FACTS:

1. On September 1, 1987, the City entered in to a long-term lease agreement with Milton C. Culver and Donald L. Culver for Parcel 52 in the Airport Industrial Park.
2. On February 29, 2007, the City approved a First Amendment to the lease, which re-assigned ownership to various partners of the leaseholder.
3. Lessee now requests an Assignment and Assumption of Lease to include additional family members who have a vested interest in the lease site.

**ANALYSIS
AND**

CONCLUSION: The Lessee is currently in full compliance with the terms of the lease. The proposed agreement removes certain family members as individual lessees and places the tenancy into the responsibility of a family owned LLC. All conditions and requirements of the lease remain in effect. No other modification is requested.

POLICY

REFERENCE: Adopted Lease Agreement and Airport Lease Policy

FISCAL

IMPACT: None

OPTIONS:

- A. Adopt Resolution No. 15-XXX, approving an Assignment and Assumption Agreement to the Airport property lease.
- B. Amend, modify, or reject the above option.

Attachments (2):

1. Resolution 15-XXX
2. Lease Amendment

RESOLUTION NO. 15-XXX

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
APPROVING AN ASSIGNMENT AND ASSUMPTION AGREEMENT
TO AN AIRPORT LEASE.
MILTON C. CULVER, ET AL, LESSEE**

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 maintenance and amendment due to changing conditions, and;

WHEREAS, that certain lease agreement dated September 1, 1987, between the City and Milton C. Culver and Donald L. Culver and amended on February 28, 2007, remains in full compliance, and Lessee has requested a modification and consolidation of interest in the lease among Lessee family members,

THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. That the City Council of the City of Paso Robles does hereby approve the Assignment and Assumption Agreement dated September 1, 2015, 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 September, 2015, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Steven W. Martin, Mayor

ATTEST:

Kristen L. Buxkemper, 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 Recorders Use Only

**ASSIGNMENT AND ASSUMPTION OF MUNICIPAL AIRPORT PROPERTY LEASE
(Parcel 52, PRAL 80-53)**

This Assignment and Assumption of Municipal Airport Property Lease ("Assignment") is made as of September ____, 2015, by and between **MILTON C. CULVER, an individual** ("Milton Culver"), **CULVER BROTHERS ENTERPRISES, LLC, a California limited liability company** ("Culver Brothers LLC"), **MONA C. CULVER, Trustee of the Donald L. Culver Exemption Trust, and MONA C. CULVER, Trustee of the Donald L. Culver Marital Deduction Trust** (collectively, "Mona Culver"), **MITCHELL G. CULVER, an individual** ("Mitchell Culver"), and **WILLIAM B. CULVER, an individual** ("William Culver"), and is consented and agreed to by the **City of El Paso de Robles** ("City" or "Lessor"), a municipal corporation.

RECITALS

- A. City entered into that certain Municipal Airport Property Lease, dated September 1, 1987 ("Original Lease") with Milton Culver and Donald L. Culver (collectively, the "Original Lessees") wherein Original Lessees leased from City the real property known as Parcel 52 of Parcel Map PRAL 80-53.
- B. Following the death of Donald L. Culver, the City entered into a First Amendment to Lease, dated as of February 28, 2007 ("First Amendment", and hereinafter the Original Lease and First Amendment are collectively referred to as the "Lease"), with Milton Culver, as "Original Lessee," and Culver Brothers LLC, Mona Culver, Mitchell Culver and William Culver (collectively, the "Additional Lessees") whereby the Additional Lessees were joined with the Original Lessee, all jointly and severally, as the "Lessee" under the Lease. A Memorandum of Lease Amendment was recorded in the Office of the County Recorder of San Luis Obispo County on August 23, 2007, as Document No. 2007057618.
- C. The parties now desire to further modify the Lease to provide for the assignment by Milton Culver, Mitchell Culver and William Culver (collectively, "Assignors") of all their rights and obligations under the Lease to Culver Brothers LLC and Mona Culver (collectively, "Assignees"), and Assignees desire to accept such assignment from Assignors and assume the rights and obligations of Assignors under the Lease.

Therefore, Assignors and Assignees agree as follows:

AGREEMENT

1. Assignors hereby assign to Assignees all of Assignors' rights, title, and interest in the Lease. Assignees hereby accept and assume from Assignors all of Assignors' rights, title, and interest in the Lease.
2. Assignees assume and agree to perform and fulfill all the terms, covenants, conditions, and obligations required to be performed and fulfilled by Assignors under the Lease, on a joint and several basis, including without limitation the making of all rent and other payments due and payable on behalf of Assignors under the Lease as they become due and payable. Assignees further acknowledge and agree for the benefit of City that they are aware and have copies of the Lease, are aware of the Assignors' current obligations under the Lease and that they shall be bound, jointly and severally, by the covenants and conditions of the Lease.
3. City hereby acknowledges and consents to Assignors' assignment of their rights and obligations under the Lease to Assignees. City also acknowledges and consents to Assignees' assumption of Assignors' rights and obligations under the Lease.
4. The Lease, as assigned as set forth herein, shall remain in full force and effect pursuant to its terms.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be fully executed as of the date first stated above.

ASSIGNORS:

ASSIGNEES:

MILTON C. CULVER, an individual

CULVER BROTHERS ENTERPRISES, LLC,
A California limited liability company

Milton C. Culver

By: _____
Mitchell G. Culver, Manager

MITCHELL G. CULVER, an individual

MONA C. CULVER, Trustee of the Donald L.
Culver Exemption Trust

Mitchell G. Culver

By: _____
Mona C. Culver, Trustee

WILLIAM B. CULVER, an individual

MONA C. CULVER, Trustee of the Donald L.
Culver Marital Deduction Trust

William B. Culver

By: _____
Mona C. Culver, Trustee

**CONSENTED AND AGREED TO BY:
City of El Paso de Robles**

By: _____
James L. App, City Manager

ATTEST:

APPROVED AS TO FORM:

By: _____
Caryn Jackson, Deputy City Clerk

By: _____
Iris P. Yang, City Attorney