

TO: James L. App, City Manager  
FROM: Meg Williamson, Assistant City Manager  
SUBJECT: Airport Lease Assignment - Yarborough  
DATE: December 18, 2007

---

NEEDS: For the City Council to adopt Resolution No. 07-XX approving and consenting to an assignment of lease from Allen Yarborough to KMBG, LLC for Lot 3 of Parcel 16 (5070 Wing Way) in the Airport Industrial Park.

FACTS:

1. The master lease on Lot 3, Parcel 16 of the Airport Industrial Park was approved by the City with John Reed and Harry Reed on January 31, 1997. On June 1, 2001, the lease was assigned to Allen R. Yarborough.
2. The lease remains in full compliance. The lease expiration date is January 30, 2017.
3. The Lessee requests assignment of the lease, together with all rights and responsibilities contained therein, to KMBG, LLC, a Colorado limited liability company, affiliated with Applied Technologies, a major tenant on the Airport.
4. KMBG, LLC desires to accept assignment of the lease agreement under its current form and content, with no modification to any of the terms and conditions of the agreement.

ANALYSIS  
AND

CONCLUSION: The Lessee is currently in full compliance with the terms of the agreement. The new Lessee (assignee) will assume responsibility for any and all performance under the agreement. This lease assignment conforms to the City's adopted Airport Master Plan and goals for continued support of aviation activity on the Airport.

POLICY

REFERENCE: Adopted Lease Agreement and Airport Lease Policy.

FISCAL

IMPACT: None

OPTIONS:

- A. Adopt Resolution No. 07-XX, approving the requested lease assignment.
- B. Amend, modify, or reject the above option.

Attachments (3):

1. Resolution 07-XX
2. Lease Assignment and Assumption Agreement
3. Letter requesting lease assignment

RESOLUTION NO. 07- \_\_\_\_\_

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES  
APPROVING AND CONSENTING TO AN ASSIGNMENT OF LEASE FROM  
ALLEN R. YARBOROUGH TO KMBG, LLC..  
(5070 Wing Way, Paso Robles, California)

WHEREAS, The City, as Lessor, and John Reed and Harry Reed, as Lessee, entered into a long-term Lease, dated January 31, 1997, for real property known as Lot 3 of Parcel 16 of Parcel Map PRAL 96-025, commonly referred to as 5070 Wing Way, Paso Robles, California; and

WHEREAS, The Master Lease, and all Lessee's rights thereunder, were assigned to Allen R. Yarborough, pursuant to that Assignment and Amendment of Lease agreement, dated June 1, 2001; and

WHEREAS, Lessee desires to assign the Master Lease and be released from the obligations thereof, and the Assignee desires to accept the assignment and assume all responsibilities and obligations of and be substituted as Lessee under the terms and conditions contained therein; and

WHEREAS, a draft standard Assignment and Assumption Agreement, approved in form and content, has been prepared to reflect all pertinent detail and factors of the transaction; and

WHEREAS, minor alterations to the draft standard Assignment and Assumption Agreement may be made subject to the approval of the City Attorney if requested by the Assignee.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The City Council hereby approves the Assignment and Assumption Agreement dated December 1, 2007, and consents to the lease assignment and the assumption by KMBG, LLC, of all of the rights, title and interest as Lessee under the Master Lease. The City Manager is authorized and directed to execute the Assignment Agreement on behalf of the City, in a form as may be approved by the City Attorney, and to take such other actions and execute such documents as may be necessary to effectuate the purposes of this Resolution.

PASSED AND ADOPTED this 18<sup>th</sup> day of December, 2007, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
Frank R. Mecham, Mayor

Attest:

\_\_\_\_\_  
Deborah Robinson, Deputy City Clerk

Recorded at the Request of,  
and Recorded, Return to:

---

**ASSIGNMENT AND ASSUMPTION OF MASTER LEASE  
(Lot 3, Parcel 16, PRAL 96-025)  
5070 Wing Way, Paso Robles, California**

This Assignment and Assumption of Master Lease ("Assignment") is made as of December 1, 2007, by and between ALLEN R. YARBOROUGH ("Assignor"), and KMBG, LLC, a Colorado limited liability company ("Assignee"), and is consented and agreed to by CITY OF EL PASO DE ROBLES, a municipal corporation and political subdivision and the State of California ("Landlord" or "Lessor").

**RECITALS**

- A. The City, as Lessor, and John Reed and Harry Reed, as Lessee, entered into a long-term Lease, dated January 31, 1997 ("Master Lease"), wherein Lessee leased from the Landlord real property commonly known as Lot 3 of Parcel 16 of Parcel Map PRAL 96-025, commonly referred to as 5070 Wing Way, Paso Robles, California, and more particularly described as follows:

PARCEL 3 OF PARCEL MAP NO. PRAL 96-025, IN THE CITY OF PASO ROBLES, IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, ACCORDING TO MAP RECORDED SEPTEMBER 11, 1996, IN BOOK 52, PAGE 16 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

- B. The Master Lease, and all Lessee's rights thereunder, were assigned to Allen R. Yarborough, pursuant to that unrecorded Assignment and Amendment of Lease agreement, dated June 1, 2001.
- C. Assignor desires to assign the Master Lease to Assignee and be released from the obligations of the Master Lease, and Assignee desires to accept the assignment of the Master Lease from Assignor and assume all responsibilities and obligations of and be substituted as Lessee under the terms and conditions of the Master Lease.
- D. As used hereinafter, the term "Master Lease" shall mean and refer to the Master Lease, as assigned and amended as set forth in the Recitals, above.

Therefore, for good and valuable consideration, the receipt and adequacy of which are acknowledged, Assignor and Assignee agree as follows:

**ASSIGNMENT**

1. Assignor hereby assigns and transfers to Assignee all of Assignor's right, title, and interest in the Master Lease and Assignee hereby accepts from Assignor all of Assignor's right, title, and interest in the Master Lease, subject to the terms and conditions set forth in this Assignment.
2. Assignee assumes and agrees to perform and fulfill all the terms, covenants, conditions, and obligations required to be performed and fulfilled by Assignor as Lessee under the Master Lease, including the making of all rent and other payments due to or payable on behalf of Lessor under the Master Lease as they become due and payable.
3. Any notice to be given or other document to be delivered by either party to the other party shall be addressed as follows:  
  
    Lessor:     City of Paso Robles  
                  1000 Spring Street  
                  Paso Robles, CA 93446  
  
    Lessee:     KMBG, LLC  
                  2450 Mission Street  
                  San Marino, CA 91108
4. The Master Lease, as amended and 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.

**ASSIGNOR:**

**ASSIGNEE:**  
KMBG, LLC

\_\_\_\_\_  
Allen R. Yarborough

\_\_\_\_\_  
Donald H. Van Steenwyk, Manager

**Consent of Lessor**

The undersigned, as Lessor under the Master Lease, hereby approves and gives consent to this Assignment and Assumption of Master Lease, and the assignment of all rights, title and interest under the Master Lease to Assignee, PASO ROBLES AVIATION, LLC, as indicated, and hereby releases Assignor, MATTHEW J. ANDROS AND SUSAN B. ANDROS, as Trustees of the Matt and Sue Andros Family Trust dated March 4, 2004, as Lessee, from any and all responsibilities and obligations under the terms of the subject agreement.

By this Consent, Lessor hereby accepts Assignee as Lessee under the terms of the Master Lease and agrees to Assignee's assumption of all rights, responsibilities and obligations of the Lessee, as specified under the terms and conditions contained therein.

Lessor covenants that the Master Lease is in full effect and no default exists under the Master Lease, nor any act or events which, with the passage of time or the giving of notice or both, could become defaults.

Executed this \_\_\_\_ day of \_\_\_\_\_ 2007, in Paso Robles, California, on behalf of the City of El Paso de Robles.

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

**ATTEST:**

By: \_\_\_\_\_  
Deborah Robinson, Deputy City Clerk

STATE OF CALIFORNIA )  
COUNTY OF \_\_\_\_\_)

On \_\_\_\_\_, before me, \_\_\_\_\_,  
personally appeared \_\_\_\_\_,  
personally known to me (or 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.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

\* \* \* \* \*

STATE OF CALIFORNIA )  
COUNTY OF \_\_\_\_\_)

On \_\_\_\_\_, before me, \_\_\_\_\_,  
personally appeared \_\_\_\_\_,  
personally known to me (or 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.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

STATE OF CALIFORNIA )  
COUNTY OF \_\_\_\_\_)

On \_\_\_\_\_, before me, \_\_\_\_\_,  
personally appeared \_\_\_\_\_,  
personally known to me (or 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.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

\* \* \* \* \*

STATE OF CALIFORNIA )  
COUNTY OF \_\_\_\_\_)

On \_\_\_\_\_, before me, \_\_\_\_\_,  
personally appeared \_\_\_\_\_,  
personally known to me (or 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.

WITNESS my hand and official seal.

Signature \_\_\_\_\_



Allen Yarborough  
P O Box 6005  
Atascadero, CA 93423

December 11, 2007

City of Paso Robles  
1000 Spring St  
Paso Robles, CA 93446

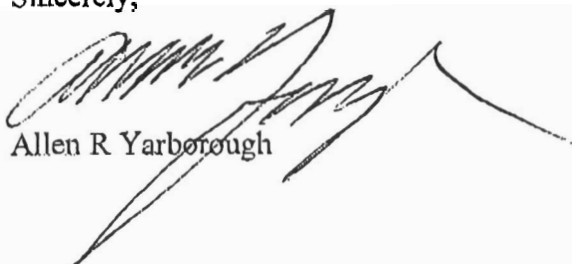
VIA FACSIMILE

Attention: Meg Williams

This letter is a request to the City of Paso Robles for a reassignment of the land lease at 5070 Wing Way, Paso Robles from Allen R Yarborough to KMBG, LLC.

Thank you in advance for your acceptance and attention to this request. Should you have any further questions, please do not hesitate to call me (805 441 5142).

Sincerely,



Allen R Yarborough

A handwritten signature in black ink, appearing to read 'Allen R Yarborough', is written over a light gray rectangular background. The signature is fluid and cursive, with a long horizontal stroke at the end.