

TO: James L. App, City Manager
FROM: Meg Williamson, Assistant City Manager
SUBJECT: Airport Lease Assignment – Avlite Aviation
DATE: June 3, 2014

NEEDS: For the City Council to adopt Resolution No. 14-XX approving and consenting to an assignment and assumption of the master lease between Avlite Aviation, Inc., and 3150 Propellor Drive, LLC., for Parcel 15 in the Airport Industrial Park.

FACTS:

1. The City entered into a master lease on Parcel 15 of the Airport Industrial Park with Avlite Aviation, Inc., on November 1, 1994.
2. Lessee remains in full compliance with all terms and conditions of the agreement.
3. The Lessee requests assignment of the lease from Avlite Aviation, Inc., to 3150 Propellor Drive, LLC., a corporation comprised of the same individuals.
4. Under an Assignment & Assumption Agreement, all obligations of the lease will be alleviated from Avlite Aviation, Inc. and assumed by 3150 Propellor Drive, LLC..

ANALYSIS
AND

CONCLUSION: The Lessee is currently in full compliance with the terms of the agreement. The Lessee remains responsible for any and all performance requirements under the lease agreement. The requested change allows the Lessee to continue to function under a number of conditions currently imposed upon the operation.

POLICY
REFERENCE: Adopted Lease Agreement and Airport Lease Policy

FISCAL
IMPACT: None

OPTIONS:

- A. Adopt Resolution No. 14-XX, approving the requested lease assignment.
- B. Amend, modify, or reject the above option.

Attachments (3):

1. Resolution 14-XX
2. Master Lease Assignment and Assumption Agreement
3. Letter requesting lease assignment

RESOLUTION NO. 14-xxx

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES
APPROVING AND CONSENTING TO AN ASSIGNMENT AND ASSUMPTION
AGREEMENT OF THE AIRPORT LEASE BETWEEN AVLITE AVIATION, INC. AND 3150
PROPELLOR DRIVE, LLC. FOR PARCEL 15 (PRAL 88-207).
(3150 Propellor Drive, Paso Robles, California)

WHEREAS, the City of El Paso de Robles (the "City"), as Lessor, and Avlite Aviation, Inc. ("Lessee"), as Lessee, entered into a long-term Lease, dated November 1, 1994 ("Master Lease"), wherein Lessee leased from the City Parcel 15 of Parcel Map PRAL 88-207, commonly referred to as 3150 Propellor Drive, Paso Robles, California ("Premises"); and

WHEREAS, Lessee has performed all duties, obligations and responsibilities required under said lease agreement, and the lease remains in full force and effect; and

WHEREAS, City, and Lessee have prepared an Assignment and Assumption Agreement (the "Assignment Agreement") providing for the assignment by Avlite Aviation, Inc. and assumption by 3150 Propellor Drive, LLC., of all rights, title and interest as Lessee under the Master Lease; and

WHEREAS, Avlite Aviation, Inc., as lessee, desires to be released from all future obligations and responsibilities under the lease;

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 in substantially the form currently on file with the City Clerk and incorporated herein by reference, and consents to the assignment by Avlite Aviation, Inc. and assumption by 3150 Propellor Drive, 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 and Assumption Agreement on behalf of the City, 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 3rd day of June, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Duane Picanco, Mayor

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 Recordors Use Only

**ASSIGNMENT AND ASSUMPTION OF MUNICIPAL AIRPORT PROPERTY LEASE
(Parcel 15, PRAL 88-207)
3150 Propeller Drive, Paso Robles, California**

This Assignment and Assumption of Municipal Airport Property Lease ("Assignment") is made as of May 1, 2014, by and between **Avlite Aviation, Inc.** ("Assignor"), a California corporation and **3150 Propeller Drive, L.L.C.** ("Assignee"), a California limited liability company ("Assignee"), and is consented and agreed to by the **City of El Paso de Robles** ("City" or "Lessor"), a municipal corporation.

RECITALS

- A. City and Assignor entered into that certain Municipal Airport Property Lease, dated November 1, 1994 ("Lease"), wherein Assignor leased from City real property known as Parcel 15 of Parcel Map PRAL 88-207, and commonly referred to as 3150 Propeller Drive, Paso Robles, California. The San Luis Obispo County Clerk/Recorder recorded the Lease as Document Number 1995-005342 on February 7, 1995.
- B. Assignor desires to assign its rights and obligations under the Lease to Assignee and be released from the obligations of the Lease, and Assignee desires to accept the assignment of the Lease from Assignor and assume all responsibilities and obligations under the Lease.

Therefore, Assignor and Assignee agree as follows:

AGREEMENT

- 1. Assignor hereby assigns to Assignee all of Assignor's rights, title, and interest in the Lease. Assignee hereby accepts and assumes from Assignor all of Assignor's rights, title, and interest in the 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 under the Lease, including without limitation the making of all rent and other payments due and payable on behalf of Assignor under the Lease as they become due and payable. Assignee further acknowledges and agrees for the benefit of City that it is aware and has copies of the Lease, is aware of the Assignor's current obligations under the Lease and that it shall be bound by the covenants and conditions of the Lease.
- 3. City hereby acknowledges and accepts Assignor's assignment of its rights and obligations under the Lease to Assignee. City also acknowledges and accepts Assignee's assumption of Assignor's rights and obligations under the Lease.
- 4. Any notice to be given or other document to be delivered by either party to the other party shall be addressed as follows:

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

Assignee: 3150 Propeller Drive, LLC
3150 Propeller Drive
Paso Robles, CA 93446

5. The 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: Avlite Aviation, Inc.

Assignee: 3150 Propeller Drive, LLC

By: _____
Thomas Leatherwood, President

By: _____
Thomas Leatherwood, Manager

By: _____
Tina Leatherwood, Manager

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

By: _____
James L. App, City Manager

ATTEST:

APPROVED AS TO FORM:

By: _____
Dennis Fansler, City Clerk

By: _____
Iris P. Yang, City Attorney

Avlite Aviation
3150 Propeller Drive
Paso Robles, Ca. 93447
805-239-4037

City of Paso Robles
Airport Manager
OXborrow@prcity.com

Dear Roger,

May 2, 2014

Following the advice of our CPA, Avlite Aviation Inc. wishes to transfer the lease of property located at 3150 Propeller Drive to a LLC known as the 3150 Propeller Drive LLC. Avlite Aviation Inc. is co-owned by Tom and Tina Leatherwood and the 3150 Propeller Drive LLC is co-owned by Tom and Tina Leatherwood. This will be a name change and Avlite Aviation will continue to occupy the building and conduct business as usual.

Thank you in advance for the effort it will take to create this change.

Regards,



Tom Leatherwood
President Avlite Aviation Inc.
Administrator 3150 Propeller Drive LLC



Tina Leatherwood
Secretary/Treasurer Avlite Aviation Inc.
Administrator 3150 Propeller Drive LLC