

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

121



**FROM:** Economic Development Agency

**SUBMITTAL DATE:**

March 6, 2007

**SUBJECT:** Amendments to Ground Leases and Sublease at Jacqueline Cochran Regional Airport

**RECOMMENDED MOTION:** That the Board of Supervisors:

Departmental Concurrence

1. Approve and authorize the Chairman to execute the First Amendment to Ground Lease to the 60-acre Ground Lease between the County of Riverside and HITS, Inc., a Delaware corporation, as Lessee, dated by Lessee on August 23, 2006, and by County on November 14, 2006;
2. Approve and authorize the Chairman to execute the Second Amendment to Ground Lease to the 169.46-acre Ground Lease between the County of Riverside and Desert Resorts Aviation, LLC, as Lessee, dated by Lessee on September 15, 2006, and by County on November 14, 2006, and amended by First Amendment to Ground Lease on January 9, 2007;
3. Approve and authorize the Chairman to execute the First Amendment to Sublease to the 169.46-acre Sublease between Desert Resorts Aviation, LLC, as Sublessor and HITS, Inc., a Delaware corporation, as Sublessee, dated by Sublessor on December 12, 2006, dated by Sublessee on December 8, 2006, and consented to by Master Lessor County of Riverside on January 9, 2007; and
4. Authorize the Assistant County Executive Officer/EDA or designee to execute any additional documents required by the Subleases.

(continued on page 2)

*Robin Zimpfer*

RZ:JC:DL:CC:DS:HO

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Robin Zimpfer  
Assistant County Executive Officer/EDA

<b>FINANCIAL DATA</b>	<b>Current F.Y. Total Cost:</b>	\$ 0	<b>In Current Year Budget:</b>	No
	<b>Current F.Y. Net County Cost:</b>	\$ 0	<b>Budget Adjustment:</b>	No
	<b>Annual Net County Cost:</b>	\$ 0	<b>For Fiscal Year:</b>	N/A

**COMPANION ITEM ON BOARD OF DIRECTORS AGENDA:** No

<b>SOURCE OF FUNDS:</b> N/A	<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
	<b>Requires 4/5 Vote</b>	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:** **APPROVE**

FORM APPROVED  
COUNTY COUNSEL

County Executive Office Signature

*Gordon V. Woo*

APR 02 2007

BY Gordon V. Woo

- Policy
- Policy
- Consent
- Consent

Dep't Recomm.:  
Per Exec. Ofc.:

**Prev. Agn. Ref.:** 10/13/05 3.21; 11/1/05 3.8; 11/14/06 3.9; 1/9/07 3.19

**District:** 4th

**Agenda Number:**

**ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD**

**3.8**

Form 11 (Rev 06/2003)

**BACKGROUND** (continued):

The Economic Development Agency has received: a) a First Amendment to Ground Lease to the 60-acre Ground Lease between the County of Riverside and HITS, Inc., a Delaware corporation, as Lessee, dated by Lessee on August 23, 2006, and by County on November 14, 2006; b) a Second Amendment to Ground Lease for Second Amendment to Ground Lease to the 169.46-acre Ground Lease between the County of Riverside and Desert Resorts Aviation, LLC, as Lessee, dated by Lessee on September 15, 2006, and by County on November 14, 2006, and amended by First Amendment to Ground Lease on January 9, 2007, and c) a First Amendment to Sublease to the 169.46-acre Sublease between Desert Resorts Aviation, LLC, as Sublessor and HITS, Inc., a Delaware corporation, as Sublessee, dated by Sublessor on December 12, 2006, dated by Sublessee on December 8, 2006, and consented to by Master Lessor County of Riverside on January 9, 2007.

The Ground Leases and the Sublease relate to approximately 229.46 acres of land at Jacqueline Cochran Regional Airport that have been developed as an Equestrian Center by HITS, Inc. The Equestrian Center is a non-aviation use and therefore requires the consent of the Federal Aviation Administration (FAA). The County requested and received from the FAA a Land-Use Change Authorization dated August 25, 2006. To fully comply with the conditions of the letter, County Counsel requested that the both Ground Leases and the Sublease be amended to include the Land-Use Change Authorization as an exhibit.

The Land Use-Change Authorization is being submitted to the Board of Supervisors for approval as a companion item to this Form 11.

Economic Development Agency staff recommends that the Board of Supervisors approve the First Amendment to Ground Lease, the Second Amendment to Ground Lease and the First Amendment to Sublease. County Counsel has reviewed the Amendments and approved them as to form.