

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

312



**FROM:** Economic Development Agency

**SUBMITTAL DATE:**  
November 5, 2009

**SUBJECT:** Amendment to Sublease at French Valley Airport

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

1. Consent to the Amendment to French Valley Holdings, LLC Hangar Sublease Agreement, dated October 28, 2009, to the Sublease between French Valley Holdings, LLC, a California limited liability company, as Sublessor, and Terralliance Technologies, Inc., a Delaware corporation, formerly know as Terralliance Resources, Inc., as Sublessee, dated December 5, 2008;
2. Authorize the Chairman of the Board of Supervisors to execute the Consent to the Amendment to Sublease; and
3. Authorize the Assistant County Executive Officer/EDA, or designee, to execute any additional documents required by the Amendment to Sublease.

**BACKGROUND:** (Commences on page 2)

Robert Field  
Assistant County Executive Officer/EDA

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

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

**SOURCE OF FUNDS:** N/A

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input type="checkbox"/>

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

APPROVE

BY:   
Jennifer L. Sargent

County Executive Office Signature

- Dep't Recomm.:  Consent
- Per Exec. Ofc.:  Consent
- Policy
- Policy

**Prev. Agn. Ref.:** 6/4/02 32.; 10/21/03 3.14; 12/13/05 3.7; 6/25/06 3.19; 3/20/2007 3.15; 10/02/07 3.15; 01/13/09 3.16

**District:** 3<sup>rd</sup>

**Agenda Number:**

3.17

ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD

FORM APPROVED COUNTY COUNSEL  
BY: Synthia M. Gunzel 11-24-09  
SYNTHIA M. GUNZEL  
Departmental Concurrence

**BACKGROUND:**

The Economic Development Agency has received an Amendment to Sublease dated October 28, 2009, to the Sublease between French Valley Holdings, LLC, a California limited liability company, as Sublessor, and Terralliance Technologies, Inc., a Delaware corporation, formerly known as Terralliance Resources, Inc., as Sublessee, dated December 5, 2008.

The Amendment extends the term of the Sublease by one year and increases the monthly rental from \$11,000 to \$12,000.

The Economic Development Agency recommends that the Board of Supervisors consent to the Amendment to Sublease. County Counsel has reviewed the Amendment and the Consent and approved the Consent as to form.

REQUEST FOR CONSENT TO AMENDMENT TO SUBLEASE

Reference is made to that certain Sublease dated December 5, 2008, between French Valley Holdings, LLC, as Sublessor and Terralliance Technologies, Inc., a Delaware corporation, formerly know as Terralliance Resources, Inc., as Sublessee, for the hangar space and upstairs offices located at 37552 Winchester Road, #51, Route 9, Murrieta, California, 92563.

Sublessor and Sublessee have entered into an amendment to the Sublease, Amendment to French Valley Holdings, LLC Hangar Sublease Agreement, dated October 28, 2009, whereby the term is extended for one year and the monthly rent is increased to \$12,000 from \$11,000.

CONSENT TO AMENDMENT TO SUBLEASE

The undersigned hereby consents to the above referenced amendment to Sublease.

Date: \_\_\_\_\_

COUNTY OF RIVERSIDE

By: \_\_\_\_\_  
Chairman, Board of Supervisors

FORM APPROVED:  
County Counsel  
Pamela J. Walls

ATTEST:  
Clerk of the Board  
Kecia Harper-Ihem

By: Synthia M. Gunzel  
Synthia M. Gunzel  
Deputy County Counsel

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

**AMENDMENT TO**  
**FRENCH VALLEY HOLDINGS, LLC**  
**HANGAR SUBLEASE AGREEMENT**

The HANGAR SUBLEASE AGREEMENT (the "Sublease") entered into as of December 5, 2008, by and between FRENCH VALLEY HOLDINGS, LLC, a California limited liability company ("Sublessor"), whose address is 37552 Winchester Road, Murrieta, California 92563, and TERRALLIANCE TECHNOLOGIES, INC., a Delaware corporation (formerly TERRALLIANCE RESOURCES, INC.) ("Sublessee"), whose address is 100 Bayview Circle, Suite 240, Newport Beach, California 92660, is amended as follows:

1. Recitals, Section C., is revised to read in full as follows:

"C. Sublessee desires to sublease the hangar space and the upstairs offices in the facility operated by Sublessor located at 37552 Winchester Road, #51, Route 9, Murrieta, California 92563 as shown in brackets on **Exhibit A** attached hereto ('Subleased Premises'). Sublessor desires to sublease said space to Sublessee. Sublessee shall have no right to use the offices on the main floor of the building."

2. Paragraph 2 is revised to read in full as follows:

"2. Term. The term of this Sublease shall be two (2) years commencing December 2, 2008 (the "Commencement Date"), provided that Sublessee may terminate this Sublease without penalty upon thirty (30) days written notice to Sublessor."

3. Paragraph 3 is revised to read in full as follows:

"3. Rent. Sublessee shall pay the amount of Twelve Thousand Dollars and Zero Cents (\$12,000.00) per month, payable monthly, in advance on or before the 10<sup>th</sup> day each month. The payment for any partial month will be prorated daily. If on the second anniversary of the beginning date the Sublease has not been terminated, the Sublease shall continue on a month-to-month basis. Monthly rent and all additional charges shall be paid promptly when due. All rental payments, including advance rent, shall be made to the holder of a deed of trust encumbering Sublessor's interest in the property, Quinn Aire, LLC, c/o Richard L. Thompson, P.O. Box 1765, Rancho Santa Fe, California 92067. Sublessor, Larry Hansen and Joseph Diorio, by signatures to this Amendment, approve this payment directive. The last month's rent of Eleven Thousand Dollars and Zero Cents (\$11,000.00) held by Sublessor shall be increased to Twelve Thousand Dollars and Zero Cents (\$12,000.00)."

4. This Amendment to Sublease will not be effective unless and until it is approved by the Board of Supervisors of the County (the "Board"). If necessary, the Commencement Date will be delayed until the date such approval is obtained. If the Board does not approve this Sublease within ninety (90) days following the date hereof, Sublessee may terminate the Sublease at any time thereafter upon written notice to Sublessor and the parties will have no further rights or obligations herein.

5. Except as amended, the Sublease shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment as of October 28, 2009.

**SUBLESSOR:**

FRENCH VALLEY HOLDINGS, LLC,  
a California limited liability company

By: Larry Hansen  
Larry Hansen, Member

By: Joseph Diorio  
Joseph Diorio, Member

APPROVED:

Larry Hansen  
LARRY HANSEN

Joseph Diorio  
JOSEPH DIORIO

**SUBLESSEE:**

TERRALLIANCE TECHNOLOGIES, INC.,  
a Delaware corporation

By: Terry Gehart  
Name: Terry Gehart  
Title: CEO

**APPROVED BY LIENHOLDER:**

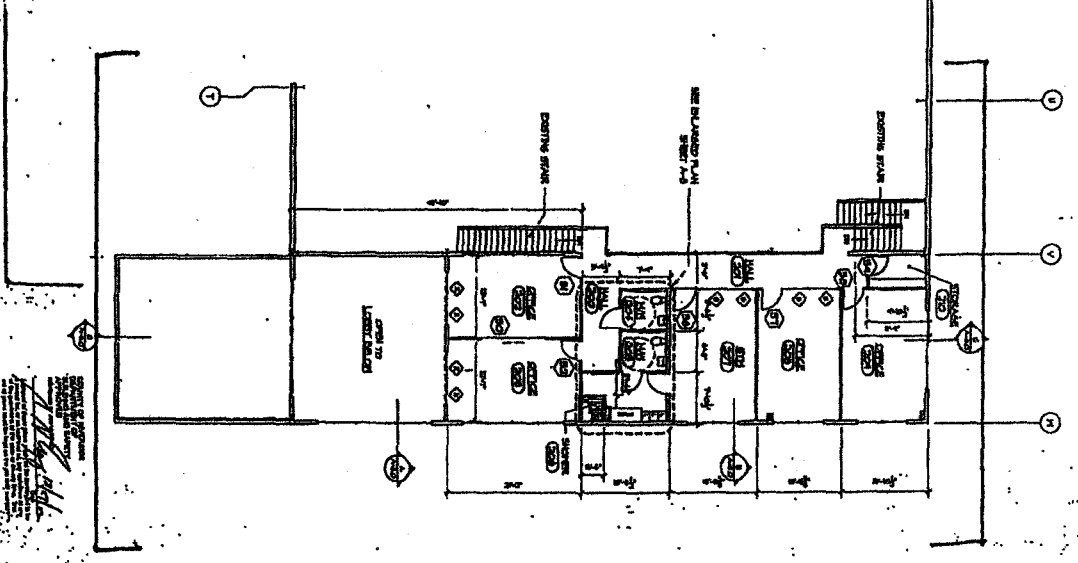
QUINN AIRE, LLC,  
a California limited liability company

By: Richard L. Thompson  
Richard L. Thompson, Manager

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SECOND FLOOR PLAN  
SCALE 1/8" = 1'-0"

[Premises identified in brackets below].



DESIGNED BY  
DRAWN BY  
CHECKED BY  
DATE  
PROJECT NO.  
SHEET NO.

A-2.1	revision	date
	1	
	2	
	3	
	4	
DATE	DESIGN	DRAWN
10/1/88	W.C.	P.C.
NO. 1	NO. 1	NO. 1
10/1/88	10/1/88	10/1/88

**Mach 1 Aircraft**  
TENANT IMPROVEMENT PLANS  
37552 Winchester Road  
Building 81, Suite 202  
Murietta, Ca. 92583



**colbourn-currier-noll**  
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