

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

717



FROM: Economic Development Agency

SUBMITTAL DATE:
May 25, 2011

SUBJECT: Second Amendment to Lease, French Valley Airport

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Second Amendment to Lease between the County of Riverside and Copperhead, LLC, as Lessee, dated April 25, 2011;
2. Authorize the Chairman of the Board of Supervisors to execute the Second Amendment to Lease, and;
3. Authorize the Assistant County Executive Office or designee to execute any additional documents required by the Second Amendment to Lease.

BACKGROUND: (Commences on Page 2)

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2010/2011

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

County Executive Office Signature BY: Elizabeth A. Olson

FORM APPROVED COUNTY COUNSEL
BY: ANITA C. WILLIS
DATE: 5-27-11
Concurrence

Dept't Recomm.:
 Per Exec. Ofc.:
 Policy
 Policy

BACKGROUND:

The Economic Development Agency has received a Second Amendment to Lease for the 5.0 Acre lease at French Valley Airport between County and R.W. Martin, Incorporated, as Lessee, dated February 29, 2000, assigned by Assignment of Lease from R.W. Martin Incorporated to Copperhead, LLC, a California limited liability company, dated March 31, 2006 approved and accepted by the Board of Supervisors on June 27, 2006. This Second Amendment to Lease increases the Leased Premises by approximately 2.59 acres, legally described in the Exhibits A1 and A2 attached hereto, and gives Lessee an additional ten year extension to the lease term, extending the termination date to February 28, 2050, a total of fifty years from the execution date of the original lease. A summary of the changes to be made are listed below:

Term: Extended lease term an additional ten years, to February 28, 2050, a total of fifty years from execution of original lease date of March 1, 2000.

Use: Except for the five acre parcel referenced in Exhibit A of the original lease and the .45 acres of land referenced in Exhibit A1-Lot A in this Lease Amendment, the additional Leased Premises referenced in Exhibit A1-Lot B and C shall be used for aircraft ramp storage. In addition, Lease Premises referenced in Exhibit A2-Lot D shall be used for storage of aircraft parts, materials and equipment used for Lessee's operations.

Rent: Rent on the additional parcels referenced shall be at \$578.57 per acre, per month. Beginning July 1, 2012, and each twelve month anniversary thereafter, the rent shall be increased two and one-half percent , except for the years in which the basic annual rent is re-established by appraisal.

Insurance: Airport General Liability insurance shall not be less than five million dollars (\$5,000,000) per occurrence combined single limit and in the aggregate as applicable. Hangar Keeper's Legal Liability Insurance shall provide coverage for aircraft in care, custody and control of the Lessee in and terms and amounts appropriate to Lessee's operations.

All other terms, conditions and provisions of the lease shall remain in full force and effect.

**SECOND AMENDMENT TO LEASE
French Valley Airport**

This Second Amendment to Lease ("Amendment") is entered into by and between the COUNTY OF RIVERSIDE, (hereinafter "County") and COPPERHEAD, LLC., a limited liability company, (hereinafter "Lessee"), with reference to the following:

RECITALS

- A. WHEREAS, County and Lessee are parties to that certain lease (hereinafter "Lease") dated February 29, 2000; amended by First Amendment of Lease, approved by the Board of Supervisors of the County of Riverside on June 27, 2006 and Assignment of Lease approved by the Board of Supervisors of the County of Riverside on March 31, 2006 assigning Ground lease to COPPERHEAD, LLC, a limited liability company, for five (5) acres of land at French Valley Airport;
- B. WHEREAS, the County and Lessee now desire to amend Leased Premises in accordance with the terms and conditions of this Amendment to include approximately 0.45 acres of land, being legally described in Exhibit A1 - Lot A; and include approximately 0.61 acres of land, being legally described in Exhibit A1 - Lot B; and include approximately 0.61 acres of land, being legally described in Exhibit A1 - Lot C; and approximately 0.92 acres of land, being legally described as Exhibit A2 - Lot D;
- C. WHEREAS, the County and Lessee desire to extend the lease term an additional ten (10) years, extending the termination date to February 28, 2050, a total of fifty (50) years from the execution date of the original lease.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree that the Lease shall be modified as follows:

- A. Paragraph 2 of the Lease is amended by deleting and substituting in its entirety the following new paragraph 2 as follows:

Description. On the Effective Date of the Lease, the premises leased hereby are located within the French Valley Airport, County of Riverside, California and consist of approximately 217,800 square feet, 5.0 acres of land. Effective with upon the execution of this Amendment, which is the date approved by the Board of Supervisors, the premises will include an additional 2.59 acres of land, all being legally described in the following Exhibits: 5.0 acres of land being legally described in Exhibit A; approximately 0.45 acres of land, being legally described in Exhibit A1 - Lot A; approximately 0.61 acres of land, being legally described in

Exhibit A1 – Lot B; approximately 0.61 acres of land, being legally described in Exhibit A1 – Lot C; and approximately 0.92 acres of land, being legally described in Exhibit A2 – Lot D, attached hereto and incorporated by reference herein. Said property is hereafter referred to as the “Demised Premises” or the “Leased Premises.” The Demised Premises shall consist only of the land, not of any lessee-constructed improvements or structures.

B. Paragraph 3 Term of the Lease shall be modified as to the first sentence only, as follows:

3. Term. This Lease, shall commence the first day of March, 2000 and terminate Forty (40) years thereafter, the term of Forty (40) years.

All other subparagraphs remain unchanged.

C. Paragraph 4 of the Lease shall be modified by adding a new subsection (a) (5) as follows:

5. Use.

(a)

(5) Except for the five (5) acre parcel referenced in Exhibit A of the original lease and the .45 acres of land referenced as Exhibit A1 – Lot A in this Lease Amendment, the additional Leased Premises referenced in Exhibit A1 – Lots B and C shall be used for aircraft ramp storage, provided taxiway/runway between lots B and C shall accommodate aircraft with wingspans of up to 110 feet to the Leased Premises five (5) acre parcel without restriction. In addition, Leased Premises referenced in Exhibit A2 – Lot D shall be used for storage of aircraft parts, materials, and equipment used for lessee’s and/or lessee’s tenants’ operations, excluding engines or any other part that uses oil or any other substance that could potentially leak out onto the Leased Premises. In addition, Exhibit A2 – Lot D shall be fenced with an 8 foot chain link fence and screening to present a professional image.

All other subparagraphs remain unchanged.

D. Paragraph 5 of the Lease shall be modified by adding a new subsection 5(f) as follows:

5. Rent

(f) Rent on the additional parcels referenced in Exhibit A1 – Lots A, B, and C and Exhibit A2 – Lot D shall be \$578.57 per acre. Beginning in July 1, 2012 and at each 12 month anniversary thereafter, the rent shall be increased by two and one-half (2 1/2) percent. The two and one-half (2 1/2) percent annual

increase shall not occur during the year in which the basic annual rent is re-established as described in paragraph 5 (b).

E. Paragraph 21(b) shall be replaced and substituted therefor in its entirety with the following:

21. Insurance.

(b) Airport General Liability. Lessee shall maintain, or cause to be maintained, Airport General Liability Insurance coverage including, but not limited to, premises/operations liability, contractual liability, products and completed operations liability (insuring the hazards normally associated with the repair, service, and modification of aircraft), independent contractor's, personal and advertising injury liability covering all claims or lawsuits of any nature whatsoever which may arise from or out of Lessee's performance under the terms of the Lease Amendment. Policy shall name all the County of Riverside its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insured. Policy's limit of liability shall not be less than five million dollars (\$5,000,000) per occurrence combined single limit and in the annual aggregate as applicable. The policy shall be endorsed to provide Hangar Keeper's Legal Liability Insurance providing coverage for aircraft in the care, custody or control of the Lessee in and terms and amounts appropriate to the Lessee's operations. Policy shall include coverage for the Named Insured's use of unlicensed vehicles on Airport Premises. The foregoing policy limits of liability are subject to adjustment by County as provided for in Section 5 above.

F. All other terms, conditions and provisions of the lease shall remain in full force and effect.

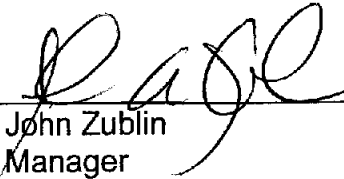
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WHEREFOR, the parties hereto have executed this Amendment as of the dates set forth below.

Dated: APRIL 25TH 2011

LESSEE:

COPPERHEAD, LLC

By: 
John Zublin
Manager

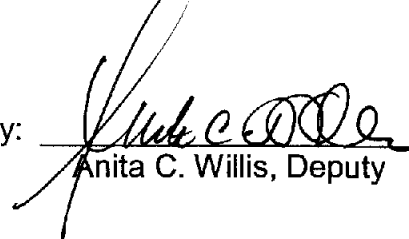
Dated: _____

COUNTY OF RIVERSIDE

By: _____
Chairman of the Board of Supervisors
Bob Buster

APPROVED AS TO FORM:
Pamela J. Walls, County Counsel

ATTEST:
Kecia Harper-Ihem, Clerk of the Board

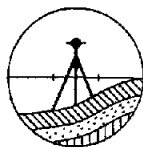
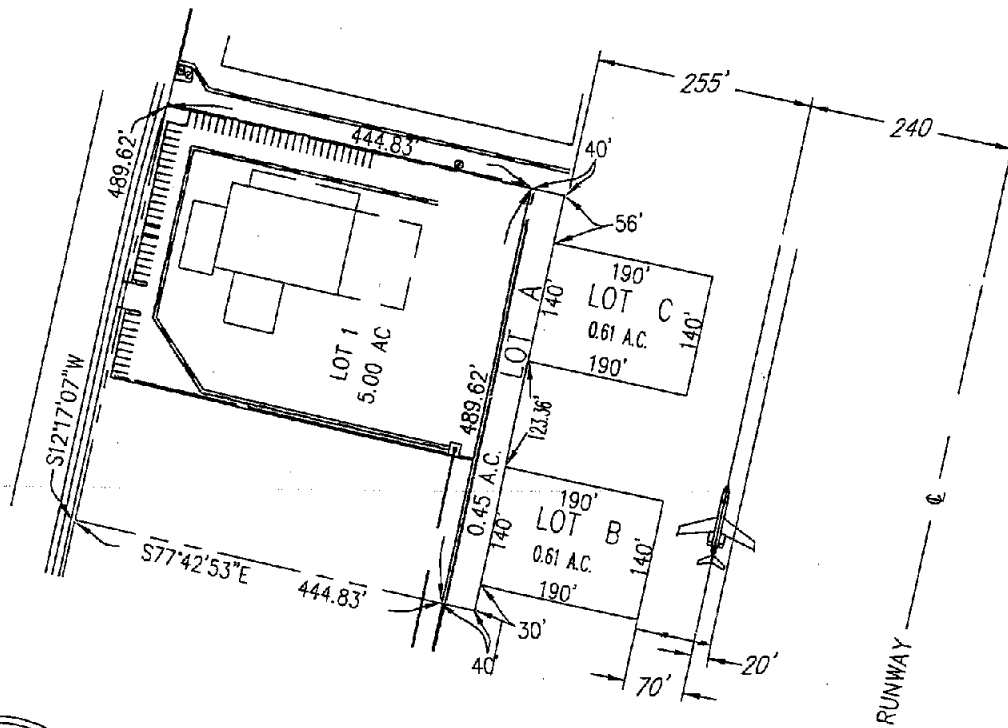
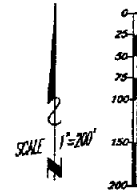
By: 
Anita C. Willis, Deputy

By: _____

EXHIBIT A EXISTING PARCEL

FRENCH VALLEY AIRPORT
LEASE EXTENSION

COPPERHEAD, LLC.
37260 SKY CANYON DR



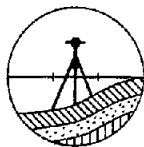
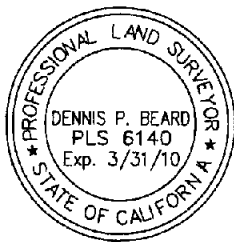
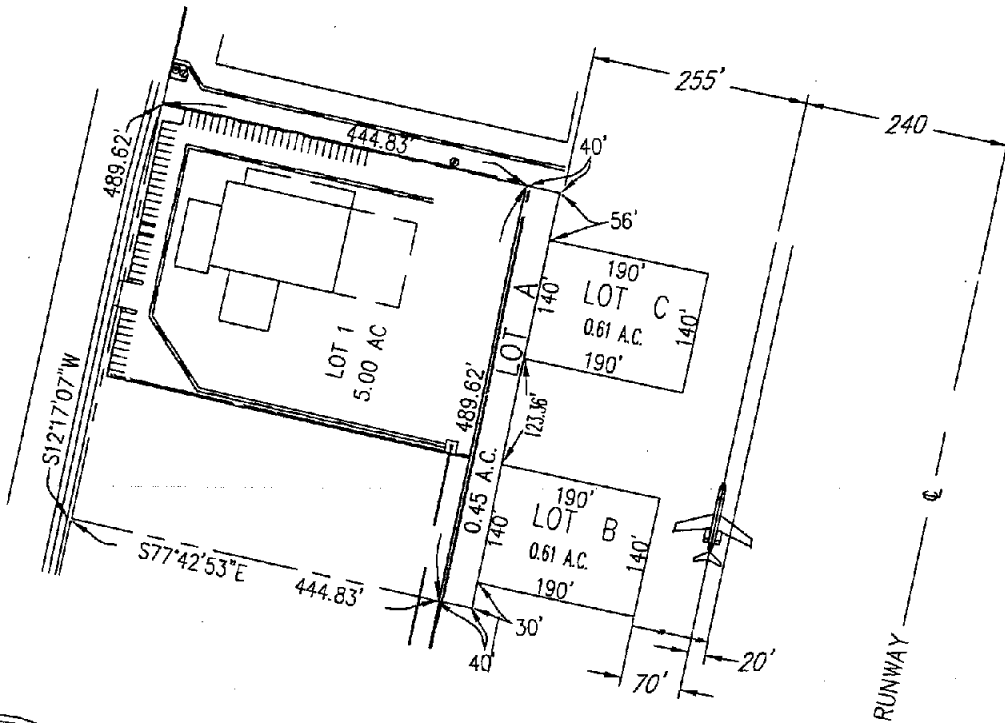
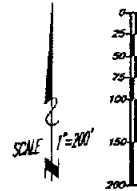
PLANS PREPARED UNDER SUPERVISION OF
B&B Engineering, Inc.

1611-A SOUTH MELROSE DR. #285, VISTA, CA. 92083
(760) 945-3150

EXHIBIT A1 - LOT A

FRENCH VALLEY AIRPORT
LEASE EXTENSION

COPPERHEAD, LLC.
37260 SKY CANYON DR



PLANS PREPARED UNDER SUPERVISION OF

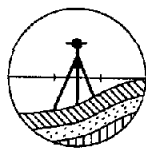
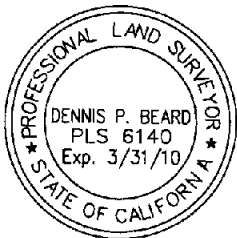
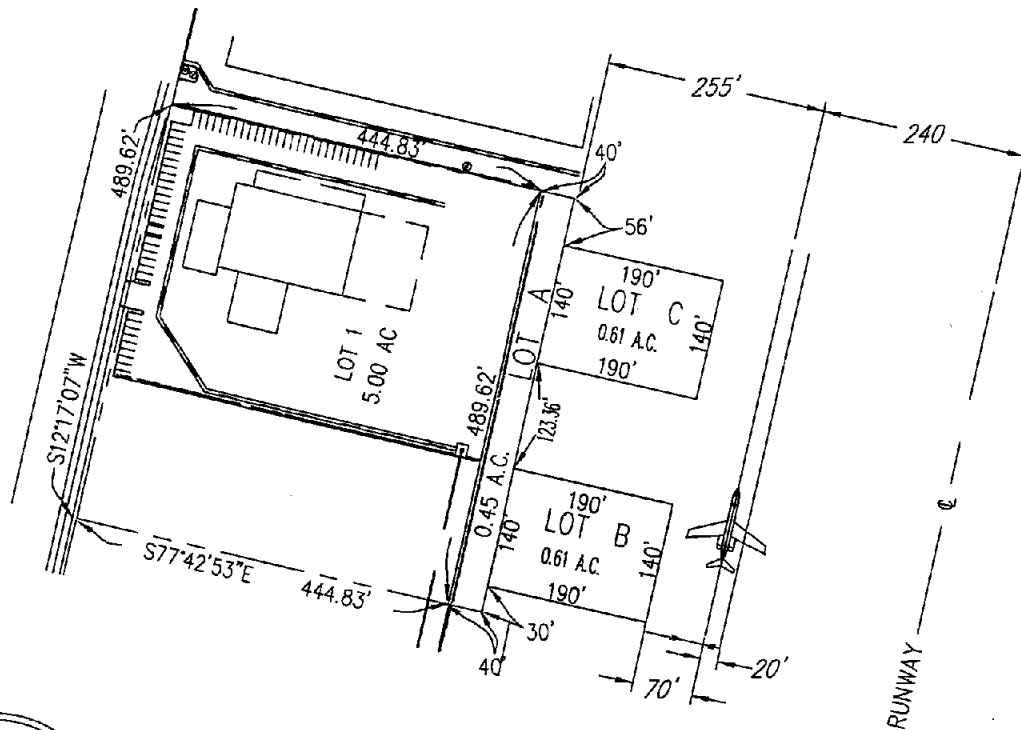
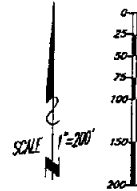
B&B Engineering, Inc.

1611-A SOUTH MELROSE DR. #285, VISTA, CA. 92083
(760) 945-3150

EXHIBIT A1 - LOT B

FRENCH VALLEY AIRPORT LEASE EXTENSION

COPPERHEAD, LLC.
37260 SKY CANYON DR



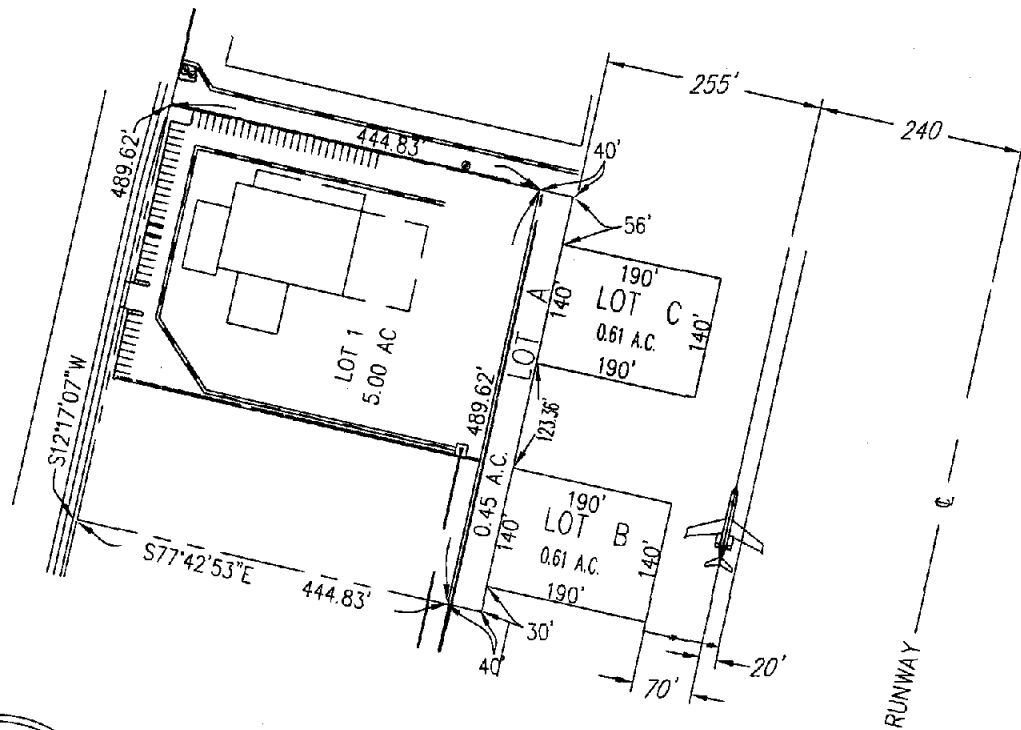
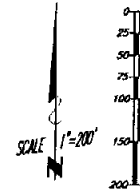
PLANS PREPARED UNDER SUPERVISION OF
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EXHIBIT A1 - LOTC

FRENCH VALLEY AIRPORT LEASE EXTENSION

COPPERHEAD, LLC.
37260 SKY CANYON DR



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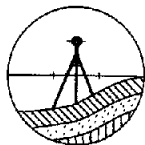
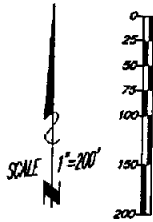
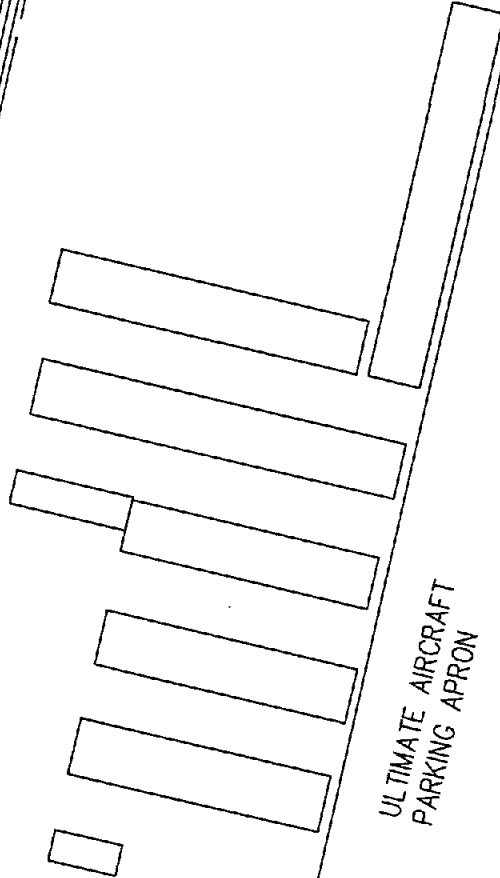


EXHIBIT A2 - LOT D



S12°17'07"W

SKY CANYON DR



ULTIMATE AIRCRAFT PARKING APRON

FRENCH VALLEY AIRPORT

495'

RUNWAY

LEASE EXTENSION

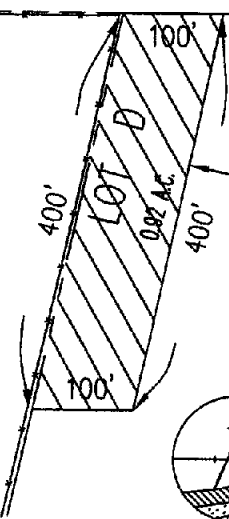
COPPERHEAD, LLC

37260 SKY CANYON DR

BOREL RD (ABANDONED) AND SECTION LINE

OMH 60'

S89°53'17"E



395'



PLANS PREPARED UNDER SUPERVISION OF
B&B Engineering, Inc.

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