

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

313



**FROM:** Economic Development Agency

**SUBMITTAL DATE:**  
December 8, 2011

**SUBJECT:** Assignment of Sublease and Sale of Aircraft Storage Hangar, French Valley Airport

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

1. Consent to the Bill of Sale dated September 26, 2011, from Airmech, Incorporated, as Assignor, to Advanced Auto Parts, as Assignee;
2. Consent to Assignment dated June 19, 2011, from Airmech, Incorporated, as Seller, to Advanced Auto Parts, as Buyer; subject to Airmech, Incorporated's removal of all encumbrances on the leasehold estate, including personal property affixed to or contained therein;
3. Authorize the Chairman of the Board of Supervisors to execute the Consent to Bill of Sale and Consent to Assignment; and

(Continued)

*Robert Field*

Robert Field  
Assistant County Executive Officer/EDA

<b>FINANCIAL DATA</b>	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:	2011/12

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

**SOURCE OF FUNDS:** 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

BY: *Jennifer L. Sargent*

**County Executive Office Signature** Jennifer L. Sargent

FORM APPROVED COUNTY COUNSEL  
BY: ANITA C. WILLIS  
DATE: 12-6-11  
Departmental Concurrence

Dept't Recomm.:	<input type="checkbox"/>	Consent	<input type="checkbox"/>	Policy	<input checked="" type="checkbox"/>
Per Exec. Ofc.:	<input type="checkbox"/>	Consent	<input type="checkbox"/>	Policy	<input checked="" type="checkbox"/>

**RECOMMENDED MOTION:** (Continued)

4. Authorize the Assistant County Executive Officer/EDA, or designee, to execute any additional documents required by the Assignment or Bill of Sale.

**BACKGROUND:**

The Economic Development Agency has received a Bill of Sale dated September 26, 2011, and an Assignment of Lease, dated September 26, 2011, between Airmech, Incorporated, as Assignor and Seller, and Advanced Auto Parts, as Assignee and Buyer. The sublease is for the land occupied by aircraft storage hangars formerly known as 37 and 38, and henceforth known as aircraft storage Hangar 1 and Hangar 2.

The sublease is approximately 9,240 square feet dated June 19, 2001, between the County of Riverside, as Lessor, and Airmech, Incorporated as Lessee, and Amended by the First Amendment to Lease on June 28, 2011. Additionally, County approved a Landlord's Real Estate Acknowledgement and Waiver dated June 12, 2007, whereby said buildings were encumbered as collateral for a loan with Temecula Valley Bank and Small Business Administration. The approval of the Assignment of Lease is subject to the encumbrance on these buildings being removed and receipt of written notification from the bank that it has been satisfied.

The Economic Development Agency recommends that the Board of Supervisors consent to the Bill of Sale and Assignment of Lease. County Counsel reviewed the attached document and has approved as to form.

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3 **CONSENT TO ASSIGNMENT**

4 The County of Riverside, a political subdivision of the State of California (Lessor),  
5 hereby consents to the foregoing Assignment dated September 26, 2011, between  
6 Airmech, Incorporated as Assignor, and Advanced Auto Parts, as Assignee, without  
7 however, waiving the restrictions contained in said Lease dated June 19, 2001,  
8 described as 9,240 square feet of land at the French Valley Airport County of Riverside,  
9 California, and amended by First Amendment to Lease dated June 28, 2011, with  
10 respect to any future assignments thereunder, and without releasing the Assignor under  
11 said lease from any obligations that are not performed by Airmech, Incorporated, and  
12 otherwise accepts the Assignee, Advanced Auto Parts, as Lessee under said Lease to  
13 all intents and purposes as though Assignee was the original Lessee thereunder.

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

COUNTY OF RIVERSIDE

15 By: \_\_\_\_\_

16 Chairman, Board of Supervisors

17 ATTEST:  
18 Kecia Harper-Ihem, Clerk of the Board

FORM APPROVED  
Pamela J. Walls, County Counsel

19 By: \_\_\_\_\_

20 By:  \_\_\_\_\_  
Anita C. Willis Deputy

ASSIGNMENT

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the undersigned, hereby transfers and assigns to Advanced Auto Parts, A California corporation, all rights, title and interest of the undersigned under the certain Lease between Airmech, Inc., and the County of Riverside dated June 19, 2001, attached as Exhibit "A" pertaining to the premises with legal description as shown on the attached Exhibit "B". The execution of this Assignment and the transfer of all rights, title and interest herein are contingent upon the acceptance and approval by the Riverside County Board of Supervisors.

Dated: 9-9-11

AIRMECH, INC.  
a California corporation

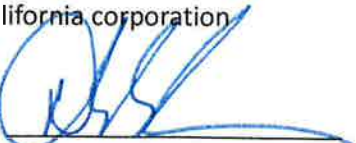
By:   
Jamie Gallagher

ACCEPTANCE AND AGREEMENT

The undersigned, named in the foregoing Assignment, hereby accepts said Assignment and hereby agrees to keep, perform, and be bound by all of the terms, covenants and conditions in said Lease on the part of the Lessee therein to be kept and performed to all intents and purposes as though the undersigned Assignee was the original Lessee thereunder.

Dated: 9-26-11

ADVANCED AUTO PARTS  
a California corporation

By:   
Dale Carson, President

1  
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3 **CONSENT TO BILL OF SALE**

4 The County of Riverside, a political subdivision of the State of California (Lessor),  
5 hereby consents to the foregoing Bill of Sale, dated September 26, 2011, for the aircraft  
6 storage hangars formerly known at Hangars 37 and 38 under the Airmech, Incorporated  
7 ground lease dated June 19, 2001, and amended by First Amendment to Lease June  
8 28, 2011, located at French Valley Airport, Murrieta, California between Airmech,  
9 Incorporated, as Seller and Advanced Auto Parts, as Buyer. Hangars will henceforth be  
10 referred to as Hangar 1 and Hangar 2.

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

12 COUNTY OF RIVERSIDE

13 A political subdivision of the State of California

14  
15 By: \_\_\_\_\_

16 Chairman, Board of Supervisors

17  
18 APPROVED AS TO FORM:

19 Pamela J. Walls, County Counsel

20  
21 By:  \_\_\_\_\_  
22 Anita C. Willis Deputy

## AIRCRAFT HANGAR PURCHASE AGREEMENT

This Aircraft Hangar Purchase Agreement (this "Agreement") is entered into and shall be effective as of September 26, 2011 (the "Effective Date") by and among Airmech, Inc., a California corporation ("Seller") and Advanced Auto Parts, a California corporation ("Buyer").

### *RECITALS*

A. Seller originally obtained rightful ownership of that certain aircraft hangar facility at the French Valley Airport, Murrieta, California on or about June 19, 2001 in conjunction with a lease from the County of Riverside as lessor and Seller as lessee (the "Lease").

B. Seller has agreed to sell to Buyer that certain aircraft hangar facility at the French Valley Airport, Murrieta, California, ~~within and a part of Murrieta Executive Air Park,~~ identified as Hangars #1 and #2 (the "Hangars"). As set forth below, the Hangars will be conferred to Buyer by a Bill of Sale in the form of Exhibit "A", and the Lease will be conferred to Buyer by a Lease Assignment in the form of Exhibit "B", upon such Lease Assignment being duly approved by the County of Riverside.

Based on the foregoing, and in consideration of this purchase agreement, the receipt and adequacy of which are acknowledged, the Parties agree as follows:

### *AGREEMENT*

#### 1. Purchase of Hangars

Buyer has agreed to purchase, and Seller has agreed to sell the Hangars for the amount of \$152,000 (One Hundred and Fifty-Two Thousand United State Dollars). For the benefit of Seller as set forth herein, Buyer will deposit with Smith Mitchellweiler, LLP in its attorney-client trust account the amount of \$1,000 (One Thousand United States Dollars) upon execution of this Agreement. Seller agrees that the deposit is refundable until fifteen (15) days after execution of this Agreement, at which time Buyer will have concluded its due diligence process and the deposit will become non-refundable unless the purchase and Lease Assignment are not approved by the County of Riverside or Seller breaches this Agreement. As set forth in Section 5 below, Buyer agrees to pay the balance of \$151,000 (One Hundred and Fifty-One Thousand United States Dollars) upon approval of the Lease Assignment by the County of Riverside. If the Lease Assignment is not approved by the County of Riverside within 120 days of the execution of this Agreement, Seller agrees to promptly release to Buyer the \$1,000 deposit.

#### 2. Lease Assignment

Buyer has been provided with copies of the Lease to be assigned that is in effect between Seller and the County, and the exhibits thereto. Buyer has read the Lease and agrees to accept them without modification.

### 3. Indemnification

3.1 Indemnification by Seller. The Seller hereby agrees to indemnify and hold harmless the Purchaser against and in respect of all actions, suits, investigations, proceedings, demands, assessments, judgments, reasonable attorneys' fees, costs and expenses incident to the Hangars or the Lease prior to the Close.

3.2 Indemnification by Purchaser. The Purchaser hereby agrees to indemnify and hold harmless the Seller against and in respect of all actions, suits, investigations, proceedings, demands, assessments, judgments, reasonable attorneys' fees, costs and expenses incident to the Hangars or the Lease subsequent to the Close.

### 4. Representations, Warranties, and Covenants

The Seller and Buyer hereby represent and warrants to and covenants to each other Party that:

4.1 Neither the execution nor the delivery of this Agreement, the incurrence of the obligations herein, the consummation of the transactions herein contemplated, nor the compliance with the terms of this Agreement will conflict with, or result in a breach of, any of the terms, conditions, or provisions of, or constitute a default under, any bond, note, or other evidence or indebtedness or any contract, indenture, mortgage, deed of trust, loan agreement, lease, or other agreement or instrument to which such Party is a party or by which such Party may be bound.

4.2 Each Party, as a corporation duly incorporated, validly existing and in good standing under the laws of the State of California, has the right, power, legal capacity, and authority to execute and enter into this Agreement and to execute all other documents and perform all other acts as may be necessary in connection with the purchase as specified in this Agreement.

4.3 Notwithstanding anything contained in this Agreement to the contrary, both Parties acknowledge and agree that (i) each Party is not making any representations or warranties whatsoever, express or implied, beyond those expressly agreed to by the Parties, and (ii) the Parties have not been induced by, or relied upon, any representations, warranties, or statements (written or oral), whether express or implied, made by any Person, that are not expressly set forth in this Agreement.

4.4 Other than the County of Riverside, no approval or consent by any person or entity is necessary in connection with the execution of this Agreement by such Party or the performance of such Party's obligations under this Agreement.



4.5 Each Party has had the opportunity to receive independent tax and legal advice from attorneys of choice with respect to the advisability of executing this Agreement.

4.5 [REDACTED]

[REDACTED]

## 6. Miscellaneous

6.1 Attorneys' Fees. In the event any Party shall maintain or commence any action, proceeding, or motion against any other Party to enforce this Agreement or any provision thereof, the prevailing Party therein shall be entitled to recover its actual attorneys' fees and costs incurred.

6.2 Prorations at Closing; Reimbursements.

All ad valorem taxes, intangible personal property taxes and special district levies and assessments, if any, relating to the Hangars or Lease for the 2011 calendar year shall be allocated as of the Closing Date.

6.3 Survival. All of the terms, representations, warranties, covenants, and other provisions of this Agreement shall survive and remain in effect after the Closing Date.

6.4 Successors and Assigns. This Agreement shall inure to the benefit of the successors, assigns, heirs, beneficiaries, executors, administrators, partners, agents, employees, and representatives of each Party.

6.5 Execution of Documents. Each Party agrees to execute all documents necessary to carry out the purpose of this Agreement and to cooperate with each other for the expeditious filing of any and all documents and the fulfillment of the terms of this Agreement.

6.6 Governing Law. This Agreement, including any rights, remedies, or obligations provided for thereunder, shall be construed and enforced in accordance with the laws of the State of California.

6.7 Entire Agreement. This Agreement contains the entire understanding among the Parties and supersedes any prior written or oral agreements between them respecting the subject matter of this Agreement. There are no representations, agreements, arrangements, or understandings, oral or written, between the Parties relating to the subject matter of this Agreement that are not fully set forth herein. Any amendment to this Agreement shall be in writing and executed by each Party hereto

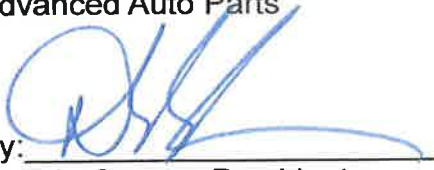




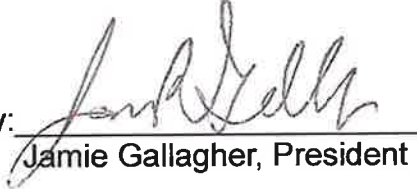
6.8 Descriptive Headings. The descriptive headings of the sections in this Agreement are included for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

This Agreement is entered into the day first written above.

Advanced Auto Parts

By:  9-26-11  
Dale Carson, President

Airmech, Inc.

By:  09-09-2011  
Jamie Gallagher, President

