

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



431-

FROM: Economic Development Agency

SUBMITTAL DATE:
June 21, 2012

SUBJECT: Assignment of Sublease and Sale of Aircraft Storage Hangar, Jacqueline Cochran Regional Airport

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Assignment of Sublease dated March 26, 2012, from Conquest Charter, Inc., as Assignor to Harper Investments, as Assignee;
2. Approve the Bill of Sale dated February 22, 2012, from Conquest Charter, Inc. as Seller to Harper Investments, as Buyer;

(Continued)

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:	2012/13

COMPANION ITEM ON BOARD 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 J. Sargent

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: ANNIE T. SAHAR
DATE: 6/17/12
Departmental Concurrence

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

Prev. Agn. Ref.: 6/3/03, 3.11; 9/14/04, 3.17; 9/12/06, 3.23;; District: 4/4
10/24/06, 3.12; 3/17/09, 3.16

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

Agenda Number

3.12

RECOMMENDED MOTION: (Continued)

3. Authorize the Chairman of the Board of Supervisors to sign and execute the Consent to Assignment and the Consent to Bill of Sale; and
4. Authorize the Assistant County Executive Officer/EDA, or designee, to execute any additional documents required by the Assignment of Bill of Sale.

BACKGROUND:

The Economic Development Agency has received an Assignment of Sublease, dated March 26, 2012 and Bill of Sale, dated February 22, 2012, between Conquest Charter, Inc. as Assignor and Seller, and Harper Investments, as Assignee and Buyer. The Sublease is for the land occupied by an aircraft storage hangar, Hangar E8, and the Bill of Sale is for Hangar E8. The original sublease between John and Betty Obradivoch and Conquest Charter, Inc. went to the Board of Supervisors for approval October 24, 2006.

The Sublease is under the nine acre Ground Lease dated June 3, 2003, between County of Riverside as Lessor, and John and Betty Obradovich, as Lessee, and Amended by the First Amendment to Lease on September 14, 2004, and by the Second Amendment to Lease on September 12, 2006, and by the Third Amendment to Lease on January 12, 2009. Conquest Charter, Inc., sold Hangar E8 to Harper Investments and would like to assign it's Sublease to same, subject to the terms of the original Ground Lease.

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

CONSENT TO ASSIGNMENT

The County of Riverside (Lessor) hereby consents to the foregoing Assignment by Lessee with Consent of Sublessor, for Hangar E8, between Conquest Charter, Inc., as Assignor, and Harper Investments, as Assignee, without however waiving the restrictions contained in the Master Lease, between the County of Riverside, as Lessor, and John Obradovich and Betty Obradovich, as Lessee, dated June 3, 2003, and Amended by First Amendment to Lease on September 14, 2004, and by Second Amendment to Lease on September 12, 2006 and by Third Amendment to Lease on January 12, 2009, described as Nine (9) acres of land at the Jacqueline Cochran Regional Airport, with respect to any future assignments thereunder, and without releasing the Assignor under said lease from any obligations that are not performed by Harper Investments, and otherwise accepts the Assignee, Harper Investments, as Assignee under said Lease to all intents and purposes as though Assignee was the original Sublessee thereunder.

Date: _____

COUNTY OF RIVERSIDE

By: _____

John Tavaglione
Chairman, Board of Supervisors

FORM APPROVED:

Pamela J. Walls, County Counsel

By: _____

Annie T. Sahhar, Deputy

ASSIGNMENT OF SUBLEASE

This ASSIGNMENT OF SUBLEASE ("Assignment") is made as of 3/26/12 between CONQUEST CHARTER, INC. ("Assignor"), and HARPER INVESTMENTS, a Utah Limited Liability Company ("Assignee").

RECITALS

- A. County of Riverside as Lessor and John and Betty Obradovich ("Obradovich") as Lessee, executed a Master Lease for Real Property located at the Jacqueline Cochran Regional Airport, Thermal, Riverside County, California ("Real Property"). A description of the Real Property is identified on Exhibit A. A copy of the Master Lease and Addendum are attached as Exhibit B.
- B. Obradovich as Sublessor and Conquest Charter Inc. as Sublessee entered into a Sublease of a portion of the Real Property ("Sublease"). A copy of the Sublease is attached hereto as Exhibit C.
- C. Assignor desires to assign the Sublease to Assignee, and Assignee desires to accept the assignment of the Sublease from the Assignor and assume the obligations under the Sublease.

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are acknowledged, Assignor and Assignee agree as follows:

1. **Assignment.** Assignor assigns and transfers to Assignee all of Assignor's right, title, and interest in the Sublease, and Assignee accepts from Assignor all the right, title, and interest of Assignor in the Sublease, subject to the terms and conditions as set forth in this Assignment.
2. **Assumption of Lease Obligations.** 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 Master Lease, Addendum and Sublease.
3. **Assignor's Covenants.**
 - a. Assignor covenants that Exhibit B is a true and correct copy of the Master Lease and Addendum, and that Exhibit C is a true and correct copy of the Sublease.
 - b. Assignor covenants that the Master Lease, Addendum and Sublease are in full force effect and that no default exists under the Master Lease, Addendum and Sublease, and that no act or event which, with the passage of time or the giving of notice or both, could become defaults.
4. **Litigation Costs.** If any litigation between Assignor and Assignee arises out of this Assignment or concerning the meaning or interpretation of this Assignment, the losing party shall pay the prevailing party's costs and expenses of this litigation, including, without limitation, reasonable attorney's fees, costs and litigation expenses.
5. **Indemnification.** Assignor indemnifies Assignee from and against any loss, liability, cost, or expense, including attorney's fees and court costs relating to Assignor's breach of any term or condition of the Master Lease, Addendum or Sublease, which accrued prior to the date of this Assignment. Assignee indemnifies Assignor from and against any loss, liability, cost, or expense, including attorney's fees and court costs relating to the failure of Assignee to fulfill Assignee's

obligations under the Sublease, and which arise after the date of this Assignment.

6. **Successors and Assigns.** This Assignment shall be binding on and inure to the benefit of the parties to it, their heirs, executors, administrators, successors in interest, and assigns.

7. **Governing Law.** This Assignment shall be governed by and construed in accordance with California law.

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date first above written.

DATED: 3/23/12

ASSIGNOR:

CONQUEST CHARTER, INC.

BY: Michael Boz
Name: Michael Bozell
Its: OWNER

ASSIGNEE:

HARPER INVESTMENTS, a Utah Limited Liability Company

DATED: _____

BY: _____

obligations under the Sublease, and which arise after the date of this Assignment.

6. **Successors and Assigns.** This Assignment shall be binding on and inure to the benefit of the parties to it, their heirs, executors, administrators, successors in interest, and assigns.

7. **Governing Law.** This Assignment shall be governed by and construed in accordance with California law.

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date first above written.

ASSIGNOR:

DATED: _____

CONQUEST CHARTER, INC.

BY: _____
Name: _____
Its: _____

ASSIGNEE:

DATED: 2/26/12

HARPER INVESTMENTS, a Utah Limited Liability Company

BY:  _____

**CONSENT TO ASSIGNMENT
OF SUBLEASE**

Sublessor JOHN OBRADOVICH and BETTY OBRADOVICH ("Sublessor") hereby consents to the Assignment of Sublease by Sublessee CONQUEST CHARTER, INC., a California Corporation to HARPER INVESTMENTS, a Utah Limited Liability Company. A copy of the Sublease is attached hereto as Exhibit A and incorporated herein by reference. A copy of the Assignment of Sublease is attached hereto as Exhibit B and incorporated herein by reference.

DATED:

9-4-12

SUBLESSOR:



JOHN OBRADOVICH


BETTY OBRADOVICH

SUBLESSEE:

DATED:

CONQUEST CHARTER, INC.,
a California Corporation

BY: _____

ASSIGNEE:

DATED:

HARPER INVESTMENTS, a Utah
Limited Liability Company

BY: _____

The County of Riverside ("Lessor") hereby consents to the foregoing Assignment of Sublease, without however, waiving the restrictions contained in that Master Lease with respect to any future assignments, and otherwise accepts the Assignee as Sublessee under the Sublease.

COUNTY OF RIVERSIDE

BY: _____

FORM APPROVED:

Courty Counsel

BY: _____

ATTEST:

Clerk
Deputy

BY: _____

**CONSENT TO ASSIGNMENT
OF SUBLEASE**

Sublessor JOHN OBRADOVICH and BETTY OBRADOVICH ("Sublessor") hereby consents to the Assignment of Sublease by Sublessee CONQUEST CHARTER, INC., a California Corporation to HARPER INVESTMENTS, a Utah Limited Liability Company. A copy of the Sublease is attached hereto as Exhibit A and incorporated herein by reference. A copy of the Assignment of Sublease is attached hereto as Exhibit B and incorporated herein by reference.

DATED:

SUBLESSOR:

JOHN OBRADOVICH

BETTY OBRADOVICH

SUBLESSEE:

DATED:

3/23/12

CONQUEST CHARTER, INC.,
a California Corporation

BY:

Michael Boger

ASSIGNEE:

DATED:

HARPER INVESTMENTS, a Utah
Limited Liability Company

BY: _____

The County of Riverside ("Lessor") hereby consents to the foregoing Assignment of Sublease, without however, waiving the restrictions contained in that Master Lease with respect to any future assignments, and otherwise accepts the Assignee as Sublessee under the Sublease.

COUNTY OF RIVERSIDE

BY: _____

FORM APPROVED:

County Counsel

BY: _____

ATTEST:
Clerk
Deputy

BY: _____

**CONSENT TO ASSIGNMENT
OF SUBLEASE**

Sublessor JOHN OBRADOVICH and BETTY OBRADOVICH ("Sublessor") hereby consents to the Assignment of Sublease by Sublessee CONQUEST CHARTER, INC., a California Corporation to HARPER INVESTMENTS, a Utah Limited Liability Company. A copy of the Sublease is attached hereto as Exhibit A and incorporated herein by reference. A copy of the Assignment of Sublease is attached hereto as Exhibit B and incorporated herein by reference.

DATED:

SUBLESSOR:

JOHN OBRADOVICH

BETTY OBRADOVICH

SUBLESSEE:

DATED:

CONQUEST CHARTER, INC.,
a California Corporation

BY: _____

ASSIGNEE:

DATED: 2/26/12

HARPER INVESTMENTS, a Utah
Limited Liability Company

BY: _____


The County of Riverside ("Lessor") hereby consents to the foregoing Assignment of Sublease, without however, waiving the restrictions contained in that Master Lease with respect to any future assignments, and otherwise accepts the Assignee as Sublessee under the Sublease.

COUNTY OF RIVERSIDE

BY: _____

FORM APPROVED:

County Counsel

BY: _____

ATTEST:

Clerk

Deputy

BY: _____

CONSENT TO BILL OF SALE

The County of Riverside (Lessor) hereby consents to the foregoing Bill of Sale, dated, February 22, 2012, for the aircraft storage hangar known as Hangar E8, located at Jacqueline Cochran Regional Airport, Thermal, California, between Conquest Charter, Inc. as Seller and Harper Investments, as Buyer.

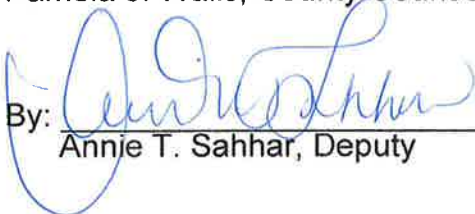
Date: _____

COUNTY OF RIVERSIDE

By: _____
John Tavaglione
Chairman, Board of Supervisors

APPROVED AS TO FORM:

Pamela J. Walls, County Counsel

By:  _____
Annie T. Sahhar, Deputy

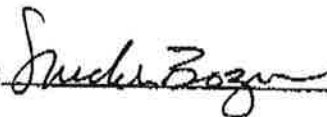
BILL OF SALE

For good and valuable consideration, receipt of which is hereby acknowledged, and in accordance with that certain Purchase and Sale Agreement for Hangar Number 8 entered into on February 22, 2012, by and between CONQUEST CHARTER, INC. ("Seller") and HARPER INVESTMENTS, a Utah Limited Liability Company ("Purchaser"), Seller hereby sells, conveys, remises, releases, transfers, assigns and delivers to Purchaser, all of Seller's right, title and interest in and to Hangar Number 8. The rights, title and interest of Seller in Hangar Number 8 are subject to all of the terms and conditions of that Master Lease ("Lease") dated May 3, 2003, and executed on June 3, 2003, and as amended on September 14, 2004 by and between the County of Riverside as Lessor, and John and Betty Obradovich, as Lessee. This Bill of Sale is also subject to the terms and conditions of that certain Sublease executed by and between John and Betty Obradovich, as Sublessor, and Conquest Charter, Inc. as Sublessee. This Bill of Sale shall be deemed binding and enforceable only upon the County of Riverside's approval of a Consent to Assignment of Sublease, a copy of which is attached hereto as Exhibit A and incorporated herein by reference.

IN WITNESS WHEREOF, Seller has executed this Bill of Sale effective as of February 22, 2012.

SELLER:

CONQUEST CHARTER, INC.

BY: 

PURCHASER:

HARPER INVESTMENTS, a Utah
Limited Liability Company

BY: 