

memorandum

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TO	File	FROM	DEPARTMENT OF PUBLIC WORKS Robert J. Perrich, Asst. Director
SUBJECT	Lease and Concession Agreement With Cecil R. Reid	DATE	May 18, 1965

RECEIVED

*P. & G. Airport
R. H. Jones*

Subject lease dated December 11, 1961 for a period of three years commencing on closing of an escrow which was closed December 28, 1961. Premises to be used for the purpose of hangar and tie down facilities and rental thereof, aviation fuel service (two grades of gas, lubricants, etc.), airport runway and taxiway. Services for general public seven days a week from 8:00 a.m. to sunset. Lessee privileged to supply other products and services incidental to general operation such as aircraft student instruction, pilot supply sales, air charter service, maintenance of aircraft and components, new and used aircraft sales, aircraft rental service, crop dusting, and restaurant. In event of hold-over, such hold-over shall be from month to month only. Lessee to pay \$1,000 per month plus additional rental in the amount of five percent of gross income in excess of \$95,000. If County, as result of construction work, substantially impairs Lessee's business, Lessee has right to terminate on 30 days written notice or, at Lessee's option, renegotiate rental. Lessee may sub-lease or grant concessions without consent of County but shall notify in writing the County Director of Public Works within 15 days stating name of person and business purpose. County can terminate with six months notice in writing.

There was a February 4, 1963 amendment providing for Lessee to render accounting of income by February 15 following end of each lease hold year.

County, by Ordinance NS-622, defined airport, based aircraft, airport liability, and set insurance amounts: 0/2,000-50/100,000, \$20,000 P.D.; Over 2,000-100/300,000, \$50,000 P.D.

Reid's gross income for 1963 was \$123,946.61. The five percent over \$95,000 amounted to \$1,447.33. Reid's gross income for 1964 was \$134,500.43 and yielded the County \$1,975.02.

The terms of the lease were extended from December 28, 1964 to and including June 30, 1965. The base rent rate was reduced to \$100 per month and the Lessee will pay an additional rental in an amount equal to five percent of his gross income in excess of \$47,500 during that period of time. The agreement amendment specifically mentioned that the Lessor had awarded a contract for the improvement of the landing area and other facilities, and it was specifically agreed that the construction work or other construction work could proceed without interruption, and the Lessee agreed to cooperate with the Lessor and the Lessor's contractor during the course of all construction work, and the Lessee would adjust his operations and the operations of his tenants and sub-lessees to comply with the construction work. Upon dispossessing Lessee or any of his tenants, the County was to make diligent effort to obtain suitable substitute space at the airport. The County is not responsible for any damage, loss, cost or expense, however incurred, on account of or in any way arising out of the construction work, dispossession or use of substitute space. All subleases or grants of any concession are subject to the same conditions. Reid was not to sublease any building which was to be removed by the County or County's contractor during the course of the work for a period beyond April 1, 1965 without prior County permission. Reid also was allowed to use all new hangars during the term of his lease and he could sublease or rent them at rental rates established by the County. Reid also was entitled to any rents the County collected on the lease plot areas paid by any of Reid's sublessees.