



## AIRPORT HANGAR LICENSE AGREEMENT

This Hangar License Agreement (“Agreement”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2011, by and between the City of Cloverdale, hereinafter referred to as “City” and (name of tenant), hereinafter referred to as “Licensee.” The address of Licensee is as follows: (mailing address, city, state zip code; telephone (home) (enter telephone number here) (business) (enter telephone number here).

WHEREAS, City has built and maintains certain hangars for aircraft storage at the Cloverdale Municipal Airport (“Airport”); and

WHEREAS, Licensee desires to use one of those hangars for the storage of one or more of Licensee’s aircraft;

NOW, THEREFORE, in consideration of the promises and mutual covenants contained in this Agreement, the parties hereby agree as follows:

1. Grant of License. City grants to Licensee the exclusive right to use **Hangar (Number)** (the “Premises”), solely for permitted uses as defined in provision 6 of this Agreement, in accordance with the terms of this Agreement and applicable law. The Premises are further described in **Exhibit A**, “Premises Description,” which is attached to and made part of this Agreement.
2. No Grant of Property Interest or Estate or Creation of Irrevocable License. The parties understand and agree that the rights of the Licensee under this Agreement are license rights, and that this Agreement does not convey an interest or estate in the Premises, and that Licensee’s rights under this Agreement are personal to the Licensee, non-transferable or assignable (except as otherwise specified in provision 9, below), terminable by the parties, and revocable by the City in accordance with the terms of this Agreement. Nothing in this Agreement creates or may be construed to create rights of the Licensee that are property interests or estates, such as lease or easement rights, nor may any conduct of a party or of the parties create or be construed to create such property interests or estates, or to create a license coupled with an interest or an irrevocable license. As a material element of the consideration for this Agreement, Licensee hereby waives, releases, and disclaims on behalf of Licensee and any successors and assigns any interest or estate in the Premises or license coupled with an interest or irrevocable license arising or alleged to arise in connection with this Agreement.
3. Term. The term of this Agreement shall commence on the \_\_\_\_\_ day of \_\_\_\_\_ 2011, and continue in effect through 30 day of June, 2012. Beginning the 1st day of July 2012, and each July 1 thereafter, this Agreement shall be automatically renewed for another one-year term, until June 30, 2015, when this Agreement shall expire, unless earlier terminated in accordance with provision 8.
4. License Payments. License payments shall be One Hundred Eighty-Nine Dollars (\$189.00) per month, payable in advance on the first day of each and every month this Agreement remains in effect. Licensee shall pay the first month’s License Payment to City upon execution of this Agreement. License Payments shall be made payable to the City of Cloverdale at 124 N.

Cloverdale Blvd., Post Office Box 217, Cloverdale, California 95425. City may periodically, but no more frequently than annually, increase or modify the License Payment upon notice of the amount and effective date of the new License Payment amount, which notice shall be provided to Licensee at least thirty (30) days in advance of the new License Payment effective date and in accordance with applicable law. License Payments shall be deemed delinquent if not received by City within fifteen (15) days of the first of each month. Upon delinquency, the License Payment due will automatically increase by an additional 20 percent as liquidated damages for each month or portion of a month that the License Payment is delinquent. If the full amount of delinquent License Payments, including all liquidated damages, are not brought current within thirty (30) days of the day License Payments under the Agreement first became delinquent, the City may, in addition to other remedies available to the City, on notice to the Licensee: take immediate action for collection, refer and/or assign the delinquent License Payments to a collection agency, commence a small claims or other action to recover delinquent License Payments, and/or terminate this Agreement for cause in accordance with provision 8(b), below. Licensee agrees that City's costs incurred to recover delinquent License Payments, including, but not limited to, reasonable attorneys' fees and the cost of staff time, will be added to the License Payment then due and recoverable by City as liquidated damages.

5. Security Deposit. Licensee shall post a security deposit with City in an amount equal to two months' License Payments at the time of execution of this Agreement. Licensee shall return the Premises to City at the expiration or termination of this Agreement in the same condition as at the beginning of the Agreement term, normal wear and tear excepted. In the event repairs are necessary to restore the Premises at least as good condition as at the beginning of the Agreement term, normal wear and tear excepted, the Licensee will be notified and afforded a reasonable time within which to affect necessary repairs. If the Licensee does not affect the necessary repairs within the specified time, the City may make or have made the necessary repairs and the City may deduct any and all repair costs, including, but not limited to, staff time or administration costs, from the security deposit. In the event the City deducts any amounts from the security deposit in accordance with this Agreement, City will notify Licensee in writing of the amount deducted and the reason. In such event, Licensee shall include with the next License Payment, in addition to the License Payment, an amount equal to the amount deducted from the security deposit by the City. The City will apply the amount paid in excess of the License Payment to restore the balance of the security deposit. Any security deposit balance remaining after all repair costs and/or other deductions permitted under this Agreement, shall be refunded to Licensee following the expiration or termination of this Agreement. No interest will be payable on the security deposit. If the security deposit balance is insufficient to cover the cost of repairing the Premises in accordance with this provision, the Licensee shall promptly remit to the City the repair cost in excess of the security deposit upon receipt of the City's invoice for such excess repair costs, as well as an additional payment equal to the amount deducted from the security deposit by the City. The City will apply the amount paid in excess of the City's invoice to restore the balance of the security deposit.
6. Permitted Use. Permitted use of the Premises pursuant to this Agreement is limited to storage of the aircraft described in Exhibit B, which is attached to and made a part of this Agreement and related supply and equipment storage. Only aircraft in which Licensee has an ownership interest, as documented in FAA Aircraft Registration forms may be listed in Exhibit B and stored in the

Premises pursuant to this Agreement. No other use, including, but not limited to, business, trade, professional or commercial operations, or use of the Premises by the general public or persons other than the Licensee, except in conjunction with Licensee's permitted use, or storage of aircraft by persons other than the Licensee or aircraft other than the aircraft described in Exhibit B may be conducted on the Premises. The City may treat any use of the Premises by Licensee that is not a permitted use as a material breach of this Agreement subject to termination for cause in accordance with provision 8(b). Licensee may display for-sale signs on the Premises for the sale of Licensee's aircraft stored in the Premises in accordance with this Agreement, and such display shall be a permitted use, so long as such display is in accordance with all applicable laws, rules, and regulations, including, but not limited to, the requirements of the sign regulations contained in Chapter 18.10 of the Cloverdale Municipal Code.

7. Utilities. Licensee shall pay for all water, sanitary sewage, gas service, electric power, telephone service, solid waste service, and all other services that have been established for the Premises at the request of and/or that have been used by the Licensee and that are supplied to the Premises by the City, or any public utility, and shall pay all costs, if any, for the installation and connection and such services.
8. Termination. This Agreement may be terminated as follows:
  - a. For convenience by either party by giving the other party thirty (30) days' written notice of such termination by certified or registered mail or by personal delivery, in accordance with applicable law. Any such notices should be sent to City at City Hall, City of Cloverdale, Office of the City Manager, Post Office Box 217, Cloverdale, California 95425 and to Licensee at (mailing address, city, state zip code). In the event of termination for convenience by either party, City will refund to Licensee the pro-rata share of any License Payment amounts already received for periods after the termination effective date, and any remaining security deposit balance, less any applicable deductions pursuant to this Agreement, provided that 30 days' written notice is given as required by this subparagraph.
  - b. For cause by either party on not less than seven (7) days' written notice to the other party for any failure to comply with any of the terms of this Agreement, in accordance with applicable law. The party giving notice of termination for cause may, in its discretion, allow the other party a reasonable period, specified in the notice, in which to cure that party's failure to comply with this Agreement. Licensee specifically waives any right Licensee may have under applicable law to a period in which to cure any breach of this Agreement, should City elect not to provide such period for cure of Licensee's breach. In the event of termination for cause, subject to applicable law, Licensee will remain responsible for License Payments due or accrued prior to the termination date, and shall be entitled to return of any security deposit balance remaining following deductions pursuant to this Agreement.
9. Assignment, Sublicensing or Delegation. Licensee may not assign or sublicense Licensee's rights under this Agreement or delegate any of Licensee's obligations under this Agreement without the prior written consent of City. Any purported assignment, sublicense, or delegation without prior written City consent will be void. City may treat any such purported assignment, sublicense or

delegation as a material breach of this Agreement subject to termination for cause in accordance with provision 8(b).

10. Alteration of Premises. Licensee may not make any alterations, install any fixtures, or make any additions or improvements to the Premises without the prior written consent of the City. Licensee shall be responsible for obtaining all required permits, including but not limited to building permits, prior to commencing work on any alterations authorized by the City pursuant to this provision. Any City-authorized alterations, fixtures, additions or improvements pursuant to this provision shall be the property of the City, and may not be altered or removed without the City's prior written consent. The City may require the Licensee to remove, at Licensee's sole expense, any unauthorized alterations, fixtures, additions or improvements, and/or require the Licensee to restore the Premises to its condition prior to the commencement of the License term and the unauthorized alterations, normal wear and tear excepted. If the City directs the Licensee to remove unauthorized alterations and/or to restore the Premises pursuant to this provision, and Licensee fails to do so within any reasonable period established by the City for such removal and/or restoration, the City may remove such alterations and/or restore the Premises or have such alterations removed and the Premises restored, and deduct the cost from the security deposit or other amounts otherwise payable to the Licensee pursuant to this Agreement. The City may treat any failure of Licensee to comply with the requirements of this provision as a material breach of this Agreement subject to termination for cause in accordance with provision 8(b).
11. Aircraft Maintenance. Maintenance of the aircraft identified in Exhibit B by Licensee, employees of Licensee possessing an Airframe and Powerplant license, and/or by FAA-certified persons or entities employed by or affiliated with Airport on-site contractors, shops or facilities shall be a permitted use for purposes of provision 6 of this Agreement, so long as all such maintenance (except for normal pre-flight maintenance, including preventive maintenance as defined in Part 43 and elsewhere in the Federal Aviation Regulations), occurs only within the hangar on the Premises, or in other designated areas of the Airport where such maintenance is permitted, or in other areas of the Airport with permission of the airport manager. Licensee may not spray paint aircraft or other equipment on the Premises or anywhere else at the Airport. Spray painting aircraft or other equipment is not a permitted use under this Agreement. Licensee shall ensure that any maintenance contractor doing such maintenance is properly certified and licensed to perform the work to be performed.
12. Right of Entry. To the maximum extent provided by law, City shall have the right to enter the Premises, including the hangar on the Premises, at all times, to inspect the Premises, including the hangar on the Premises, to ensure compliance with this Agreement and provide for Airport safety. The City shall give Licensee 10 days advance notice of inspection of the Premises. However, Licensee consents to immediate entry by authorized representatives of the City when necessary to ensure compliance with this Agreement and/or to provide for Airport safety. Licensee shall provide City with a key to all Licensee-furnished locks securing the hangar on the Premises and/or City shall retain a key to any City-provided lock or locks. City may treat Licensee's use of a lock to secure the hangar for which the City does not have a key as a material breach of this Agreement subject to termination for cause in accordance with provision 8(b). In addition to other remedies of the City for use of a lock for which the City does not have a key, the City may remove or have such locks removed without notice to the Licensee and at Licensee's expense. The City may

deduct the cost of lock removal not paid by the Licensee from the security deposit or other funds payable to the Licensee pursuant to this Agreement.

13. Permanent Removal of Aircraft. Licensee shall notify the airport manager in writing within five (5) days of permanent removal of his or her aircraft from the Premises. Upon receipt of such notice, in the absence of notice of Licensee's intent to add a new aircraft to Exhibit B, and store such aircraft in the hangar on the Premises, City may terminate this Agreement in accordance with provision 8(b). Licensee may not store any aircraft not listed in Exhibit B on the Premises. Prior to storing a new aircraft on the Premises, Licensee shall notify the airport manager in writing, provide registration and confirmation of Licensee's ownership interest in the aircraft, and evidence of all insurance required under this Agreement for such aircraft. Upon approval by the City of such required information, Exhibit B shall be modified to reflect that Licensee is authorized to store such aircraft on the Premises.
14. Possession of Aircraft. Licensee covenants and agrees that Licensee will maintain possession and control of the aircraft specified in Exhibit B in accordance with the terms of this Agreement while such aircraft is located at the Airport. The parties agree that City is not responsible and that the City, on behalf of its officials, officers, employees, agents and volunteers disclaims all liability related to the parking, possession or control of Licensee's aircraft. The aircraft specified in Exhibit B shall be the sole and exclusive responsibility of the Licensee at all times.
15. Government Regulations. Licensee shall comply with all statutes, ordinances and regulations of federal, state, county and municipal authorities presently in effect, or which hereafter may become effective, pertaining to the use of the Premises, and/or the Airport pursuant to this Agreement, including all federal, state and local laws, ordinances and regulations relating to hazardous material. For purposes of this Agreement, "hazardous material" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of California or the United States Government, and includes, without limitation, petroleum. City may treat Licensee's failure to comply with such statutes, ordinances and regulations as a material breach of this Agreement subject to termination for cause in accordance with provision 8(b).
16. Duty to Act Concerning Contamination. In addition to, and not in lieu of, Licensee's duties to indemnify and defend the City pursuant to provision 17, below, if the presence of any hazardous material on the Premises caused or permitted by Licensee results in any contamination of the Premises and/or the Airport, Licensee shall promptly take all actions at its sole expense as are necessary to render the Premises and the Airport in compliance with all applicable environmental laws; provided that City's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises and/or the Airport.
17. Indemnification. Licensee shall indemnify, defend with counsel acceptable to City, which acceptance will not be unreasonably withheld, and hold harmless City and its officers, officials, employees, agents and volunteers from and against any and all liability, loss, damage, claims, expenses, and costs (including, without limitation, attorney's fees and costs and fees of litigation) (collectively, "Liability") of every nature arising out of or in connection with the operation of the aircraft specified in Exhibit B, Licensee's use of the Premises (including the hangar on the

Premises), and/or the Airport, and/or Licensee's failure to comply with any of its obligations contained in this Agreement. Notwithstanding the foregoing, to the extent that this Agreement is a "construction contract" within the definition of Civil Code Section 2783, as may be amended from time to time, such indemnity shall not include Liability for the active negligence of City.

18. Insurance. Licensee shall procure and maintain in effect for the duration of this Agreement insurance in accordance with this provision and Exhibit C, which is attached to and made a part of this Agreement. Exhibit C sets forth the minimum kinds and amounts of insurance that Licensee must maintain pursuant to this Agreement, as well as required endorsements and other requirements. Insurance required pursuant to this provision and Exhibit C may be modified at the sole discretion of the City Manager. Any such approved insurance modifications will be by written amendment to this Agreement in accordance with provision 20. City may treat failure of the Licensee to maintain in effect for the duration of this Agreement insurance in accordance with this provision and Exhibit C as a material breach of this Agreement subject to termination for cause in accordance with provision 8(b).
19. Statutory Notice Possessory Interest Tax. Licensee is advised that under California Revenue and Taxation Code Section 107.6, execution of this Agreement may create a possessory interest in Licensee subject to property taxation. Licensee hereby agrees that if such possessory interest is created and is subject to property taxation, Licensee shall be solely responsible for the payment of said property taxes levied on any such interest.
20. Amendment. This Agreement may be amended only by a written instrument executed by authorized representatives of each party.
21. Construction. The parties agree that, notwithstanding California Civil Code section 1654, any uncertainty in the Agreement shall not be construed against the drafter of the Agreement.
22. Governing Law; Venue. This Agreement shall be enforced and interpreted under the laws of the State of California and the City of Cloverdale. Any action arising from or brought in connection with this Agreement shall be venued in a court of competent jurisdiction in the County of Sonoma, State of California.
23. Non-Waiver. The failure to enforce any provision of this Agreement or the waiver thereof in a particular instance shall not be construed as a general waiver of any part of such provision, and the provision shall remain in full force and effect.
24. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.
25. No Third Party Beneficiaries. The parties do not intend to create, and nothing in this Agreement shall be construed to create any benefit or right in any third party.
26. Headings. The headings used in this Agreement are for convenience only and are not intended to affect the interpretation or construction of any provisions herein.
27. Survival. All obligations arising prior to the expiration or termination of this Agreement and all provisions of this Agreement allocating liability between City and Licensee shall survive the expiration or termination of this Agreement.

28. Entire Agreement. This Agreement, including all exhibits, constitutes the entire agreement between the parties and supersedes all prior agreements or understandings, oral or written, between the parties concerning the subject matter of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

CITY

LICENSEE

\_\_\_\_\_  
City Manager

\_\_\_\_\_  
Signature

\_\_\_\_/\_\_\_\_/\_\_\_\_  
Date

ATTEST:

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Address

APPROVED AS TO FORM:

\_\_\_\_\_  
City

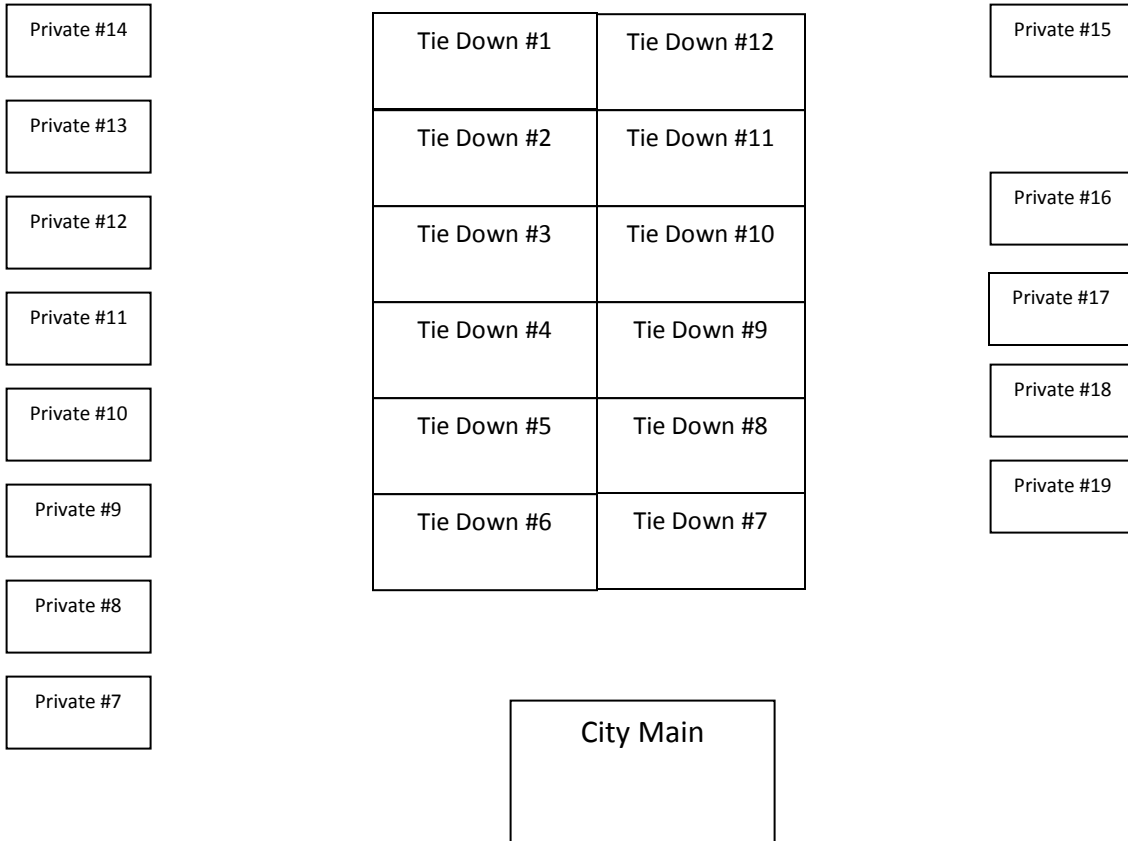
\_\_\_\_\_  
State

\_\_\_\_\_  
Zip

\_\_\_\_\_  
City Attorney

**EXHIBIT A TO HANGAR LICENSE AGREEMENT  
DESCRIPTION OF LICENSED PREMISES**

**Cloverdale Municipal Airport**



City Hangar #3	City Hangar #2	City Hangar #1
City Hangar #4	City Hangar #5	City Hangar #6



Please fill in missing information below or revise incorrect information for our records.

**EXHIBIT B TO AIRPORT HANGAR LICENSE AGREEMENT  
CLOVERDALE AIRPORT RENTER FACT SHEET**

**NAME** \_\_\_\_\_

**AIRMAN'S CERTIFICATE NO.** \_\_\_\_\_

**RESIDENCE ADDRESS** \_\_\_\_\_

**CITY & ZIP** \_\_\_\_\_

**PHONE & EMAIL** \_\_\_\_\_

**NAME OF EMPLOYER** \_\_\_\_\_

**BUSINESS ADDRESS** \_\_\_\_\_

**CITY & ZIP** \_\_\_\_\_

**PHONE & EMAIL** \_\_\_\_\_

**DRIVERS LICENSE NUMBER** \_\_\_\_\_

**LEGAL OWNER OF AIRPLANE** \_\_\_\_\_

**ADDRESS** \_\_\_\_\_

**CITY & ZIP** \_\_\_\_\_

**MAKE** \_\_\_\_\_

**MODEL** \_\_\_\_\_

**YEAR** \_\_\_\_\_

**COLOR** \_\_\_\_\_

**REGISTRATION NUMBER** \_\_\_\_\_

(DO NOT WRITE BELOW THIS LINE)

**SPACE NUMBER** \_\_\_\_\_

**RENTAL FEE** \_\_\_\_\_

## EXHIBIT C TO AIRPORT HANGAR LICENSE AGREEMENT

### MINIMUM INSURANCE REQUIREMENTS FOR AIRPORT LICENSEE

Licensee shall not take possession under this Agreement until Licensee shall have obtained all insurance required under this Exhibit and such insurance shall have been approved by the City Manager as to carrier and sufficiency; nor shall Licensee allow any contractor, unless Licensee has obtained prior written City approval for contractor, to commence work on or within the licensed Premises until all similar insurance required of the Licensee and/or contractor shall have been so obtained and approved. All requirements herein provided shall appear either in the body of the insurance policies or as endorsements and shall specifically bind the insurance carrier.

Licensee shall procure and maintain for the duration of the Agreement all necessary insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Agreement.

#### **A. Minimum Scope of Insurance**

Coverage shall be at least as broad as:

1. Aircraft Liability Insurance Coverage.
2. Such other insurance coverages and limits as may be required by the City of Cloverdale.

#### **B. Minimum Limits of Insurance**

Licensee shall maintain limits no less than:

1. Aircraft Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. Licensee shall procure and maintain for the duration of this Agreement, insurance against claims for injuries to persons or damage to property, which may arise from, or in connection with Licensee's operation and use of the licensed premises. The cost of such insurance shall be borne by Licensee.
2. Such other insurance coverages and limits as may be required by the City of Cloverdale.

#### **C. Deductibles and Self-Insured Retentions**

Any deductibles or self-insured retentions must be declared to and approved by the City of Cloverdale. At the option of the City of Cloverdale, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City of Cloverdale, its officers, officials, employees, and volunteers; or the Licensee shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

#### **D. Other Insurance Provisions**

The required aircraft liability and other applicable insurance policies are to contain, or be endorsed to contain the following provisions:

1. The City of Cloverdale, its officers, officials, employees, agents and volunteers are to be covered as additional insureds as respects: liability arising out of activities performed by

or on behalf of the Licensee; products and completed operations of the Licensee; premises owned, occupied or used by the Licensee. The coverage shall contain no special limitations on the scope of protection afforded to the City of Cloverdale and its officers, officials, employees, agents or volunteers.

2. For any claims related to this Agreement, the Licensee's insurance coverage shall be primary insurance as respects the City of Cloverdale, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the City of Cloverdale, and/or its officers, officials, employees, agents or volunteers shall be excess of the Licensee's insurance and shall not contribute with it.
3. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City of Cloverdale, and its officers, officials, employees, agents or volunteers.
4. The Licensee's insurance shall apply separately to each insured against whom claim is made or suit is brought except, with respect to the limits of the insurer's liability.
5. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by mail has been given to the City of Cloverdale.

**E. Acceptability of Insurers**

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A-VII.

**F. Verification of Coverage**

Licensee shall furnish the City of Cloverdale with original endorsements effecting coverage required by this clause. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements are to be received and approved by the City of Cloverdale before the Agreement commences. The Licensee's insurer may provide complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by the City of Cloverdale.

**INSURANCE REMINDER**

**THE CITY OF CLOVERDALE'S INSURANCE DOES NOT COVER  
ANY OF LICENSEE'S PERSONAL PROPERTY, INCLUDING AIRCRAFT**