

**HANGAR LEASE AGREEMENT FOR
THE HEALDSBURG MUNICIPAL AIRPORT**

**CITY HANGAR # _____
at ___ Heidelberg Way**

This Hangar Lease Agreement (“this Lease”) is made as of the date described below, by and between the CITY OF HEALDSBURG, a municipal corporation, by and through the Airport Commission, owner and operator of the Municipal Airport (hereinafter “City”), and _____ (hereinafter “Lessee”).

PART I – LEASED PREMISES

1. **Leased Area.** City hereby leases to Lessee, and Lessee takes as tenant that improved portion of real property within Healdsburg Municipal Airport described as 705 Heidelberg and incorporated herein by reference (hereinafter referred to as, “the Leased Premises”).
2. **Term.** This Lease shall commence on the ____ day of _____, _____ and continue thereafter on a month-to-month basis until terminated pursuant to paragraph 17, below, or until Lessee is in breach or default of any term or condition of this Lease.
3. **Rental.**
 - a. Lessee shall pay rent to City in the amount of \$ _____ per month. The City of Healdsburg reserves the right to increase rents on July first of each year based on the current consumer price index or 2%, whichever is the greater amount. Lessee will receive at least sixty (60) days prior written notice from the City of any increase in monthly rent.
 - b. Rent is due and payable in advance on the first day of each month. Payments received by City more than fifteen (15) calendar days after the due date shall be considered delinquent and will be subject to a 20% “Late Payment” charge. If any rent payment, including any applicable Late Payment charge, is not received by City by the end of the calendar month in which it is due, Lessee shall be in breach of this Lease and, in such event, this Lease may be terminated by City. Alternatively, City may, at its option, require Lessee to make subsequent rental payments in cash or with a certified cashier’s check. All payments due under this Lease shall be paid by mail or delivery to the City of Healdsburg, Attention: Office of Director of Finance, 401 Grove Street, Healdsburg, CA 95448.
4. **First Payment of Rent and Security Deposit.** Upon execution of this Lease, Lessee will pay to City the sum equivalent to three (3) months rent. One-third of said sum shall be

credited to the rent due for the first month. The other two-thirds of the sum paid shall be held by City as a security deposit for faithful performance of Lessee's duties under this Lease. If Lessee shall default on any of the terms of this Lease, and City chooses to cure the Lessee's default at any expense to City, it may resort to the security deposit for such purpose. In such event, Lessee shall reimburse the security deposit no later than the next rent due date. Any unused security deposit existing at the termination of this Lease that is not already used to offset damage, if any, caused to the Leased Premises by Lessee's use of the Leased Premises, reasonable wear and tear excepted, or that is otherwise used toward outstanding rent, shall be refunded to Lessee within three (3) months after termination.

PART II – USE AND MAINTENANCE

5. **Hangar Use.** This Lease is made for the purpose of storage by the Lessee of an operational, airworthy aircraft or an aircraft that is actively progressing towards becoming operationally airworthy in a City owned aircraft hangar at Healdsburg Municipal Airport. The use of the Leased Premises shall be strictly limited to the storage, routine maintenance, or construction of an operational, airworthy, non-commercial fixed wing aircraft, or other aircraft approved by the City, that is owned or leased by Lessee, along with tools and equipment directly related to Lessee's use of such aircraft. (Note: The aircraft described herein as being approved for storage in a City owned hangar on the Leased Premises is hereinafter referred to as "the Stored Aircraft"). Aircraft that remain in a non-airworthy condition for a period of six (6) months or longer may be required by the city, at its option, to provide documentation from an FAA approved inspector with an inspection authority "IA" license indicating progress towards airworthiness.
6. **Prohibited Use.** The Leased Premises shall not be used for any commercial activity, including, but not limited to, aircraft or equipment maintenance for profit, the storage of any aircraft used in the transportation for hire of goods or persons, or used in flight training for compensation. The Leased Premises shall not be used to store vehicles or to store other personal property items that are wholly unrelated to the operation, repair, or maintenance of the Stored Aircraft without the written approval of the Healdsburg Fire Department.
7. **Maintenance of Premises.** Lessee shall maintain the Leased Premises and stored objects in good condition and repair at all times at Lessee's cost and expense. All areas within Lessee's control and open to public view shall be maintained in a tidy and sightly condition. It is a material consideration of this Lease that Lessee shall keep the land around the Leased Premises clear of fire hazards and storage of any materials that may be unsightly or hazardous. If City incurs any costs for removing unsightly or hazardous material(s) due to Lessee's failure to so maintain the Leased Premises, Lessee agrees to reimburse City for said amounts reasonably incurred.

8. **Utility Services.** Lessee will provide, at Lessee's expense, any utility services required for Lessee's use of the Leased Premises. Mandatory use of one or more City utilities may be required by local, state and/or federal law.
 - a. **Electricity.** Where multi-user electrical installations are in existence, Lessee must obtain approval by all joint users. All work must conform to applicable City codes.
 - b. **Water.** No extension of or connection to existing water services may be made.
 - c. **Gas (Propane).** The storage and use of propane or other gas is prohibited without a permit from the Healdsburg Fire Department (hereinafter, "HFD").
 - d. **Utility Poles.** Installation and/or use of utility poles and lines is subject to City approval and must comply with state and federal regulations.
 - e. **Antennas.** Radio, television, telecommunications or other exterior appurtenances may not be installed without the express written consent of the City.
 - f. **Documentation of Utilities.** Any utility service installed or modified in the course of this Lease shall be documented by Lessee with a copy to City.
 - g. **Security Lighting.** City's Airport Commission shall have the authority to require the installation and operation of security lighting when deemed necessary for the general benefit of the Airport.

PART III – TITLE AND DISPOSITION

9. **Property Abandoned on Premises.** If Lessee leaves any property, personal or otherwise, on the Leased Premises after the termination or cancellation of this Lease, and fails, refuses or neglects, after notice from City, to remove same within thirty (30) days after such termination or cancellation, City, at its option, may treat such property as abandoned, and shall have absolute right of disposal over such property. The cost for removal, if any, may be withheld from any deposit remaining in the account of the Lessee. Lessee hereby waives any and all damages for any loss resulting from disposal of such property. City shall also have the right to remove the Stored Aircraft if the Stored Aircraft is not otherwise removed by Lessee within thirty (30) days of termination of this Lease. If City removes the Stored Aircraft from the Leased Premises following termination of this Lease, Lessee shall be responsible to City for all costs of such removal and subsequent storage.
10. **Termination of Airport Operations.** If, for any reason whatsoever, City ceases to operate the Healdsburg Municipal Airport, Lessee's sole right and remedy shall be to terminate this Lease effective with the date of the cessation of airport operations and to remove Lessee's property within sixty (60) days after receiving notice of such cessation. In such event, City

shall not be liable for any damage, cost, or expense to Lessee relating to the cessation of airport operations.

PART IV – INSURANCE AND LIABILITY

11. Insurance Coverage.

- a. **General Liability.** Lessee shall maintain at all times during the term of this Lease a policy of liability insurance, with a carrier and in a form satisfactory to City, to cover both the Lessee as the primary insured party and City as an additional insured party by endorsement, insured against bodily injury, including death, and property damage for which the Lessee may be liable, with “occurrence” coverage of no less than \$2,000,000 per occurrence for bodily injury, personal injury or property damage.
- b. **Property Insurance.** City, at its own option, may maintain fire and extended coverage on the Leased Premises, but City shall not be obligated to invest any insurance proceeds in the repair or restoration of any improvements damaged or destroyed in any event or occurrence covered by the insurance. City shall not, in any event, be responsible for the loss or damage of such property, or any property of Lessee, whether or not insured.
- c. **Additional Insurance.** Lessee shall provide such insurance coverage in addition to the coverage specified above as Lessee may be required to carry by any state or federal law or regulation or as may be necessary for City to maintain its self-insured coverage. Evidence of such additional insurance shall be provided to City within thirty (30) days after written notice from City to Lessee of the requirement for such additional insurance.
- d. **Other Provisions:**
 - (1) Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers; or the Lessee shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expenses.
 - (2) Insurance required of Lessee under this Lease shall be primary as to any covered loss, debt, or obligation of City. Any insurance or self-insurance maintained by City, its officers, officials, agents, employees or volunteers shall be in excess of Lessee’s insurance and shall not contribute with it.
 - (3) Insurance is to be placed with an insurer with a current A.M. Best rating of no less than A:VII.

- (4) Each insurance policy shall be endorsed to state that coverage shall not be canceled by either party except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to City at the address provided below.
 - (5) Lessee shall furnish the City with original certificates and amendatory endorsements affecting coverage required herein. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required herein.
12. **Indemnity**. To the fullest extent allowed by law, Lessee agrees to save, indemnify, and hold harmless City, its officers, employees, agents, volunteers, and elected and appointed officials from and against any and all claims, demands, damages, liabilities, costs, attorney fees, and all other damage and detriment whatsoever to any person or entity whatsoever, including without limitation the agents, servants, employees, and guests of Lessee, arising out of or related to claims of injury to or death of persons or to claims of damage to the Leased Premises occurring or resulting directly or indirectly from this Lease or Lessee's use or occupancy of the Leased Premises or from Lessee's activities on or about the Leased Premises. Such indemnity shall include, without limitation, the obligation to provide all costs of defense against any such claims, provided that such indemnity shall not extend to any loss arising from City's sole negligence or willful misconduct. In addition, Lessee shall hold and save City harmless and indemnify City of and from any and all loss, cost, damage, injury or expense arising out of or in any way related to claims for work or labor performed, or to claims for materials or supplies furnished to or at the request of Lessee, or in connection with performance of any work done for the account of Lessee on the Leased Premises.
13. **Waiver of Security**. Lessee acknowledges that City provides no continuous security for the Leased Premises nor for the Healdsburg Municipal Airport, and Lessee agrees that neither City nor its officers, servants, employees, agents, volunteers nor its elected or appointed officials shall be liable for any loss of or damage to Lessee's property due to theft, vandalism or forces of nature.

PART V – DEFAULT & TERMINATION

14. **Default Or Breach of Lease**. City and Lessee agree that every condition, covenant and provision of this Lease is material and reasonable. Any breach by Lessee of a condition, covenant or provision of this Lease will constitute a material breach and a default of Lessee's obligations under this Lease, including, but not limited to:
- a. Failure to pay rent, including any Late Payment charge, when due;
 - b. Use of the Premises for any unlawful purpose;

- c. Abandonment of the Leased Premises;
 - d. Assigning or subletting the Leased Premises without the prior written consent of City;
 - e. Committing waste on the Leased Premises;
 - f. Maintaining, committing or permitting the maintenance or commission of a nuisance on the Leased Premises;
 - g. Any material failure to keep the Leased Premises in a sanitary condition or to dispose of all trash and garbage;
 - h. Altering the Leased Premises in any manner, including without limitation, the use of combustible materials on or in the Leased Premises, except as provided herein;
 - i. Failure to perform any other term, covenant or condition of this Lease;
 - j. Storage of an aircraft that does not meet the provisions set forth in paragraph 5 of this document.
 - k. Storage of vehicles or personal possessions except as otherwise permitted herein.
15. **No Waiver of Successive Breach.** The waiver by either party of any breach of this Lease shall not be deemed a waiver of any subsequent breach or of the enforcement of any other provision hereof. Acceptance of delinquent rent or other payment by City shall not be deemed a waiver of any preceding breach or condition of this Lease.
16. **Remedies Are Cumulative.** The rights of each of the parties hereto and remedies hereunder are cumulative, and in addition to any other and all legal rights which either party may have in the event of any default or breach on the part of the other.
17. **Tenancy and Termination.** The tenancy created hereunder is month-to-month. Either party may terminate this Lease by providing sixty (60) days written notice of intent to terminate to the other at the address listed in Paragraph 31, below.

PART VI – GENERAL CONDITIONS

18. **Access by City Inspection.** City and its designated agents, employees and volunteers shall at all times have reasonable access to the Leased Premises for the purpose of inspection and to determine compliance with the provisions of this Lease. The City shall provide 10 days advance notice of the inspection; however, Lessee consents to immediate entry in the case of an emergency based on health and safety concerns.

19. **Assignment and Subletting Prohibited.** Lessee shall not assign any rights under this Lease nor sublet the Leased Premises. Any attempted assignment or sublease shall be void *ab initio* and shall be unenforceable by Lessee.
20. **Single Leasehold.** By executing this Lease, Lessee represents and warrants that he/she does not hold, directly or indirectly, any other hangar lease from City, unless the holding of more than one such lease has been approved by the Healdsburg Airport Commission in writing.
21. **Hazardous Materials.** Lessee shall not keep or store flammable liquids on the Leased Premises, except for the aviation fuel, oil, or other materials contained in the tank or tanks of the aircraft for which the hangar is used. No storage of any pesticides, hazardous, or other combustible materials shall be permitted on the Leased Premises at any time without written approval of Healdsburg Fire Department.
22. **Compliance with Law and Rules.** Lessee shall at its own costs and expense comply with all applicable state, federal and local laws, ordinances, rules and orders of the City of Healdsburg, County of Sonoma, State of California, the United States of America or other authorities pertaining to the operation of the Leased Premises pursuant to the provisions of this Lease whether such laws, ordinances, rules and orders be now in force or hereinafter enacted. The judgment of any court of competent jurisdiction, or the admission by Lessee in a proceeding brought against Lessee by any government entity that Lessee has violated any such laws, ordinances, rules and orders shall be conclusive as between City and Lessee and shall be a grounds for immediate termination of this Lease by City. Additionally, any conduct by Lessee or by Lessee's invited guests in the operation of aircraft in the air or on the ground, or any other conduct which violates any duly promulgated rule or regulation applying to the Healdsburg Municipal Airport or which violates any generally accepted safety standard, or which endangers the safety of persons or property at or in the vicinity of the Healdsburg Municipal Airport shall constitute a default under this Lease and shall be grounds for immediate termination of this Lease by City.
23. **Holding Over; Surrender.** In the event Lessee should hold over after the expiration of this Lease with the consent of City, such holding over shall be deemed a month-to-month tenancy on the same terms, covenants and conditions as herein contained.
24. **Waiver.** Waiver by either party of a breach of any covenant of this Lease will not be construed to be a continuing waiver of any subsequent breach. No waiver by either party of a provision of this Lease will be considered to have been made unless expressed in writing and signed by all parties.
25. **Time.** Time is of the essence of each provision of this Lease.
26. **No Joint Venture or Partnership.** The parties intend by this Lease to establish the

relationship of lessor and lessee only and do not intend to create a partnership, joint venture, joint enterprise, or any business relationship other than that of lessor and lessee. Additionally, nothing contained in this Lease shall be construed to create and the parties do not intend to create any rights in third parties.

27. **Attorney's Fees and Costs.** In the event that either party thereto shall commence any legal action or proceeding, including an action for declaratory relief, against the other by reason of the alleged failure of the other to perform or keep any term, covenant or condition of this Lease, the party prevailing in said action or proceeding shall be entitled to recover, in addition to its court costs, reasonable attorney's fees to be fixed by the court, and such recovery shall include court costs and attorney's fees on appeal, if any. The Court will determine who is the "prevailing Party," whether or not the suit proceeds to final judgment. However, if an action is voluntarily dismissed, or dismissed pursuant to a settlement of the case, neither party will be entitled to recover its attorney's fees.
28. **Governing Law.** This Lease shall be governed by the laws of the State of California.
29. **Binding on Heirs.** The provisions of this Lease shall inure to the benefit of and be binding upon the parties and their respective heirs, legal representatives, successors and assigns. No delay on the part of City or Lessee in exercising any right, power, or privilege shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege constitute such waiver nor exhaust the same, which shall be continuing.
30. **Paragraph Headings.** The headings contained in this Lease are added for the convenience of the parties and are for reference only. Such headings shall not, independently of the text of this Lease, provide any rights or create any obligations not otherwise expressly set forth herein.
31. **Notices.** Notices to City and Lessee shall be given at the following addresses:
- | | |
|--------------------------|----------|
| "CITY" | "LESSEE" |
| City of Healdsburg | |
| Attn: Finance Department | |
| 401 Grove Street | |
| Healdsburg, CA 95448 | |
32. **Waste; Nuisance.** Lessee shall not use the Leased Premises in any manner that will constitute waste, nuisance or unreasonable annoyance to owners or occupants of adjacent properties or other tenants of City. Lessee shall not do anything on the Leased Premises that will cause damage to the Leased Premises or the Healdsburg Municipal Airport.

33. **Complete Agreement.** City and Lessee agree that this instrument contains the entire, sole, and only agreement between them concerning the Leased Premises and correctly sets forth their rights and obligations to each other concerning the Leased Premises as of its date. Any agreement or representations respecting the Leased Premises or the duties of either City or Lessee in relation thereto not expressly set forth in this instrument, or the attachments thereto, is null and void. This Lease may only be modified by a written amendment hereto.
34. **Severability.** In the event that any provision of this Lease is finally held or determined to be illegal or void by a court having jurisdiction over the parties, the remainder of this Lease shall remain in full force and effect unless the parts found to be void are wholly inseparable from the remaining portion of this Lease.

EXECUTED this ___ day of _____, 20__ in Healdsburg, California.

“CITY”

“LESSEE”

Marjie Pettus, City Manager

Attest:

Maria Curiel, City Clerk

EXHIBIT A

Tenant Information

Name: _____ Hangar #: _____

Residence

Address: _____
Street and Number City State Zip

Mailing

Address: _____
Street and Number City State Zip

Phone #: _____ Fax #: _____

Cell Phone: _____

E-Mail: _____

Aircraft Make and Year: _____

Aircraft N#: _____

Pilot License#: _____

EXHIBIT B

Sub-Tenant Information

Sub-Tenant Information: (when applicable)

1.

Name: _____

Mailing

Address: _____
Street and Number City State Zip

Phone #: _____

Aircraft Make and Year: _____

Aircraft N#: _____

Pilot License#: _____

2.

Name: _____

Mailing

Address: _____
Street and Number City State Zip

Phone #: _____

Aircraft Make and Year: _____

Aircraft N#: _____

Pilot License#: _____