FULLERTON MUNICIPAL AIRPORT
AIRCRAFT HANGAR TIEDOWN AGREEMENT

THIS AGREEMENT ("Agreement") made this ******* day of ******, 2013** by and between the City of Fullerton ("CITY") and ****TENANT****, (hereinafter jointly referred to as "TENANT").

1. STORAGE AREA

CITY hereby grants to TENANT the right to store an aircraft registered to TENANT in a Hangar/Tiedown location at Fullerton Municipal Airport known as Space **No. ****** upon the terms and conditions contained herein (hereinafter the "Storage Area"). The aircraft which is to be stored by TENANT in the Storage Area is described as:

Registration No:
Make:
Model:
Year:

The abovementioned aircraft shall be hereinafter referred to as the "Tenant Aircraft".

The Storage Area may also be used for cars, trucks, motor homes, campers, boats, motorcycles, and personal property upon approval by the Airport Manager. Supplies for minimum owner maintenance of the aircraft are allowed. The parking of TENANT'S automobile is permitted at such times as the Storage Area is not occupied by the aircraft. The use of combustible chemicals, welding, or repairs to the fuel system in, or adjacent to, the Storage Area is strictly prohibited. The use of power tools which in any way increase the hazard of fire is prohibited, unless the TENANT first obtains the written permission of the Airport Manager or his/her authorized representative. Notwithstanding anything stated in this Agreement to the contrary, any use of the Storage Area shall conform with all federal, state, and local laws, rules, and regulations, including but not necessarily limited to any applicable FAA rules and regulations, Fullerton Municipal Airport Fire Safety Policies, Fullerton Municipal Code Title 18 Airport Use and Operation, and applicable zoning, building, and fire codes.

The Storage Area is an industrial environment. Water and dust are to be expected during certain weather conditions.

Physical alterations to the Storage Area are prohibited without first obtaining written approval of the Airport Manager. Unauthorized alterations may result in termination of this Agreement.

2. TERM

The term of this Agreement shall commence upon execution by the Airport Manager and shall continue in effect on a month to month basis each month thereafter. In the event the term of this Agreement commences on a day other than the first day of the month, the first month's Rent shall be prorated to reflect the actual period of occupancy for that first month.

3. RENT; SECURITY DEPOSIT

A. TENANT agrees to pay as rent for this Storage Area the sum of ******, **** $$$/Dollars** (**$0000.00**) per month ("Rent") beginning the date of this agreement, and is due and payable in advance on the first day of each month ("Rent Due Date"). The Rent is based on the current fee schedule established by City Council resolution. It is acknowledged by the parties that the Rent will be periodically reviewed and adjusted to reflect the most current fees established by City Council resolution. Said adjustment shall be made by written notice to TENANT. The establishment or modification of airport rental fees shall take place at a public noticed meeting of the City Council, in accordance with the requirements of the Brown Act and local law.

B. TENANT understands and agrees to the provision to CITY of a security deposit in the sum of **Four Hundred Dollars** ($**400.00**).

C. TENANT understands and agrees to the provision of a one time **non-refundable** administrative fee in the amount of **One Hundred Dollars** ($**100.00**), payable to CITY.

4. RENT PAYMENT PROCEDURE

All Rent payments required under this Agreement shall be delivered to the City of Fullerton at City Hall – Administrative Services – 303 West Commonwealth Avenue, Fullerton, California 92832, or at any other location that may be designated by the Airport Manager upon 30 days advance written notice to TENANT. Rent payments are deemed "paid" upon receipt, and TENANT assumes responsibility for any payments lost in the mail.

5. CHARGE FOR LATE PAYMENT, AIRCRAFT LIEN LAW

Payment of Rent, together with any other sums due to the CITY, must be made by the TENANT on or before the Rental Due Date. TENANT acknowledges that the late payment of rent or any other sums due CITY hereunder will cause CITY to incur costs not contemplated by this Agreement, the exact amount of which will be extremely difficult to ascertain. Payment of rent, as specified in clause 3 (RENT), or any other sum due CITY, must be made by the date indicated on the bill or a late charge of ten percent (10%) of the monthly rent, established by current City Council Resolution, shall be added to the payment, and the total sum shall become immediately due and payable to CITY. The additional late charge shall be added for each month the account remains in arrears. If the account remains delinquent for more than three (3) months, an additional $44 fee will be assessed in addition to the 10% late charge to cover the cost of impounding/grounding of aircraft.

TENANT further understands that the Tenant Aircraft described in this Agreement is made expressly subject to the provisions of the California Aircraft Lien Law, California Code of Civil Procedure Section 1208.61 et. seq. ("Aircraft Lien Law"). Tenant understands and is hereby notified that if any Rents, Late Charges, or other amounts owed to the CITY, are not paid in full by the end of the month in which they are due, then in such case the Tenant Aircraft may be grounded, impounded, and/or sold to pay those delinquent fees, subject to the CITY's compliance with the requirements of the Aircraft Lien Law. If the aircraft is properly impounded, grounded, and/or sold under the Aircraft Lien Law, then TENANT agrees to reimburse the CITY for any attorney's fees or other costs it may incur in furtherance thereof.

6. TERMINATION

A. Without Cause. This Agreement may be terminated by either party, with or without cause, upon giving the other party thirty (30) days advance written notice of their intent to terminate. The Airport Manager is authorized to act on behalf of the CITY under this section. Notice to the CITY shall be made to the Airport Manager. Notice to the TENANT shall be given to the address where the rental notice is sent.

B. Cause. This Agreement may be terminated by the CITY for cause in the event of a default of this Agreement by TENANT. The occurrence of any one or more of the following events shall constitute a default by TENANT, subjecting TENANT to termination for cause pursuant to the requirements of this section B:

1. The intentional abandonment or vacation of the Hangar by Tenant. In of an intentional abandonment CITY may take immediate possession of the Storage Area.

2. The failure by TENANT to make any payment of Rent or any other sum payable hereunder by TENANT, as and when due, where such failure shall continue for a period of three (3) days after written notice thereof from CITY to TENANT provided, however, the three (3) day notice shall be in lieu of, and not in addition to, any notice

required under the unlawful detainer statutes California Code of Civil Procedure Section 1161 et seq.

3. The failure by TENANT to obtain and/or maintain the required levels of insurance and endorsements in Section 8 of this Agreement, either for itself or any subtenant, where such failure shall continue for a period of ten (10) days after written notice thereof from CITY to TENANT. Any such notice shall be in lieu of, and not in addition to, any notice required under the unlawful detainer statutes, California Code of Civil Procedure Section 1161 et seq. Notwithstanding the foregoing notice requirement, TENANT understands and agrees that CITY may take action to immediate prohibit TENANT's use of the Storage Area until the required levels of insurance are obtained if CITY, in its absolute discretion, believes such action is necessary in order to protect the public safety or welfare.

4. The failure or inability by TENANT to observe or perform any other provisions of this Agreement where such failure shall continue for a period of ten (10) days after written notice thereof from CITY to TENANT provided, however, that any such notice shall be in lieu of; and not in addition to, any notice required under the unlawful detainer statutes, California Code of Civil Procedure Section 1161 et seq; provided, further, that if the nature of such failure is such that it can be cured by TENANT but that more than ten (10) days are reasonably required for its cure (for any reason other than financial inability), then TENANT shall not be deemed to be in default if TENANT shall commence such cure within said ten (10) days, and thereafter diligently prosecutes such cure to completion.

7. NON-COMMERCIAL ACTIVITY

TENANT shall not conduct any commercial activity on or from the Storage Area, and the aircraft located in said Storage Area shall not be used for any commercial activity, unless a permit for such activity or approval of the Airport Manager is first obtained pursuant to the rules, regulations and ordinances in effect, or affecting, the Fullerton Municipal Airport.

8. INSURANCE AND INDEMNITY

A. Insurance: TENANT shall obtain and maintain at all times during the term of this Agreement, aircraft liability insurance for the above listed aircraft in amounts not less than Five Hundred Thousand dollars ($500,000.00) per occurrence. CITY shall be named as an additional insured on such policy.

B. TENANT shall deliver to the Airport Manager a certificate of insurance evidencing the above insurance coverage. TENANT shall also deliver endorsements to the CITY stating that the CITY, its officers, officials, employees, and agents, have been added as an additional insured on the liability policies, and that the insurance company will not cancel any of the polices without first providing thirty (30) days advance written notice to the CITY.

C. In addition to the above, TENANT acknowledges that any aircraft or other items stored in the Storage Area are stored at TENANT's own risk. CITY shall not be liable for any loss or damage which may occur to aircraft or other items located in TENANT Storage Area. The TENANT is encouraged to obtain all risk Aircraft Hull Insurance, covering the full value of any aircraft that may be located in the Storage Area.

D. Nothing in this section shall be construed as limiting in any way, the Indemnification and Hold Harmless clause set forth below, or the extent to which TENANT may be held responsible for payments of damages to persons or property.

Indemnify and Hold Harmless: TENANT agrees to defend, indemnify and hold harmless the CITY OF FULLERTON, its officers, agents, employees, and volunteers from all loss, cost,

and expense arising out of any liability or claim of liability for personal injury, bodily injury to persons, contractual liability and damage to property sustained or claimed to have been sustained arising out of the TENANT's rental of the Storage Area, or otherwise arising out of the activities of the TENANT or those of any of its officers, agents, or employees, whether such act is authorized by this Agreement or not; and TENANT shall pay for any and all damage to the Storage Area or to any property of the CITY, or for any loss or theft of such property, done or caused by such persons. CITY assumes no responsibility whatsoever for any property placed in the Storage Area. The provisions of this Article do apply to any damage or loss caused solely by the negligence of the CITY or any of its officers, agents or employees.

9. ASSIGNMENT PROHIBITED

This Agreement is personal to TENANT. TENANT shall not assign, sublet, sell, or in any manner transfer this Agreement or the Storage Area, without first obtaining the prior written consent of the Airport Manager. Should TENANT sell, lease, or part with the possession of the Tenant Aircraft, the new owner of the Tenant Aircraft shall have no right to the Storage Area, to the assignment of this Agreement, or to make any new Agreement for the Storage Area.

If TENANT is a corporation, an unincorporated association, limited liability corporation, or partnership, the transfer of any stock, membership interest or other interest in said entity, in the aggregate exceeding twenty-five percent (25%) shall be deemed an assignment within the meaning of this clause.

In the event TENANT sells the Tenant Aircraft, TENANT may continue renting the Storage Area provided TENANT obtains another aircraft of appropriate size within sixty (60) days from the date of sale of the Tenant Aircraft. TENANT must deliver to the Airport Manager proof that the TENANT has obtained a replacement aircraft, and must furnish a copy of the FAA Certificate of Aircraft Registration within ninety (90) days.

10. INSPECTION

CITY or its authorized representative shall have the right at all reasonable times, to inspect the Storage Area to determine if the provisions of this Agreement are being complied with and to have access to Storage Area to make necessary improvements or repairs.

Notwithstanding the foregoing, in the event of an emergency CITY shall have the right to immediate access to the Storage Area in order to abate the emergency. As soon as reasonably practicable, CITY shall notify the TENANT of the entry into the Storage Area.

11. ATTORNEY FEES

In the event either party to this Agreement commences legal action against the other claiming a breach or default of this Agreement, then the prevailing party in such litigation shall be entitled to recover from the other any costs or attorney fees incurred in maintaining their action. Costs shall be as defined in Code of Civil Procedure Section 1033.5.

12. ANNUAL INSPECTION

TENANT certifies that aircraft ******** received its annual inspection as required by the FAA and that this inspection shall become effective by *******, 2013**.

TENANT shall keep its aircraft maintained in accordance with FAA criteria and/or supply proof of annual inspection to the Airport Manager upon reasonable request. TENANT understands that if its aircraft is observed to be inoperable for a period in excess of thirty (30) days, TENANT must, within sixty (60) days after receipt of written notice from the Airport Manager, either (a) furnish proof that said aircraft has been recertified in accordance with FAA criteria and or proof of annual inspection, or (b) furnish proof that the aircraft has been repaired, or (c) remove the aircraft and relinquish the Storage Area.

13. AIRCRAFT AND PROPERTY REMOVAL

TENANT shall remove its aircraft and any and all other personal property including, but not limited to, cars, trucks, motor homes, campers, boats, and motorcycles, and deliver possession of the Storage Area to the Airport Manager in good condition upon termination of this Agreement. If TENANT fails to remove its aircraft and all other personal property upon termination of this Agreement and deliver possession of the Storage Area, the Airport Manager may remove and store the aircraft and all other personal property at the sole cost and expense of TENANT.

TENANT agrees that the Airport Manager may move TENANT's aircraft and all other personal property without notice to TENANT, if necessary, for Airport safety or operations, but that no charge will be made therefore. TENANT agrees that the Airport Manager, or his authorized representative, may enter the Storage Area without TENANT's presence to conduct routine inventory and/or safety inspections. TENANT understands that the Airport Manager reserves the right to relocate said Storage Area upon seven (7) days prior written notice to TENANT of such intent.

14. TAXES AND ASSESSMENT

TENANT recognizes and understands that this Agreement may create a possessory interest subject to taxation and that TENANT may be subject to the payment of taxes levied on such interest. TENANT shall cause said tax or assessment to be paid promptly without reduction in the Rent due CITY hereunder. TENANT acknowledges the existence of such taxes and that they are assessed by the State of California. The TENANT acknowledges that the CITY may be compelled by the State of California to supply information about TENANT and their aircraft to the State.

15. NON-DISCRIMINATION

TENANT, in utilizing the Storage Area, shall not discriminate against any person or class of person by reason of race, color, creed, sex, or national origin, and shall be bound by the requirements imposed by 49 Code of Federal Regulations 21 and as those regulations may be amended from time to time.

16. NOTICES

TENANT agrees to provide notification of any change in address or phone number within ten (10) days of the change.

All notices pursuant to this Agreement shall be addressed as set forth below or as either party may hereafter designate by written notice, and shall be sent through the United States mail to:

CITY:

Airport Manager
4011 W. Commonwealth Avenue
Fullerton, California 92833

TENANT:
Registered Aircraft Owner(s):
Registration Address:
Mailing Address:
Contact Telephone:
Email Contact: