

**Douglas Municipal Airport
Aircraft Hangar Space Rental Agreement**

This Aircraft Hangar Space Rental Agreement (“Agreement”) is made effective as of the date set forth below in Section 1 (“Effective Date”) and is by and between the City of Douglas, an Arizona municipal corporation (“City”) and the Tenant identified in Exhibit A attached hereto (“Tenant”). City and Tenant are referred to herein individually as a “Party”, and collectively, as the “Parties”.

RECITALS

A. City Airport Services: City owns and operates the Douglas Municipal Airport (“Airport”) located in the City of Douglas, Cochise County, Arizona that provides aviation services including aircraft refueling, tie downs and aircraft storage in a hangar located at the Airport (“Hangar”), more specifically described in Exhibit B.

B. Tenant: Tenant is the owner or operator of an aircraft (“Permitted Aircraft”) described in Exhibit A, and Tenant desires to rent from City space in the Hangar at the Airport for storage of the Permitted Aircraft.

C. Rights and Obligations: City agrees to rent to Tenant, space in the Hangar such that Tenant’s Permitted Aircraft can be stored in the Hangar, and Tenant agrees to pay the rates and fees set forth herein and comply with the rules and regulations of the City as may be amended from time to time. This Agreement and all attachments hereto, exhibits, and/or written amendments hereof, state the terms and conditions under which the Tenant shall rent such Hangar space from City, as well as the Parties’ rights and obligations concerning the Hangar space.

NOW THEREFORE, in consideration of the mutual covenants contained herein, the Parties agree as follows:

TERMS AND CONDITIONS:

1. Effective Date and Term. The Effective Date of this Agreement is _____. The term (“Initial Term”) of this Agreement shall commence on the Effective Date and shall continue thereafter for one (1) calendar year.

2. Renewal Term: Notwithstanding the foregoing, this Agreement may be renewed for successive periods of one (1) calendar year (“Renewal Term(s)”) by mutual agreement of the Parties. The Initial Term and any Renewal Term are collectively referred to herein as the “Term.” Any renewal shall be in writing, signed by both Parties, and subject to the terms and conditions of this Agreement and any amendments hereto.

3. Fees:

3.1 Hangar space rental fees (“Fees”) shall be in the amount of **\$130 for a 25’x44 T-hangar and/or \$180 for 25’x65’ T-hangar** per month, plus applicable taxes. After the Initial Term, the Fees are subject to change at the City’s sole discretion. Any change in Fees after the Initial Term shall be effective the first of the month after the Initial Term or Renewal Term, as applicable.

3.2 If the Term of this Agreement shall commence or end on any day other than the first or last day, respectively, of a calendar month, the Fees due hereunder for a portion of such month shall be prorated, and the first payment shall be due on or before the Effective Date hereof.

3.3 The Fees, plus applicable taxes, shall be due and payable to City on the first day of each month and become delinquent ten (10) days thereafter. Payments received after the tenth (10th) day of the month shall be subject to a late charge of \$10.00 per day that will be charged to Tenant on the eleventh (11th) day and every day thereafter until paid in full. Delinquent rent, taxes, and charges also shall be subject to a finance charge

equal to one and one-half percent (1.5%) of the amount due.

3.4 All payments required by this Section 3 shall be remitted to the following address:

City of Douglas
City Treasurer
425 E. 10th Street
Douglas, AZ 85607

or such other address specified in writing by City to Tenant.

4. Compliance: Tenant shall comply with this Agreement, City’s approved and published *Airport Rules and Regulations*, all applicable local, state, and federal laws, statutes, and rules, including environmental laws governing the handling, discharge, release, and dumping of hazardous substances on Airport property, and applicable regulations of the Federal Aviation Administration (“FAA”), all as amended from time to time. In addition, the Tenant named herein shall ensure similar compliance by its agents, employees, invitees, co-owners, or co-operators. City, or its designee, shall have the right to enter the Hangar at any time, in cases of emergency, and otherwise at reasonable times, to inspect the condition of the Hangar and for verifying compliance with this Agreement. The cost of such inspections shall be paid by the City, unless a violation of this Agreement is found to exist or be imminent or the inspection is requested or ordered by a governmental authority. In such case, Tenant shall upon request reimburse City for the cost of such inspection, so long as such inspection is reasonably related to the violation of the Agreement.

5. Insurance:

5.1. *Required Insurance.* Tenant shall procure and maintain the following insurance throughout the Term of this Agreement:

a. *Premises Liability.* *Airport Premises* third party bodily injury and property damage insurance in an amount not less than \$1,000,000 per occurrence, including coverage for “premises/operations” and “products and completed operations.” Coverage pertains to ground activities occurring all or in-part within the Airport Operations Area (“AOA”).

b. *Comprehensive Automobile Liability.*

(i) If operating motor vehicles within the AOA, *Comprehensive Automobile Liability* insurance for all owned, non-owned and hired vehicles operated airside on the Airport in the amount of \$100,000 per occurrence/\$300,000 general aggregate.

5.2. *Proof of Insurance.*

a. Proof of insurance by Tenant shall be provided to City within ten (10) days of the Effective Date. Subject to Section 5.2(b) below, copies of insurance declaration pages issued by insurance companies are deemed suitable documents of proof to identify the motor vehicle covered and limits of coverage assigned thereto.

b. Proof of insurance by Tenant shall: (i) name City as a certificate holder and additional named insured on a primary and non-contributory basis; (ii) contain a provision that written notice of cancellation or modification thereof shall be given to City no later than thirty (30) days before such cancellation or modification takes effect; and (iii) contain a waiver of subrogation in favor of City. Tenant shall not permit any insurance policy to be canceled or modified without City’s written consent unless equivalent replacement policies are issued with no lapse in coverage. All policies shall be obtained from insurance companies licensed and authorized to do business in the State of Arizona and possessing a rating of at least A - VII or higher from the A.M. Best Company or an equivalent rating and approved by City. Said certificate(s) of insurance for each policy shall be delivered to City, in a form acceptable to City, within ten (10) days of the Effective Date and shall continue to provide such certificates throughout the Term of this Agreement.

Tenant's insurance obligations under this Agreement may be satisfied by means of the general corporate "blanket" policies carried by it and evidenced by the insurance carrier's standard certificates thereof.

5.3. *Additional Insurance.* At any time during the Term of this Agreement, City may require Tenant to increase its coverage to commercially reasonable amounts or otherwise as may be specified by City if, in its reasonable determination, the insurance coverage required by this Section is no longer deemed adequate.

6. Motor Vehicle Parking and Operation within the AOA:

6.1 Motor vehicle parking within the AOA (for aircraft parked therein) is permitted in designated locations only. Access to those locations is contingent upon compliance with the *Airport Rules and Regulations*, and relevant insurance requirements. Vehicles shall not be parked airside in any other areas, or in any manner that may interfere with aircraft operations in proximity or otherwise pose a hazard to life or property.

6.2 Vehicles authorized inside the AOA shall require a vehicle permit that shall always be displayed while the vehicle is driven or parked within the AOA. Any vehicle operated without the permit, or with an incorrect permit, is subject to removal from the AOA at the owner's expense and may result in a Notice of Violation ("NOV") and cancellation of the parking permit.

6.3 Vehicles authorized inside the AOA may park for a maximum of thirty (30) days. Vehicles parked longer than thirty (30) days are subject to removal at the owner's expense and may result in an NOV and cancellation of the vehicle permit.

6.4 Vehicles authorized inside the AOA shall be driven only by a licensed driver who has provided appropriate proof of insurance to the City and has been certified by the City to do so. The herein-named Tenant also shall exercise suitable controls and restraints to ensure personal compliance, including that of its employees, agents or invitees.

7. **Aircraft Engine Operation:** No aircraft engine shall be operated in a negligent manner, such that the propeller or engine exhaust blast may cause injury to persons or damage to property.

8. **Aircraft Transportation to and from the Hangar:** Tenant understands and agrees that only Tenant or its authorized employees or agents may move the Permitted Aircraft in or out of the Hangar. The City shall not be responsible for damage or loss to the Permitted Aircraft in connection with moving the Permitted Aircraft in or out of the Hangar. Tenant shall be responsible for any damage or loss to the Hangar in connection with moving the Permitted Aircraft in or out of the Hangar.

9. Property Damage

9.1 City assumes no liability for damage or loss to aircraft or other personal property parked or stored pursuant to the provisions of this Agreement. Aircraft and other personal property are stored at the sole risk of the herein-named Tenant. In addition, any insurance deemed necessary to protect the Permitted Aircraft and/or personal property against fire, theft or damage, or as may otherwise be required by this Agreement, is the sole responsibility of the Tenant.

9.2 Tenant shall have the right to make improvements from time to time following the City's written consent, which the City may withhold in its sole and absolute discretion; provided the same are made in a workmanlike manner and utilizing good quality materials. Tenant shall be responsible for determining whether it is subject to local building codes or building permit requirements, and for compliance with them to the extent they are applicable. All structural, electrical, plumbing or mechanical construction or reconstruction shall conform to City of Douglas construction and technical codes. No such work shall be commenced without first submitting required plans and obtaining required permits from the City. All such work shall be permitted, inspected and approved by the City prior to concealment or use. Tenant shall

promptly pay all entities supplying labor or materials in connection with any construction on the Premises and shall keep the Premises free and clear of liens and claims of lien. All permanent improvements made to the Premises shall belong to the City at expiration or termination of the Lease, or City may require, in its sole and absolute discretion, Tenant to restore property to its previous condition prior to any improvements. All costs associated with such improvements and restorations shall be borne solely by Tenant. Tenant shall have the right to place and install personal property, trade fixtures, equipment and other temporary installations in and upon the Premises, and fasten the same to the Premises. All personal property, equipment, machinery, trade fixtures and temporary installations, whether acquired by Tenant at the commencement of the Lease term or placed or installed on the Premises by Tenant thereafter, shall remain Tenant's property free and clear of any claim by the City. Tenant shall remove all personal property, trade fixtures, equipment and other temporary installations at the end of the Lease Term. If Tenant does not remove such property within thirty (30) days after expiration of Lease, then all Property shall become property of City. All damage to the Premises caused by such removal shall be repaired by Tenant at Tenant's expense.

10. Aircraft Maintenance:

10.1 Only the Permitted Aircraft may be maintained or repaired in the Hangar, and only by Tenant or such other individual as may be approved in writing by City, provided said individual(s) do so in strict compliance with applicable FAA licensing requirements and are approved prior to performing maintenance on the Permitted Aircraft. Tenant expressly agrees to coordinate with City prior to the commencement of maintenance on the Permitted Aircraft to ensure such maintenance does not affect the ingress, egress or quiet enjoyment of the Hangar by other Tenants. In such case where, in City's sole opinion, such maintenance activities may affect other Tenants, City may relocate the Permitted Aircraft in, out or about the Hangar in its sole discretion.

10.2 Notwithstanding the foregoing, the only maintenance that may be performed on the Permitted Aircraft within the Hangar are those maintenance activities an owner pilot is permitted to perform in accordance with 14 CFR Part 43, Appendix A, Subpart C (Preventive Maintenance). Maintenance activities that involve aircraft fuel systems or require the removal of control surfaces or cowlings shall not exceed 48-hour periods unless additional time is authorized in writing by City. If control surfaces or cowlings are removed pursuant to authorized maintenance activities, they shall be stored and secured in such a manner as to preclude them from posing a potential hazard to life, property or aircraft operations in the vicinity.

10.3 No tools shall be stored or used in the parking or storage space, except those tools required for the performance of authorized, Tenant-performed maintenance and repairs.

11. Oil and Gas Spillage. Tenant shall, at its sole cost and expense, be responsible for the cleanup and remediation associated with any oil and gas leakage or spillage in the Hangar or on the Airport property to the extent caused by Tenant, its employees, contractors, agents, subtenants, customers, or invitees. In connection with the leakage or spillage of oil or gas in the Hangar or on the Airport property, the provisions of Section 12 shall apply.

12. Environmental Laws. Tenant, at its own expense, shall ensure that Tenant and Tenant's agents, employees, invitees, and subtenants comply with all present and hereafter enacted Environmental Laws defined herein and any amendments thereto affecting the Tenant's use of the Hangar and presence on the Airport property.

A. Definitions.

(1) "Environmental Laws" means any one or all of the following as the same are amended from time to time: the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6941 et seq.; the Toxic Substance Control Act, 15 U.S.C. § 2601 et seq.; the Safe Drinking water Act, 42 U.S.C. § 300h et seq.; the Clean Water Act, 33 U.S.C. § 1251 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Arizona Environmental Quality Act, A.R.S. § 49-201 et seq.; the Arizona Hazardous Waste Management Act, A.R.S.

§ 49-921 et seq.; the Arizona Underground Storage Tank Regulation statute, A.R.S. § 49-1001 et seq.; and the regulations promulgated thereunder and any other laws, regulations and ordinances (whether enacted by the local, state or federal government) now in effect or hereafter enacted that deal with the regulation or protection of the environment, including the ambient air, ground water, surface water, and land use, including sub-strata land.

(2) “Hazardous material” includes:

(a) Those substances now or hereafter included within the definitions of hazardous substance, hazardous material, toxic substance, regulated substance, or solid waste in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; and the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq.; and in the regulations promulgated thereunder;

(b) Those substances now or hereafter included within the definitions of hazardous substance, pollutant, toxic pollutant, regulated substance, hazardous or solid waste in the Arizona Environmental Quality Act, A.R.S. § 49-201 et seq.; including, but not limited to, the Water Quality Assurance Revolving Fund statute, A.R.S. § 49-281 et seq.; the Hazardous Waste Management Act, A.R.S. § 49-901 et seq.; the Solid Waste Management statute, A.R.S. § 49-701 et seq.; and the Underground Storage Tank Regulation statute, A.R.S. § 49-1001 et seq.;

(c) Those substances listed in the United States Department of Transportation Table (49 C.F.R. § 172.101 and amendments thereto) or by the Environmental Protection Agency as hazardous substances (40 C.F.R. Part 302 and amendments thereto); and,

(d) All substances, materials and wastes that are, or that become, regulated under, or that are classified as hazardous or toxic under any environmental law.

(3) “Release” means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping.

B. Compliance.

(1) Tenant shall not cause or permit any hazardous material to be used or generated, manufactured, produced, stored, brought upon, or released, on, under or about the Hangar or Airport property, or transported to and from the Hangar or Airport property, by Tenant, its agents, employees, contractors, invitees, subtenants, or any third party in violation of any Environmental Law. Tenant shall indemnify, defend and hold harmless City, its successors and assigns, its employees, agents and attorneys from and against any and all liability, loss damage, expense, penalties and costs (including legal and investigation fees or costs) arising from or related to any claim or action for injury, liability breach of warranty or representation or damage to persons or property and any and all claims or actions brought by any party or governmental body, alleging or arising in connection with contamination of, or adverse effects on, the environment or violation of any Environmental Law or other statute, ordinance, rule, regulation, judgment or order of any government or judicial entity which are brought as a result (whether in part or in whole) of any activity or operation on or discharge from the Hangar or Airport property during the term of this Agreement. This obligation includes but is not limited to all costs and expenses related to cleaning up the Hangar and all land, soil and underground or surface water as required under the law. Tenant’s obligations and liabilities under this paragraph shall continue so long as City bears any liability or responsibility under the Environmental Laws for any action by Tenant, its employees, representatives, agents or invitees that occurred on the Hangar or Airport property during the term of this Agreement. This indemnification of City by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of hazardous material located on the Hangar or present in the soil or ground water on, under or about the Hangar or Airport property. The parties agree that City’s right to enforce Tenant’s promise to indemnify is not an adequate remedy at law for Tenant’s violation of any provision of this Section;

City shall have all the rights and remedies set forth in this Agreement as well as all other rights and remedies provided by law.

(2) Without limiting the foregoing, if the presence of any hazardous material on, under or about the Hangar or Airport property, Tenant shall promptly take all actions at its sole cost and expense as are necessary to return the Hangar or Airport property to the condition existing prior to the introduction of any such hazardous material to the Hangar or Airport property by Tenant, its employees, representatives, agents or invitees; 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 effect on the Hangar or Airport property. In the event Tenant shall fail timely to commence or cause to be commenced or fail diligently to prosecute to completion such actions as are necessary to return the Hangar or Airport property to the conditions existing prior to the introduction of any hazardous materials to the Hangar or Airport property by Tenant, its employees, representatives, agents or invitees, City may, but shall not be obligated to, cause such action to be performed, and all costs and expenses (including, without limitation, attorneys' fees) thereof or incurred by City in connection therewith shall be paid by Tenant.

(3) Tenant shall, at Tenant's own cost and expense, make all submissions to, provide all information to, and comply with all requirements of any governmental authority having jurisdiction (the "Government") under the Environmental Laws. Should the government determine that a site characterization, site assessment and/or a cleanup plan be prepared or that a cleanup should be undertaken because of any release of hazardous materials at the Hangar or Airport property by Tenant, its employees, representatives, agents or invitees which occur during the term of this Agreement, then Tenant shall, at Tenant's own cost and expense, prepare and submit the required plans and financial assurances, and carry out the approved plans. At no cost or expense to City, Tenant shall promptly provide all information requested by City to determine the applicability of the Environmental Laws to the Hangar or Airport property, or to respond to any governmental investigation or to respond to any claim of liability by third parties which is related to environmental contamination.

13. Indemnification: To the fullest extent permitted by law, Tenant shall defend, save, indemnify, and hold harmless City, its agents, representatives, officers, directors, officials, and employees, for, from and against all claims, damages, losses and expenses, including but not limited to attorneys' fees, court costs, expert witness fees, and the cost of appellate proceedings, relating to, arising out of, or alleged to have resulted from the Tenant's acts, errors, omissions, or mistakes relating to Tenant's use of the Hangar, the Airport or other actions under this Agreement.

14. Permitted Activity: No commercial or revenue-producing activities shall be conducted from any Hangar, parking or storage space without advance written approval of the City. Tenant's use of the Hangar shall be restricted to only the storage of the Permitted Aircraft and any equipment incidental thereto.

15. Property Rights Not Created: At no time shall this Agreement, its exhibits, attachments, modifications, renewals, or amendments be construed to confer an interest in real property between the City and Tenant, nor shall this Agreement or its performance by the Parties establish a joint venture, partnership or fiduciary relationship. Tenant's rights herein are non-exclusive and in common with other tenants of the City.

16. Assignment: Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, mortgaged, encumbered, or transferred by Tenant.

17. Amendments: This Agreement may be amended only in writing and by mutual consent of both Parties. Notwithstanding the foregoing, the Tenant understands and agrees that the City's approved and published *Airport Rules and Regulations*, all applicable local, state, and federal laws, statutes, and rules concerning the Airport, may be amended from time to time without the consent of the Tenant, and Tenant agrees to comply with such amendments.

18. Termination:

18.1 *Upon Notice.*

a. Tenant may terminate this Agreement by providing not less than sixty (60) days prior written notice to City of such cancellation.

b. City may terminate this Agreement by providing not less than thirty (30) days prior written notice to Tenant of such cancellation.

18.2 *Tenant Default.* If any default by Tenant, its officers, employees, agents, or contractors of any term or condition of this Agreement continues more than ten (10) days after written notification of such default by City, City shall have the right to terminate this Agreement upon written notice to Tenant; provided however, if such default is a result of any violation of the *Airport Rules and Regulations*, or if such default constitutes a danger or hazard to persons or property as determined in the sole discretion of City, City shall have the right to terminate this Agreement immediately by written notice to Tenant. Upon any termination pursuant to this Section 17.2, City shall have no obligation to return any deposits or pre-paid Fees to Tenant.

19. Holding Over; Abandonment:

19.1 *Removal of Aircraft; Fees for Non-Removal.* Upon termination, Tenant shall promptly remove the Permitted Aircraft from the Hangar. For each day the Permitted Aircraft remains parked in the Hangar after the termination of this Agreement, Tenant shall pay the Daily Hangar Fee in the amount of **\$10.00**. For each day the Permitted Aircraft remains parked in the Hangar after the termination of this Agreement, commencing on the thirtieth (30th) day after termination, Tenant shall pay two hundred percent (200%) of the Daily Hangar Fee.

19.2 *Relocation of Aircraft.* Following termination, if the Permitted Aircraft remains in the Hangar, City may tow or relocate (or cause to be towed or relocated) the Permitted Aircraft to other areas on the Airport or off the Airport at the discretion of the City, at Tenant's sole expense. Tenant waives and releases any claims against City for losses or damage to the Permitted Aircraft as a result of such towing or relocation of the Permitted Aircraft.

19.3 *Non-Removal; Abandonment.* If the Permitted Aircraft is not removed from the Hangar within sixty (60) days after the termination of this Agreement, or other arrangements are not made with the City, City may sell the aircraft pursuant to A.R.S. § 33-1023, or it may be deemed abandoned and handled in accordance with A.R.S. § 28-8243.

20. Attorney Fees. If either Party brings an action or proceeding to enforce the terms hereof or declare rights hereunder, the prevailing Party in any such action, proceeding, trial, or appeal shall be entitled to its reasonable attorneys' fees to be paid by the losing Party as fixed by the court.

21. Notice of Lien: City shall have a possessory lien in accordance with A.R.S. § 33-1022 or any other applicable statute from the date rent is unpaid and due, on the Permitted Aircraft and personal property parked or stored pursuant to the provisions of this Agreement. The Permitted Aircraft and personal property may be sold to satisfy the lien if Tenant is in default of this Agreement and has not cured such default in accordance with any applicable cure period. In order to provide notice of any sale to enforce this possessory lien, the Tenant shall disclose any and all lien holders or secured parties having an interest in the Permitted Aircraft and in any other personal property that is stored within the Hangar.

22. Other Notice: City reserves the right to conduct routine and emergency hangar and ramp inspections and pavement maintenance, as required, without prior notice to Tenant, to ensure that hangar, parking and storage spaces are in compliance with this Agreement, remain free of hazards and satisfy all FAA and other regulatory requirements.

23. City Point-of-Contact for this Agreement. City point-of-contact for this Agreement and all communication regarding the information, space requirements, notice of cancellation, and terms and

conditions herein shall be:

City of Douglas
Attn: City Manager
(520) 417-7300
425 E. 10th Street
Douglas, AZ 85607
ana.urquijo@douglasaz.gov

24. Tenant Point-of-Contact for this Agreement. The Tenant point-of-contact for this Agreement and all communication regarding the information, notice of cancellation, and terms and conditions herein shall be:

Enter Company Name/Individual Name, phone number, complete mailing address, and e-mail

25. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective representatives, successors and assigns.

26. Governing Law; Venue. This Agreement shall be construed and interpreted under, and governed and enforced according to the laws of the State of Arizona, without giving effect to the principles of conflicts of law. The parties agree that should any court action be commenced relating to this Agreement, that the Cochise County Superior Court shall be the appropriate and exclusive venue therefore. The parties expressly waive any and all provisions of law providing for a change of venue to any other state or federal court.

27. Dispute Resolution. In the event a dispute arises under this Agreement, Tenant and City agree that there shall be a thirty (30) day moratorium on litigation during which time the Tenant and the City agree to attempt to settle the dispute by non-binding mediation before commencement of litigation. The mediation shall be held under the Commercial Mediation Rules of the American Arbitration Association (“AAA”) but shall not be under the administration of the AAA unless agreed to by the Tenant and the City in writing, in which case all administrative fees shall be divided evenly between the Tenant and the City. The matter in dispute shall be submitted to a mediator mutually selected by Tenant and the City. If the Parties cannot agree upon the selection of a mediator within ten (10) business days, then within five (5) business days thereafter, the Tenant and the City shall request that the Presiding Judge of the Superior Court in and for the County of Cochise, State of Arizona, appoint the mediator. The mediator selected shall have at least ten (10) years of experience in mediating or arbitrating disputes relating to commercial property. The cost of any such mediation shall be divided equally between the Tenant and the City. The results of the mediation shall be nonbinding with either Tenant or the City free to initiate litigation upon the conclusion of the latter of the mediation or of the thirty (30) day moratorium on litigation. The mediation shall be completed in one day (or less) and shall be confidential, private, and otherwise governed by the provisions of A.R.S. § 12-2238, to the extent allowed by the Arizona Open Meetings Law, § 38-431 et. seq.

28. Conflict of Interest. This Agreement is subject to the conflict of interest provisions set forth in A.R.S. § 38-511.

29. Entire Agreement. The Agreement, including the City’s *Airport Rules and Regulations*, contains the entire agreement between City and Tenant. No prior oral or written agreements, contracts, proposals, negotiations, purchase orders, or master agreements (in any form) are enforceable between the

parties.

30. Provisions Required by Law. Each and every provision of law and any clause required by law to be in the Agreement shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the Agreement shall forthwith be physically amended to make such insertion or correction.

31. Severability. The provisions of this Agreement are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the Agreement, which may remain in effect without the valid provision, or application.

32. Protection of City Property. Tenant shall avoid damaging City property, including but not limited to, the runway, taxiways, buildings, equipment, and vegetation (such as trees, shrubs, and grass). If Tenant damages City’s property in any way, Tenant shall immediately repair or replace the damage at no cost to City.

33. No Waiver. No provision in this Agreement shall be construed, expressly or by implication, to waive either party’s existing or future claim, right, or remedy available by law for breach of contract. The failure of either party to insist on strict performance of any Agreement term or condition; to exercise or delay exercising any right or remedy provided in the Agreement or by law; or to accept materials, services, or Tenant’s services under this Agreement or imposed by law, shall not be deemed a waiver of any right of either party to insist upon strict performance of the Agreement.

ACKNOWLEDGMENT:

By Tenant’s signature, Tenant declares that all information provided above is true and correct, and that Tenant has read, understands, and agrees to abide by the terms of this Agreement. Tenant further acknowledges any failure to comply with those provisions shall be considered a breach of this Agreement and Tenant’s right to occupy the Hangar authorized by this Agreement shall be canceled and appropriate charges applied.

Executed as of the Effective Date:

CITY:
City of Douglas, an Arizona municipal corporation

TENANT:
[insert Tenant name]

By: _____

By: _____ Name:

Name: .

Title: _____ Date:

Title:

Date: _____

Exhibit A

I. TENANT INFORMATION:

| | | | |
|--------------------|---------|-------|-------|
| Name: | | | |
| Billing Address: | | | |
| | | | |
| Telephone Numbers: | Office: | Home: | Cell: |
| Email Address: | | | |
| Date Submitted: | | | |

II. AIRCRAFT INFORMATION:

| | |
|---|----------|
| Year: | |
| Manufacturer: | |
| Model: | |
| Aircraft Square Footage (Length x Wingspan/Rotor Arc) | |
| Registration Number: | |
| Aircraft Owned by Business or Partnership? (check one) <input type="checkbox"/> YES <input type="checkbox"/> NO | |
| Business Name: _____ | |
| Lien Holders & Secured Parties (if any – provide name and address; if none, please write “None”): | Name: |
| | Address: |
| | |
| | Name: |
| | Address: |
| | |

FOR OFFICIAL USE ONLY

| | |
|------------------------|---------------------------|
| Name of Tenant: | Aircraft Registration No. |
| Aircraft Manufacturer: | Aircraft Model: |

| | | |
|--|------------------------------|------------|
| Rental Location: | Assigned Space: | |
| Rental Rate/Mo. (plus tax): | Initial Fee Amount: | Date Paid: |
| Agreement Start Date: (From Section IIA) | Agreement Cancellation Date: | |

Exhibit B

Real Property located within the Douglas Municipal Airport, parcel 410-01-00500 with the following coordinates:

COMMENCING at the monument marking the intersection of the centerlines of Tenth Street and Airport Road which lies on the West line of said Section E4;

Thence at an angle to the right 90 degrees 34 minutes 18 seconds to said line which is S 81 degrees 40 minutes 52 seconds E a distance of 1315.72 feet into the point of beginning.

Thence N 0 degrees 15 minutes 10 seconds W a distance of 150.00 feet;

Thence N 89 degrees 44 minutes 50 seconds E a distance of 300.00 feet;

Thence S 0 degrees 15 minutes 10 minutes E a distance of 150.00 feet;

Thence S 89 degrees 44 minutes 50 seconds W a distance of 300.00 feet to the point of beginning, said parcel containing 1.033 acres more or less.

