



Santa Barbara Airport

T-HANGAR LICENSE AGREEMENT

No.

This T-Hangar License Agreement is hereby entered into as of this 1st day of _____, 2013, by and between the City of Santa Barbara (City) and _____ (Licensee). In consideration of the mutual covenants contained herein, City and Licensee agree as follows:

1. T-Hangar

The City of Santa Barbara hereby grants Licensee a revocable license to store the identified aircraft in the indicated T-Hangar.

T-Hangar No. (T-Hangar)

Disabled Accessible

Aircraft Make and Model

 N

FAA Registration (Tail) Number

2. Identification of Permitted Aircraft and Qualified Aircraft Owner.

a. Permitted Aircraft.

i. Permitted Aircraft. The aircraft identified above is hereinafter referred to as the Permitted Aircraft. This License is granted for the purpose of storage of the Permitted Aircraft only in the T-Hangar. The Permitted Aircraft must occupy the T-Hangar at least once every ninety (90) days. No aircraft other than the Permitted Aircraft shall be stored in the T-Hangar. Licensee must demonstrate ownership of the Permitted Aircraft as required by the T-Hangar Rules and Regulations.

ii. Replacement of Permitted Aircraft. Licensee may replace the Permitted Aircraft with prior written approval by the Airport Director. To obtain such approval, Licensee shall provide to the Airport Director the T-Hangar number, Aircraft Make and Model, and FAA registration number for the replacement aircraft and ownership documentation. Approval of the proposed replacement aircraft shall be at the sole discretion of the Airport Director. If approval is granted to replace the Permitted Aircraft, the Permitted Aircraft must be replaced within ninety (90) days with the approved replacement aircraft.

If approval to replace the Permitted Aircraft is issued, this License shall be amended to reflect the replacement aircraft as the Permitted Aircraft. Such a change shall not result in an assignment as prohibited by Section 16 of this License. Failure to store the Permitted Aircraft, timely replace the aircraft, obtain approval for such replacement aircraft, or failure to amend this License, shall result in the termination of this License.

b. Qualified Aircraft Ownership. Only Qualified Aircraft Owners as defined in the T-Hangar Rules and Regulations may be T-Hangar Licensees.

3. Identification of Licensee

Licensee shall identify each owner of the Permitted Aircraft and notify the Airport Director of any changes in ownership as described in the T-Hangar Rules and Regulations.

4. Aircraft Airworthiness

A Permitted Aircraft must maintain an airworthy status as defined in the T-Hangar Rules and Regulations.

5. Use and Permitted Activities in T-Hangar

a. Permitted Uses. The T-Hangar shall be used for the storage of a single, airworthy, Licensee-owned (or exclusively leased), aircraft.

6. Term

This License shall commence on the effective date set forth in Section 1 above, and shall continue from month-to-month thereafter, unless terminated pursuant to the provisions of this License.

7. T-Hangar Fee

a. T-Hangar Fee. Licensee shall pay City a monthly fee in the amount of seven hundred eight dollars (\$729.00). Said fee shall be payable in advance on or before the first day of each calendar month, exclusive of any and all charges for utilities. The fee shall be considered delinquent if not paid by the fifth (5th) calendar day of the month. The fee for partial months shall be prorated based on a thirty-day month. Licensee shall pay such fee to the City, without abatement, deduction or offset whatsoever in lawful money of the United States of America, addressed to P.O. Box 1990, Santa Barbara, California 93102-1990, or to such other person or at such other place as City may from time to time designate by notice to Licensee.

b. Annual Adjustment. The monthly fee amount shall be subject to annual adjustment effective upon the anniversary of the effective date of this License (adjustment date) each year. Monthly fee amounts shall be adjusted to reflect the percentage increase of the Consumer Price Index – All Urban

Consumers (Los Angeles-Riverside-Orange County, CA, All Items, Base 1982-84-100) as published by the United States Department of Labor, Bureau of Labor Statistics (hereinafter referred to as the "Cost-of-Living Increase"). In the event the index specified above is not available, the Bureau of Labor Statistics shall be requested to supply a formula for conversion of the index to an existing index and said formula shall be the basis for computation for the fee increase. If the parties are unable to agree on the new index supplied by the Bureau of Labor Statistics, then a substitute index shall be selected by the City.

The amount of the Cost of Living Increase under this Article 7. "T-Hangar Fee" shall be computed by determining the percentage increase of the standard Cost-of-Living index during the one-year period ending in the month of _____preceding the Adjustment Date. After said percentage is determined, the rent for the month of the Adjustment Date shall be increased by said percentage and the increased amount shall be the new monthly minimum base rental. However, no adjustment to the monthly Rent on any Adjustment Date shall be less than three percent (3%) or more than eight percent (8%) of the monthly Rent in effect immediately prior to the Adjustment, provided, however, in the event that Airport in its sole discretion determines that, notwithstanding the above, the T-Hangar rate is comparable to rates charged on the field and at other airports of similar size in Southern California, City may, subject to approval by Airport Commission, waive the annual rate increase. Licensee shall be notified of such waiver in writing by Airport.

8. Utilities

Licensee agrees to pay all electrical service and use charges incurred as a result of Licensee's use of T-Hangar. Electrical utility charges shall be Ten Dollars (\$10) per month or the actual usage, whichever is greater, and will be billed on Licensee's monthly invoice in addition to the T-Hangar fee.

Electrical rates will be adjusted annually on the Adjustment Date as defined in Article 7(B) above.

9. Charge for Late Payment (Liquidated Damages)

Licensee acknowledges that the late payment of fees or any other sums due hereunder will cause City to incur costs not contemplated by this License, the exact amount of which will be extremely difficult to ascertain. Accordingly, if any fee or any other sum due City is not received by City within five (5) days of the due date, a late charge of one and one-half percent (1.5%) of the payment due shall be added to the payment, and the total sum shall become immediately due and payable to City. An additional charge of one and one-half percent (1.5%) of the delinquent payment (exclusive of late charges) shall be added for each additional month or portion thereof that said payment remains unpaid.

Licensee and City hereby agree that such late charges represent a fair and reasonable estimate of the costs that City will incur by reason of Licensee's late payment. Acceptance of such late charges (and/or any portion of the delinquent

payment) by City shall not constitute a waiver of Licensee's default with respect to such overdue payment, or prevent City from exercising any of the other rights and remedies granted hereunder.

Late payments are considered a Default in the terms of the agreement. Two or more defaults in a twelve (12) month period may result in termination of this License as specified in Section 18, "Termination".

10. Security Deposit

On or before the effective date of this License, Licensee shall deposit with City a security deposit in a form acceptable to the Airport Director, in an amount equal to **three (3) month's fee**, as security for Licensee's faithful performance of its obligations under this License. City may use, apply or retain all or any portion of the security deposit for the payment of any amount due City or to reimburse or compensate City for any liability, expense, loss or damage which City may suffer or incur. If City uses or applies all or any portion of the security deposit, Licensee shall, within ten (10) days after written request therefore, deposit monies with City sufficient to restore the security deposit to the full amount required by this License.

As the fee increases during the term of this License, Licensee shall, upon written request from City, deposit additional monies with City so that the total amount of the security deposit shall at all times bear the same proportion to the increased fee as the initial security deposit bore to the initial fee.

City shall not be required to keep the security deposit separate from its general accounts. No part of the security deposit shall be considered to be held in trust, to bear interest or to be a prepayment of any monies to be paid by Licensee under this Agreement. City shall return any unused portion of the security deposit within thirty (30) days of Licensee's vacation of the T-Hangar.

11. Airport Security and Access

Licensee shall comply with all applicable federal, state and local Airport security and access requirements and policies, as updated or implemented from time to time. Licensee is responsible for ensuring that Licensee's employees, agents and guests comply with all applicable Airport security and access requirements and policies.

12. Maintenance

Licensee shall keep and maintain the T-Hangar in good order, condition and repair and shall be responsible for making all necessary repairs, except as such maintenance obligations are expressly assumed by City. Licensee shall make such repairs at its sole cost and expense. City shall keep and maintain in good order, condition and repair the exterior of the T-Hangar, including doors, and the common areas of the building in which the T-Hangar is located, exterior pavement and exterior lighting. City shall not be responsible for repairing or replacing any exterior

surface, including doors, damaged as a result of any act or omission of Licensee. City shall provide maintenance and custodial services for restroom facilities associated with the T-Hangar complex.

13. Surrender of T-Hangar

Licensee shall surrender the T-Hangar with all parts and surfaces broom clean and free of debris, and in good operating order, condition and repair, ordinary wear and tear excepted, at the expiration or termination of the license. Ordinary wear and tear shall not include any damage or deterioration that would have been prevented by good maintenance practice.

14. Insurance

a. Required Insurance Coverage. Licensee shall maintain and keep in force during the term of this License, for the mutual benefit of City and Licensee, at Licensee's sole cost and expense:

(1) General Liability Insurance with limits established in the T-Hangar Rules and Regulations for each occurrence combined single limit for bodily injury and property damage. Coverage thereunder shall include bodily injury, owners' protection, fire legal, and broad form property damage coverage.

(2) Automobile Liability Insurance for all vehicles which enter the airfield with limits established in the T-Hangar Rules and Regulations for each occurrence combined single limit for bodily injury and property damage.

b. General Insurance Policy Requirements

(1) All insurance required in this section shall be enacted under valid and enforceable policies in form and substance satisfactory to City issued by insurers satisfactory to City and authorized to do business in the State of California. Such insurance shall apply as primary and not in excess of or contributing with any insurance that City may carry. The policies required shall name City, its officers, employees and agents as additional insured. Licensee's insurance policies shall apply separately to each named or additional insured as if separate policies had been issued to each. Licensee's insurance, as required by this License, shall not be subject to cancellation or material reduction without at least thirty (30) days prior written notice to the City. Licensee shall furnish to City a Certificate of Insurance evidencing that the above requirements have been met on or before the commencement of this License and upon the renewal of each policy.

(2) City shall retain the right to review at any time the coverage, form and amount of insurance required hereby. If, in the opinion of City, the insurance provisions in this License do not provide adequate protection for City and for members of the public using the T-Hangar, City may require Licensee to obtain insurance sufficient in coverage, form and amount to provide adequate protection. City's requirements shall be reasonable but shall be designed to

assure protection from and against the kind and extent of the risks that exist at the time a change in insurance is required.

(3) The procuring, or City waiver, of such required policy or policies of insurance shall not be construed as a limit to Licensee's liability hereunder or to fulfill the indemnification provisions and requirements of this License. Notwithstanding said policy or policies of insurance, Licensee shall be obligated for the full and total amount of any damage, injury or loss caused by negligence or neglect connected with this License or with use or occupancy of the T-Hangar.

15. Indemnity

Licensee shall investigate, defend, indemnify and hold harmless the City, its officers, agents and employees from and against any and all loss, damage, liability, claims, demands, detriments, costs, charges, and expenses (including reasonable attorney's fees) and causes of action of whatsoever character which City may incur, sustain, or be subjected to on account of loss or damage to property or loss of use thereof, or for bodily injury to or death of any persons (including but not limited to property, employees, subcontractors, agents, and invitees of each party hereto) arising out of or in any way connected with Licensee's or Licensee's employees, guests or invitees use or possession of the T-Hangar or use of the Airport property.

16. Assignment

Licensee shall not sublet, assign or otherwise transfer or encumber its interest in this License either voluntarily or by operation of law. A change of control of Licensee shall constitute an assignment.

If Licensee is (a) a corporation, the stock of which is not publicly traded over a national exchange, or (b) an unincorporated association, limited liability company or partnership, the transfer, assignment or hypothecation of any stock or ownership interest, or voting control in such corporation, association, limited liability company or partnership in the aggregate in excess of fifty percent (50%), whether in one or in multiple transactions, shall be deemed an assignment for purposes of this Section. Notwithstanding the above, the transfer, assignment or hypothecation of any stock or ownership interest, or voting control of a corporation, association, limited liability company or partnership in the aggregate, whether in one or in multiple transactions, such that less than fifty percent (50%) of the stock or ownership interest, or voting control of such corporation, association, limited liability company or partnership remains in the original Licensee to this License, such transfer, assignment or hypothecation of any stock or ownership interest, or voting control of a corporation, association, limited liability company or partnership shall be deemed an assignment for purposes of this Section.

17. T-Hangar Rules and Regulations

The T-Hangar Rules and Regulations, incorporated herein as though set forth in full and attached hereto as Exhibit A, set forth the rules and regulations for the use and occupancy of the City's T-Hangars and the surrounding Airport property. Licensee shall at all times, at its sole cost and expense, abide by this License, all applicable federal, state and local laws, including without limitation, the T-Hangar Rules and Regulations as they may be modified from time to time.

18. Termination

a. This License is revocable. Either party may terminate this License with or without cause and for any reason upon thirty (30) days written notice to the other party at the address shown in Section 25 ("Notices") hereof.

b. Termination Upon Two or More Defaults. In the event City issues two (2) or more notices of Default to Licensee in any twelve (12) month period, City may terminate Licensee's right to possession of the T-Hangar by any lawful means, in which case this License and the term hereof shall terminate and Licensee shall immediately surrender possession of the T-Hangar to City. In such event, City shall be entitled to recover from Licensee:

(1) The worth at the time of award of any unpaid rent and other charges which had been earned at the time of such termination; and

(2) Any other amount necessary to compensate City for all the detriment proximately caused by Licensee's failure to perform its obligations under this License or which in the ordinary course of things would be likely to result therefrom, including, but not limited to, any costs or expenses incurred by City in maintaining or preserving the T-Hangar after such default, preparing the T-Hangar for re-letting to a new Licensee and any repairs or alterations to the T-Hangar.

19. Waiver

No waiver of default by either party of any term, covenant or condition shall be construed as a waiver of any other term, covenant or condition or of any subsequent default or breach of the same or any other term, covenant or condition to be kept and observed by the other party. The consent or approval by one party to the act of the other party shall not be deemed to waive or render unnecessary the need for consent or approval of any subsequent, similar act.

20. Property Rights Not Created

Nothing in this License shall be construed or deemed to constitute a grant of an interest in real property, to grant a lease, to convey an estate, or to vest property rights in Licensee. Nor shall this License or its performance be interpreted to create a landlord/tenant, partnership, agency, joint venture, bailment, trust or fiduciary relationship between City and Licensee.

21. Possessory Interest/Taxes

Pursuant to Section 107.6 of the California Revenue and Taxation Code, City states that Licensee's interest in the T-Hangar may be subject to property taxation on the possessory interest created by this License. Licensee agrees to pay, before delinquency, all lawful taxes, assessments or charges, including taxes on Licensee's possessory interest, which, during the term hereof, may be or become a lien or may be levied upon the real property, improvements or personal property situated upon the T-Hangar, or upon the subject matter of this License.

22. Inspection

City's officers, employees and agents, shall have the right to enter the T-Hangar at any time, in the case of an emergency, and otherwise at reasonable times, for the purpose of inspecting the condition of the T-Hangar and for verifying compliance of Licensee with this License.

23. Removal of Aircraft.

Any Aircraft occupying a T-Hangar in violation of the Santa Barbara Municipal Code, this License, local, state or federal law, or the T-Hangar Rules and Regulations, shall be removed by its owner from the T-Hangar within forty-eight (48) hours of the date of written notification by the Airport Director that the Aircraft must be removed. An Aircraft not timely removed from the T-Hangar may be removed by the Airport Director and moved to any other place on the Airport without liability for damage to the Aircraft or other property that may result from such removal. All cost and expense of moving the Aircraft shall be paid by the Aircraft owner. Once moved to another location on the Airport, the Aircraft owner shall remove the Aircraft from the Airport within three (3) days of its removal from the T-Hangar. If, after such time, the Aircraft is not removed from the Airport, the Airport Director may commence lien sale proceedings as provided by law.

24. Federal Aviation Administration Requirements.

In addition to the foregoing terms, covenants and conditions of this License, the following covenants and agreements are hereby made an integral part of this License by reason of the requirements of the Federal Aviation Administration:

- a. **Future Development.** City reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or view of the Licensee, and without interference or hindrance.
- b. **Right to repair.** City reserves the right, but shall not be obligated to Licensee to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the Airport, together with the right to direct and control all activities of the Licensee in this regard.
- c. **Subordinate to right of United States Government.** This Agreement shall be subordinate to the provisions and requirements of any existing or future

agreement between City and the United States, relative to the development, operation or maintenance of the Airport.

d. Right of flight. There is hereby reserved to City, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the T-Hangar. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from or operation on the Santa Barbara Municipal Airport.

e. Approach protection. Licensee agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the T-Hangar site, or in the event of any planned modification or alteration of any present or future building or structure situated on the T-Hangar site.

f. Maximum elevation, right to cure. Licensee by accepting this License Agreement expressly agrees that it will not erect or permit the erection of any structure or project, nor permit the growth of any tree on the land licensed hereunder which would constitute an obstruction to air navigation or penetrate any FAR Part 77 protected surface.

g. Interference with Operations. Licensee by accepting this Agreement agrees that it will not make use of the T-Hangar in any manner, which might interfere with the landing and taking off of aircraft from the Santa Barbara Municipal Airport or otherwise constitute a hazard.

In the event the aforesaid covenant is breached, City reserves the right to enter upon the T-Hangar and cause the abatement of such interference at the expense of Licensee.

h. War or National Emergency. This License and all the provisions hereof shall be subject to whatever right the United States Government now has or in the future may have or acquire, affecting the control, operation, regulation and taking over of said Airport or the exclusive or non-exclusive use of the Airport by the United States during the time of war or national emergency.

25. Notices

All notices required or permitted by this License shall be in writing and may be delivered in person (by hand or by messenger or courier service) or may be sent by regular, certified or registered mail with the U.S. Postal Service, with postage prepaid, and shall be deemed sufficiently given if served in the manner specified herein. If such notice is intended for City, it shall be addressed to:

Airport Director
Airport Department
601 Norman Firestone Road
Santa Barbara, CA 93117

and if intended for Licensee it shall be addressed to:

or to such other address as either party may have furnished to the other in writing as a place for the service of notice. Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no date is shown, the postmark thereon. If sent by regular mail, the notice shall be deemed given forty-eight (48) hours after the same is addressed as required herein and mailed with postage prepaid. Notices sent by overnight courier services that guarantee next day delivery shall be deemed given twenty-four (24) hours after delivery of the same to the courier. If notice is received on Saturday, Sunday or a legal holiday, it shall be deemed received on the next business day.

26. Animals

Licensee shall comply with section 18.08.170 of the Santa Barbara Municipal Code regarding animals on Airport property, including the T-Hangar.

27. Time

Time is of the essence of this License and all of the terms and covenants hereof are conditions.

28. Representation of Authority

The individual who executes this License represents that he or she is fully authorized to enter into this License and is authorized to bind all individuals and/or entities with a financial interest in the Permitted Aircraft to the terms and conditions of this License.

29. Complete Understanding and Amendments

This License sets forth all of the agreements and understandings of the parties and any modification must be written and properly executed by both parties.

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

**CITY OF SANTA BARBARA,
a Municipal Corporation**

_____,

Karen Ramsdell
Airport Director

Signature

APPROVED AS TO CONTENT:

Print Name

Hazel Johns
Assistant Airport Director

APPROVED AS TO FORM:
Stephen P. Wiley
City Attorney

Sarah J. Knecht
Assistant City Attorney

APPROVED AS TO INSURANCE:

Risk Manager