



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



Santa Barbara Airport

EXHIBIT "A"

T-HANGAR RULES AND REGULATIONS

I. APPLICABILITY

The T-Hangar Rules and Regulations apply to the twenty-four (24) T-Hangars owned and managed by the City of Santa Barbara. The term "T-Hangar" as used herein refers to the T-Hangar defined in Section 1 of the T-Hangar License.

II. T-HANGAR LICENSE

Prior to occupancy of a T-Hangar, an aircraft owner that is qualified as required by Section II A herein, must have been issued a T-Hangar License by the Airport Director. The T-Hangar License is a month-to-month agreement that allows storage of the Permitted Aircraft, identified in Section 1 of the T-Hangar License, by a qualified aircraft owner in a T-Hangar. As such, it is not a lease, nor do the state law provisions applicable to a lease or landlord and tenant apply to a City T-Hangar License.. These T-Hangar Rules and Regulations shall be attached to and a part of the T-Hangar License.

A. Qualified Aircraft Owner

A T-Hangar License may be issued to a Qualified Aircraft Owner only. A Qualified Aircraft Owner is defined as a person or entity with an ownership interest in the aircraft that is intended to be the Permitted Aircraft (as defined in Section II C herein). An ownership interest in a Permitted Aircraft must be demonstrated by providing the following documents to the Airport Director: (i) a current copy of the FAA Certificate of Aircraft Registration listing the person or entity as the registered owner of the aircraft, (ii) a valid aircraft lease naming the person or entity as the exclusive lessee, or (iii) documentation demonstrating that the person or entity has an equitable ownership interest in the aircraft sufficient to give that person or entity sole possession and control of the Aircraft. Qualified Aircraft Owner status must be demonstrated to the satisfaction of the Airport Director prior to the occurrence of the following events: (i) execution of a T-Hangar License, (ii) substitution of the Permitted Aircraft, (iii) no later than the first day of January each year, or (iv) as requested by the Airport Director. When the Airport Director requests demonstration of Qualified Aircraft Owner status, the Licensee must provide the requested documentation to the Airport Director within 30 days of the date of such request.

Failure to submit satisfactory documentation to demonstrate Qualified Aircraft Owners status as defined herein may, in the sole discretion of the Airport Director, result in either non-issuance of the License or termination of the License upon written notice.

B. Identification of Licensee

Qualified Aircraft Owners may be issued T-Hangar Licenses if they are natural persons, corporations, an LLC, or partnerships. If a prospective licensee is other than a natural person, prior to execution of a License, the prospective licensee must provide the Airport Director with a current copy of the prospective licensee's articles of incorporation, bylaws, partnership agreement or other equivalent documentation identifying, to the satisfaction of the Airport Director, the licensee's individual participants.

In the event a change to Licensee's structure occurs during the term of a T-Hangar License, no later than thirty (30) days after such change, Licensee shall notify the Airport Director of any change in the status of the Licensee. Such a change may result in a prohibited assignment of the License and termination of the License.

C. Permitted Aircraft; Airworthy

The aircraft designated as the permitted aircraft ("Permitted Aircraft") is the only aircraft that may be stored by the T-Hangar Licensee in the T-Hangar. A Permitted Aircraft must be airworthy.

To be airworthy, an aircraft owner must produce current records documenting successful completion of a required annual airworthiness condition inspection conducted by an inspector certified by the FAA. The Airport Director may, at any time, require a T-Hangar Licensee to demonstrate that the Permitted Aircraft is airworthy. A Licensee must produce the required documentation within 30 days of the date that the Airport Director requests such demonstration.

Storage of an Aircraft in a T-Hangar that does not comply with the airworthy standard, or a Licensee's failure to submit appropriate documentation when requested by the Airport Director may, in the sole discretion of the Airport Director, result in termination of the T-Hangar License. Aircraft that are not airworthy shall be removed from the T-Hangar as provided in these Rules and Regulations and the License.

III. T-HANGAR ALLOCATION, SELECTION AND REASSIGNMENT

T-Hangars will be allocated according to the T-Hangar Waiting List Rules and Regulations. A T-Hangar Licensee may select any available T-Hangar for use in accordance with the T-Hangar License and the T-Hangar Rules and Regulations. Six of the T-Hangars are accessible to persons with disabilities. The T-Hangar Accessibility Guidelines shall govern reassignment, if necessary, of T-Hangars to accommodate T-Hangar Licensees or prospective licensees with disabilities.

IV. T-HANGAR USE AND MAINTAINENCE

A. T-Hangar Use. The T-Hangar may be used only for the storage of a Permitted Aircraft, allowable support equipment and preventive maintenance. The following are examples of allowable support equipment: tow bar, battery trickle charger, vacuum cleaner and small air compressor for use by the Licensee. Other support equipment not included in this list may be approved by the Airport Director in writing prior to storage in the T-Hangar by the Licensee.

Preventative maintenance, as outlined in FAR Part 43 Appendix A (c), as updated from time to time, except as prohibited by these Rules and Regulations, may be performed on the Permitted Aircraft inside the T-Hangar. No other maintenance may be undertaken in the T-Hangar.

Licensee's T-Hangar may contain one refrigerator, not to exceed 6 cubic feet in size.

B. Pilot Lounge Use Licensee shall have use of the Pilot Lounge during the term of his agreement. Keys will be issued only to those individuals listed as users of the designated aircraft and must be returned to Airport Administration at the conclusion of Licensee's tenure. Lost or unreturned keys will result in Licensee being charged for the actual cost of re-keying the Pilot Lounge, including parts and labor.

C. Fire Safety Requirements

Licensee shall, at all times, comply with applicable provisions of the Uniform Fire Code (UFC) and applicable standards of the National Fire Protection Association (NFPA), including, but not limited to, the following:

1. Equip and maintain T-Hangars with metal drip pans under the engines of all aircraft stored or parked in the T-Hangar. (UFC, Section 2401.7)
2. Combustible materials stored in the T-Hangar may be stored in approved locations and containers only. (UFC, Section 2401.12)
3. Equip and maintain T-Hangars with metal, metal-lined or other approved containers equipped with tight-fitting covers for oily rags and similar materials. (UFC, Section 1103.2.1.3)
4. Equip and maintain T-Hangars with a portable fire extinguisher having a minimum rating of 2A10BC. Fire extinguishers must be mounted in a visible and accessible location in the T-Hangar. (UFC, Section 2401.13)
5. Store, a maximum combined total of ten (10) gallons of flammable and/or combustible liquid, not including fuel and oil stored in the Permitted Aircraft's fuel tank and engine, in the T-Hangar.

6. All extension cords used in the T-Hangar must meet all requirements of Fire Code Section 605.5, including:

605.5 Extension cords. Extension cords and flexible cords shall not be a substitute for permanent wiring. Extension cords and flexible cords shall not be affixed to structures, extended through walls, ceilings or floors, or under doors or floor coverings, nor shall such cords be subject to environmental damage or physical impact. Extension cords shall be used only with portable appliances.

605.5.1 Power supply. Extension cords shall be plugged directly into an approved receptacle, power tap or multiplug adapter and, except for approved multiplug extension cords, shall serve only one portable appliance.

605.5.2 Ampacity. The ampacity of the extension cords shall not be less than the rated capacity of the portable appliance supplied by the cord.

605.5.3 Maintenance. Extension cords shall be maintained in good condition without splices, deterioration, or damage.

605.5.4 Grounding. Extension cords shall be grounded when serving grounded portable appliances.

The Fire Department considers any extension cord that has been in place for more than 90 days a "permanent" installation. Tenants who require constant power in locations other than those provided must follow the procedures for alterations.

7. No barbecuing may take place on the ramp without prior written permission from the Airport Director.

C. Spill Prevention and Storm Drain Requirements:

1. Licensees shall immediately clean-up spills inside and around the T-Hangar. Each T-Hangar shall be equipped with a spill clean-up kit consisting of:

- o 20 lbs. absorbent material – e.g. floor dry;
- o Natural fiber broom and non-metallic dust pan; and
- o Waste container (described above).

2. Fuel spills that:

- o Are continuous in nature;
- o Cover an area in excess of 50 square feet;
- o Are over 10 feet in any dimension; or
- o Pose a hazard to persons or property.

MUST BE REPORTED VIA 911 or 681-4803 (Airport Security Operations Center) IMMEDIATELY.

3. All absorbent materials used to clean-up Hazardous Material (defined in Section IV A herein) spills, including fuel and oil, must be stored, transported and disposed of as Hazardous Material waste.

4. Licensees shall comply with all National Pollution Discharge Elimination System (NPDES) requirements applicable to the Santa Barbara Airport and the terms of any other applicable laws, rules and regulations relating to storm water discharge.

D. Line Services and Aircraft Fueling

The City of Santa Barbara WILL NOT provide line services of any kind, including fueling for aircraft stored in the T-Hangars. The Permitted Aircraft may be fueled or serviced by any entity authorized by the Airport Director to perform such activities on the Santa Barbara Airport airfield. Aircraft may not be fueled or de-fueled inside the T-Hangar.

E. Alterations, Improvements and Maintenance of T-Hangar.

1. Alterations and Improvements to T-Hangar. Licensee shall make no alterations, additions or improvements to the T-Hangar without the prior written consent of the Airport Director. All alterations, additions and improvements made to the T-Hangar without the required consent of the Airport Director shall be immediately removed at the sole cost of the Licensee.

Upon the expiration or termination of the T-Hangar License, Airport Director, in his or her sole discretion, shall determine whether the permitted alterations, additions or improvements made to the T-Hangar shall be removed. In instances where removal is not required by the Airport Director, the Licensee may either surrender ownership and leave the alteration, addition or improvement or remove the alteration.

Licensee shall repair any damage to the T-Hangar, at its sole cost and expense, caused by Licensee's installation, maintenance or removal of any alterations, additions or improvements on the T-Hangar.

Any appliance approved for use under this T-Hangar License that requires continuous current must be plugged directly into a grounded outlet. If no such outlet is within reach of the appliance, Licensee shall request permission from the Airport Director to install permanent conduit and a new grounded outlet. Such installation shall be done by a licensed electrical contractor at Licensee's sole cost and expense.

2. Maintenance of T-Hangar. Licensee shall at all times keep the T-Hangar free and clear of all litter, garbage, debris and refuse and in an orderly condition. Licensee shall maintain electrical loads within the designed capacity of the electrical system. Any increase in the electrical load that will exceed the system's capacity shall require the prior written consent of the Airport Director.

3. 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 could have been prevented by good maintenance practice.

V. PROHIBITED T-HANGAR STORAGE AND USES

A. Storage of the following items and materials in the T-Hangar is prohibited:

1. Storage of aircraft other than the Permitted Aircraft.
2. Storage of items not directly related to the allowable maintenance and operation of the Permitted Aircraft.
3. Parking or storage of motor homes, campers, trailers, boats, or other items of personal property in or around the T-Hangar except those permitted by these Rules and Regulations or the License.
4. Storage of files, books, records or other paper items in or around the T-Hangar.
5. Storage of Hazardous Materials, except those specifically permitted by these Rules and Regulations. "Hazardous Materials" means any chemical, substance, object, condition, material, waste, or controlled substance which is or may be hazardous to human health or safety or to the environment, due to its radioactivity, ignitability, corrosiveness, explosivity, flammability, reactivity, toxicity, infectiousness, or other harmful or potentially harmful properties or effects, which is regulated in any manner by any federal, state, or local government agency or entity, or under any federal, state, or local law, regulation, ordinance, rule, policy or procedure due to such properties or effects.

B. The following activities are prohibited in and around the T-Hangar.

1. Aircraft repair, assembly, alterations, overhauls and maintenance, except as otherwise allowed, in and around the T-Hangar.
2. Rent, lease, sublet, transfer or assignment of the T-Hangar or any portion thereof.
3. Use of the T-Hangar for any commercial purpose, including, but not limited to, charter services as defined in FAA Part 135, aircraft rental, service, or flight instruction.
4. Aircraft fuel or de-fuel inside of the T-Hangar.
5. Aircraft engine operation inside the T-Hangar.
6. Hazardous activities, as determined in the sole discretion of the Airport Director, including, but not limited to, welding, painting, doping, opening fuel lines or the application of Hazardous Materials.

7. Aircraft and equipment washing in or around the T-Hangar. (Licensee shall utilize public aircraft wash rack facilities in accordance with applicable rules.)
8. Human occupancy, including, but not limited to, sleeping, in the T-Hangar.
9. Vehicular maintenance, including, but not limited to, wash, wax, clean or repair vehicles in or around the T-Hangar.
10. Open flames or other sources of ignition, including but not limited to, smoking, inside the T-Hangar or other restricted areas of the Airport.
11. Display of any exterior signs or advertising material.
12. Use of extension cords inside the T-Hangar, unless such use strictly complies with all applicable fire code requirements. Any extension cord must be a UL listed plug strip with over-current protection. Plug strips may not be plugged into each other, and only one plug strip is allowed per electrical outlet.
13. Discharge or cause discharge of any material into an Airport storm drain system or watercourse or on any Airport surface.
14. Impede parking, ingress or egress for aircraft, vehicles, or pedestrians using the Airport or other T-Hangars.
15. Modify existing T-Hangar wiring or install additional outlets or fixtures.
16. Paint, remove, deface, modify, bend, drill, cut or otherwise alter or modify any part of the T-Hangar, including roof, doors, walls, ceiling and floor.
17. Attach hoist or hold mechanism (i.e. chainfall, winch, block, tackle or any other hoisting device) to any part of the T-Hangar or passing any such mechanism over the struts or braces therein.

VI. VEHICLE ACCESS AND PARKING

A. Vehicle Access to Airfield. Vehicular access to the airfield, including access to the T-Hangars, is permitted only with display of a valid Santa Barbara Airport Airport Operations Area (AOA) access permit. Vehicle access to the T-Hangar is limited to the immediate area surrounding the T-Hangar. Licensee may park a vehicle displaying a valid AOA access permit inside the T-Hangar while the Permitted Aircraft is in use. The Airport Director may, at any time, and in any manner, limit, withdraw or change airfield access that may be permitted with a valid AOA access permit.

B. Vehicle Parking.

1. Licensee, or its employees, agents and invitees may park vehicles in the designated street-side T-Hangar parking areas when the T-Hangar, or the Permitted Aircraft, is in use. Licensee is responsible for compliance with all Airport rules and regulations by all of its employees, agents, and invitees. If Licensee commits, permits or allows any violation of these rules, either by itself or any of its employees, agents or invitees, City shall have the right, without notice, and in addition to such other rights and remedies that it may have, to remove or tow away the vehicle. Licensees shall be responsible for all costs and charges as may be imposed by the City or any other regulatory body due to such violation. All such costs shall be immediately paid to City.

2. No vehicle parking is allowed on Airport ramps, taxiways or unpaved areas of the airfield at any time.

3. The City is not responsible for any damage to vehicles, injury to persons or loss of property that may occur while parking or using vehicles on Airport property. All risk is assumed by the party using the parking area.

4. All vehicle parking privileges are subject to change, and may be limited or withdrawn at any time by the Airport Director as Airport security policies are changed or updated from time to time.

VII. REQUIRED INSURANCE LIMITS AND INDEMNITY

Licensee shall provide liability insurance coverage and indemnification of the City as required by these Rules and Regulations and the License Agreement. Minimum insurance coverage and limits shall be:

General Liability Insurance with limits of not less than One Million Dollars (\$1,000,000) for each occurrence combined single limit for bodily injury and property damage.

Automobile Liability Insurance with limits of not less than One Million Dollars (\$1,000,000) each occurrence combined single limit for bodily injury and property damage.

VIII. REMOVAL OF AIRCRAFT.

Any Aircraft occupying a T-Hangar in violation of the Santa Barbara Municipal Code, the 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.

IX. GENERAL REQUIREMENTS.

A. Bailee Disclaimer

Licensee acknowledges and agrees that City has granted permission for use of the T-Hangar only for the purposes allowed in and in accordance with the provisions of the License. By entering into the License, City is not agreeing in any manner to accept obligations or responsibility for the safekeeping of the Aircraft or other property of Licensee or Licensee's agents, contractors, officers, employees or invitees. The License is not a contract for bailment and City in no manner whatsoever purports to be a bailee.

B. Reservation of Rights

City reserves the right to modify these requirements or adopt such other reasonable requirements as the Airport Commission may determine to be necessary for the proper operation of the T-Hangar upon thirty (30) days written notification to the Licensee.

C. Conflict with License

In the event of a conflict between the Rules and Regulations and the terms and conditions of the License, the terms of the License shall control.

Effective Date: November 18, 2009

Supersedes: June 14, 2006