



WATSONVILLE MUNICIPAL AIRPORT - AVIATION STORAGE UNIT MONTH-TO-MONTH RENTAL PERMIT EXHIBIT "D"

This AVIATION STORAGE UNIT MONTH-TO-MONTH RENTAL PERMIT ("Permit") is entered into as of this ____ day of _____, 20____, by and between the Watsonville Municipal Airport ("Airport"), an enterprise fund of the City of Watsonville ("City"), and _____ ("Occupant"). As used herein, the term "Parties" will refer to Occupant and City, acting on behalf of Airport.

RECITALS

City owns and operates the Airport within the jurisdictional boundaries of City.

Occupant desires to rent an Aviation Storage Unit ("Unit") at the Airport for the purpose of storing an aircraft, other aircraft related property and storage of other property approved in advance by City, all in compliance with Airport Regulations (as defined below).

Occupant understands Airport is federally funded and obligated to comply with all Federal Aviation Administration ("FAA") regulations, among other laws, as described herein.

NOW, THEREFORE, in consideration of the foregoing which are incorporated herein by reference, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

Occupant Information					
Occupant:					
Address:					
City:		State:		Zip:	
Phone:			Alt Phone:		
Email Address:					
Account#:					

1. OCCUPANCY. City hereby licenses to Occupant, and Occupant hereby licenses from City, Unit _____ [add alpha-numeric reference] at the Airport, which is referred to as a _____ [add description – Nested T Hangar, Mini-Hangar, Middle Room, End Room, Corporate Hangar, Boxed Hangar], as shown on ATTACHMENT A attached hereto and incorporated herein by reference. Occupant licenses from City, for parking only, Tie Down space number _____ [add number], as shown on ATTACHMENT B attached hereto and incorporated herein by reference.



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2. PERMITTED USE.

a. **Aircraft.** Pursuant to this Permit, the Unit may be used by Occupant only for storage of the particular aircraft(s) described on ATTACHMENT C (Aircraft of Record Registration and Documentation Checklist) attached hereto and incorporated herein by reference (“Aircraft”), and associated aeronautical equipment and supplies, minor maintenance/repair related property, and otherwise for ancillary aeronautical uses as permitted by applicable law. Any incidental non-aeronautical use of the Unit shall not interfere with the primary aeronautical uses of the Unit, nor impact fire safety compliance.

b. **Additional/Substitute Aircraft.** If Occupant desires to store an additional or a substitute aircraft in the Unit, Occupant shall deliver advance written notice to Airport, which notice shall include identification of the subject aircraft, a confirmation of the FAA Aircraft Registration Certificate for the new or additional aircraft, and copies of the insurance certificates required pursuant to Section 14 of this Permit. Airport may grant a reasonable period for submission of replacement aircraft documentation when evidence of ownership and insurance has been provided. Following Airport’s receipt and approval of each of the foregoing, this Permit shall be automatically amended to reflect such additional or substitute aircraft, and the term “Aircraft,” as used herein, shall be deemed to mean the new aircraft or the existing Aircraft plus the additional aircraft(s).

c. **Other Stored Aircraft.** Any aircraft parked or stored in the Unit for more than five (5) days, which need not be consecutive, in any twelve (12) month period, shall be subject to all terms and conditions of this Permit, including, without limitation, Section 2.b above.

d. **Ownership Interest.** Occupant shall have and maintain a bona fide ownership interest in any Aircraft stored within the Aviation Storage Unit, as evidenced by the applicable FAA Aircraft Registration Certificate or other documentation reasonably acceptable to the Airport. Persons who own or are acquiring an aircraft for the purpose of flight training may satisfy the requirement through documentation acceptable to Airport management. Ownership interest established primarily for the purpose of obtaining, transferring or retaining occupancy of an Aviation Storage Unit shall not satisfy this requirement. Nothing in this section shall affect eligibility for assignment of an Aviation Storage Unit,



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which shall continue to be governed by the Airport's established Hangar Wait List procedures.

e. **No Outside Storage.** No storage of airplanes, boats, cars, motorcycles, trucks, trailers or mobile homes is permitted outside of the Unit or anywhere on the Airport, except within designated parking areas for vehicles or aircraft.

f. **No Business Activity.** No commercial or business activity of any kind shall be conducted or allowed by Occupant in, from or around the Unit. Nothing in this Section prohibits Occupant from performing maintenance, repair, restoration, refurbishment, inspection, or fueling activities on Occupant's own Aircraft, provided such activities comply with Airport Regulations and applicable law. Nothing herein authorizes the provision of aeronautical services to the public or the operation of any commercial activity from the Unit.

3. **TERM.** This Permit shall commence on _____ ("Commencement Date") and shall constitute a month-to-month occupancy, which may be terminated by City or Occupant upon delivery of thirty (30) days' written notice. The permit remains subordinate to Airport Regulations, Municipal Code and FAA obligations.

4. **CONDITIONS PRECEDENT TO OCCUPANCY.** Prior to occupying the unit, Occupant shall present to airport the following: (a) aircraft registration and/or proof of ownership, (b) written evidence that the Aircraft is airworthy, or if not airworthy, documentation reasonably acceptable to the airport demonstrating a plan for repair, restoration, reconstruction, or construction and continued progress toward airworthiness. linked to, and incorporated by reference through ATTACHMENT D, and (c) certificates of all insurance required in Section 14, and any other aircraft documentation requested by city or airport.

5. **CONTINUED OCCUPANCY/STORED AIRCRAFT.** Occupant agrees that if Occupant ceases to use the Unit for a period of ninety (90) days for storage of the Aircraft (with the exception of Middle Rooms and End Rooms) described on ATTACHMENT C, this Permit shall immediately and automatically terminate. The Aircraft shall be deemed to remain in use for purposes of this Section while temporarily removed from the Unit for maintenance, repair, overhaul, inspection, restoration, avionics installation, paint work, or similar aeronautical purposes, provided Occupant notifies Airport upon request and demonstrates reasonable progress toward return of the Aircraft. If at any time while Occupant is in possession of the Unit, the Aircraft is not airworthy, Occupant shall demonstrate reasonable and continual progress toward restoring or maintaining



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the aircraft in an airworthy condition in accordance with Airport regulations. Occupant must demonstrate to City continual progress on repairing, restoring, reconstructing or constructing the Aircraft in accordance with the Airport Regulations. If City or Airport determines, in either of their reasonable discretion, that such progress is not being made, City or Airport may deliver to Occupant a termination notice requiring Occupant to vacate the Unit no later than thirty (30) days from the date of the notice.

6. PERMIT FEE AND ADDITIONAL FEES.

a. **Permit Fee.** Beginning on the Commencement Date, Occupant shall pay as set out in the then current "Airport Rate and Fee Schedule" ("Permit Fee"). Occupant shall timely pay to City the Permit Fee, without notice or demand and without deduction or setoff of any amount for any reason. In the event any Permit Fee payment is not received by City by the tenth (10th) day after it is due, Occupant shall pay, without notice, late charges in the amount of the then current City late charge fee for each month and each partial month that the payment remains unpaid.

b. **Additional Fees.** As used in this Permit, the term "Additional Fees" shall mean all sums of money that are due and payable by Occupant under the terms of this Permit, other than the Permit Fee. The term "Fees," as used herein, shall mean the Permit Fee and, Additional Fees and all other amounts payable hereunder by Occupant. Unless otherwise specified herein, all Fees (except the Permit Fee) shall be due and payable by Occupant on or before the date that is thirty (30) days after billing by City. If any Additional Fees are paid late, Occupant shall pay, without notice, the late charge described in Section 6.a.

c. **Security Deposit.** Upon execution of this Permit, Occupant shall pay to City a security deposit for the faithful performance of Occupant's obligations under this Permit in the amount of _____ and 00/100 Dollars (\$_____) ("Security Deposit"). If Occupant fails to pay any charges due hereunder, or otherwise defaults under this Permit, City may use, apply or retain all or a portion of the Security Deposit to compensate City for the amount due by Occupant (including reasonable attorneys' fees) under this Permit. The security deposit may be applied only to: (i) unpaid Permit Fees or Additional Fees, (ii) repair of damage to the Unit caused by Occupant or Occupant's invitees, agents, or contractors, and (iii) cleaning of the Unit necessary on termination. The City shall provide Occupant an itemized accounting of any amount retained, with any balance refunded, within thirty (30) days after termination. Nothing in this Section limits the City's right to recover attorneys' fees by separate claim where



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otherwise permitted by law or this Permit. The balance of the Security Deposit not applied or used by City as permitted in this Section 6.c shall be refunded to Occupant thirty (30) days after the later of (i) expiration or other termination of this Unit, or (ii) the date Occupant vacates the Unit in the condition required under this Permit.

d. **Reprocessing Fee.** If payment remitted by check or other negotiable instrument is presented for payment and denied for insufficient funds, such payment shall be subject to a reprocessing fee. Thereafter, future payments must be made by certified check or cashier's check.

e. **The Permit Fee** shall be established and adjusted by the City Council as part of the Airport Rate and Fee Schedule. Airport Management is authorized to implement such adjustments in accordance with the methodology approved by the City Council

7. RIGHT OF FLIGHT. City and its successors and assigns, hereby reserves 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 Airport. This public right of flight shall include the right to cause, within the airspace, any noise that is inherent in the operation of any aircraft used for navigation or flight through the airspace or landing at, taking off from, or operating on the Airport.

8. SURRENDER.

a. **Condition of Surrender.** Upon the expiration or earlier termination of the Permit, Occupant shall surrender the Unit clean, free of debris and, in substantially the same condition as on the Commencement Date, reasonable wear and tear excepted, and clear of all liens and encumbrances created by any action or inaction of Occupant. City shall not be responsible for the value, preservation or safekeeping of Occupant's property that is not removed by Occupant from the Unit. Occupant shall pay City, upon demand, the expenses and storage charges incurred for any such property.

b. **Inspection.** Upon termination or expiration of this Permit, the Unit will be inspected, and Occupant shall be liable for any and all damage to the Unit caused by Occupant's use, including, but not limited to, damage to the apron immediately adjacent to or outside the Unit due to fuel or oil spillage or



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contamination from Hazardous Materials or Toxic Substances, as both are defined in Section 19.a.

c. **Lien.** In the event Occupant does not remove its property from the Unit, including removal of the Aircraft, within fourteen (14) days of the termination or expiration of this Permit, Occupant's property will be subject to a claim of lien and may be sold to satisfy any lien if any Permit Fee, Additional Fees or other charges due from Occupant remain unpaid, as authorized by the California Self-Service Storage Facility Act. Any lien sale under this Permit shall be conducted in compliance with the notice, opposition, and procedural requirements of the California Self-Service Storage Facility Act, and shall be subject to the priority of any security interest in the Aircraft recorded with the FAA Aircraft Registry under 14 CFR Part 49, the priority of which is governed by federal law.

9. COMPLIANCE WITH LAWS AND REGULATIONS. Occupant agrees to comply with all of the following applicable to the Unit, the Airport and its use thereof, including, without limitation: (a) City of Watsonville Municipal Code, Chapter 18, Section 17 relating to the Airport ("Airport Code"), (b) Airport Regulations, Article Two – Aviation Storage Units, (c) FAA Assurances – Airport Sponsors, and (d) all applicable ordinances, rules and regulations established by any federal, state or local government agency exercising jurisdiction over, as amended from time to time.

10. SAFE USE OF AVIATION STORAGE UNIT; DAMAGE TO PREMISES.

a. **Safety.** Occupant agrees to make no unlawful, offensive or noxious use of the Unit. No explosives, loaded firearms, volatile or flammable chemicals or other property which would materially increase the hazard of fires shall be stored at the Unit; provided, however, that up to ten (10) gallons of aircraft fuel may be stored within the Unit on a temporary basis in connection with self-service maintenance activities. No Aircraft shall be refueled while the Aircraft is within a Unit. Any refueling shall occur outside and away from the Unit and fuels shall not be stored at the Unit, except as provided above and in the fuel tanks internal to or affixed to the stored Aircraft. If any Aircraft requires a special grade/type of fuel not provided by City and/or a Specialized Aviation Support Operator ("SASO"), all rules and regulations governing the private, non-commercial self-fueling of aircraft, as set out in the Airport Code, section 7 – 18.203, shall be followed.



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b. Invitees. Occupant shall control the conduct and demeanor of its invitees, agents, and their invitees and agents, in and around the Unit and Airport and shall take all steps necessary to remove persons who violate Airport Regulations, applicable law, or who present a safety, security, or operational concern. Occupant shall be responsible for all damage to the Unit caused by the acts, omissions, negligence or willful misconduct of Occupant and its invitees, and their invitees, including repair the apron in front of the Unit due to fuel spillage. In the event Occupant does not promptly repair any damage to the Unit or Airport for which Occupant is responsible, City reserves the right, in addition to any other rights or remedies available to City, to make such repairs, at Occupant's expense, the cost of which shall become due and payable within ten (10) days of billing from City.

11. SECURITY.

a. Measures. City shall implement such security measures at the Airport as it deems reasonably appropriate, and as required by any other governmental agency. Occupant agrees that City is not responsible for the security of the Aircraft or any property located in or on the Unit or Airport.

b. Security Gate. Occupant shall enter the Airport through the security gate using Airport issued card, fobs and/or unique codes, as provided by City. Occupant shall not distribute Airport-issued access credentials, cards, fobs, or access codes to any unauthorized individual or entity. If Occupant provides any gate cards/code to unauthorized individuals, it shall be considered a material breach of this Permit. Any fees required for access credentials shall be set by the Airport and be the responsibility of the Occupant. This Permit does not separately authorize unescorted entry to the Air Operations Area, through the Security Gate. All unescorted access to the Air Operations Area requires a valid Airport-issued access credential.

c. Layered Security. Airport utilizes a layered access-control system that may include individualized credentials, key cards, key fobs, temporary access credentials, and access codes. The Airport may monitor access activity through video surveillance and electronic access records.

12. AS-IS; MAINTENANCE OF UNIT; COMPLIANCE WITH AIRPORT REGULATIONS



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Occupant accepts the Unit in its "as-is" condition, and agrees to maintain the Unit in a clean and orderly condition at all times, and in accordance with California Department of Industrial Safety and Fire Codes and other applicable laws. Occupant shall be responsible for clean-up and maintenance due to fuel or oil spills. Occupant shall become familiar with and shall at all times abide by the Airport Regulations relating to use of the Unit, and in particular Occupant shall adhere to the following:

- a. Taxiing in and out of Unit is strictly prohibited.**
- b. The portion of the Aircraft containing the fueling ports must be out of Unit for fueling.**
- c. All electrically powered tools and equipment shall be maintained and operated in accordance with applicable electrical, fire and safety regulations.**
- d. No priming or painting is permitted in Units except for minor touch ups.**
- e. Paints, solvents, thinners and other flammable liquids or materials will be used only when the Unit door is completely open to provide ventilation.**
- f. Combustible materials must be stored in National Fire Protection Association, approved containers and closed.**
 - i. There shall be no open flames or welding in the Unit.**
 - ii. There shall be no smoking in the Unit.**
 - iii. The Unit shall be organized so that an Aircraft can be moved into and out of the Unit at all times without obstruction.**
 - iv. Occupant shall not permit any accumulation of oily rags, paper, rubbish, or other debris, nor overload electrical circuits, that could increase the risk for fire.**

13. ALTERATIONS. Occupant shall not without the prior written approval of City: (a) alter any existing fixtures or improvements, (b) alter the Unit walls, floor, ceiling or electrical system in any manner, (c) hang anything from ceiling, walls, beams, doors, or fixtures in Unit, or (d) add fixtures or improvements or modify the Unit. All work approved by City shall be conducted at Occupant's sole cost and expense. Trade fixtures, tools, equipment, shelving, and similar personal property installed in the Unit by Occupant at Occupant's expense shall remain Occupant's property and may be removed by Occupant on termination, provided Occupant restores the Unit to substantially its condition at the commencement of this Permit, reasonable wear and tear excepted. Structural alterations or permanent improvements — including modifications to walls, roof, doors, electrical, mechanical, — may be installed only with



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the City's prior written approval and, on termination, shall become the property of the City without compensation unless the parties have agreed otherwise in writing. All fixtures, improvements and additions made in or upon the Unit, whether by City or Occupant, shall become City's property and shall remain in or upon the Unit at the expiration or termination of this Permit without any compensation being paid by City to Occupant.

14. INSURANCE.

a. **Insurance Coverages.** Occupant shall obtain and maintain the following insurance coverages from financially solvent insurance carriers authorized to conduct business in the State of California prior to the Commencement Date and throughout the term of this Permit:

i. **General liability insurance, inclusive of aircraft liability and premises liability,** with a single limit for bodily injury and property damage of \$1,000,000.00 per occurrence with the exception of per aircraft passenger sub-limits of \$100,000.00, insuring Occupant's liability against death and bodily injury to persons, including invitees and passengers, and damage to property.

ii. **Automobile liability insurance** shall be maintained for vehicles operated by Occupant on Airport property or within the Airport Operations Area, with minimum limits of not less than \$100,000.00 bodily injury limits per person, \$300,000.00 bodily injury limits per occurrence, and \$50,000.00 for damage to the property of other people.

b. **Certificates of Insurance.** City shall be furnished duly executed certificates of insurance reasonably acceptable to City of all required insurance prior to the Commencement Date and, upon renewal of each policy. Occupant shall immediately notify Airport of any cancellation, lapse, material modification, or non-renewal of required insurance coverage. Occupant shall provide the certificates of insurance with additional insured endorsement in favor of City on or before the Commencement Date and the expiration date of Occupant's existing insurance policy. An administrative processing fee in the amount as posted on the then current Airport Rate and Fee Schedule will be charged if any certificate of insurance is not received by City on or before the Commencement Date or renewal date. Except with respect to auto coverage, City shall be named as an additional insured. The insurance policies of Occupant upon which City is required to be named an additional insured shall further provide at least thirty (30) days advance written notice to City and Occupant of any material change, cancellation, non-renewal or changes adverse to the interest of City or Occupant.



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c. **Sufficiency of Insurance.** The insurance limits required by City are not represented as being sufficient to protect Occupant. Occupant is advised to consult its insurance broker to determine adequate coverage for Occupant.

d. **Waiver of Subrogation.** All policies shall expressly waive the underwriter's and insurance carrier's right of subrogation against City and/or its insurance carriers.

e. **Primary Insurance.** Occupant's insurance policy shall be endorsed stipulating that Occupant's insurance is primary with respect to claims assumed by Occupant under the terms of this Permit, and that City's insurance, self-insurance program and/or excess insurance policies shall not be called upon to contribute to a loss that should otherwise be paid by Occupant's insurer.

f. **Occupant's Liability Not Limited.** Notwithstanding this Section 14, for purposes of this permit, occupant acknowledges that its potential liability is not limited to the amount of liability insurance coverage it maintains or to the limits required herein.

15. **ASSIGNMENT.** Occupant shall not assign this Permit or otherwise permit occupancy or use of the Unit, without the prior written consent of City. Use of the Unit by an aircraft not confirmed per ATTACHMENT C, shall be considered a material default, subjecting Occupant to termination, as set forth in Section 23.

16. **INDEMNIFICATION.** Occupant shall indemnify and hold harmless the City from claims, damages, losses, liabilities, fines, penalties, costs, and expenses arising from or related to Occupant's use of the Unit, Occupant's activities on Airport property, or the acts or omissions of Occupant and its invitees, agents, contractors, employees, or representatives. Occupant shall defend (with counsel acceptable to City), indemnify and hold harmless City, Airport and their respective officers, directors, agents, employees, consultants and contractors (collectively, "City Indemnities"), from and against liability, fine, penalty, damage or injury, including cost of dispute resolution and expenses of legal services, claimed or recovered by any person or entity, arising out of or relating to use of the Unit or Airport, including, without limitation, any activity, work, actions or inactions permitted or suffered by Occupant in, on, or about the Unit or Airport by Occupant and its invitees, agents, contractors and consultants, or any of their invitees, agents, contractors or consultants, or any breach or default by Occupant in the performance of any obligation of Occupant set forth in this Permit ("Contract Damages"), except to the extent such damages arise from City's gross negligence or willful misconduct.



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17. FORCE MAJURE. Neither City nor Occupant shall be deemed in default under this Permit to the extent performance of any obligation is prevented, delayed, or rendered impracticable by causes beyond the reasonable control of the affected party, including but not limited to acts of God, natural disasters, fire, flood, earthquake, epidemic, governmental action, war, terrorism, labor disputes, utility interruptions, or other similar events.

18. RISK OF LOSS. Occupant bears all risk of loss or damage to any property stored within the Unit, whether caused by fire, water, earthquake, theft, terrorism or any other risk. City shall not provide insurance for the Unit or any property stored therein. Occupant acknowledges that insurance is available from independent insurance companies to protect Occupant in the event of damage or loss and it is Occupant's sole responsibility to procure such coverage or accept such risk.

19. ENVIRONMENTAL RESPONSIBILITIES.

a. **Environmental Removal and Disposal.** Occupant shall be responsible for the proper removal and disposal of all Hazardous Materials and Toxic Substances, as defined herein, generated by Occupant as a result of Occupant's activities in, on and from the Unit or Airport, whether during the term or following expiration or termination of this Permit. Occupant shall ensure that removal of such materials and substances from the Unit and the Airport is accomplished in accordance with Airport Regulations and local, state and federal law and guidelines. Environmental contamination caused or permitted by Occupant, which impacts the Unit or the Airport as a result of Occupant's improper handling, disposal, release or leakage of any Hazardous Materials and Toxic Substances while utilizing the Unit or Airport shall be the sole responsibility of Occupant. For purposes of this section, "Hazardous Materials" and "Toxic Substances" shall mean any hazardous or toxic substances, materials, wastes, pollutants or contaminants, as defined, listed or regulated now or in the future by any federal, state or local law, rule, regulation, ordinance, statute or order or by common law decision, including, without limitation, petroleum products or byproducts. Occupant shall not be responsible for contamination caused solely by unrelated third parties or conditions not caused or exacerbated by Occupant.

b. **Environmental Indemnification.** Occupant shall indemnify, defend (with counsel acceptable to City) and hold harmless City and the City Parties from and against any and all claims (including, without limitation, third party claims from bodily injury or real or personal property damage), actions, administrative proceedings (including informational proceedings), judgments,



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damages, punitive damages, penalties, fines, taxes and assessments, liabilities (including sums paid in settlement of claims), interest, impairments, losses, fees and expenses (including attorney's fees and expenses incurred in enforcing this provision or collecting any sums due hereunder), consultant and expert fees, together with all other costs and expenses of any kind or nature, including any and all expenses of remediating, cleaning up or disposing of any such Hazardous Materials and Toxic Substances arising from or caused by Occupant's use of the Unit or the Airport or Occupant's failure to perform the obligations of this Section 19 ("Environmental Damages"). Occupant shall not be responsible for Environmental Damages existing prior to the Commencement Date except to the extent Occupant exacerbates; or fails to report a known condition. The obligations and covenants of Occupant contained in this Section 19 shall survive expiration or termination of this Permit.

20. ENTRY TO UNIT. Occupant consents to City's entry into the Unit, without notice to Occupant, in the case of an emergency which, in City's reasonable determination, poses an imminent health or safety threat to any person or property. Occupant further consents to City's entry into the Unit with forty-eight (48) hours advance notice by email, or, in the event email notification is unavailable, by mail or by telephone (provided that City actually speaks to Occupant or its authorized representative), as provided in Section 29 herein. City shall endeavor to schedule such entry into the Unit when Occupant is available to be present during published business hours. Whenever this Permit requires written notice, City may provide notice by U.S. Mail, personal delivery, electronic mail, or any combination thereof. Occupant shall maintain current mailing and electronic mail addresses with Airport Administration. Notice transmitted to the most recent address or email provided by Occupant shall be deemed delivered.

21. CITY'S RESERVED RIGHTS/SUBORDINATION. City reserves the following rights, which rights shall not be construed as obligations of City:

a. **Development.** To develop and improve the Airport as City determines appropriate in its sole discretion, regardless of the desires or views of Occupant, and without interference or hindrance by or on behalf of Occupant, provided Occupant's material rights under this Permit are not materially impacted. Notwithstanding the foregoing, City has the right, at its sole discretion, to terminate this Permit by delivery to Occupant of thirty (30) days' notice if City determines that such termination is necessary to carryout development plans. The notice shall generally identify the Airport development



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project requiring the Unit and may reference the applicable Airport planning document, Airport Layout Plan, capital improvement project, grant project, or operational need.

b. **Protection of Airport.** To take any action it considers necessary to protect the aerial approaches to the Airport against obstruction, together with the right to prevent Occupant from erecting or permitting to be erected any building or other structure on the Airport which would limit the usefulness of the Airport or constitute a hazard to aircraft.

c. **Landing Area.** 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 Occupant in this regard.

d. **Emergency.** To provide for the availability of the Airport during any emergency. Specifically, during a national, state or county emergency, the right to permit use of all or any part of the landing area or the Airport to the United States, the State of California or other governmental agency for military, first responder or other emergency related use, and if any such arrangement is made, the provisions of this Permits, insofar as they may be inconsistent with the provisions of such arrangement, shall be suspended for the duration of such use. Abatement of Occupant’s Permit Fee shall be reasonably determined by the City in proportion to the degree of interference with Occupant’s use of the Unit.

e. **Airspace.** To regulate and manage activities affecting Airport property, airport approaches and operational area in compliance with applicable FAA regulations and orders.

f. **No Exclusive Use Right.** To prohibit the right to exclusive use of the Airport or landing area. Occupant understands and accepts City’s prohibition against exclusive rights with respect to the Airport in accordance with the obligation set forth in the FAA 1958, Section 308(a), which states “there shall be no exclusive right for the use of any landing area or air navigation facility upon which federal funds have been expended” and as set forth in 49 United States Codes Section 40107(a)(4) and U.S.C. Section 40103(e). Occupant may not exercise any of its rights or privileges under this Permit in any manner which results in and subjects the public Airport users or other occupants to unjust discrimination.



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g. No Discrimination. To prohibit discrimination at or about the Airport. Occupant for himself/herself/their self and his, her or their personal representatives, administrators, successors in interest and assignees, as part of the consideration hereof, does hereby covenant and agree that: (i) no person on the grounds of race, color, national origin, creed, sex (including pregnancy, sexual orientation, gender identity, and gender expression), age, or disability status shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of Airport facilities, in the construction of any improvements on, over, or under Airport land, or in the furnishing of services thereon; and (ii) use the Unit shall be in compliance with all other requirements imposed by or pursuant to Title 49 Code of Federal Regulations Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation and as outlined in FAA AC 150/5100-15A Civil Rights Requirements for the Airport Improvement Program and as such may be amended.

h. Compliance with Grant. To ensure compliance with the Federal Grant Agreement. Occupant acknowledges that City is subject to Federal Grant Agreement obligations and Occupant shall act in compliance with all applicable law related thereto, as stated in the Airport Code, Section 7-19.102.

Further, this Permit is and shall be subordinate to the provisions of existing and future Permits and assurances between City and the United States, the FAA, or the State of California relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the obtaining or expenditure of federal funds, state funds, services, or property for the benefit of the Airport.



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22. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW DISCLAIMER OF LIABILITY. CITY HEREBY DISCLAIMS, AND OCCUPANT HEREBY RELEASES CITY FROM, ANY AND ALL LIABILITY WHETHER IN CONTRACT OR TORT (EXCEPT AS PROVIDED HEREIN) FOR ANY LOSS, DAMAGE OR INJURY OF ANY NATURE WHATSOEVER SUSTAINED BY OCCUPANT, OR ITS EMPLOYEES, AGENTS, INVITEES, CONTRACTORS OR CONSULTANTS, DURING THE TERM OF THIS PERMIT, INCLUDING BUT NOT LIMITED TO LOSS, DAMAGE OR INJURY TO THE AIRCRAFT OR OTHER PROPERTY OF OCCUPANT THAT MAY BE LOCATED OR STORED ON OR IN THE UNIT OR AIRPORT, UNLESS AND TO THE EXTENT SUCH LOSS, DAMAGE OR INJURY IS CAUSED BY CITY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. THE PARTIES HEREBY AGREE THAT UNDER NO CIRCUMSTANCES SHALL CITY BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, SPECIAL OR EXEMPLARY DAMAGES, WHETHER IN CONTRACT OR TORT. CITY AND OCCUPANT SHALL EACH COMPLY WITH APPLICABLE FEDERAL, STATE, AND LOCAL LAWS GOVERNING THEIR RESPECTIVE ACTIVITIES UNDER THIS PERMIT.

23. DEFAULT. Occupant shall be considered in default of this Permit in the event any of the following occur (each a "Default")

- a. Occupant defaults in its obligation to pay the Permit Fee, any Additional Fees or other costs and such default continues for ten (10) days beyond date such sum is due.**
- b. Occupant defaults in the performance of any other obligation or violates any other term or provision herein and such defaults or violation continues after written notice thereof from City and expiration of a thirty (30) day period to cure;**
- c. Occupant is a corporation, limited liability company, or other business entity and ceases to lawfully exist, or ceases to maintain authority to conduct business under the laws of the State of California or the state of its organization; or**
- d. A petition is filed by or against Occupant under any state or federal bankruptcy laws (including a petition for reorganization).**

If Occupant is in Default of this Permit, then City may, at its option and in addition to City's other remedies available at law or in equity, terminate this Permit upon written notice to Occupant following the expiration of any applicable cure period.



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24. GOVERNING LAW. This Permit shall be construed in accordance with the laws of the State of California. Venue shall be in Santa Cruz County. This Permit and the rights, duties and obligations of the Parties hereunder shall be governed by and subject to the California Self-Service Storage Facility Act and the Business and Professions Code Section 21700, et seq. Occupant's property stored within the Unit will be subject to a claim of lien and may thereafter be sold to satisfy the lien if the Permit Fee, any Additional Fees or other charges due under this Permit remain unpaid for fourteen (14) consecutive days, as provided for by the California Self-Service Storage Facility Act.

25. RELATIONSHIP OF PARTIES. The relationship between City and Occupant shall always and only be that of licensor and licensee. Occupant shall not during the term of this Permit become the agent of City, and City shall not be responsible for the acts or omissions of Occupant, its invitees, agents, consultants or contractors.

26. REMEDIES CUMULATIVE. The rights and remedies with respect to any of the terms and conditions of this Permit shall be cumulative and not exclusive, and shall be in addition to all other rights and remedies available to either party in law or equity.

27. OFAC CERTIFICATION. Occupant represents, warrants and covenants that: (a) Occupant and its principals are not acting, and will not act, directly or indirectly, for or on behalf of any person, group, entity, or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated and Blocked Person" or other banned or blocked person, entity, nation, or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control; and (b) Occupant acknowledges that the breach of this representation, warranty and covenant by Occupant shall be an immediate Default under the Lease.

28. CERTIFIED ACCESS SPECIALIST DISCLOSURE. In accordance with Civil Code Section 1938, City hereby discloses that the Unit has not undergone inspection by a Certified Access Specialist for purposes of determining whether the property has or does not meet all applicable construction related accessibility standards pursuant to Civil Code Section 55.53.

29. NOTICES. Except as provided in Section 20, all notices to be given hereunder shall be in writing and sent to by certified mail postage prepaid. Any notices permitted or required to be given by the terms of this Permit shall be effective three (3) business days after mailing, or the next business day after emailing. Correspondence addressed to the Airport should be sent to:



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**Watsonville Municipal Airport – Airport Administrative Division, 100 Aviation Way,
Watsonville, California 95076, Phone: (831) 768-3575, airport@watsonville.gov**

For purposes of this Permit, Occupant's address to which notices may be sent is as follows:

Occupant Name

Home Phone (with area code)

Mailing Address

Business Phone (with area code)

Physical Address

Mobile Phone (with area code)

City, State, Zip Code

Email Address

**Occupant is specifically required to list another person to whom Preliminary Lien
Notices and subsequent notices pursuant to the California Self-Storage Facility Act
may be sent:**

Name

Home Phone (with area code)

Mailing Address

Business Phone (with area code)

Physical Address

Mobile Phone (with area code)

City, State, Zip Code

Email Address

30. INTEGRATION. This Permit constitutes the entire agreement between the Parties relating to the subject matter hereof, and supersedes all prior or contemporaneous Permits, agreements or understandings, whether oral or written, between the Parties. Any change or modification hereof must be in writing signed by both Parties. This Permit shall remain subordinate to applicable Airport Regulations, Municipal Code provisions, FAA grant assurances, and other federal, state, and local laws governing Airport operations.

31. WAIVER. The waiver by either party of a condition of or obligation in this Permit shall not thereafter preclude such party from demanding performance in



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accordance with the terms thereof. No failure of City to insist upon the strict performance of any term, covenant, provision, condition or limitation of this Permit or to exercise any right or remedy consequent upon a Default or breach thereof, and no acceptance by City of full or partial payment of the Permit Fee, Additional Fees or other costs during the continuance of any such Default or breach or application of the Security Deposit in light of any Default or breach, shall constitute a waiver of any such Default or breach or of any such term, covenant, provision, condition, limitation, right or remedy. No term, covenant, provision, condition or limitation of this Permit to be kept, observed or performed by City or by Occupant, and no Default or breach thereof, shall be waived, altered or modified except by a written instrument executed by City or Occupant, as the case may be. No waiver of any Default or breach shall affect or alter this Permit, but each and every term, covenant, Permit, provision, condition and limitation of this Permit shall continue in full force and effect with respect to any other then existing or subsequent Default or breach thereof.

32. SUCCESSORS. This Permit has no right of survivorship. In the event Occupant dies, Occupant's surviving spouse, domestic partner, trustee, or executor/executrix or other successor ("Successor") shall be bound by the terms of this Permit. If the Successor is Occupant's surviving spouse or domestic partner, is a certificated pilot, and desires to continue renting the Unit for airplane storage, the Successor must execute and comply with a new Aviation Storage Unit permit within ninety (90) days of Occupant's death. This Permit shall automatically terminate upon execution of a new Aviation Storage Unit permit by a qualifying Successor. In all other cases, this Permit shall automatically terminate one year after Occupant's death. Successor must vacate the Unit and hangar by this termination date. If Successor does not timely vacate, City may, after written notice thereof from City and expiration of a thirty (30) day period to cure, pursue any remedies available at law or in equity.

33. SEVERABILITY. If a provision hereof shall be finally declared void or illegal by any court or administrative agency having jurisdiction over the Parties and subject matter of this Permit, the entire Permit shall not be void, but the remaining provisions shall continue in effect as nearly as possible in accordance with the original intent of the Parties.

34. TIME IS OF THE ESSENCE. Time is of the essence in the performance of all of Occupant's obligations under this Permit.

35. TAXES, ASSESSMENTS AND FEES. Occupant agrees to pay all taxes, including without limitation, possessory interest tax that may be levied by Santa Cruz County on the Unit or its contents. Occupant shall be solely responsible for the



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payment of all taxes, assessments, permit fees or other charges that may be levied or assessed during the term of this Permit upon or against any real property, personal property or equipment located within the Unit or Airport or upon the property owned, leased or in the care, custody and control of Occupant.

By signing this document, I/we, as the Occupant, agree to abide by the terms and conditions of this Permit, rules and regulations of the City and the Airport Regulations; and certify under penalty of perjury that I/we have a Controlling Ownership Interest in the Aircraft confirmed per ATTACHMENT C.



**WATSONVILLE MUNICIPAL AIRPORT - AVIATION STORAGE UNIT
MONTH-TO-MONTH RENTAL PERMIT
EXHIBIT "D"**

Executed in Watsonville, California, on the date and year first above written.

Occupant

By: _____

Name: _____

Date: _____

City of Watsonville

By: _____ **Name:**

Airport Administrative Staff

Watsonville Municipal Airport

City of Watsonville

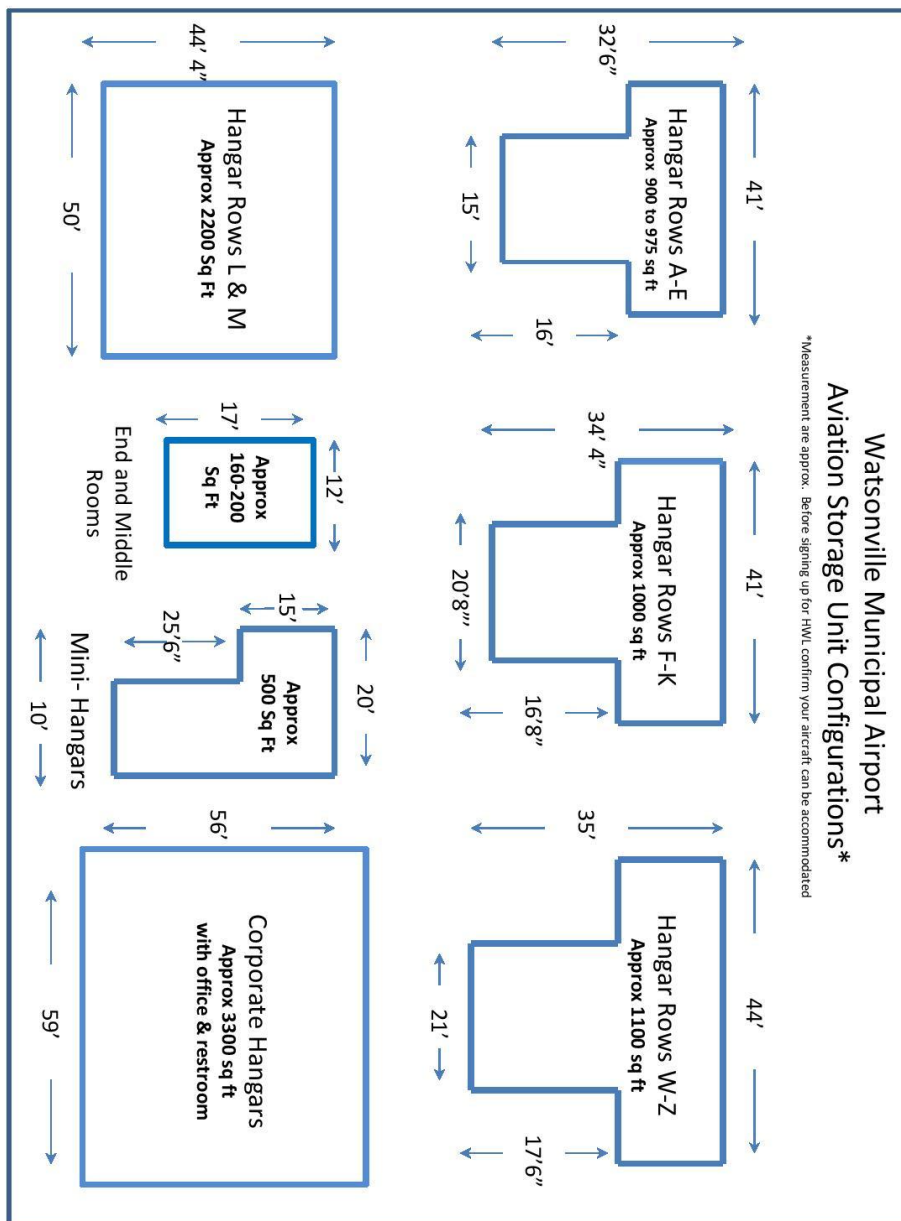
Date: _____



WATSONVILLE MUNICIPAL AIRPORT - AVIATION STORAGE UNIT MONTH-TO-MONTH RENTAL PERMIT EXHIBIT "D"

ATTACHMENT A

Unit Dimensions





WATSONVILLE MUNICIPAL AIRPORT - AVIATION STORAGE UNIT MONTH-TO-MONTH RENTAL PERMIT EXHIBIT “D”

ATTACHMENT C

Confirmation of Aircraft Record Registration and Documentation

Confirmation of the applicant's pilot certificate

Valid Driver's license or government photo ID (eighteen (18) years of age or older)

Aircraft registered in applicants name confirmed on FAA Aircraft Registry

Insurance certificate naming airport as additional insured with \$1 mm liability

Provide a key or combination for storage unit lock. Complete Aviation Storage

Unit Orientation

ATTACHEMENT D

Airport Regulations

The Watsonville Municipal Airport Rules and Regulations (“Rules”) are posted online on the Watsonville Municipal Airport Webpage. These Rules, as may be updated from time to time, are incorporated by this reference. The Rules can be found on the Watsonville Municipal Airport’s website: www.watsonvilleairport.gov