



AGENDA STAFF REPORT

ASR Control 13-001151

MEETING DATE: 10/01/13
LEGAL ENTITY TAKING ACTION: Board of Supervisors
BOARD OF SUPERVISORS DISTRICT(S): 2
SUBMITTING AGENCY/DEPARTMENT: John Wayne Airport (Approved)
DEPARTMENT CONTACT PERSON(S): Alan L. Murphy
(949) 252-5183

SUBJECT: General Aviation Tie-Down/Hangar License and Shade Cover Tie-Down Rate

CEO CONCUR
Pending Review

COUNTY COUNSEL REVIEW
Approved Agreement to Form

CLERK OF THE BOARD
Discussion
3 Votes Board Majority

Budgeted: N/A

Current Year Cost: N/A

Annual Cost: N/A

Staffing Impact: No

of Positions:

Sole Source: N/A

Current Fiscal Year Revenue: N/A

Funding Source: N/A

County Audit in last 3 years No
Year of Audit

Prior Board Action: N/A

RECOMMENDED ACTION(S):

1. Find that the subject activity is Statutorily Exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15273 of the CEQA Guidelines.
2. Find, as recommended, that the establishment of proposed Shade Cover rate does not fall within the definition of a "Tax" under Proposition 26 because it is exempt by Article XIII C, Section 1, subdivision (e)(4) of the California Constitution.
3. Approve the updated General Aviation Tie-Down License and authorize the Airport Director to make necessary changes in accordance with County policy, and Airport Rules and Regulations.
4. Find, as recommended, that the establishment of the proposed Shade Cover rate is consistent with the criteria established in Board Resolutions No. 82-1539 and No. 87-825 (JWA Revenue Policy) for the Airport Enterprise Fund and is not imposed for taxation and/or County general revenue purposes.
5. Establish, as recommended, an additional monthly rate of \$214 for the John Wayne Airport General Aviation Shade Cover Tie-down spaces, effective no later than November 1, 2013.
6. Authorize Airport Director to continue to adjust General Aviation Tie-down/Hangar rates as necessary on an annual basis to ensure that Tie-down/Hangar costs are fully recovered pursuant to the criteria established in Board Resolutions No. 82-1539 and No. 87-825 (JWA Revenue Policy).

SUMMARY:

Approve the General Aviation Tie-down/Hangar license and authorize the Airport Director to make necessary changes in accordance with County policy and Airport Rules and Regulations. Approve the proposed monthly rate for General Aviation Shade Covered Tie-down spaces (Shade Covered Tie-downs) and authorize the Airport Director to continue to adjust General Aviation Tie-down/Hangar rates as necessary to ensure that costs are fully recovered pursuant to the criteria established in the JWA Revenue Policy.

BACKGROUND INFORMATION:

Updated General Aviation Tie-Down/Hangar License

John Wayne Airport (JWA) has evolved from a small General Aviation (GA) airfield to a sophisticated regional commercial airport that served approximately 9 million commercial passengers in 2012. In addition to JWA's commercial operations, JWA continues to serve the GA community. Currently there are approximately 300 general aviation aircraft that make their home at JWA.

The current Tie-down license is a one page document that does not address the growth of the Airport nor the changes in Airport operations. In light of the significant growth in size and sophistication the airport has experienced, airport staff and County Counsel have drafted an updated Aircraft Tie-Down/Hangar License that takes into consideration these changes and seeks to remedy several administrative and liability issues associated with the current one-page tie-down license.

Updating insurance and liability requirements to ensure they meet County standards, setting guidelines on assignment and transfer of licenses, providing procedures to handle delinquent accounts, identifying authorized uses of the License Area, addressing issues associated with environmental remediation and provision of indemnification, are just some of the changes encompassed in the updated Tie-Down/Hangar License. In addition, the license has been modified to reference the recently constructed Shade Covered Tie-downs that are discussed below.

General Aviation Shade Covered Tie-downs

In an effort to protect their aircraft from some of the effects of weather at John Wayne Airport (JWA), a group of General Aviation Tie-down tenants requested that the airport consider constructing aircraft shade covers over some of the Airport's tie-down spaces. Airport staff evaluated the tenants' proposal and reviewed the concept with the Federal Aviation Administration (FAA). It was determined that the Shade Covered Tie-downs while viable in concept, for flight safety reasons would have to be limited to tie-down areas outside of the FAA- identified Building Restriction Limits (BRL) of the airfield.

In 2009, the Board of Supervisors approved a contract for the construction of three (3) metal Shade Covered Tie-down Structures for General Aviation aircraft, to be constructed on the west side (Baker Tie-Down area) of the Airport. Construction of the structures has been completed and has resulted in the creation of 59 Shade Covered Tie-downs. The cost of design and construction was \$2,537,120.

The airport seeks to recoup the costs of construction of the new Shade Covered Tie-downs by establishing an additional rate of \$214.00 per month on the new Shade Covered Tie-downs. The proposed rate was

established by amortizing the costs of construction of the Shade Cover Project over 20 years including operation and maintenance expenses and will be added to the current un-covered tie-down rate. Only those Tie-down Licensees who are assigned one of the new Shade Covered Tie-downs will be subject to the new rate. A breakdown of the new monthly Shade Covered Tie-down License rate is as follows:

\$140.00 (Current 40' Space Tie-down Rate)

\$214.00 (New Proposed Rate)

\$354.00 (Proposed Total Shade Covered Tie-Down License Rate)

In accordance with County law and policy, JWA is required to operate on an enterprise basis at no cost to taxpayers through the imposition of fair and reasonable rental rates through fees and rates that are based on either market or cost recovery models. Additionally, as a condition for receiving federal grant funds, Federal law also requires that Airports maintain fee and rate structures which make Airports self-sustaining entities. Therefore, JWA is requesting that the Board authorize future increases to JWA's Tie-down license rates as necessary, on an annual basis, to ensure that costs are fully recovered as required by the JWA Revenue Policy and Federal law.

Proposition 26 Compliance:

The proposed rate does not fall within the definition of a "Tax" under Proposition 26 because it is excepted under Article XIII C, Section 1, subdivision (e)(4) of the California Constitution. Subdivision (e)(4) excepts from the definition of a tax, "[a] charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property." The Tie-down spaces at JWA are on County property, thus the Licensing for the use of Tie-down spaces would fall within the (e)(4) exception.

CEQA COMPLIANCE:

This project is statutorily exempt from CEQA pursuant to CEQA Guidelines Section 15273. CEQA Guidelines Section 15273 a,b,c provides for the exemption of charges by public agencies, which the public agency finds are necessary to maintain service within existing service areas.

FINANCIAL IMPACT:

Establishment of the additional General Aviation Covered Tie-down rate will enable JWA to recover the cost of construction of the Shade Covers and continue to operate on as a self-sustaining entity as required under the JWA Revenue Policy and Federal Law.

STAFFING IMPACT:

N/A

ATTACHMENT(S):

Attachment A: GA Aircraft Tie-Down/Hangar License



COUNTY OF ORANGE AIRCRAFT TIE-DOWN/HANGAR LICENSE

1. TERM. This License shall become effective _____, 20__ and shall continue on a month to month basis until terminated.

2. TERMINATION. This License may be terminated for convenience by either party without cause, upon seven (7) days written notice. LICENSEE shall vacate the License Area within seven (7) days after receipt of the termination notice. Aircraft not removed from the Airport within the seven (7) days after termination shall be deemed transient aircraft and LICENSEE will be charged daily transient aircraft charges thereafter. Upon termination of this License, LICENSEE must restore License Area to its original state. Restoration of the space shall be at the satisfaction of COUNTY. All restoration costs shall be paid by LICENSEE.

3. RIGHT OF ENTRY. LICENSEE agrees to yield and peaceably deliver possession of the License Area to COUNTY on the date of termination or default of this License. COUNTY shall have the right to re-enter and take possession of the License Area on the date such termination or default becomes effective without further notice of any kind and without institution of summary or regular legal proceedings. Termination or default of the License and re-entry of the License Area by COUNTY shall in no way alter or diminish any obligation of LICENSEE under the License terms and shall not constitute an acceptance or surrender.

If necessary for airport safety, or in case of emergency, the Airport Director reserves the right to move any aircraft without notice to the LICENSEE.

LICENSEE waives any and all rights of redemption under any existing or future law or statute in the event of eviction from or dispossession of the License Area for any lawful reason or in the event COUNTY re-enters and takes possession of the License Area in a lawful manner.

4. ASSIGNMENT AND TRANSFER OF LICENSE. LICENSEE agrees that this License is not an interest in real property and not an assignable right. Any assignment or transfer of this License by LICENSEE, without the prior written approval from COUNTY shall be void and may result in the termination of this License.

Licenses held by unincorporated Partnerships, Associations or Corporations must include the names and signatures of all owners or shareholders who hold an interest in the subject aircraft and who wish to be considered a Licensee under this License. Transfer of Licenses to partners or shareholders not listed in the original license is prohibited. The License shall terminate when all originally listed owners or shareholders cease participation in or divest their ownership interest in the Partnership or Corporation.

LICENSEE shall notify COUNTY of all full or partial changes in aircraft ownership.

5. RULES AND REGULATIONS. The COUNTY has adopted Airport Rules and Regulations. LICENSEE shall comply with all Airport Rules and Regulations and with the Codified Ordinances of the County of Orange. LICENSEE shall also obey all local, State and Federal rules, regulations and laws, including but not limited to compliance with Federal Aviation Administration, Transportation Security Administration and Airport security rules and regulations.

6. LICENSE RATE. LICENSEE shall make payment of the following amount which shall be due and payable monthly in advance on the first day of each month with a 10-day grace period.

- A. The rate for a tie-down space shall be _____ (dollars) per month.
- B. The rate for a tie-down space under a County installed shade cover shall be _____ (dollars) per month.
- C. The rate for County administered T-Hangars shall be _____ (dollars) per month.

If any payment of rates as specified in this License entitled "LICENSE RATE" or of any other sum due COUNTY is not received by COUNTY by the due date, a late charge of one and one-half percent (1.5%) of the payment due and unpaid plus one hundred dollars (\$100) shall be added to the payment, and the total sum shall become immediately due and payable to COUNTY. An additional charge of one and one-half percent (1.5%) of said payment, excluding late charges, shall be added for each additional month that said payment remains unpaid.

7. PAYMENT PROCEDURE

- A. Place of Payment and Filing. Payments and statements required under this License shall be delivered to either of the following locations:
 - i. The County of Orange, Office of the Auditor-Controller, John Wayne Airport Accounting Services, 3160 Airway Avenue, Costa Mesa California, 92626; or
 - ii. John Wayne Airport, Tie-down Administration, 18601 Airport Way, #41, Santa Ana, CA 92707.

The designated place of payment and filing may be changed at any time by COUNTY upon ten (10) days' written notice to LICENSEE. Payments may be made by check payable to the County of Orange, cash or credit card.

- B. Form of Payment. All sums due under this License shall be paid in lawful money of the United States of America without offset or deduction or prior notice or demand. No payment by LICENSEE or receipt by COUNTY of a lesser amount than the payment due shall be deemed to be other than on account of the payment due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction, and COUNTY shall accept such check or payment without prejudice to COUNTY's right to recover the balance of the amount due or pursue any other remedy in this License.
8. DELINQUENT ACCOUNTS. In the event a LICENSEE fails to pay License rates and/or applicable Transient Aircraft charges for a period in excess of one hundred and twenty (120) days, COUNTY may dispose of aircraft, and other personal property left in the License area, as "unclaimed property" pursuant to Orange County Codified Ordinance Section 1-4-38 and California Civil Code Section 2080 et seq. or make arrangements with the Aircraft Owner or Lien Holder (as identified in Section 20 of this License) for removal of aircraft. COUNTY shall have the right to remove and to dispose of such property without liability therefor to LICENSEE or to any person claiming under LICENSEE, and shall have no need to account therefor.
9. USE. Violation of this Section may be grounds for termination of this License:
- A. LICENSEE shall use the assigned License Area solely for the purpose of tie-down and/or storing of the LICENSEE's aircraft (as identified in Section 18 of this License) and not for the operation of any commercial enterprise unless otherwise approved by Airport Director. Said exclusions shall not prohibit the use of the aircraft for providing transportation in the course of LICENSEE's business or profession. License Area may not be utilized in any manner which, in the opinion of Airport Director, creates a nuisance.
 - B. LICENSEE shall ensure that Space Restrictions (as identified in Section 19 of this License) are complied with. Unless otherwise authorized by Airport Director or designee, all aircraft shall be parked in a "tail in" configuration. Aircraft parked in the County installed shade cover spaces shall be parked in a "nose in" configuration.
 - C. LICENSEE shall not install any utilities such as gas, electricity, water/sewer, or telephone within the License Area without the prior written authorization of Airport Director.
 - D. LICENSEE shall not make any improvements, changes, or alterations to the License Area without the prior written authorization of Airport Director.
 - E. Unless otherwise authorized by the Airport Director or designee, routine aircraft maintenance performed on License Area shall be limited to "Preventive Maintenance" authorized by the owner of the aircraft assigned to the License Area as set forth in Federal Aviation Administration Circular No. 43-12A and FAR Part 43, Appendix A, paragraph (c). Any use, storage, or disposal of hazardous substances (as defined in section number 13) must be stored, or disposed of in

accordance with relevant State, County and local regulations. Tie-down spaces shall be subject to inspections by the Airport's Aircraft Rescue and Firefighting (ARFF) personnel and/or Airport Operations to ensure that these requirements are met.

- F. Fueling of aircraft by any person or entity other than COUNTY approved aircraft fuel provider, as provided in the Airport Rules and Regulations, is prohibited.
- G. Parking of motor vehicles shall be permitted only within the allotted aircraft License Area. Only authorized motor vehicles will be permitted in the License Area for pick-up/drop-offs and/or during the time an owner is traveling in their aircraft. License Area shall not be used for the purpose of storing vehicles other than the aircraft listed in Section 18 of this License. Parking in aircraft taxi ways/taxi lanes is prohibited. All operators of moving vehicles shall yield to all moving aircraft.
- H. Only LICENSEE shall utilize the License Area.
- I. LICENSEE shall be responsible for properly securing his aircraft. The COUNTY assumes no responsibility in this regard.
- J. LICENSEE shall keep the License Area clear of any debris, obstructions, health, fire, or other safety hazards. No person shall keep or store, or cause to be kept or stored in any manner on the Airport any materials which the Airport's ARFF division and/or Airport Operations has determined constitute a fire or safety hazard.
- K. LICENSEE's aircraft must be in compliance with FAR Part 91 maintenance requirements to include annual, conditional or progressive inspections and LICENSEE's aircraft airworthiness must be verified on an annual basis in the form of an Airworthiness Certificate.

LICENSEE shall not store, keep or maintain aircraft not in compliance with an Airworthiness Certificate for a period greater than one hundred and eighty (180) consecutive days unless the owner demonstrates to COUNTY's satisfaction, that the owner is actively engaged in an effort to bring such aircraft into airworthy condition, and obtains the express written consent of Airport Director or designee to continue storage of such aircraft for an additional specified period of time in order to bring the aircraft into airworthy condition. COUNTY may upon written notice and after 180 days tow away, remove, or store any aircraft or components thereof not complying with these requirements, at the owner's sole cost and expense.

- L. LICENSEE shall not provide or authorize commercial photographer or media access to the License Area without obtaining prior approval from Airport Director or designee.

10. AIRCRAFT REMOVAL. In the event this License is terminated, LICENSEE shall be required to remove the aircraft and all other improvements, including all property stored in the License Area within the time set forth in the advance written notice of termination. If LICENSEE fails to remove the aircraft and other property, COUNTY shall take necessary action to remove or dispose of the aircraft and any other property which may be located therein, place such aircraft on any portion of the Airport, and store such other property at LICENSEE's sole cost and expense in a public or private warehouse. Such termination and removal shall in no way release LICENSEE from any obligations accrued thereunder to the date of such termination.

When such aircraft is so placed on some portion of the airport, LICENSEE shall become obligated to COUNTY, with respect to such aircraft and all outstanding amounts applicable at the Airport, including all reasonable charges imposed and expenses incurred by COUNTY to remove the contents of the assigned space.

After one hundred and twenty (120) days, COUNTY may dispose of aircraft, and other personal property left in the License area, as "unclaimed property" as provided in Section 8 of this License.

11. LIABILITY. LICENSEE acknowledges that COUNTY has granted its permission for use of the License Area only for the purposes listed in, and in accordance with, the provisions of this License. By entering into this License, COUNTY is not agreeing in any manner to accept obligations or responsibility for the safekeeping of the aircraft or other property of LICENSEE, LICENSEE's agents, contractors, officers, employees, or guests. LICENSEE is responsible for the security of LICENSEE's aircraft and personal property. The COUNTY accepts no responsibility for damage to the LICENSEE's aircraft, its contents or other personal property. LICENSEE shall bear all risks, costs, and expenses in connection with LICENSEE's use of the License Area.

12. INSURANCE. LICENSEE agrees to purchase all required insurance at LICENSEE's expense and to deposit with COUNTY certificates of insurance, including all endorsements required herein, necessary to satisfy COUNTY that the insurance provisions of this LICENSE have been complied with and to keep such insurance coverage and the certificates and endorsements therefore on deposit with COUNTY during the entire term of this LICENSE. This LICENSE shall automatically terminate at the same time LICENSEE's insurance coverage is terminated. If within ten (10) business days after termination under this Section LICENSEE obtains and provides evidence of the required insurance coverage acceptable to Airport Director, this LICENSE may be reinstated at the sole discretion of Airport Director. LICENSEE shall pay COUNTY \$300.00 for processing the reinstatement of this LICENSE. Said \$300.00 processing cost may be adjusted annually, in accordance with the Consumer Price Index (CPI) by the Airport Director at his sole discretion.

LICENSEE agrees that LICENSEE shall not operate on the Airport premises at any time the required insurance is not in full force and effect as evidenced by a certificate of insurance and necessary endorsements or, in the interim, an official binder being in the possession of Airport Director. In no cases shall assurances by LICENSEE, its employees, agents, including any insurance agent, be construed as adequate evidence of insurance. Airport Director will only accept valid certificates of insurance and

endorsements, or in the interim, an insurance binder as adequate evidence of insurance. LICENSEE also agrees that upon cancellation, termination, or expiration of LICENSEE's insurance, COUNTY may take whatever steps are necessary to interrupt any operation from or on the Airport premises until such time as the Airport Director reinstates the LICENSE.

If LICENSEE fails to provide Airport Director with a valid certificate of insurance and endorsements, or binder at any time during the term of the LICENSE, COUNTY and LICENSEE agree that this shall constitute a material breach of the LICENSE. Whether or not a notice of default has or has not been sent to LICENSEE, said material breach shall permit COUNTY to take whatever steps necessary to interrupt any operation from or on the Airport premises, and to prevent any persons, including, but not limited to, members of the general public, and LICENSEE employees and agents, from entering the premises until such time as Airport Director is provided with adequate evidence of insurance required herein. LICENSEE further agrees to hold COUNTY harmless for any damages resulting from such interruption of business and possession, including, but not limited to, damages resulting from any loss of income or business resulting from COUNTY's action.

All contractors performing work on behalf of LICENSEE pursuant to this LICENSE shall obtain insurance subject to the same terms and conditions as set forth herein for LICENSEE. LICENSEE shall not allow contractors or subcontractors to work if contractors have less than the level of coverage required by COUNTY from LICENSEE under this LICENSE. It is the obligation of LICENSEE to provide written notice of the insurance requirements to every contractor and to receive proof of insurance prior to allowing any contractor to begin work within the Airport premises. Such proof of insurance must be maintained by LICENSEE through the entirety of this LICENSE and be available for inspection by a COUNTY representative at any reasonable time.

All self-insured retentions (SIRs) and deductibles shall be clearly stated on the Certificate of Insurance. If no SIRs or deductibles apply, indicate this on the Certificate of Insurance with a zero (0) by the appropriate line of coverage. Any self-insured retention (SIR) or deductible in excess of \$25,000 (\$5,000 for automobile liability), shall specifically be approved by the County Executive Office (CEO)/Office of Risk Management.

The LICENSEE is granted the option of arranging the required coverage under a single policy or by a combination of underlying policies with the balance provided by an Excess or Umbrella liability policy equal to the total 'per occurrence' and aggregate limits required under this LICENSE. Umbrella or Excess liability policies, if furnished, shall provide additional insured as required under this LICENSE.

If LICENSEE fails to maintain insurance acceptable to COUNTY for the full term of this LICENSE, COUNTY may terminate this LICENSE.

Qualified Insurer

The policy or policies of insurance must be issued by an insurer licensed to do business in the state of California (California Admitted Carrier) or have a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category) as determined by the

most current edition of the **Best's Key Rating Guide/Property-Casualty/United States or ambest.com.**

If the insurance carrier is not an admitted carrier in the state of California and does not have an A.M. Best rating of A-/VIII, the CEO /Risk management retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

The policy or policies of insurance maintained by LICENSEE shall provide the minimum limits and coverage as set forth below:

Coverages	Minimum Limits
Aircraft Liability	\$1,000,000 per occurrence
Automobile Liability Including coverage for owned, non-owned and hired vehicles	\$500,000 per occurrence

Required Coverage Forms

The Aircraft Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

The Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 00 12, CA 00 20, or a substitute form providing liability coverage as broad.

Required Endorsements

All insurance policies required by this LICENSE shall contain one of the following endorsements, which shall accompany the Certificate of insurance:

- (1) Aircraft Liability: An Additional Insured endorsement using ISO form CG 2010 or CG 2033 or a form at least as broad naming COUNTY of Orange, its elected and appointed officials, officers, employees, agents as Additional Insureds.

All insurance policies required by this LICENSE shall give County of Orange thirty (30) days notice in the event of cancellation and 10 days for non-payment of premium. This shall be evidenced by policy provisions or an endorsement separate from the Certificate of Insurance.

The Aircraft Liability policy shall contain a severability of interests clause also known as a "separation of insureds" clause (standard in the ISO CG 001 policy).

Insurance certificates should be forwarded to the COUNTY address provided in the Clause (NOTICES) below. LICENSEE has ten (10) business days to provide adequate evidence of insurance or this License may be cancelled.

COUNTY expressly retains the right to require LICENSEE to increase or decrease insurance of any of the above insurance types throughout the term of this LICENSE. Any increase or decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect COUNTY.

COUNTY shall notify LICENSEE in writing of changes in the insurance requirements. If LICENSEE does not deposit copies of acceptable certificates of insurance and endorsements with COUNTY incorporating such changes within thirty (30) days of receipt of such notice, this LICENSE may be in breach without further notice to LICENSEE, and COUNTY shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit LICENSEE's liability hereunder nor to fulfill the indemnification provisions and requirements of this LICENSE.

13. HAZARDOUS SUBSTANCES AND ENVIRONMENTAL REMEDIATION. As used herein, the term "Hazardous Substances" shall mean any hazardous or toxic substance, material or waste which is or shall become regulated by any environmental law and regulations of any governmental entity, including but not limited to COUNTY acting in its governmental capacity, the State of California or the United States Government. The term "Hazardous Substances" includes, without limitation, any material or substance which is (i) defined or listed as a "hazardous waste," "extremely hazardous waste," "restrictive hazardous waste" or "hazardous substance" or considered a waste, condition of pollution or nuisance under any environmental law; (ii) petroleum or a petroleum product or fraction thereof; (iii) asbestos or asbestos-containing materials; (iv) flammable or explosive substances; (v) mold, mold spores or fractions thereof; and/or (vi) substances designated by any governmental entity to cause cancer and/or reproductive toxicity.

As used herein, the term "Environmental Law" shall mean any federal, state or local law, statute, ordinance, code, judgment, order or regulation pertaining to the environment, Hazardous Substances, Pollutants, occupational safety and health, industrial hygiene or the environmental conditions on, under or about the Airport; and, all other state laws, rules, orders, directives, and codes, regulations judgments, and orders relating to (i) emissions, discharges, releases, or threatened releases of Hazardous Substances into the environment (including but not limited to ambient air, surface water, groundwater, land surface or subsurface strata); and (ii) the manufacture, processing, distribution, use, generation, treatment, storage, disposal, transport or handling of Hazardous Substances, as such laws are amended, and the regulations and administrative codes applicable thereto.

LICENSEE shall comply with and obey all applicable Hazardous Substance laws, rules and regulations and all applicable Environmental Laws in connection with LICENSEE's operations at the Airport. LICENSEE shall not place, dispose of, allow, cause, or release any Hazardous Substances upon the License Area or within the John Wayne Airport premises other than in an airport provided receptacle for Hazardous Substances. LICENSEE shall also immediately notify John Wayne Airport of any release,

contamination, spill, or dispersment of any Hazardous Substances on the License Area or on the John Wayne Airport premises which the LICENSEE has reason to believe it caused. Such notification is for the purpose of, but not limited to, a determination of whether a State Mandated Spill has occurred. LICENSEE's obligations herein shall survive the termination or expiration of this License.

LICENSEE shall bear the entire cost of removal, clean up and remediation of all Hazardous Substance contamination as a result of LICENSEE's operations. In addition to all other rights and remedies of the COUNTY, if LICENSEE does not immediately cleanup and remove any such hazardous substance(s) release, COUNTY may pay to have same removed, and LICENSEE shall reimburse the COUNTY of all costs incurred by COUNTY.

14. NON-STORM WATER DISCHARGE. LICENSEE shall not allow or cause the entry of any Hazardous Substances under its control into the Airport Storm Water drainage system unless authorized by applicable Environmental Laws and the Airport's Storm Water Discharge Permit. LICENSEE shall not allow or cause the entry of any Unauthorized Non-Storm Water Discharge that is under its control into the Storm Water drainage system of the Airport or into the Storm Water drainage system of any of its surrounding communities, unless such substances are first properly treated by equipment installed with the approval of COUNTY for that purpose, and LICENSEE complies with recommendations made by the State and/or Federal Environmental Protection Agency and the Airport's Storm Water Discharge Permit requirements. LICENSEE shall bear all costs and any other expenses related to the prohibited entry of such oil, fuel or other Hazardous Substances into said drainage systems prohibited by applicable Environmental Laws.

15. INDEMNITY. To the fullest extent authorized by law, LICENSEE shall indemnify, defend, and hold harmless the COUNTY, its officers, employees and agents ("COUNTY INDEMNITEES"), from and against any and all claims, judgments, damages, penalties, fines, costs, orders, and lawsuits, arising out of LICENSEE's operations at John Wayne Airport, including the cost of defense arising therefrom and including but not limited to the following:

- (1) LICENSEE's placing, disposing, allowing or releasing of Hazardous Substances upon or within the Airport or License Area other than in an airport provided receptacle for Hazardous Substances.
- (2) LICENSEE's violation of any Environmental Law, except that LICENSEE's obligations under this paragraph shall not extend to known conditions that are, as of the date of this License, the subject of investigation and remediation by COUNTY or others, or remediation conditions that arise from operations of third parties that are not affiliated with LICENSEE that take place off of the Airport. A party shall be deemed to be affiliated with LICENSEE if it is an employee, officer, director, agent, contractor or subcontractor of LICENSEE or if it is controlled by or under common control with LICENSEE.

- (3) LICENSEE's causing or allowing any discharge into the Airport Drainage System that is prohibited by Sections 13 and 14 of this License.

This indemnification includes, without limitation, reasonable attorney's fees/costs and other costs incurred by the COUNTY including but not limited to any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental entity because of impacts to the environment caused by Hazardous Substances being present on Airport property or in the soil or groundwater under the Airport that arise out of LICENSEE's operations at John Wayne Airport. LICENSEE's indemnity obligations stated hereinabove also apply to those actions arising from and which involve LICENSEE's officers, agents, subcontractors, and employees.

LICENSEE's indemnity obligations stated hereinabove shall not apply in the event of any loss, damage, or expense arising from the sole or active negligence and/or willful misconduct of COUNTY or of COUNTY INDEMNITEES.

In the event the COUNTY or COUNTY INDEMNITEES described hereinabove are named as defendants or respondents in any lawsuit or administrative proceeding arising out of LICENSEE's operations at John Wayne Airport, LICENSEE shall, at the request of COUNTY, represent the COUNTY with qualified counsel that COUNTY has approved in writing.

In the event that a monetary judgment is awarded against COUNTY and the LICENSEE because of the concurrent negligence of COUNTY and LICENSEE or their respective officers, subcontractors, or employees, an apportionment of liability to pay such judgment shall be made by the trier of fact. Nothing stated in this License and in this indemnity obligation shall be construed as authorizing any award of attorney's fees in any action to enforce the terms of this License. The rights and obligations set forth in this paragraph shall survive the termination of this License.

16. SEVERABILITY. If any term, covenant, condition or provision of this LICENSE is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

17. NOTICES. All notices pursuant to this License shall be addressed to either party as set forth below and shall be sent through the United States Mail, in the State of California, via First Class Mail, duly registered or certified, return receipt requested with postage prepaid or by an overnight carrier service. If any notice is sent by an overnight carrier service, as aforesaid, the same shall be deemed to have been served or delivered twenty-four (24) hours after mailing thereof as above provided. Notwithstanding the above COUNTY may also provide notices to LICENSEE by personal delivery or by regular mail postage prepaid and any such notice so given shall be deemed to have been given upon the date of personal delivery or three (3) days after the date of deposit in the United States Mail, respectively.

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TO: COUNTY
John Wayne Airport
18601 Airport Way, #41
Santa Ana, CA 92707
Attn: Aircraft Tie-down Administration

TO: LICENSEE
Name: _____
Address: _____
City: _____
State: _____ Zip: _____
Driver License No.: _____
State of Driver License: _____
Home Phone: _____
Work Phone: _____
Cell Phone: _____

IN CASE OF EMERGENCY:

Name: _____
Phone: _____

Either party hereto may from time to time, by written notice to the other in the method described above, designate a different address which shall be substituted for the one above specified.

18. AIRCRAFT INFORMATION.

Aircraft N#: _____ Space No.: _____
Make: _____ Model: _____ Color: _____ Year: _____
Wingspan: _____ Length: _____

LICENSEE agrees to notify Aircraft Tie-down Administration (as identified in Section 17 of this License) of any change in aircraft registration data.

19. SPACE RESTRICTIONS.

Maximum Wingspan: _____ Maximum Length: _____

20. AIRCRAFT OWNERSHIP AND LIEN HOLDER INFORMATION.

Owner Name: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____
Lien Holder: _____
Loan/Account Number: _____

SIGNATURE PAGE TO FOLLOW

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

LICENSEE(S)*

Signature	Name	Title	Date
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Signature	Name	Title	Date
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**If LICENSEE is a corporation, signatures of two specific corporate officers are required as further set forth:*

- The first signature must be one of the following: a) the Chairman of the Board; b) President; or c) any Vice President.*
- The second signature must be one of the following: a) Secretary; b) the Chief Financial Officer; c) any Assistant Secretary; or d) any Assistant Treasurer.*
- In the alternative, a single corporate signature is acceptable when accompanied by a corporate resolution demonstrating the legal authority of the signature to bind the company.*

**Partnerships or Corporations may attach an additional sheet with contact information and signatures for additional Licensees.*

APPROVED AS TO FORM:

County Counsel

	Paul Albarian	Deputy	8/19/2013
Signature	Name	Title	Date

APPROVED AS TO AUDIT AND ACCOUNTING:

Auditor-Controller

	Lisa Kaurishma, JWA Acctg.		8-19-13
Signature	Name	Title	Date

APPROVAL BY COUNTY

County of Orange/John Wayne Airport

Signature	Name	Title	Date
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