

SANTA MARIA PUBLIC AIRPORT DISTRICT BOARD OF DIRECTORS HANGAR LEASE ELIGIBILITY AND USE POLICY

1. **Eligibility.** To be eligible for an aircraft storage hangar, a potential tenant must:
 - a. Own an aircraft which is properly registered to the potential tenant, a partnership of which the potential tenants a member, a corporation of which the potential tenants an owner, or a club of which the potential tenants an officer, or;
 - b. Show proof that the potential tenant has purchased an aircraft which will be properly registered as in (a.) above, or;
 - c. Show proof that the potential tenant intends to construct an aircraft and District has the right to inspect the progress of completion on a yearly basis, and;
 - d. Apply at District's office (if no vacant hangars are available) for placement on the Hangar Waiting List.
 - e. Will agree to the stipulations that the potential tenant:
 - (1) Will not store any flammable fluids, welding, spray painting or flame producing equipment inside the hangar, except in accordance with current Santa Maria Fire Department fire safety regulations, and;
 - (2) Will permit no activity within the premises involving fuel transfer, welding, torch cutting, torch soldering, doping (except with nonflammable dope), or spray painting, and;
 - (3) Will perform no maintenance, nor cause to have performed, any maintenance on aircraft while it is stored within the hangar beyond the "preventive maintenance" described in FAR Part 43, Appendix A, except "major repairs or major alterations" of an aircraft under the direct supervision of a mechanic (1) properly and appropriately certificated by the Federal Aviation Administration and in compliance with Santa Maria Fire Department fire safety regulations and (2) having a fixed place of business on the airport or holding a Commercial Use Permit from the District for aircraft maintenance services (per paragraph 16 of the Santa Maria Public Airport Rules and Regulations as amended through 6/24/04). This restriction does not relieve the operator, or pilot in command, of the requirement to ensure the airworthiness of the aircraft as required by appropriate Federal Aviation Regulations, and;
 - (4) Will not use the premises for construction of an aircraft, except in strict compliance with the applicable provisions of FAR Part 21 and the direction of the type certificate holder and under the supervision of a Designated Airworthiness Representative of the FAA, and;
 - (5) Will store only such additional material within the hangar as may be necessary for the proper maintenance and care of the aircraft, and, after written notice, will immediately remove any material judged by District's General Manager to be inappropriate or hazardous, and;
 - (6) Will allow automobiles to be parked within the hangar temporarily, and then only while the aircraft is out of the hangar, and;
 - (7) Will not install any lock, except the one provided by the District, and;
 - (8) Will maintain each aircraft stored in a hangar in operating and airworthy condition,

excepting active restoration by Tenant of his or her aircraft or building of a "homebuilt" type aircraft which is subject to periodic inspection. Supervision by a mechanic as described in paragraph 1, subparagraph e (3) or e (4) is required, and;

(9) Will not have been previously evicted from any premises on the airport. If such eviction has occurred Tenant may appeal to the Board of Directors and be allowed on the wait list upon a four-fifths favorable vote of the Board. Tenant must also reimburse District for all legal fees incurred due to the previous eviction prior to entering into a new lease or taking possession of the premises. This provision shall also apply to any applicant that is affiliated with any previously evicted tenant including, but not limited to, an Applicant that is or was an owner, officer, partner, shareholder, member, manager of a previous tenant, and;

(10) Will not conduct a commercial activity on the premises. The District has hangars that have been specifically established for commercial activity. Please contact District to determine which premises are currently available for commercial use.

2. Retention of hangar. To be eligible to retain a hangar currently under lease:

a. A potential tenant must continue to meet the requirements of 1 (a) through 1 (c). A tenant, who is not in default under his or her lease, shall not be evicted to make the hangar available for a larger aircraft.

b. A tenant, who sells an aircraft which qualifies him for a hangar space lease, has ninety (90) days to replace that aircraft in order to retain the lease. At the end of ninety (90) days, if the aircraft has not been replaced, the District will give thirty (30) days' written notice to vacate, as provided in paragraph 3 of the lease.

c. The sublease of a hangar unit is specifically prohibited, except when authorized by the General Manager pursuant to a hangar space sublease. General Manager may make such authorization on a case by case basis, upon written request. In no case shall a sublease exceed six consecutive months.

3. Waiting Lists:

a. Separate waiting lists will be maintained for applicants for T-hangars and Corporate hangars.

b. An applicant's name shall be placed at the end of the appropriate waiting list. The sequence of names of applicants appearing on the appropriate waiting list will establish the order of assignment of vacant hangars. Tenant's failure to accept a selected hangar when offered by District shall result in removal from the waiting list.

4. General. The District reserves the right to establish, from time to time, rules and regulations that will apply to hangar tenants in their use of the leased premises and in their use of the rest of the airport facilities. The District agrees to give three-(3) weeks' advance written notice to tenants and hold a public hearing, prior to adopting such rules and regulations. Tenant agrees to comply with such rules and regulations.

SANTA MARIA PUBLIC AIRPORT DISTRICT HANGAR WAITING LIST RULES

Applicants will be added to the Hangar Waiting List on a first come, first served basis. Applicants will be added to the list only after signing a copy of the Hangar Waiting List Rules and indicating the desired hangar from the "List of District Hangars".

As a hangar becomes available, the Applicant who has been on the list the longest, and who has selected the hangar type (as discussed below) will be contacted and assigned the hangar. At this time, the applicant's name will be removed from the Hangar Waiting List. The Lease will commence no later than 30 days following the availability of the hangar. Upon the commencement of the lease, a security deposit of \$250.00 and first month's rent will be due.

The Applicant, now referred to as the "Tenant", has thirty (30) days from the commencement date to submit aircraft ownership documentation to the District. If the Tenant fails to submit the documentation within thirty (30) days from Lease commencement, hangar eligibility is forfeited. The hangar will then be assigned to the next Applicant on the Hangar Wait List. If tenant intends to construct an aircraft, District reserves the right to inspect the progress of completion on a yearly basis.

Any Applicant previously evicted from District property is not eligible to be placed upon the wait list. Applicant can appeal this decision and be placed on the wait list if the Board of Directors approves the request by a four fifths favorable vote of the Board. All legal fees associated with the previous eviction must be reimbursed to the District prior to being placed on the wait list. This provision shall also apply to any applicant that is affiliated with any previously evicted tenant including, but not limited to, an Applicant that is or was an owner, officer, partner, shareholder, member, manager of a previous tenant.

Hangar swaps will be evaluated on a case by case basis incorporating the hangar waiting list as first priority. If a tenant wishes to obtain a different hangar, he/she may establish a position on the wait list.

The attached form is a listing and description of the hangars owned by the Santa Maria Public Airport District. The Applicant will only be assigned a hangar, which has been previously selected on the List of District Hangars form by the Applicant. An Applicant must select at least one size/type of hangar, but may select any and all available hangars. Forms may **only** be modified by the Applicant at any time **prior** to the offer of a hangar.

The Applicant, by signing this document, certifies receipt of and agreement with these rules. The Applicant/Tenant further agrees to vacate the hangar should proof of aircraft ownership not be submitted to the District within thirty (30) days from Lease commencement.

I, the applicant, agree to pay first month's rent of the assigned hangar I have selected on the attached form, and an additional \$250.00 security deposit upon commencement of the lease.

A written decline to accept the hangar is required which will begin forfeiture process as described. However, should the applicant fail to provide a written decline, the Secretary can write in the file the date and time of the verbal decline.

I agree to provide a copy of my aircraft registration within 30 days of Lease commencement.

I acknowledge receipt of the Santa Maria Public Airport District's Hangar Lease Policy.

I authorize the Santa Maria Public Airport District to prepare the necessary Hangar Space Lease when a hangar, which I have selected, becomes available.

Name

Date

Signature

Name

Date

Signature

List of District Hangars Instruction Sheet

Please mark an “X” in each and every box, on the “List of District Hangars” form, for the size of hangar(s) that you wish to lease from the District.

If you wish to lease two or more hangars, you must file an application for **each** hangar desired.

You will be offered **only one** hangar per application.

If you wish to have more than (1) hangar tenant/lessee, please list all tenants on all hangar documents, and be sure that everything is signed, where indicated, by **all** parties.

Please return the **entire** application package to the Airport District office.

If you have any questions regarding this policy, please ask the Santa Maria Public Airport District employees at the time of application submission to the District.

LIST OF DISTRICT HANGARS

T-HANGARS

Address	W	D	H	Sq. Ft.	Mo. Rent
<input type="checkbox"/> 3005 Airpark Drive	42'1"	34'0"	12'8"	1,078	\$230
<input type="checkbox"/> 3009 Airpark Drive	41'5"	33'0"	12'9"	1,040	\$222
<input type="checkbox"/> 3011 Airpark Drive	41'8"	32'1"	12'6"	1,000	\$214
<input type="checkbox"/> 3019 Airpark Drive	41'8"	32'1"	12'6"	1,000	\$214
<input type="checkbox"/> 3023 Airpark Drive	41'5"	33'0"	12'9"	1,040	\$222
<input type="checkbox"/> 3027 Airpark Drive	42'0"	32'8"	12'7"	1,026	\$219
<input type="checkbox"/> 3031 Airpark Drive	42'0"	32'8"	12'7"	1,026	\$219
<input type="checkbox"/> 3039 Airpark Drive	41'8"	32'0"	12'8"	994	\$212
<input type="checkbox"/> 3103 Airpark Drive	41'8"	34'0"	14'3"	1,043	\$223
<input type="checkbox"/> 3107 Airpark Drive	39'1"	30'4"	11'0"	870	\$186
<input type="checkbox"/> 3109 Airpark Drive	39'6"	31'9"	11'0"	940	\$201
<input type="checkbox"/> 3111 Airpark Drive	40'8"	32'10"	12'0"	963	\$206

CORPORATE T-HANGARS

<input type="checkbox"/> 3035 Airpark Drive (Unit A)	54'8"	45'11"	16'1"	1,982	\$424
<input type="checkbox"/> 3035 Airpark Drive	53'8"	45'11"	16'1"	1,839	\$393

CORPORATE HANGARS

<input type="checkbox"/> 3001 Airpark Drive (Units A, D, H)	52'0"	40'9"	14'0"	2,119	\$453
<input type="checkbox"/> 3001 Airpark Drive (Units B, G)	50'8"	40'9"	14'0"	2,064	\$441
<input type="checkbox"/> 3001 Airpark Drive (Units C, F)	49'10"	40'9"	14'0"	2,027	\$433
<input type="checkbox"/> 3001 Airpark Drive (Unit E)	51'10"	40'9"	14'0"	2,109	\$451
<input type="checkbox"/> 3029 Airpark Drive (Units A, F)	61'8"	50'3"	16'0"	3,098	\$662
<input type="checkbox"/> 3029 Airpark Drive (Units B-E)	60'6"	50'3"	16'0"	3,040	\$650
<input type="checkbox"/> 3043 Airpark Drive (Units A-G)	60'6"	50'3"	16'0"	3,040	\$650
<input type="checkbox"/> 3105 Airpark Drive (Units A-G)	60'6"	51'6"	16'2"	3,115	\$666

Name

Date

Address

Phone

Signature

N# _____

Email: _____

HANGAR SPACE LEASE

By this lease, dated _____ and commencing _____ District leases to Tenant, on the terms and conditions hereinafter set forth, the Premises at the Airport on a calendar month-to-month tenancy in consideration of payment by Tenant to District of monthly rent for the month-to-month tenancy of \$____ (subject to increase as provided in paragraph 4), in advance, on the first day of each and every calendar month, without prior notice, demand, deduction or offset, and continuing thereafter until this lease is terminated.

1. **Definitions.** The following words and phrases used in this lease shall have the meaning set forth opposite them:

District: Santa Maria Public Airport District

District's Address: 3217 Terminal Drive
Santa Maria, CA 93455

District's Phone: (805) 922-1726
Facsimile: (805) 922-0677

Tenant (s): First Last, **An Individual**

Tenant's Address: 3217 Terminal Dr., Santa Maria, CA 93455

Tenant's Phone: **(805) 922-1726**

Airport: Santa Maria Public Airport
Santa Maria, California

Premises: Hangar _ at ____ Airpark Drive at the Airport

2. **Permitted Uses of Premises:**

- (a) Storage of aircraft registered to tenant.
- (b) Storage of an automobile while the aircraft is being operated outside the hangar. (Per Resolution 686 regarding Airport Driving Rules and Regulations)
- (c) Storage of equipment and tools used for preventive maintenance, construction or restoration of an aircraft, including, but not limited to, personal items such as chairs, refrigerators and flameless heaters located 36 or more inches above the floor. Catalytic heaters are not permitted.

(d) Maintenance, construction and restoration of an aircraft as described in FAR Part 43, Appendix A, or under the direct supervision of a mechanic (1) properly and appropriately certified by the Federal Aviation Administration and in compliance with the Santa Maria Fire Department fire safety regulations and (2) having a fixed place of business on the airport or holding a Commercial Use Permit from the District for aircraft maintenance services. This provision does not relieve the operator or pilot in command of the requirement to ensure the airworthiness of the aircraft as required by appropriate Federal Aviation Regulations. If tenant intends to construct an aircraft, District reserves the right to inspect the progress of completion on a yearly basis.

3. **Termination.** Except as otherwise specifically provided in Section 9. **Damage or Destruction of Premises,** either party may terminate this lease upon giving the other party at least thirty (30) days' prior written notice of termination. The monthly rent will be prorated to the date of termination.

4. **Rent Payments; Monthly Rent Increases.** All rent is payable by Tenant to District at District's Address, or at such other address as District may direct in writing to Tenant. Monthly rent for the month-to-month tenancy may be increased from time to time by District's board of directors by giving Tenant at least thirty (30) days' prior written notice of such increase.

NOTIFICATION LETTER. District will notify Tenant of future periodic rental increases based on the Consumer Price Index (CPI) by sending a Notification Letter stating the new rental fee and date of commencement of the fee. An Amendment will not be used for the sole purpose of CPI rental adjustments.

(a) Security Deposit: A security deposit of **\$250.00** is due and payable upon commencement of the lease. The Airport District may use the security deposit of **\$250.00**, or any portion thereof, to cure default or compensate District for damages sustained from Tenant's default. Upon lease termination and a final accounting by District, any balance of the security deposit shall be refunded to Tenant without interest. If Tenant fails to return access security cards, an amount equal to the amount listed in the rates in charges for replacement card will be deducted from the security deposit for each unreturned card.

5. **Late Charge.** Tenant acknowledges that late payment by Tenant to District of rent will cause District to incur costs not contemplated by this lease, the exact amount of such costs being extremely difficult and impracticable to fix.

FEES. Such costs include, without limitation, processing and accounting charges. Therefore, if any installment of rent due from Tenant is not received by District on or before the date it is due (or on the next business day of the District that is not a Saturday, Sunday or holiday on which the administrative office of the District is closed for a whole day), Tenant shall pay to District an additional sum of ten percent (10%) of the overdue rent as a late charge. The parties agree that this late charge is not a penalty and represents a fair and reasonable estimate of the costs that District will incur by reason of late payment by Tenant. Acceptance of any late charge shall not constitute a waiver of Tenant's default with respect to the rights and remedies available to District.

6. **Use of Premises.** Tenant shall use the Premises only for the Permitted Uses of Premises.

7. **Tenant's Agreements:** Tenant shall do all of the following:

(a) Comply with the rules, regulations and directives of the District related to use of the Airport and its facilities.

(b) Comply with, at Tenant's expense, all laws, regulations, ordinances and orders of federal, state and local governments as they relate to Tenant's use of Tenant's aircraft or Tenant's use or occupation of the Premises, the Airport, or Airport facilities. Tenant acknowledges receipt of a copy of the District's Policy Regarding Hangar Lease Eligibility and Use Policy as amended on November 29, 2012.

(c) Keep the premises in good order and condition, free of dirt, trash and debris, at Tenant's expense.

(d) Deliver possession of the Premises to District on termination of this lease in at least as good condition as it is at the inception of this lease, ordinary wear, and tear and damage by fire or act of God excepted, and free of any personal property.

(e) Pay, before delinquency, all taxes and assessments levied by any governmental agency on the leasehold interest of Tenant. Tenant acknowledges that by entering into this lease, a possessory interest subject to taxation may be created. Tenant shall pay all such possessory interest taxes.

(f) Furnish District a copy of the registration certificate for each aircraft stored in the Premises, within thirty (30) days of commencement of the lease, within thirty (30) days of acquiring a different or additional aircraft, and immediately after District's written request for such a copy at any other time.

(g) Use only the lock provided by District to secure the premises.

(h) If tenant sells aircraft he is required to notify the Administration Office within ten (10) working days. Tenant agrees to replace sold aircraft within ninety (90) days.

(i) In the event of death, tenant agrees designated family will have six (6) months to vacate hangar.

UTILITIES. The rental fee includes a charge for electricity. Gas, water and sewer are not available. Trash disposal is Tenant responsibility.

ELECTRICAL USAGE. Tenant understands that the electrical usage is limited to the activities associated with aircraft storage only. The electrical service provided to the premises shall not be altered in any way, unless authorized by District.

8. Prohibitions. Tenant shall not do any of the following:

(a) Store property outside the Premises or store any property in the Premises, unless authorized as Permitted Uses of the Premises.

(b) Commit or suffer excessive noise, obnoxious odors, excessive dust or any other nuisance on the Airport.

(c) Alter or improve the Premises without District's prior written consent.

ALTERATIONS. Alterations shall not be made without District approval. If alterations are made, Tenant shall restore premises to its original state upon vacating or obtain permission from District to vacate without such restoration.

(d) Fasten or erect any sign on the Airport.

(e) Assign this lease or sublet the Premises. The sublease of all or any part of a hangar unit is specifically prohibited, except with prior written approval by the General Manager. Pursuant to a hangar space sublease, General Manager or his designee may make such authorization on a case-by-case basis upon written request. Approval of the sublease is contingent upon the tenant's continued storage of an aircraft registered in his name in the hangar. The General Manager, or his designee, reserves the right to deny any such application to sublease when, in his sole discretion, he determines that such sublease agreement would not be in the best interests of the District, would conflict with the District's then current policy regarding hangar lease eligibility and use, would interfere with the efficient and effective administration or enforcement of hangar space leases of the District, or would allow circumvention of the Hangar Waiting List maintained by the District. The Tenant under this lease agreement shall continue to be responsible for the performance of the terms and conditions of the lease and sublease, and shall indemnify and hold the District harmless from any failure of the subtenant to perform under the sublease.

(f) Permit a third party to use the Premises except with prior written approval of District.

(g) Make use of the Premises or Airport in any manner which may interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard.

(h) Use, keep or store in the Premises any combustible or flammable liquids, gases, or substances, except fuel and lubricants in the aircraft's systems and excepting new lubricating engine oil, grease and other combustible liquids necessary to the permitted uses when stored in Underwriter Laboratory listed containers.

(i) Permit any activity within the premises involving fuel transfer, welding, torch cutting soldering, doping (except with nonflammable dope) or spray painting.

- (j) Conduct a commercial activity on the premises.
- (k) No hangar swapping. This practice affects the prospective hangar wait list tenants.
- (l) No adding names to Hangar Lease after hangar lease has been signed. This practice affects the prospective hangar wait list tenants.

9. Damage or Destruction of Premises. In the event the Premises are damaged or destroyed and unfit for use by Tenant, either party may terminate this lease upon seven (7) days' prior written notice thereof and the monthly rent will be prorated to the date of the damage or destruction.

A tenant so terminated retains priority for the next available hangar if the damage or destruction is due to events beyond the tenant's control. Where more than one tenant is terminated pursuant to this clause, replacement hangar space will be provided according to seniority of occupancy.

10. Entry by District.

INSPECTIONS. Premises shall be subject to inspection by District for compliance with codes and regulations. Tenant shall make the premises available for such inspections upon reasonable notice.

District reserves the right to enter the Premises at any reasonable time to make repairs, inspect for Lease compliance, or in case of emergency. District will provide Tenant with a combination lock. The lock and key will be returned to District upon termination of this lease. If Tenant fails to do so, Tenant shall pay for a new lock, re-keying deemed necessary by District. Tenant acknowledges that use of a lock other than that supplied by District is not authorized. Tenant further agrees that District may remove any unauthorized lock at any time without notice, with no liability to District, and replace any such lock with a District lock.

11. Notices. Any notice under this lease shall be deemed to have been delivered forty-eight (48) hours after mailing by first-class, U.S. mail, postage paid, to District's address and Tenant's address, or at any other time of personal delivery, telephone message, or facsimile; provided either party may change its address, phone number or facsimile number for notices only by written notice to the other party.

COMPLIANCE WITH GOVERNMENTAL REQUIREMENTS. Tenant shall comply with all rules and regulations, ordinances, statutes and laws of all county, state, federal and other governmental authorities, now or hereafter in effect pertaining to the Airport, the premises, or Tenant's use thereof.

HAZARDOUS SUBSTANCE AND WASTE. Tenant shall comply with all laws regarding hazardous substances and wastes relative to occupancy and use of the premises. Hazardous substances and wastes located on the premises or Airport by Tenant, Tenant shall be liable and responsible for:

- a. removal of any such substances and wastes,
- b. costs associated with storage or use of hazardous substances,
- c. any damages to persons, property and the premises or Airport,
- d. any claims resulting therefrom,
- e. any fines imposed by any governmental agency,
- f. any other liability as provided by law,
- g. reporting any release of hazardous materials to District
- h. placing a drip pan under each engine of stored aircraft

12. Indemnification. Tenant shall defend, protect, indemnify and hold harmless District, its directors, officers, employees, agents, and representatives ("District etc. "), at all times from and against any and all liabilities, suits, proceedings, liens, actions, penalties, losses, expenses, claims or demands of any nature, including costs and expenses for legal services and causes of action of whatever character which District may incur, sustain or be subjected to ("liabilities, etc.") arising out of or in any way connected with: the acts omissions of Tenant or his/her its officers, agents, employees, guests, customers, visitors, or invitees; or Tenant's operations on, or use of occupancy of, the premises or the Airport or Airport Facilities. Tenant shall indemnify and hold "District, etc. "harmless from and against any "liabilities, etc." Including third party claims, environmental requirements and environmental damages defined in Exhibit "A", Hazardous Material Definitions, as attached and incorporated herein by reference. Tenant shall notify District and City of Santa Maria Fire Department and County Fire Department immediately of any release of hazardous or toxic materials on the Premises or by Tenant elsewhere on the Airport.

The foregoing indemnification excludes only liability or loss caused by the sole active negligence or willful misconduct of District.

ENVIRONMENTAL REQUIREMENTS. Tenant's use of premises shall comply with the Airport District General Storm Water Discharge Permit, Federal Water Pollution Control Act, National Pollutant Discharge Elimination Permit and the Monterey Peninsula Airport District Storm Water Prevention Plan.

13. Default. In the event Tenant fails to pay rent when due or is in default under any provision of this lease, District may terminate this lease and resort to the rights and remedies provided by the laws of the State of California.

14. Attorneys' Fees. If either party brings any action to interpret, enforce or establish any right or remedy under this lease, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs.

ATTORNEYS' FEES. In event of action at law or in equity between District and Tenant arising out of this Agreement or any right or obligation derived herefrom, then in addition to all other relief at law or in equity, the prevailing party shall be entitled to recover from the unsuccessful party all attorneys' fees and costs incurred by the prevailing party.

POSSESSORY TAXES. Tenant shall be solely responsible for the payment of possessory interest taxes as might be levied by the County of Santa Barbara. (**Initial Here** _____)

15. Waiver. No waiver by District of any breach of any covenant or condition shall be construed as a waiver of a subsequent breach of the same or any other covenant or condition. District's acceptance of rent with knowledge of Tenant's violation of a covenant, including nonpayment of rent, shall not waive District's right to enforce any covenant of this lease. District shall not be deemed to have waived any provision of this lease unless the waiver is in writing and signed by District.

16. Insurance.

(a). A certificate of insurance must be provided with a 30-day cancellation notice. For aircraft, which are out of License, not airworthy, a signed statement to that fact with a promise to obtain the required insurance before operating said aircraft shall be filed in lieu of the certificate. The District of Airport must be informed immediately if the general aggregate of insurance is exceeded and additional coverage must be purchased to meet the below requirements.

(b). Aircraft Liability: Bodily injury including occupants and property damage liability, \$100,000 each person, \$100,000 property damage, \$500,000 each accident. Seats may be excluded.

IN WITNESS WHEREOF, the parties have executed this lease.

District

SANTA MARIA PUBLIC AIRPORT DISTRICT

By: _____
Chris Hastert, General Manager

Tenant

By: _____
Tenant Name

HAZARDOUS MATERIAL
Definitions

A. HAZARDOUS MATERIAL

Hazardous Material means any substance:

(i) the presence of which requires investigation or remediation under any federal, state or local statute, regulation, ordinance, order, action, policy or common law; or

(ii) which is or becomes defined as a "hazardous waste", "hazardous substance", pollutant or contaminant under any federal, state or local statute, regulation, rule or ordinance or amendments thereto including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.) and/or the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.); or

(iii) which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any governmental authority, agency, department, commission, board, agency or instrumentality of the United States, the State of California or any political subdivision thereof; or

(iv) the presence of which on the Premises or the Airport causes or threatens to cause a nuisance upon the Premises or the Airport or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about the Premises or Airport; or

(v) the presence of which on adjacent properties could constitute a trespass by; or

(vi) without limitation which contains gasoline, diesel fuel or other petroleum hydrocarbons; or

(vii) without limitation which contains polychlorinated biphenols (PCBs), asbestos or urea formaldehyde foam insulation; or

(viii) without limitation radon gas.

B. ENVIRONMENTAL REQUIREMENTS

Environmental Requirements means all applicable present and future statutes, rules, ordinances, codes, licenses, permits, orders, approvals, plans, authorizations, and similar items, of all governmental agencies, departments, commissions, boards, bureaus, or instrumentalities of the United States, states and political subdivisions thereof and all applicable judicial, administrative, and regulatory decrees, judgments, and orders relating to the protection of human health or the environment, including, without limitation:

1. All requirements, including but not limited to those pertaining to reporting, licensing, permitting, investigation, and remediation of emissions, discharges, releases, or threatened releases of "Hazardous Materials", chemical substances, pollutants, contaminants, or hazardous or toxic substances, materials or wastes whether solid, liquid, or gaseous in nature, into the air, surface water, groundwater, or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of chemical substances, pollutants, contaminants, or hazardous or toxic substances, materials, or wastes, whether solid, liquid, or gaseous in nature; and

2. All requirements pertaining to the protection of the health and safety of employees or the public.

C. ENVIRONMENTAL DAMAGES

Environmental Damages means all claims, judgments, damages, losses, penalties, fines, liabilities, encumbrances, liens, costs, and expenses of investigation and defense of any claims, whether or not such claim is ultimately defeated, and of any good faith settlement of judgment, of whatever kind or nature, contingent or otherwise, matured or unmatured, foreseeable or unforeseeable, including without limitation reasonable attorneys' fees and disbursements and consultants' fees, any of which are incurred at any time caused by "Hazardous Materials" upon, about, beneath the Premises or Airport or migrating or threatening to migrate from the Premises or the Airport, or the existence of a violation of "Environmental Requirements" pertaining to the Premises or the Airport as the result of "Tenant"'s use or occupancy of the Premises or the Airport or as the result of any of "Tenant"'s (or "Tenant"'s agents, employees, invitees or officers') actions or omissions, regardless of whether the existence of such "Hazardous Materials" or the violation of "Environmental Requirements" arose prior to the present ownership or operation of the Premises, and including without limitation:

1. Damages for personal injury, or injury to property or natural resources occurring upon or off of the Premises or the Airport, (foreseeable or unforeseeable), including, without limitation, lost profits, consequential damages, the cost of demolition and rebuilding of any improvements on real property, interest and penalties;

2. Fees incurred for the services of attorneys, consultants, "Tenant"s, experts, laboratories and all other costs incurred in connection with the investigation or remediation of such "Hazardous Materials" or violation of "Environmental Requirements" including, but not limited to, the preparation of any feasibility studies or reports or the performance of any cleanup, remediation, removal, response, abatement, containment, closure, restoration or monitoring work required by any federal, state or local governmental agency or political subdivision, and including without limitation any attorney's fees, costs and expenses incurred in enforcing this agreement or collecting any sums due hereunder; and

3. Liability to any third person or governmental agency to indemnify such person or agency for costs expended in connection with the items referenced in subparagraph 2 herein;

4. Diminution in the value of the Premises or the Airport, and damages for the loss of business and restriction on the use of or adverse impact on the marketing of rentable or usable space or of any amenity of the Premises or the Airport.