

# THE EPISCOPAL CHURCH IN HAWAII

## License Agreement

Consider a license agreement as a mutual agreement between TECH, the fee owner, you, the Licensor, and the user of your event space, the Licensee. It's comparable to lending your car to a friend—you trust them to handle it responsibly, but there are still guidelines to ensure its proper use. Think of it as the rulebook for utilizing your property or service, specifying permissible actions and restrictions. Are you prepared to examine why each provision of our license form holds significance from the Licensor's perspective? Let's delve into it together!

**1. Basic License Provisions; References & Definitions:** Think of this section as laying down the groundwork for the agreement. It's like setting the stage, making sure all parties are on the same page about who's who and what's what.

a. **Commencement Date:** This is when the magic begins! It's important to have a clear start date so we know when our agreement officially kicks off and, most importantly, when the cash money should be received.

b. **Licensee Information:** We need to know who our Licensees are! This section helps us keep track of the awesome folks we're working with. And it's especially important if something (unfortunately!) goes wrong – we need to know how to reach the licensee! Try to get an e-mail address if you can – that's the easiest and fastest way to deliver Notice.

c. **Licensed Premises:** This is the spot! Defining the specific area the Licensee will be using ensures there's no confusion about where they can work their magic.

d. **Parking and Common Facilities:** Everyone needs a place to park! This section ensures the licensee knows where they can park and any other cool spots they can use around the premises.

e. **License Term:** Spells out how long the agreement lasts, from start to end.

f. **Permitted Hours:** Specifies the days and hours during which the Licensee may utilize the Licensed Premises.

g. **Permitted Use:** States what the Licensee is allowed to use the space for.

h. **License Fees, Charges & Deposits:** Details various financial aspects, including the License Fee, Other Charges, General Excise Tax, Total License Fee Due at Delivery, Interest on Past Due Payments, and Security Deposit.

i. **Insurance Limits:** This section ensures that you've got adequate insurance in place to protect the Licensee and Licensor.

**2. Term and Scope:** Explains how long the agreements lasts and what the Licensee can do in the space.

**3. License Fees and Charges:** Outlines the money needed for using the space, including the License Fee and any extra charges.

a. **License Fee:** Requires payment by the Licensee to the Church on or before the first day of each calendar month during the License Term, with prorated adjustments for incomplete months.

b. **Other Charges:** If there are any additional fees mentioned in Section 1, they will be mentioned here.

c. **General Excise Taxes:** The GET rate varies by county, so make sure you're using the correct rate! And remember – GET is charged on *top* of the License Fee, it is not part of the sum in 3(a).

d. **Real Property Taxes:** TECH and its churches are generally exempt from the responsibility to pay real property taxes because of their *use* of the land. A full list of uses that exempt property from real property taxes can be found in Section 8, Article 10 of the Revised Ordinances of Honolulu. If a licensee's operations do not qualify for an exemption; for example, a for-profit LLC operating a CPA practice, real property taxes are due on the portion of the land that the licensee is occupying. Refer to the memo on real property tax exemptions dated August 11, 2020 prepared by Chun Kerr LLP on how to process payments for for-profit licensees. And remember, failure to properly report real property taxes on any portion of TECH's properties can jeopardize TECH's exemption for all of its properties!

e. **Interest on Late Payments:** Charges interest on overdue payments until full settlement within five (5) days of the due date.

**4. Security Deposit:** As a Licensor, it's crucial to mitigate the risk of unexpected damages, which can be unsettling for anyone. This section serves as a safety net, providing reassurance that we have measures in place to address such occurrences. Rest assured, if everything proceeds smoothly, you will regain possession without any issues.

**5. Maintenance and Repair:** This part clarifies who's responsible for what when it comes to maintenance and repairs.

**6. Upon Termination:** Anything left behind after our agreement ends will be considered abandoned. Make sure your licensee knows to tidy up and fix any boo-boos.

**7. Fixtures and Alterations:** This section outlines what changes the Licensee can (and can't) make to the premises.

**8. Liability Insurance:** We've got to stay protected! This part ensures you've got the right insurance coverage to keep both parties safe.

**9. Use of Licensed Premises:** Use of the space only for what is agreed upon and play nicely with the laws and regulations.

**10. Building Rules and Regulations:** It's recommended to outline some rules and regulations to maintain the safety and cleanliness of your space.

**11. Observance of Laws; Waste and Unlawful Use:** Ensures activities conducted in the space are lawful and respectful, avoiding any actions that could potentially damage the property or disturb others. Let's maintain a calm and harmonious environment.

**12. Inspection:** The Licensor might pop in from time to time to make sure everything's running smoothly.

**13. Indemnity:** This section ensures that the Licensee is responsible for any damages or losses that occur during use of the premises.

**14. Default; Licensor's Remedies:** Let's keep things on track! This section outlines what happens if Licensee doesn't hold up its end of the bargain.

**15. Licensor's Costs and Expenses:** Licensee is on the hook for any costs that rack up trying to enforce this agreement.

**16. Right to Mortgage:** This part ensures that the Licensor has the right to mortgage the premises if needed, even if a license is in place.

**17. Condemnation:** The license agreement will terminate if the premises are taken by eminent domain and Licensee can't hold Licensor responsible for compensation related to that termination. It's a lot neater than a lease, which typically have very involved condemnation provisions.

**18. Casualty:** Sometimes accidents happen. This section ensures we've got a plan in place if the premises are damaged.

**19. Licensee's Waiver of Warranty; Assumption of Risk:** The Licensee is taking the space as-is and taking on any risks that come with it.

**20. Assignment and Transfer:** You made a deal with this Licensee! So, they can't just hand off this agreement to someone else without asking first.

**21. Notices:** If we need to "officially" chat, it's gotta be in writing and sent to the right places.

**22. Waiver of Jury Trial:** We agree to sort out any disagreements without involving a jury. Jury trials are very costly and a total ime-suck.

**23. Dispute Resolution:** Eh, no scrap, 'kay?! We'll settle any disputes through mediation and arbitration.

**24. Non-Waiver:** Doing certain things won't stop us from enforcing this agreement later on.

**25. Tax Exempt Status:** If future laws mess with our tax-exempt status, we might have to end things.

**26. Interpretation:** Let's make sure we're all on the same page. This section ensures that all parties understand the agreement the same way.

**27. Church's Consent:** The Church is the ultimate fee owner, so let's confirm that it is down with the terms of this agreement.

**28. Counterparts; Electronic Signatures:** Both Licensor and Licensee can sign this agreement in person or electronically and the parties can each sign their own copy and it is still binding on everyone. Let's get it done!