



Santa Barbara Airport

EXHIBIT "A"

T-HANGAR RULES AND REGULATIONS



I. APPLICABILITY

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

II. T-HANGAR LICENSE

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

A. Qualified Aircraft Owner

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

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

B. Identification of Licensee

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

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

C. Permitted Aircraft; Airworthy

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

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

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

III. T-HANGAR ALLOCATION, SELECTION AND REASSIGNMENT

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

IV. T-HANGAR USE AND MAINTAINENCE

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

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

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

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

C. Fire Safety Requirements

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

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

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

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

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

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

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

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

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

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

C. Spill Prevention and Storm Drain Requirements:

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

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

2. Fuel spills that:

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

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

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

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

D. Line Services and Aircraft Fueling

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

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

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

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

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

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

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

3. Surrender of T-Hangar. Licensee shall surrender the T-Hangar with all parts and surfaces broom clean and free of debris, and in good operating order, condition and repair, ordinary wear and tear excepted, at the expiration or termination of the License. Ordinary wear and tear shall not include any damage or deterioration that could have been prevented by good maintenance practice.

V. PROHIBITED T-HANGAR STORAGE AND USES

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

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

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

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

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

VI. VEHICLE ACCESS AND PARKING

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

B. Vehicle Parking.

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

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

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

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

VII. REQUIRED INSURANCE LIMITS AND INDEMNITY

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

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

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

VIII. REMOVAL OF AIRCRAFT.

Any Aircraft occupying a T-Hangar in violation of the Santa Barbara Municipal Code, the License, local, state or federal law, or the T-Hangar Rules and Regulations, shall be removed by its owner from the T-Hangar within forty-eight (48) hours of the date of written notification by the Airport Director that the Aircraft must be removed. An Aircraft not timely removed from the T-Hangar may be removed by the Airport Director and moved to any other place on the Airport without liability for damage to the Aircraft or other property that may result from such removal. All cost and expense of moving the Aircraft shall be paid by the Aircraft owner. Once moved to another location on the Airport, the Aircraft owner shall remove the Aircraft from the Airport within three (3) days of its removal from the T-Hangar.

If, after such time, the Aircraft is not removed from the Airport, the Airport Director may commence lien sale proceedings as provided by law.

IX. GENERAL REQUIREMENTS.

A. Bailee Disclaimer

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

B. Reservation of Rights

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

C. Conflict with License

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

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Supersedes: June 14, 2006