

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 provide one of the following documents at the time of application:

- a. Individual Ownership: Federal Aviation Administration (FAA) Certificate of Aircraft Registration with the aircraft owner's name listed, or:
- b. Co-ownership/Partnership: FAA Certificate of Aircraft Registration with co-owners/partners names listed. All members of any co-ownership shall also be listed as such on the hangar lease agreement, or:
- c. Flying Club or Corporate Ownership: FAA Certificate of Aircraft Registration with the Flying Club or Corporate name listed, and a current membership roster submitted to the Airport annually, or:
- d. Leased Aircraft: FAA Certificate of Aircraft Registration with the rightful owner listed and a copy of the lease demonstrating exclusive possession by the lessee from the lessor. The lease shall be submitted for review to the General Manager, Finance and Administration or designee and approved prior to occupancy. Aircraft leased or transferred from one individual to another with the intent to gain occupancy of a District owned hangar will be considered a sublease and is not permitted under the Hangar Lease Eligibility & Use Policy, or:
- e. A copy of an Aircraft Bill of Sale and an application for Aircraft Registration that has been submitted to the FAA, will satisfy this requirement for a period of ninety (90) days or until the official FAA Aircraft Registration is received.
- f. Show proof that the potential tenant intends to construct an aircraft and District has the right to require a build plan that is mutually agreed upon by the District or applicant can agree to the Homebuilt Aircraft Progress Goals Clause and inspect the progress of completion on a yearly basis, and;
 - a. Homebuilt Aircraft are not eligible for the Corporate or Corporate T wait list until the build is completed.
- g. Apply at District's office (if no vacant hangars are available) for placement on the Hangar Waiting List.
- h. 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, properly and appropriately certificated by the Federal Aviation Administration and in compliance with Santa Maria Fire Department fire safety regulations and 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, except active restoration by Tenant of his or her aircraft or building of a "homebuilt" type aircraft which is subject to periodic inspection. Inspection is to ensure demonstratable progress toward completion is being made and to ensure the hangar is not being used to merely store aircraft parts. 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 (f). 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. 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 offered the hangar. Upon the second refusal or failure to respond, applicant will be removed from the waiting list. After removal, individual must wait 6 months before filling out a new application. 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 the first month's rent will be due.

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". **It is the responsibility of the applicant to keep this information current with Airport Administration.**

- To prove eligibility for a hangar, an aircraft owner must provide one of the following documents at the time of application:
 - Individual Ownership: Federal Aviation Administration (FAA) Certificate of Aircraft Registration with the aircraft owner's name listed, or:
 - Co-ownership/Partnership: FAA Certificate of Aircraft Registration with co-owners/partners names listed. All members of any co-ownership shall also be listed as such on the hangar lease agreement, or:
 - Flying Club or Corporate Ownership: FAA Certificate of Aircraft Registration with the Flying Club or Corporate name listed, and a current membership roster submitted to the Airport annually, or:
 - Leased Aircraft: FAA Certificate of Aircraft Registration with the rightful owner listed and a copy of the lease demonstrating exclusive possession by the lessee from the lessor. The lease shall be submitted for review to the General Manager, Finance and Administration or designee and approved prior to occupancy. Aircraft leased or transferred from one individual to another with the intent to gain occupancy of a District owned hangar will be considered a sublease and is not permitted under the Hangar Lease Eligibility & Use Policy, or:
 - A copy of an Aircraft Bill of Sale and an application for Aircraft Registration that has been submitted to the FAA, will satisfy this requirement for a period of ninety (90) days or until the official FAA Aircraft Registration is received.
 - If tenant intends to construct an aircraft, the tenant must present a build schedule prior to commencement of the lease which is mutually agreed upon by the District *or* tenant agrees to abide by Homebuilt Aircraft Progress Goals Clause. District will request pictures or inspect the progress of completion on a yearly basis.
 - Homebuilt Aircraft are not eligible for the Corporate or Corporate T wait list until build is completed.
- Position on the waiting list will be determined by the date and time of the request.

- Separate waiting lists will be maintained for the T, Corporate T, and Corporate, Hangars.
 - Aircraft must be airworthy to be eligible for all Corporate type hangars.
- Current tenants who wish to lease additional hangars must be in good financial standing with the District before signing a new lease.
- When a hangar becomes available, the Airport Administration will notify the individual at the top of the appropriate waiting list. Offers shall be made chronologically (oldest to newest). 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.
- Applicant must respond to the offer made within three (3) business days. A "pass" response or failure to respond in three (3) business days will be considered a decline.
- Airport Administration will attempt to contact individuals on the list by two different means. Each applicant is permitted one (1) refusal or pass-over. Upon the second refusal or failure to respond, applicant will be removed from the waiting list. *After removal, individual must wait 6 months before filling out a new application.*

Hangar occupancy is dependent on the applicant's ability to meet all conditions specified in the Santa Maria Public Airport District Hangar Space Lease and does not guarantee a lease commitment.

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 priority. If a tenant wishes to obtain a different hangar, he/she may establish a position on the wait list. Tenant will not be eligible to obtain a different hangar within the first three months of the start of a new lease.

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. Any additional hangars selected will be added to bottom of wait list.

The Applicant, by signing this document, certifies receipt of an agreement with these rules.

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 security deposit upon commencement of the lease.

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

I acknowledge receipt of the Santa Maria Public Airport District's Hangar Space 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

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
3005 Airpark Drive	42'1"	34'0"	12'8"	1,078	\$432
3009 Airpark Drive	41'5"	33'0"	12'9"	1,040	\$417
3011 Airpark Drive	41'8"	32'1"	12'6"	1,000	\$400
3019 Airpark Drive	41'8"	32'1"	12'6"	1,000	\$400
3023 Airpark Drive	41'5"	33'0"	12'9"	1,040	\$417
3027 Airpark Drive	42'0"	32'8"	12'7"	1,026	\$412
3031 Airpark Drive	42'0"	32'8"	12'7"	1,026	\$412
3039 Airpark Drive	41'8"	32'0"	12'8"	994	\$398
3103 Airpark Drive	41'8"	34'0"	14'3"	1,043	\$417
3107 Airpark Drive	39'1"	30'4"	11'0"	870	\$348
3109 Airpark Drive	39'6"	31'9"	11'0"	940	\$378
3111 Airpark Drive	40'8"	32'10"	12'0"	963	\$386

CORPORATE T-HANGARS

3035 Airpark Drive (Unit A)	54'8"	45'11"	16'1"	1,982	\$793
3035 Airpark Drive	53'8"	45'11"	16'1"	1,839	\$736

CORPORATE HANGARS

3001 Airpark Drive (Units A, D, H)	52'0"	40'9"	14'0"	2,119	\$849
3001 Airpark Drive (Units B, G)	50'8"	40'9"	14'0"	2,064	\$827
3001 Airpark Drive (Units C, F)	49'10"	40'9"	14'0"	2,027	\$812
3001 Airpark Drive (Unit E)	51'10"	40'9"	14'0"	2,109	\$846
3029 Airpark Drive (Units A, F)	61'8"	50'3"	16'0"	3,098	\$1,240
3029 Airpark Drive (Units B-E)	60'6"	50'3"	16'0"	3,040	\$1,217
3043 Airpark Drive (Units A-G)	60'6"	50'3"	16'0"	3,040	\$1,217
3105 Airpark Drive (Units A)	60'6"	51'6"	16'2"	3,115	\$1,381
3105 Airpark Drive (Units B-G)	60'6"	51'6"	16'2"	3,115	\$1,247

Name _____ Date _____

Address _____

Phone _____ Signature _____

N# _____ Email: _____

HANGAR SPACE LEASE AGREEMENT

By this lease ("Lease"), dated [DATE] and commencing July 1, 2024 ("Lease Commencement Date"), 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 Section 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

Email: airport@santamariaairport.com

Tenant(s): [First, Last, An Individual]

Tenant's Address: Address, City, State, Zip

Tenant's Phone: (805) 000-0000

Tenant's Email: Email Address

Airport: Santa Maria Public Airport
Santa Maria, California

Premises: Hangar ____ at _____ Airpark Drive at the Airport

2. **Permitted Uses of Premises. Tenant shall use the Premises only for the Permitted Uses of Premises, as described below:**

- a. Storage of aircraft registered to Tenant.
- b. Storage of an automobile while the aircraft is being operated outside the hangar. (Per District Resolution 686 regarding Airport Driving Rules and Regulations marked Exhibit "A" attached hereto and made a part hereof, and as the same may be amended by from time to time by the District board of directors)
- 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, properly and appropriately certified by the Federal Aviation Administration ("FAA") and in compliance with the Santa Maria Fire Department fire safety regulations and 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 to ensure demonstratable progress toward completion is being made and to ensure the hangar is not being used to merely store aircraft parts.
 - i. If Tenant does plan on constructing an aircraft, the build plan provided to the District will be attached hereto marked as Exhibit "D"

3. Termination. Except as otherwise specifically provided in Section 10, 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.

- a. **Non-curable Defaults:** Notwithstanding paragraph (a), the parties acknowledge that because the Premises is part of an airport, severe, dangerous circumstances could occur that would warrant District proceeding with terminating the lease upon notice under Code of Civil Procedure section 1161(3) or (4) (relating to non-curable breaches) instead of the 30-day notice specified in paragraph (a). Specifically, termination upon notice under Code of Civil Procedure section 1161(3) or (4) may occur when the breach or default cannot be cured by Tenant after notice; when Tenant uses the Airport for an unlawful purpose; when Tenant commits, maintains, or allows the commission or maintenance of a nuisance (as defined in Civil Code section 3479 et seq.) on the Airport; or the breach or default causes a serious risk to the safety or security of persons or property at the Airport, including, without limitation, a deliberate act of violence; criminal activity that jeopardizes the Airport or people or property thereon; willful disobedience of published rules and regulations; or willful disobedience of lawful instructions of District staff relating to aircraft operations or an immediate safety or security need at the Airport. In these circumstances, maintaining the lease for an additional 30 days would result in danger to the public, other tenants, or the Airport. The parties do not intend de minimis breaches or trivial defaults to warrant termination upon notice under Code of Civil Procedure section 1161(3) or (4).
- b. **General:** The enumeration in this Lease of various grounds for default does not mean that such enumerated grounds are the only grounds for default under this Lease. The parties do not intend to limit any other rights either party may have under

Code of Civil Procedure section 1161. Termination as provided in this section does not constitute a waiver of damages or any other remedy available to either party because of such default. Each term and condition of this Lease is both a covenant and a condition.

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.
5. **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 termination of the Lease 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.
6. **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. 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.
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 Hangar Lease Eligibility and Use Policy as amended on May 23, 2024 (marked Exhibit "B" attached hereto and made a part hereof), and as the same may be further amended from time to time by the District board of directors. A copy of all policies may be obtained by tenant through the District office.

Tenant acknowledges that hangar access within the Air Operations Area ("AOA") of the Airport is limited to the areas marked on Exhibit "B" only.

(Initial Here _____)

- 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. Tenant must, at its own cost, remove all aircraft and personal property of any kind from the Premises at the termination of this Lease. Tenant shall be solely responsible for the cost of removing any and all aircraft and other personal property and repair of any damage, including those caused by alterations, improvements, or additions, whether or not the alterations, improvements, or additions were approved by the District.
- f. If Tenant does not remove, or has not completed removal of, any personal property other than aircraft within seven (7) days after the termination, title to any remaining personal property other than aircraft will vest in the District as provided by law. The District may thereafter remove or cause to be removed or destroyed, such personal property left on the Premises, and in such event, Tenant must pay the District the reasonable and actual cost of any such removal, sale, or destruction in excess of any consideration received by the District as a result of any such removal, sale, or destruction. This subsection will survive the termination of this Lease.
- g. If Tenant does not remove, or has not completed removal of, all aircraft within seven (7) days after the termination of this Lease, all remaining aircraft may be removed by the District 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 of moving the aircraft must be paid by tenant. Once moved to another location on the Airport, Tenant must remove all aircraft from the Airport within three (3) days of their removal from the Premises. If, after such time, all aircraft are not removed from the Airport, District may commence lien sale proceedings as provided by law. This subsection will survive the termination of this Lease.
- h. Tenant hereby grants to District a lien against the Hangar, Aircraft, and all personal property that Tenant stores in the Hangar. This lien exists and continues for all unpaid amounts that Tenant may owe District, from time to time, and District's assertion of the lien does not relieve Tenant from the obligation to pay the monthly rent as provided in this Lease. In the event Tenant does not fully and immediately discharge all unpaid amounts, District is hereby granted and has the right to take and recover possession of the Hangar and satisfy the District's lien in accordance with sections 1208.61 through 1208.70, inclusive, of the Code of Civil Procedure. District may also take and recover possession of the stored aircraft and personal property, without

notice or other action, exercise its lien against the same, and have and recover all costs in connection with the repossession of said Hangar, aircraft, or personal property and assertion of the lien. This subsection will survive the termination of this Lease.

- i. 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.
- j. Furnish District a copy of the FAA 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. Should Tenant's aircraft registration with the FAA expire, Tenant shall have thirty (30) days after expiration to register the aircraft.
- k. Use only the lock provided by District to secure the Premises.
- l. Tenant may add an alarm with written approval from the District and must provide the code to District staff.
- m. If Tenant sells aircraft, Tenant is required to notify the District's Administration Office within ten (10) business days. Tenant agrees to replace sold aircraft within ninety (90) days.
- n. In the event of Tenant's death, Tenant's personal representative or heirs at law will have six (6) months from the date of death to vacate the premises.
- o. The rental fee includes a charge for electricity. Gas, water, and sewer are not available. Trash disposal is Tenant responsibility. **Outside trash is not permitted.**
- p. 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. 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 Tenant's name in the hangar. The General Manager, or their designee, reserves the right to deny any such application to sublease when, in their sole discretion, they determines that such sublease agreement would not be in the best interests of the District, would conflict with the District's 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 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. "Swapping" hangars with another tenant is prohibited. This practice affects the prospective hangar wait list tenants.
 - l. Adding names to this lease after it is signed is prohibited. This practice affects the prospective hangar wait list tenants.
9. **Condition of Premises.** Tenant has examined and knows the condition of the Premises, has received the same "as is," and acknowledges that no representations as to the condition of the Premises have been made by the District prior to or at the execution of this Lease.

10. 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.

11. Entry by District. 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 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.

12. Notices. Any notice under this Lease shall be in writing and shall be deemed to have been properly given if properly addressed to the addresses set forth in this Lease or other such address as either party may designate by notice in accordance with this paragraph: (i) personally delivered, (ii) sent by first-class U.S. mail postage paid, or (iii) sent by electronic mail. Notice shall be deemed given on the earlier of: (i) actual receipt by the receiving party, (ii) forty-eight (48) hours after deposited with the United States Postal Service, or (iii) the date on which the electronic mail is transmitted.

13. 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.

14. 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.

15. 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 "C"; 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.

16. 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 Santa Maria Public Airport District Storm Water Prevention Plan.

17. Animals. Dogs are permitted in the AOA Hangar Access Area (as shown in Exhibit "B") if kept on a leash at all times. If District staff finds a dog off leash, the dog will be immediately and permanently removed from Airport property. All animal waste must be immediately removed from the Airport property and disposed of properly. Animals determined by the General Manager, in his absolute discretion, to be an annoyance or a risk to the health and safety of the public shall be immediately and permanently removed from the Airport property.

18. 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.

19. Attorneys' Fees. In event of action at law or in equity between District and Tenant arising out of this Lease 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.

20. 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 _____)

- 21. Entire Agreement.** This Lease constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.
- 22. Modifications in Writing.** This Lease may not be modified orally or in any other manner than by an agreement in writing signed by the parties to this Lease.
- 23. 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.
- 24. Insurance.** Tenant is responsible for maintaining insurance coverage in accordance with this section during the term of this Lease and providing a valid certificate of insurance with a 30-day cancellation notice to the District. The District must be informed immediately if the general aggregate of insurance is exceeded and additional coverage must be purchased to meet the requirements in this section. Tenant's aircraft(s) shall not be operated without the required insurance coverage. The following insurance coverage is required for Tenant's aircraft(s). 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.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Lease.

District

SANTA MARIA PUBLIC AIRPORT DISTRICT

By: _____
Martin Pehl, General Manager

Tenant

By: _____
First & Last

SAMPLE

SANTA MARIA PUBLIC AIRPORT DISTRICT

RULES AND REGULATIONS – VEHICLES INSIDE AIRPORT OPERATIONS AREA

1. **General**

1.1. **Authority.** These Rules and Regulations are promulgated under the authority of Section 22555 of the Public Utilities Code of the State of California (California Airport District Act).

1.2. **Application of Rules and Regulations.** These Rules and Regulations shall govern drivers and vehicles within the Airport Operations Area on the Santa Maria Public Airport, located in the City of Santa Maria, County of Santa Barbara, State of California.

1.3. **Superintendence.** All persons entering any part of Airport property shall be governed by these Rules and Regulations.

1.4. **Enforcement.** Each employee of the Santa Maria Public Airport District is empowered, as a representative of the airport general manager, to require compliance with the Rules and Regulations.

1.5. **Violation of Rules and Regulations.** In addition to any other penalty that may be imposed as a result of violation of these Rules and Regulations, the Airport District reserves the right to deny or deprive any person of the use of the Airport or its facilities. Any person who does not comply with any of the provisions of these Rules and Regulations, or any lawful order issued pursuant thereto, will be subject to the following penalties, in addition to the penalties pursuant to federal, state or local authorities.

1.5.1. Penalties for failure to comply with these Rules and Regulations shall consist of written warnings, suspension of airside driving privileges within the Airport Operations Area and/or revocation of driving privileges inside the Airport Operations Area.

1.5.2. Based on an evaluation of circumstances or the severity of a particular incident or incidents, the Airport District reserves the exclusive right to assess any penalty it deems appropriate at any time to any individual authorized to operate a vehicle inside the Airport Operations Area without regard to prior operating history.

1.5.3. The Airport District will provide a copy of all written warnings issued to an operator to the local manager of the company owning or in possession or control of the vehicle or vehicles in the violation(s).

1.6. **Severability.** If any section, subsection, subdivision, paragraph, sentence, clause or phrase of these Rules and Regulations or any part thereof is for any reason held to be unconstitutional, invalid or ineffective by any court of competent jurisdiction or other competent agency, such decision will not affect the validity or effectiveness of the remaining portions of these Rules and Regulations.

1.7. Educational Materials. Airport District employees may distribute materials prepared by the Airport or FAA or others to assist in educating drivers of vehicles inside the AOA.

2. Definitions

2.1. AERONAUTICAL SERVICE PROVIDER: A person or firm who provides aviation support services at the Airport.

2.2. AIRPORT: The Santa Maria Public Airport, operated by the Santa Maria Public Airport District, in the City of Santa Maria, County of Santa Barbara, State of California.

2.3. AIRPORT AUTHORITY: The General Manager of Santa Maria Public Airport District or his authorized representative.

2.4. AIRPORT OPERATIONS: Airport department that is responsible for the safety and security of the Santa Maria Public Airport.

2.5. AIRPORT OPERATIONS AREA OR "AOA": That area inside the Airport security boundary (airfield perimeter chain-linked fence) in which aircraft movements take place (i.e., aircraft gate position, ramp areas, runways, taxiways, and areas in which both ground vehicles and aircraft frequently operate).

2.6. CONTROL TOWER: Facility operated by contractor pursuant to contract with the Federal Aviation Administration ("FAA") to control aircraft and vehicle ground movements on runways and taxiways. While the Control Tower does not have a positive control responsibility for aircraft or vehicles on non-movement areas (gate positions, ramps, etc.), they may provide assistance and/or advisories to aircraft and vehicles in these areas.

2.7. EMPLOYEE: A person employed on the Airport by an Airport tenant (i.e., airline, FBO, aeronautical service provider), authorized contractors or by the Santa Maria Public Airport District.

2.8. FIXED BASE OPERATOR (FBO): A firm which maintains facilities at the Airport for the purpose of engaging in the retail sale of aviation fuels primarily to purchasers other than scheduled air carrier transport-type aircraft and/or providing one or more of the following general aviation service activities: (a) aircraft maintenance and/or servicing; (b) ground support services and (c) avionics equipment and systems maintenance. The term FBO commonly is used in reference to a general aviation commercial operator on an Airport.

2.9. MOVEMENT AREA: The runways, taxiways and other areas of the Airport which are utilized for taxiing, takeoff, and landing of aircraft, exclusive of ramps. Specific approval must be obtained from the Control Tower (e.g., 2-way radio clearance) for entry into the Movement Area.

2.10. NON-MOVEMENT AREA: The taxiways, taxi lanes and ramp areas not under the control of the Control Tower.

2.11. PRIVATELY OWNED VEHICLE (POV): A vehicle not owned by the Airport District or authorized commercial tenant or licensee.

2.12. RAMP: Areas on the Airport intended to accommodate aircraft for purposes of loading or unloading passengers or cargo, refueling, parking, or maintenance. Two-way radio communication with the Control Tower is not required while operating on the ramp areas but is advised.

2.13. RESTRICTED AREA. Areas of the Airport requiring Airport Authority authorization or an authorized escort. Includes portions of the Airport Terminal, the Security Area, Movement Areas, and other areas of the AOA cross-hatched on Attachment 1, attached hereto and incorporated by this reference.

2.14. RUNWAYS: Areas on the Airport used for the take-off and landing of aircraft. Runways are numbered in relation to their magnetic direction rounded off to the nearest 10 degrees. Aircraft and vehicles operating on runways must have specific approval from the Control Tower (e.g., 2-way radio clearance) to do so.

2.15. SECURITY AREA: Area designated for Air Carrier Operations. Persons requiring unescorted access into this area shall display an authorized company or Airport issued badge, and will have passed a ten-year Criminal History Records Check, which is mandated by 49 CFR 1542.209.

2.16. SPECIAL OPERATIONS AREA: Includes the Security Area, as well as the full length of the commercial operations ramp plus the taxi lane in between the ramp and Taxiway A. All aircraft other than air carriers, and all vehicles are not permitted in this area unless authorized by the Control Tower or Airport Authority.

2.17. TAXIWAYS: Areas on the Airport used for the surface maneuvering of aircraft. Aircraft and vehicles operating on taxiways must have specific approval from the Control Tower (e.g., 2-way radio clearance) to do so. Taxiway edges are delineated by solid or dashed double yellow lines.

3. VEHICLE OPERATOR REQUIREMENTS

3.1. Airport Authorization and Driver's License Required: No person shall operate a motor vehicle within the AOA unless authorized by the Airport and the driver holds a valid driver's license.

3.2. Driver's License Compliance: The driver's license required shall be the same as required of residents by the State of California, Department of Motor Vehicles, or any other state Vehicle Department, as authorized by California Vehicle Code Section 12500 et seq. (non-resident exemption) to operate such vehicle on any public road or highway.

3.3. Employee Training Required: It is the employer's responsibility to ensure that its employees, who are required as a condition of their employment to operate motorized equipment within the non-movement area, are properly trained and qualified.

3.4. Employer's Responsibility for License: It is the employer's responsibility to ensure that its employees, who are required as a condition of their employment to operate motorized equipment within the AOA, hold a valid driver's license.

3.5. Vehicle Permits: Airport tenants who are required as a condition of their employment to operate vehicles or motorized equipment in the Special Operations Area, must

have vehicles properly placarded with company logo or display an Airport issued Restricted Area permit, and must have received prior authorization from the Airport. All other vehicles will be properly placarded with company logo, or display a General Aviation Permit outside of the Special Operations Area.

4. **Vehicle Operation**

4.1. **Right of Way.** *Aircraft, emergency vehicles and pedestrians always have the right of way.*

4.2. **Posted Speed Limit.** Vehicles shall comply with the posted speed limit which is 15 miles per hour.

4.3. **No Passing.** No vehicle shall pass another vehicle on a designated vehicle road.

4.4. **Safe Operation.** No person may operate a vehicle on Airport property in a reckless or careless manner.

4.5. **Two-Way Radio Requirement.** Airport District or other vehicles routinely operating on Movement Areas shall be equipped with two-way radios capable of communicating with the Control Tower.

4.6. **Escort Vehicles.** Escort vehicles shall be equipped with a two-way radio for communication with the Control Tower and shall accompany maintenance or service ground vehicles without two-way radios whenever non-radio equipped vehicles are operating on Movement Areas.

4.7. **Entry by Closest Gate.** Tenants of the Airport who are granted vehicle access to ramps and hangar areas shall enter and exit the AOA via the gate nearest their destination and operate their vehicle in accordance with the terms of a lease, license or permit at all times.

4.8. **Aircraft.** No vehicle shall pass underneath the wing of an aircraft.

4.9. **Accidents.** Report all vehicular accidents on Airport property to the Airport District Office as soon as possible.

4.10. **Authorized Restricted Access** Those persons who require unescorted access into the Restricted Areas of the Terminal or the Security Area of the Airport, must obtain an Airport Security Badge from Airport Operations, and undergo the appropriate background checks as per 49 Code of Federal Regulations 1542.209. No vehicle operator may enter these or any other Restricted Areas without prior permission from Airport Administration.

4.11. **Movement Area.** No vehicle operator shall enter the Movement Area without first obtaining permission from the Airport and clearance from the Control Tower. All vehicles operating within the movement area must maintain two-way radio contact with the Control Tower on Ground Control frequency. When Control Tower is closed, vehicle operators shall monitor CTAF (Common Traffic Advisory Frequency) on 118.3 and announce intentions to Santa Maria Traffic.

4.12. **Poor Driving Conditions (Nighttime, Fog, Rain, Etc.).** Poor driving conditions caused by fog, rain or darkness may obscure visual cues, roadway markings, and airport signs.

Vehicle operators should remain vigilant of their surroundings and operating boundaries. During times of decreased visibility, vehicles should operate with headlights on.

4.13. Parking.

4.13.1. All persons shall comply with District's parking regulations inside the AOA.

4.13.2. No person shall park a vehicle in an aircraft parking area, Special Operations Area, or in a manner that obstructs or interferes with operations in the aircraft Movement Area or apron area.

4.13.3. No person shall park, or leave unattended, vehicles or other equipment that interfere with the use of a facility by others or prevent movement or passage of aircraft, emergency vehicles, or other motor vehicles or equipment.

4.13.4. No vehicle shall block access to fire hydrants or fire extinguishers.

4.13.5. No vehicle shall be parked within the AOA without a current, Airport issued permit.

4.13.6. Vehicles shall be parked only in areas authorized by the type of permit issued by Airport.

4.13.7. General aviation hangar tenants and their guests shall park in designated parking areas only. Parking inside hangars is permitted only when the aircraft stored in the hangar is being flown. Parking by tenant or guest in front of the hangar leased to the tenant is permitted only when the driver is inside the hangar, and only when such parking does not block vehicular or aircraft traffic or access to another hangar.

4.13.8. Aeronautical service providers and other commercial tenants or licensees of the Airport shall park only within areas leased to the provider, tenant or licensee.

4.14. Vehicle Markings. Aeronautical Service Providers, Fixed Base Operators and other commercial tenants or licensees of the Airport shall ensure that any vehicle entering the AOA is properly placarded with company logo and readily identifiable. Vehicles that do not bear a company logo shall obtain a permit from the Airport District office before entering the AOA.

4.15. Safety Cones. Never drive between safety cones.

4.16. Vehicle Identification and Marking. Any vehicle entering the AOA must bear an Airport issued vehicle permit, an Airport issued or FBO issued temporary vehicle permit, or be properly placarded with Company logo of an authorized commercial tenant.

4.17. Vehicle Lighting.

4.17.1. All vehicles operating on the AOA shall maintain operable lighting equipment in accordance with California Vehicle Code lighting requirements.

4.17.2. Vehicles shall display lights from one-half hour after sunset to one-half hour before sunrise, and while operating during periods of darkness or reduced visibility unless parked in areas designated by the Airport Authority.

4.17.3. Aircraft towing tugs must be equipped with amber flashing beacons which meet the characteristics set forth in FAA Advisory Circular #AC150/5210-5d – Only Authorized emergency vehicles may display red beacons.

4.17.4. Aircraft cannot be towed at night without lights, unless, prior approval has been given by Airport Operations and Control Tower.

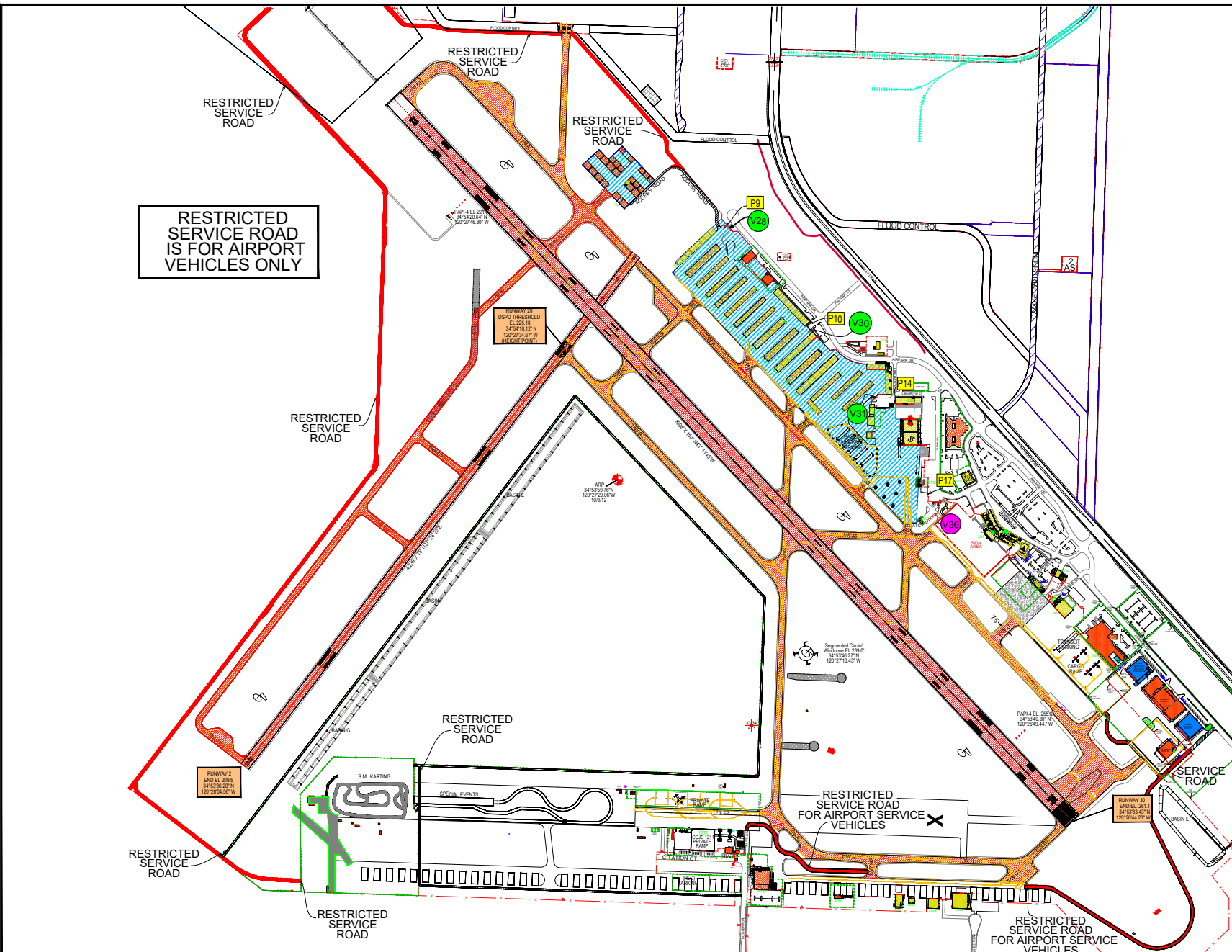
4.18. Privately Owned Vehicles. POV's are prohibited from operating within the AOA unless authorized by the Airport Authority and marked in accordance with the Airport Security Program; or under escort by Airport Operations or other authorized tenant on the Airport (i.e., airlines, ground service companies, etc.); or specifically authorized by Airport Authority. Operation of a Privately-Owned Vehicle on or across any runway or taxiway, or on the aircraft maneuvering ramp area between the Control Tower and General Aviation Terminal Building, or in the Restricted Areas is expressly prohibited.

5. **Gate Security Rules**

5.1. Only authorized persons and vehicles may enter the AOA through vehicle gates designated by the Airport. Tenants, licensees and employees of tenants and licensees shall not permit access into the AOA by unauthorized persons or vehicles at any time. Guests shall be accompanied by a tenant or authorized escort at all times within the AOA.

5.2. Hangar and tie-down tenants shall enter and exit the AOA only through the gate nearest their hangar or assigned tie-down. Hangar and tie-down tenants shall operate their vehicles ONLY in the General Aviation hangar complex area, unless prior authority is obtained from the Airport Authority

5.3. After entering or exiting through a vehicle gate, drivers must stop and wait for the gate to completely close before continuing on to their destination.

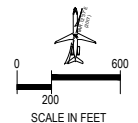


RESTRICTED SERVICE ROAD IS FOR AIRPORT VEHICLES ONLY

MUST HAVE AOA BADGES ON YOUR PERSON WITHIN AIRPORT AOA BOUNDARY

LEGEND

- RESTRICTED AREA
- ELECT. GATE ACCESS
- TENANTS GATE V36 USEABLE IN POWER OUTAGE
- PEDESTRIAN GATES
- AOA HANGAR ACCESS



SANTA MARIA PUBLIC AIRPORT DIST. 3217 TERMINAL DR. SANTA MARIA, CA. 93454 (805) 922-1726	
DRAWING	DRAWN BY: RAY HEATH
HANGAR TENANTS ACCESS MAP	DATE: 7/17/26
1 OF 1	

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 provide one of the following documents at the time of application:
 - a. Individual Ownership: Federal Aviation Administration (FAA) Certificate of Aircraft Registration with the aircraft owner's name listed, or:
 - b. Co-ownership/Partnership: FAA Certificate of Aircraft Registration with co-owners/partners names listed. All members of any co-ownership shall also be listed as such on the hangar lease agreement, or:
 - c. Flying Club or Corporate Ownership: FAA Certificate of Aircraft Registration with the Flying Club or Corporate name listed, and a current membership roster submitted to the Airport annually, or:
 - d. Leased Aircraft: FAA Certificate of Aircraft Registration with the rightful owner listed and a copy of the lease demonstrating exclusive possession by the lessee from the lessor. The lease shall be submitted for review to the General Manager, Finance and Administration or designee and approved prior to occupancy. Aircraft leased or transferred from one individual to another with the intent to gain occupancy of a District owned hangar will be considered a sublease and is not permitted under the Hangar Lease Eligibility & Use Policy, or:
 - e. A copy of an Aircraft Bill of Sale and an application for Aircraft Registration that has been submitted to the FAA, will satisfy this requirement for a period of ninety (90) days or until the official FAA Aircraft Registration is received.
 - f. Show proof that the potential tenant intends to construct an aircraft and District has the right to require a build plan that is mutually agreed upon by the District or applicant can agree to the Homebuilt Aircraft Progress Goals Clause and inspect the progress of completion on a yearly basis, and;
 - a. Homebuilt Aircraft are not eligible for the Corporate or Corporate T wait list until the build is completed.
 - g. Apply at District's office (if no vacant hangars are available) for placement on the Hangar Waiting List.
 - h. 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, properly and appropriately certificated by the Federal Aviation Administration and in compliance with Santa Maria Fire Department fire safety regulations and 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, except active restoration by Tenant of his or her aircraft or building of a "homebuilt" type aircraft which is subject to periodic inspection. Inspection is to ensure demonstratable progress toward completion is being made and to ensure the hangar is not being used to merely store aircraft parts. 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 (f). 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. 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 offered the hangar. Upon the second refusal or failure to respond, applicant will be removed from the waiting list. After removal, individual must wait 6 months before filling out a new application. 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 the first month's rent will be due.

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.

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 biphenyls (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.

Homebuilt Aircraft Progress Goals Terms and Conditions

These Homebuilt Aircraft Progress Goals Participation Terms and Conditions (“Conditions”) are required by the Santa Maria Public Airport District (“District”) as a condition of constructing of homebuilt aircraft within the premises leased from the District and shall constitute additional written terms to the Hangar Lease Agreement (“Lease”) entered into between Lessee and the District. Capitalized terms used herein shall have the meaning given them in the Lease.

1. **Objective:** Lessee agrees to construct and complete a homebuilt aircraft within the premises leased from the District in accordance with these Conditions.
2. **Annual Progress Goals:** Lessee commits to achieving specific yearly progress goals towards the completion of the homebuilt aircraft. These progress goals shall be as follows:
 - a. **Year One:** Complete at least 30% of the construction of the homebuilt aircraft, which shall include major structural components.
 - b. **Year Two:** Achieve 60% completion of the homebuilt aircraft, which shall include installation of essential systems and components.
 - c. **Year Three:** Attain 90% completion of the homebuilt aircraft, which shall include final assembly and integration of all components.
 - d. **Year Four:** Finalize and conduct thorough testing of the homebuilt aircraft to ensure compliance with safety and regulatory standards.
3. **Verification of Progress:** Lessee agrees to provide documented evidence of progress towards the yearly goals as outlined above to the satisfaction of the District. This may include photographs, progress reports, or other forms of verification as requested by the District.
4. **Non-Compliance:** In the event that the District determines that the Lessee fails to meet the specified progress goals within the designated timeframe, the District reserves the right to take appropriate action, which may include but is not limited to, termination of the Lease.
5. **Completion and Compliance:** Upon successful completion of the homebuilt aircraft within the agreed-upon timeframe in these Conditions and meeting all safety and regulatory requirements, Lessee shall notify the District and provide evidence of completion and compliance.
6. **Additional Terms:** Any additional terms and conditions related to the construction, completion, and operation of the homebuilt aircraft shall be subject to negotiation and inclusion in the Lease in a signed writing as mutually agreed upon by both parties.

7. **Legal Compliance:** Lessee shall ensure that all activities related to the construction, completion, and operation of the homebuilt aircraft comply with all applicable laws, regulations, and guidelines, including those set forth by relevant aviation authorities.

Execution: By constructing and storing a homebuilt aircraft within premises leased from the District, Lessee understands that these Conditions are binding on Lessee. This clause shall be deemed an integral part of the lease agreement between the Lessee and the Santa Maria Public Airport District and shall be binding upon both parties upon execution.

SANTA MARIA PUBLIC AIRPORT DISTRICT (“DISTRICT”)

By:

General Manager or Designee

Date

LESSEE

By:

Signature

Date

Name

Title (if a business or other entity)