

City of Phoenix Aviation Department Rules & Regulations

Number: R&R 02-05

Authority: These Rules and Regulations are promulgated pursuant to Phoenix City Code Chapter IV; Article I, Section 4-2.

Rule and Regulation: Minimum Standards – Flying Club

Purpose: These Rules and Regulations govern the Flying Club permits established at Phoenix Sky Harbor International Airport, Phoenix Deer Valley Airport and Phoenix Goodyear Airport. They are designed and intended to facilitate a safe and efficient operating environment for the Airports and their users. All persons shall comply with these Rules and Regulations, restrictions and conditions at all times.

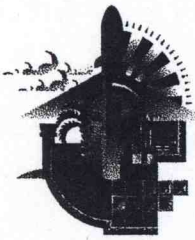
The information and requirements defined in these Rules and Regulations have been derived from Federal Aviation documents, City of Phoenix Ordinances and the City of Phoenix Aviation Department Rules and Regulations. All amendments to these documents shall be considered as included, and all definitions shall be interpreted on that basis and in consideration of the intentions of these documents.

Definitions: Definitions for terms used in these and all other City of Phoenix Aviation Department Minimum Standards Rules and Regulations shall be enclosed by parenthesis or quotation marks or reflected in Section I "Definitions". Terms which are not enclosed by parenthesis or quotation marks nor listed in Section I "Definitions" shall be construed using the common meaning as they apply to generally known aviation industry standards.

Application of Rule and

Regulation: Except as may be prohibited by other provisions of these Rules and Regulations and any other applicable law, owners of one or more aircraft who desire to establish a Flying Club, must apply for and must receive a Flying Club Permit from the Aviation Department prior to the performance of any flying club activities.

The Flying Club shall be the "Permittee" and the Permittee and its members shall comply with all applicable requirements concerning flying club activities as set forth in these Rules and Regulations as well as any amendments thereto.



City of Phoenix Aviation Department Rules & Regulations

These Rules and Regulations, as modified or amended, shall be deemed to be a part of each Flying Club Permit unless otherwise provided in the Permit. The mere omission of any particular standard from a written permit shall not constitute a waiver or modification of such standard in the absence of clear and convincing evidence that the City intended to waive or modify such standard.

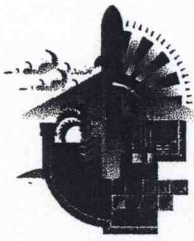
Standards

All flying clubs desiring to base their aircraft and operate on one of the Phoenix Aviation Department airports must comply with the applicable provisions of these Rules and Regulations. A flying club shall be a nonprofit entity (corporation, association or partnership) organized for the express purpose of providing its members with an aircraft, or multiple aircraft, for their personal use and enjoyment only. The ownership of the aircraft, or multiple aircraft, must be vested in the name of the flying club or in the names of the members who own the aircraft in equal shares. The property rights of the members of the club shall be equal and no part of the net earnings of the club will inure to the benefit of any member in any form (salaries, bonuses, etc.). The club may not derive greater revenue from the use of its aircraft than the amount necessary for the operations, maintenance and replacement of its aircraft.

Flying clubs shall not offer or conduct any commercial aeronautical operation (e.g., charter, air taxi, or rental of aircraft). They may not conduct aircraft flight instruction except for regular members, and only members of the flying club may operate the aircraft. No flying club shall permit its aircraft to be utilized for the giving of flight instruction to any person, including members of the club owning the aircraft, when such person pays or becomes obligated to pay for such instruction, except when instruction is given to a member by an instructor permitted by the Aviation Department to provide flight training.

Any flying club member who instructs other members may be compensated by credit against payment of dues or flight time. A flight instructor, including a flying club member who is an instructor, may charge a club member for providing flight instruction, provided that such instructor has obtained authorization to provide flight instruction from the Aviation Department and is authorized to receive compensation for his or her services.

Any flying club member who provides mechanical maintenance for aircraft owned by the Club may be compensated by credit against payment of dues or flight time. A mechanic, including a flying club member who is a mechanic, may charge the club for mechanical maintenance, provided that such mechanic has obtained authorization to provide mechanical maintenance from the Aviation Department and is authorized to receive compensation for his or her services.



City of Phoenix Aviation Department Rules & Regulations

All flying clubs and their members shall be prohibited from leasing or selling any goods or services whatsoever to any person or firm other than a member of such club at the airport except that said flying club may sell or exchange its capital equipment to the benefit of all its members.

The flying club, with its permit application, shall furnish the items identified below under "Required Documentation." In addition, the Flying Club shall confirm the club's not-for-profit status and provide a roster, or list of members, including names of officers and directors, to be revised and submitted to the City on an annual basis. The books and other records of the club shall be available for review at any reasonable time by airport management or its authorized agent.

Aircraft Ownership

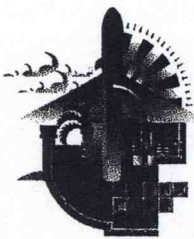
All listed aircraft must be owned by the flying club or its members equally. Documentation to prove ownership of all aircraft must be submitted with the Flying Club Permit application and kept current for the duration of the Permit. Permittee shall notify the City of, and provide updated proof of, any changes in status of ownership of aircraft within ten (10) business days. If as a result of the change in ownership, the Permittee no longer has any aircraft identified on the permit, then the permit will automatically terminate in ninety (90) days, unless the Permittee notifies the City of a replacement aircraft within in the ninety (90) days.

In addition, a flying club may use aircraft pursuant to an exclusive lease agreement if that lease provides for exclusive use and the term of the lease is one (1) year or more.

Application Processing

Applications for Flying Club Permits will be submitted to the Airport Manager. The City of Phoenix Aviation Department, in accordance with Phoenix City Code, shall be responsible for processing, and deciding applications for Flying Club activities at the Airport. The Aviation Department will make efforts to process applications within thirty (30) days of submittal.

The application shall be signed by a person who is named by the club as the "Designee". The Designee shall be a documented officer of the club properly authorized to execute such binding documents.



City of Phoenix Aviation Department Rules & Regulations

Required Documentation

The Applicant shall, at a minimum, submit the following documentation with the above referenced application:

- a current copy of the Flying Club Charter;
- a current copy of the Flying Club Bylaws;
- a current copy of the Flying Club Membership Roster;
- a list of all aircraft including Make, Model and Tail Number (N #) which are owned or exclusively leased and operated by the Flying Club;
- copies of applicable Federal Aviation Administration (FAA) Aircraft Registration Certificates or aircraft lease agreements for the listed aircraft; and
- confirmation of not-for-profit status.

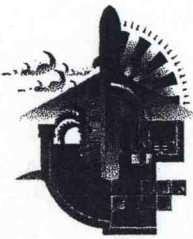
If the above mentioned aircraft are registered in the name of a Flying Club, corporation, LLC, Limited Partnership, or General Partnership, one of the following must be provided:

- if registered in the name of a corporation, a copy of the Articles of Incorporation as filed with the Arizona Corporation Commission;
- if registered in the name of a limited liability company, a copy of the Articles of Organization filed with the Arizona Corporation Commission;
- if registered in the name of a limited partnership, a copy of the Certificate of Limited Partnership filed with the Arizona Secretary of State; or
- if registered in the name of a general partnership, a copy of the written partnership agreement.

Application Denial

The City may deny any application if it is determined that:

- the applicant does not meet the qualifications and standards set forth in Chapter 4 of the Phoenix City Code, the Rules and Regulations of the Aviation Department including these Minimum Standards;
- the activities will require the City to expend funds, or to supply labor or materials as a result of the Applicant's activities, or will result in a financial loss to the Airport;
- the Applicant or any of its members has knowingly made any false or misleading statements in the course of applying for this or any previously sought permit;



City of Phoenix Aviation Department Rules & Regulations

- he Applicant or any of its members has a prior record of violating federal, state, or local laws including Chapter 4 of the Phoenix City Code, Aviation Department Rules and Regulations, including these Minimum Standards, Federal Aviation Regulations or is in default of payments due and owing the City or the Applicant has a history in the prior twenty-four (24) months of failing to make timely payments to the City of Phoenix; or
- the Applicant has not submitted or is unable to submit appropriate documentation supporting the proposed activity.

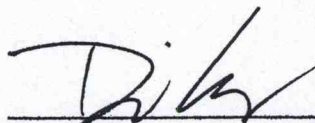
Appeal Process

The Applicant or Permittee shall have the opportunity to appeal the denial, suspension or revocation of a permit in accordance with the City of Phoenix Aviation Department Minimum Standards Notice of Violation (NOV) Program.

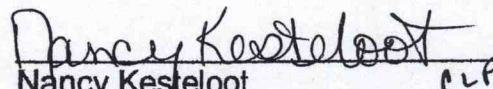
Term of Permit

The term of the Flying Club Permit shall be month-to-month and subject to renewal on an annual basis in accordance with Phoenix City Code. The Flying Club Permit may be cancelled by the Permittee upon ten (10) days written notice. In addition to revocation through the Notice of Violation (NOV) Program, the Aviation Director or his/her designee may cancel the Permit without cause upon ten (10) days written notice or effective immediately where such action is necessary for public health, safety, or welfare in the operation of the Airport as determined in the sole discretion of the Aviation Director or his/her designee.

The foregoing Rules and Regulations are hereby adopted and promulgated this 1st day of October, 2004.



David Cavazos, A.A.E.
Acting Aviation Director



Nancy Kesteloot
Assistant City Attorney *CLP*