

AIRCRAFT LEASE AGREEMENT TEMPLATE

This Aircraft Lease Agreement is entered into by and between

....., hereinafter referred to as "Lessor" and

.....hereinafter referred to as "Lessee".

1. LEASE OF AIRCRAFT:

Lessor hereby leases to Lessee the following described Aircraft with standard equipment and the optional equipment listed below:

Year, Manufacturer, Model:

Serial Number:

Engine Make & Model:

2. DELIVERY AND ACCEPTANCE OF AIRCRAFT:

The AIRCRAFT will be delivered by Lessor to Lessee or Lessor warrants that upon delivery the Aircraft shall be in good condition and fit for LESSEES'S use. Lessee reserves the right to Inspect the condition of the Aircraft upon Acceptance /Delivery Receipt attached hereto.

3. TERM OF LEASE:

The Aircraft will be leased for a minimum term of One Year. The lease shall commence on the date the Aircraft is accepted by Lessee as shown on the Aircraft Acceptance/Delivery Receipt signed by the Lessee and attached hereto. At the expiration of the lease period, the lease shall continue on a month to month basis, during which time either party may terminate by giving a 60 day written notice of intent to terminate to the other.

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4. LEASE RENTAL:

In consideration for the lease of each Aircraft, Lessee agrees to pay Lessor:

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Flight hours shall be determined by the Hobbs meter, and the monthly rental payments shall computed using the “base” Hobbs meter reading shown on the Acceptance/Delivery Receipt.

5. INSURANCE:

Lessee shall, at its own expense, secure and maintain in full force and effect throughout the term of this lease, as a minimum, such insurance coverage on the Aircraft as follows:

- A. Bodily Injury Liability Excluding Passengers: (Amount to be mentioned)
- B. Bodily Injury Liability Passengers: (Amount to be mentioned)
- C. Property Damage Liability: (Amount to be mentioned)
- D. Hull Insurance: All risk ground and flight Hull Insurance on Aircraft shall be in the amount of for term of this lease, with maximum Hull deductibles as show below:
- E. Hull Deductibles : Amount Not in Motion; Amount In Motion;
- F. Lessee shall furnish to Lessor certificates of insurance, with evidence that Hull and Liability insurance policies name Lessors as “Owner/Lessor”: as “Loss Payee” for Aircraft Physical Damage Coverage there under:
 Lessor’s lien holder, must be provided “Breach of Warranty “coverage, in this case
- G. Lessee shall furnish to Lessor evidence that the required insurance has been secured prior to delivery of Aircraft.

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6. RISK OF CASUALTY LOSS:

In the event of any loss or damage, Lessee shall promptly report such loss or damage or damage to the Lessor, the insurance company, any and all applicable local state, federal, or other governmental agencies as required, and shall furnish such information and execute such documents as may be required for Lessor to make claim under applicable insurance policies, This rights and liabilities of the parties shall be as follows:

- A. If the Aircraft is loss or damaged beyond repair, and the insurance company pays Lessor the amount of the Hull insurance, Lessee shall pay Lessor the amount of the Hull insurance deductible, and this lease shall end;
- B. Lessee acknowledges that the Hull insurance deductible shall be paid directly to Lessor as required;
- C. If the Aircraft is only partially damaged, this lease shall remain in full force and effect, and Lessee shall at its own cost and expense, repair the Aircraft, so as to restore Aircraft, as nearly as possible, to same and exact condition as was Aircraft before said damage occurred. To the extent such damage is covered by the insurance described above, Lessor, upon receiving from Lessee such information and such documents as may be required, shall make claim if required under the Hull insurance policy and shall promptly reimburse Lessee for the cost of repairing the Aircraft, to the full extent of, but not more than, the net amount of such insurance recovery actually received;
- D. If payment for the damages to the Aircraft is not made to the Lessor by the insurance carrier, Lessee shall be obligated to repair the Aircraft to the required satisfaction of the Lessor at its own cost and expense, and Lessor will then relinquish to Lessee all claims that it may have against the Hull insurance carrier under the said Hull insurance policy for the damage to the aircraft;
- E. During the period that the Aircraft is being repaired, Lessee shall continue to make the monthly rental payments as they become due.

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7. MAINTENANCE:

A. Lessee agrees to, at its own expense, provide the necessary labor and materials for maintenance of the Aircraft airframe, engines, and attached associated accessories for the term of this lease.

The Lessee shall be responsible for a single part line item of up to (Amount).....Any single part line item that exceeds (Amount) will be discussed with the Lessor prior to purchase and the Lessor has the option to elect to provide the part to the Lessee for (Amount) , or to be invoiced for the amount exceeding (Amount).

B. Upon reaching the properly and duly recorded Time Between Overhaul (TBO), the Engine and the Propeller (s) overhaul shall be the responsibility of the Lessor;

C. In the event of engine replacement, Lessor may elect to repair the engine so as to place it in good, safe, and serviceable condition for use by the Lessee

8. LEASE COVENANTS:

A. THAT Lessee will endeavor to use and operate the Aircraft in accordance with the manufacturer's operating instructions, in conformity with the laws, ordinances, rules and regulations, municipal, state, national or otherwise, now existing or hereafter enacted, controlling or in any way affecting the operation, use or possession of the Aircraft or the use of any airport premises by the Aircraft, and in compliance with the terms, conditions and limitations set forth in the applications for or policies of insurance made or issued pursuant to the terms of this lease;

B. THAT Lessee's expense to cause maintenance and inspections on the Aircraft airframe, engines, and Attached associated accessories to be performed as required by Federal Aviation Administration and Federal Aviation Regulation;

C. THAT Lessee shall not contract for maintenance, or make any alterations or modifications to the Aircraft or install any additional equipment therein or thereon without prior written consent of the Lessor, which consent of the Lessor, will not be unreasonably withheld ;

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D. THAT Lessee will not permit any charge, lien, or encumbrance of any nature to be placed to or remain upon the Aircraft;

E. THAT Lessee indemnify and save Lessor harmless from and against all claims, costs, expenses, demand, and liabilities of any nature whatsoever which may be asserted Lessee's use or operation of the Aircraft during the term of this lease, whether caused by Lessee's negligence, or not;

F. THAT Lessee permit the Aircraft to be operated only by pilots having current certificates as required by the Federal Aviation Administration and Federal Aviation Regulations and described insurance policies, certificates or applications;

G. THAT Lessee maintain all records, logs, and other materials required by the Federal Aviation Administration or any other Governmental authority to be maintained in respect of the Aircraft, to reasonable times for inspection by Lessor, and at the expiration of termination of this lease, to deliver such materials to Lessor;

H. THAT applicable, sales taxes, or other local taxes, are the full responsibility of the Lessee. (The "Lease Rental rate" referenced in Paragraph 4 above, does not include sales tax).

9. DEFAULT BY LESSEE:

If Lessee shall fail to make monthly payments as herein provided, or any other amounts payable thereunder, when the same are due and payable, or if Lessee should default in the performance of any other terms, conditions and covenants to be performed by Lessee, or if the insurance as herein provided to be maintained shall expire or be cancelled, and Lessee shall be unable to replace such insurance, or if the Aircraft shall be misused or abandoned, Lessor, at its option, may take possession of and remove the Aircraft forthwith, without notice to Lessee, and with or without legal proceedings.

10. MISCELLANEOUS:

A. This agreement is, and is intended to be a lease, and if Lessee performs its obligations under this lease, Lessee shall peaceably and quietly hold, possess and use the Aircraft during the entire lease term, free from any interference or hinderance:

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B. Neither party shall at any time during this lease for any purpose whatsoever be or become the agent of the other, nor shall either party be responsible for the acts and omissions of the other or its agents,

C. The invalidity of any portion of this lease shall not affect the remaining valid portions thereof;

D. All notices shall be binding on the parties hereto if sent to the address of the applicable party set forth herein, unless a subsequent address has been furnished. by mail, by one party to the other;

E. Except as elsewhere herein provided, any change or modification to this lease shall be in writing and signed by the parties hereto;

F. During the term of this lease, the Aircraft will be maintained and inspected in accordance with all applicable Federal Aviation Regulation(s);

G. During the term of this lease, the Lessee will be in operational control of the Aircraft, and by its signature set forth below, Lessee certifies that it understands its responsibility for operational control of the Aircraft and for compliance with applicable Federal Aviation Regulations;

H. All lease payments as set forth in this lease are due at the office of
, no later than TENTH (10TH) day of each beginning with the month following the month in which the lease commences. Payment (s) received after the TENTH (10TH) day of the month shall be subject to a Ten Percent (10) late fee;

I. This agreement shall be subject to, governed by, and construed in accordance with the laws of the State of

11. RETURN OF AIRCRAFT:

Lessee shall, at its own expense, and at the expiration or termination of this lease, return Aircraft to Lessor at, with a

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Fresh Annual Inspection. Should Lessee return Aircraft to Lessor at any time before the expiration of termination of this lease, Lessee, by its signature below, hereby solemnly agrees to pay Lessor the monthly minimum Lease Rental amount as set forth in Paragraph 4 above for each and every month remaining in the contracted Term of Lease.

12. GUARANTY:

BUSINESS OWNER, is the principal of LESSEE herein. As the principal of Lessee, BUSINESS OWNER hereby unconditionally guarantees to all terms set forth in the Aircraft Lessee Agreement, and agrees to guarantee the payment of all bills and accounts including, but not limited to, lease payments, insurance payments, maintenance payments to include parts and labor, or any other payments required to be under the terms of this lease. This "Guaranty" shall act as an unlimited continuing "Guaranty" for any aircraft leased by Lessee from Lessor herein;

13. DEPOSIT(S): NO

DEPOSIT REQUIRED

DATE

Executed this on(date)

SIGNATURE OF THE PARTIES:

WITNESSES: