

### Aircraft Lease Agreement

**Article 1 – Parties:**

This agreement is entered into between \_\_\_\_\_, herein after called the “Lessor”, and the Monticello Flying Club LLC, herein after known as the “Club”.

**Article 2 – Aircraft, Title:**

Lessor hereby leases to the Club one \_\_\_\_\_ with FAA registration number N\_\_\_\_\_, hereinafter called the “aircraft”. The Club shall have possession of the aircraft for use at its discretion, but Lessor shall retain title at all times.

**Article 3 – Initial Aircraft Location and Condition:**

The Lessor will provide the above listed aircraft to the Club at CHO airport in an airworthy condition, with a current annual inspection, and in compliance with all current airworthiness directives. Upon delivery of the aircraft by Lessor to Club, the Club shall have the right to conduct an inspection of the aircraft to determine its condition and included non-standard equipment. The results shall be noted on Appendix A which shall be attached to and incorporated into this agreement by reference.

**Article 4 - Term:**

This agreement shall commence on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ and end one year after the date of commencement. Subject to termination rights set out in this agreement, this agreement shall renew automatically for successive one-year terms.

**Article 5 – Payments by the Club Directly to the Supplier of the Service:** The Club agrees to pay the following fixed costs directly to the supplier of the service:

- 1) Tie Down
- 2) Scheduling/Maintenance Software
- 3) GPS Subscription
- 4) Standard Annual Inspection (corrective maintenance identified during an annual inspection shall be corrected and paid for as provided in Article 7 – Maintenance Options)
- 5) Pitot/Static/Transponder Cert Every 24 Months (corrective maintenance identified during certification shall be corrected and paid for as provided in Article 7 – Maintenance Options)
- 6) Insurance
- 7) \_\_\_\_\_
- 8) \_\_\_\_\_
- 9) \_\_\_\_\_

**Article 6 – Insurance:** The Club will ~~hold~~ purchase and maintain during the term of this agreement an insurance policy with at least the following coverages: a) total bodily injury/property damage liability of \$1,000,000/incident, with sub-limits of no less than \$100,000 per person, and \$\_\_\_\_\_ Hull Coverage (the “Club Insurance”). The Club Insurance shall cover the uses intended by this agreement and shall ~~that~~ also name the Airport Authority and Lessor as additional insured parties. The Club will pay any insurance deductible resulting from a claim against the Club Insurance and if a loss is not covered by Club Insurance, the Club will take reasonable efforts to collect the repair costs from the party at fault. The exception to this is if the Lessor is determined at fault for the accident or in violation of the Club Flight Rules, in which case the Lessor will pay the amount specified in The Club Operating Agreement.

**Article 7 – Maintenance Options:** The parties agree to the maintenance option marked with their initials below:

\_\_\_/\_\_\_ 1) Club places \$\_\_\_\_\_/yr + \$\_\_\_\_\_/tach hr flown (both renegotiable annually) into a Minor Maintenance line of accounting and handles all maintenance below the total funds in Minor Maintenance line of accounting. The parties will have the following responsibilities:

- A) Club will pay into and maintain this Minor Maintenance line of accounting that can only be used for maintenance costs.
- B) Lessor will pay the net cost of any maintenance that exceeds the amount in the Minor Maintenance line of accounting.
- C) Lessor authorizes the Club to perform any maintenance below the total funds in the Minor Maintenance line of accounting.
- D) Club will conduct any maintenance required to keep the aircraft in an airworthy condition, certified for IFR, and in a general safe condition as long as the funds are available in the Minor Maintenance line of accounting or made available by the Lessor for such maintenance.
- E) Club will provide an annual statement to the Lessor summarizing all maintenance performed on the aircraft the previous year along with the cost of each item, how much of that repair was paid by the Club or the Lessor, and the balance in the Minor Maintenance Reserve line of accounting at the time of the statement.
- F) Club will maintain all aircraft log books.

\_\_\_/\_\_\_ 2) Lease rate includes all maintenance costs and the Lessor handles all maintenance on the aircraft. The parties will have the following responsibilities:

- A) Lessor will pay all costs to maintain the aircraft in an airworthy condition and certified for IFR and to conduct any maintenance reasonably determined to be required for the safe operation of the aircraft.
- B) Lessor will contract for the maintenance within 10 days of notification by the Club of the required repair.
- C) Lessor will contract for the maintenance to be completed in a reasonable amount of time.
- D) Club will submit, via-e-mail to the Lessor, a list of any repairs the Club feels is necessary to maintain the airworthiness, IFR certification, and safety of the aircraft.
- E) The Lessor will maintain the engine and airframe log books but will keep them in a location accessible to members of the Club.

**Article 8 – Engine/Prop Overhaul or Replacement Options:** The parties agree to the Engine/Prop Overhaul or Replacement option initialed below:

\_\_\_/\_\_\_ 1) The Club collects \$\_\_\_\_\_ per tachometer hour in an Engine/Prop Overhaul line of accounting held in the Club's bank account and the engine reaching \_\_\_\_\_ tachometer hours since major overhaul or upon a determination by an FAA certified A&P mechanic that the Engine and/or Prop requires an overhaul, gets a quote for the Engine/Prop overhaul or replacement as directed by the Lessor, adds to that any removal/transportation/reinstall estimates, collects the net amount from the Lessor, and then executes the overhaul or replacement.

\_\_\_/\_\_\_ 2) The Club collects these above listed funds in an Engine/Prop Overhaul line of accounting held in the Club's bank account and upon the engine reaching 2,000 tachometer hours since major

overhaul or upon a determination by an FAA certificated A&P mechanic that the Engine and/or Prop requires an overhaul, will turn over the total in this line of accounting to the Lessor.

\_\_\_/\_\_\_ 3) Engine/Prop Overhaul or Replacement costs are included in Lease Rate. The Lessor will handle all facets of the Engine/Prop Overhaul or Replacement and will contract to have the work completed in \_\_\_ days after reaching 2,000 tachometer hours since major overhaul or upon a determination by an FAA certificated A&P mechanic that the Engine and/or Prop requires an overhaul.

**Article 9 – Lease Rate Option:** The Club will pay the Lessor one or both of the lease rates initialed below:

\_\_\_/\_\_\_ 1) The Club will pay the Lessor \$\_\_\_\_\_/month. For the first month of the lease, a fraction of the below amount in proportion to the number of days remaining in the month after the signing of the lease, will be due from the Club to the Lessor upon signing the lease. Thereafter, below amount will be due from the Club on the first day of the month. The Lessor has the option of delaying receipt of amount in order to deduct his personal monthly membership and hourly use fees from it in order to avoid writing a check each month to the Club. If the lease is terminated on a date other than the 1<sup>st</sup> of a month and the Club has already paid this amount for that month, the Lessor agrees to pay back a fraction of the below amount in proportion to the number of days remaining in the month the lease was terminated.

\_\_\_/\_\_\_ 2) The Club will pay the Lessor \$\_\_\_\_\_/tach hr on the 5<sup>th</sup> day of every month based on the number of tach hours added to the aircraft between the previous calculation and the 1<sup>st</sup> of the month. The Lessor has the option of delaying receipt of this amount in order to deduct his personal monthly membership and hourly use fees from it in order to reduce financial transactions with the Club. If the lease is terminated on a date other than the 1<sup>st</sup> of the month, the Club will pay the Lessor this rate multiplied by the number of hours the aircraft was used between the Lease termination date and the date last used to calculate this payment.

**Article 10 – Renegotiation of Rates:** Each year during the month of December the Lessor and The Club will have an opportunity to renegotiate the lease rates and the maintenance reserve amount and such agreement will be included as amendments to this lease. The new rate will take effect on January 1<sup>st</sup> of the following year. In the event the parties have not agreed upon rates and reserve amounts prior to December 15 of each year, then this agreement shall automatically terminate on December 31 of that year and the aircraft shall be returned to Lessor as provided in Article 16-Return.

**Article 11 – Additional Club Agreements:** The Club additionally agrees to the following:

- 1) To establish Club Flying Rules that make a reasonable effort to minimize damage or misuse of the Aircraft.
- 2) To provide an annual statement to the Lessor summarizing all payments made to the Lessor and any payments made to the Club by the Lessor in addition to his club dues and hourly usage.

**Article 12 – Additional Lessor Agreements:** The Lessor additionally agrees to the following:

- 1) In order to be able to fly the aircraft during the lease, the lessor must become a member of the Club and agree to follow all Club rules.

- 2) The Club has exclusive use of the aircraft during the lease, thus the owner will not enter into any other use agreement for the period of this lease.

**Article 13 - Termination for Convenience:**

Either party may submit a notification of termination for convenience by giving sixty (60) day prior written notice of termination to the other party. In order to terminate for convenience with less than 60 days from notice, both parties must agree in writing to a different time period. After this time period, all use of the aircraft will be stopped by the Club and the Club has 30 days to pay all agreed upon costs to the Lessor, to turn over all maintenance and overhaul reserve funds held by the Club for this aircraft to the Lessor, and this lease will be terminated. Upon the effective date of termination, all rights and obligations specified herein shall cease and be of no further force or effect.

**Article 14 – Intent to Terminate for Cause:**

While not required for termination for cause, either party may submit a notification of intent to terminate for cause if they feel that this contract has been breached but that a solution may be reached between the two parties. This notification must list the contract item or item(s) that the party feels have been breached, and any possible actions that could be taken to avoid termination and the timeframe in which those actions must be taken.

**Article 15 – Termination for Cause:**

Either party may submit a notification of termination for cause if they feel that this contract has been breached. The notification must list the contract item or item(s) that have been breached, the reason the party feels they have been breached, whether or not immediate use of the aircraft must cease, and why they feel that an agreeable solution cannot be reached. The Club has 30 days after ceasing use of the aircraft to pay all agreed upon costs to the Lessor, to turn over all maintenance and overhaul reserve funds held by the Club for this aircraft to the Lessor, and this Lease will be terminated. Upon the effective date of termination, all rights and obligations specified herein shall cease and be of no further force or effect.

**Article 16 – Return:** Upon termination of this agreement for any reason, the Club shall return the aircraft to the Lessor at the same location where it was received with all of the equipment listed in Appendix A unless that equipment was replaced due to maintenance or at the direction of the Lessor or was removed at the direction of the Lessor.

**Article 17- Notice:** (a.) Any notice in connection with this Agreement shall be in writing and delivered personally to the appropriate party or (1) sent via a nationally recognized overnight courier service, or (2) mailed to the appropriate party by registered or certified mail, postage prepaid, return receipt requested, at the address set forth in the introduction to this Agreement. Notices shall be sent to:

To Lessor:

\_\_\_\_\_ Mr. Charles Thornsvar  
[address]\_\_\_\_\_  
\_\_\_\_\_

To Club:

Monticello Flying Club, LLC  
4354 Chris Greene Lake Rd  
Charlottesville, VA 22911

(b.) Notice shall be deemed effectively given when: (1) Delivered personally to the other party for whom intended; (2) One (1) day following the deposit of a nationally recognized overnight courier; or (3) Five (5) days following deposit of the same into the United States mail, certified mail, return receipt

requested, first class postage prepaid, addressed to such party at the address set forth herein. Either party may designate a different address by notice to the other given in accordance herewith.

**Article 18- Assignment:** This Agreement may not be transferred or assigned by either party without prior written approval signed by the other party.

**Article 19- Attorney Fees:** In the event any action is filed in relation to this Agreement, each party shall be responsible for its own attorney's fees.

**Article 20- Waiver:** Either party's failure to enforce any provision of this Agreement against the other party shall not be construed as a waiver thereof so as to excuse the other party from future performance of that provision or any other provision.

**Article 21- Severability:** The invalidity of any portion of the Agreement shall not affect the validity of the remaining portions thereof.

**Article 22- Paragraph Headings:** The headings to the paragraphs to this Agreement are solely for convenience and have no substantive effect on the Agreement nor are they to aid in the interpretation of the Agreement.

**Article 23- Governing Law:** This Agreement is a contract executed under and to be construed under the laws of the State of Virginia.

**Article 24- Entire Agreement:** This Agreement constitutes the entire Agreement between the parties. No statements, promises, or inducements made by any party to this Agreement, or any agent or employees of either party, which are not contained in this written contract shall be valid or binding. This Agreement may not be enlarged, modified, or altered except in writing signed by the parties.

This lease agreement, along with Appendices A and B has been reviewed by the undersigned, who are or represent the parties of the agreement, and has been found acceptable and thus executed on the \_\_\_\_ day of March, 2013.

\_\_\_\_\_  
Signature of Club Representative

\_\_\_\_\_  
Initials of Club Representative

\_\_\_\_\_  
Printed name of Club Representative

\_\_\_\_\_  
Office

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Lessor

\_\_\_\_\_  
Initials of Lessor

\_\_\_\_\_  
Printed name of Lessor or Representative

\_\_\_\_\_  
Date

**Appendix A – List of Non-Standard Equipment  
and logs in Aircraft at Time of Lease Signing and Condition**

**Date of Inspection :** \_\_\_\_\_

**Club Representative(s) Present:** \_\_\_\_\_

**TTAF:** \_\_\_\_\_ **TSMOH:** \_\_\_\_\_ **TSPOH:** \_\_\_\_\_

**Radios and condition:** \_\_\_\_\_

\_\_\_\_\_

**Navigation Equipment and condition:** \_\_\_\_\_

\_\_\_\_\_

**Other:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Additional Condition Notes:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Logs/dates Turned Over:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Interior/Paint/Glass/Seals Condition:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Addendum \_\_\_\_ - Renegotiated Rates

The following rates apply for the period of \_\_\_\_\_ to \_\_\_\_\_ .

Section 1 -