

**This Agreement may be used as a resource for customized contract development although it is recommended that this be supported by independent research on the suitability of its content for the specific requirements of implementers. It is not intended to provide legal advice and must not be relied upon as such. THIS LEASE IS PROVIDED "AS IS" AND WITHOUT WARRANTIES (WHETHER EXPRESS OR IMPLIED), AND ANY DAMAGES RESULTING FROM ITS USE ARE DISCLAIMED.**

## **NON-CONTINUOUS AIRCRAFT DRY LEASE AGREEMENT**

THIS NON-CONTINUOUS AIRCRAFT DRY LEASE AGREEMENT (the "Lease") is entered into effective as of \_\_\_\_\_ 1, 20\_\_, between \_\_\_\_\_, a \_\_\_\_\_ ("Lessor"), with offices at \_\_\_\_\_ and \_\_\_\_\_, a \_\_\_\_\_ corporation ("Lessee"), with offices at \_\_\_\_\_.

### **WITNESSETH THAT:**

WHEREAS, Lessor is the owner of that \_\_\_\_\_ airframe, manufacturer's serial number \_\_\_\_\_, Federal Aviation Administration ("FAA") Registration No. \_\_\_\_\_, equipped with those \_\_\_\_\_ engines and components attached thereto and associated therewith, all described in EXHIBIT "A" hereto (the "Airframe" and the "Engines" respectively; such Airframe and such Engines being called herein collectively the "Aircraft"); and

WHEREAS, Lessee desires to dry lease the Aircraft from Lessor on a non-continuous basis, and Lessor desires to dry lease the Aircraft to Lessee on a non-continuous basis, all on the terms herof;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties agree as follows:

### **1. LEASE TERM**

1.1 Lessor agrees to dry lease the Aircraft without crew to Lessee on a non-continuous basis, and Lessee hereby agrees to dry lease the Aircraft from Lessor, upon the terms and conditions set forth herein.

1.2 This Lease shall commence on the date hereof and shall terminate on \_\_\_\_\_, 20\_\_ (the "Term"). Provided, however, that so long as Lessor owns the Aircraft, this Agreement may be extended from year to year upon the same terms and conditions provided herein by mutual consent of the parties, which consent shall be in writing.

### **2. USE AND OPERATION OF AIRCRAFT**

2.1 During the Term, Lessor agrees to make the Aircraft available to Lessee, from time to time, at Lessee's request, subject only to use by Lessor, which use is scheduled prior to any use request made by Lessee. Upon each such request for use from Lessee, Lessor shall deliver the Aircraft to Lessee on a mutually-agreed date at the Hangar Location, as hereinafter defined. The Aircraft will be available for use only when the Aircraft is not undergoing maintenance or inspection. Lessee will only utilize the Aircraft for the carriage of employees, directors, business guests and property of Lessee and its affiliates.

2.2 The Aircraft will not be operated or located in (i) any area excluded from coverage by the terms of any applicable insurance pursuant to the terms of this Lease or (ii) any recognized or threatened area of hostilities, unless fully covered to Lessor's satisfaction by war risk insurance or where the government of the United States of America has assumed liability for (a) any damage, loss, destruction or failure to return possession of the Aircraft and (b) injury to persons or damage to property of others.

2.3 Lessee further covenants and agrees that, at all times when Lessee is using the Aircraft during the Term, the Aircraft will be operated by duly qualified pilots with valid airline transport or commercial pilot certificates and each having the minimum total pilot hours required by the requirements of Lessor's insurance carriers, and any other certificate, rating, type rating or endorsement appropriate to the Aircraft, purpose of flight, condition of flight or as otherwise required by the Federal Aviation Regulations ("FARs"). Every pilot of the Aircraft shall be employed and/or paid and contracted for by Lessee, shall meet all recency of flight requirements and shall meet the requirements established and specified by the insurance policies required under this Lease and the FAA. Such pilots shall be conclusively presumed to be the agents of Lessee only. Lessee shall require said pilots to operate the Aircraft with reasonable care and diligence, and to use every reasonable precaution to prevent loss or damage to the Aircraft, and to prevent injury to third persons or property of third persons.

2.4 THE PARTIES EXPRESSLY AGREE THAT LESSEE SHALL AT ALL TIMES WHILE THE AIRCRAFT IS IN ITS POSSESSION DURING THE TERM MAINTAIN OPERATIONAL CONTROL OF THE AIRCRAFT, AND THAT THE INTENT OF THE PARTIES IS THAT THIS AGREEMENT CONSTITUTES A DRY LEASE. Lessee acknowledges that it accepts full "operational control" of the Aircraft (as defined in applicable FARs) as well as possession, command and control of the Aircraft at all times when Lessee is using the Aircraft during the Term of this Lease. Lessee agrees and warrants that the Aircraft will be used and operated: (i) in compliance with any and all statutes, laws, ordinances, regulations and binding standards or directives issued by any governmental agency applicable to the use or operation thereof; (ii) in compliance with any current airworthiness certificate, license or registration relating to the Aircraft issued by any agency; (iii) in compliance with all safety and security directives of the FAA and similar governmental regulations relating to aircraft security; (iv) in compliance with all applicable insurance requirements including those specified in Section 8 hereof; and (v) in a manner that does not modify or impair any existing warranties on the Aircraft or any part thereof. Lessee shall promptly reimburse Lessor for all costs and expenses and loss of income incurred by Lessor by reason of Lessee's violation of any provision of this Section.

2.5 Lessee shall bear all variable operating costs including, but not limited to: fuel, crew salaries, expenses and employee benefits; handling and custom fees and related charges; flight planning, landing and navigation fees, hangar and storage charges when the Aircraft is used by Lessee pursuant to this Lease; and any fines, fees or penalties arising out of Lessee's operation of the Aircraft.

### **3. AIRCRAFT MAINTENANCE**

3.1 At all times during the Term, Lessor, at its sole cost and expense, shall keep the Aircraft fully operational, duly certified and in airworthy condition and in mechanical condition adequate to comply with all regulations of the FAA and any other federal, state or local governing body, domestic or foreign, having jurisdiction over the maintenance, use or operation of the Aircraft. Lessor shall perform: (i) all repairs, inspections and maintenance required by the Manufacturer's Recommended Maintenance Program delineated in the applicable maintenance manual per FAR Part 91.409(f)(3); (ii) all procedures required to remain in compliance with the selected Computerized Aircraft Maintenance Program ("CAMP"); (iii) all other repairs and maintenance as may be necessary to enable the airworthiness certification of the Aircraft to be maintained in good standing at all times under the FARs; and (iv) any other repairs, inspections and maintenance as is required to maintain the Aircraft and its engines in the same condition as of the date hereof, discarding normal and reasonable wear and tear from ordinary use.

### **4. ALTERATIONS**

4.1 Lessee shall not in any way alter, modify or make additions or improvements to the Aircraft without the prior written consent of Lessor. All alterations, modifications, additions and improvements which are made shall become the property of Lessor and shall be subject to all the terms of this Lease.

### **5. RENT AND TIME OF PAYMENTS**

5.1 For use of the Aircraft hereunder, Lessee shall pay rent in an amount equal to the "Rent" as defined in EXHIBIT "B" attached hereto, which amount may be amended in writing by mutual agreement of the parties from time to time. All Rent shall be paid to Lessor in immediately available U.S. funds and in such reasonable form and manner as Lessor may instruct Lessee from time to time. Punctuality in the payment of the Rent and other charges stipulated in this Agreement are the essence of this Agreement, and it is agreed that said rental payments and other charges cannot be offset, waived or extended for any cause whatsoever, except as herein expressly provided.

### **6. HANGAR LOCATION**

6.1 During the Term, the Aircraft shall be based at \_\_\_\_\_ (the "Hangar Location") and shall be hangared there at all times when not in use. Lessor may, upon at least ten (10) days' prior written notice to Lessee,

change the Hangar Location to another location reasonably acceptable to Lessee and as specified in such notice.

## **7. LEASE TAXES**

7.1 Lessor shall pay or cause to be paid all taxes incurred by reason of its ownership or its use, as the case may be, of the Aircraft during the Term, including personal property taxes. Additionally, Lessor shall be responsible for payment of all income tax, excise tax on income, franchise tax or gross receipts tax associated with the Aircraft or arising out of or in connection with this Lease.

7.2 Lessor shall charge Lessee and pay to the State of \_\_\_\_\_ the appropriate \_\_\_\_\_ state and local sales tax on each payment of Rent received from Lessee hereunder in accord with applicable state and local use tax laws, including \_\_\_\_\_. See Exhibit "D" for an example of calculations.

## **8. RISK OF LOSS; INSURANCE**

8.1 As between Lessor and Lessee, Lessor during the Term shall bear the entire risk of an event of loss to the Aircraft, (including, without limitation, destruction, loss, theft, requisition of title, use, confiscation, taking or damage of or to the Aircraft from any cause), and all damages, including consequential, direct and punitive claims in contract, tort or otherwise, suits, actions or proceedings arising from the use, operation or storage of the Aircraft. Lessor shall provide and maintain during the Term insurance coverages of the types, in the amounts and including the special provisions set forth below:

8.1.1 Aircraft liability insurance, including war, hi-jacking and allied perils coverage, with respect to the Aircraft insuring against liability for bodily injury to or death of persons, including passengers, and damage to or loss of property, in an amount not less than \_\_\_\_\_ Million United States Dollars (US \$\_\_\_\_\_) combined single limit per occurrence. Such insurance shall name Lessee as an additional insured.

8.1.2 All-risks physical damage (hull) insurance, including war, hi-jacking and allied perils coverage, with respect to the Aircraft insuring against any loss, theft or damage to the Aircraft , in an amount equal to the value of the Aircraft as reflected in the most current Aircraft Bluebook Price Digest published by Penton Media, Inc. . Such insurance shall also contain a waiver of subrogation in favor of Lessee.

8.1.3 Such additional coverages as to which the parties may mutually agree.

8.1.4 All insurance required by this Section 8.1 shall:

8.1.4.1 be provided by insurance carriers and policies approved by Lessee, which approval shall not be unreasonably withheld;

8.1.4.2 name Lessor as a named insured and name Lessee and Lessee's officers, directors, partners, members, managers, employees, affiliates and subsidiaries as additional insureds;

8.1.4.3 be primary and without any right of contribution from any other insurance available to Lessor or Lessee;

8.1.4.4 contain a standard clause as to cross liability or severability of interests among insured parties providing that the insurance shall operate in all respects as if a separate policy had been issued covering each party insured;

8.1.4.5 cover a worldwide geographical territory, except that in the case of war, hi-jacking and allied perils coverage, the coverage territory shall be subject to such excluded territories as is usual in the aviation insurance industry; and

8.1.4.6 provide that not fewer than thirty (30) calendar days' written notice shall be given to Lessee of cancellation by any party or adverse material change or reduction in the limits of coverage applicable to Lessee under the policies (except that ten (10) days' advance written notice shall be given in the event of cancellation for nonpayment of premium and such shorter notice period shall be given as is customarily available under war risk and allied perils coverage).

8.2 Lessor shall provide Lessee with a certificate of insurance evidencing the coverages, limits of liability and special provisions required by Section 8.1 above. Upon each renewal of Lessor's policy, Lessor shall provide Lessee with a Certificate of Insurance evidencing the coverages, limits of liability and special provisions required by Section 8.1 above. As soon as practicable thereafter, at Lessee's request, Lessor shall provide Lessee with a copy of such renewal policy, including each endorsement applicable to Lessee.

8.3 In the event that, in the opinion of Lessor, the Aircraft is lost, stolen, damaged beyond repair, confiscated, seized or its use appropriated by any government or instrumentality thereof, this Lease shall terminate and the proceeds of the insurance policy or policies shall be payable to Lessor.

8.4 In the event the Aircraft is partially damaged and in the opinion of Lessor such damage is repairable, then this Lease shall remain in full force and effect, and Lessor shall use the insurance proceeds to repair the Aircraft.

8.5 Lessee shall immediately notify Lessor of any accident or incident involving the Aircraft, which notification shall specify the time, place, and nature of the accident or incident or damage, the names and addresses of parties involved, persons injured, witnesses and owners of properties damaged, and such other information as may be known. Lessee shall advise Lessor of all correspondence, papers, notices and documents whatsoever received by Lessee in connection

with any claim or demand involving or relating to the Aircraft or its operation, and shall aid in any investigation instituted by Lessor and in the recovery of damages from third persons liable therefore.

## **9. REGISTRATION AND OWNERSHIP**

9.1 The Aircraft shall be duly registered with the FAA in the name of Lessor during the Term. At all reasonable times during the Term, Lessor or its authorized representatives may inspect the Aircraft and the books and records of Lessee relating to the operation and maintenance thereof, provided that such inspections do not interfere with the operations of Lessee. Lessor shall have no duty to make any such inspection and shall not incur any liability or obligation by reason of not making any such inspection. Lessee hereby consents to Lessor entering into any financing arrangement with respect to the Aircraft so long as the arrangement does not deprive Lessee of operational control of the Aircraft during the time the Aircraft is being used by Lessee under the terms hereof.

## **10. INDEMNIFICATION**

10.1 Each party hereto agrees to indemnify and hold harmless the other against all losses, including costs, attorney's fees and expenses by reason of claims for injury to or death of persons and loss of or damage to property arising out of or in any manner connected with the negligent performance of such party's responsibilities under this Lease or the negligent use, operation or maintenance of the Aircraft by such party, or any breach by such party of any covenant or warranty made herein, to the extent such claims are covered by the indemnifying party's insurance; provided, however, that such limitation shall not apply to claims arising out of the indemnifying party's gross negligence or willful or intentional misconduct, unless such loss or damage arises from the gross negligence or willful or intentional misconduct of the non-indemnifying party, its officers, directors, agents, servants or employees. Lessee and Lessor agree that in the event either party shall be liable to the other for any reason relating to this Lease, that under no circumstances shall the damaged party be entitled to any special, punitive or consequential damages, including but not limited to damages for lost profits.

10.2 The indemnities and assumptions of liability in this Section 10 as to occurrences prior to the termination of this Lease shall continue in full force and effect notwithstanding the termination of this Lease, whether by expiration of time, by operation of law or otherwise. The parties shall give reasonably prompt notice of any claim or liability hereby indemnified against. The indemnifying party shall be entitled to control, and shall assume full responsibility for, the defense of such matter.

## **11. DEFAULT**

11.1 Lessee shall be in default hereunder if at any time during the Term, Lessee:

11.1.1 is delinquent in making any Rent payment for a period of more than ten (10) days after written notice thereof; or

11.1.2 is adjudicated bankrupt or insolvent; or

11.1.3 files a voluntary petition in bankruptcy or for reorganization; or

11.1.4 attempts to make an assignment of this Lease or the Aircraft for the benefit of creditors; or

11.1.5 suffers a receivership to be appointed for Lessee's assets; or

11.1.6 does not perform any or all of the requirements on Lessee's part to be performed under this Lease or is in breach of all or any of the covenants herein contained whatsoever and fails, within thirty (30) days after notice from Lessor, to cure such nonperformance or breach.

11.2 If any of the events set forth in Section 11.1 occur, Lessor shall at its sole discretion have any one or more of the following remedies:

11.2.1 Lessor may sue to collect any and all sums which may be due and unpaid to Lessor hereunder together with any and all damages which may accrue by reason of Lessee's breach of this Lease.

11.2.2 By notice in writing terminate this Lease, whereupon all rights of Lessee to the use of the Aircraft or any part thereof shall absolutely cease and terminate but Lessee shall remain liable as hereinafter provided; and thereupon Lessee, if so requested by Lessor, shall at its expense promptly return the Aircraft as required by Article 12 hereof, or Lessor, at its option, may enter upon the premises where the Aircraft is located and take immediate possession of and remove the same. Lessee specifically authorizes Lessor's entry upon any premises where the Aircraft may be located for the purpose of, and waives any cause of action it may have arising from, a peaceful retaking of the Aircraft. Lessee shall, without further demand, forthwith pay to Lessor all accrued and unpaid amounts due hereunder.

11.2.3 Perform or cause to be performed any obligation, covenant or agreement of Lessee hereunder. Lessee agrees to pay all costs and expenses incurred by Lessor for such performance as additional rent hereunder and acknowledges that such performance by Lessor shall not be deemed to cure said event of default.

11.2.4 Lessor may exercise any other rights or remedies which may be available under the provisions of this Lease, under any of the laws of the United States or under any of the laws of any of the states of the United States.

11.3 Lessor shall be in default hereunder if at any time during the Term, Lessor:

- 11.3.1 is adjudicated bankrupt or insolvent; or
- 11.3.2 files a voluntary petition in bankruptcy or for reorganization; or
- 11.3.3 attempts to make an assignment of this Agreement or the Aircraft for the benefit of creditors; or
- 11.3.4 suffers a receivership to be appointed for Lessor's assets; or
- 11.3.5 does not perform any or all of the requirements on Lessor's part to be performed under this Lease or is in breach of all or any of the covenants herein contained whatsoever and fails, within thirty (30) days after notice from Lessee, to cure such nonperformance or breach.

11.4 If any of the events set forth in Section 11.3 occur, Lessee shall at its sole discretion have any one or more of the following remedies:

11.4.1 By notice in writing terminate this Lease, said termination to be effective as of the date said notice was given or made to Lessor; and

11.4.2 notwithstanding Lessee's exercise of the rights specified above, Lessee may exercise any other rights or remedies which may be available under the provisions of this Lease, under any of the laws of the United States or under any of the laws of any of the states of the United States.

## **12. DELIVERY AND RETURN OF AIRCRAFT**

12.1 Each time Lessee requests use of the Aircraft during the Term of this Lease, Lessor shall deliver the Aircraft to Lessee hereunder in airworthy condition, with all systems functioning normally, at the Hangar Location. Following each Lessee trip, and upon expiration of the Term, Lessee shall at its expense, return the Aircraft to Lessor at the Hangar Location (or such other place as agreed to by the parties) in at least as good condition, repair and appearance as when it was delivered under this Section 12, ordinary wear and tear excepted.

12.2 Lessee shall deliver, or cause to be delivered to Lessor, at the time the Aircraft is returned to Lessor, all of the flight records, updated and maintained by Lessee, or on behalf of Lessee, through the date of return of the Aircraft.

## **13. NO ASSIGNMENT**

This Lease is binding on the parties and their successors and assigns. Neither party may, in whole or in part, assign, license or sublease its interests hereunder without the written consent of the other party.

## **14. NOTICES**



All communications, declarations, demands, consents, directions, approvals, instructions, requests and notices required or permitted by this Lease shall be in writing and shall be deemed to have been duly given or made when delivered personally or transmitted electronically by e-mail or facsimile, or in the case of documented overnight delivery service or registered or certified mail, return receipt requested, delivery charge or postage prepaid, on the date shown on the receipt thereof, in each case at the address set forth below:

In the case of Lessor, to:

\_\_\_\_\_

Attn: \_\_\_\_\_

In the case of Lessee, to:

\_\_\_\_\_

or to such other address as a party may from time to time designate in writing to the other for that purpose.

## **15. ENTIRE AGREEMENT AND GOVERNING LAW**

15.1 This Lease constitutes the entire and complete understanding and agreement between the parties with respect to the lease of the Aircraft, and it shall be interpreted in accordance with, and performance shall be governed by, the laws of the State of \_\_\_\_\_, United States of America, without regard to its conflict of laws provisions. It shall not be modified or changed by any expressed or implied promises, warranties, guarantees, representations or other information unless expressly and specifically set forth in this Lease or any addendum thereto properly executed by Lessor and Lessee.

## **16. DISCLAIMER OF WARRANTIES**

16.1 EXCEPT AS SET FORTH EXPRESSLY HEREIN, LESSOR MAKES NO EXPRESS OR IMPLIED WARRANTY OR REPRESENTATION OF ANY KIND INCLUDING WITHOUT LIMITATION WITH RESPECT TO THE AIRWORTHINESS, CONDITION, DESIGN, QUALITY OR CAPACITY OF THE AIRCRAFT, THE MERCHANTABILITY THEREOF OR ITS FITNESS FOR ANY PARTICULAR USE OR PURPOSE, NONINTERFERENCE WITH LESSEE'S USE OR POSSESSION, PATENT INFRINGEMENT OR LATENT DEFECTS. EXCEPT AS SET FORTH EXPRESSLY HEREIN, LESSOR SHALL NOT BE LIABLE FOR ANY DELAY OR FAILURE TO FURNISH THE AIRCRAFT TO LESSEE PURSUANT TO THIS LEASE FOR ANY REASON, EXCEPT TO THE EXTENT SUCH DELAY OR FAILURE ARISES OUT OF THE NEGLIGENCE OR WILLFUL MISCONDUCT OF LESSOR.

## **17. OWNERSHIP**

17.1 Lessee acknowledges and agrees that legal title to the Aircraft shall be vested in Lessor, or its assigns as applicable, it being expressly understood that this Lease is an agreement of lease only. Lessee shall keep the Aircraft free from any markings or labeling which might be interpreted as a claim of ownership thereof by Lessee or any party other than Lessor or its assigns.

17.2 Lessee will not directly or indirectly create, incur, assume or suffer to exist any liens on or with respect to (i) the Aircraft or any part thereof, (ii) Lessor's title thereto, or (iii) any interest of Lessor therein (and Lessee will promptly, at its own expense, take such action as may be necessary to discharge any such lien), except (w) the respective rights of Lessor and Lessee as herein provided, (x) liens created by Lessor, (y) liens for taxes either not yet due or being contested by Lessee in good faith with due diligence and by appropriate proceedings, and (z) inchoate materialmen's, mechanics', workmen's, repairmen's, employees' or other like liens arising in the ordinary course of business of Lessee and not delinquent (and for the payment of which adequate reserves has been provided).

## **18. MISCELLANEOUS**

18.1 Time is of the essence of this Lease.

18.2 The parties agree that this Lease may be executed in any number of counterparts, each of which, when duly executed, whether by facsimile or otherwise, shall constitute an original hereof.

18.3 Lessee shall keep a legible copy of this Lease in the Aircraft at all times.

## **19. TRUTH-IN-LEASING**

19.1 TRUTH IN LEASING STATEMENT UNDER SECTION 91.23 OF THE FEDERAL AVIATION REGULATIONS.

(a) LESSOR HEREBY CERTIFIES THAT THE AIRCRAFT HAS BEEN INSPECTED AND MAINTAINED IN ACCORDANCE WITH THE PROVISIONS OF FAR PART 91 DURING THE TWELVE (12)-MONTH PERIOD PRECEDING THE DATE OF EXECUTION OF THIS LEASE, AND ALL APPLICABLE REQUIREMENTS OF FAR PART 91 FOR MAINTENANCE AND INSPECTION FOR THE OPERATIONS TO BE CONDUCTED UNDER THIS LEASE HAVE BEEN COMPLIED WITH.

(b) LESSOR CERTIFIES THAT THE AIRCRAFT WILL BE MAINTAINED AND INSPECTED UNDER FAR PART 91 FOR OPERATIONS TO BE CONDUCTED UNDER THIS LEASE DURING THE DURATION OF THIS LEASE.

(c) LESSEE ACKNOWLEDGES THAT WHEN IT OPERATES THE AIRCRAFT UNDER THIS LEASE, IT SHALL BE KNOWN AS, CONSIDERED, AND IN FACT WILL BE IN OPERATIONAL CONTROL OF THE AIRCRAFT.

(d) LESSEE HEREBY CERTIFIES THAT IT UNDERSTANDS ITS RESPONSIBILITIES FOR COMPLIANCE WITH APPLICABLE FEDERAL AVIATION REGULATIONS.

(e) LESSEE UNDERSTANDS THAT AN EXPLANATION OF FACTORS BEARING ON OPERATIONAL CONTROL AND PERTINENT FEDERAL AVIATION REGULATIONS CAN BE OBTAINED FROM THE NEAREST FAA FLIGHT STANDARDS DISTRICT OFFICE.

The “Instructions For Compliance with Truth-In-Leasing Requirements” attached as EXHIBIT "C" hereto are incorporated herein by reference.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed in their names and on their behalf by their respective officers thereunto duly authorized.

**LESSEE:**

**LESSOR:**

\_\_\_\_\_

\_\_\_\_\_

By:\_\_\_\_\_

By:\_\_\_\_\_

Print Name:\_\_\_\_\_

Print Name:\_\_\_\_\_

Title:\_\_\_\_\_

Title:\_\_\_\_\_

**EXHIBIT "A"**

**Non-Continuous Aircraft Dry Lease Agreement**

**Description of the Aircraft**

Aircraft Make/Model: \_\_\_\_\_

FAA Registration No.: \_\_\_\_\_

Serial Number: \_\_\_\_\_

Engines:

Make: \_\_\_\_\_

Model: \_\_\_\_\_

Serial Numbers: \_\_\_\_\_ and \_\_\_\_\_

Hull Value for Insurance: \$ \_\_\_\_\_

Base Airport/Hangar Location: \_\_\_\_\_

Controlling State Law: \_\_\_\_\_

**EXHIBIT "B"**

**Non-Continuous Aircraft Dry Lease Agreement**

Rent: \_\_\_\_\_ (\$\_\_\_\_\_00) times each flight hour and \_\_\_\_\_  
(\$\_\_\_\_\_00) times any fractional share of a flight hour in the instance that less than a full flight  
hour is recorded. The numerator of said fraction shall be the number of minutes of flight in the  
partial flight hour and the denominator shall be sixty (60) minutes. Flight hours are measured as  
the time from takeoff to landing as shown on the Aircraft trip sheet.

Rent shall be calculated and paid on a monthly basis.

**Exhibit B is intentionally omitted from FAA Submission and On-Board copies of this Agreement.**

**EXHIBIT "C"**

**Non-Continuous Aircraft Dry Lease Agreement**

**INSTRUCTIONS FOR COMPLIANCE WITH**

**"TRUTH-IN-LEASING" REQUIREMENTS UNDER FAR § 91.23**

***Within 24 hours after execution of this Aircraft Lease Agreement:***

Mail a copy of the executed document with financial information redacted from EXHIBIT "B" to the following address via certified mail, return receipt requested:

Federal Aviation Administration  
Aircraft Registration Branch  
ATTN: Technical Section  
P. O. Box 25724  
Oklahoma City, Oklahoma 73125

***At least 48 hours prior to the first flight:***

Telephone the Flight Standards District Office ("FSDO") nearest the airport where the first flight under this Lease will originate and tell the FSDO when the Aircraft will be departing on its first flight under the Lease.

***Carry a copy of this Aircraft Lease Agreement in the Aircraft at all times.***

***Redact financial information from EXHIBIT "B" on the FAA Submission and all on-board copies.***

**EXHIBIT "D"**  
**Non-Continuous Aircraft Dry Lease Agreement**

**Sales Tax Single Article Example**

\_\_\_\_\_ sales tax regulations allow for special treatment on single article items. The single article treatment applies to the lease agreement period as one article. Therefore, the local exemption applies on any amount invoiced under this lease after the 1<sup>st</sup> \$\_\_\_\_\_00 is billed. Likewise, the state \_\_\_\_\_% surtax applies only to the 1<sup>st</sup> \$\_\_\_\_\_ - \$\_\_\_\_\_ amount invoiced under this lease agreement.

Example:

**1<sup>st</sup> invoice**

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15 hours @ \_\_\_\_\_ hourly rate = \$\_\_\_\_\_.00

\_\_\_\_\_ state and local tax is calculated as follows using rates in effect on \_\_\_\_\_, 2010.

**2nd invoice**

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1 hour @ \$\_\_\_\_\_ hourly rate = \$\_\_\_\_\_

Only the % state tax rate applies to the \$.00 which equals \$.00 total tax. No additional local tax nor state surtax is due since the lease agreement as a whole is considered a single article under \_\_\_\_\_ sales tax regulations.