



IDAHO AERO CLUB, INC.

BOISE, IDAHO

AIRCRAFT LEASING AGREEMENT

THIS AIRCRAFT LEASE AGREEMENT is entered into effective December 20, 2021 (“the Effective Date”) between **THC AERO, LLC**, an Idaho Limited Liability Company, (“the Owner”) and **IDAHO AERO CLUB, INC.**, an Idaho Corporation (“the Club”), collectively known as “the parties”.

Whereas, the Owner owns outright the aircraft and wishes to make it available to members of the Club for an annual lease-fee and per-hour usage fees. Whereas, the Club has members and member agreements in place such that members only shall use the aircraft and the Club shall be responsible for payments to the Owner of the above defined lease-fee as well as hourly charges as defined below.

Now, therefore, the parties agree as follows:

1. The Aircraft:

- a. The Owner shall provide a 1979 Cessna Turbo 210N, Serial No. 210-63110, currently registered as N394Q (soon to be re-registered by the FAA as N886SH), (“the Aircraft”)
- b. Engine, airframe, equipment, and avionics are provided as in existence and operational on the Effective Date.
- c. The aircraft shall remain the registered and sole property of the Owner.
- d. The Owner shall be responsible for all fees associated with the ownership and registration of the Aircraft.

2. Terms:

- a. This lease agreement shall commence on the Effective Date and shall end one year thereafter.
- b. The Club shall pay the Owner a lease-fee, paid at a rate of <amount> per month, plus sales tax.
- c. The Club shall pay the Owner \$285.00 per hour of use, as recorded on the Hobbs meter.

- d. Payment shall be made by the 15th day of each month.
- e. The Club shall be liable for, and shall pay on or before their due date, all sales and usage taxes, business taxes and income taxes as assessed on its Corporation.
- f. The Owner shall be responsible for all sales and usage taxes, business taxes and income taxes as assessed on its Limited Liability Company.
- g. The Club shall establish rules and regulations that define safe and responsible operation of the Aircraft, and that shall minimize damage and misuse of the Aircraft.
- h. The Club shall provide the Owner monthly reports of usage and maintenance.
- i. The Club shall provide the Owner an annual statement summarizing all usage, maintenance, and payments made to the Owner, and others, in the execution of this agreement.

3. Hangar Equipment Use and Security:

- a. The Club shall hangar the Aircraft at the Boise Municipal Airport (KBOI), or such other location and hangar from time to time, in the sole discretion of the Owner, and the hangar shall remain closed and locked per the security policies and procedures of the hangar owner, when unattended. The Club shall be responsible for all hangar fees.
- b. The Owner shall equip the hangar with such tools and equipment as deemed appropriate for general operations of the leased aircraft. Use of the tools and equipment is at the Club and its members' sole risk. Such tools and equipment shall remain the property of the Owner and shall not be removed from the hangar except with approval of the Owner.
- c. The Club may, at its own expense, provide additional equipment and tools, that shall remain assets of the Club.

4. Maintenance:

a. Club Responsibilities:

No maintenance shall be performed on the Aircraft without approval of the Owner. In order to keep the Aircraft in good operating condition and appearance, and to keep the Aircraft in such condition to retain airworthiness, the Club shall service and maintain the aircraft, at its expense for parts and labor, on a schedule not limited to:

1. General and preventative maintenance, including repair or replacement of general wear and tear items.
2. Regular oil and filter changes as deemed appropriate by the engine manufacturer.

3. 100-hour inspection, as per FAR 91.409
 - a. Prior approval shall be obtained from the Owner prior to repairs, use of parts and components, and return to service.
 - b. The Club shall keep maintenance records pertaining to the Aircraft and its use, maintenance, and inspections.

b. Owner Responsibilities:

1. The Owner shall be responsible for the cost of labor incurred in performing an Annual Inspection, as per Federal Aviation Regulations (FAR'S).
2. Not precluding the Club's responsibility for damage and wear and tear, the Owner shall be responsible for the costs pertaining to airworthiness of the Aircraft, including airworthiness directives.
3. The Club and the Owner shall have shared responsible for maintaining all official Aircraft records and logs.
4. The Club and the Owner shall, on good terms, negotiate a fair share of maintenance and other issues discovered during the Annual and other Inspections, such that the Club bears the cost of general wear and tear, and the Owner bears the cost of aspects of fundamental airworthiness.

5. Damage:

- a. The Club shall be directly and fully responsible for all damages to the Aircraft for the period and duration of the Agreement.

6. Insurance:

- a. The Club shall purchase and maintain for the term of the agreement, an insurance policy with at least the following minimum coverages:
 - i. Hull coverage (flight and ground) in the amount of \$355,000.
 - ii. Liability of \$1,000,000 each occurrence, \$100,000 per person
 - iii. Deductible of not more than \$5,000, in motion and not in motion
- b. The Club and its members shall ensure that all limitations and conditions of the insurance policy are always met and complied with, at all times.
- c. The Club shall be responsible for all Insurance premium and deductible payments.
- d. Insurance shall additionally cover all requirements stipulated in the Hangar Lease Agreement with the Airport and Hangar facilities.
- e. The Club and its members shall be responsible to carry and purchase additional insurance appropriate for the operational usage of the aircraft.

7. Renewal:

- a. Unless otherwise by Section 8: Termination, the Aircraft Lease Agreement shall be negotiated and renewed on the eleventh month of the term, for successive one-year terms.
- b. New terms and rates shall be effective the 1st of the month following the twelfth month of the agreement.
- c. In the event the parties cannot reach agreement by 15th of the eleventh month of the Aircraft Lease Agreement, the Agreement shall automatically terminate on the last day of the twelfth month of the Agreement, and the Aircraft shall be returned to the Owner as defined in Section 9: Return of Aircraft.

8. Termination:

- a. Either party may terminate this Aircraft Lease Agreement for convenience by providing at least 30-days' notice to the other party.
- b. In the event of perceived cause, the affected party shall attempt good-faith negotiations with the other party to identify and rectify any breach of Aircraft Lease Agreement. The party considered responsible for the breach shall have 15-days to rectify the situation, after which time Termination for Cause shall be invoked by the affected party.
- c. Termination for Cause shall be communicated to the other party in writing and shall list the terms or articles that have been breached, the reason the breach occurred, and why an agreeable solution cannot be reached. In such situation, the Club shall have 15-days to settle all obligations to the Owner.

9. Return of Aircraft

- a. Upon Termination of this Aircraft Lease Agreement for any reason, the Club shall return the Aircraft to the Owner at the same location where it was received and with all equipment and in a condition as of the Effective Date.
- b. The Aircraft shall be returned with a recent (within 10-hours) Annual Inspection and with full fuel.

10. Exclusivity

- a. The Owner acknowledges that this Aircraft Lease Agreement constitutes an exclusive use agreement with the Club. Other than for purposes of approved instruction and maintenance, the Aircraft shall not be operated by other than Club members.
- b. The Owner acknowledges that in order to fly the Aircraft during the period of the Aircraft Lease Agreement, the Owner shall be a member of the Club, and shall be subject to the same fees, dues and charges as any other member.

11. Entire Agreement:

- a. This document constitutes the entire and complete agreement between the parties for this Aircraft Lease Agreement.

THIS AGREEMENT IS HEREIN APPROVED AND ACCEPTED ON THIS DAY, DECEMBER 20, 2021.

CLUB: IDAHO AERO CLUB, INC.

OWNER: THC AERO, LLC

President of the Board of Directors

Managing Member

Print Name: _____

Print Name: _____