



## AOPA Sample Aircraft Lease Agreement

### INTRODUCTION:

*This document is intended as a guide to creating an aircraft lease agreement for your club. The document can be amended or adopted completely to fit the needs of your club.*

### ARTICLE 1 - PARTIES:

This aircraft lease agreement is entered into effective this \_\_\_ day of [MONTH], 201\_\_\_, by and between \_\_\_\_\_, hereafter referred to as the "Lessor," and \_\_\_\_\_, hereafter referred to as the "Club." The Lessor is a [SELECT APPROPRIATE DESIGNATION---CORPORATION INCORPORATED UNDER THE LAWS OF THE STATE OF \_\_\_\_\_/LIMITED LIABILITY COMPANY ORGANIZED UNDER THE LAWS OF THE STATE OF \_\_\_\_\_/UNINCORPORATED ASSOCIATION /INDIVIDUAL] Lessor's address is \_\_\_\_\_. The Club is a [SELECT APPROPRIATE DESIGNATION---CORPORATION INCORPORATED UNDER THE LAWS OF THE STATE OF \_\_\_\_\_/LIMITED LIABILITY COMPANY ORGANIZED UNDER THE LAWS OF THE STATE OF \_\_\_\_\_/UNINCORPORATED ASSOCIATION /INDIVIDUAL] The Club's address is \_\_\_\_\_.

### ARTICLE 2 - AIRCRAFT, TITLE:

Lessor hereby leases to the Club one \_\_\_\_\_ with FAA registration number \_\_\_\_\_, 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.

Manufacturer of Aircraft: \_\_\_\_\_

Model: Serial number: \_\_\_\_\_

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

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

Equipment and Accessories: \_\_\_\_\_

### ARTICLE 3 - INITIAL AIRCRAFT LOCATION AND CONDITION:

The Lessor will provide the above listed aircraft to the Club at \_\_\_\_\_ airport in an airworthy condition, with a current 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, including 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:

1. Club shall pay to Lessor as rental for the use of the Aircraft \_\_\_\_\_ Dollars (\$\_\_\_\_\_) per year as a 'Base Lease Fee' representing 5% of the aircraft's value, and \_\_\_\_\_ Dollars (\$\_\_\_\_\_) per flight hour as recorded on the Aircraft Hobbs meter.

The annual 'Base Lease Fee' shall be due on \_\_\_\_\_. The first monthly payment shall be due on \_\_\_\_\_ and shall compensate Lessor for the use of the Aircraft during the period beginning \_\_\_\_\_ and ending \_\_\_\_\_. Subsequent payments shall compensate Lessor for the use of the Aircraft during subsequent months ending the same day of each succeeding month thereafter throughout the expiration or termination of this Agreement. Payments shall be due to Lessor within \_\_\_\_\_ days after the conclusion of each monthly period. Club shall be responsible for providing Lessor with monthly reports of the use of the Aircraft with the monthly payments without waiting for an invoice from Lessor.

2. Club shall pay all costs, expenses, fees and charges incurred in connection with the delivery, possession, use and operation of the Aircraft and each item of Equipment, when due, directly to the person to whom such payment is due.
3. Club shall be liable for and shall pay on or before their due dates, all sales taxes, use taxes, personal property taxes, business property taxes, and assessments, or other taxes or governmental charges imposed on the Aircraft or the ownership, possession or operation thereof or otherwise assessed in connection with this Agreement, except that nothing contained herein shall be construed to require Club to pay or reimburse Lessor for any franchise taxes imposed on Lessor or any tax computed on the basis of Lessor's income and/or assets other than the Aircraft. Lessor shall promptly notify Club and send Club any notices, reports, and inquiries of taxing authorities concerning any taxes, assessments, fees, or other charges which may be received from time to time by Lessor with respect to the Aircraft.
4. If any taxing authority requires that a tax required to be paid by Club hereunder be paid to the taxing authority directly by Lessor, Club shall, within thirty (30) days of its receipt of written notice from Lessor, pay to Lessor the amount of such tax, unless such tax is being contested pursuant to Section 5(5) hereof.
5. Club shall have the right at Club's own expense to contest the validity or amount of any tax required to be paid by Club hereunder by legal proceedings promptly instituted and diligently conducted.
6. Club shall be liable for and shall pay any and all fees for licenses, registrations, permits, and other certificates as may be required for the lawful operation of the Aircraft. Club shall pay any and all liabilities, fines, forfeitures or penalties for violations of any applicable governmental regulations relating to the Aircraft and shall reimburse Lessor for any amounts expended by Lessor on account of such violations except as set forth in Section 14 herein.
7. Club hereby agrees to reimburse Lessor for any amount paid by Lessor on behalf of Club or otherwise for any of Club's obligations hereunder with respect to the Aircraft within thirty (30) days after Club's receipt of a written demand for such reimbursement from Lessor together with supporting invoices relating to such payments.

**ARTICLE 6 - MAINTENANCE:**

1. Club, at its own cost and expense, shall service, repair, maintain and overhaul, test or cause the same to be done to the Aircraft during the term of this Agreement (i) to keep the Aircraft in good operating condition and appearance and (ii) to keep the Aircraft in such operating condition as may be necessary to enable the airworthiness certification

of the Aircraft to be maintained in good standing at all times under all applicable governmental rules and regulations. Club shall maintain all records, logs and other materials required by the United States Department of Transportation or the Federal Aviation Administration to be maintained in respect to the Aircraft and shall promptly furnish to Lessor, upon Lessor's request, such information as may be required to enable Lessor to file any reports required to be filed with any governmental authority because of Lessor's interest in the Aircraft. Lessor shall not be under any liability or obligation in any manner to provide services, maintenance, repairs, or parts for the Aircraft.

2. Club, at its own expense, shall make alterations and modifications in and additions to the Aircraft as may be required to be made from time to time during the term of this Agreement under any applicable law, regardless upon whom such requirements are, by their terms, nominally imposed.

#### **ARTICLE 7 - INSURANCE:**

The Club will 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 \_\_\_\_\_/incident, with sub-limits of no less than \_\_\_\_\_ per person, and \_\_\_\_\_ Hull Coverage (the "Club Insurance")> The Club Insurance shall cover the uses intended by this agreement and shall 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 8 - 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 1st 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 14 - Return.

#### **ARTICLE 9 - 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 10 - 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 11 - 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 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, 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 12 - 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 13 - 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 to pay all agreed upon costs to the Lessor. The effective date of the termination will be at the end of this 30 days. Upon the effective date of termination, all rights and obligations specified herein shall cease and be of no further force or effect.

**ARTICLE 14 - 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. The Aircraft shall be returned in the same condition in which it was received from Lessor, ordinary wear and tear excepted.

**ARTICLE 15 - NOTICE:**

- 1) Any notice in connection with this Agreement shall be in writing and delivered personally to the appropriate party or
  - a) Sent via a nationally recognized overnight courier service, or
  - b) 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: \_\_\_\_\_  
[Address]: \_\_\_\_\_

To Club: \_\_\_\_\_  
[Address]: \_\_\_\_\_

- 2) Notice shall be deemed effectively given when: (a) Delivered personally to the other party for whom intended; (b) one (1) day following the deposit of a nationally recognized overnight courier; or (c) 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 16 - ASSIGNMENT:**

This Agreement may not be transferred or assigned by either party without prior written approval signed by the other party.

**ARTICLE 17 - 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 18 - 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 19 - SEVERABILITY:**

The invalidity of any portion of the Agreement shall not affect the validity of the remaining portions thereof.

**ARTICLE 20 - 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 21 - 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 Appendix A 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 \_\_\_\_\_, \_\_\_\_\_.

[CLUB]:

[LESSOR]

\_\_\_\_\_  
BY: [PRINTED NAME]  
ITS: [TITLE]

\_\_\_\_\_  
BY: [PRINTED NAME]  
ITS: [TITLE]

**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:

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

Radios and condition:

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Navigation equipment and condition:

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Other:

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Additional condition notes:

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Logs/dates turned over:

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Interior/paint/glass/seals condition:

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