

LEASEBACK AGREEMENT

This **LEASEBACK AGREEMENT** is a binding contract and is entered into between:
SANTA MONICA FLYERS, 3165 Donald Douglas Loop South, Santa Monica CA 90405 ("Lessee")

and _____ ("Lessor"), whose address is: _____

Lessor's home phone: _____ Lessor's mobile phone: _____

Lessor's telephone 3: _____ Lessor's telephone 4: _____

Lessor hereby represents and warrants that he or she is the owner of the aircraft identified as (the "Aircraft"):

Make and Model: _____

"N" Number: _____

Date of Last Annual: _____

Lien Holder: _____

Address: _____

Loan Number (if any): _____

1. The term of this Agreement shall be for () days and shall be deemed to be extended for successive () day periods unless one of the parties gives the other written notice of its election to terminate this Agreement; effective sixty (60) days from the date of written notice.
2. Lessee agrees to lease the Aircraft during the term of this Agreement. Lessee shall have management and control of the Aircraft at SANTA MONICA FLYERS. Lessee shall in turn rent the Aircraft to students, renters or Certificated Flight Instructors ("CFIs") of Santa Monica Flyers.
3. Lessee shall use its best efforts to qualify each Santa Monica Flyers student, renter or CFI who shall operate the Aircraft by giving such student, renter or CFI adequate instruction by certified flight instructors, as authorized by Santa Monica Flyers.
4. Lessor hereby authorizes Santa Monica Flyers to have performed on the Aircraft such Federal Aviation Administration mandated inspections and maintenance as Santa Monica Flyers shall, in its discretion, deem proper for the operation of the Aircraft.
5. Lessee shall provide lessor named on page one, liability and hull insurance for the Aircraft under Santa Monica Flyers then current policy. Lessor shall pay an insurance premium based on the market value of the Aircraft, as determined by lessor, at the current limits of liability for the Santa Monica Flyers fleet policy. Santa Monica Flyers shall provide Lessor with a Certificate of Insurance describing the coverage then in effect. Lessor shall have the duty to maintain such additional coverage as the Lessor may from time to time deem in his or her best interest, or that coverage which may be required by a lien holder on the Aircraft.

6. Lessor hereby waives and releases Santa Monica Flyers, Inc. and its officers and employees from any and all liability arising out of training, known and unknown, including without limitation, medical expenses, legal fees, loss of services, etc., and shall indemnify and hold all of them harmless from and against any such item. Liability will rest solely with the renting student or certificated pilot for solo flights (or Certificated Flight Instruction for instruction flights).
7. Santa Monica Flyers shall require any renter, student or CFI to hold "renters insurance" or "CFI" insurance, from any carrier, with the following liability limits: \$1,000,000 each occurrence; \$100,000 per passenger; \$5,000 physical damage to non-owned aircraft.
8. Lessor shall have the right to use the Aircraft, in accordance with the policies of the Santa Monica Flyers provided Lessor shall schedule its use in the same manner as would any student, renter or CFI of the Santa Monica Flyers and will not be reimbursed by Santa Monica Flyers for the time the Aircraft is so used. When used by Lessor, Lessor shall pay all costs of operation.
9. Lessor shall be responsible for all costs associated with aircraft operation, (including but not limited to regular or unscheduled maintenance, parts, inspections, fuel, oil, coolant, insurance, tie-down fees, ramp fees, etc.). Lessor shall also reimburse Santa Monica Flyers for credit card processing fees, in the amount of 3% of total payments received by students, renters, and CFIs.
10. During the term of this Agreement shall be in effect, the permanent base of the aircraft shall be Santa Monica Airport (SMO). Santa Monica Flyers shall insure that the aircraft shall at all times be kept tied down outside of normal business hours and when not in use. Tie down fee to be paid by Owner. Tie down or hangar fees at other airports, and all landing fees, ramp fees, and other airport expenses at any airport, including the aircraft's base airport, shall be paid by the party then using the aircraft and incurring such costs and expenses.
11. Lessor agrees to pay Santa Monica Flyers an hourly "management fee", in the amount of forty dollars (\$40.00) per "hobbs hour", in exchange for the management of Lessor aircraft. Santa Monica Flyers shall pay lessor on a monthly basis, all aircraft rental fees less operating expenses and management fees, which will be payable 45 days after the close of the month to be paid. Accounting discrepancies shall be reviewed and corrected within 30 days of notice by lessor.
12. This AGREEMENT shall be construed under and governed by the laws of the State of California. All notices submitted pursuant to the Agreement shall be deemed served when mailed postage pre-paid to Santa Monica Flyers. 3165 Donald Douglas Loop South, Santa Monica CA 90405 and to the Lessor at the address shown on Page 1.
13. In the event legal services are required to enforce any provision of this agreement, the parties agree that the court may award the prevailing party reasonable attorney's fees and cost.

Executed and made effective this _____ day of _____, 20__.

By: _____
Santa Monica Flyers., Lessee

Aircraft Owner, Lessor