

AIRCRAFT RENTAL AGREEMENT

This Aircraft rental agreement, hereafter "this agreement", is made and entered into at Spencer Aviation, Inc., this _____ day of _____, _____ by and between Spencer Aviation, Inc., hereinafter referred to as "Lessor", and _____, hereinafter referred to as "Lessee".

PURPOSE:

1. Spencer Aviation Inc. is in the business of renting aircraft, owned by the Lessor and others, which are rented to pilots and student pilots.
2. Lessee wishes to rent aircraft from the Lessor.

TERMS AND CONDITIONS:

Now Therefore, in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

RENTER'S (Lessee's) OBLIGATIONS:

- 1) Standard Checkout:** Lessee must complete a Standard Checkout, with a Spencer Aviation, Inc. CFI, in the make and model aircraft they wish to rent prior to renting any Lessor aircraft. A Standard Checkout will consist of a minimum of 1.0-hour ground review on aircraft systems, limitations, weight and balance calculations, and aircraft performance charts, and a flight of at least 1.0-hour duration in the specific make and model. G1000 equipped aircraft will require a minimum of 1.5 hours of ground and 1.5 flight. The duration of the Standard Checkout may be increased at the discretion of the Spencer Aviation CFI. The Lessee will also be required to meet the Practical Test Standards tasks and operations, as chosen by the CFI, for the pilot certificate and ratings then held by the Lessee. In addition to being checked out in the aircraft, the Lessee must demonstrate that he or she meets the total flight time and time in make and model of the rental aircraft as determined by the insurance underwriter.
- 2) IFR Operations:** To operate a Spencer Aviation aircraft on an IFR flight plan and/or in IMC, the Lessee must complete a minimum of an Instrument Proficiency Check within the previous six (6) calendar months with a Spencer Aviation, Inc. CFI, in the type aircraft to be flown IFR.
- 3) Currency Requirements:** The Lessor reserves the right to require an additional "currency checkout" in the specific make and model if the Lessee has not rented the specific make and model Spencer Aviation, Inc. aircraft in the previous 90 days. The minimum operations for this flight will include emergency procedures and three (3) takeoffs and landings. The Lessor must complete a standard checkout or Flight Review every twelve (12) calendar months. Student Pilots must have flown with an instructor within the preceding fourteen (14) days to fly solo, must follow all solo limitations and must be under the direct supervision of a CFI.
- 4) Pre-Flight:** Lessee will complete an aircraft dispatch form and leave the dispatch form in the mail slot, for the aircraft that is to be rented, prior to any flight. Lessee will properly pre-flight aircraft before each flight as prescribed in the aircraft POH. Lessee must notify Lessor management of any damage or abuse to aircraft found during the preflight inspection, both cosmetic and structural. All squawks will be written up by the Lessee in the Squawk Book in the Spencer Aviation office. Damage and abuse caused by the Lessee are the responsibility of the Lessee. This does not include normal wear and tear of the aircraft.

Lessee Signature _____ Date _____ Pg1

5) Fuel and Oil: The Lessee (PIC) is responsible for verifying fuel amount in aircraft and for fueling, as necessary, before each flight. KDLZ does not have de-fueling capabilities therefore aircraft should not be refueled after each flight. This allows the next pilot to fly with less fuel and more payload if needed. A spare quart of oil is kept in each aircraft. If oil is used it must be noted on aircraft rental form. This allows Spencer Aviation to track oil usage to determine overall engine condition and/or leaks and to replace spare quart. Do Not overfill. Use only oil type listed on aircraft rental form. Different oil types are not compatible. Aircraft rental rates are based on fuel prices at KDLZ therefore fuel purchased at any airport other than KDLZ will be reimbursed at the current pump price at KDLZ only and Lessee must provide receipt showing the fuel purchase.

6) Federal Aviation Regulations: Lessee will comply with all Federal Aviation Regulations, State and Local laws and with Spencer Aviation Standard Operating Procedures pertaining to each flight.

7) Aircraft Return: Lessee agrees to return aircraft within the time for which Lessee scheduled the aircraft and to tie down or hangar aircraft and properly secure aircraft after each flight according to the location indicated on the aircraft rental form. Damage caused by improperly securing the aircraft is the responsibility of the Lessee. A fee will be charged to the Lessee to secure aircraft if it is not returned to the proper location. Never assume that the next renter will show up to take the aircraft. Upon return of all rental aircraft, the Lessee shall install the control lock, buckle the seatbelts, remove any trash and empty oil bottles and set parking brake. For aircraft that are tied down the Lessee must also install the Pitot tube cover, cowl plugs and replace the windscreen covers if supplied in the aircraft.

8) Billing and Payment: Lessee agrees to be billed according to the time recorded, by Hobbs (or in the event of a failure of the Hobbs meter, tach time X 1.2) on the aircraft rental form, and must report any discrepancies from the previous flight before beginning Lessee's flight. Lessee understands that payment is due after each flight. Checks, cash and credit card are accepted and can be left in drop box with payment slip if desk is unattended. Lessee shall keep a credit card on file with Spencer Aviation and authorizes Spencer Aviation to charge any balance, including any damage or landing fees etc, to that credit card that is not paid by cash, check or by credit on account, at the time of rental. Lessee expressly authorizes Spencer Aviation to charge that credit card account for all costs associated with the rental without further approval of the Lessee. Discounts may be available for paying \$1000 at a-time, in advance, by cash or check. If, for any reason, the Lessee would like a refund of any credit on their account, Spencer Aviation will refund the funds minus the discount within thirty (30) days of the request.

9) Minimum Daily Charges: Lessee understands that a minimum charge of two flight hours will incur if an aircraft is scheduled for 6 or more consecutive hours. A minimum of two hours a day will also be charged for multiple days and over night reservations.

10) Additional Expenses: Lessee is responsible for any landing, tie down, hangar or other fees incurred while operating aircraft at any airport other than KDLZ. Lessee is responsible for any expenses incurred by Spencer Aviation to return an aircraft to KDLZ due to the Lessee's inability or failure to do so.

11) Scheduling: It is the Lessee's responsibility to keep all pilot certificate information, FAA medical, flight review; currency dates etc. up to date in the Lessee's pilot profile on the scheduling system and copies of each must be presented to Spencer Aviation and will be kept on file by Spencer Aviation, in order to schedule aircraft.

12) Cancellations: Lessee agrees to cancel all aircraft and CFI appointments as early as possible if an appointment cannot be kept. Late cancellations may result in an additional charge at the discretion of the Lessor. A Renter who fails to cancel prior to his or her scheduled time shall be charged fifty percent (50%) of the aircraft's current hourly rental rate, and/or at least 1.0 hour for the CFI scheduled.

13) Insurance Requirements: Lessee understands that Spencer Aviation carries hull and liability insurance for its benefit and retains a right of subrogation against the Lessee in the event a claim is made on account of the Lessee's negligence. Renters (Non-Owner) insurance for the Lessee is required in the minimum amount of \$5000.00 of "Liability Coverage for Damage to Non-Owned Aircraft" or hull coverage. Lessee will pay the first \$5000.00, up to the maximum coverage provided by the Lessee's Renters (Non-Owner) insurance, for damage to the aircraft. Lessee is responsible for any and all damage to Spencer Aviation aircraft and Lessee is responsible for loss of use, loss of revenue and loss of value of any Spencer Aviation aircraft from any and all damage that occurs during the Lessee's rental or is the result of aircraft rental by the Lessee.

14) Disclaimer of Liability: Lessee does hereby understand that flying and being a passenger in an airplane is an inherently dangerous activity, which could result in bodily harm and property damage. Understanding the risks and being fully advised of the Lessee's rights under this release, the Lessee does hereby intend and desires to fly in and/or use Spencer Aviation Inc. aircraft (the "Aircraft").

For the promises set forth herein and other consideration, including, but not limited to, the use of Lessor's aircraft, the sufficiency of which is hereby acknowledged, the Lessee, and his/her heirs and assigns, does hereby agree to hold harmless and does release and discharge Spencer Aviation Inc., together with its officers, directors, employees, flight instructors, agents, shareholders, members, partners, attorneys, insurers, successors, predecessors, assigns, subsidiaries, divisions, affiliates, trustees, heirs, principals, and representatives, from any and all sums of money, accounts, claims, contracts, warranties, actions, debts, controversies, agreements, damages and causes of action whatsoever, of whatever kind of nature, know or unknown, connected with and/or related to the Aircraft, the use of the Aircraft, and/or related in any fashion to being a passenger in the Aircraft, including but not limited to, any and all claims and/or causes of action of wrongful death, products liability and or negligence. This release shall not apply to gross negligence of Spencer Aviation Inc.

15) Standard Operating Procedures: Spencer Aviation Inc. may update, as needed, the Standard Operating Procedures (the "SOP"). A current copy will be available to the Lessee, in the Spencer Aviation office, at all times. Lessee has read and understands the current SOP, agrees to follow the SOP and will familiarize themselves with and follow any changes to the SOP.

Lessee (Print) _____

Address _____

City, State, Zip _____

Signature _____ Date _____

I certify that I have briefed this rental agreement to the Lessee and to my knowledge the policies are understood by the Lessee.

Spencer Aviation _____ Date _____ Pg3

Notice regarding insurance coverage for Renter/Student Pilots

Required by Ohio Revised Code Section 4561.25

A) Every person who, in the ordinary course of business, rents an aircraft to another person shall deliver to the renter a written notice stating the nature and extent of insurance coverage provided, if any, for the renter against loss of or damage to the hull of the aircraft, or against liability arising out of the ownership, maintenance, or use of the aircraft. Such notice shall contain the name of the person giving the notice and shall be in substantially the following form:

"Notice of insurance coverage

As a renter of aircraft, you are hereby notified that:

(1) You are insured under a policy or policies of insurance provided by the undersigned and providing liability coverage to renters of aircraft. If coverage is provided, it is in the following amount or amounts:

"In consideration of an additional premium of Included, it is agreed that notwithstanding the provisions of paragraph (d) of the Definition titled "Insured", Liability Coverages provided herein are extended to include as "Insured" any person operating the aircraft under the terms of any rental agreement or training program which provides any remuneration to the Named Insured for the use of such aircraft.

It is further agreed that as respects coverage provided under this Endorsement, the Company's Limit of Liability shall read only as follows:

Liability Coverage:

- A. Bodily Injury Excluding Passengers \$100,000 each person, \$300,000 each occurrence
 - B. Property Damage \$100,000 each occurrence. *The property damage does not cover damage to the airplane you are renting.*
 - C. Passenger Liability \$100,000 each person, \$300,000 each occurrence
- such Limit of Liability to be included within and not in addition to the Limits set forth under Item 4 of the Declarations."

(2) Hull insurance in favor of renters of aircraft is not maintained. If hull insurance is provided, you are not insured for the full value of the rental aircraft. In any event, you are responsible to Spencer Aviation inc. for the minimum sum of:

\$250.00 for any not in motion incident

\$1000.00 for any in motion incident

\$1,000. Not-In-Motion for N197DC

\$2,500. In-Motion for N197DC

It is hereby understood and agreed that Renter Pilots are provided with a Waiver of Subrogation as respects Physical Damage Coverage.

..... (Signature of person or officer of company renting aircraft)

Dated AUGUST 1ST 2012 (Month) (Day) (Year)"

(B) The notice delivered pursuant to division (A) of this section shall constitute a material part of any rental agreement, and each renter shall give written acknowledgment of receipt of the notice.

(C) Whoever fails to deliver the notice in accordance with division (A) of this section shall be fined not more than one thousand dollars.

Effective Date: 05-09-2000