

## AIRCRAFT DRY LEASE AGREEMENT

This Aircraft Dry Lease Agreement ("Lease") is effective as of January 1st, 2024, by and between Soaring Dragon LLC ("Lessor") and \_\_\_\_\_ ("Lessee").

### RECITALS

WHEREAS, Lessor is the registered owner of the following Aircraft together with the engine and all appliances, parts, instruments, avionics and appurtenances thereto, including any replacement part(s) or engine(s) which may be installed on the Aircraft from time to time, and all logs, manuals and other records relating to such Aircraft (collectively the "Aircraft"):

FAA Registration Number: N62286  
Aircraft Serial Number: 1161  
Aircraft Manufacturer: Socata  
Aircraft Model: TB-20  
Aircraft Year: 1991

WHEREAS, Lessee desires to lease the Aircraft under such terms and conditions as are mutually satisfactory to the parties on a non-exclusive basis in common with other lessees and the Lessor; and

WHEREAS, Lessee has had the opportunity to inspect the Aircraft and is fully aware of its condition and is relying solely on its own knowledge of this Aircraft.

NOW THEREFORE, in consideration of the mutual covenants and promises herein contained and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

### SECTION ONE LEASE OF AIRCRAFT

Lessor agrees to lease the Aircraft to Lessee and Lessee agrees to pay to Lessor the lease payment as defined and calculated in Appendix A attached hereto and made a part hereof and other valuable consideration. Lessee shall be responsible for providing its own pilots for all flights under this Lease. Lessee acknowledges that it has an independent choice in the selection of pilots, provided the pilots meet the requirements in this Lease. It shall be conclusively presumed between the parties that Lessee has fully inspected the Aircraft having knowledge that it is in good condition and repair and that Lessee is satisfied with and has accepted the Aircraft in such condition and repair. LESSOR ASSUMES A NON-DELEGABLE DUTY TO DISCLOSE ANY KNOWN DEFICIENCIES/DEFECTS OF THE VEHICLE BEING LEASED, AND TO HAVE COMPLIED WITH ANY LEGALLY REQUIRED MAINTENANCE (SUCH AS ANNUAL INSPECTIONS, AD'S, AND IF REQUIRED, 100 HOUR INSPECTIONS) AS OF THE BEGINNING OF THE LEASE.

This Lease is on a non-exclusive basis and the Aircraft may be leased to other lessees, and shall be subject to the Aircraft being available at the requested time. The unavailability of the Aircraft shall not give rise to any claim of Lessee hereunder. All requests to lease the Aircraft shall be by phone and follow-up email shall designate the particulars of the lease period including the departure time and date, the period of time the Aircraft shall be away from its Home Base, the destination and the expected time and date of return (a "Lease Period").

## **SECTION TWO TERM**

The Lease Period for this aircraft shall be for a period of no more than seven (7) days commencing on the first day of any rental period, and, absent election to the contrary, shall automatically renew each seven (7) days thereafter, should the Lessee desire to rent the aircraft for any Lease Period in excess of (7) days. This Agreement shall be subject to termination by either the Lessor or Lessee for any reason whatsoever upon seven (7) days advance written notice given to the other party.

## **SECTION THREE COMMERCIAL OPERATION RESTRICTION**

Lessee shall not make the Aircraft available for hire within the meaning of the Federal Aviation Regulations. The Aircraft is to be operated by Lessee in accordance with 14 C.F.R. Part 91.

## **SECTION FOUR INSURANCE**

At all times during the term of this Lease, Lessor shall cause to be carried and maintained physical damage insurance with respect to the Aircraft in the amount not less than the fair market value of the Aircraft and such insurance shall name Lessor as loss payee. At all times during the term of this Lease, Lessor shall also cause to be carried and maintained third party aircraft liability insurance, passenger legal liability insurance, property damage liability insurance, and medical expense insurance.

Lessee shall bear the cost of paying any deductible amount on any policy of insurance in the event of a claim or loss resulting from operations by Lessee under this Lease. Lessee agrees to accept the proceeds of the liability insurance provided hereunder as its sole recourse against Lessor in the event of any claim.

Any policies of insurance earned in accordance with this Lease shall name Lessee as an additional insured and shall contain a waiver by the underwriter thereof of any right of subrogation against Lessee. Each liability policy shall be primary without right of contribution from any other insurance which is carried by Lessee or Lessor and shall expressly provide that all of the provisions thereof, except the limits of liability, shall operate in the same manner as if

there were a separate policy covering each insured.

## **SECTION FIVE RESTRICTIONS ON USE**

Lessee may operate the Aircraft only for the purposes and within the geographical limits set forth in the insurance policy or policies obtained in compliance with this Lease. The Aircraft shall be operated at all times in accordance with the terms and provisions of any applicable insurance policy and with the flight manual and all manufacturers suggested operating procedures. Furthermore, Lessee shall not use the Aircraft in violation of any foreign, federal, state, territorial, or municipal law or regulation and shall be solely responsible for any fines, penalties, or forfeitures occasioned by any violation by Lessee. If such fines or penalties are imposed on Lessor and paid by Lessor, Lessee shall reimburse Lessor for the amount thereof within thirty (30) days of receipt by Lessee of written demand from Lessor. Lessee will not base the Aircraft, or permit it to be based or flown, outside the limits of the United States of America.

The Aircraft will be based at San Carlos (KSQL) (the "Home Base"). Lessee will schedule use of the Aircraft with Lessor as far in advance as possible.

The Aircraft shall be flown only by duly qualified, current and rated (appropriate to the Aircraft) pilots that are employed, paid and contracted for by Lessee. Further, each pilot operating the Aircraft must be licensed in good standing and must meet: (i) any and all requirements mandated by the FAA, (ii) any and all requirements set forth in the insurance policies provided for in this Lease; and any reasonable requirements established from time to time by Lessor and provided in writing to Lessee. Lessee shall not be permitted to initiate or conduct any maintenance and repair work for the Aircraft without the prior written approval of Lessor. If such maintenance or repair work is approved by Lessor, Lessee will be reimbursed for such expenditures upon Lessor's receipt of invoices and proof of payment by Lessee. In the event the insurance on the Aircraft would be invalidated because Lessee is unable to obtain certificated and qualified pilots and mechanics, Lessee shall not operate the Aircraft until such time as certificated and qualified pilots and mechanics are obtained and insurance on the Aircraft is made valid.

Lessee agrees that at all times Lessee will be in exclusive operational control (as defined in 14 C.F.R. 1.1) of the Aircraft.

Lessee will not directly or indirectly create, incur, assume or suffer to exist any lien on or with respect to the Aircraft. Lessee will promptly, at its own expense, take such action as may be necessary to discharge any such lien if the same shall arise at any time.

This Lease shall be subject and subordinate in law and equity to any existing or future security interests, mortgages or deeds of trust placed by the Lessor upon the Aircraft.

The registration of and title to the Aircraft shall be in the name of the Lessor, and the Aircraft, at all times during the term of this Lease shall bear United States registration markings.

All responsibility and obligation in regard to the operation of the Aircraft as above owned, registered, and marked shall be borne by Lessee during flights pursuant to this Lease. The parties agree their respective interests in this Lease shall not be filed on the FAA civil aircraft registry, nor shall their interest be filed on the International Registry

## **SECTION SIX INSPECTION BY LESSOR**

Lessee agrees to permit Lessor, Lender and any authorized agents of Lessor or Lender to inspect the Aircraft and/or its records at any reasonable time and to furnish any information in respect to the Aircraft and its use that Lessor or Lender may reasonably request.

## **SECTION SEVEN ALTERATIONS**

Except in accordance with other written agreements entered into subsequent to the date of this Lease between Lessee and Lessor regarding maintenance of the Aircraft, Lessee shall not have the right to alter, modify, or make additions or improvements to the Aircraft without the written permission of Lessor. All such alterations, modifications, additions, and improvements as are so made shall become the property of Lessor and will be subject to all of the terms of this Lease and the Loan Documents.

## **SECTION EIGHT MAINTENANCE AND REPAIR**

Lessee shall inspect the Aircraft and all maintenance records pertaining to the Aircraft and confirm the airworthiness of the Aircraft prior to each flight under this Lease. If Lessee determines any repair or maintenance should be completed prior to any flight, Lessee shall notify Lessor and shall not operate the Aircraft until such time as certificated and qualified mechanics have completed such repairs or maintenance.

Lessor shall maintain all logbooks and records pertaining to the Aircraft in accordance with the Federal Aviation Regulations and shall deliver such records in legible form to Lessee as necessary for operational requirements.

## **SECTION NINE PAYMENT OF TAXES**

Lessee shall pay, is responsible for, and shall indemnify, defend and hold Lessor harmless from and against all taxes associated with this Lease and Lessee's use of the Aircraft, including sales and use taxes, landing fees, parking, security fees, fuel taxes, and any other taxes or fees which may be assessed against a flight by Lessee. Lessor shall promptly remit all sales taxes due under this Lease.

## **SECTION TEN ASSIGNMENT**

Lessee shall not assign this Lease or any interest in the Aircraft, or sublet the Aircraft without prior written consent of Lessor. Subject to the foregoing, this Lease inures to the benefit of, and is binding on, the heirs, legal representatives, successors, and assigns of the parties. This Lease constitutes the entire understanding between the parties, and any change or modification must be in writing and signed by both parties.

## **SECTION ELEVEN ACCIDENT AND CLAIM**

Lessee shall immediately notify Lessor of each accident involving an Aircraft, which notification shall specify the time, place, and nature of the accident 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 therefor.

## **SECTION TWELVE RETURN OF AIRCRAFT TO LESSOR**

On the termination or expiration of the Lease and after each Lease Period, Lessee shall return the Aircraft to Lessor at the Home Base, in as good operating condition and appearance as when received, ordinary wear, tear and deterioration excepted, and will indemnify Lessor against any claim for loss or damage occurring prior to the actual physical delivery of the Aircraft to Lessor.

## **SECTION THIRTEEN GOVERNING LAW**

This Lease is entered into under, and is to be construed in accordance with the laws of the State of California.

## **SECTION FOURTEEN INDEMNIFICATION**

Both parties agree to have and maintain the appropriate aircraft insurance policies to cover claims made arising from aircraft usage. THE INDEMNITIES IN THIS SECTION SHALL CONTINUE IN FULL FORCE AND EFFECT NOTWITHSTANDING THE EXPIRATION OR OTHER TERMINATION OF THIS LEASE.

## **SECTION FIFTEEN**

## **NOTICES**

Any notice, request or other communication to either party by the other hereunder shall be given in writing and shall be deemed given on the earlier of the date the same is (i) telecopied at time of transmission by email, which shall furnish written confirmation of successful and completed transmission of all pages without error in transmission; or (ii) the next business day after delivered to a reputable overnight courier for which it is intended at the address as set forth at the head of this Lease. The place to which notices or copies of notices are to be given to either party may be changed from time to time by such party by written notice to the other party.

## **SECTION SIXTEEN DEFAULT AND REMEDY**

Lessee shall be in breach of this Lease if Lessee defaults in the performance of any of its obligations under this Lease and such default continues for ten (10) days after receipt by Lessee of written notice thereof from Lessor. In the event of any breach by Lessee, Lessee shall not fly the Aircraft and Lessor shall have the right to terminate the Lease immediately. Exercise by Lessor of any of the rights specified above shall not prejudice Lessor's right to pursue any other remedy available to Lessor in law or equity.

Lessor shall be in breach of this Lease if Lessor defaults in the performance of any of its obligations under this Lease and such default continues for ten (10) days after receipt by Lessor of written notice thereof from Lessee. In the event of any breach by Lessor, Lessee shall have the right to terminate the Lease immediately. Exercise by Lessee of any of the rights specified above shall not prejudice Lessee's right to pursue any other remedy available to Lessee in law or equity.

The failure of either party to enforce strictly any provision of this Lease shall not be construed as a waiver thereof and shall not preclude such party from demanding performance in accordance with the terms hereof. Neither party shall be liable to the other for any indirect, special or consequential damages.

**EXHIBIT A  
LEASE PAYMENT**

The lease payment is \$100 per flight hour Tach. The amount due for this lease is calculated and invoiced at the end of each Lease Period. All payments shall be made within 10 days of the date of any billing statements sent by the Lessor.

Flight hour tach shall mean each hour, or part thereof, that the engine has been running at a certain speed indicated by the tachometer, rounded to the nearest tenth (1/10th) of an hour.

Lessee will also be responsible for all other charges attributable to the operation of the Aircraft by Lessee during the Lease Period. These charges include but are not limited to tie down expenses; catering expenses and passenger amenities; customs fees; landing fees, ramp fees and parking fees; airspace charges; security fees and similar charges; ground transportation; charges for use of in-flight telephone service; transient hangar expenses; insurance necessary to comply with the destination country's laws if not included in existing insurance policies; and de-icing and related expenses.

IN WITNESS WHEREOF, the parties have executed this Lease to be effective the date and year first above written.

LESSOR

LESSEE

\_\_\_\_\_  
By: Johnny Costello  
Title: CEO

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