

LEASE AGREEMENT SOMD AIRCRAFT RENTALS AND INSTRUCTION, LLC

THIS AGREEMENT is made and entered into by and between the SOMD AIRCRAFT RENTALS AND INSTRUCTION, LLC, hereinafter called the LESSEE, and the renter, hereinafter called the LESSOR.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **LEASE OF AIRCRAFT.** Lessee rents aircraft (each an "Aircraft") from time to time, from Lessor on the terms, and at the rates hereinafter provided. Lessee acknowledges and agrees that prior to each rental Lessee will fully inspect the Aircraft and that Lessee's acceptance of the Aircraft constitutes Lessee's agreement that the Aircraft is in good mechanical condition. Lessee covenants and agrees that the Aircraft will be returned to Lessor in the same condition as received by Lessee.

2. **TERMS AND CONDITIONS OF USE.** The term of this Lease Agreement shall commence on upon first rental or payment made to SOMD AIRCRAFT RENTALS AND INSTRUCTION, LLC and shall remain in effect until terminated by Lessor, or

superseded by a new lease agreement approved by Lessor (the "Term"). Lessee acknowledges and agrees that the terms and conditions herein shall apply to each Aircraft rental by Lessee during the Term, The Aircraft shall be under the sole operational control of Lessee, and Lessee's possession and operation of the Aircraft shall be subject to the following terms and conditions:

(a) Lessee shall utilize the Aircraft only in accordance with applicable local, state, and federal laws and regulations, including without limitation, all Federal Aviation Regulations.

(b) Lessee shall operate the Aircraft only in accordance with Lessee's pilot certificate and ratings, and Lessee shall not permit any other individual to operate the Aircraft. Lessee shall at all times operate the Aircraft as the pilot in command unless Lessor shall have given its prior written consent.

(c) Lessee shall file a flight plan for all flights when by the FARs

(d) Pre-flight, takeoff, and landing checks will be performed on all flights with the use of a checklist approved by aircraft manufacturer.

(e) Lessee is solely responsible for all soles and personal effects on board the aircraft

(f) The Aircraft shall only be landed on hard surface runways at airports listed in the Airport Facility Directory, unless Lessor shall have given its prior written consent to an alternative landing site.

(g) The Aircraft shall be properly secured by Lessee when not in use.

(h) As a condition precedent to Lessee's use and operation of any Aircraft, Lessee shall have provided Lessor with Lessee's pilot certificate(s), medical certificate, a copy of Lessee's driver's license, and such other information as Lessor may reasonably request. Lessee represents and warrants that all information provided to Lessor shall be current, true and accurate in all respects, and shall remain current, true and accurate at all times during the Term.

3. **PROHIBITED USES.** Lessee covenants and agrees that the aircraft will NOT be used:

(a) For any illegal purpose;

(b) In any race, speed test, or contest;

(c) In formation flight;

(d) Outside the limits of the Continental United States and the Bahamas;

(e) To carry passengers or property for monetary compensation or hire;

(f) For flight instruction (unless Lessor has given its prior written consent); or

(g) For landing on grass airfields or any non public use airfield

(g) For aerobatic maneuvers, unless the Lessor has given consent in writing.

4. RENTAL RATES AND CHARGES. The rent payable by Lessee to Lessor for each Aircraft rental during the Term shall be the published rental rate in effect at the time of each such rental (the "Base Rental Rate"). Lessee acknowledges receipt of Lessor's current published rates and agrees that such rates may change from time to time in Lessor's discretion. Lessee agrees to pay all rental charges in full, immediately upon completion of any flight. Lessee acknowledges receipt of Lessor's Late or Cancelled Flights Policy and agrees that the additional terms and conditions, and additional charges set forth therein are incorporated herein by reference and made part of this Agreement, and shall apply in the event that Lessee cancels a scheduled flight or retains possession of the Aircraft for longer than agreed at the time of rental. Any charges due and owing hereunder, if not paid within thirty (30) days shall bear interest at the rate of 1% per month, or the highest rate allowable by law, whichever is less. Lessee must have a valid credit card and credit card authorization on file with Lessor at all times during the Term. In the event that Lessee fails to pay any Base Rental Rate within 24 hours of completion of any flight, Lessee authorizes Lessor to charge such Base Rental Rate to Lessee's credit card on file.

5. ADDITIONAL EXPENSES. Lessee shall be solely liable for any costs related to Lessee's use of the Aircraft as contemplated herein including without limitation, the following:

- (a) Any parking, tie-down, hangar charges, or other facility expenses until the Aircraft is returned to Lessor at its home base; and
- (b) If the Aircraft is abandoned away from Lessor's home base airport, any retrieval costs, including without limitation pilot expenses and flight time at dual flight rates.

6. FUEL CREDIT. The parties acknowledge and agree that all Aircraft are rented to Lessee "wet" (i.e., with fuel). In the event that Lessee is required to purchase additional fuel during any Aircraft rental, upon return of the Aircraft, and delivery of evidence of such fuel purchase, Lessor shall credit Lessee at Lessor's then published per gallon fuel credit rate at the 2W6 airport. Such credit shall be on account and offset against charges due to Lessor for future flights by Lessee.

7. INDEMNIFICATION OF LESSOR. Lessee agrees to indemnify Lessor against any and all losses incurred by Lessor as a result of Lessee's operation and use of any Aircraft hereunder, including without limitation costs and expenses (including reasonable attorneys' fees), by reason of claims for injury to or death of persons, and loss of or damage to property (including without limitation, loss of or damage to any Aircraft) arising out of or in any manner connected with the possession, use, or operation of any Aircraft by Lessee during the Term of this Lease, or any breach by Lessee of this Agreement whether or not such claims are brought by a third-party. Lessee expressly acknowledges and agrees that Lessee shall be liable to Lessor for Lessor's lost revenue during any period that an aircraft is rendered unusable due to damage caused while such Aircraft is in Lessee's possession.

8. RISK OF LOSS. Lessee shall be liable for any loss or damage to any Aircraft of Lessor while Lessee is in possession of such Aircraft, including without limitation, any loss or damage resulting from accidents, intentional acts of third-parties, or acts of god.

Lessor requires that Lessee obtain renter's insurance covering Lessee while in possession and operational control of the **Aircraft with a minimum hull coverage of \$120,000 USD**. Lessee agrees that Lessee's renter's insurance shall be the primary insurance coverage covering any loss while Lessee is in possession of the Aircraft, and Lessee will not look to any insurance coverage that may be carried by Lessor for recovery in connection with such losses. Lessee agrees that Lessee is solely responsible for the costs of returning any Aircraft to the same good working condition as it was in at the time of rental. If an Aircraft is damaged or suffers any equipment failure while in the possession of Lessee under this Lease, Lessee agrees to contact Lessor immediately. In addition, in the event of any accident, Lessee covenants and agrees to timely make such filings and reports as may be required by applicable laws and regulations, including applicable Federal Aviation

Regulations. In the event of any malfunction or required maintenance which renders an Aircraft inoperable, Lessee agrees that Lessor shall not be liable to Lessee for the costs of any telephone calls, lodging, meals, airline tickets, or other alternative transportation, and that all such expenses shall be the sole and complete responsibility of Lessee.

9. ALTERATIONS. Lessee shall not have the right to alter, modify, or make additions or improvements to any Aircraft without the prior written permission of Lessor. All such alterations, modifications, additions, and improvements so made shall become the property of Lessor and shall be subject to all of the terms and conditions contained in this Agreement.

10. MISCELLANEOUS.

(a) Entire Agreement. This Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof, and supersedes any prior understandings or agreements between the parties, whether written or oral. Any change or modification of this Agreement must be in writing and signed by both parties.

(b) Governing Law. This Agreement is entered into under, shall be governed by, and construed in accordance with the laws of the State of Maryland without regard to conflicts of laws principles. In the event of any litigation arising out of or relating to this Agreement, each party agrees that such proceeding shall be exclusively brought in the courts of the State of Maryland, County of Saint Marys, and each party hereby irrevocably consents to the jurisdiction of the foregoing courts for any litigation between them.

(c) Pre-suit Mediation. As a condition precedent to the bringing of any lawsuit by Lessee against Lessor, Lessee must submit to non-binding mediation to first attempt to settle the dispute in Saint Marys County, Maryland. Such mediation shall be conducted by a mediator selected by Saint Marys County Mediation Services, or such other mediator selected by agreement of the parties.

(d) Waiver of Breach. In the event any breach of this Agreement by the Lessee is waived by the Lessor, such waiver shall not constitute a waiver of any subsequent breach by the Lessee.

(e) Severability. The invalidity or unenforceability of any provision of this Agreement shall in no way affect the validity or enforceability of any other provision.

(f) Attorneys' Fees. In the event of any litigation between the parties hereto, the prevailing party in such suit shall be entitled to costs and reasonable attorneys' fees, whether incurred in settlement, at trial, or on appeal.

(g) Counterparts. The parties agree that this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and all of which taken together shall constitute a single instrument. The parties agree that for all purposes, a facsimile or electronic signature shall be sufficient and considered an original signature on this Agreement.

(h) Survival. The parties expressly agree that the terms of paragraphs 4, 7, 8 and 9 hereof shall survive any termination of this Agreement.

(i) WAIVER OF JURY TRIAL. THE PARTIES HERETO HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION BASED ON THIS AGREEMENT OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN), OR ACTIONS OF ANY PARTY WITH RESPECT HERETO OR THERETO. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES ACCEPTING AND/OR ENTERING INTO THIS AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Lease Agreement as of the date first written above.
LESSOR SOMD AIRCRAFT RENTALS AND INSTRUCTION, LLC

LESSEE

COVENANT NOT-TO-SUE AND INDEMNITY AGREEMENT

I, _____ am about to participate voluntarily in various activities, including flying activities, with the SOMD AIRCRAFT RENTALS AND INSTRUCTION, LLC as a pilot, student pilot, copilot, instructor, or passenger. In consideration of SOMD AIRCRAFT RENTALS AND INSTRUCTION, LLC permitting me to participate in these activities, I, for my heirs, administrators, executors and assignees, hereby covenant and agree that I will never institute, prosecute, or in any way aid in the institution or prosecution of, any demand, claim or suite against SOMD AIRCRAFT RENTALS AND INSTRUCTION, LLC and/or its officers, agents, or employees, acting officially or otherwise, for any loss, damage, or injury to my person (including death) or my property which may occur from any cause whatsoever as a result of participation in activities associated with SOMD AIRCRAFT RENTALS AND INSTRUCTION, LLC.

If I or my heirs, administrators, executor, and assignees should demand, claim, sue or aid in any way in such a demand, claim or suits, I agree to indemnify SOMD AIRCRAFT RENTALS AND INSTRUCTION, LLC for all damages, expenses and costs it may incur as a result thereof.

I understand and agree that I am assuming the risk of death, any personal injury or property damage to me that may result while participating in activities with SOMD AIRCRAFT RENTALS AND INSTRUCTION, LLC, including such injuries or damage that may be caused by the negligence of SOMD AIRCRAFT RENTALS AND INSTRUCTION, LLC.

I also understand and agree that I may be held liable for any damage or loss to SOMD AIRCRAFT RENTALS AND INSTRUCTION, LLC which is caused by my gross negligence, willful misconduct, or fraud.

The term SOMD AIRCRAFT RENTALS AND INSTRUCTION, LLC as used here includes the SOMD AIRCRAFT RENTALS AND INSTRUCTION, LLC, including individual members and any officer, agent or employee of the SOMD AIRCRAFT RENTALS AND INSTRUCTION, LLC, acting officially or otherwise.

Date _____ Signature _____ Witness _____

Date _____ Signature _____ Witness _____

NOTE: If a minor, so indicate and state age. The minor will sign if capable of signing. If not capable, have parent sign for the minor, i.e., "John Jones by Harry Jones, his father". In all cases for minors the following form must additionally be completed.

I/We _____, parents of the above-said minor child, do hereby (1) consent to my child

_____ (childs name and age) participating in activities with SOMD AIRCRAFT RENTALS AND INSTRUCTION, LLC, (2) agree to and adopt as my/our own the conditions of the above agreement, and (3) agree to reimburse SOMD AIRCRAFT RENTALS AND INSTRUCTION, LLC for any damage incurred by it for which my child would have been liable had my child reached the age of majority.

Date _____

Parent's/Guardian's Signature _____

Witness Signature _____

Date _____

Parent's/Guardian's Signature _____

Witness Signature _____

In case of emergency contact:

Name _____ Phone _____ Relationship _____

Address _____