



**CAPE FEAR COASTAL AVIATION
AIRCRAFT RENTAL
TERMS AND CONDITIONS AGREEMENT**

In consideration of the rental fees paid hereunder and the covenants contained herein, Cape Fear Coastal Aviation, LLC, herein referred to as "Cape Fear Coastal Aviation," hereby leases to the "Renter" the designated aircraft referred to as the "Aircraft."

- 1) This Agreement shall serve as a master agreement between the parties that is perpetual unless either party notifies the other that the Agreement is terminated. The parties further agree that this Agreement can be amended either in writing or through electronic authorizations using the Aircraft scheduling/reservation service ("Scheduling Service").
- 2) Renter acknowledgements and agrees to the following:
 - a) During the time in which Renter possesses and uses the Aircraft, Renter shall assume and maintain full operational control over the Aircraft.
 - b) All Aircraft operations shall be conducted under FAR 91 and shall be in strict accordance with the FARs then in effect. "FARs" means the Aeronautics Regulations of Title 14, Parts 1 to 399 of the United States Code of Federal Regulations, as amended and as interpreted by the FAA through guidance, legal interpretation, and case law.
 - c) Renter acknowledges and agrees that Cape Fear Coastal Aviation owns or is the lawful lessee of the Aircraft and that this Agreement does not convey any legal interest in the Aircraft to Renter.
 - d) Renter acknowledges that Cape Fear Coastal Aviation is responsible for maintaining the Aircraft in an airworthy condition.
 - e) Renter acknowledges that he/she, or it is responsible for, and shall conduct, all necessary inspections for safe flight including, but not limited to, a preflight inspection and post-flight inspection for every use of the Aircraft under this Agreement.
 - f) Renter agrees to return the Aircraft to the Home Base Airport at the scheduled time, weather permitting.
 - g) Renter agrees to properly secure the Aircraft after each flight and to secure hangar space for the Aircraft during inclement weather.
 - h) Renter acknowledges that he/she will review the Aircraft logbooks before the first flight of any rental period.
 - i) Rental shall at all times operate the Aircraft in a lawful and safe manner and said operation shall not invalidate any applicable insurance on the Aircraft or aircraft operations held by Renter, Aircraft owner, and/or Cape Fear Coastal Aviation.
 - j) Renter shall at all times carry insurance in amounts required by law and/or in amounts necessary to protect Renter, and Renter's policies shall be primary for Renter's covered

losses in the Aircraft. Renter may not be a payee on any other insurance absent Aircraft owner's and/or Cape Fear Coastal Aviation's insurance policies.

- k) Renter agrees that the terms and conditions of this Agreement, the Field Operations Manual, and Scheduling Service shall govern all rentals from Cape Fear Coastal Aviation after the date of this Agreement subject to agreed upon amendments (e.g. rental rates, insurance requirements). Any changes to the terms of this Agreement may be done through the Scheduling Service for the rental aircraft.
 - l) Renter shall pay Cape Fear Coastal Aviation the rental rates set forth in the Aircraft Scheduling Service no later than the time the Aircraft is returned to the Home Base Airport by Renter.
 - m) Renter represents and warrants that Renter is competent, proficient, and certificated by the FAA to operate the Aircraft and meets the minimum proficiency insurance requirements listed in the Flight Operations Manual, as amended from time to time through written amendment or the Aircraft Scheduling Service. If there is any difference between this Agreement and the Flight Operations Manual, the Flight Operations Manual shall control.
- 3) Renter expressly acknowledges personal liability for Renter's flights and to pay Cape Fear Coastal Aviation on demand for the following:
- a) Service and time charges computed at the applicable posted rates until the Aircraft is returned to Cape Fear Coastal Aviation.
 - b) Any loss, including total loss of the Aircraft, or damage to the Aircraft, its components, parts or equipment during the rental period.
 - c) All taxes, assessments, and charges imposed by any national, state, municipal or other public or airport authority relating to the use or operation of the Aircraft during the time of use of the Aircraft, excluding state registration and FCC licensing charges.
 - d) The amount of any landing and parking fees, tie-down, or hangar charges until Aircraft is returned to Cape Fear Coastal Aviation.
 - e) The amount of any charge or lien against the Aircraft based on Renter's use of the Aircraft, whether valid or invalid.
- 4) Renter agrees not to tamper with, molest, or attempt to repair any parts of the Aircraft or its accessories, but will contact Cape Fear Coastal Aviation for instructions upon encountering mechanical malfunctions.
- 5) If the Aircraft is left at a location away from the Home Base Airport (defined herein as Wilmington International Airport (KILM), located in Wilmington, NC) without the prior written consent of Cape Fear Coastal Aviation, the Renter will be charged pilot expenses plus flight time at double normal rates to return the Aircraft to home base.
- 6) Renter shall report any Aircraft malfunction, damage, accident, or incident to Cape Fear Coastal Aviation within 24 hours of said event.
- 7) Renter agrees to cancel a reservation with no less than 24 hours' notice. Failure to do so may result in a service charge. Please refer to Cape Fear Coastal Aviation Cancellation Policy.
- 8) Renter Acknowledges Cape Fear Coastal Aviation's 2.5 hour per day minimum rental rate for long term rental unless prior arrangements are made with the Cape Fear Coastal Aviation.

Cape Fear Coastal Aviation Aircraft Rental Agreement

Renter Initials _____

- 9) Renter agrees not to transport any pet(s) and/or animal(s) in the Aircraft.
- 10) Renter agrees that the Aircraft shall not be used or operated:
- a) For any illegal purposes.
 - b) In any race, speed test, contest.
 - c) By any person other than the Renter.
 - d) Outside the limits of the continental United States without written authorization from the Cape Fear Coastal Aviation.
 - e) To carry passengers or property for compensation or hire.
 - f) For any flight which the Renter is not properly rated or certified.
 - g) For instruction by any non-Cape Fear Coastal Aviation employee.
 - h) For any commercial purpose.
- 11) All non-tort disputes (including but not limited to contract and account actions) arising out of or in connection with this Rental Agreement shall first be subject to mediation, consistent with the North Carolina Alternative Dispute Resolution Rules, if the amount in controversy is \$10,000.00 or less. Mediation can be waived if, and only if, both parties agree in writing. Any controversy over an amount more than \$10,000.00 may be pursued at law or equity.

In the event mediation is waived or is unsuccessful for any such dispute after 60 days from the receipt of notice of a dispute, the dispute shall be resolved by final and binding arbitration consistent with the North Carolina Alternative Dispute Resolution Rules governing arbitration. Any award rendered at arbitration shall be final and judgment may be entered upon it for all purposes allowed by North Carolina law.

Mediation and/or arbitration shall take place in Wilmington, North Carolina. The mediator and/or arbitrator shall be an North Carolina Registered Civil Mediator selected by Cape Fear Coastal Aviation. The parties shall divide the cost, expenses and attorney fees associated with the mediation and/or arbitration.

In the event a party fails to proceed with mediation and/or arbitration, challenges a mediation agreement or arbitration award or fails to comply with the terms of a mediation agreement or arbitration award, the other party is entitled to cost of suit, including expenses and reasonable attorney fees for having to compel mediation, having to compel arbitration or having to enforce any settlement or award.

Notice of the demand for mediation and/or arbitration shall be filed in writing with the other party to this Rental Agreement. Any demand for mediation and/or arbitration shall be made within a reasonable time after the claim, dispute or other matter in question has arisen. In no event shall a demand for mediation and/or arbitration be made after the date when the institution of legal or equitable proceedings based on such claim, dispute or other matter in question would be barred by the applicable statute of limitations.

- 11) Renter agrees to reimburse Cape Fear Coastal Aviation for any and all costs, expenses and reasonable attorney's fees incurred by Cape Fear Coastal Aviation in the event suit is instated by Cape Fear Coastal Aviation against the Renter to recover possession or to enforce any of the terms, covenants, and conditions hereof, or to collect any sum of money damages or costs.

Cape Fear Coastal Aviation and Renter expressly agree that any and all suits shall be governed by North Carolina law. Cape Fear Coastal Aviation and Renter expressly agree that North Carolina shall be the forum for any legal proceedings by and between the Renter and Cape Fear Coastal Aviation and that any and all suits shall be filed and venued/lodged in Wilmington, North Carolina.

12) Renter agrees if the Aircraft leaves the taxiway, runway, or paved surface for any reason during taxi, takeoff, or landing phase, the Renter will IMMEDIATELY stop the engine and WILL NOT proceed to move the Aircraft until Cape Fear Coastal Aviation personnel have inspected the Aircraft and assisted in positioning the Aircraft back on the taxiway, runway, or paved surface. Cape Fear Coastal Aviation will NOT pay for any damages incurred if the Renter neglects to follow the above procedure.

13) **DISCLAIMER OF WARRANTIES:** Renter hereby acknowledges that Cape Fear Coastal Aviation is not the manufacturer of the Aircraft, or the manufacturer's agent, and that **CAPE FEAR COASTAL AVIATION MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESSED OR IMPLIED, AS TO THE FITNESS, WORKMANSHIP, DESIGN, CONDITION, OR MERCHANTABILITY OF THE AIRCRAFT, ITS FITNESS FOR ANY PARTICULAR PURPOSE OR THE QUALITY OR CAPACITY OF THE MATERIAL IN THE AIRCRAFT.**

14) Renter agrees to release, indemnify, and hold Cape Fear Coastal Aviation, its members, managers, officers, and employees harmless from and against any and all liabilities, damages, business interruptions, delays, losses, claims and judgments of any kind whatsoever, including all costs, attorney's fees, and expenses incidental thereto, including personal injury, death or property damage claims, arising or in any manner occasioned by the operation or use of the Aircraft during the time in which Renter possesses the Aircraft, arising out of or by reason of any breach, violation, or nonperformance by Renter of any covenant or condition of this Rental Agreement, or arising by any act or failure to act on the part of the Renter. Cape Fear Coastal Aviation shall not be liable for its failure to perform under this Rental Agreement, or any loss, injury, damage, or delay of any nature whatsoever resulting there from, caused by any Act of God, fire, flood, accident, strike, labor dispute, riot, insurrection, war or any other cause beyond Cape Fear Coastal Aviation's reasonable control.

15) Renter hereby agrees that under no circumstances shall Cape Fear Coastal Aviation be liable for indirect, consequential, special, or exemplary damages, whether in contract or tort (including strict liability and negligence), such as, but not limited to, loss of revenue or anticipated profits or other damage related to the renting of the Aircraft under this Rental Agreement.

16) Renter acknowledges and agrees that if Renter defaults in the performance of any of his/her obligations under this Rental Agreement, Cape Fear Coastal Aviation, at its option, and without further notice, has the right to terminate this Rental Agreement and to repossess the Aircraft without being deemed guilty of trespass, breach of peace, or forcible entry and detainer, and Renter hereby expressly waives the service of any notice. Exercise by Cape Fear Coastal Aviation of either or both of the rights specified above shall not prejudice Cape

Fear Coastal Aviation's right to pursue any other remedy in law or equity. Renter hereby agrees and acknowledges that the Aircraft may be repossessed, at Renter's sole cost and without notice, if it is not returned on the due-back date, is illegally parked, is operated in violation of any federal, state or local law or regulation, or is operated outside the scope of this Rental Agreement, appears to be abandoned or if Renter had gave false or misleading information at time of rental.

17) Truth in Leasing.

THE AIRCRAFT HAS BEEN MAINTAINED AND INSPECTED UNDER PART 91 OF THE FEDERAL AVIATION ADMINISTRATION REGULATIONS.

THE AIRCRAFT WILL BE MAINTAINED AND INSPECTED UNDER FAA PART 91 IN AN AIRWORTHY CONDITION THROUGH ANNUAL INSPECTION INTERVALS AND ANY OTHER CALENDAR OR HOURLY INSPECTIONS RENTER CONSIDERS CRITICAL TO FLIGHT SAFETY FOR OPERATIONS TO BE CONDUCTED UNDER THIS RENTAL AGREEMENT AND DURING THE DURATION OF THE RENTAL PERIOD. RENTER AND NOT CAPE FEAR COASTAL AVIATION SHALL BE RESPONSIBLE FOR OPERATIONAL CONTROL OF THE AIRCRAFT IDENTIFIED AND TO BE OPERATED UNDER THIS RENTAL AGREEMENT. RENTER SHALL BE THE PERSON RESPONSIBLE OPERATIONAL CONTROL OF THE AIRCRAFT.

AN EXPLANATION OF THE FACTORS BEARING ON OPERATIONAL CONTROL AND THE PERTINENT FEDERAL AVIATION REGULATIONS CAN BE OBTAINED FROM THE NEAREST FAA FLIGHT STANDARDS DISTRICT OFFICE, GENERAL AVIATION DISTRICT OFFICE, OR AIR CARRIER DISTRICT OFFICE.

Filing and first flight notices for Truth-in-Leasing purposes do not apply to this lease.

I HAVE READ AND I UNDERSTAND THE ABOVE COVENANTS, RESTRICTIONS AND REQUIREMENTS OF THIS RENTAL AGREEMENT. I ACKNOWLEDGE THAT I HAVE RECEIVED A COPY OF THIS RENTAL AGREEMENT.

_____ Date: _____

Renter

_____ Date: _____

Witness-Cape Fear Coastal Aviation Representative

Cape Fear Coastal Aviation Aircraft Rental Agreement

Renter Initials _____