

AIRCRAFT LEASEBACK AGREEMENT

This Agreement is entered into this _____ day of _____, 2018, between Truckee Tahoe Airport District, a California Airport District, hereinafter called "TTAD" and Sierra Aero, LLC, hereinafter called "SIERRA AERO."

WHEREAS, TTAD is purchasing an aircraft and wishes to make it available for use to the public for training purposes and to reduce noise and annoyance; and

WHEREAS, the aircraft TTAD is acquiring is a Cessna 172 JTA, which has a noise footprint that is significantly less than a gasoline-powered Cessna 172 and also has a better climb rate than a gasoline powered Cessna 172, resulting in shorter periods of climb and emitting less noise, and

WHEREAS, the Truckee Tahoe Airport is located in a noise-sensitive areas, and

WHEREAS, certain areas near the airport can be adversely affected by repeated touch and goes, and

WHEREAS, SIERRA AERO has a physical presence at the Truckee Tahoe Airport and conducts flight training, which includes significant touch and goes, which are necessary for appropriate flight training and proficiency,

NOW, THEREFORE, in consideration of the mutual promises and conditions expressed herein, the parties agree as follows:

1. Aircraft. TTAD will purchase and make available on the terms herein set forth, the following described aircraft (the "Aircraft"):

Manufacturer of Aircraft: Cessna 172 JTA

Model: Serial number: _____

FAA Registration No.: _____

Engine Make: 155 HP Continental CD-155 Diesel

2. Term. The term of this Agreement shall begin ten business days after the Aircraft arrives at the Truckee Tahoe Airport so to allow inspection and familiarization. Either party may terminate this Agreement by giving the other party thirty (30) days written notice.
3. A. Fees for Aircraft Use. Sierra Aero shall charge an hourly rental fee that is the same as other Cessna 172's and on the same terms and conditions that it rents. That rate is currently \$150 per hour, "wet". The parties shall meet and confer any time Sierra Aero intends to change the hourly rental fee. If the parties cannot agree on a rental fee modification, they shall participate in mediation with the American Arbitration Association in Sacramento or Truckee, or with any other mediator upon which the parties agree. Such agreement to change the hourly rate shall include a possible modification to the Commission described in paragraph 4, below. SIERRA AERO will make efforts to promote the use of the Aircraft to the public. SIERRA AERO will act as a collection agent for the TTAD of all fees paid for use of the Aircraft. These fees will be turned over to the TTAD on a monthly basis less any commissions due to SIERRA AERO in accordance with paragraph 4, below.

B. Because the purpose of this Agreement is to reduce noise and annoyance from touch and goes at the Truckee Tahoe Airport, SIERRA AERO agrees to do everything possible to encourage flight instructors, students, and pilots to utilize this aircraft for training and currency touch and go operations. This Aircraft shall be the primary aircraft utilized for touch and goes at the Truckee Tahoe Airport. However, the District recognizes that other aircraft in SIERRA AERO's fleet may also be used for touch and goes due to scheduling and maintenance issues and that the Aircraft will also be used for flights away from the Truckee Tahoe Airport for training and rental purposes.

C. It is the intent of SIERRA AERO to remove either N1968F or N9110H from the SIERRA AERO Rental Fleet and replace such rental aircraft with the TTAD Cessna 172 JT-A. If at a future date and per the terms of the SIERRA AERO Lease Agreement with TTAD, SIERRA AERO adds additional rental aircraft, SIERRA AERO agrees to inform TTAD 30 days in advance of placing additional aircraft into the SIERRA AERO Rental Fleet.

4. Commission. For each hour flown in the Aircraft as recorded on a Hobbs, SIERRA AERO shall pay to TTAD the sum of \$90.00. TTAD shall have the right to inspect SIERRA AERO's records for the Aircraft at any reasonable time and upon 24 hours' advance notice.
5. Operation.

Scheduling. The SIERRA AERO will maintain a schedule book for Aircraft use on the SIERRA AERO's premises.

Aircraft Base. The Aircraft will be permanently based at Truckee Tahoe Airport.

TTAD Use. TTAD shall retain the right to also utilize the aircraft, with no greater scheduling priority than the public. However, TTAD shall not be obligated to pay any rental fee for its use of the aircraft.

Limits of Aircraft Use:

- a. The Aircraft is not to be operated beyond the continental limits of the United States, nor shall it be flown more than 300 statute miles from the Truckee Tahoe Airport.
- b. Except for either Private Pilot Night Training or the Commercial Pilot Night Cross Country Requirement during Daylight Savings Time, in which case the aircraft must be returned prior to 11:00 p.m., the aircraft shall not be operated (including taxi and run-up), between the hours of 10:00 p.m. and 7:00 a.m. (local time).
- c. Except as required for weather, other aircraft, fowl or emergency, the aircraft shall at all times be flown in accordance with the TTAD's Noise Abatement Procedures.
- d. The Aircraft shall not be used for commercial flights (other than flight training). No charter operations are permitted.
- e. The aircraft shall not be scheduled for any overnight use.
- f. The Aircraft shall not be used for any illegal purpose.

Permitted Aircraft Use. The Aircraft will be made available only for the purposes of:

- a. Personal travel and/or business travel by the pilot in command.
- b. Flight training.

c. Demonstration.

Aircraft Accidents. Accidents shall be reported promptly to the TTAD, and the TTAD and SIERRA AERO shall jointly file all necessary reports with the FAA and the NTSB.

6. TTAD Ownership. It is clearly understood that title to the Aircraft shall at all times remain with the TTAD, and nothing herein shall authorize SIERRA AERO or any other person to incur any liability or obligation on behalf of the TTAD. Furthermore, TTAD warrants that it is the owner of the Aircraft and that it has the full right to execute this Agreement.
7. Maintenance and Care.

Fuel and Oil. TTAD shall be financially responsible for all fuel and oil for operation of the Aircraft.

Maintenance. TTAD, at TTAD's expense, shall maintain and keep in good order and repair the Aircraft. TTAD, in consultation with SIERRA AERO, shall arrange for, at TTAD's expense, all inspections, parts, labor, overhaul and all maintenance and repairs of or for the Aircraft during the term hereof. TTAD may arrange for service companies to perform such services. If TTAD utilizes SIERRA AERO for such inspection, maintenance or repairs, it shall be carried out separately from this Agreement. Maintenance, inspection and repairs shall be made by competent personnel and with proper fuel, oil and other parts in compliance with the operation and maintenance manuals for the Aircraft and with FAA rules and regulations, all under the control and direction of the TTAD.

Hangar. TTAD, at TTAD's expense, shall arrange for the hangaring of the Aircraft.

Fees. TTAD agrees to pay all license fees and other fees, taxes and assessments imposed by any government or municipality that may arise out of the ownership of the Aircraft except any sales tax if applicable, which SIERRA AERO will arrange to have charged to use as provided by the sales tax laws of the State of California.

TTAD's Liability. TTAD is and will remain responsible and liable for all damage, confiscation, destruction or loss to or of the Aircraft for any reason whatsoever, including loss of use or diminution in market value.

8. Insurance.

Hull Insurance and Waiver of Subrogation. SIERRA AERO will provide hull insurance for the aircraft in the amount of \$500,000 for the interest of TTAD, including but not limited to loss of use. TTAD shall be named as an additional named insured on that policy, which SIERRA AERO shall provide a copy to TTAD. Said policy shall provide that if it is cancelled or modified, TTAD shall be given written notice by that insurance company 30 days prior to any such cancellation or modification. TTAD shall reimburse SIERRA AERO the cost of insurance for the aircraft.

Insurance Proceeds. Proceeds from the insurance will be applied to the cost of repairs of the damage covered by insurance, but the user operating the aircraft when it was damaged will be responsible to TTAD for the deductible portion of the loss, if any.

Liability Insurance. Each party, TTAD and SIERRA AERO, at TTAD's expense, shall provide a minimum of \$ 1,000,000 combined single-limit legal liability insurance, including passengers', for user's protection.

9. *Notice of Cancellation.* The policies shall provide each party with at least twenty (30) days' notice in writing before termination, modification or cancellation of the policies.

10. *Operator Proficiency.* The Aircraft shall be operated only by pilots currently certificated and qualified to operate the Aircraft in compliance with the laws of the United States or any other state or local government authority having jurisdiction therefor, and in accordance with the provisions of the insurance policy or policies issued in connection therewith.

11. *Default.* In the event of any breach or default of this Agreement by SIERRA AERO, this Agreement may be terminated immediately by written notice to SIERRA AERO.

12. *Entire Agreement.* This Agreement constitutes the entire agreement between the parties. No statements, promises, or inducements made by any party to this Agreement, or any agent or employees of either party, which are not contained in this written contract shall be valid or binding. This Agreement may not be enlarged, modified, or altered except in writing signed by the parties.

- 13. Waiver. Either party's failure to enforce any provision of this Agreement against the other party shall not be construed as a waiver thereof so as to excuse the other party from future performance of that provision or any other provision.
- 14. Assignment. This Agreement may not be transferred or assigned without a written authorization signed by TTAD and SIERRA AERO.
- 15. Severability. The invalidity of any portion of this Agreement shall not affect the validity of the remaining portions thereof.
- 16. Paragraph Headings. The headings to the paragraphs to this Agreement are solely for convenience and have no substantive effect on the Agreement nor are they to aid in the interpretation of the Agreement.
- 17. Governing Law. This Agreement is a contract executed under and to be construed under the laws of the State of California. Both parties consent to submit any disputes related to this Agreement to the jurisdiction of the Superior Court of California, County of Nevada, Truckee Branch.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

TTAD, by:

SIERRA AERO, by:

Rick Stephens, Board President

Name:

Kevin Smith, General Manager

Title:

Brent P. Collinson, District Counsel

Name:

Its Counsel