

PINNACLE AVIATION ACADEMY

AIRCRAFT RENTAL AGREEMENT

PARTIES

The parties to this agreement are _____ (“Renter”) and Pinnacle Aviation Academy, Inc. (“Pinnacle”). Upon execution below, both parties agree to all terms and conditions of this Aircraft Rental Agreement.

1.0 RENTAL RATES: The rental rates for the aircraft are posted at the dispatch office. Due to changes in insurance, maintenance, fuel and others costs, the rental rates are subject to change from time to time. Pinnacle has a history of reducing rates when fuel or other costs decrease in order to provide our clients with the lowest possible rental rate for quality aircraft rental.

2.0 PAYMENT PROCEDURE:

a. Academy Rates are available for those who provide a current credit card (MasterCard, Visa and American Express) number with a signature authorization and maintain a \$100.00 deposit on account. Upon completion of a flight, the renter has the option of paying by cash, check or having the flight costs charged to his/her credit card. The credit card may be used for aircraft rental, flight instruction and pilot supplies, etc. In the event the Renter does not place a credit card on file, Academy Rates shall be available for each flight which is prepaid and a balance of at least \$100.00 remains on account.

b. In no event may flying accounts be in a negative or past due condition. Pinnacle has the option to charge overdue accounts at the rate of 18% per annum. In the event of rejection of a credit card charge or a returned check, Renter agrees to immediately make payment by an alternate method. The return check charge is \$25.00 per check.

c. Deposits on account are refundable upon customer’s request. Refunds are processed within 10 business days by check mailed to customer’s address. If the deposit on account is educational loan funds provided by an authorized loan company through Pinnacle Aviation Academy, including, but not limited to Sallie Mae or Pilot Finance, the refund is made payable directly to the financial institution. The educational loan refunds are by check and processed at the beginning of each month.

3.0 PILOT DOCUMENTATION & CURRENCY:

a. Due to United States Government TSA requirements, students and renters must provide Pinnacle with a Birth Certificate or a valid Passport to show U.S.A. citizenship. Students and renters, who are not U.S.A. citizens, are required by the United States Government to make application to TSA prior to flight training. Our insurance provider requires pilots to provide current copies of his/her pilot certificate, medical certificate and driver’s license. Additionally, a photocopy of the last flight review and all other pertinent endorsements are required for the pilot’s file.

b. Renter agrees to maintain 90-day currency for carrying of passengers as required for day and/or night operations. If instrument rated, Renter also agrees to maintain instrument currency per FAR’s prior to instrument flight. In order to fly Pinnacle aircraft, the Renter must have flown simple single engine aircraft of the same type at Pinnacle within the previous 180 days. If this time period has expired, a flight check with a Pinnacle instructor will be required by our insurance company. Currency requirements for complex and high performance aircraft types at Pinnacle shall be within a 90-day period.

c. Due to insurance requirements, fellow pilots are not permitted to fly your rental aircraft unless they have been checked out and approved by a Pinnacle flight instructor.

4.0 FAA REGULATIONS: Renter agrees to abide by all FAA regulations, and recommendations contained in the Aeronautical Information Manual while utilizing Pinnacle aircraft.

5.0 PINNACLE AVIATION ACADEMY OPERATING/SAFETY PROCEDURES: Renter agrees to abide by all Pinnacle Aviation Academy Operating/Safety Procedures and acknowledges the receipt of the document. The document may be changed from time to time and if necessary, a revised document will be provided to Renter.

6.0 SCHEDULING:

a. Aircraft and instructors may be scheduled on line or by calling the dispatch desk. All messages will be confirmed when possible during office hours. Aircraft will be held for fifteen minutes after the scheduled times. Afterwards, the aircraft will become available to other renters. If you cannot arrive for your reservation, please call or cancel on line at least twenty-four hours in advance of the scheduled time. In order to keep our rates as low as possible, we must charge a \$25.00 “short-term cancellation” fee if you do not cancel your reservation and we were not able to rent the aircraft to others. In the event your aircraft was scheduled for more than 4 hours a \$50.00 “short-term cancellation” fee will be charged if your reservation was not cancelled. The “short-term cancellation” fee will not be charged to student solo and rental flights which need to be canceled due to inclement weather. In the event your reservation included dual instruction, a \$25.00 per hour “short-term cancellation” fee will be charged for the scheduled dual time to compensate your instructor for loss of revenue. Pinnacle owns the majority of aircraft available for rent. We do lease some aircraft from other owners. In the event an aircraft is removed from the rental fleet after a renter checkout, Pinnacle shall not be liable for such removal. Please check at the dispatch desk to determine our few non-owned aircraft.

b. Extended reservations are reservations that exceed 48 hours. Extended reservations require management approval. Once management has approved an extended reservation, a non-refundable deposit upon scheduling the aircraft is required. The deposit is 10% of the expected aircraft rental.

7.0 OVERNIGHTS AND MINIMUM DAILY RENTAL: Our pricing structure is based on frequent usage of the aircraft. In the event you wish to keep an aircraft overnight or reserve the aircraft for 8 or more hours, we required that you fly a minimum of 3 hours on the hobbs meter each day. If this amount of flying does not meet your plans, we are pleased to accommodate your requirements (on an aircraft availability basis), however, a “no fly” charge for the difference between the 3 hours per day and the actual hours flown will be made. The “no fly” charge shall be equal to 50% of the hourly rental rate in order to partially defer fixed expenses for the aircraft.

8.0 WEATHER DELAYS: Pinnacle encourages all renters to use good judgment if weather conditions deteriorate to a level where the renter is not qualified by ratings, currency or experience to continue a flight. In the event you are delayed due to weather, a “no fly” charge will not be assessed. Please contact the dispatch office to advise us of your plans. If weather conditions permit, the renter has the option of having two instructors fly another airplane to your

location and assist you in returning home. The renter shall pay the cost of the additional aircraft rental and the instructor time. In the event the renter elects to abandon the aircraft and use alternate means of transportation to return home, the renter shall be responsible for the alternate means of transportation plus Pinnacle's cost of retrieving renter's aircraft.

9.0 MECHANICAL DELAYS: In the event of a delay due to mechanical reasons, call the dispatch desk. Pinnacle will attempt to either have the mechanical problem corrected or send a replacement aircraft to your location. In the event the renter elects to use alternate means of transportation to return home, it shall be at Renter's expense and Pinnacle will not charge the Renter for aircraft retrieval. In the event the mechanical delay was caused by pilot error, and the Renter abandons the aircraft with permission from Pinnacle, Renter shall be responsible for cost of aircraft retrieval and applicable no fly charges.

10.0 REPAIRS AND PURCHASES: Renters shall call the dispatch desk for instructions on any required repairs. Renters are authorized to spend up to \$100.00 for minor repairs without Pinnacle Aviation Academy authorization. Renters are also authorized to purchase fuel and oil as required. Due to the fluctuating fuel costs, the maximum reimbursable amount for off airport fuel costs will be posted at the dispatch desk. Please submit your receipts for your purchases and the amount will be credited to your account. Items not reimbursed include, overnight tiedown or hangaring, landing fees, ramp fees, or other excessive charges caused by Renter's selection of airport or fixed based operator (FBO).

NOTE: Many large airports such as but not limited to Los Angeles, San Francisco, Las Vegas, Phoenix, etc. do not have maintenance facilities for general aviation piston aircraft. Additionally, many small airports such as but not limited to Agua Dulce, Banning, Borrego Springs, Catalina, Chiriaco Summit, Daggett (Barstow) have no maintenance facilities on the airport. Consequently, if a repair is required at these type of airports, maintenance staff must be brought in from other airports or Leading Edge Aviation staff must be flown there from Palomar Airport. In either case, the cost of repair will be significantly higher than a repair at an airport with general aviation piston aircraft maintenance. If repairs at these airports are caused by pilot error (tire failure, etc.), the renter will be paying excessive costs for maintenance. In the event of other repairs, Pinnacle Aviation Academy will only pay for the customary cost of repair when a maintenance shop is located on the airport. Pinnacle Aviation Academy highly recommends that when renters plan cross country trips that they select an airport with general aviation piston maintenance services available.

11.0 INSURANCE: Upon checkout in a Pinnacle aircraft, we are covered by liability insurance in the amount of \$1,000,000 per occurrence and \$100,000 per person. Aircraft are insured for their value with a "in motion" and "not in motion" deductible of \$5,000 for fixed tricycle gear aircraft, and a deductible of \$10,000 for multiengine and retractable gear single engine aircraft. The renter is responsible for the deductible amount if damage was caused by pilot error. Pinnacle highly recommends separate "Renter's Insurance" policies to insure for the deductible amounts and possible renter liability. Renter pilot policies are available from several sources. Please check with our office staff for a current list of Rental Pilot Insurance Companies. Pinnacle prohibits renter pilots from using Pinnacle aircraft for any charity flight

programs such as Angel Flight, etc. Please contact our office management for additional information.

12.0 LIABILITY, INDEMNITY AND ATTORNEY'S FEES: Renter agrees to assume all liability and indemnify Pinnacle from third party claims caused or due to renter's actions. In the event legal process is required to settle any claim or to enforce performance, the parties agree to submit to binding arbitration under the rules of the American Arbitration Association in San Diego, CA or any other mutually approved and qualified arbitrator. This agreement shall be binding on the heirs, executors, guardians, conservators, personal representatives, successors and assigns of both parties. In the interest of safety, Pinnacle Aviation Academy does not guarantee or represent that training for pilot certificates or aircraft checkouts will be completed in any specific time or number of ground and flight hours. This constitutes the total agreement between the parties and each party acknowledges by execution below that no other agreement or representation has been made.

I have read and thoroughly understand this rental agreement and agree to all terms and conditions stated above.

Renter:

Pinnacle Aviation Academy, Inc.

Renter's Signature

Corporate Officer

Date: _____

Date: _____