

RENTAL AGREEMENT

This AIRCRAFT RENTAL AGREEMENT (the "**Agreement**") is made this _____ day of _____, 201__ between PIC Aircraft Rentals Ltd. ("**PIC**") a company incorporated under the laws of British Columbia and _____ (the "**Renter**") whose address is _____

WHEREAS PIC and the Renter wish to enter into this Agreement whereby the Renter shall rent certain aircraft from PIC subject to the terms and conditions contained herein.

WITNESSETH that in consideration of the mutual covenants contained herein and other valuable consideration, the parties hereto agree as follows:

1. Reservations

- (a) Aircraft may be reserved in person, over the phone during business hours or booking online.
- (b) PIC is not liable for the loss of a reservation and rental due to unscheduled maintenance or other unforeseen circumstances.

2. Cancellation

- (a) Renter will provide twenty-four (24) hours' notice to PIC when canceling or changing scheduled flights for any reason other than unsafe weather condition or pre-flight discovered aircraft mechanical problems.
- (b) If the Renter has not provided the required notice set out in paragraph 2(a) above and the Renter fails to utilize the agreed upon rental slot, PIC reserves the right to charge the Renter one (1) hour of flight time (the "**No Show Fee**").
- (c) Renter will be considered a no-show if Renter has not taken possession of aircraft within one half hour of the scheduled flight time, at that time the aircraft will be made available to other customers and the Renter is required to pay the No Show Fee.

3. Payment

- (a) The Renter shall pay for all aircraft rental and any training services on a pay-as-you-go basis and PIC shall not be required to extend credit to Renter. Renter shall make all payments to PIC immediately upon return of the aircraft to PIC and completion of the rental period, although payment in advance may be held on the Renter's account with rental fees charged against the account until the credit balance has been used.

- (b) Rental rates are as posted on PIC's website and in its rental office. Rental time is based on the Hobbs meter time.
- (c) A minimum of one (1) hour shall be charged for every rental except that in the case of overnight rentals a minimum of four (4) hours shall be charged per each twenty-four (24) hour period.
- (d) PIC accepts cash, direct debit, Visa and Master Card as payment for services rendered.
- (e) The Renter shall either provide PIC with credit card details for a valid credit card or provide a deposit of five hundred dollars (\$500.00) (the "**Deposit**") before each flight.
- (f) The Renter preauthorizes PIC to charge the Renter's credit card on file for all eventual costs related to the rental, including but not limited to unpaid rental fees, No Show Fees and costs in case of damage to the aircraft.
- (g) For out-of-hours flights (1700-0800) where a credit card has not been provided, PIC reserves the right to request pre-payment or a sufficient deposit to cover the cost of the intended rental service.

4. Rental Duration

- (a) The minimum rental period is one (1) hour and the Renter is required to fly fifty percent (50%) of the session time booked except that, if the Renter is using an aircraft for an extended rental (multi day or cross country) the Renter is required to fly a minimum of four (4) hours per day.
- (b) The following "not flown" charges will apply in the case of Renters returning aircraft with less than the required time:
 - (i) Cessna 172 \$39 per hr;
 - (ii) Cessna 180 Floatplane \$95 per hour; and
 - (iii) Beechcraft Duchess \$75 per hour.

5. Pilot License, Medical and Certificates

- (a) The Renter shall be the pilot in command of the aircraft and he/she shall be responsible for the rented aircraft and its operation at all times until the aircraft is returned to PIC.
- (b) Renter shall hold a valid Canadian pilots license.

- (c) Renter shall hold all certificates and ratings required under Canadian law and issued by authorized agencies of Canada as appropriate for the type of aircraft to be operated.
- (d) Renter must possess a current medical certificate appropriate for the type of operation to be conducted, issued by a Transport Canada Civil Aviation Medical Examiner (a "**Medical Certificate**").
- (e) The Renter must maintain a current pilot license and Medical Certificate on file with PIC. The Renter must also provide PIC with valid photo identification, such as driver's license, for identification purpose.
- (f) Renter must have all applicable pilots' certificates, Medical Certificates, and photo identification on their person during flight.
- (g) Prior to renting any aircraft Renter will notify PIC of and provide background information to PIC regarding:
 - (i) any incident or accident, major or minor, they have been involved in whether or not PIC aircraft was involved; and
 - (ii) any action taken by Federal, Provincial or Local authorities against their certificates,

and PIC reserves the right to deny rental to Renter for any reason whatsoever, including but not limited to the existence of any incident, accident or action noted in subsections 5(g)(i) and (ii) above.

6. Currency Requirements

- (a) To maintain currency with PIC, a Rental pilot must fly PIC wheeled aircraft once every sixty (60) days and in the case of floatplanes, aircraft must be flown once every forty-five (45) days.
- (b) Renter agrees to submit to flight checks and aircraft checkout by PIC for every aircraft the Renter rents from PIC including, but not limited to the following:
 - (i) a check out is required prior to being authorized to rent aircraft (See PIC aircraft check out process for all aircraft);
 - (ii) Renters that have not flown a PIC aircraft for more than 60 days but less than six (6) months will be required to complete an abbreviated check flight;
 - (iii) Renters that have not flown a PIC aircraft for more than six (6) months will be required to complete a full check out; and

- (iv) Renters that have logged ten (10) hours or more as PIC in any aircraft in the past six (6) months will only be required to complete an abbreviated check flight.

7. Insurance

- (a) The Renter shall pay to PIC a two thousand five hundred dollar (\$2,500) deductible and any amounts not covered by PIC insurance coverage for any claims or losses related to the rented aircraft occurring during the rental period including, but not limited to, any loss or damage involving PIC aircraft caused in whole or in part by the Renter's negligence, violation of Canadian Aviation Regulations (CARS), improper procedures, or acts or failure to act in regard to the proper inspection or operation of PIC aircraft occurring during the rental period.
- (b) Renter is strongly recommended to obtain renters insurance. The Renter acknowledges and agrees that if he/she is unable or unwilling to obtain insurance coverage he/she will be personally responsible to pay for any and all damage caused to the aircraft while in possession of the Renter including, but not limited to, damage caused to tires and landing gear due to excessive braking. Further, at the discretion of PIC Renter may be charged for aircraft loss of use charges.
- (b) Renter hereby acknowledges that PIC does not insure the Renter or any other pilot in command of the aircraft for loss of life while operating a PIC aircraft.

8. Use of Aircraft

- (a) Renter acknowledges and agrees that the aircraft is the property of PIC.
- (b) Renter agrees to use PIC aircraft for personal use and is in no way authorized to act as an agent of PIC.
- (c) Renter will not conduct flights for the purpose of giving flight instruction or any other commercial purpose.
- (d) Renter agrees that no PIC Aircraft will be operated under instrument flight rules and/or instrument meteorological conditions.
- (e) Spins in airplanes are prohibited unless authorized by PIC staff.
- (f) Formation flying is prohibited at anytime.
- (g) Renter agrees that the rented aircraft shall not be used or operated for any illegal purposes; in any race, speed test, or contest; by any person other than the Renter; outside the limits of continental Canada and United States of America; to carry passengers or property for monetary compensation or hire; and any flight for which the Renter is not properly rated or certified.

- (h) Renter agrees that only the Renter will fly or have charge of the aircraft while it is in their possession. The Renter will fly the aircraft from the left seat and be in control of its operation at all times.
- (i) Renter agrees to land at licensed airports only, aircraft is not to be landed at "offstrip", dirt, grass or gravel runways.
- (j) Renter agrees that night flights are prohibited without prior authorization from PIC staff.
- (k) Renter agrees that mountain flying is prohibited without prior authorization from PIC staff.
- (l) In the case of floatplane rentals, Renter agrees that operational terrain and travel is limited to the Fraser River within 30 miles of Pitt Meadows Airport, Harrison Lake, Pitt Lake and Stave Lake. Destinations outside of these areas and or ocean landings require authorization from PIC staff.
- (m) Renter agrees that aircraft is to be fueled at licensed airport facilities only.
- (n) The Renter is responsible for settling all landing fees, parking fees, tie-downs, handling fees and/or any other fees incurred enroute or at the Renter's flight destination at the time they are incurred. If not settled at that time, the Renter will be charged an administration fee of thirty dollars (\$30.00) for failure to comply with this rule.

9. Flight Procedures

- (a) It is the Renter's sole responsibility to comply with all Canadian Aviation Regulations (CARs) at all times.
- (b) With respect to pre-flight inspections, it is the Renter's sole responsibility to comply with all CARs and the aircraft manufacturer's guidelines and any other source regulating pre-flight procedures.
- (c) Renter agrees not to accept the aircraft until Renter is satisfied with the aircraft airworthiness and functioning of its equipment and accessories. A Renter who begins a flight in an aircraft that is known to be in a non-airworthy condition assumes all liability and responsibility for any damage or injury that may result from such action.
- (d) Renter agrees to use all applicable aircraft checklists for each appropriate phase of operation including: preflight inspection, pre-engine startup, engine startup, taxi, takeoff, cruise, landing, engine shutdown, and post-flight.
- (e) Renter will ensure that the aircraft is operated with:

- (i) proper quantity and type of engine oil;
 - (ii) proper octane of fuel; and
 - (iii) adequate fuel is loaded for the intended flight.
- (f) Renter is responsible for the proper operation of all equipment in the aircraft including, but not limited to: communication and navigation radios, GPS, autopilot (if applicable), TCAS, weather radar & etc.
- (g) Renter agrees to adhere to the aircraft dispatch policies in use by PIC. Renter must file a flight plan and submit a copy of the flight plan and navigational log and the dispatch form for all cross-country flights in advance. When Renter's flight planning is judged to require ground briefing with PIC staff, ground briefing time will be charged.
- (h) For overnight flights Renter is required to report the aircraft position daily to PIC Dispatch Office at 604-465-1414.

10. Return of PIC Aircraft

- (a) The Renter accepts use of the aircraft, AS IS, in good condition and accepts full responsibility for care of the aircraft while under his/her possession.
- (b) The Renter will:
- (i) return the aircraft in undamaged condition to PIC at the agreed time and to the airport from which the Renter took possession of the aircraft (the "**Home Airport**"), unless otherwise specified by PIC.
 - (ii) Return the aircraft full of fuel obtained from a licensed airport, use of fuel from any other source is strictly prohibited. Renter is responsible for costs of mechanical repair required as a result of use of contaminated fuel sourced from non-licensed airport facilities.
 - (iii) inform PIC as soon as practicable if the aircraft is to be kept longer than originally planned.
 - (iv) always exercise conservative decisions when faced with possible delays due to weather or mechanical problems.
- (c) The Renter agrees and acknowledges that PIC is not responsible for incidental costs that may be incurred by the Renter or any passengers in the event that the aircraft cannot be returned for any reason whatsoever to the Home Airport at the specified return time including, but not limited to, telephone calls, rental cars, accommodation expenses, transportation expenses and meals.

- (d) It is the Renter's responsibility to ensure that current and forecast weather conditions will allow the flight to be completed safely. If weather conditions prevent a safe return to the Home Airport the Renter must remain with the aircraft until it is safe to return.
- (e) Until the Renter returns the aircraft to PIC, Renter shall remain responsible for the aircraft and will pay all costs incurred to return the aircraft to PIC.
- (f) PIC shall not be responsible for any airport charges incurred for non-maintenance related delays.
- (g) In the event that the aircraft is not returned to the Home Airport at the time specified by PIC, then PIC shall, at its option, charge the Renter for "loss-of-use", estimated revenues that would have been earned from flights and instruction that were scheduled or were anticipated to be scheduled had the aircraft been returned as required.
- (h) If the aircraft is abandoned away from the Home Airport, the Renter will be charged pilot expenses plus flight time at dual rates to return the aircraft to the Home Airport.
- (i) With respect to post-flight inspections, it is the Renter's sole responsibility to comply with all CARs and the aircraft manufacturer's guidelines and any other source regulating post flight procedures.
- (j) Any damage to the aircraft, unairworthy conditions, or missing documents found by the Renter prior to leaving PIC's premises must be reported to PIC immediately and PRIOR TO THE FLIGHT. The Renter shall be responsible for any damage (including any damage to the tail section as a result of a tail strike) which was not reported to PIC prior to flight. Any damage caused by the Renter or during Renter's use of the aircraft, and not reported to PIC will result in termination of flying privileges with PIC and the Renter shall pay for the cost of any repairs deemed necessary by PIC.
- (k) If the Renter returns the aircraft unclean or damaged, PIC may withhold the Deposit as a charge for any necessary cleaning or repairs. PIC may also, at its option, charge the Renter for "loss-of-use", estimated revenues that would have been earned from flights and instruction that were scheduled or were anticipated to be scheduled had the aircraft been returned undamaged.
- (l) After each flight, Renter shall ensure the aircraft is parked and secured with particular attention to the following:
 - (i) flight control/gust locks in place;
 - (ii) master and ignition switches off;

- (iii) seat belts secured inside the aircraft;
 - (iv) doors installed and locked / baggage compartment locked;
 - (v) chocks in place;
 - (vi) tie-downs secured;
 - (vii) pitot tube covers, cabin covers installed;
 - (viii) trash removed from the interior and baggage compartments; and
 - (ix) cleaning of any mess caused by liquids or solids dropped, spilled, excreted or vomited within the interior of the aircraft. Failure to attend to the above items will result being charged a penalty and/or cleaning fee.
- (m) Renter agrees to always return the aircraft in a ready-to-fly condition when checked back in at PIC.
- (n) Renter will ensure that the aircraft key is returned with the aircraft dispatch before leaving the premises. The Renter may be charged a lost key fee of fifty dollars (\$50.00) for failure to comply with this rule.

11. Prohibited Actions

- (a) Renter will never interfere with the operation of the Hobbs or tachometer of an aircraft. This includes: disconnection of wiring, pulling of fuses or circuit breakers, setting of flight controls into unsafe positions.
- (b) Foods, beverages (other than water) and or smoking in the aircraft are strictly prohibited.
- (c) Renter understands that he/she is prohibited from hand-propping to start an aircraft, carrying pets without express and written approval of PIC, starting, taxiing, or flying an aircraft while under the influence of alcohol or drugs, operating in violation of:
- (i) provisions of the Canadian Aviation Regulations (CARs);
 - (ii) in violation of Federal, Provincial, or Local Law; and
 - (iii) in violation of any agreement executed by PIC with the home or local airports, operating beyond the limitations of the aircraft as described in the flight manual, placards, safety notices, or PIC operating procedures, operating outside visual flight rules (VFR) and instrument flight rules (IFR) weather minimums, operating at unlit airports during night operations, operating at airports where intended runways have usable

lengths of less than the aircraft requirements, operating an aircraft in violation of terms of this Agreement.

12. Aircraft Malfunction

- (a) Renter shall not tamper with nor attempt to repair any part of the aircraft (including equipment and accessories). Renter will contact PIC for instructions on how to proceed in situations where any aircraft equipment or accessories malfunction.
- (b) Any maintenance related items that could interfere with the safety of a flight, and defects found, must be immediately report to PIC staff. All defects must be immediately reported and noted on the aircraft defect sheet located on the aircraft dispatch. Any maintenance related action required away from the Home Airport requires prior authorization from PIC management.

13. Accident/Incident

- (a) In the event of accident or incident involving a PIC aircraft, the Renter shall follow the PIC Emergency Response Plan which can be found in each aircraft document bag, Renter is responsible for:
 - (i) seeking to secure the scene of the incident and as far as possible preserve and prevent any further damage to passengers or aircraft;
 - (ii) notifying and cooperating with the proper Federal, Provincial and Local authorities;
 - (iii) reporting the event to PIC as soon as possible using the emergency communication protocol included with the aircraft documents;
 - (iv) seeking to gather names and addresses of any witnesses to the event; and
 - (v) preparation and filing of the required appropriate forms.

14. Waiver and Indemnity

Renter agrees to execute and deliver the Waiver, Release and Indemnity Agreement attached as Schedule "A" hereto.

15. No Warranty

PIC IS NOT THE MANUFACTUROR OF THE AIRCRAFT AND MAKES NO REPRESENTATIONS, WARRANTIES, GUARANTEES OR CONDITIONS OF ANY KIND WHATSOEVER WITH RESPECT TO THE AIRCRAFT WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO ANY EXPRESS OR IMPLIED

WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

RENTER ACKNOWLEDGES AND AGREES THAT PIC WILL NOT BE LIABLE FOR ANY LOSS, DAMAGE OR INJURY OF ANY TYPE ARISING OUT OF OR RELATED TO THIS AGREEMENT OR CAUSED OR CONTRIBUTED IN ANY WAY BY THE USE OF THE AIRCRAFT SUPPLIED PURSUANT TO THIS AGREEMENT OR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES RESULTING THEREFROM, EVEN IF REASONABLY FORESEEABLE.

16. Governing Law

This Agreement shall be construed and enforced under the laws of British Columbia, Canada.

17. Entire Agreement

This Agreement and the attached schedules supersedes any prior negotiations and agreements between the parties regarding the same issues addressed herein, and constitutes the entire agreement of the parties.

18. Assignment

This rental Agreement will enure to the benefit of and be binding upon the parties and their respective successors and assigns.

Renter may not assign this rental Agreement or any of its rights or obligations under this rental agreement without the prior written consent of PIC. Any assignment by Renter without prior written consent is ineffective. PIC may assign this rental Agreement or any of its rights or obligations under this rental agreement without the prior consent of Renter.

19. Amendment

This Agreement may be amended by PIC without prior notice.

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20. Certification

Renter certifies that all information supplied to PIC is true and correct.

IN WITNESS WHEREOF the parties have executed this Agreement on the date first written above.

SIGNED in the presence of:)

)

_____)

Name)

_____)

Address)

_____)

)

_____)

Occupation)

)

Renter:

PIC AIRCRAFT RENTALS LTD.

Per: _____
Authorized signatory

SCHEDULE "A"

WAIVER, RELEASE AND INDEMNITY AGREEMENT