

## What is Dry Leasing

A Dry Lease is simply an agreement used to transition Operational Control from the aircraft owner to another party. Critical to the success of a true conforming Dry Lease Agreement is the understanding of all parties and their roles which are clarified in the agreement. The owner is the Lessor, where the user is the Lessee, who assumes Operational Control and therefore becomes the "Operator" of the owner's aircraft during the access period. Also, key to the success of a true conforming Dry Lease is to follow what is actually stated on the agreements.

The legal definition of Operational Control as per 14 CFR part 1 means: "with respect to a flight, the Operator exercises the authority over initiating, conducting or terminating a flight."

Similar to renting a vehicle from a rental car company, the lessee assumes the responsibilities and liabilities as the operator of the rental car. When dry leasing aircraft, the Operator assumes the responsibilities of that aircraft and will assume the same responsibilities and liabilities as if they owned the aircraft during their access period.

The word "dry" in physical terms means without fuel; however, in legal terms, "dry" means the aircraft only is leased directly from the owner to the lessee/operator, provided certain terms are met. For a conforming Dry-Lease structure, a flight crew must be secured and maintained directly by the lessee/operator. Per FAA regulations, neither LIFT Aviation Company, nor the aircraft owners, will control flight crew for any Dry-Lease access. The lessee/operator is fully responsible for securing a flight crew (if required). LIFT Aviation Company takes pride in guiding and educating all parties on these keys to a successful Dry Lease arrangement.

The benefits and keys to Dry-Leasing a LIFT Aviation Company managed aircraft:

- Aircraft ownership control experience without the unknown variable costs and tasks associated with ownership,
- Control and flexibility in contrast to other non-owned full aircraft access solutions,
- High quality equipment that is carefully maintained,
- Ability to hand-pick flight crew rather than assigned,
- Convenience and efficiency of aircraft access options,
- Control over departure and destination airports,
- Flexibility of your own schedule allowing for simpler changes,
- Dry Leasing is not a travel service and rather a method to access non-owned aircraft.
- As a Dry Lease-Broker we are not marketing "air travel" to the public, and rather, our goal is to educate the public on how to Dry Lease... the right way.

Dry leasing service includes establishing a connection between aircraft owners and potential lessee/operators. When a lessee connects with an aircraft owner through a Dry Lease agreement, and the lessee has a clear understanding of their role and responsibility as the operator, Operational Control is transitioned to the lessee during the lease access period.

There are certain factors which must be understood for a dry lease to be considered a legal and a conforming activity:

1. The owner, who leases the aircraft to the user, the operator, who leases the aircraft from the owner and assumes all "Operational Control" of the aircraft, and the pilot, who must be secured and hired under the control of the operator, ALL must understand their roles in the lease activity.
2. The lessee must understand that, as the operator of the aircraft, they assume the responsibilities of the aircraft, very much like when the renter of a rental car assumes the responsibilities of that car.
3. Neither the owner, nor any other party involved with earning a revenue, may assign or force flight crew upon lessees. It is entirely the lessee's responsibility to secure and hire their own flight crew.
4. The owner has an obligation to maintain the aircraft for airworthiness, with all inspections, and flight critical items required by the manufacturer to be functioning. However, it is the lessee who must verify, either directly or indirectly, utilizing their pilot's expertise, the airworthiness of any aircraft they are leasing.

The lessee, as operator, assumes the same flexibilities, benefits, responsibilities, and liabilities of the aircraft, as if they are a temporary owner of that aircraft. While all of this may seem tedious, the benefit to leasing can provide many of the same flexibilities and benefits as owning your own aircraft. This is due to the fact that when becoming a lessee, and assuming operational control, the lessee in essence has temporary owner responsibilities of that aircraft