



## STL Aviators Aircraft Leaseback Program – Overview for Aircraft Owners

Thank you for your interest in partnering with STL Aviators. Our leaseback program is designed for aircraft owners who want to offset ownership costs while supporting our non-equity flying club's mission of providing affordable, well-maintained aircraft to our members. Below is a summary of how the program works:

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### 1. Structure & Agreement

- **Exclusive Lease:** You lease your aircraft to STL Aviators on an exclusive-use basis. The Club manages operations, scheduling, and member use.
  - **Term:** Initial 1-year term with automatic renewals unless either party gives 30 days' notice.
  - **Location:** Preferably, aircraft will be hangared at Creve Coeur (1H0) or Spirit of St. Louis (KSUS).
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### 2. Owner Benefits

- **Monthly Income:** You receive a monthly lease fee plus an hourly usage payment based on Hobbs time.
  - **Minimum Guarantee:** The Club guarantees a minimum number of hours per quarter (terms negotiable).
  - **Personal Use:** You may use the aircraft, but must be an active Club member like any other user and pay standard club rates.
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### 3. Cost Responsibilities

<b>Category</b>	<b>STL Aviators (Lessee)</b>	<b>Aircraft Owner (Lessor)</b>
<b>Fuel &amp; Oil</b>	Covered by the Club	–
<b>Preventive Maintenance</b>	Club handles (e.g., tires, brakes, oil)	–
<b>Annual Inspections</b>	Club coordinates	Owner pays labor costs
<b>Engine/Prop Overhaul</b>	–	Owner responsibility
<b>Airworthiness Directives</b>	Up to \$200/AD by Club; remainder by Owner	Owner responsible beyond \$200
<b>Insurance</b>	Paid by Club; Owner named as additional insured	–
<b>Records</b>	Both parties share recordkeeping duties	Owner maintains FAA registration & logbooks

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### 4. Maintenance & Downtime

- STL Aviators strives to maximize aircraft uptime.
  - If owner induced/covered downtime exceeds 10 days (minor repairs) or 30 days (major repairs), the Club suspends guaranteed payments and Owner assumes hangar/insurance costs during that time.
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### 5. Key Protections

- Lessor indemnified from Club member use (except in case of Lessor negligence).
  - Damage during lease period is the responsibility of the Club.
  - Aircraft returned in same or better condition, normal wear and tear excepted.
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## 6. Sample Financials

In the case below, the aircraft is valued at \$100,000. The club's monthly payment is composed of two separate payments:

### 1. A base payment that does not change month to month.

- a. This payment covers the "Base costs" of the aircraft, namely;
  - i. A finance rate which is calculated at 7% annually based on aircraft value.
  - ii. Annual labor, and yearly property.
  - iii. These costs divided by 12.
  - iv. In this sample, for an aircraft that is valued at \$100K, a base monthly payment would be: \$903.33.

Aircraft value:           **\$ 100,000.00**

#### Base costs

Annual labor cost:	\$	1,200.00
Yearly Prop Tax:	\$	2,640.00
Finance rate (7%):	<u>\$</u>	<u>7,000.00</u>
Total:	\$	10,840.00
Per month:	\$	<b>903.33</b>

### 2. A HOBBS hourly rate

- a. The HOBBS rate is calculated by dividing the total TBO cost of the engine and prop by TBO hours for the engine and prop type.
- b. In this sample, the HOBB's hourly rate is calculated at \$26.25 per HOBB's hour.

Engine TBO cost:	\$	50,000.00
Prop TBO cost:	<u>\$</u>	<u>2,500.00</u>
Total TBO cost:	\$	52,500.00
TBO hours		2,000.00
HOBB's rate:	\$	<b>26.25</b>

3. A guaranteed minimum number of HOBB's hours are negotiated based on the anticipated flying hours from the club. Typically, this is 15 hours but can deviate if needed.
4. Most of our aircraft fly around 300 hours. Below are two possible monthly and yearly revenue amounts, one based on the minimum hours, the other based on likely more realistic values.

Approx monthly:	\$	1,297.08	@15 hours min
Approx monthly:	\$	1,559.58	@ 25 hours avg
Approx yearly:	\$	15,565.00	@180 hrs/year min
Approx yearly:	\$	18,715.00	@300 hrs/year