

Purchase Agreement – Terms and Conditions

The Seller and the Purchaser named on the other side of this document (the "front side") have entered into this Purchase Agreement (the "Agreement"), pursuant to which Seller agrees to sell, and Purchaser agrees to purchase, one Aeromarine Consulting, Inc. Zigolo MG ultralight motorglider (the "Ultralight Aircraft"). The terms and conditions of the Agreement are set forth below, as well as on the front side and in any riders, exhibits or supplements that may be referred to below or on the front side, all of which are hereby incorporated into the Agreement by reference. By signing this Agreement, the Purchaser acknowledges and agrees to be bound by all of these terms.

U.S. Department of Transportation
Federal Aviation Administration
Subject: THE ULTRALIGHT VEHICLE Date: 1/30/84 AC No: AC 103-7
Initiated by: AF0-820:

You are Responsible for Your Personal Safety. Certificated aircraft are designed, light tested, manufactured, maintained, and operated under Federal regulations intended to provide an aircraft of consistent performance, controllability, structural integrity, and maintenance. An ultralight vehicle is not subject to Federal aircraft certification and maintenance standards. This means that the costs of purchasing and maintaining an ultralight vehicle may be considerably less than the purchase of a certificated aircraft. There is no assurance that a particular ultralight vehicle will have consistent performance, controllability, structural integrity, or maintenance. Your safety, and potentially that of others, depends on your adherence to good operation and maintenance practices. This includes proper preflight techniques, operation of the vehicle within the manufacturer's recommended flight envelope, operation only in safe weather conditions, and providing safety devices in anticipation of emergencies. Part 103 is based on the assumption that any individual who elects to fly an ultralight vehicle has assessed the dangers involved and assumes personal responsibility for his/her safety.

Total Ultralight Aircraft Price and Payment

1.01 The Total Ultralight Aircraft Price of the Ultralight Aircraft consists of the Base Price, plus charges for Factory Installed Avionics, Optional Equipment all as detailed on the front side. The Total Purchase Price of the Ultralight Aircraft consists of the Total Ultralight Aircraft Price, plus charges for sales tax and/or Packing, Freight and U.S. Clearing, all as detailed on the front side.

1.02 All payments shall be in United States Dollars. The initial payments may be made by personal check drawn off a U.S. bank, credit card acceptable to Seller, or any method acceptable for payment of the balance of the Total Purchase Price. Payment of the balance of the Total Purchase Price shall be completed on the Scheduled Delivery Date of the Ultralight Aircraft by any of the following means: certified or bank check drawn off a U.S. bank, wire transfer, or such other form of payment as has been approved by Seller at least five (5) days prior to the Scheduled Delivery Date.

Delivery

2.01 At the time of delivery, the Ultralight Aircraft will conform to the current specifications in all material respects and will incorporate the standard equipment listed on the Standard Equipment Schedule and all Optional Equipment listed on the front side. Seller also has the right to substitute equipment as provided for in Section 5.01, below.

2.02 In the event that Seller is ready and willing to make delivery of the Ultralight Aircraft on the Scheduled Delivery Date, but delivery is delayed beyond the Scheduled Delivery Date due to Purchaser, then, if such delay exceeds thirty (30) days, Seller may cancel the order, refund the Purchaser's deposit, less 25% to be retained as liquidated damages.

Transfer of Title

3.01 Upon delivery of the Ultralight Aircraft by Seller and acceptance by Purchaser, including payment of all amounts due to Seller under this Agreement, Seller shall transfer title to the Ultralight Aircraft, free and clear of all encumbrances of Seller, by delivering to Purchaser a final invoice.

3.02 Upon delivery and acceptance of the Ultralight Aircraft, Purchaser or Purchaser's authorized representative shall execute a Delivery Receipt, noting thereon that any deficiencies previously detailed on the Pre-Delivery Inspection and Flight Test Report have been satisfactorily corrected, or noting instead that Purchaser or Purchaser's authorized representative has elected to accept delivery with the understanding that any outstanding deficiencies will be addressed under the terms of Seller's Standard Ultralight Aircraft Limited Warranty.

Risk of Loss

4.01 The risk of loss shall pass from Seller to Purchaser upon Purchaser's execution of the Delivery Receipt.

Substitute Equipment

5.01 Purchaser specifically acknowledges and agrees that some of the equipment intended to be installed in the Ultralight Aircraft, including Optional Equipment, may not be available on the Scheduled Delivery Date. In that event, Seller shall have the right to install substitute equipment of equivalent capabilities. Seller shall also have the right to substitute equipment if, in its sole discretion, such substitute equipment constitutes a product improvement. Seller may adjust price accordingly.

Delays in Delivery Beyond Seller's Control

6.01 Seller shall not be liable for any failure or delay in the delivery of the Ultralight Aircraft that results from a cause that is beyond Seller's control, including, but not limited to: Acts of God; accidents; strikes or other labor disputes causing a slowdown or interruption of work; wars, insurrections, riots or other forms of hostilities or civil unrest; delays or failure in transportation; delays or inability to secure materials, parts or equipment necessary to manufacture or complete the Ultralight Aircraft; governmental acts of constraint; or the delay or failure to deliver by any vendor or subcontractor. In any such event, Seller shall inform Purchaser of the anticipated delay in the delivery of the Ultralight Aircraft in accordance with Section 2.02.

Termination

7.01 Purchaser's sole remedy for Seller's failure to deliver the Ultralight Aircraft shall be termination of the Agreement in accordance with Sections 7.02 and 7.03

7.02 In the event that Seller has failed to deliver the Ultralight Aircraft within sixty (60) days after the original Scheduled Delivery Date, plus an additional period of time equal to the duration of the delays, if any, described in Section 6.01, then Purchaser shall be entitled to give Seller notice of Purchaser's intention to terminate this Agreement. Seller shall thereupon have a period of thirty (30) days following receipt of such notice in which to deliver the Ultralight Aircraft. If Seller fails to deliver the Ultralight Aircraft within such 30 day period, Seller shall be obligated to immediately refund to Purchaser all payments previously made to Seller, whereupon this Agreement shall be deemed null and void, with no further obligations on the part of either Purchaser or Seller.

7.03 Notwithstanding anything in Section 7.02 to the contrary, if Seller and Purchaser have agreed to a "Fixed Outside Scheduled Delivery Date," and such Fixed Outside Scheduled Delivery Date is reached prior to the date referred to in Section 7.02, then Purchaser may give Seller notice of Purchaser's intention to terminate this Agreement at any time on or after such Fixed Outside Scheduled Delivery Date. Seller shall thereupon have a period of fifteen (15) days following receipt of such notice in which to deliver the Ultralight Aircraft. If Seller fails to deliver the Ultralight Aircraft within such 15-day period, Seller shall be obligated to immediately refund to Purchaser all payments previously made to Seller, whereupon this Agreement shall be deemed null and void, with no further obligations on the part of either Purchaser or Seller.

7.04 Seller shall have the right to terminate this Agreement in accordance with Section 7.05 upon the occurrence of any of the following events of default:

- Purchaser is late in making any payment required under the terms of this Agreement.
- Purchaser fails to provide Seller with any change of address or other revised contact information necessary to send notices to Purchaser, such that Seller is unable to establish contact with Purchaser for a period of more than forty-five (45) days, despite Seller's reasonable efforts to do so.
- Purchaser fails to establish contact with Seller within ten (10) days following Seller's issuance of a notice advising Purchaser of the Scheduled Delivery Date.
- A proceeding is instituted by or against Purchaser under any law of bankruptcy, insolvency, reorganization or relief of debtors, and such proceeding is not dismissed or stayed within a period of thirty (30) days.

Warranty

8.01

The Standard Ultralight Aircraft Limited Warranty excludes all systems that are covered by a separate warranty from the original equipment manufacturer ("Separate OEM Warranty"), such as the engine, propeller, avionics, and certain instrumentation. A complete list of the Separate OEM Warranties is set forth in the Standard Ultralight Aircraft Limited Warranty or on a separate schedule to the Standard Ultralight Aircraft Limited Warranty. Seller provides no warranty, expressed or implied, for items covered by a Separate OEM Warranty, but will, upon transfer of title to the Ultralight Aircraft, provide Purchaser with an assignment of all Separate OEM Warranties. Purchaser acknowledges that it has received a copy of the Standard Ultralight Aircraft Limited Warranty. Purchaser further acknowledges and agrees that any modification of the Standard Ultralight Aircraft Limited Warranty must be in writing and signed by a corporate officer of Seller, and that no other employees or representatives of the Seller are authorized to amend, extend, or otherwise modify the Standard Ultralight Aircraft Limited Warranty. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS SET FORTH IN THIS AGREEMENT, SELLER MAKES NO OTHER OR FURTHER WARRANTIES, EXPRESSED OR IMPLIED, AND SPECIFICALLY EXCLUDES THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. ALL OTHER OBLIGATIONS OR LIABILITIES OF SELLER IN CONTRACT OR TORT, WHETHER UNDER A THEORY OF NEGLIGENCE OR STRICT LIABILITY OR OTHERWISE, WHETHER FOR CONSEQUENTIAL OR OTHER DAMAGES ARISING OUT OF THE SALE, USE OR OPERATION OF THE ULTRALIGHT AIRCRAFT, OR OTHERWISE, ARE EXCLUDED BY SELLER AND HEREBY EXPRESSLY WAIVED BY PURCHASER.

8.02 Modification of the Ultralight Aircraft by the Purchaser or by any party other than Seller shall invalidate the Standard Ultralight Aircraft Limited Warranty unless Purchaser has first obtained a written consent signed by a corporate officer of Seller or unless such modification strictly falls within a written list of permitted modifications that Seller may, from time-to-time, publish. The granting of such consent, and the items contained on any such written list, shall be in Seller's sole and exclusive discretion. In addition, the Standard Ultralight Aircraft Limited Warranty may be voided by certain other acts or omissions of Purchaser or third parties, as described in the Standard Ultralight Aircraft Limited Warranty.

Assignment

9.01 Seller may assign its rights and obligations under this Agreement to a third party, provided that such assignment does not adversely affect the Ultralight Aircraft specifications and, provided further, that all obligations of Seller are assumed by the third party.

9.02 Purchaser may assign its rights and obligations under this Agreement to a third party, provided it has first obtained the written consent of Seller. Any purported assignment by Purchaser without Seller's prior written consent shall be null and void. Seller may not unreasonably withhold its consent, but may, as a condition of granting its consent, impose upon Purchaser a reasonable transfer fee to reimburse Seller for its administrative costs in processing such request.

Notices

10.01 Any notice to be given under this Agreement shall be in writing and shall be delivered in any of the following ways: in person; by e-mail, by certified mail; by United States Postal Service Express Mail or comparable commercial express service. The notice shall be addressed to the recipient at the address shown on the front side, or to the most recent address that the recipient has designated in writing.

Choice of Law; Resolution of Disputes

11.01 All matters arising out of or relating to this Agreement, or the breach thereof, shall be determined in accordance with substantive laws of the State of Florida.

11.02 In the event of any dispute arising out of or relating to this Agreement, or the breach thereof, including, but not limited to, issues regarding the interpretation or enforcement of this Agreement, the Seller and Purchaser shall first make a good-faith effort to resolve the dispute in an amicable manner. In the event that the parties are unable to resolve their dispute in such manner, the dispute shall be resolved by binding arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules. The place of the arbitration shall be Hillsborough County, Florida and the proceedings shall be conducted before a single arbitrator. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction.

Other Matters

12.01 This Agreement is the only agreement controlling the purchase and sale of the Ultralight Aircraft, and it supersedes any prior written or oral understandings or representations of the parties. Purchaser expressly acknowledges that Purchaser has not relied on any oral or written representations of Seller or any representative of Seller except as specifically contained in this Agreement. Any amendment or modification of this Agreement must be in writing and signed by Purchaser and a corporate officer of Seller.

12.02 Purchaser acknowledges that the Ultralight Aircraft is defined by the FAA under Part 103 as an Ultralight Vehicle, and its use is specifically limited in accordance with applicable Federal Aviation Regulations. Purchaser further acknowledges that Seller has not made, and Purchaser is not relying upon, any representations as to the suitability of the Ultralight Aircraft for any particular purpose or use.

12.03 If any of the terms or conditions of this Agreement are determined or held to be illegal or unenforceable, the remainder of the Agreement shall be interpreted as if the invalid term or condition did not exist.

Purchaser

Signature _____ Date: _____

Print Name: _____

PRICE LIST	QTY	PRICE	TOTAL
ZIGOLO MOTOR-GLIDER COMPLETE KIT		\$14,500	
CHOOSE PARACHUTE:			
COMELLI PNEUMATIC-PROPELLED PARACHUTE		\$2,895	
BRS ROCKET PARACHUTE		\$3,895	
OPTIONS			
QUICK WING REMOVAL SYSTEM		\$995	
STEERABLE TAILWHEEL UPGRADE		\$375	
PPG ENGINE INSTRUMENT PACKAGE (CHT, TACH, HOBBS, EGT)		\$450	
18 LITER FUEL TANK		\$75	
ELECTRIC START		\$425	
HAVE YOUR KIT ASSEMBLED AND TEST-FLOWN		\$4,000	
ELECTRIC POWER WITH 45 MINUTES ENDURANCE		TBD	
PARTIAL KITS			
COMPLETE KIT LESS ENGINE PACKAGE		\$10,000	
ENGINE PACKAGE (INCLUDES PROP, FUEL SYSTEM, THROTTLE)		\$4,000	
CRATING		\$500	
FLORIDA SALES TAX IF APPLICABLE (6%)			

NAME _____

TELEPHONE: _____ E-MAIL: _____

ADDRESS _____

CITY: _____, STATE: _____, ZIP: _____