

PowerFlarm Rental Program Agreement.

Purpose

This Agreement is made as of January 1, 2011. It states the terms by which contributors (“Donors”) will make donations to a fund to purchase and maintain Power-Flarm collision warning devices (“Flarms” or “Flarm units”) for sailplanes and tow planes, and pursuant to which a rental program (“Rental Program”) will be administered and pilots (“Renting Pilots”) will rent Flarms for use in contests and other soaring events to enhance the safety of the participants.

This is a legal document and has legal consequences. It states the terms of the agreement between the Donors, the Director of the Rental Program, the Administrator of the Rental Program and the Renting Pilots (all of which are defined below.)

Those parties hereby agree as set forth herein. Other individuals may become parties to this Agreement by executing a copy of this Agreement.

The Donors, the Director, the Administrator and Renting Pilots agree as follows, each acknowledging that this Agreement (which includes the facts stated in this paragraph and the preceding paragraphs) is supported by good and sufficient consideration, the receipt of which each acknowledges.

1. Flarm is a type of portable collision warning device for sailplanes that has been widely used in European soaring. It is based on two-way exchange of GPS position and velocity between sailplanes equipped with Flarms. Therefore, Flarm technology is most useful when all pilots operating in the same contest or soaring event are equipped with Flarm. It is not fool-proof and does not substitute for normal pilot safety procedures including active visual scanning outside the cockpit and active see-and-avoid procedures at all times.

2. The purpose of the Rental Program is to increase the safety of sailplane competitions, by making Flarms available to contest pilots and towplanes. It is hoped that by providing rental Flarms pilots will experience the benefits of Flarm technology and decide to purchase Flarm units for their soaring activity. The Rental Program will also improve safety at soaring contests and other events where all or most pilots are Flarm equipped. The organizers of the Rental Program are volunteers and have no economic interest in the sale of Flarm units or in the revenues to be realized from the Rental Program, except in the case of the Administrator, which is entitled to the fees for its services as described in this Agreement.

Structure

3. The Administrator will accept donations from Donors, who are individuals interesting in fostering soaring safety by providing Flarms through the Rental Program to Renting Pilots who would not otherwise have them.

4. The Rental Program will be administered by a director (the “Director”). Rex Mayes will be the initial Director. The Rental Program will be administered under the overall control of the Director by a Rental Program Manager (the “Administrator”). Vacaville Aero Services Inc. dba Williams Soaring Center will be the initial Administrator. The duties and responsibilities of the Director and Administrator are as stated in this Agreement.

Responsibilities

5. Donors are individual or entities who have or hereafter make contributions to the Flarm Rental Program. Donors' contributions are the unconditional property of the Rental Program and will not be returned in whole or part until termination of the program. Donors do not retain or acquire any right or interest in their donated funds or in the assets or revenues of the Rental Program while the program is operational. Donors have no responsibility for the administration of the Rental Program and no liability for any actions taken or omissions occurring in the administration of the Rental Programs, including sailplane or tow plane accidents occurring in contests or other events in which the Rental Program operates. It is suggested that each Donor contribute \$1,200, which is estimated to be the purchase of one Flarm unit and associated equipment. Donations in other amounts are welcome and will be accepted. The donations will be used to purchase Flarm units and accessories, including chargers, batteries, mounting brackets, shipping boxes, and any other needed supplies and to pay incidental costs.

6. The Rental Program has not sought or obtained tax-exempt status from the Internal Revenue Service or any state taxing authority. No representation or warranty is or has been made to any Donor concerning the tax treatment of donations to the Rental Program. Each Donor should consult his or her tax advisor concerning whether and to what extent donations to the Rental Program may be tax deductible under applicable law.

Director

7. The Director's duties include establishing one or more bank or other accounts to hold and disburse funds received for the Rental Program and to report to the Donors no less frequently than once per year in writing concerning the status of the program. The Director is responsible for overseeing the receipt and disbursement of funds for the Rental Program and for reviewing the administration of the Rental Program by the Administrator. The Director is also responsible for establishing, after consultation with the Administrator, the rules, procedures and charges for operation of the Rental Program. The Director may appoint a replacement Director by a writing so stating sent to the successor and the Administrator. If the Director is incapacitated or unable to perform his duties, and has not named a successor Director, John Cochrane will assume the duties of Director. Any individual designated as successor Director shall execute a copy of this Agreement as a condition precedent to undertaking the position of Director.

Administration

8. Williams Soaring Center will be the initial Administrator of the program. The duties of the Administrator include the following:

- a. Housing and caring for the Flarm units with all of the accessories and test equipment.
- b. Keeping track of Soaring Society of American ("SSA") sanctioned contests and planning the logistics of providing Flarm units to Renting Pilots at such contests in a timely manner.
- c. Receiving and inspecting Flarm units after each Renting Pilot's use.
- d. Arranging for the testing and repairing by qualified parties of Flarm units and related equipment as necessary.

- e. Training and consulting with Renting Pilots with respect to usage of Flarm units.
- f. Accounting in writing to the Director not less frequently than quarterly for rental income and expenses of the Rental Program and for donations from Donors and expenses incurred in the purchase, operation and sales of assets of the Rental Program.
- g. If this Agreement is terminated as provided in paragraph 21 or the Director elects to replace the Administrator, the Administrator shall return the assets of the Rental Program to the Director or provide them to his designee in good working order. The Administrator shall be entitled to be paid for its services as provided in this Agreement through the date its activities are terminated.
- h. At the direction of the Director, administer the dissolution of assets and distribution of proceeds of termination and winding up of the Rental Program in accordance with this Agreement.

Rental and financial arrangement

9. The Administrator will receive a handling fee of \$50.00 per rental to reimburse its telephone expenses, packaging and shipping, training/consulting services, and time and resources required to administer the Rental Program. Any special handling fees shall be billed to and payable by the Renting Pilots.

10. The Administrator may require a security deposit from Renting Pilots, and may require Renting Pilots to pay for damage to Flarm units and related rental equipment other than for ordinary wear and tear.

12. The Rental Program will own all Flarm units, associated accessories, and shipping containers bought with Flarm Program funds. The Administrator will be responsible for the purchase and maintenance of these items.

13. If more pilots desire Flarm units than are available, the Administrator will decide how to allocate the available units. Preference will be afforded to pilots who have not previously rented a Flarm from the Flarm Program.

14. Each pilot renting a Flarm unit shall sign the Renting Pilot Agreement and waiver and Release of Liability in the form attached as Exhibit A.

15. Flarms units may be rented for a period of up to two weeks for use at non-SSA sanctioned soaring contests, soaring camps, or soaring club operation for those clubs or operators who wish to evaluate Flarm units for possible purchase. Such rentals shall occur only when Flarm units are not in required for use in sanctioned SSA soaring contests.

16. The rental and financial terms described in this Agreement can be changed at any time by written agreement of the Administrator and Director, who shall take reasonable steps to advise soaring pilots of such terms by postings on appropriate websites.

17. The Director and Administrator shall have no personal liability for any actions taken in good faith with respect to the Rental Program. If any claim is asserted against the Director or Administrator for any

action taken the Director or Administrator shall be entitled to look to the funds and assets of the Rental Program to provide indemnification against such claims or resulting liability so long as the Director or Administrator is ultimately found to have acted in good faith.

18. If Administrator materially fails to fulfill its duties under this Agreement, the Director may (after first providing written notice to the Administrator of its failure to fulfill its duties and affording it not less than 14 days to cure any such failure capable of being cured) terminate the Administrator and arrange for and appoint a successor Administrator.

19. This Agreement will remain in full force and effect until December 31, 2014 and shall be renewed for successive one year periods commencing on January 1, 2015 (the "Renewal Dates") unless either the Director or Administrator gives written notice to the other not less than 30 days prior to the Renewal Date that it elects to terminate its participation in the Rental Program. If a notice of termination is received from the Administrator, the Director may elect to renew the Agreement with a substitute Administrator.

20. If the Rental Program is terminated by the Director, the Administrator and Director shall be jointly responsible for paying the liabilities of the Rental Program from the funds and other assets of the Rental Program, and, if any assets remain after doing so, shall dispose of the remaining assets as provided in paragraph 21 of this Agreement.

Termination of the Rental Program

21. If, in the discretion of the Director, he or she determines that the Rental Program is no longer warranted, the Director may by written notice to the Administrator and Donors for whom he has addresses, terminate the Rental Program. Any assets or funds of the Rental Program remaining after paying the liabilities of the Rental Program shall be returned to the donors for whom the director has addresses. No funds of the Rental Program shall inure to private benefit; paying reasonable fees and expenses of the Rental Program shall not be deemed private benefit.

21a. If the administrator fails to obtain enough funding for a minimum of 20 units by the 2012 contest season, he may by written notice to the director and donors, sell any units purchased for the program and return donations to the donors.

22. This Agreement is made under the laws of California and shall be applied and interpreted under such laws, except for its conflict of laws rules and provisions, it being the intention of the parties that California substantive law (including California substantive law upholding the validity of liability releases) shall in all cases apply to this Agreement and to the Renting Pilot waivers required of Renting Pilots pursuant to this Agreement.

23. This Agreement may be executed in multiple counterparts and shall be effective upon execution by a Donor, the Director and the Administrator. This Agreement shall become effective as to each subsequent signatory upon his or her signature of a counterpart or of Rental Pilot Rental Agreement and Waiver and Release of Liability, in the case of Renting Pilots.

24. Notices permitted or required under this Agreement shall be given to the Administrator or the Director by mail, overnight messenger or acknowledged email at the following addresses, or at other addresses provided by such parties in accordance with this paragraph:

If to the Administrator :

To: Vacaville Aero Services Inc.

 Dba Williams Soaring Center

At: 2668 Husted Road

 Williams, California 95987

If to the Director

To: Brett Rex Mayes

At: 2670 Husted Road

 Williams, California 95987

25. This Agreement states the entire agreement of the parties with respect to the subject matter and can only be amended by a writing signed by both the Director and the Administrator.

Agreed:

Donor: _____ Date: _____

Director: _____ Date: _____

Administrator: _____ Date: _____

Exhibit A

PowerFlarm Renting Pilot Rental Agreement and Waiver and Release of Liability

Rental Fee: \$50 (\$28.10 rental fee, \$10.95 shipping to renter & \$10.95 return to Williams Soaring Center)

Name: _____

Billing Address: _____

Home Phone: _____ Work Phone: _____

Renter Cell Phone: _____ Renter Email: _____

Address to Mail PowerFlarm Unit: _____

Contest/Event Name: _____ Date Requested for use: _____ - _____

This document has legal effect. Read it and understand its terms before signing it.

The undersigned pilot hereby agrees to rent a PowerFlarm unit ("PowerFlarm") from the Williams Soaring Center ("WSC") on the terms and conditions set forth in this document and to pay the fees and costs associated with this rental as stated by WSC. WSC is the Administrator of the Flarm Rental Program. If the undersigned pilot or passenger is a minor, the person co-signing this Agreement represents and warrants that he or she is the legal guardian of the undersigned and has the legal capacity to bind the undersigned. If the undersigned is a passenger in the aircraft in which a PowerFlarm rented under this Agreement is installed or to be installed, the undersigned passenger agrees to the terms of this Agreement.

Each of the signatories to this Agreement acknowledges and agrees as follows, for him or herself and his or her heirs, successors and assigns:

The undersigned recognizes that glider flight, glider ground operations and glider contest activities are inherently dangerous and can result in serious injury or death. In consideration of the undersigned pilot being afforded the opportunity to rent a PowerFlarm unit, each of the undersigned, for him or herself, his or her heirs, executors, administrator and assigns, hereby releases and forever waives and discharges WSC and all persons and entities having any connection with or involvement in the PowerFlarm Rental Program, including but not limited to its suppliers, Administrator, its Director and all persons who have donated funds or labor to the Program, their employees, agents and representatives from any and all claims, demands, losses or injuries, including for death or personal injury, incurred or sustained as a result of participating in the PowerFlarm Rental Program or participating in any soaring contest or soaring event in which PowerFlarm rental equipment is used.

This waiver and releases includes, but is not limited to, any damages, injury or death resulting from collisions with other aircraft, any accident or damage, or resulting liability, any of the undersigned may incur while using the PowerFlarm, and any damage to the undersigned's aircraft or the person or the property of third parties resulting from installation or operation of the PowerFlarm. If the

PowerFlarm is to be used in a two-two place glider carrying a passenger, the pilot has obtained the agreement of the passenger to the terms hereof.

Power Flarm does not eliminate the risk of midair collisions or other accidents. As pilot in command, the undersigned pilot assumes full responsibility for seeing and avoiding other aircraft and for operating at all times in compliance with all applicable laws and regulations, including the Federal Aviation Regulations, and all directions, rules and regulations of any contest or other soaring event in which the undersigned uses a PowerFlarm rented hereunder.

PowerFlarm units can fail, can be misused and are subject to being misinterpreted by the pilot. The Power Flarm is not certified as a flight instrument by the FAA or any other government agency. The undersigned assumes full responsibility for learning how to install and operate the PowerFlarm and for properly installing and operating the PowerFlarm in the undersigned's aircraft. The undersigned assumes full responsibility for learning how to interpret the PowerFlarm's output and how to respond to such output.

NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, OF ANY SORT, INCLUDING ANY REPRESENTATION OF FITNESS FOR ANY PURPOSE, IS MADE BY WSC OR ANY OTHER PERSON OR ENTITY INVOLVED IN THE POWERFLARM RENTAL PROGRAM.

The undersigned shall return the PowerFlarm and all associated equipment including mounting brackets, batteries, chargers, other accessories, packing materials, and in good working order, within 3 days of the last scheduled day of the rental period. A fee of \$10 per day will be assessed for each additional day the unit is not returned. The undersigned assumes responsibility for any damage to such equipment other than ordinary wear and tear.

The effectiveness of this release and waiver shall be governed by the laws of California, without regard to conflict of laws principles, it being the intent of the parties that California substantive law (including California substantive law upholding the validity of liability releases) shall in all cases apply to this Agreement and the waivers and release of liability contained herein.

Renting Pilot's Name: _____

Renting Pilot's Signature: _____ Date: _____

Returning the PowerFlarm Unit

The PowerFlarm unit should be mailed back to Williams Soaring Center using the same box you received it in. (US Postal Service Priority Flat Rate Medium Size Box 11"x8.5"x5.5").

Return label & postage enclosed in original box.