



AIRCRAFT MANAGEMENT AGREEMENT

This AIRCRAFT MANAGEMENT AGREEMENT ("Agreement") is made and entered into as of the ___ day of _____, 2023, between CAPE FEAR COASTAL AVIATION, LLC ("AGENT") a North Carolina limited liability company, and _____, an individual ("OPERATOR"), with an address at _____.

WHEREAS, OPERATOR is a Lessee or Owner in operational control of certain aircraft identified on the attached Schedule(s) (hereinafter called the "Aircraft"); and

WHEREAS, OPERATOR has agreed to engage the services of AGENT to manage the operation, use and certain other aspects of the Aircraft for the benefit, and under the direction, of OPERATOR; and

WHEREAS, AGENT is desirous of managing the operation, use, and certain other aspects of the Aircraft for the benefit of the OPERATOR pursuant hereto, on the terms and conditions set forth herein; and

WHEREAS, OPERATOR will be considered at all times when it is using the Aircraft to be the operator of same, in operational control of the Aircraft;

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, the parties hereto hereby agree as follows:

1. Operation; Term.

(a) OPERATOR hereby engages AGENT, and AGENT hereby agrees, to act as OPERATOR's agent in managing the operation and use of the Aircraft and certain other matters for the benefit of the OPERATOR. OPERATOR represents, and the parties acknowledge, that OPERATOR has substantial experience in utilizing general aviation aircraft.

(b) The term of this Agreement shall be for one (1) year commencing on the date hereof to include any proper extension or renewal ("Term"). This Agreement shall be automatically extended with the same terms for additional one (1) year periods unless either party advises the other party, at least thirty (30) days prior to the end of any initial or renewal term, of its desire to terminate this Agreement.

2. Standard of Care; Use. AGENT hereby agrees that, for the benefit and at the direction of OPERATOR, AGENT shall as OPERATOR's agent operate, use and manage various aspects of the Aircraft with all reasonable due care in accordance with applicable standards and guidelines established by the Federal Aviation Administration ("FAA") and shall comply with all applicable laws, ordinances or regulations. AGENT shall permit the Aircraft to be used only as contemplated by the manufacturer thereof as specified in the manuals and other technical

materials regarding the Aircraft provided by the manufacturer to OWNER (as hereinafter defined), and which have been made available to OPERATOR and AGENT.

3. Duties of AGENT and OPERATOR.

(a) Throughout the Term of this Agreement AGENT shall on OPERATOR's behalf provide or otherwise arrange for the following: (1) determine that the Aircraft is properly inspected, maintained, serviced, repaired, overhauled and tested by duly competent personnel, in accordance with FAA approved maintenance and preventive repair programs therefor, so as to keep the Aircraft in good operating condition, ordinary wear and tear excepted, and in such condition as may be necessary to enable the airworthiness certification of the Aircraft to be maintained in good standing at all times under the Federal Aviation Act of 1958, and regulations promulgated thereunder, as in effect from time to time; (2) determine that the Aircraft interior and exterior is clean and in good condition; (3) confirm that all records, logs and other materials required by the FAA to be maintained in respect of the Aircraft are in good and proper order; (4) operate the Aircraft in a proper and safe manner (which may include flight instruction) in compliance with all applicable laws and rules including, without limitation, all manufacturer's recommended procedures and specified limitations; and (5) rent the Aircraft to third parties whom are duly qualified by the FAA to operate the Aircraft and whose operation of the Aircraft will not invalidate applicable insurance policies. Notwithstanding the foregoing, nothing herein shall impose an obligation on the part of AGENT to perform or bear the cost of inspection, maintenance, servicing, repair, overhauling or testing work. As between the parties hereto, such activities are the responsibility of the OPERATOR. The parties acknowledge that, if the OPERATOR is not the owner of the Aircraft, the owner is listed in the attached Schedule(s) (the "OWNER"), and the OWNER as OPERATOR's agent supervises and causes to be performed such maintenance. Any repair or maintenance problems discovered by AGENT shall be reported to OWNER as well as OPERATOR.

(b) OPERATOR shall pay all costs and expenses and all operating expenses relating to the Aircraft when it is used by the OPERATOR. These expenses shall include, but are not limited to, fuel, hangar and tie down costs for the Aircraft when not in its home hangar, landing fees and reasonable in-flight food and beverages. OPERATOR shall be and remain responsible for any and all federal, state and local taxes, charges, imposts, duties and excise taxes and foreign permits, customs, and similar assessments relating to the operation or the use of the Aircraft by the OPERATOR including, without limitation, the per gallon federal excise tax on fuel applicable to operators of aircraft, if any. OPERATOR shall, at all reasonable times, have the right to inspect records with respect to the Aircraft (including, without limitation, all maintenance records) and to verify AGENT's actual flight hours in operating the Aircraft on behalf of OPERATOR. The cost of OPERATOR's use of the Aircraft shall be paid by OPERATOR. OPERATOR shall direct appropriate payments to those persons or entities making such charges and specified by AGENT (including AGENT itself to the extent it provides goods or services related to the Aircraft's use) or by reimbursing AGENT for any advance payments to such persons or entities made on behalf of OPERATOR. AGENT agrees to diligently pursue reimbursement from any person or entity from whom OPERATOR may be entitled to a refund or other payment. For convenience, the cost of crew and other items reasonably determinable on a per-hour basis shall be included in the per-hour payments under this Agreement, subject to adjustment by AGENT based on actual experience. AGENT may pay vendors for direct costs such as in-flight food and beverage, subject to pass-through of such costs to OPERATOR.

(c) AGENT shall make the Aircraft available and ready for flight upon the request of the OPERATOR. OPERATOR shall take every reasonable effort to provide AGENT with a least twelve (12) hours advance notice of the OPERATOR's desire to use the Aircraft.

(d) AGENT shall make all necessary take-off, flight and landing arrangements on behalf of and as agent for OPERATOR.

(e) AGENT agrees, at OPERATOR's request, to coordinate all ground transportation required by OPERATOR, which shall be at OPERATOR's expense.

(f) AGENT will coordinate scheduling of flights, but final resolution of any schedule conflict shall be up to the OPERATOR and the other lessees.

(g) In order to allow the flights under this Agreement to be conducted under Part 91 of the Federal Aviation Regulations, the Operator, for Operator flights, acknowledges and agrees that the Operator:

- (1) shall have the responsibility and authority over initiating, conducting or terminating a flight;
- (2) shall be responsible for the safety of flight;
- (3) shall be responsible for actions and inactions of the flight crew during flight operations;
- (4) shall be responsible for compliance with all applicable regulations;
- (5) may be exposed to enforcement actions for any noncompliance; and
- (6) may be exposed to liability risk in the event of a flight-related occurrence that causes personal injury or property damage.

4. Insurance.

(a) On behalf of the AGENT, OPERATOR will confirm that there exists (i) all risk aircraft insurance covering the Aircraft in amounts and upon terms acceptable to OPERATOR and AGENT; and (ii) public liability coverage which covers the Aircraft in the amounts required by AGENT from time to time.

(b) Such insurance policy or policies which are used to meet these insurance requirements (all of which shall be referred to as a "policy" even if more than one policy is obtained) shall be in a form and carried with a company or companies acceptable to OPERATOR and AGENT.

(c) The policy for such coverage shall name the OPERATOR and AGENT as either named insured or additional insured as to all coverages provided by the policy and as their interests may appear.

(d) Copies of such policies and certificates of insurance shall be provided to the parties upon request.

(e) OPERATOR shall provide the AGENT with reasonable advance notice of cancellation or modification.

(f) OPERATOR AGREES TO LOOK SOLELY TO ANY PROCEEDS OF ALL AVAILABLE INSURANCES AS OPERATOR'S SOLE RECOURSE AGAINST AGENT FOR

ANY LOSS OR DAMAGE WHATSOEVER SUSTAINED TO THE AIRCRAFT OR ANY PROPERTY DAMAGE OR PERSONAL INJURY, WHETHER ARISING AS A RESULT OF AGENT'S NEGLIGENCE OR OTHERWISE, AND WHETHER ARISING UNDER STATUTE, CONTRACT, TORT, STRICT LIABILITY, PRODUCT LIABILITY OR OTHERWISE, AND AGENT SHALL NOT BE LIABLE FOR ANY AMOUNTS OR DAMAGES, WHETHER DIRECT, INDIRECT, PUNITIVE, INCIDENTAL, CONSEQUENTIAL OR OTHERWISE, OR FOR LOST PROFITS, LOST REVENUES, LOSS OF USE, OR DAMAGE TO GOODWILL OR REPUTATION. The provisions hereof allocate the agreed risks between the parties and the pricing reflects this allocation of risk and the limitations of liability specified herein.

5. Pilots. [RESERVED]

6. General Assistance. At OPERATOR's direction, AGENT hereby agrees that it will provide assistance to and consult with OPERATOR in all matters relating to the Aircraft as requested by OPERATOR.

7. Compensation. OPERATOR will pay AGENT \$1,199.00 per month for AGENT's services hereunder.

8. Liens and Encumbrances. AGENT and OPERATOR each agree that, throughout the Term of this Agreement, neither shall cause or permit, through any of the acts or failures to act of each, any liens, claims or encumbrances to attach to the Aircraft, other than mechanics liens to be discharged in the ordinary course of business. In the event of the imposition of any lien, claim or encumbrance, the party causing such imposition shall promptly discharge such lien, claim, or encumbrance.

9. Termination. Either party may terminate this Agreement at any time upon thirty (30) days advance written notice to the other party. Notwithstanding any such termination or expiration, the provisions of Sections 3(b), 4(f), 7, 8, 9, 11, 14 and 15 shall survive such termination.

10. Binding Agreement; Due Authorization. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their representatives, successors and assigns. This Agreement shall not be assignable by either party without the express written consent of the other party. Each of the parties represents and warrants that this Agreement has been duly authorized, executed and delivered by it and is the binding and enforceable agreement of such party.

11. Miscellaneous. This Agreement and any associated leases of the Aircraft (the "Lease") constitute the entire understanding among the parties relating to the subject matter hereof and supersede all previous or contemporaneous negotiations, representations, and agreements between the parties, whether written or oral, with respect to the subject matter hereof. There are no representations or warranties, conditions, covenants or agreements other than as set forth expressly herein and in the Lease. Any changes or modifications hereto must be in writing and signed by authorized representatives of both parties. This Agreement shall be interpreted and governed by the laws of the State of North Carolina. This Agreement may not be amended except in a writing executed by both parties. The provisions of this Agreement are for the exclusive benefit of the parties hereto and no other person or entity (including without limitation any creditor of a party) shall have any right or claim against the parties by reason of those provisions or be entitled to enforce any of those provisions against the parties.

12. Counterparts. This Agreement may be executed in one or more counterparts each of which shall be deemed an original, all of which together shall constitute one and the same

agreement. Additionally, fax copies of this Agreement, including signatures thereon, shall be considered to be as effective and valid as if they were originals.

13. Unenforceable Provisions. In the event that any one or more of the provisions of this Agreement shall for any reason be held to be invalid, illegal or unenforceable, the remaining provisions of this Agreement shall be unimpaired and the invalid, illegal or unenforceable provision shall be replaced by a mutually acceptable provision, which, being valid, legal and enforceable, comes closest to the intention of the parties underlying the invalid, illegal or unenforceable provision.

14. Arbitration. Any dispute between OPERATOR and AGENT arising out of or relating to the Agreement or a breach hereof must be resolved by binding arbitration in North Carolina, in accordance with the rules of the American Arbitration Association then existing, provided that discovery as provided for under the North Carolina Rules of Civil Procedure is available to all parties to the arbitration. This agreement to arbitrate is specifically enforceable and the arbitration award is final and judgment may be entered upon it in any court having jurisdiction over the subject of the dispute. The situs of the arbitral proceedings shall be Wilmington, North Carolina. Notwithstanding the foregoing, each party shall have the right, without awaiting the outcome of the arbitration, to seek from an appropriate court provisional remedies including, but not limited to, temporary restraining orders or preliminary injunctions before, during or after arbitration. Seeking such a remedy is not a waiver of a party's right to compel arbitration.

15. Independent Contractors. Each of the parties is acting as an independent contractor hereunder and not as a partner, joint venturer or employee/employer, and each shall have sole control over the manner and means of its performance hereunder.

16. OPERATIONAL CONTROL REMAINS WITH OPERATOR. NOTWITHSTANDING ANYTHING ELSE IN THIS OR ANY OTHER AGREEMENT TO THE CONTRARY, EACH PARTY ACKNOWLEDGES AND AGREES THAT THE OPERATOR IS RESPONSIBLE FOR OPERATIONAL CONTROL OF THE AIRCRAFT AND THAT THE OPERATOR UNDERSTANDS ITS RESPONSIBILITIES IN THAT REGARD. SUCH RESPONSIBILITY INCLUDES, WITHOUT LIMITATION, RESPONSIBILITY, ACCOUNTABILITY AND LIABILITY FOR SAFETY OF FLIGHT, FLIGHT CREW ACTIONS OR INACTIONS, AIRCRAFT OPERATION, COMPLIANCE WITH FEDERAL AVIATION REGULATIONS AND OTHER APPLICABLE LAWS, AND PERSONAL INJURY AND PROPERTY DAMAGE.

[Signatures on following page]

IN WITNESS WHEREOF, The parties hereto have caused this Agreement to be executed as of the day and year set forth above. The persons signing below warrant their authority to sign.

CAPE FEAR COASTAL AVIATION, LLC

By: _____
Name:
Title:

OPERATOR

Name:

SCHEDULE A

Aircraft (type and registration number):

Owner (if not Operator):