

**SCOTT RICHARD AVIATION SERVICES
PREFERRED MEMBER AGREEMENT**

This Preferred Member Agreement is entered into this ____ day of _____, 2008 (the "Commencement Date") between Scott Richard Aviation Services, Inc. with a permanent address located at *600 Hayden Circle, Allentown PA 18109* (hereinafter called "SRAS") and _____ hereinafter called "Member".

WHEREAS, SRAS operates an aircraft charter business and desires to enter into a relationship with Member wherein SRAS will provide Member with aircraft charter services on a pre-paid basis allowing for a 5% discount on current hourly charter rates for the date of the proposed itinerary.

WHEREAS, Member desires to purchase aircraft charter services from SRAS for business and personal use pursuant to the terms and conditions set forth below; and

WHEREAS, the pre-paid charter services purchased by Member shall be reflected in an "Air Charter Card" issued to Member;

NOW, THEREFORE, in consideration of the mutual promises and conditions expressed herein, the parties agree as follows:

1. **SERVICES.** SRAS agrees to provide air transportation services for Member directly or through another service provider holding an air carrier certificate ("Air Carrier") authorizing the service provider to furnish air transportation services pursuant to Federal Aviation Regulations 14 C.F.R. Part 135 ("FAR Part 135"). Member shall purchase from SRAS and prepay for a "Air Charter Card" representing an amount of 10,000 U.S. dollars of aircraft charter for Member's use during the term of this Agreement.

2. **TERM.** The term of this Agreement shall be for one (1) year from the Commencement Date or upon exhausting the amount allocated to Member's Air Charter Card, whichever occurs first. In the event that Member fails to use the full amount of Member's Jet Card during the term of this Agreement, the unused amount shall be forfeited. However, if Member and SRAS enter into a new or renewal agreement in which Member purchases additional block time to be added to Member's Jet Card, Member shall retain the unused hours under this Agreement for Member's use during the term of the new or renewal agreement.

3. **OPERATION OF AIRCRAFT.** Member agrees and acknowledges that pursuant to the terms of this Agreement, Operator will provide Member with an Aircraft operated by either Operator, a Service provider or by an approved Air Carrier as a charter flight under FAR Part 135. Member further agrees and acknowledges that flights flown under this Agreement, regardless of the aircraft used, shall be operated by Operator or another Air Carrier, as the case may be, in accordance with FAR Part 135 and each

operating entity shall retain operational control of the flight(s) it operates. All flights shall be conducted in compliance with all applicable provisions of FAR Part 135 and Operator's or Air Carrier's, as the case may be, Operations Specifications ("Ops Specs") issued by the FAA, as presently in effect, or hereafter revised.

4. **AGENCY.** For any flights operated pursuant to this Agreement that are not operated directly by SRAS and for which SRAS is not exercising operational control, Member acknowledges and agrees that SRAS will, nevertheless, be acting as the agent of any Air Carrier operating such flights. All efforts will be made to use aircraft approved for operation pursuant to SRAS's FAR Part 135 air carrier certificate whenever possible.

5. **DEDUCTIONS FOR TRIPS/PAYMENT OF EXPENSES.**

5.1 Deductions For Trips. Member will receive a fixed quote for any proposed itineraries with a 5% discount applied. The Air Charter Card will be deducted after completion of the trip.

5.2 Additional Expenses. Member shall be responsible for all incidental expenses and costs that are necessary for the safe and expeditious operation of the aircraft on Member's behalf including, but not limited to, landing fees, airport usage fees, overflight permits, customs fees, de-icing, federal excise tax, segment fees, hangar/tie-down fees, passenger catering, overnight fees and ground transportation.

5.3 Invoicing/Reconciliations. SRAS will transmit (electronically or by first-class mail) an invoice/reconciliation to Member detailing Member's aircraft usage and additional expenses from the previous month and reconciling Member's aircraft usage and additional expenses against Member's Air Charter Card balance.

6. **SCHEDULING/FLIGHT QUOTES.** Member will be responsible for scheduling all flights directly with SRAS. SRAS will provide Member with quotes for all proposed flights. A confirmed flight may be cancelled verbally by an authorized person up to 24 hours prior to the proposed time of departure without charge. For cancellations that occur within 24 hours of the proposed departure time, the Member agrees to a deduction against its block time in an amount equal to 15% of the total price quote.

7. **DEPARTURE/LANDING SLOTS.** All flights that require landing and/or departure slots mandated by the FAA are subject to availability. Member understands that Operator may have to use an alternate airport or offer alternate flight time based on landing slot availability.

8. **SERVICE LIMITATIONS.** Member agrees that all flights will be scheduled within the pilot flight time and duty time limitations contained in FAR Part 135.4.05 and Operator's Ops Specs.

9. **IDENTIFICATION AND TRAVEL DOCUMENTATION.** In accordance with Transportation Security Administration ("TSA") regulations, Member and Members' adult guests are required to present valid identification prior to departure for all flights. For international flights, Member and each passenger must have a valid passport in his or her possession. Operator has the right to refuse boarding to any person without the required documentation.

10. **CREDIT AUTHORIZATION.** All flights exceeding Member's then available Air Charter Card balance will be subject to credit authorization, prior to flight departure.

11. **RATES.** All hourly rates with a five percent discount will be charged on the day the trip is booked. All additional charges shall be charged to Member at cost.

12. **PETS.** Member is required to notify Operator at the time of initial flight request of any pets that may be traveling with Member. For the safety of the flight and the pet, and at the sole discretion of the flight's Captain, Member may be required to use a suitable pet carrier.

13. **LUGGAGE.** Member is required to notify Operator of all luggage requirements at the time of flight scheduling. Due to size and weight limitations mandated by applicable aircraft manufacturers and the Federal Aviation Administration, Operator may be required to restrict the amount and type of luggage aboard a particular flight.

14. **DISCLAIMER OF RESPONSIBILITY FOR DELAY/CANCELLATION.**

SRAS shall not be liable for any delay or failure to perform in connection with any flight or in the performance of any obligation hereunder, if such delay or failure is due to or in any manner caused by acts of God, rebellion, riots, hijacking, insurrection, civil commotion, strikes or labor disputes, fires, floods, laws, regulations, acts, demands or and orders of any government or agency, seizure of the aircraft under legal process, adverse weather conditions, inability to obtain fuel, aircraft damage or loss, lack of essential parts or supplies, mechanical discrepancy, illness or incapacitation of crew members, denial of operating or landing approvals, clearances or permits by governmental authority, or any other cause which is beyond the control of SRAS. SRAS is hereby released from any claim or demand for any direct or consequential damages arising out of failure to perform as a result of a force majeure event whether or not herein enumerated.

15. **PASSENGER DAMAGE.** Member agrees to reimburse SRAS for any and all reasonable costs and expenses incurred as a result of damage to the Aircraft interior and or exterior which is caused by carelessness or neglect of Member or any of Member's guests or for any other cause within Member's control, normal wear and tear excepted.

16. **TERMINATION.** Member or SRAS may cancel this Agreement at anytime during the Term and SRAS shall refund the Face value of Air Charter Card less any amounts owed for services provided pursuant to this Agreement.

17. **GOVERNING LAW.** This Agreement and all the rights of the parties shall be construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania without reference to the conflict of law principles of any jurisdiction. Any disputes relating in any way to this Agreement will be subject to the exclusive jurisdiction and venue of the courts of Lehigh County, Pennsylvania.

18. **ENFORCEMENT.** In the event that any legal action is instituted by any party for the purpose of enforcing any term or provision, the prevailing party in such action shall be entitled to recovery of its reasonable attorney's fees and actual costs incurred therein.

19. **ASSIGNMENT.** This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, personal representatives successors and assigns. Member may not assign or transfer its rights or obligations without prior consent of Scott Richard Aviation Services.

20. **WAIVER.** Either party's failure to enforce any provision of this Agreement against the other party shall not be construed as a waiver thereof so as to excuse the other party from future performance of that provision or any other provision.

21. **SEVERABILITY.** The invalidity of any portion of this Agreement shall not affect the validity of the remaining portions thereof.

22. **PARAGRAPH HEADINGS.** The headings to the paragraphs to this Agreement are solely for convenience and have no substantive effect on the Agreement nor are they to aid in the interpretation of the Agreement.

23. **ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement between the parties. No statements, promises, or inducements made by any party to this Agreement, or any agent or employees of either party, which are not contained in this written contract shall be valid or binding. Except for periodic modifications to rental rates, this Agreement may not be enlarged, modified, or altered except in writing signed by the parties.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

SRAS:
Scott Richard Aviation Services, Inc.

MEMBER:

By: Scott Inhoffer
Its: President

By:
Its: