

STOCK PURCHASE and MANAGEMENT AGREEMENT

Draft

This agreement is between Caribex Management., a Delaware corporation with an address at 9173 Old Pine Road, Boca Raton Florida 33428, USA, herein referred to as the Management company or Corporation, and, (name of prospective [stockholder]), with an address at _____, herein referred to as Purchaser, stockholder or owner, who is desirous of owning a percentage of stock in Seabird One Inc. a corporation set up to own the aircraft described in exhibit one herein. Therefore, and in consideration of the terms and conditions as presented herein, the parties agree as follows;

1.1 The Corporation, subject to a prior agreement with the seller, is ready, willing and able to transfer, sell and assign 25% (twenty-five percent) of the shares in Seabird One Inc. subject to the following:

1.2 The corporate entity shall be defined as Seabird One Inc. a US corporation set up for the sole purpose of allowing up to four (4) individuals to share in the ownership and use of the aircraft as described in exhibit one herein.

1.3 The purchaser agrees that he will pay \$_____ for 25 % (twenty-five percent) of the stock in the Seabird One Inc., a US corporation that will own, as its sole asset, the aircraft defined in exhibit one herein whose title will be, at closing, free and clear of any and all encumbrances with the Corporation paying all closing and transfer costs including escrow fees.

1.4 The purchaser agrees to deposit the above funds in to a recognized third party bonded escrow account to be defined by the Management Company.

2.0 Each purchaser of Seabird One Inc. stock understands and agrees that no security interest may be placed against his shares or the asset which it to remain

free and clear of any and all encumbrances and security interests. The stock certificates for Seabird One Inc. will be retained in trust by the Corporation with assignment of ownership entered into the corporate records and documentation provided as certain evidence of the shares purchased.

2.1 The aircraft is to be based at _____ Airport, maintained, insured hangared and crewed by Caribex Management . on behalf of and at the expense of the Seabird One Inc. stockholders.

3.0 The by-Laws of Seabird One Inc. comprise the text and understanding of this purchase agreement as follows:

3.1 **MANAGEMENT COMPANY:** Caribex Management . will provide full time management of the aircraft on behalf of the Seabird One Inc. Stockholders. Caribex Management . will, under this agreement, supply highly qualified flight crews, recurrent training, Navigation and chart subscriptions, professional maintenance, insurance, (Hull and Liability) scheduling, accounting and record keeping. The fees for the services and personnel provided are included in the schedule of fees herein. The Management Company can be replaced only after three years by unanimous vote of the stockholders delivered in writing signed by each stockholder in Seabird One Inc.

3.2 JetShares Inc., the Management Company, shall be named as the contracted secretary treasurer for Seabird One Inc. such that it is authorized to act on behalf of Seabird One Inc. to carry out the business of that company on behalf of the shareholders in managing the asset of that company limited to the requirements as defined herein

3.3 **OWNERSHIP:** Seabird One Inc. is a corporation owned by 4 (four) or less, but more than two stockholders, sharing the use of that company's sole

asset, a_____ aircraft. The actual stock certificates will be held by the Corporation in trust and assigned in the corporate records to the stockholders in equal proportional amounts. The aircraft considered will be chosen by the Management company and be similar but not necessarily the same as that described in Exhibit 1 herein.

3.4 SCHEDULING: The aircraft may be scheduled for up to 200 maximum annual hours by each of the Owners at any time and for any destination. Conflicts will be settled in favor of those who have used the aircraft the least since purchase. The Management Company will maintain a detailed schedule informing the owners immediately any flight is booked. The Management Company shall provide scheduling and dispatch on a daily basis including providing charter aircraft whenever necessary.

4 **RECIPROCITY:** The Management Company, may have additional aircraft under management and may, subject to the decisions of the stockholders in those aircraft who may elect to join in the Reciprocity Agreement, make these aircraft available to the Seabird One Inc. stockholders at any time subject to availability. Aircraft belonging to another group may not be scheduled in advance and are therefore only available on that day when the Seabird One Inc. aircraft is unavailable.

4.1 As a method of avoiding conflicts in scheduling and to facilitate the travel plans of the stockholders. Seabird One Inc. owners are allowed to schedule any of these managed aircraft for the same hourly rate as the owners of that particular aircraft pay per flight hour plus fuel and expenses.

4.2 The managed aircraft are privately owned and operated under civil air regulations for non-commercial aircraft.

4.3 They are not for charter or rent. The use of other managed aircraft by Seabird One Inc. stockholders is done so as a private agreement between the stockholders of the corporations owning the aircraft.

4.4 Payment for the use of managed aircraft is to be made in by the individual **stockholders** and as defined in article 6 herein regarding operating expenses.

5 DISPATCH AUTHORITY and CREW DUTY LIMITATIONS: The aircraft captain is the final authority regarding flight safety.

5.1 On all overnight flights the crew will inform the **owner** of the required crew rest and the earliest time for a planned departure.

5.2 Whist away from home base, at no time will the crew exceed flight time in excess of 8 flight hours in any 24-hour period or continuous duty time in excess of 16 hours. (Duty time is defined herein as beginning one hour before scheduled departure to one hour after arriving at the final destination for any 24 hour time period.)

5.3 Following any 16 hours duty day the aircraft will not be available for dispatch until the crew has completed 24 hours of rest.

5.4 Additional crews can be made available if the shareholders unanimously agree, in which case, an additional monthly charge will be added to the monthly management fee to cover the increased salaries.

5.5 All Crew duty days will mandate a minimum of 8 hours of uninterrupted crew rest following any flight duties.

6 FLIGHT PAYMENTS: Fuel will be paid for as purchased by the owner flying the trip.

6.1 The **owners** will be charged a per diem of \$____.00 per day per pilot for any overnights away from home base or day trips wherein the aircraft is away from its home base for ____ or more hours.

6.2 The **owners** CREDIT CARD will be charged for all catering, hotel rooms and ground transportation on any of his flights. Alternatively, the owners may elect to pay by check or cash for any of these charges.

6.3 Flight charges will include catering, landing or de-icing fees, ramp charges, ground power units, hangar or overnight parking charges that may be incurred on his flight.

6.4 The **owners** will also pay navigation fees, flight planning, over-flights permits, Immigration or custom fees that may arise on his scheduled flights.

6.5 A list of all fees and costs are presented herein in Exhibit 2, which shall be considered part and parcel of this agreement.

7 MONTHLY MANAGEMENT FEES: Each **owner** will provide the **Management Company** with a credit card to be charged for his monthly management fee of \$ _____.00 with an advance charge of one month to provide funds for unforeseen contingencies.

7.1 The **Shareholders** understand and agree that they may not schedule any subsequent flights until the previous month's charges (flight and management) have been paid in full.

7.2 The fixed monthly management fee will pay for administration, management, crew salaries, training, accounting, required publications, Customs licenses, scheduling services, insurance, hangar and ramp charges, insurance, maintenance scheduling and supervision, cleaning, basic catering, etc.

7.3 Initial post- purchase set-up costs are detailed under exhibit 2 herein.

8 ACCOUNTING PRACTICES: Hourly engine and airframe reserves for those hours flown, along with any trip costs that may have been billed to the **Management Company** will be reflected on the individual **owner's** monthly report.

8.1 It is understood by the **owners** of **Seabird One Inc.** that all payments for fees and flight costs are to be so arranged that payments are made automatically, without invoice by the management company charging the shareholders credit cards.

9 **MODIFICATION TO COSTS:** **JetShares Inc.** may increase any of the hourly or monthly fees whenever necessary to cover actual costs Each **owner** will receive monthly statement from detailing all his flight costs as well as reflecting the monthly management fee.

10 **TAX CONSEQUENCES:** The **Management Company** will provide each **owner** with detailed statements, a depreciation schedule and copies of the aircraft logs for accounting and tax purposes.

10.1 Each **owner** will share equally in the depreciation schedule which, in the case of the defined asset can be over a three (3) year term, reducing the aircraft to salvage value which in the case of this asset is estimated to be approximately \$_____, providing each of the four or less **owners** with \$_____.00 over three years in depreciation, plus a taxable deduction for all flight expenses and management fees as allocated by each **owner** depending on the “purely business” use of the aircraft while on his flights. The ships logs will provide documented records of any such use.

10.2 **Seabird One Inc.**, can be set up as a special (s) corporation or as a regular corporation. It is the responsibility of the owners to advise the **Management Company** as to the taxable desired designation of their corporate structure.

11 **DEFAULT:** Each **owner** understands and agrees that in the event of default by one **owner**, the remaining **owners** (**stockholders**) will, after 30 days of default without remedy, assume a pro-rata additional charge equal the

defaulted **owner's** management fees until a replacement stockholder has been located.

11.1 The **Management Company** will assist in locating potential individuals to purchase the stock of any defaulted **owner**.

11.2 A state of Default may be declared automatically by the **Management Company** after 30 days of non-payment of the management fees and or any unpaid flight charges along with any past due invoices.

11.3 **FORCED SALE OF STOCK FROM DEFAULTED OWNER:** The defaulted **owner**, upon the forced sale of his stock, understands and agrees that he will have deducted from the funds received from the sale of his stock, any amount of his Monthly Fees that have been paid by the remaining **stockholders** plus any other fees or charges that may be due.

11.4 The balance from the sale of his stock will be returned to the defaulting **owner** upon the sale of his shares less a 10% transfer fee payable to the **Management Company**.

11.5 In the event of default, the remaining stockholders have the option based on unanimous vote, of purchasing the shares of the defaulted **owner** and maintaining a reduced number of **shareholders** or seeking a replacement.

12 MAINTENANCE & RESERVES: The aircraft requires continuous maintenance to be in an airworthy condition. The responsibility of insuring that the aircraft is maintained safely and properly is that of the **Management Company**.

12.1 The **owners** will be charged (included in the flight payments) a hourly fixed maintenance reserve fee to be used for this purpose. In the case of the _____, this fee will initially be approximately \$____.00 per flight hour. Included in these payments is \$____.00 per hour, per engine that will be transferred monthly to a special third party insurance policy to cover the overhaul or unscheduled repair of the engines.

12.2 Scheduled Inspections, routine and non-routine maintenance will be billed against the reserve account and overages shared equally between the **shareholders**. Airworthiness directives or manufacture's service bulletins will be complied with as needed to maintain continuous airworthiness.

12.3 Upgrades or additional equipment such as Air Show, DVD's, SatCom connections, etc., may be purchased and installed by the owners through unanimous vote based on **owners** request or generated by the Management company and approved by the owners.

13 SE OF THE AIRCRAFT: The aircraft owned by the **stockholders** is private and operates under civil non-commercial flight rules of the pertinent civil air regulations.

13.1 Any **stockholder** may schedule a flight at any time. Any **owner** may allow any of his personal friends or associates the use of the aircraft at any time just as he might elect to loan his car or boat to a friend.

13.2 The aircraft may not be used or advertised to fly commercial charters or be considered a rental.

13.3 At all times, the individual **owner**, scheduling any particular flight, will be responsible for any payments due for the use of the aircraft. The **Management Company** will post all scheduled flights on a secure website where each **owner** will indicate if any flight he schedules is "open" to other **owners** or to be "private."

13.4 The costs of "Open flights" are normally shared on a per-seat basis but the **owners** may indicate otherwise on the ships log as to how the costs of a particular "Open" or shared flight are to be allocated.

13.5 Vacations: each owner shall be allowed a ten day (10) period, once per year, to schedule the exclusive continuous use of the aircraft.

14 MECHANICAL BREAKDOWN: Any mechanical problems that may cause the aircraft to be grounded and to be repaired at a facility away from home

base will necessitate that **owner** either wait for his aircraft to be repaired or return by a charter or commercial carrier entirely at his expense. The **Management Company** can assist in arranging charters for any owner whenever required or requested. The costs of such repairs will be deducted from the maintenance reserves which, when exceeded, will necessitate a evenly divided special assessment.

15 EXTENDED FLIGHTS AWAY FROM Home Base: The **owners** understand and agree that, absence any agreement to the contrary between the **owners**, flights of more than three (3) days duration may result in the aircraft returning to home base to accommodate flights scheduled by another shareholder. In such cases, the **owner** scheduling the original flight will be charged with the cost of the positioning flights. In every such case, the **Management Company** will attempt to accommodate the schedules of the parties without incurring additional costs.

16 SALE OF STOCK: Any **stockholder** is free to sell his stock at any time. He may sell to a friend or any third party who wishes to purchase the stock. The **stockholder(s)** understand and agree that **Caribex Management** and the remaining **shareholders** reserve the right to approve of any potential purchasers prior to the sale of the stock and that all stock will be first offered to the remaining **owners** before being sold to an outside party.

16.1 Any stock purchased by the remaining **owners** will be divided so that the remaining **owners** retain an equal percentage of shares. Further, no **stockholder** may use his Seabird One Inc. shares for the purpose of collateralizing any loan and no security interest may be placed against the aircraft. Any stock sold to a new Owner will be subject to a 10% transfer fee payable to the **Management Company** at closing by the divesting party.

- 16.2 The stockholders may, at anytime by unanimous vote, elect to sell the aircraft to any third party in its entirety by transferring 100% of the shares in the Seabird One Inc. corporation to the buyer.
- 16.3 If instructed to sell the corporation, the Management Company will advertise the aircraft to be sold in whole or as a shared aircraft.
- 16.4 Replacement aircraft; The owners can elect, at any time, to obtain a replacement aircraft and the Management Company will arrange this transaction using the current aircraft as a trade-in or by selling it separately.
- 16.5 A transfer fee equal to ten percent (10%) of the selling price of the shares sold will be paid to the Management company by the selling stockholder owner
17. **INSURANCE;** The Management Company will negotiate and arrange for purchase and maintenance of the payments for the insurance coverage which will appear on the monthly statements as part of the monthly management fee.
- 17.1 The aircraft shall be covered by standard Lloyds policies insuring the hull for a value equal to the market value of the aircraft. A deductible of \$25,000 USD can be set which is adjustable should the owners wish to increase or decrease this figure. In the event of a claim against the hull coverage, the owners will share equally in any deductible payment. Seabird One Inc. shall be named as the loss payee.
- 17.2 Third party and general liability coverage will be placed in an amount to be agreed to by the shareholders of Seabird One Inc.. It is anticipated that this coverage shall be in the amount of \$500 million USD as this figure is the minimum required for operations into any EU country or possession, including the Caribbean islands under control of various European countries. Liability coverage will name separately each of the owners who will appear on the policy as “named insured.”

17.3 The engines will be under a Honeywell insurance policy that is paid for monthly based on flown hours. The [Management Company](#) will maintain this policy which is paid for by each **owner** based on an hourly charge per engine.

17.4 Additional insurance coverage: A “tip to Tail” policy is optional covering expensive items such as avionics, interiors damage etc. This coverage can be priced and presented to the owners for approval. If purchased, the premiums would be paid equally monthly by an addition to the **owners** management fee.

18 AMENDING THE BY LAWS: The by-laws can be amended by the stockholders at any time by unanimous vote subject to the approval of the [Management Company](#) which shall not be unreasonably withheld.

This agreement is entered into on this ____day of ____ 2011, and shall be considered by the parties to be legal and binding. The parties agree that should any disagreement arise resulting in legal actions, the parties agree to submit themselves to settlement by binding arbitration in local jurisdiction.

I have read, understand and agree with the above terms and conditions herein and understand that this agreement is considered executed upon receipt of my payment of \$____.00 USD for twenty-five percent (25%) of the stock in [Seabird One Inc.](#) into an escrow account pending a closing and the sale of the aircraft to [Seabird One Inc.](#) I understand that should the above closing not, for any reason, occur within 30 days from the execution of this agreement, that I am free to recall my funds from the escrow account with no penalty whatsoever.

The Prospective **Stockholder** understands that the [Management Company](#) has an option to purchase the _____ aircraft and, on deposit into escrow of the total purchase price of the aircraft, the [Management Company](#) will provide to the **stockholders** a copy of the agreement to purchase said aircraft. Evidence of the seller’s right to sell the aircraft will be provided at that time as well as a detailed

inspection appraisal of the aircraft. The [Management Company](#) will schedule a closing at which the title of the aircraft will pass to [Seabird One Inc.](#)

The [Management Company](#), at its expense, will retain an aviation attorney at closing to transfer title to [Seabird One Inc.](#) and to ensure that the aircraft title is transferred free and clear of all encumbrances including engine insurance premiums, mechanics liens, customs fees, fuel bills and or hangar keeper's charges. The aircraft ownership will be transferred with insurance for the hull and liability policies naming [Seabird One Inc.](#) as loss payee and named insured for liability.

This agreement shall be considered to be enforceable in any venue. Any part herein that may not be legal in certain jurisdictions shall not nullify the whole. The parties agree that facsimile signatures or those signed and scanned on copies of this document shall be binding and acceptable between the parties.

It is to be understood by the parties to this agreement that no written arrangement covering the shared use of an aircraft can ever be perfect and that, from time to time, disagreements and misunderstandings will arise. It is the intent of the [Management Company](#) to minimize any such disputes and to operate the aircraft fairly and safely on behalf of the [owners](#).

The parties understand and agree that this agreement will not be considered binding or executed until such time as each shareholder transfers his 25% percent of the purchase price of the shares into the indicated escrow account.

Entered into this ___ day of _____ 2011 by:

Signed for by the [purchaser](#) (print name)

Witness to the above signature

Signed for by [Caribex Management](#).

EXHIBIT ONE

Description of the aircraft

HAWKER 700

EXHIBIT 2

Additional payments by the stockholders which will be charged to their credit cards by the management company or paid for by advance estimated payment.

A. Initial costs when delivering the aircraft and arranging for crews and related costs

- B. Insurance for hull and liability to be paid in advance
- C .Cost of initial Jeppesen and universal nav pak subscriptions
- C. Cost to set up the ship's catering supplies
- D. Cost of two pilot headsets if needed
- E. Crew costs in commercial airfare to the aircraft's location, hotels and car rentals for 2 to 3 days.
 - a. Miscellaneous costs incurred on delivery
 - b. Cost of registry
 - c. Cost of fuel and related costs to ferry the aircraft to Jamaica.
 - d. Cost of spare tires, wheel, main brake set, limited tooling and maintenance manuals.
 - e. Cost to set up small operations office in Jamaica- desk, chairs, shelves, internet connection, etc.
 - f. One month advance management fee to cushion unforeseen contingencies

2.0 The monthly management fee which covers all reoccurring fixed costs will cover the above items in regular operations. Crew costs, insurance, ramp parking, office rental and expenses, hangar, etc., are reflected in the monthly costs and the total divided equally between the shareholders.

Exhibit Three

REGISTRATION AND LEGAL OPERATIONS; A discussion of the aircraft's registration is worth presenting. Due to the many changes in the original shared ownership programs, the US Federal Aviation Agency now requires the aircraft to be operated under a commercial venue referred to as part 91 Sub part K

Fractional Aircraft Ownership Regulation Background & Rulemaking;

Fractional ownership operations began in 1986 (Actually, Caribex Inc. started the first fractional operations in 1971 out of Washington National Airport) with the creation of a program that offered aircraft owners increased flexibility in the ownership and operation of aircraft. This program used current aircraft acquisition concepts, including shared or joint aircraft ownership, and provided for the management of the aircraft by an aircraft management company.

The aircraft owners participating in the program agreed not only to share their own aircraft with others having a shared interest in that aircraft, but also to lease their aircraft to other owners in the program (dry lease exchange program). The aircraft owners used the common management company to provide aviation management services including maintenance of the aircraft, pilot training and assignment, and administration of the leasing of the aircraft among the owners.

During the 1990's, the growth of fractional ownership programs was substantial and this growth is expected to continue. As these programs grew in size, complexity and number, there was considerable controversy within the aviation community as to their appropriate regulatory structure. Additionally, the FAA had evolving concerns regarding issues of accountability and responsibility for compliance (operational control).

The FAA created the Fractional Ownership Aviation Rulemaking Committee through an order dated October 6, 1999. The objective of the FOARC was to "propose such revisions to the Federal Aviation Regulations and associated guidance material as may be appropriate with respect to fractional ownership programs." On February 23, 2000, the FOARC presented its recommendations to the FAA in the format of a Notice of Proposed Rulemaking.

What really happened was that Warren Buffet, as the owner of Net Jets, wanted to make it difficult for anyone to compete so he, with his political influence, forced the FAA to make up a bunch of new rules governing the operation of aircraft owned by more than one party. This was called sub-part K and forced the PRIVATE owners to operate their aircraft as if they were selling charters (i.e.) under commercial rules. The cost of compliance with these rules can easily double monthly management costs and adds significantly to flight costs and complexity.

The way to avoid becoming involved in this regulatory flypaper is to remain very definitely a private operation. The easiest way to do this is to register the aircraft offshore such as in Aruba, which is one of the premiere off-shore registries for private aircraft.

The pilots will operate with Aruba licenses which are issued on reciprocity and, when landing in the US, the FAA, having little jurisdiction, tends to stay away from such aircraft. The operation then operates beneath the radar, so to speak, perfectly 100% legally but in no way subject to sub part K.

Due to these new regulations, we have elected to not use nomenclature suggesting there may be more than a single owner, hence, we have dropped the "Airshares" language, replacing it with simply Caribex Inc., as the management company and Seabird one, two and three, etc., as the names of the various owners corporations.

When registering an aircraft in Aruba, one can open an Aruban corporation which the aircraft registration company assists with. The aircraft is transferred into this corporation and the original US Corporation is wound down, protecting the identity of the stockholders whether they be US or any other nationality. This can be done immediately when the aircraft is purchased or later on after a few months.

The owners then can operate their private aircraft freely anywhere worldwide. With 4 owners owning and using their private aircraft there is absolutely no reason for overly complicating and causing increased expenses.

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