



ICON's Airplane Ownership Philosophy:

Aggressively promote safety, reduce product liability costs,
and build an engaged ICON pilot community

Attached are the ICON Aircraft Purchase and Operating Agreements. The Purchase Agreement is signed six to nine months before closing on your aircraft, and once signed, production begins along with the exciting journey of becoming an ICON Owner and A5 pilot. The Operating Agreement is signed just before closing and establishes an ongoing relationship between you and ICON. The agreements are somewhat extensive and may contain unfamiliar terms. Before you get into the legalese, I wanted to first give you some high-level insight into our thinking and the two-way safety partnership philosophy which is our mission to cultivate.

Safety is core to ICON's vision to make personal flying much more accessible. We believe that a safer aircraft and pilot community is win-win for our customers and for the aviation industry as a whole. We consistently prioritize safety innovation, which not only includes aircraft design but also our training program, and even extends to the Aircraft Purchase and Operating Agreements.

We have structured these agreements around three principles that we believe promote greater safety and personal accountability in order to reduce accidents, save lives, and reduce product liability costs. These principles are to ensure that ICON aircraft are:

- 1) Flown by well-trained pilots.
- 2) Flown within their operating limitations.
- 3) Maintained to ICON standards.

While the argument for increased safety is apparent, the argument for reducing product liability may not be as obvious. Reduced liability not only lowers the costs of aircraft, it allows ICON to reinvest those savings into more innovation and the development of new products instead of on legal fees and settlements. For many decades, General Aviation has suffered from runaway product liability costs, which has driven up the price of airplanes and has even led to the demise of aircraft companies. We need to change that. In order to make personal flying much more accessible, ICON has to challenge the conventional thinking of General Aviation. We do this through innovation: in the aircraft's aesthetic design, in the cockpit layout, in developing groundbreaking safety features like spin resistance and intuitive AOA, in introducing what we feel is a better way to do flight training, and even in the thinking behind the Purchase and Operating Agreements.

The cost of product liability for GA aircraft is disproportionately and unreasonably higher than it is for other consumer transportation, such as cars or powersport vehicles, even though General



Aviation has a better safety record. Why is that? The answer is complex, but one of the primary culprits is the U.S. tort system that often shifts blame (and costs) onto manufacturers, even in cases where the pilot is at fault. Statistical data from the FAA overwhelmingly shows that the vast majority of aviation accidents is due to pilot error. And, yet, it is the manufacturers who are continually blamed and end up paying multimillion-dollar judgments when there are accidents. Those costs, as well as the insurance premiums, necessarily get passed on to consumers in the form of higher prices, and also in less obvious ways because funds that could be used to improve the business or products are not available.

The future health of the industry and of ICON requires that we take the position that we shouldn't pay for the mistakes of others. ICON believes in owning its mistakes, and in return, we expect that others own theirs. To support that philosophy, you'll see terms in our Aircraft Purchase Agreement that attempt to create a customer community which encourages everyone to take personal responsibility while flying.

Here are five of the unique concepts in our agreements that drive to the goal of increased safety and reduced product liability costs:

- 1. Required ICON-authorized training:** to ensure all pilots are qualified to ICON standards.
- 2. Required ICON-authorized maintenance:** to ensure airworthiness to ICON standards.
- 3. A Managing Pilot:** a specific designated individual responsible for safe operation.
- 4. Flight Data Recorder:** for aircraft maintenance information as well as accurate accident reconstruction.
- 5. Covenant Not to Sue:** an agreement to not sue if ICON is shown not to be at fault.

You can read about these provisions in more detail below.

The bottom line is that ICON is fully committed to improving safety and growing our industry. We trust that with a better understanding of the product liability challenges facing our industry, ICON's philosophy and approach to taking on those challenges in these agreements will make more sense. We invite you to join our mission to help not only make personal flying more accessible to all who dream about it – but to help make it safer as well.

If you have any questions, please call ICON Sales at any time.

A handwritten signature in black ink, appearing to read 'Liel'.



Explanation of Key Purchase and Operating Agreement Provisions

There are two agreements that ICON requires from customers. The first is the Purchase Agreement, which governs the period of time between signing the agreement and closing on your aircraft (typically six to nine months). The second is the Operating Agreement, which is executed at closing and lives on with the aircraft (including in a subsequent sale by the original owner). Both are discussed below.

Purchase Agreement

Aircraft Operating Agreement: Training Required Prior to Operation

One unique provision in the Purchase Agreement is that at Closing, you will need to sign an Operating Agreement. Most General Aviation accidents are caused by pilot error. The Operating Agreement is our attempt to have an ongoing relationship with the people flying the aircraft that outlines the requirements for safe operation. It covers qualifications for flying the aircraft, training, and maintenance. Some of the agreement is common to and required for all Light Sport Aircraft, and some of it just makes good sense to us. Specific provisions of this agreement are discussed further below.

Flight Data Recorder

ICON's Flight Data Recorder (FDR) has two purposes. The first is to evaluate continued airworthiness through the capture of aircraft operating and flight data to help ensure proper maintenance and safety. The second is that in the event of an accident, it allows the manufacturer and investigators to do factual, reliable reconstruction to determine the cause of the accident. It's not Big Brother; it's simply a protected, encrypted, proprietary aircraft data collection system to help promote safety and determine the cause of an accident.

This type of data collection is quite common these days in industries ranging from automotive to electronics, including [Tesla](#) and [Apple](#). The A5's current FDR records information about the aircraft's position, basic air data, accelerations, and engine parameters. The data is stored on the aircraft itself and not presently data linked. Today, the only way to access it is to physically connect to the aircraft FDR. The FDR privacy policy (available in the Owners Center) says data will generally remain confidential and is available to customers if desired.

Operating Agreement

Managing Pilot

The Operating Agreement requires the designation of a Managing Pilot. In many cases, this might just be the owner. But when the owner is a corporation or otherwise not the primary pilot, we designate a Managing Pilot so that we have a direct relation to the human making decisions about who flies the aircraft. This is important because it ensures there is a single responsible person who has been through some level of ICON training and understands some



of the key limitations and operational considerations of the A5. The Managing Pilot may be changed at any time with the filing of a one-page form with ICON and an understanding that the new Managing Pilot agrees to the same conditions.

Pilot Qualifications

We require that everyone receives ICON-authorized training. This requirement continues even beyond the initial purchaser and applies to all subsequent operators even if the aircraft is resold. While the A5 can go from airport to airport like other transportation-focused planes, it's really in its element when flown away from the airport environment, exploring remote locations and bodies of water at lower altitudes and away from the typical Air Traffic Control (ATC) infrastructure. This kind of flying is much more akin to what is commonly called "bush flying." Most General Aviation pilots have not had much experience in this unique environment. ICON is committed to ensuring all customers have the basic skills to safely operate in this type of rewarding flying environment.

Many aircraft companies learned the hard way about the importance of having a robust training program for their customers and introduced them only after an adverse accident experience. We have the benefit of learning from them and implementing training from the start.

Optional Release and Covenant Not to Sue: Limitation of Liability

This paragraph makes ICON responsible for accidents caused by the factors we control and protects us from liability for accidents caused by factors we do not control. This paragraph is a key part of our strategy both to reduce our product liability costs and to reduce accidents. The clause continues to release ICON from liability related to use of the aircraft or accidents involving the aircraft and goes on to explain that ICON is still held liable for any accidents that the NTSB rules are caused by ICON's design, manufacturing, or training. Following that is a covenant not to sue. Essentially we are asking you (or your heirs) not to sue us for an accident that is not our fault. The following indemnification paragraph says that you will indemnify us (i.e., hold us harmless) if you break that covenant. If you don't want to agree to this, then you can opt out for \$10,000, which is an approximation of product liability insurance and related costs per aircraft.

Aircraft Purchase Agreement



ICON A5® Aircraft Purchase Agreement

This AIRCRAFT PURCHASE AGREEMENT (this "Purchase Agreement") is effective as of the last signature date indicated below (the "Effective Date") by and between the undersigned buyer ("Buyer") and ICON Aircraft, Inc., a corporation incorporated under the laws of the State of Delaware ("ICON"). Buyer and ICON are also referred to herein individually as a "Party" and collectively as the "Parties."

WHEREAS, subject to the terms and conditions set forth herein, Buyer agrees to purchase and ICON agrees to sell one ICON A5 aircraft with the specifications described on Addendum 1 (the "Aircraft").

WHEREAS, the Parties have previously entered into that certain Aircraft Deposit Agreement as referenced on Exhibit A (the "Deposit Agreement"), which sets forth, among other things, the amount of the deposit (the "Deposit Amount") and delivery position number (the "Position Number"). This Purchase Agreement shall supersede the Deposit Agreement. If Buyer is a Related Party of the deposit holder (as defined in Exhibit A), then Buyer has delivered a related party transfer agreement executed by the deposit holder in accordance with Exhibit A.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, ICON and Buyer agree as follows:

1. ENTIRE AGREEMENT

- a. This Purchase Agreement includes the following Exhibits and Addendum:
 - i. EXHIBIT A – Deposit Agreement Information – This exhibit identifies the Deposit Agreement, Deposit Amount and Position Number and includes the Related Party Transfer Agreement.
 - ii. EXHIBIT B – Form of Aircraft Operating Agreement – The Aircraft Operating Agreement is an agreement between ICON, Buyer, and the Managing Pilot (as defined in the Aircraft Operating Agreement and who may also be Buyer) designated by Buyer for the Aircraft that must be executed and delivered at Closing.
 - iii. ADDENDUM 1 – Purchase Price Sheet and Specifications – This addendum includes the Aircraft Specifications, selected options and accessories, the Purchase Price, Estimated Closing Date, and the timing and amounts of the pre-delivery payments and final payment due at Closing. Addendum 1 may be amended by ICON from time to time as provided in this Purchase Agreement.

b. Addendum 1 and the Exhibits attached hereto are incorporated by reference and made part of this Purchase Agreement. This Purchase Agreement, together with its addendum and exhibits, constitutes the entire agreement among the Parties, and supersedes all prior written or oral understandings, concerning its subject matter, including the Deposit Agreement. Buyer expressly represents and agrees that Buyer has not relied on any oral or written representations regarding the Specifications or other attributes of the Aircraft or Options (as defined below) except as expressly stated in this Purchase Agreement.

2. PURCHASE AND SALE; OFFICIAL INFORMATION; POSITION LIST

a. Subject to the terms of this Purchase Agreement, Buyer agrees to purchase from ICON and ICON agrees to sell to Buyer the Aircraft, together with the optional features, accessories and configurations described on Addendum 1 (collectively "Options"). The purchase price for the Aircraft and Options selected as of the Effective Date is set forth on Addendum 1 (the "Purchase Price"). The Purchase Price will be adjusted by ICON from time to time to reflect additional Options selected or removed after the Effective Date in accordance with the terms of this Purchase Agreement.



3. PAYMENTS; TAXES

a. The Purchase Price will be paid in four (4) installments consisting of three (3) pre-delivery payments (each a "PDP") and a fourth payment due on the date that the Aircraft and Options are delivered and the transaction is closed (the "Closing"), as follows:

- i. The first PDP, in the amount set forth on Addendum 1, is due on the Effective Date, concurrent with Buyer's execution of this Purchase Agreement. The Deposit Amount will be automatically applied to the Purchase Price on the Effective Date. If the Deposit Amount is held in ICON's holding account with Silicon Valley Bank, Buyer hereby directs ICON and Silicon Valley Bank to release the Deposit Amount to ICON for credit against the Purchase Price;
- ii. The amounts and due dates of the second and third PDPs are set forth on Addendum 1; and
- iii. The balance of the Purchase Price (plus any other amounts owed to ICON hereunder) is due at Closing.

b. ICON will invoice Buyer for the second and third PDPs on or about 30 days prior to the respective payment due date; provided that the failure of ICON to invoice Buyer or Buyer's failure to receive the invoice shall not relieve Buyer of its obligations to make the payments.

c. Periodic updates by ICON to Addendum 1, including to the Estimated Closing Date and changes to reflect Options (and associated changes to the Purchase Price and the timing and amount of the installment payments), will be made, if applicable, by email or via ICON's owner center portal (currently at <https://my.iconaircraft.com>) (the "ICON Owners Center").

d. All payments shall be made to ICON by wire transfer or ACH transfer to an account designated by ICON and in United States dollars. ICON may, in its discretion, accept payment from Buyer by personal check or cashiers' check; provided that payment by check will not be deemed received until final funds have cleared the issuing bank. Any late payments by Buyer shall bear interest at the rate of 1.0% per month from the date due. In the event a payment is more than 15 calendar days late, ICON may terminate this Purchase Agreement for material breach as provided in Paragraph 8.c.

e. The Purchase Price is exclusive of any sales or use tax, value-added taxes, duties, registration fees and any other charges or fees that may be levied by governmental authorities in connection with the purchase, sale, transfer, use, registration, export, or import of the Aircraft (collectively, "Taxes"). Buyer will be solely responsible for all Taxes. Taxes required by law to be charged at the point of sale will be paid by Buyer and collected by ICON. ICON may, in its discretion, provide a copy of this Purchase Agreement in addition to other information to taxing authorities.

4. COMMUNICATION; BUYER INFORMATION

a. ICON will contact Buyer using the information contained in Buyer's profile in the ICON Owners Center. Buyer's contact information is set forth in Paragraph 4.e below. Buyer is responsible for ensuring ICON has Buyer's current contact information at all times by updating the contact information in the ICON Owners Center.

b. Except for materials sent via the Owner's Center, ICON will send any notice to Buyer under this Purchase Agreement by email or by pre-paid overnight delivery to the contact information last provided by Buyer.

c. ICON's current contact information is available at www.iconaircraft.com/contact.html. Any notice to ICON under this Purchase Agreement shall be sent by email to contracts@iconaircraft.com or by pre-paid overnight delivery to ICON's headquarters at the address listed at the web address above, attention: Contracts Administration.

d. Each notice or demand to either party shall be deemed to have been given when actually received or twenty-four (24) hours after being sent, whichever occurs first.



e. Buyer represents and warrants that (i) its name and address is as set forth below and (ii) Buyer is the "Buyer" party to the Deposit Agreement or the "Buyer" party to the Deposit Agreement has executed the Related Party Transfer Agreement in Exhibit A.

Buyer (Name to Appear on Aircraft Title)

Authorized Signor (if Buyer is not an individual)

Title of Signor (if Buyer is not an individual)

Street Address

City

State/Province

Country

Zip/Postal Code

Phone (Mobile)

Phone (Home/Office)

Email

5. AIRCRAFT OPERATING AGREEMENT: TRAINING REQUIRED PRIOR TO OPERATION

a. The Aircraft is sold subject to an Aircraft Operating Agreement which governs the on-going relationship among manufacturer, owner, and pilot to promote safe use and maintenance of the Aircraft and to reflect an agreement to use the Aircraft in the manner intended when it was designed.

b. Prior to or at Closing, Buyer must deliver to ICON the Aircraft Operating Agreement, the current form of which is attached and also available in the ICON Owners Center, executed by Buyer and the Managing Pilot. The Aircraft Operating Agreement requires, among other things, that the Managing Pilot has completed an ICON-approved training course (Sport Pilot Course, Transition Course, or Transition Course with seaplane rating or LSA seaplane endorsement) prior to operating the Aircraft. The cost of any training is not included in the Purchase Price. Buyer hereby acknowledges that Buyer has reviewed and understands the Operating Agreement and will provide an executed copy of the Operating Agreement as a condition to Closing.

Buyer Initials

c. The Aircraft Operating Agreement also contains additional requirements regarding the operation of the Aircraft during Buyer's ownership of the Aircraft and requirements that apply to the sale or transfer of the Aircraft. These are intended to facilitate safe use and maintenance of the Aircraft and to limit ICON's costs associated with legal disputes related to the use of the Aircraft. **These requirements include representations and covenants of the Buyer and Managing Pilot as well as choice-of-law, venue, and arbitration provisions that limit Buyer's legal rights. The Aircraft Operating Agreement includes an option either (i) to release certain claims against, agree not to sue ICON and certain other released parties, and provide certain indemnification or, alternatively, (ii) to pay an additional \$10,000 to purchase the Aircraft. Buyer represents and warrants that Buyer has read and understands the provisions of the form of Aircraft Operating Agreement attached as Exhibit B prior to executing this Purchase Agreement.**



6. CLOSING; CLOSING WINDOW; ACCEPTANCE

a. Ownership of the Aircraft and Options shall transfer at ICON's facilities in Vacaville, California at the Closing on Ex-works delivery terms (Ex-works means insurance and delivery charges and risk of damage following the Closing are Buyer's responsibility and not included in the Purchase Price of the Aircraft and Options). Delivery from ICON's facilities to Buyer is generally available for an additional fee. Addendum 1 includes the estimated date of Closing ("Estimated Closing Date") as of the Effective Date. The Estimated Closing Date may be modified by ICON from time to time to reflect production and manufacturing timing, changes to Options, and other factors. If, however, ICON modifies the Estimated Closing Date to delay it by more than 30 days, ICON will make a corresponding change to the remaining PDP due dates.

b. ICON will notify Buyer via email of the date that the Aircraft and Options are available for Buyer's inspection (the "Availability Date"), which notice shall be sent at least two weeks prior to the Availability Date. Buyer will have 10 days after the Availability Date (such 10-day period, the "Closing Window") to complete Buyer's inspection (as provided in Paragraph 6.e below), complete the required documentation, make the final payment, and take delivery of the Aircraft. The date on which Closing is completed is referred to herein as the "Closing Date." In the event Buyer does not complete Closing during the Closing Window, then Buyer shall (i) pay in full the Purchase Price that would be due at Closing as shown on the final Addendum 1 on or before the end of the Closing Window, and (ii) pay ICON for storage of the Aircraft at ICON's facility at the rate of \$25 per day from and after the end of the Closing Window (which payments shall be due monthly). In the event Buyer fails to timely pay either of the foregoing amounts or fails to complete Closing within 30 days after the end of the Closing Window, then ICON may terminate this Purchase Agreement for breach by Buyer pursuant to Paragraph 8.c.

c. To complete Closing, Buyer will deliver or have delivered the following to ICON prior to the end of the Closing Window:

- i. Payment in full of the Purchase Price and all other amounts due to ICON;
- ii. Completed FAA registration for the Aircraft in Buyer's name on form 8050-1 (which ICON will provide at or prior to Closing);
- iii. Aircraft Operating Agreement executed by Buyer and the Managing Pilot (which ICON will provide at or prior to Closing);
- iv. An acknowledgement of receipt of the Aircraft, the Pilot's Operating Handbook and other materials and information pertaining to the Aircraft; and
- v. All other acknowledgments, registration documents and other documents or items required to complete Closing or that may be reasonably requested by ICON.

d. At Closing, ICON will deliver to Buyer: (i) an executed bill of sale on FAA form 8050-2 or its equivalent, (ii) counterpart signature to the Aircraft Operating Agreement, (iii) the then-current A5 Limited Warranty and (iv) possession of the Aircraft and Options.

e. Buyer may inspect the Aircraft and Options during the Closing Window. Following the inspection and during the Closing Window, Buyer will provide written notice to ICON of any matters Buyer believes may not conform to ICON's internal quality specifications (the "Quality Standards"). If ICON, in its reasonable discretion, determines that the items identified by Buyer do not meet the Quality Standards, ICON will correct such issues at its expense prior to Closing and the Closing Window shall be automatically extended until such issues meet the Quality Standards as reasonably determined by ICON. If such issues are not resolved within 30 days, then Buyer may terminate this Purchase Agreement for breach by ICON under Paragraph 8.b as Buyer's sole and exclusive remedy. ICON aircraft are made of light-weight, aerospace composite structures that have a low resin-to-fiber content. As such, these high-performing structures are naturally prone to small surface variations and paint imperfections and will not have an automotive grade surface finish. It is understood and agreed that imperfections in paint or interior or otherwise identified by Buyer in its notice that do not constitute non-conformance with the Quality Standards will be corrected by ICON only after Closing and at Buyer's sole expense.



f. ICON expects to offer storage and shipment/delivery services after Closing subject to availability. Buyer is responsible for the cost of such services and any insurance during storage, shipping or delivery.

7. SPECIFICATIONS AND OPTIONS

a. The specifications for the Aircraft (including selected Options) are set forth in Addendum 1 (the "Specifications"). After the Effective Date, ICON may, at its sole discretion, modify the Specifications to: (i) reflect modifications to the Aircraft between signing and Closing that ICON deems an improvement; and (ii) add Options selected by Buyer after the Effective Date. It is understood that ICON may make suitable adjustments and substitutions to the materials and components of the Aircraft and Options.

b. The Options selected by Buyer as of the Effective Date are set forth on Addendum 1. If ICON makes additional Options available to Buyer and Buyer timely accepts the additional Options, then ICON will modify Addendum 1 to reflect the adjustments to the Specifications, Purchase Price and installment payments.

c. In the event Buyer opts out of Paragraph 4 of the Aircraft Operating Agreement as provided therein, ICON will modify Addendum 1 to reflect the \$10,000 increase to Purchase Price.

d. Buyer acknowledges that the Aircraft is a general aviation light sport aircraft, is not a FAR Part 23 certified aircraft, and is not suited or authorized for commercial transport or aerobatics.

8. TERMINATION

a. Buyer may terminate this Purchase Agreement for convenience by providing written notice to ICON at any time prior to the start of the Closing Window. In the event of a termination for convenience under this Paragraph 8.a., (i) this Purchase Agreement and all of Buyer's rights hereunder and in and to the Aircraft, Options and Position Number shall immediately terminate and ICON shall be free to sell the Aircraft and Options and assign the Position Number to other purchasers free and clear of all liens, claims and encumbrances; (ii) ICON shall return all pre-delivery payments made by Buyer (including the Deposit Amount) through the date of termination, without interest, less 20% of all pre-delivery payments (including the Deposit Amount) made by Buyer through the date of termination (such 20% amount, the "Retention Amount") by check or wire transfer within 90 days after the date of termination; provided, however, that, if ICON has not sold the Aircraft and Options to another customer or customers within such 90-day period, then the time period for payment to Buyer may, at ICON's election, be extended to 180 days. In no event shall interest be paid to Buyer on the return payment. ICON shall be entitled to retain the Retention Amount as liquidated damages for Buyer's early termination.

b. Buyer may terminate this Purchase Agreement prior to Closing by written notice to ICON for ICON's material breach of the terms of this Purchase Agreement; provided that ICON has received written notice of the material breach and a reasonable opportunity to cure. In the event of a termination by Buyer under this Paragraph 8.b, this Purchase Agreement and all rights and obligations of the Parties hereunder shall immediately terminate, and Buyer's sole remedy and recourse shall be ICON's return of all pre-delivery payments made by Buyer (including the Deposit Amount) and reimbursement of Buyer's costs of inspection made under Paragraph 6.e, if any, in each case without interest, within 90 days after the termination. Buyer acknowledges that the return of the pre-delivery payments (including the Deposit Amount) to Buyer and reimbursement of Buyer's inspection costs, without interest, is its sole and exclusive remedy for breach or violation of this Purchase Agreement by ICON. A termination notice from Buyer that does not indicate it is being made for material breach under Paragraph 8.b will be deemed to be a termination for convenience under Paragraph 8.a.

c. ICON may terminate this Purchase Agreement for breach upon written notice to Buyer, if ICON, in its sole discretion, determines that any of the following apply:

- i. Buyer fails to make any required payment in a timely manner;
- ii. Buyer otherwise materially breaches the terms of this Purchase Agreement; provided that Buyer has received written notice of the material breach and a reasonable opportunity to cure; or



iii. A proceeding under any law of bankruptcy, insolvency, receivership, reorganization or relief of debtors is instituted by or against Buyer.

d. In the event of a termination by ICON under Paragraph 8.c. above, (i) this Purchase Agreement and all of Buyer's rights hereunder and in and to the Aircraft, Options and Position Number shall immediately terminate and ICON shall be free to sell the Aircraft and Options and assign the Position Number to other purchasers free and clear of all liens, claims and encumbrances; and (ii) ICON shall return all pre-delivery payments made by Buyer (including the Deposit Amount) through the date of termination, without interest, within 30 days after termination less the Retention Amount. ICON shall be entitled to retain the Retention Amount as liquidated damages for Buyer's breach.

e. Buyer and ICON agree that the cost to ICON for Buyer's termination for convenience or the damages for Buyer's breach are impractical or extremely difficult to determine and that the Retention Amount constitutes a reasonable approximation, at the time this Purchase Agreement is entered into, of the harm and loss caused to ICON, including the expense of finding a replacement buyer, possible storage of the Aircraft while a buyer is located, the possible loss of an additional sale to the replacement buyer, and other costs. Buyer acknowledges and agrees that the foregoing liquidated damages provision is an important consideration to ICON's willingness to enter into this Purchase Agreement and is not a penalty. Buyer consents to ICON's retention of the Retention Amount and agrees that the Retention Amount shall apply regardless of any mitigation of damages by ICON or any alleged failure of ICON to mitigate its damages.

f. No interest shall accrue, or be paid, to Buyer on any refund or return of payments (including the Deposit Amount).

9. TRANSFERABILITY; LIMITED ASSIGNMENT

a. The transfer provisions in this paragraph g refer to a transfer of the Purchase Agreement, not to a transfer of the Aircraft after Closing (which does not require a transfer of the Purchase Agreement). Buyer shall not sell, assign, encumber or otherwise transfer, whether voluntary, involuntary or by operation of law this Purchase Agreement or any rights or obligations herein (including, without limitation, any PDPs (including the Deposit Amount) or the Position Number) without the prior written consent of ICON (which consent may be withheld in its sole discretion); provided that ICON will not unreasonably withhold consent for proposed transfers (i) to an entity wholly owned by Buyer, or (ii) in connection with a lease or finance arrangement for the Aircraft. In any transfer permitted by ICON, the transferee must execute a transfer agreement provided by ICON and agree to be bound by this Agreement.

b. Any purported or attempted Transfer of the Purchase Agreement without ICON's prior written consent shall be null and void. Buyer shall indemnify and hold harmless ICON for all costs and expenses incurred (including, without limitation, reasonable attorney fees and costs) related to or arising from any purported or attempted Transfer without ICON's prior written consent. Subject to this Paragraph g, this Purchase Agreement shall be binding upon and inure to the benefit of the Parties and their permitted successors, executors, personal representatives, heirs and assigns.

10. REPRESENTATIONS

a. Buyer hereby represents to ICON that:

- i. Buyer is the "Buyer" party under the Deposit Agreement or a Related Party thereof who has completed the Related Party Agreement on Exhibit A;
- ii. Buyer will meet the requirements for and act as Managing Pilot at Closing or will designate a Managing Pilot who meets the requirements set forth in the Aircraft Operating Agreement. Buyer and the Managing Pilot will execute and deliver on or prior to Closing, the Aircraft Operating Agreement in its then-current form;
- iii. Buyer has the power and authority to enter into this Purchase Agreement and perform the transactions contemplated hereby. The person executing this Purchase Agreement has the authority to execute and deliver this Purchase Agreement on behalf of Buyer; and
- iv. This Purchase Agreement constitutes a legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with its terms.



- b. ICON hereby represents to Buyer that:
 - i. ICON has the power and authority to enter into this Purchase Agreement and perform the transactions contemplated hereby. The person executing this Purchase Agreement has the authority to execute and deliver this Purchase Agreement on behalf of ICON; and
 - ii. This Purchase Agreement constitutes a legal, valid and binding obligation of ICON enforceable against ICON in accordance with its terms.

11. LIMITED WARRANTY AND DISCLAIMER OF WARRANTIES

a. At Closing, Buyer will receive the then-current A5 Limited Warranty provided by ICON (the "A5 Limited Warranty"). Buyer acknowledges that concurrent with this Purchase Agreement Buyer received a copy of the A5 Limited Warranty in its current form. Updated versions of the A5 Limited Warranty prior to Closing will be posted to the ICON Owners Center. The then-current A5 Limited Warranty provided to Buyer at the time of Closing will apply to the Aircraft.

b. **Buyer agrees that, the warranty obligations and liabilities of ICON and the rights and remedies of Buyer set forth in the A5 Limited Warranty are exclusive and are in lieu of, and Buyer hereby waives and releases, all other warranties, obligations, representations or liabilities, express or implied, and ICON makes no other warranties, express or implied, and specifically excludes and disclaims the implied warranties of merchantability and fitness for a particular purpose or use. All other obligations or liabilities of ICON to anyone of any nature whatsoever, whether under a theory of negligence or strict liability, contract, tort or otherwise, arising out of or relating to the design, manufacture, sale, repair, lease or use or operation of the Aircraft or Options, or otherwise, are excluded by ICON and hereby expressly waived by Buyer. Except as expressly set forth in the A5 Limited Warranty, the Aircraft and Options are being sold "as is."**

12. LIMITATION OF LIABILITIES

a. **Notwithstanding anything to the contrary, the maximum aggregate liability ICON shall have to Buyer for any breach of this Purchase Agreement or otherwise arising out of or relating to this Purchase Agreement or to Buyer's ownership or operation of the Aircraft or Options shall be an amount equal to the sum of the pre-delivery payments made by Buyer (including the Deposit Amount) and Buyer's costs of inspection made under Paragraph 6.e (if any). In no event shall ICON be liable for any consequential, indirect, punitive, incidental or special damages of any kind or nature under any circumstance, or, without limiting the foregoing, for any lost profits or any other losses or damages for or arising out of any lack or loss of use of the Aircraft or any Option, equipment, accessory or spare part for any reason.**

13. CONTINUED OPERATIONAL SAFETY; EARLY PRODUCTION RUN

a. Buyer understands that the Aircraft Operating Agreement, Pilot's Operating Handbook and Maintenance Manual include certain obligations for continued operational safety and aircraft maintenance. Buyer further understands that (i) Buyer is receiving an early production run aircraft and, as a result, service bulletins may initially be frequent, and (ii) ICON's service network is not yet fully developed.

b. Buyer understands that the Aircraft's Maintenance Manual will require major service or overhauls on yearly or hourly requirements, which currently are expected to include the following:

- i. Engine overhaul - earlier of 15 years or 2,000 hours.
- ii. Ballistic recovery system parachute repack - every 6 years.
- iii. Ballistic recovery system rocket replacement - every 12 years.
- iv. Airframe overhaul - every 10 years or 2,000 hours (whichever is sooner).



14. AUTHORIZED REGIONS AND SUPPORT REGIONS

a. Buyer acknowledges and agrees that the Aircraft may only be flown in jurisdictions where it has been specifically approved for operation by the applicable governmental authority ("Authorized Regions"). Buyer acknowledges that the Aircraft has been designed to meet U.S. Light Sport Aircraft regulations for use in the United States and requires an ongoing exemption from the FAA for operation in the U.S. (FAA-2012-0514). While the LSA rules have various levels of adoption globally and are evolving continually, Buyer understands that, due to ICON's FAA exemption, each foreign governmental authority must authorize the operation of the Aircraft within its jurisdiction even if such foreign governmental authority generally allows registration of aircraft meeting U.S. LSA rules. Although ICON intends to pursue authorization in additional jurisdictions, the timing and extent of those applications have not been determined and may never be determined, and the granting of such authorizations is outside of ICON's control. Notwithstanding the foregoing, some jurisdictions allow U.S. registered aircraft to fly in their territory subject to certain conditions, and this agreement does not prevent such flights if permitted by the local aviation authority.

b. Buyer understands and agrees that the United States and other jurisdictions where ICON expands its support services are the only regions where Buyer can obtain service and maintenance support from ICON (the "Support Regions"). Updates to Authorized Regions and Support Regions may be announced via the ICON Owners Center.

c. Operating the Aircraft outside of the Authorized Regions, except as permitted by local aviation authorities, invalidates the A5 Limited Warranty.

15. FLIGHT DATA RECORDER

Buyer understands and agrees that, in the interest of safety of Buyer and others in the ICON pilot and owner community, the Aircraft will be equipped with a flight data recorder and that data regarding operation of the Aircraft will be collected by ICON in accordance with its privacy policy (available in the ICON Owners Center). At this time, the flight data recorder collects basic data about the engine operation, GPS data, landing gear position, and indicated airspeed and can only be accessed via a physical connection to the Aircraft by ICON or its designees. In the future, ICON may upgrade the flight data recorder in the Aircraft, at its own expense, to allow for wireless transmission of data to ICON and/or to collect additional flight data; provided, however, that the upgrade shall not include a cockpit recorder without the consent of the Aircraft's owner. Notwithstanding anything to the contrary herein, the flight data recorder and the data collected thereon is and remains after Closing the sole property of ICON. ICON hereby grants to Buyer, effective upon Closing, the limited, non-transferable, non-exclusive right to use the flight data recorder in the Aircraft and data thereon for its own non-commercial purposes related to its operation of the Aircraft.

16. BINDING; MODIFICATIONS; SEVERABILITY; INTERPRETATION

a. The effectiveness of this Purchase Agreement is conditioned on ICON's receipt of the first PDP.

b. Buyer acknowledges and agrees that it has read, understands and agrees to the provisions of the Purchase Agreement. Prior to Buyer's acceptance of this Purchase Agreement, the offer of entering into this Purchase Agreement is subject to change in ICON's sole discretion at any time. There are no assurances by ICON that the terms and conditions of this Purchase Agreement, including the Purchase Price, Specifications and Options, are or will be the same for all purchasers.

c. This Purchase Agreement may be amended or modified, and any of the terms, covenants, representations, warranties, or conditions may be waived, only by a written instrument executed by ICON and Buyer. Any waiver by any party of any condition or breach shall not be deemed to be a further continuing waiver of any such condition or breach, or of the breach of any other provision of this Purchase Agreement.

d. In the event that any provision of this Purchase Agreement is determined by any court or arbitrator to be illegal, invalid or unenforceable under any present or future law, then (a) such provision shall be fully severable, and this Purchase Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof and the remaining provisions shall remain in full force and effect, and (b) in lieu of such illegal, invalid or unenforceable



provision, there shall be added automatically as a part of this Purchase Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible.

e. If an ambiguity or question of intent or interpretation arises, then this Purchase Agreement will be construed as if drafted jointly by the parties, and no presumption or burden of proof will arise favoring or disfavoring any party to this Purchase Agreement by virtue of the authorship of any of the provisions. The article, section, and paragraph titles and headings contained in this Purchase Agreement are inserted as a matter of convenience and for ease of reference only and shall be disregarded for all other purposes, including the construction or enforcement of this Purchase Agreement or any of its provisions.

17. GOVERNING LAW AND VENUE; ARBITRATION; ATTORNEY’S FEES

a. This Purchase Agreement and any disputes arising out of or relating to it shall be governed by the laws of the State of California, regardless of the choice of law provisions of California or any other jurisdiction.

b. Any and all disputes or claims arising out of or relating to this Purchase Agreement or otherwise arising out of or relating to the Parties’ relationships shall be resolved by final and binding arbitration administered by the American Arbitration Association in San Francisco, California in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect (which rules can be found at www.adr.org/commercial). **This arbitration clause waives any right to a jury trial of any claims arising out of or relating to this Purchase Agreement.**

c. Consistent with and without waiving the foregoing, the Parties agree that any court action to enforce the arbitration clause, have judgment entered in conformity with the award rendered in the arbitration or otherwise in the unlikely event the arbitration provision is found to be unenforceable or otherwise inapplicable, (i) shall be heard exclusively in the United States District Court for the Eastern District of California if federal jurisdiction exists or an appropriate state court located in Solano County in the State of California if federal jurisdiction does not exist (collectively, the “Agreed Courts”), and (ii) the Parties acknowledge and agree that the Agreed Courts will have sole and exclusive jurisdiction and venue for all claims and disputes arising out of or relating to this Purchase Agreement or otherwise arising out of or relating to the Parties’ relationships, and ICON and Buyer hereby consent to the jurisdiction of the Agreed Courts and waive any and all objections that they may have to the jurisdiction and venue in the Agreed Courts, including any claim or defense that the Agreed Courts are an inconvenient forum.

d. Should any litigation or arbitration be commenced (including any proceedings in a bankruptcy court) among ICON and Buyer arising out of or relating to this Purchase Agreement or otherwise arising out of or relating to the Parties’ relationships, the prevailing party in any such proceedings, as determined by the court or arbitrator, will be entitled to reimbursement of its reasonable attorneys’ fees, expenses (including but not limited to the fees of experts), and any and all arbitration and court costs, including the fees of the arbitrators, expenses, and costs of any arbitration and judicial proceedings, including any appeals.

IN WITNESS WHEREOF, the Parties have caused this Purchase Agreement to be executed by their duly authorized representatives.

Buyer:
Signature: _____
Name: _____
Title: _____
Date: _____

ICON: **ICON Aircraft, Inc.**
Signature: _____
Name: _____
Title: _____
Date: _____



AIRCRAFT PURCHASE AGREEMENT

EXHIBIT A: Deposit Agreement Information

The following information identifies the Deposit Agreement:

Deposit Holder: _____
Effective Date: _____
Position Number: _____
Deposit Amount (\$): _____
Deposit Holding Account: _____

If Buyer participated in ICON's Move-Up Program, then Buyer acknowledges and agrees: (i) the Position Number is the newly assigned position number from the Move-Up Program and the Aircraft and Options are those associated with the Position Number; (ii) all of Buyer's rights in and to the Former Position Number (identified below) automatically terminate and ICON shall be free to assign the Former Position Number to other purchasers free and clear of all liens, claims and encumbrances.

Former Position Number: _____

If Buyer is an Related Party (as defined below) of the Deposit Holder, then Buyer shall deliver at or prior to the Effective Date the following Related Party Transfer Agreement executed by the Deposit Holder.



Related Party Transfer Agreement

Deposit Holder represents and warrants that (a) it is the "Buyer" party under the above-referenced Aircraft Deposit Agreement and (b) the Buyer under the foregoing Purchase Agreement is a Related Party of Deposit Holder. Deposit Holder hereby transfers the Deposit Agreement and all rights therein to Buyer effective immediately prior to the Effective Date and consents to termination of the Deposit Agreement and application of the Deposit Amount to the first PDP in accordance with the terms of the Purchase Agreement.

The term "Related Party" means (i) an entity that is majority owned or controlled by the Deposit Holder or (ii) a trust for the exclusive benefit of Deposit Holder or Deposit Holder's immediate family for which Deposit Holder is a settlor and trustee.

Deposit Holder:

Signature: _____

Name: _____

Address: _____

Date: _____