



DiamondShare.NET

Presents the

Position Reservation Program

DiamondShare.NET

Position Reservation Program Agreement

(This is NOT a Purchase Agreement)

Whereas the undersigned **Position Holder (Position Holder)** is interested in acquiring a partial Share (Share) in the Aircraft (Aircraft) designated below and whereas Five Star Marketing, Inc. dba **DiamondShare.NET** and its affiliate representatives hereafter referred to as **(Agent)** is in the business of being a "matchmaker" of pilots for the formation of independent aircraft partnerships, the parties agree as follows. In consideration of the mutual promises contained herein, Position Holder hereby appoints Agent as Position Holder's Exclusive Buyers Agent for a Share in the following aircraft ("Aircraft") for a period as designated below.

Aircraft: Make: **Diamond** Model: **DA40 XLS** Year: **20** N #: _____ Serial #: _____ Proposed Delivery Month: _____
Share: _____ share in the ownership of the above aircraft (specify one half or one third)

Position Holder and Agent further hereby agree to the following conditions to be effective during the entire period of this agreement:

1. The sole purpose of this agreement is to establish the priority and position of the Position Holders as shareholders in the delivery and partnership of the Aircraft. Purchase of the entire Aircraft or Shares of the Aircraft can only be made under an Aircraft Sales Agreement.
2. The proposed partnership operating agreement is a separate document that will be provided by Advocate Aircraft Taxation Company upon qualification by Position Holder. DiamondShare.NET is not a party to this agreement between the Position Holders.
3. Each Position Holder is required to submit a DiamondShare.NET application, this reservation program agreement and a deposit of \$5000.00. Position Holder agrees to provide the processor of their application the necessary pilot and financial information to complete the qualification process. Position Holders that do not qualify will be provided a full refund of any deposits.
4. Position Holder positions will be assigned based on the receipt of the signed Position Reservations forms with the Deposit.
5. Deposits will not be processed for ten days (10) to allow a Position Holder to remove themselves from the program without inconvenience. Deposits that are uncollectible will forfeit the assigned position and no agreement will be in place.
6. The Position Holder making the first Deposit will be designated the Quarter Back (Quarter Back) position. The Quarter Back will be provided the opportunity to select the following as applicable and available: 1.) The Color Stripes of the Aircraft; 2.) The N Number for the Aircraft; 3.) Options as may be available and applicable; 4.) The desired Delivery Month. Note: Some or all of these selections may not be available depending on the desired Delivery Month. The Quarter Back will also be assigned as the overseer within the operating agreement for the First Year of the partnership entity and the financial activities of the partnership.
7. The Position Holder making the second deposit will be designated the person responsible for overseeing the maintenance of the aircraft.
8. The Position Holder making the third deposit will be designated the person responsible for overseeing the subscription services.
9. Partners may agree to rearrange these responsibilities as they see fit among themselves and mutually agree.
10. After the initial 10 day period, Deposits will remain in place until the execution of a purchase contract or until the expiration of this agreement. Deposits are refundable upon written request at any time before a Purchase Agreement is signed. An administration fee of \$1000 will apply for the cancellation of a position agreement.
11. Agent undertakes to exert its reasonable commercial efforts to obtain other partners on behalf of the Position Holder through direct marketing, online marketing, and personal contact, via a limited number of presentations, open house functions and direct aircraft demonstrations. Agent or its subcontractors will bear all of the costs associated with the promotion of the partnership opportunity. In the case where the entire term of the agreement is conducted without successfully obtaining the needed partners to consummate the transaction the Administration Fee of \$1000 will be withheld to cover the marketing, aircraft demonstration and other costs associated with the effort on behalf of the Position Holder.
12. **The undersigned Position Holder has read, understands, agrees to and hereby incorporates all conditions herein including those further conditions listed on the reverse of this Agreement.**

Agreed to and executed this _____ day of _____, 20__ **for a term of 180 days.**

Agent: _____	Position Holder: _____
Office: _____	Address: _____
By: _____ (Signature)	By: _____ (Signature)
Name: _____	Name: _____
Date: _____	Date: _____
	Email: _____

Position Holder Deposit \$5,000. via Ck# _____ OR: Credit Card : # _____ Expire _____

13. This contract is made in and governed by the laws of North Carolina, without regard to the provisions thereof respecting conflicts of law. This contract constitutes the entire agreement of the parties hereto with respect to the Position Holder Deposit and supersedes all prior representations and understandings. No modification, termination or waiver of any provision shall be valid unless in writing signed by both parties.
14. The person signing this contract as "Position Holder" is, in fact and in law, the Pilot intending to fly the Aircraft or is an authorized officer or agent of the legal Position Holder, authorized to execute this contract on behalf of the Position Holder.
15. Pilot shall defend, indemnify and hold harmless Agent, its parent company, affiliates and each of their directors, officers, employees and agents from and against all claims, demands, suits, obligations, liabilities, damages, losses, judgments, costs and expenses (including reasonable attorneys' fees) which may be asserted against or recoverable from any of them and which arise out of or are in any manner connected with the Aircraft or this contract including those that arise from Agent's sole negligence and including, without limitation, injury to or death of any person, or loss of or damage to any property including the Aircraft or any part thereof, but excluding those solely and directly caused by the gross negligence or willful misconduct of an indemnified party.
16. If a dispute arises from or relates to this contract or the breach thereof and if the dispute cannot be settled through direct discussions, the parties agree to first endeavor to settle the dispute by mediation to be held within thirty (30) days from demand by either party, to be administered by the American Arbitration Association (AAA) under its Commercial Dispute Resolution Procedures. If the matter cannot be resolved by mediation, any unresolved controversy or claim arising from or relating to this contract or breach thereof shall be settled exclusively by arbitration administered by the AAA in accordance with its Commercial Dispute Resolution Procedures. Any demand for arbitration must be filed within one (1) year of the conclusion of the mediation session in which an impasse was reached or any unresolved controversy remained. Judgment on any award rendered by the arbitrator (s) may be entered in any court having jurisdiction thereof.

With regard to the arbitration process, in the event of conflict between this clause and applicable state law, arbitration shall be governed by Title 9 of the US Code (United States Arbitration Act) and the Commercial Dispute Resolution Procedures of the AAA.

Either party may, without inconsistency with this Agreement, seek from a court any interim or provisional relief that is necessary to protect the rights or property of that party, pending the establishment of the arbitration hearing (or pending determination by the AAA of the merits of the controversy).

Mediation and arbitration shall be held in Raleigh, Wake County, North Carolina, or at any other place selected by mutual agreement of the parties hereto.

A mediator shall be selected by mutual agreement of the parties. If the parties cannot agree, then AAA shall make the choice.

An arbitration shall be by a panel of three arbitrators, unless the parties mutually agree to a single arbitrator. AAA shall provide a list of neutral arbitrators, from which the parties hereto shall select three, by alternately striking names of unacceptable names. After fourteen (14) total names have been stricken, AAA shall provide a final list of seven (7) from which three (3) shall be chosen.

The arbitration proceedings shall be conducted before a panel of three (3) neutral arbitrators (unless the parties agree to use only one arbitrator), all of whom shall be members of the bar of the state where the specific Agent office or location is involved, who have actively engaged in the practice of law for at least ten (10) years, and with expertise in Aviation Law and/or Commercial Contracts.

The arbitrator(s) shall have the authority to award any remedy or relief that a court in the applicable state could order or grant including, without limitation, specific performance, attorneys fees, costs, the issuance of an injunction or the imposition of sanctions for abuse or frustration of the arbitration process and costs.

Neither a party hereto nor an arbitrator may disclose the existence, content, or results of any mediation or arbitration hereunder without the prior written consent of both parties.

The parties shall allow and participate in limited discovery for a period of ninety (90) days from the date of the filing of an answer or another responsive pleading to the demand for arbitration. Limited discovery shall mean no more than three (3) depositions (including one [1] expert), and no more than twenty-five (25) interrogatories and requests for admissions. The arbitrators may expand discovery only for good cause shown. The final arbitration hearing must be held within one hundred twenty (120) days of the initial demand for arbitration unless continued by the arbitrators, and only for good cause shown.

The parties hereto stipulate that trial by jury is waived upon execution of this contract.

The arbitration award shall be in writing, and upon the request of a party, shall include findings of fact and conclusions of law.

The arbitrator(s) shall award to the substantially prevailing party all of that party's costs and fees. "Costs and fees" shall mean all reasonable pre-award expenses of the arbitration, including the arbitrators' fees, administrative fees, travel expenses, out-of-pocket expenses such as copying, telephone, court costs, witness fees and attorneys' fees.

Initial Acceptance of this page: **Position Holders Initials** _____