

LIABILITY WAIVER

Please print and sign this and include with order COMPOSITE FX HELICOPTER KIT AND COMPONENT PURCHASE AGREEMENT

This Agreement is entered into between Composite FX (CFX), a Florida Corporation, and the Purchaser, whose name and address is as follows (for the purposes of this Agreement, the Purchaser shall include his/her spouse):

(Please fill in this section in your own handwriting)

Name: _____ Spouse's Name: _____

Address: _____

Telephone: _____ (H) _____ (W)

The Purchaser desires to purchase a license to build a Mosquito Helicopter aircraft and/or purchase certain components used in the construction of that aircraft. In consideration of the mutual promises contained in this agreement, the parties hereby agree as follows:

1. Aircraft design: Composite FX is the owner of the design of the Mosquito Helicopter aircraft (hereinafter "Aircraft"). Upon the execution of this agreement and the payment of the purchase price set out in the Purchase Order, Composite FX shall license the Purchaser to use this design, with accompanying construction plans, to construct a replica of the Aircraft. The design and plans for the Aircraft are the property of Composite FX and the Purchaser agrees to utilize these plans only for use in constructing one aircraft for the Purchaser's personal use. Any other use or reproduction of the plans is strictly prohibited. The Purchaser shall not allow any copies or reproductions of the plans to come into the possession of any other person or entity. Composite FX reserves the right to modify the design or plans of the aircraft in any manner deemed necessary to enhance its performance or safety. Composite FX agrees to make reasonable efforts to notify the Purchaser of any design or plans changes so long as the Purchaser keeps Composite FX apprised of the Purchaser's current address.

2. Airworthiness: The Purchaser agrees to comply fully with all applicable governmental aviation regulations in the construction and operation of the aircraft. When necessary, the Purchaser agrees to obtain inspection and certification by the Federal Aviation Administration, or such other inspection and certification body, in full compliance with applicable aviation regulations. The Purchaser understands and agrees that certification of the completed Aircraft is dependent upon the Purchaser's construction techniques and that air worthiness is beyond the control of Composite FX. Composite FX does not accept responsibility whatsoever for certification of the aircraft or for eligibility for operation of the Aircraft in the ultra-light category.

3. Warranty: Composite FX is not responsible and makes no warranty, express or implied whatsoever, regarding the performance, flight characteristics, structural integrity, or safety of the completed Aircraft or its component parts. Specifically, Composite FX makes no warranty that the plans or components

comprising the kit Aircraft are fit for any particular purpose or use. The Purchaser understands and agrees that there are many factors that affect the design integrity of the completed Aircraft, including design requirements for engine and rotors and requirements for aerodynamic and center of gravity limits. Composite FX does not warrant the integrity of component parts once they are shipped to the Purchaser.

4. WARNING: READ THIS BEFORE ORDERING.

A) The risks involved in flying an experimental homebuilt or an ultralight Aircraft are greater than those risks associated with everyday life. There are certain dangers involved which cannot be removed, no matter how safe the design, no matter how careful the construction, no matter how accomplished the pilot. These dangers include the possibility of personal injury or even death, just as in other high risk sports such as motorcycle riding, sky diving and skiing. You cannot build or fly this Aircraft unless you knowingly and willingly accept and assume these risks as your own.

B) You must also realize that the construction of any Aircraft, especially a helicopter, is a task which requires critical attention to detail and uncompromising standards of construction. You cannot build this Aircraft unless you are willing to follow exactly all instructions involved in construction. Any unapproved alteration may significantly increase the risks of flights, making you a test pilot for an unproven design.

C) As the builder of a Mosquito Helicopter, it is your responsibility to double check the quality of all materials used in construction. Although all materials supplied to you by Composite FX have been quality checked, it is up to you to give each part a careful examination before installing it on your Aircraft. This duty is especially important in connection with composite materials, which may be damaged in shipment, handling or storage. If you encounter any part or building materials which is not airworthy, then it is up to

you to contact Composite FX to arrange for a replacement. Also, if you have any questions about the plans and instructions provided with the aircraft kit, it is up to you to call Composite FX to resolve it. If it appears as though a drawing or instruction can be read in more than one way, it is your responsibility to find out which interpretation is correct. Composite FX is committed to clarifying any and all questions any builder has about the- construction of its Aircraft.

D) It is critical that any person flying an Aircraft designed by Composite FX understands certain facts. First, the Aircraft cannot be flown by anyone who is not a duly licensed, qualified and proficient pilot. Although pilots flying Aircraft in the ultralight category are not required to be licensed, they cannot fly the Aircraft without the proper training, qualifications, experience and proficiency. Second, any pilot who wants to fly the Aircraft should first have adequate experience in a similarly configured light helicopter. Finally, by definition, any pilot who flies an experimental or ultralight Aircraft is an experimental pilot. This maxim is especially true for the first flights of the Aircraft. Initial test flights should be approached with extreme caution, following established guidelines. If you do not know these guidelines, the Experimental Aircraft Association (EAA) can help you. E) By definition, the Composite FX Aircraft which is the subject of this Agreement is an experimental Aircraft (or an ultralight aircraft if built to those specifications) and is not certificated to the same standards as manufactured general aviation Aircraft. There are some regimes of flight in which the Aircraft has not been tested. It is possible for a pilot to place the Aircraft into these certain flight regimes which may render the Aircraft uncontrollable or unrecoverable. Operation of the Aircraft under these circumstances could result in serious injury or even death. Therefore, any person flying the Aircraft must accept responsibility for acting as a test pilot. There are no guarantees that the Aircraft constructed by the Purchaser will be the same as, or even similar to, the prototype constructed by Composite FX. The Purchaser is the manufacturer of the Aircraft assembled with components supplied by Composite FX. The Purchaser accepts sole responsibility and liability for construction of the Aircraft. Purchaser also accepts liability and responsibility for the safe and careful operation of the completed Aircraft. In summary, building and flying any experimental or Ultralight aircraft involves certain inherent risks which you assume by ordering, building and flying this aircraft. It is up to you minimize these risks by exercising extreme care in every activity associated with construction and flight. By developing an

attitude of professionalism, safety and attention to detail, you will be a safer pilot enabling you to enjoy your Composite FX Aircraft even more.

5. Indemnification and Release: The Purchaser agrees, on behalf of the Purchaser, the Purchaser's heirs, assigns and any subsequent buyers of Purchaser's kit or completed Aircraft, to indemnify Composite FX, from any and all claims, demands, and suits, causes of action or losses arising out of the construction or operation of the Purchaser's Aircraft. The Purchaser assumes all liability in conjunction with construction, maintenance and operation of the Purchaser's kit or completed Composite FX Aircraft. The Purchaser, on behalf of himself herself and the Purchaser's heirs and assigns, hereby unconditionally releases Composite FX, its officers, directors, shareholders, agents and employees from any and all liability for property loss or injury, up to and including death, resulting from the Purchaser's construction, maintenance or operation of the Purchaser's Composite FX Aircraft. The Purchaser understands and agrees that Composite FX, is unwilling to enter into this agreement unless induced to do so by the Purchaser agreeing to the indemnification and release provisions included in this agreement.

6. Purchase Order: The terms and conditions of the Composite FX Purchase Order used to order any kit or component are expressly made a part of this Agreement.

7. Governing Law: Composite FX and the Purchaser agree that this agreement shall be governed by the laws of the State of Florida, USA. The parties also agree that if any portion of this agreement is invalidated in any manner, any remaining provisions will continue in full force and effect.

8. Entire Agreement: This instrument constitutes and embodies the entire agreement of the parties. There are no promises, terms, conditions or obligations other than those contained herein. With respect to the subject matter hereof, this Agreement supersedes all previous communications, representations or agreements oral or written, between the parties. No modification or waiver of the terms of this Agreement shall be made without the express written consent of Composite FX. The undersigned Buyer agrees that he has read the terms, provisions and warnings set out in this Agreement and in the Composite FX Sales Order, and accepts all provisions as stated herein.

Signed, sealed and delivered this day of _____

By: _____

Signature of Purchaser: _____

Signature of Spouse: _____

Composite FX
Dwight Junkin, President