

CONSENT TO SUBLEASE AGREEMENT

THIS CONSENT TO SUBLEASE AGREEMENT ("Consent") is entered into by and between THE CITY OF SAN DIEGO, a California municipal corporation ("CITY") and MISSION BAY SPORTS CENTER, a California Corporation ("MB Sports Center") to be effective upon execution by CITY and approval by the San Diego City Attorney (the "Effective Date"), as follows:

RECITALS

- A. MB Sports Center is the "LESSEE," under that certain CITY OF SAN DIEGO PERCENTAGE LEASE dated July 21, 2011, filed as Document No. RR-306876 in the Office of the City Clerk, by and between CITY, as lessor, and Mission Bay Sports Center, a California Corporation, as lessee ("Master Lease"), relating to certain real property ("Master Lease Property") located at 1010 Santa Clara Place in Mission Bay Park, City of San Diego, County of San Diego, State of California, and more particularly described in the Master Lease.
- B. The Master Lease requires CITY'S prior consent to any sublease of the Master Lease Property.
- C. MB Sports Center and Performance JetLev Southwest LLC ("Sublessee") have executed that certain COMMERCIAL LEASE ("JetLev Sublease") dated July 25, 2013, whereby, MB Sports Center subleases to Sublessee and Sublessee subleases from MB Sports Center a portion of the Master Lease Property ("Sublease Premises") located on the Master Lease Property and more fully described in the Sublease, attached hereto as Exhibit A.
- D. MB Sports Center has requested the CITY's consent to the Sublease.

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

- 1. CITY'S Consent. Subject to the terms and conditions of this Consent, CITY hereby consents to MB Sports Center subleasing a portion of the Master Lease Property to the Sublessee, JetLev Southwest, LLC.
- 2. Subordination. The Sublease is and shall be subordinate to the Master Lease. CITY shall not be bound by any term or condition in the Sublease. Any conflict between the Master Lease and the Sublease shall be construed or resolved in favor of the Master Lease.
- 3. Master Lease Provisions. Without releasing MB Sports Center from any obligations under the Master Lease, MB Sports Center shall ensure that Sublessee assumes and shall perform the obligations of "LESSEE" under the Master Lease

as and to the extent such obligations are applicable to the Sublease Premises or Sublessee's use of any common area within the Master Lease Property.

4. Use. Sublessee's use of the Sublease Premises shall be for purposes of JetLev equipment storage, equipment rental, related accessories sales and for instruction of JetLev activity to be conducted in the waters of Mission Bay Park as approved by CITY. A copy of the Mission Bay Park map is attached as Exhibit B. The Sublease Premises shall not be used for any other purposes without the advance written approval of CITY. All uses of the Sublease Premises shall comply at all times to the Master Lease.
5. Operations Plan - CITY Fire-Rescue Department, Life Guard Services Approval. At least thirty (30) days prior to December 31, 2013, SUBLESSOR shall, at its sole expense, submit to CITY's Real Estate Assets Department a written Operations Plan approved by CITY's Fire-Rescue Department, Life Guard Services. The Operations Plan shall describe how SUBLESSEE intends to conduct each of the uses approved by CITY in the waters of Mission Bay Park. Such Operations Plan shall be in form and contain content satisfactory to CITY. Except as required by law, SUBLESSEE shall not make any changes to an existing CITY-approved Operations Plan without CITY's prior written approval in each instance. SUBLESSEE shall conduct each use in the waters of Mission Bay Park in accordance with its most recently CITY-approved Operations Plan. CITY acknowledges that SUBLESSEE has submitted an Operations Plan, which has been approved by the CITY through December 31, 2013 and is attached as Exhibit C.
6. Rent. In addition to rent due by MB Sports Center pursuant to the Master Lease, MB Sports Center shall pay the following to CITY as percentage rent, as defined in section 4 of the Master Lease:
 - (a) Ten percent (10%) of all of Sublessee's gross revenue ("gross revenue" as that term is defined in the Master Lease) received from aquatic and land-based fitness training and instructional courses;
 - (b) Five percent (5%) of all of Sublessee's gross revenue received from youth (i.e., organized group program for youth under 18 years of age) fitness training and instructional courses;
 - (c) Twenty percent (20%) of all of Sublessee's gross revenue received from sales of equipment and accessories;
 - (d) Twenty percent (20%) of Sublessee monthly minimum rent as defined in Section 2 of the Sublease:
5. Indemnification. MB Sports Center shall require that Sublessee shall defend, indemnify, protect, and hold CITY, its elected officials, officers, representatives,

agents and employees harmless from and against any and all claims asserted or liability established for damages or injuries to any person or property, including without limitation any injury to MB Sports Center's or Sublessee's officers, employees, agents, invitees, guests, subtenants or licensees, which arise out of or are in any manner directly or indirectly connected with the Sublease, Sublessee's use of or operations on the Master Lease Property, the condition of the Sublease Premises, or from any act or omission of Sublessee or any of his employees, agents, invitees, guests, subtenants or licensees; provided, however, this duty to indemnify and hold harmless shall not include any claims or liability arising from the established sole negligence, or sole willful misconduct of CITY, its elected officials, officers, representatives, agents or employees. CITY may, at its election, conduct the defense or participate in the defense of any claim related in any way to this indemnification. If CITY chooses at its own election to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification, MB Sports Center and Sublessee shall pay all of the costs related thereto, including without limitation reasonable attorney fees and costs.

6. Insurance. Prior to the effective date of this Consent, Sublessee shall file with CITY a copy of the policy of insurance in compliance with Section 8.2 of the Master Lease and maintain such insurance through the term of the JetLev Sublease.
7. Subsequent Sublease. This Consent does not constitute consent to any subsequent subletting of any portion of the Master Lease Property, and does not relieve MB Sports Center or any person claiming under or through MB Sports Center of the obligation to obtain CITY'S consent to any future sublease.
8. No Modification of Master Lease or Sublease. Except as may be provided herein, this Consent shall not be deemed or construed to modify, waive, impair, or affect any of the terms or conditions of the Master Lease. Additionally, MB Sports Center shall not modify, waive, impair or affect the terms or conditions of the Sublease without the consent of CITY.
9. Controlling Law. The terms and conditions of this Consent shall be construed in accordance with the laws of the State of California.
10. Captions. Captions to the sections of this Consent are included for convenience only and do not modify any of the terms of this Consent.
11. Entire Agreement. This Consent constitutes the entire statement of the agreement of the parties pertaining to CITY'S consent to MB Sports Center subleasing a portion of the Master Lease Property to the Sublessee, and is binding on and inures to the benefit of the parties' respective heirs, representatives, successors and assigns. No party has been induced to enter into this Consent by, nor is any party relying on, any representation or warranty outside those expressly set forth

in this Consent. No modification of the terms or conditions of this Consent shall be effective unless made in a writing that expressly states that it modifies this Consent, and signed by the parties hereto.

12. Authority. Each individual executing this Consent on behalf of another person or legal entity represents and warrants that he/she is authorized to execute and deliver this Consent on behalf of such person or entity in accordance with duly adopted resolutions or other authorizing actions which are necessary and proper and under such legal entity's articles, charter, bylaws, or other written rules of conduct or governing agreement, and that this Consent is binding upon such person or entity in accordance with its terms. Each person executing this Consent on behalf of another person or legal entity shall provide CITY with evidence, satisfactory to the CITY, that such authority is valid and that such entity is a valid, qualified corporation, limited liability company, partnership, or other unincorporated association in good standing in its home state and that such entity is qualified to do business in California.
13. Partial Invalidity. If any term, covenant, or condition in this Consent is, to any extent, held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Consent, or the application of that term, covenant, or condition to persons or circumstances other than those as to which it is held to be invalid or unenforceable, will not be affected by that invalidity or unenforceability, and all other terms, covenants, and conditions of this Consent will be valid and enforceable to the fullest extent permitted by law.
14. CITY's Consent Null and Void. If at any time, either MB Sports Center or Sublessee fail to comply with any of the terms and conditions set forth in this Consent, this Consent shall automatically and retroactively become null and void as of the date of any such failure to comply. Any such failure to comply with any term or condition of this Agreement shall constitute a default under the Master Lease and the CITY may avail itself of any rights and remedies available under the Master Lease and at law.

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IN WITNESS WHEREOF, the parties hereto execute this Consent to be effective as of the Effective Date.

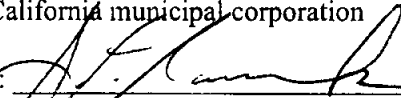
Date: 8/29/13

Mission Bay Sports Center, a California corporation

BY: 
Name: Michael Thurston
Title: President

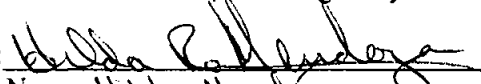
Date: 9/11/13

THE CITY OF SAN DIEGO,
A California municipal corporation

BY: 
Name: James F. Barwick, CCIM
Title: Director, Real Estate Assets

APPROVED AS TO FORM AND LEGALITY
this 11th day of September 2013.

JAN I. GOLDSMITH, San Diego City Attorney

BY: 
Name: Hilda Mendoza
Title: Deputy City Attorney

VEB/vb
08/22/2013

I: WPO2013\BALOTSKY\MB SPORTS CENTER-CONSENT TO SUBLEASE-JETLEV

Commercial Lease

This Commercial Lease is made between Mission Bay Sportcenter, Inc., herein called "Lessor," and, JetLev Southwest LLC., herein called "Lessee."

Lessee hereby offers to sublease from Lessor a portion of Premises situated in the City of San Diego, County of San Diego, State of California, described as one story property at 1010 Santa Clara Place, ("Premises"), detailed in the attached Exhibit A, upon the following TERMS and CONDITIONS:

1. **Subordination.** This Commercial Lease is in effect a sublease of the Premises covered by that certain Master Lease Agreement dated July 21, 2011, filed as document No. RR – 306876 in the Office of the City Clerk ("Master Lease Agreement"), between the Lessor herein and the City of San Diego (City). This sublease is subject and subordinate to the covenants and conditions of said Master Lease Agreement notwithstanding any provision hereof contrary to or in conflict with said Master Lease Agreement.
2. **Term and Equipment Rental.** Lessor demises the above Premises for a one year term, commencing upon final approval of the consent to the sublease by the City, at the monthly percentage rate of fifteen (15%) of gross and minimum two thousand dollars (\$2,000.00) per month payable in arrears on the last day of every month. All payments shall be made to the Lessor, at the address specified below. On June 1, 2013 rent will increase to a monthly percentage rate of fifteen (15%) of gross and minimum three thousand two hundred dollars (\$3,200.00) per month payable in arrears on the last day of every month. A reassessment of this Commercial Lease will be issued upon revaluation and approval of initial year conducted by City.
3. **Percentage Rent.** Lessee shall pay Lessor in addition to the Equipment rental, percentage of Lessee's gross receipts for sales of approved activity, JetLev Southwest (JetLev) and boating accessories and percent (15%) of Lessee's gross receipts for instructional JetLev Southwest (JetLev) Instruction and rentals, monthly in arrears, and prior to the 16th day of the month following that month in which the revenue subject was earned to be forwarded to the city. City will decide percentage during approval of lease

Shared Expenses. Lessee shall pay to Lessor, as additional rent, Lessee's "proportionate share" of (1) all costs of operation and maintenance of the common facilities; (2) utilities including electrical, gas and water; (3) all "real estate taxes" levied and assessed against the Premises. Said-shared expenses shall be paid monthly by the end of the month billed. At the end of the first term of the Commercial Lease, the "proportionate share" shall be re-evaluated and adjusted to reflect actual usage.

Definitions: For the purpose of this section (a) Lessee's "proportionate share" shall be equal to the total "shared expenses" divided by the number of sublessees and the Lessor in equal shares unless otherwise agreed upon.

4. **Operating Plan - City Fire-Rescue Department, Life Guard Services Approval.** At least sixty (60) days prior to each June 1st during the term of this Commercial Lease, Lessee shall, at its sole expense, submit to City a written, annual operating plan describing how Lessee intends to conduct each of the Allowed Uses in the waters of Mission Bay. Each such operating plan shall be in form and contain content reasonably satisfactory to City. Except as required by law, Lessee shall not make any changes to an existing City-approved operating plan without City's prior written approval in each instance, which may not be unreasonably withheld or delayed. Lessee shall conduct each Allowed Use in the waters of Mission Bay in accordance with its most recently City-approved operating plan. City acknowledges that Lessee has submitted an operating plan for the first Lease year, which has been approved by the City. The area of operation is detailed in the attached Exhibit B.
5. **Use.** Lessee shall use and occupy the Premises for JetLev and related accessories sales (Allowed Use). The Premises shall be used for no other purpose. The Lessor shall not allow any other JetLev sales,

rental or instruction businesses to operate out of the facility. Lessee agrees to not engage in any business not specified in this Commercial Lease.

6. **Assignment and Subleasing.** Lessee shall not assign this lease or sublet the premises or any part thereof without the prior written consent of Lessor and City. An assignment by operation of law shall automatically terminate this lease.
7. **Care and Maintenance of Premises.** Lessee acknowledges that the premises are in good order and repair, unless otherwise indicated herein. Lessee shall, at his own expense and at all times, maintain the premises in good and safe condition, including plate glass, electrical wiring, plumbing and heating installations and any other system or equipment upon the premises, and shall surrender the same at termination hereof, in as good condition as received, normal wear and tear excluded. Lessee shall be responsible for all repairs required, including the roof and the exterior walls over and around the subleased area.
8. **Alterations.** Lessee shall not, without first obtaining the written consent of Lessor, make any alterations, additions, or improvements, in, to, or about the premises. The Lessee shall be responsible for all interior and exterior improvements.
9. **Ordinances and Statutes.** Lessee shall comply with all statutes, ordinances and requirements of all municipal, state and federal authorities now in force, or which may hereafter be in force, pertaining to the premises, occasioned by or affecting the use thereof by the Lessee.
10. **Utilities.** All applications and connections for necessary utility services on the demised premises shall be made in the name of Lessee only, and Lessee shall be solely liable for utility charges as they become due, including those for sewer, water, gas, electricity, and telephone services.
11. **Entry and Inspection.** Lessee shall permit Lessor or Lessor's agents to enter upon the premises at reasonable times and upon reasonable notice, for the purpose of inspecting the same, and will permit Lessor at any time within sixty (60) days prior to the expiration of this lease, to place upon the premises any usual "To Let" or "For Lease" signs, and permit those persons desiring to lease the same to inspect the premises thereafter.
12. **Possession.** If Lessor is unable to deliver possession of the premises at the commencement hereof, Lessor shall not be liable for any damage caused thereby, nor shall this lease be void or voidable, but Lessee shall not be liable for any rent until possession is delivered. Lessee may terminate this lease if possession is not delivered within 10 days of the commencement of the term hereof.
13. **Indemnification of the Lessor.** Lessor shall not be liable for any damage or injury to Lessee, or any other person, or to any property, occurring on the demised premises or any part thereof, and Lessee agrees to hold Lessor and City harmless from any claim of damages, no matter how caused.
14. **Insurance.** Lessee shall be insured by an insurance carrier acceptable to the Lessor and City against loss from public liability arising from the use or condition of or operation conducted on the leased premises.
 - (a) Commercial General Liability Insurance, providing for bodily injury, including death, personal injury, and property damage with minimum limits shall be at least Two million (\$2,000,000) per occurrence, subject to an annual aggregate of at least Four Million Dollars (\$4,000,000).
 - (b) Automobile Liability Insurance, providing coverage for all bodily injury and property damage, with a limit of at least One Million Dollars (\$1,000,000) per occurrence. Such insurance shall cover liability arising out of any vehicle (including owned, hired, and non-owned vehicles) operated in performing any and all work pursuant to this Lease. Coverage shall be written on ISO form CA 00 01 12 90, or a substitute form providing equivalent liability coverage; and

- (c) Workers' Compensation Insurance, as required by the laws of the State of California for all of sublessee's employees who are subject to this Lease, with Employers' Liability coverage with a limit of at least One Million Dollars (\$1,000,0000)

A copy of the policy of insurance shall be filed with the City and shall name "The City of San Diego, its elected officials, officers, employees, representatives, and agents" and "Mission Bay Sports Center, Inc." as additional insured. Said policy shall specify that the policy may not be terminated, altered or canceled without 30 days prior written notice to City by the insurance company.

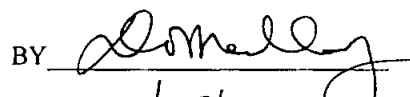
15. **Hold Harmless.** Lessor shall require that Lessee shall defend, indemnify, protect and hold City its elected officials, officers, representatives, agents and employees harmless from and against any and all claims asserted or liability established for damages or injuries to any person or property, including without limitation any injury to Lessor's or Lessee's officers, employees, agents, invitees, guests, subtenants or licensees, which arise out of or are in any manner directly or indirectly connected with the Commercial Lease. Lessee's use of or operations on or outside the Premises as approved by City, the condition of the Premises, or from any act or omission of Lessee or any of his employees, agents, invitees, guests, subtenants or licensees; provided, however, this duty to identify and hold harmless shall not include any claims or liability arising from established sole negligence, or sole willful misconduct of City, its elected officials, officers, representatives, agents or employees, City may, at its election, conduct the defense or participate in the defense of any claim related in any way to this indemnification. If City chooses at its own election to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification, Lessor and Lessee shall pay all of the costs related thereto, including without limitation reasonable attorney fees and costs.
16. **Eminent Domain.** If the Premises or any part thereof or any estate therein, or any other part of the building materially affecting Lessee's use of the Premises, shall be taken by eminent domain, this Commercial Lease shall terminate on the date when title vests pursuant to such taking. The rent, and any additional rent, shall be apportioned as of the termination date, and any rent paid for any period beyond that date shall be repaid to Lessee. Lessee shall not be entitled to any part of the award for such taking or any payment in lieu thereof, but Lessee may file a claim for any taking of fixtures and improvements owned by the Lessee, and for moving expenses.
17. **Destruction of Premises.** In the event of a partial destruction of the Premises during the term hereof, from any cause, Lessor shall forthwith repair the same, provided that such repairs can be made within sixty (60) days under existing governmental laws and regulations, but such partial destruction shall not terminate this Commercial Lease, except that Lessee shall be entitled to a proportionate reduction of rent while such repairs are being made, based upon the extent to which the making of such repairs shall interfere with the business of Lessee on the Premises. If such repairs cannot be made within said sixty (60) days, Lessor, at his option, may make the same within a reasonable time, this Commercial Lease continuing in effect with the rent proportionately abated as aforesaid, and in the event that Lessor does not elect to make such repairs which cannot be made within sixty (60) days, this Commercial Lease may be terminated at the option of either party. In the event that the building in which the demised Premises may be situated is destroyed to an extent of not less than one-third of the replacement costs hereof, Lessor may elect to terminate this Commercial Lease whether the Premises be injured or not. A total destruction of the building in which the Premises may be situated shall terminate this Commercial Lease.
18. **Lessor's Remedies on Fault.** If Lessee defaults in the payment of rent, or any additional rent, or defaults in the performance of any of the other covenants or conditions hereof, Lessor may give Lessee notice of such default and if Lessee does not cure any such default within 10 days, after the giving of such notice (or if such other default is of such nature that it cannot be completely cured within such period, if Lessee does not commence such curing within such 20 days and thereafter proceed with reasonable diligence and in good faith to cure such default), the Lessor may terminate this Commercial Lease on not less than 30 days' notice to Lessee. On the date specified in such notice the term of this

Commercial Lease shall terminate, and Lessee shall then quit and surrender the premises to Lessor, but Lessee shall remain liable as hereinafter provided. If this Commercial Lease shall have been so terminated by Lessor, Lessor may at any time thereafter resume possession of the Premises by any lawful means and remove Lessee or other occupants and their effects. No failure to enforce any term shall be deemed a waiver.

19. **Security Deposit.** Lessee shall deposit with Lessor on the signing of this Commercial Lease the sum of two thousand dollars (\$2000.00) as security deposit for the performance of Lessee's obligations under this Commercial Lease, including, without limitation, the surrender of possession of the premises to Lessor as herein provided. If Lessor applies any part of the deposit to cure any default of Lessee, Lessee shall on demand deposit with Lessor the amount so applied so that Lessor shall have the full deposit on hand at all times during the term of this Commercial Lease.
20. **Tax Increase.** In the event there is any increase during any year of the term of this Commercial Lease in the City, County or State real estate taxes over and above the amount of such taxes assessed for the tax year during which the term of this Commercial Lease commences, whether because of increased rate or valuation, Lessee shall pay to Lessor upon presentation of paid tax bills an amount equal to 25% of the increase in taxes upon the land and building in which the leased premises are situated. In the event that such taxes are assessed for a tax year extending beyond the term of the Commercial Lease, the obligation of Lessee shall be proportionate to the portion of the Commercial Lease term included in such year.
21. **Attorney's Fees.** In the event suit should be brought for recovery of the Premises, or for any sum due hereunder, or because of any act which may arise out of the possession of the Premises, by either party, the prevailing party shall be entitled to all costs incurred in connection with such action, including a reasonable attorney's fee.
22. **Notices.** Any notice which either party may, or is required to, give, shall be given by mailing the same, postage prepaid, to Lessee at the Premises, or Lessor at the address shown below, or at such places as may be designated by the parties from time to time.
23. **Entire Agreement.** The foregoing constitutes the entire agreement between the parties and may be modified only by a writing signed by both parties. The following Exhibits have been made a part of this Commercial Lease before the parties execution hereof:

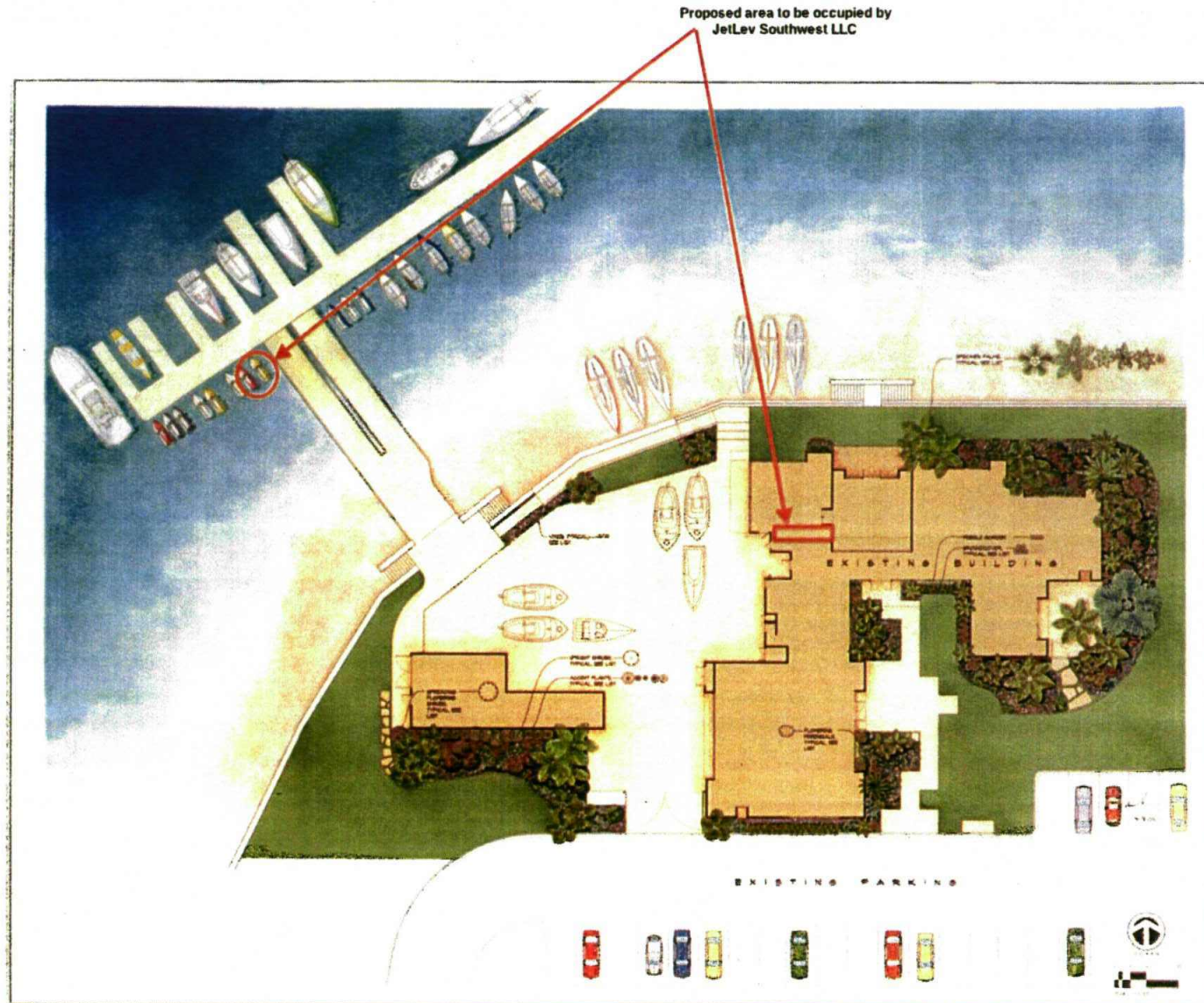
BY 
DATE 7/25/13

Zach Funston
Mission Bay Sportcenter, Inc.
1010 Santa Clara Place
San Diego, CA 92109

BY 
DATE 7/25/13

Dean O'Malley
Jetlev Southwest L.L.C.
2600 Newport Blvd., Suite 122
Newport Beach, CA 92663

EXHIBIT A



- Two jet ski docks for storage of Jetlev and support ski (12'X20' = 240sqr ft)
- Front counter area for check-in, reception, video editing, etc. (20'X9' = 180sqr ft)

EXHIBIT B



Jetlev Southwest Operations Plan

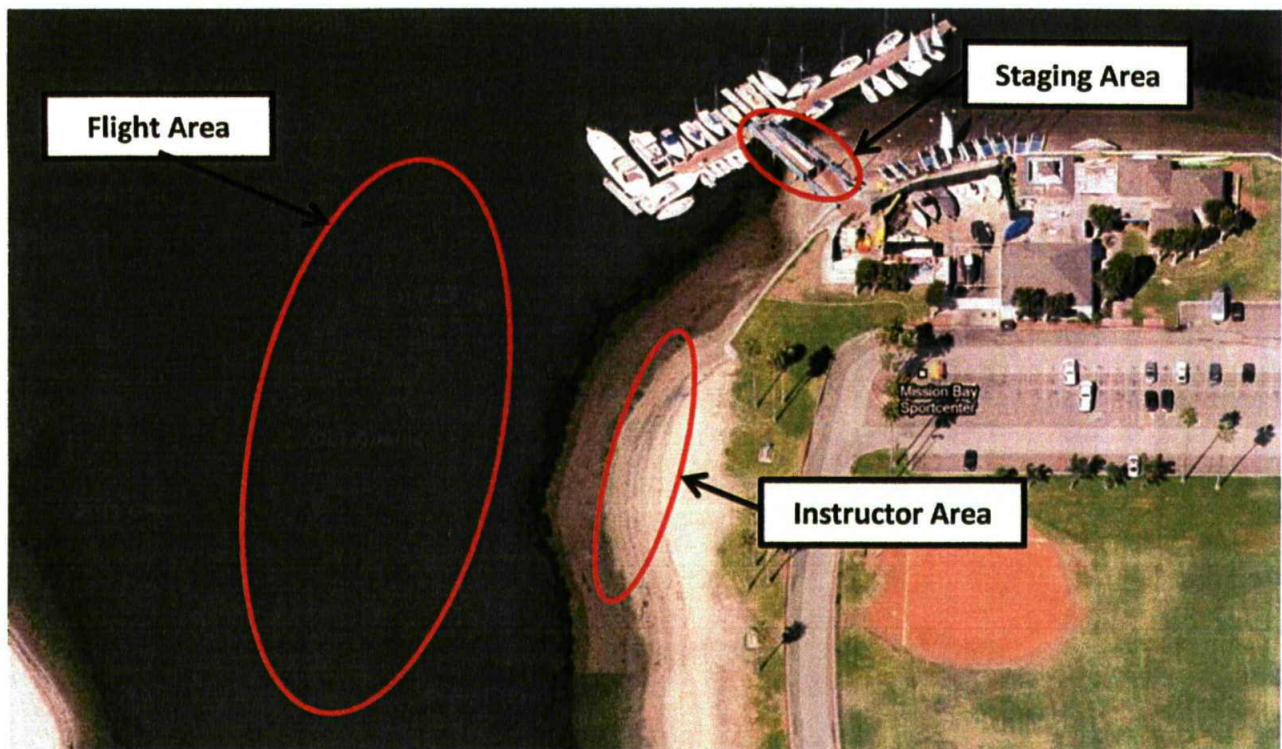
Operational Periods

October-February: 9am-4pm (flight timeframe)

March-September: 9am-6pm (flight timeframe)

Standard daily operation begins one hour before the first flight time (8am arrival), which gives ample time to check equipment, set up flight area, get first customers signed in and complete their orientation. The operation wraps one hour after the last flight is completed, which gives time for clean-up, equipment checks, etc.

Concession Location



Staging Area – The currently unused, raised dock will be used for the customer staging and pre-flight orientation and training. This will be an ideal location, since customers will be able to watch the preceding customer during their flight, which will help with the training process.

Flight Area – The roughly 300' x 100' area on the west side of the peninsula will be used for the customer flights. This will keep customers out of the higher traffic areas, will provide good visibility for the instructor on the beach and will have easy access from the office. Note: Alternative flight areas are available should there be any issues arriving with the primary location, due to noise concerns, waterway



congestion, etc. If issues arrive, the Jetlev Southwest and Mission Bay Sportcenter will work with the San Diego Lifeguards to decide upon a suitable alternative location.

Instructor Area – The instructor will walk along the 100' of beach in front of the Flight Area, which will give good profile visibility during the customers' flights.

Student-to-Instructor Ratios

The ratio of customer-to-staff ratio will always be a minimum of 2:1, with the instructor on the beach and the instructor assistant in the water on a jet ski providing primary support. As secondary support, there will be additional staff available in the staging area, should any additional assistance be required.

Equipment Overview

The following equipment will be used for all customer flights:

Jetpack – The backpack the customer wears, which has the hose connection and nozzles, which direct the water pressure downward to propel the pilot into the air. Although the pack weighs 28 lbs, its carbon fiber design allows it to float, so there's no risk of sinking while wearing the pack.

Hose – The 33' hose, which connects the boat unit to the backpack, transferring up to 1000 gallons of water to lift the pilot into the air.

Boat Unit – Also referred to as "the pod", the boat unit is roughly the same size as a standard jet ski and contains a SeaDoo RXPX engine, which powers the impeller to push the water up through the hose and out the nozzles of the backpack.

Jet Ski – The Instructor Assistant provides first-response support via a jet ski in the water.

Life Vest – All pilots wear a USCG-approved life vest for the duration of their flights.

Remote Control – The Instructor on the beach will maintain throttle control for the duration of all first-time pilots' flights. The Instructor also has the ability to override experienced pilots' throttle, should they get into a dangerous situation.

Walkie-Talkie Helmet – All pilots wear a waterproof walkie-talkie helmet, which allows the instructor to communicate with the pilot throughout their flight, providing step-by-step instruction as the flight occurs. This training method allows most first-time pilots to begin flying in five minutes or less.

Training Requirements for Staff

All Instructors must be CPR-certified and receive Certified Flight Instructor designation from Jetlev Academy through a seven-day certification course. All Instructor Assistants must be CPR-certified and demonstrate the necessary support skills for the position (jet ski operation, swimming skills, shadow-flying, etc.)

Training Requirements for Customers

All customers must complete the following steps as part of their jetpack flight experience:

- Read and sign liability waiver
- Prove a thorough understanding of the English language



- Watch Jetpack Flight Training Video
- Watch Equipment Overview
- Watch Flight Control Overview
- Demonstrate all required flight skills in Training Pack before proceeding to Flight Area
- Confirm all equipment fits and walkie-talkie instructions are clearly heard before entering water
- Listen to all flight commands from the Instructor on the beach for the duration of the flight
 - o Instructor reserves the right to stop a customer's flight at any time, if he/she is not following instructions or is flying in an unsafe manner

Age restrictions

Customers must be at least 16 years of age to participate. If under the age of 18, at least one of the minor's parents/guardians must be on-site for the duration of the flight experience and sign the Parental Hold-Harmless agreement.

Weight restrictions

Customers must be between 85 and 330 lbs to participate.

Height restrictions

Customers must be between 5'0" and 7'0" to participate.

Weather Considerations

The jetpack can be operated in most weather conditions, including moderately high seas and moderate winds. If conditions in the Flight Area worsen beyond 2-foot waves and/or 20 knot winds, all flights will be halted until weather conditions improve.

Emergency Response Plan

In the event of a water or land emergency, the following steps would be taken:

- Call 911 (both Instructor and Instructor Assistant have cell phones on them at all times, so the person who is closest to the customer would attend to the customer, while the other calls 911)
- If the incident occurred in the water:
 - o The Instructor Assistant acts as first-responder, determining if the customer is conscious or unconscious
 - o If the customer is unconscious:
 - The Instructor Assistant's first objective is to ensure the customer is breathing and there are no obstructions of the airways
 - If there is a potential neck or back injury, the customer should be left in the pack to provide stable support
 - If a neck or back injury is unlikely, the Instructor Assistant would release the customer from the backpack using the quick-release buckle to allow the



Instructor Assistant to swim the customer to the shore, where CPR can safely be administered, if necessary

- If the customer is conscious:
 - The Instructor Assistant communicates with the customer to determine the severity of the injury
 - If the customer is able, he/she will grab the tow rope on the jet ski and be pulled to shore
 - If the customer is unable to hold the tow rope, the Instructor Assistant will get into the water to assist with the situation and pull the customer to shore, either in the jetpack or after releasing him/her from it
- If the incident occurred out of the water:
 - The Instructor acts as first-responder, determining if the customer is conscious or unconscious
 - If the customer is unconscious:
 - The Instructor's first objective is to ensure the customer is breathing and there are no obstructions of the airways
 - If there is a potential neck or back injury, the customer should be left in the pack to provide stable support
 - If a neck or back injury is unlikely, the Instructor would release the customer from the backpack using the quick-release buckle to allow the customer to be placed flat on the ground, where CPR can safely be administered, if necessary
 - If the customer is conscious:
 - The Instructor communicates with the customer to determine the severity of the injury
 - The Instructor communicates the status to the Instructor Assistant to share with the paramedic team

Communications

Most communications occur through the walkie-talkies, which both the Instructor and Instructor Assistant have on them at all times. If there is an issue with the walkie-talkies (i.e. battery is dead, radio is dropped in the water, etc.), then verbal communications (within earshot) or hand signals (out of audible range) are used.

All staff also have cell phones, so general operational communications are handled through text messages (informing assistants of customer's flight time, flight duration, video package, etc.).

Emergency Signals



Since both the Instructor and Instructor Assistant have walkie-talkies, the primary method of communication is via the walkie-talkies, but there are hand signals that are used in addition and in case of issues with the walkie-talkies.

Thumbs Up – Everything is good

Thumbs Down – Something is wrong

Hand motion across the throat – Cut the engine (if engine is running), unit is out of gas (if engine is not running)

Waving arm in customer's direction – Requesting assistance in the water

In most cases, the flight area is within earshot, so verbal communication is usually sufficient.



Accident or Incident Reports

The following is available in a separate document:

Jetlev Incident Report

Date

Employee

Manager

Name

Name

Title/position

Title/position

Incident

Date

Time

Location

Description of incident (equipment damage, injuries, waivers signed, etc.)

Employee explanation



Witnesses

Action to be taken (repairs, medical attention required, etc.)

By signing this document, you acknowledge that you have read and understood the information contained herein.

Employee

Manager

Date

Date



Jetlev Southwest/Jetpack America - Operations Plan Addendum

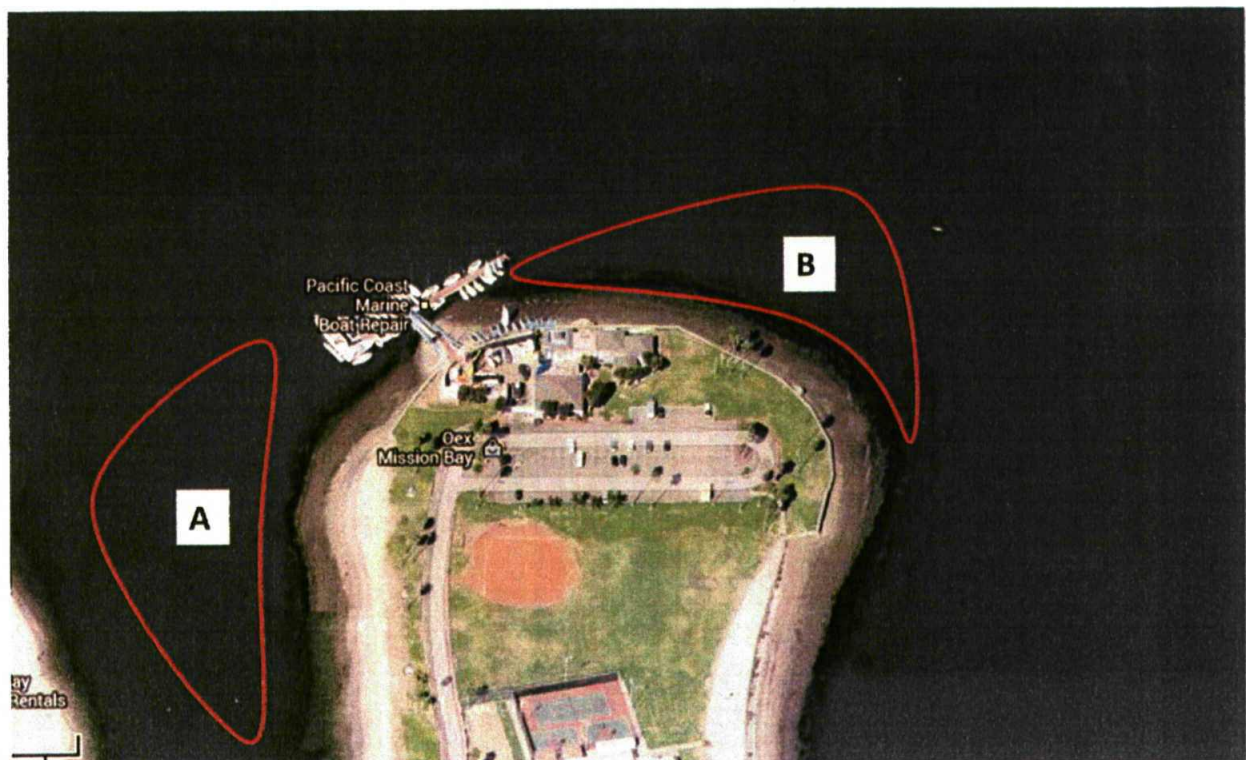
Secondary Operating Location

Due to occasional heavy congestion in the cove on the west side of Santa Clara point, which is the primary approved operating location, a secondary operating location has been established to ensure the safety of all users of the bay. See map below.

The reasons we would move to the Operating Area B are as follows:

- 1) Congestion from summer camp activities
- 2) Congestion from Junior Lifeguard activities
- 3) Congestion from boat/paddleboard/kayak renters
- 4) Noise complaints from neighbors

Safety is always our number one concern, so that will always be our primary driver for making the move to Operating Area B.





JWILLIA-01

LBENDER

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

7/26/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER License # 0C36861
San Marcos-Alliant Insurance Services, Inc.
570 Rancheros Dr Ste 100
San Marcos, CA 92069

CONTACT NAME: Lisa Bender

PHONE (A/C, No, Ext): (760) 304-7120

FAX (A/C, No): (760) 304-7360

E-MAIL ADDRESS:

INSURED

J Williams Enterprises Inc.
2600 Newport Blvd Ste 22
Newport Beach, CA 92663

INSURER(S) AFFORDING COVERAGE

NAIC #

INSURER A: Admiral Insurance Company

24856

INSURER B: First Mercury Insurance Company

10657

INSURER C:

INSURER D:

INSURER E:

INSURER F:

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY		CA00001791101	6/24/2013	6/24/2014	EACH OCCURRENCE \$ 1,000,000
	☒ COMMERCIAL GENERAL LIABILITY					DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000
	☐ CLAIMS-MADE ☒ OCCUR					MED EXP (Any one person) \$ 5,000
	☒ \$5,000 ded per occ					PERSONAL & ADV INJURY \$ 1,000,000
	☒ BI/PD/PI/AI combined					GENERAL AGGREGATE \$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:					PRODUCTS - COMP/OP AGG \$ 2,000,000
	☐ POLICY ☐ PRO-JECT ☐ LOC					\$
	AUTOMOBILE LIABILITY					COMBINED SINGLE LIMIT (Ea accident) \$
	☐ ANY AUTO					BODILY INJURY (Per person) \$
	☐ ALL OWNED AUTOS	☐ SCHEDULED AUTOS				BODILY INJURY (Per accident) \$
	☐ HIRED AUTOS	☐ NON-OWNED AUTOS				PROPERTY DAMAGE (PER ACCIDENT) \$
						\$
B	UMBRELLA LIAB ☒ OCCUR		CA-EX-000002688801	4/5/2013	4/5/2014	EACH OCCURRENCE \$ 2,000,000
	☒ EXCESS LIAB	☐ CLAIMS-MADE				AGGREGATE \$
	DED \$	RETENTION \$				General Agg \$ 2,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY					WC STATUTORY LIMITS OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	☐ Y/N	N/A			E.L. EACH ACCIDENT \$
	If yes, describe under DESCRIPTION OF OPERATIONS below					E.L. DISEASE - EA EMPLOYEE \$
						E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER**CANCELLATION**

Proof of Insurance

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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Certified Pilot Training Course - Introduction

Our goal is to get you, the Jetlev student, trained in the quickest, most thorough manner possible, so that you can fly safely in a variety of environments, can perform a broad spectrum of flying skills, and have a good working knowledge of the Jetlev equipment and how it's maintained. To get you to that level, we will need your complete attention. To that fact, while we appreciate that taking this time off will create an inconvenience for some, we ask that all business be left at home and phones only be used during breaks assigned by instructors. Also, we recognize that new pilots would like family and friends to see them fly, but the interruption of the class organization is not acceptable for the fairness of all paying students. We ask that you get explicit approval from the instructor who and how many will be there.

While not flying, each student should take advantage of the time to watch the instructors and the other pilots so they can "learn" from others. There is really no down time during training. We will need your complete attention throughout training and appreciate your help in giving us what we need to get you trained to the highest standard.

Lunch and breaks are determined by the instructor and scheduled to keep continuity for the entire class.

In order to become a Certified Pilot, the student must demonstrate all basic flight skills, but also must show a complete understanding of the transport, flushing and maintenance of the Jetlev unit. There will be a written test asking to demonstrate the basic skills needed and an identification test to verify understanding of basic components and locations. These are required to insure the reliability of the unit in the customer's hands.

Failure to attain these goals will result in the denial of possession of the assigned Jetlev until competency can be established by the Academy.

Class size is limited to a maximum of three to ensure all students have sufficient flying time and hands-on experience that's required to ensure all skills are adequately learned. Training hours are Monday through Thursday from 9am until 5pm. Due to unpredictable weather that may impact our ability to fly on certain days, we may ask the students to come in early or stay late, but we will try to give as much notice as possible if this will be required.

Instructors are asked to make notations on this sheet as a daily update on progress of pilot. This will keep a record of the skill achievements you acquire.

Below is an outline of the week's schedule. As you can see, there is a lot of information packed into a fairly short timeline. Students are encouraged to learn at their own pace, but they must demonstrate a specific level of expertise by the end of the course. We encourage questions throughout the training course and, most importantly, we encourage you to have fun. After all, you are learning to fly the world's first recreational Jetpack!

Monday – Classroom: Jetlev history, flight theory, Jetlev equipment, parts breakdown, basic maintenance and diagnostics

- Flight Training:**
- A. Beginning flying (2-3 sessions varying from 15 minutes to 30)**
 - B. Flying in trapeze**
 - C. Flying height ceiling of 10 feet**
 - D. Beginning Yaw turns**
 - E. Practice donut turns, walking on water and submarines**

Break down and storage of equipment including flushing and maintenance

Tuesday flight – Pack up equipment and prepare for use

Beginning Assistant Training: Student pilots should each take turns assisting in teaching the turtle to a fellow pilot and assisting in water entry as appropriate to his facility.

- Flight Training:**
- A. Self-throttle**
 - B. 180-degree turns using yaw assist**
 - C. Beginning hovers at high taxi**
 - D. Controlled climbs to 20 feet**
 - E. Emergency avoidance maneuvers (snap yaws in opposite directions)**
 - F. Fun flight working on basic throttle and arm control skills**

Break down and storage of equipment including flushing and maintenance

Wednesday flight - Pack up equipment and prepare for use

- Flight Training:**
- A. Demonstrate controlled maneuvers and throttle use**
 - B. Spot landing/precision flying (landing on buoy in water)**
 - C. Controlled climbs to 25 feet**
 - D. Practice using radio communication and throttle using Assistant as new pilot**

E. Practice super slow approach to dock/ramp/beach and show ability to slow by raising arms and throttle down(do not allow approach closer than 15 feet until proficiency is shown)

F. Do a 15 foot climb and pull key to do a drop out

Break down and storage of equipment including flushing and maintenance

Thursday flight – Review and test of component location and procedures. See Test Sheet 1 and 2

Flight Training: A. Practice doing beach takeoffs and landings in shallower and shallower water

B. Controlled climb to 30 foot hover

C. Show understanding of remote control throttling and radio communication

Review and work on any weaknesses seen or implied by student. The final day should be a graduation and a celebratory run to show competency gained during the training course.

Instructor_____

Student_____

Score on Component test_____ Score on written test_____

CERTIFICATION GRANTED? Yes_____ No_____

IF NOT, PLEASE DESCRIBE WHY_____

Jetlev Certified Pilot Class Training

This course is broken into two sections: Classroom and Flight/Water Training.

Section 1-	Jetlev History/Overview/Specifications	PG 2-6
Section 2-	Who can you can fly	PG 7-8
Section 3-	Certified Pilot graduation requirements	PG 9
Section 4-	Certified Flight Instructor graduation requirements	PG 9
Section 5-	Operational Principles/5 Degrees of Freedom	PG 10-12
Section 6-	Lift and Descent control	PG 13
Section 7-	Turning and Control Principles	PG 14
Section 8-	Control Terminology Test	PG 15
Section 9-	Component ID, Boat/Hose/Jetpack	PG 16-19
Section 10-	Component Test	PG 20-22

SECTION 1

HISTORY OF THE JETLEV

"When I was 14 years old, I watched James Bond fly a jet pack in the movie Thunderball and I have dreamed of flying ever since. However, after decades of patient waiting, jetpack technology did not get any closer to mainstreaming personal flight...so I decided to invent a machine that would." – Raymond Li

Raymond Li, a Chinese-born Canadian from St. John's Newfoundland, first sketched out his JetLev concept on a yellow Post-it Note in 2000. After seeing his masterpiece on paper for the first time, Ray unceremoniously retreated, filing it under I for Impossible by burying it in the trash. The sketch was long gone, however, Ray couldn't shake his vision...he couldn't shake his passion.

And 3 years later, Ray began conducting extensive research, concept development and testing on the first ever, water powered jetpack. With assistance from the National Research Council of Canada in 2004, JetLev kicked into high gear and Ray conducted a series of unmanned flight tests. In 2005, JetLev relocated to Dania Beach, FL where Ray's motley crew of daredevil engineers and test pilots cautiously initiated the first in a succession of meticulously planned, manned flight tests. A few close calls...but mostly exhilarating highs.

The first fully operational JetLev prototype was completed in August 2008. A few months later, various clips from these test flights leaked online and went viral, surfacing on a variety of video sharing websites, boasting over 10MM views Worldwide. It seemed that the world was ready for Ray and his crazy contraption.

From 2009 to 2011, development continued and Ray and his team worked to perfect the prototype. Finally, a model was ready for commercial production. And after numerous prototype iterations, dozens of test pilots, hundreds of flights, thousands of hours and countless modifications, JetLev Technologies, Inc. has finally completed development of its JetLev R200 model.

NOW HERE YOU ARE! READY TO FLY A JETPACK!!!!

JETLEV OVERVIEW OF TRAINING AND SAFETY

All activities involving speed, height, water, or power can be inherently risky. Jetlev flying is no exception. However, our extensive research on injury prevention and focus on safety allowed us to develop an extensive array of safety features, protective equipment, training systems and safety protocols to maximize fun and minimize risks.

The Jetlev R200 is approved for sale in the United States by US Coast Guard grant of exemption no. CGB 10-009 (A copy of this is in your training manual).

The Jetlev has excellent inherent fore-aft (pitch) and side-to-side (roll) stability. The weight of water in the supply hose increases with height and further increases stability, and drag from the boat unit greatly increases forward directional stability in flight.

The design of the jetpack thrust assembly allows the major forces of lift, gravity, drag and propulsion to reach equilibrium quickly to achieve stable flight, and isolates these major forces from flight controls. All Jetlev pilots must be trained by certified flight instructors using our advanced training system. Our helmet radio coaching system and remote throttle control system take the guesswork out of learning and minimize the risks of accidents.

The jetpack is buoyant. It weighs 28 pounds and yet has plus 2 buoyancy, which means it will float on its own. The saddle seat provides protection for lower body against injuries from water impact, and the back rest provides protection against head, neck and back injuries. The pilot is strapped snugly to the jetpack and there are little opportunities for injuries caused by secondary collision. The quick-release body harness allows quick egress by the pilot, should it be necessary.

The Jetlev's water jets operate at relatively low pressures of 68 psi or lower but put out an astonishing volume of between 800 to 1000 gallons a minute! The Jetlev has the ability to hover, bank, stop quickly and reverse directions in the air to avoid collisions. The water hose limits flight altitudes to less than 30 feet—lower than a 10-m dive platform—and water serves as an excellent safety net at normal operating heights and speeds.

Mandatory Type II or III Coast Guard approved PFD provides impact cushioning and floatation.

Safety in Jetlev operating principles

Jetlev operates on the principle of controlled nozzle reaction force. A boat unit under the control of the pilot acts as a mobile and powerful water pump delivering large volumes of low pressure (68 PSI) water to the jet pack via a long, flexible water hose. As water exits jet nozzles on the jetpack, nozzle reaction force generates thrust, which the pilot can control and allocate between lifting and propulsive forces to achieve stable flight. The pilot controls jet thrusts by wired remote control of the engine throttle with a twist grip, a start/stop switch and an emergency

shutoff switch for the engine. Excellent inherent pitch and roll stability arises from the location of the center of gravity well below the nozzle thrust planes, with stability actually increasing with height as long as a minimum forward speed is maintained. Directional stability is assured by drag from the boat unit from behind. Altitude stability is guaranteed because the weight of water being lifted into the air rises quickly with altitude. Typically, the pilot flies at an altitude between 6-28 feet and at speeds from a slow hover up to 30 mph, depending on body weight and fuel load.

- o The jet pack itself does not present hazards associated with rotors, engines, transmissions, heat, or volatile fuels.
- o The 33-foot physical separation between the pilot and the engine/fuel system, and the fact that there are no passengers on the boat unit, greatly reduces any dangers from fire or explosion.
- o Collision risks are lower because the Jetlev's typical flight altitude places the pilot well above swimmers and other boaters on the water.
- o Collision avoidance: Typical operating speeds are much lower than those of personal watercrafts or high powered speed boats. Its stability and control including stable hovers, agile turns and very short stopping distances provides excellent active collision avoidance capabilities.
- o Since the Jetlev should be flown over water at least 6 feet (2 m) deep, the water provides an excellent safety cushion in the event of a fall. From the maximum height of 30 feet, the speed of entry from a free fall is 29.9 mph. By comparison, the Jetlev's maximum altitude is several feet lower than a 10 m diving platform
 - o At any given throttle setting and jet nozzle position, the weight of the entrained water in the hose and drag from the boat unit change accordingly, creating counteracting forces against the jet pack's lift and propulsion, rapidly reaching equilibrium to attain stable flight.
- o The length of the water hose restricts flight altitude and essentially prevents the pilot from flying over other objects.
- o From a typical flying altitude, the pilot has much better visibility than the drivers of most boats. Its large water jets are also highly visible to other boaters.
- o The feet-down flight position provides the optimal posture for water entry in the event of a fall.

Fall- and collision-protection

The jet pack provides excellent support and protection for the pilot.

- o While a 10-m platform diver has no protection, the light weight back rest and frame behind the Jetlev pilot supports and protects the pilot's head, neck, shoulder and spinal column while enhancing stability.
- o The back rest provides about 28lbs of flotation, ensuring positive buoyancy for the jetpack when it is in water.

- o The pilot is secured by a quick-release 5-point harness system and sits comfortably on a padded unicycle-style saddle which supports the weight of the pilot and protects the crotch area against damaging water entry into body cavities.
- o A flexible leg trapeze system provides support for the pilot's legs and helps distribute some of his weight, without restricting the pilot's takeoff and landing procedures.
- o The location of the water supply assembly behind the pilot greatly enhances directional stability and makes it difficult for the pilot to pitch forward out of control.
- o In the event of a fall, the jetpack and harness system has no fuselage and allows the pilot to accelerate and decelerate as one with the jetpack, eliminating the risk of injuries arising from secondary collisions.

Safety features on the boat unit

- o The boat unit provides not only the power for thrust but also the necessary drag to lend stability for controlled flight. It has a streamlined bow and large planing surfaces to reduce drag and to keep the water intake hooked up in the water. It houses the engine, fuel system, exhaust system, electrical system, water pump, pressure pipes, control systems, and flotation chambers. It meets applicable safety standards developed for personal watercrafts for flotation, electrical, fuel system, and ventilation system, but does not carry any passengers.
- o The hull has a low, stable design to minimize the risk of capsizing. The streamlined bow entry and location of the tensile forces at the bottom of the bow greatly reduces the risk of wave jumping and loss of thrust.
- o A sophisticated and effective baffle system separates water from the air at the intake ports, while heavy-duty hatch seals minimize water entry and dual bilge pumps remove bilge water in the engine compartment. Integral foam flotation prevents the boat unit from sinking.
- o All pump and pressure pipe systems are made of hard coat anodized aluminum, (Sapphire coating) to provide maximum corrosion resistance even in harsh salt water environments. All connections in the pressure pipe system are designed with durable and reliable O-ring seals.
- o The weight distribution of the water hose while in flight helps maintain a distance between the pilot and the boat unit. It is virtually impossible for the pilot to fly directly over the boat unit while flying forward. As long as the pilot maintains the jetpack in forward motion, the risks of colliding with the boat unit are small. In the event that the pilot falls on the boat unit, the hull yields into the water to absorb part of the energy of the fall over a relatively long distance, thus reducing the risk and severity of injuries.
- o The deck of the boat unit is designed with smooth surfaces, large radius corners, flush-mounted or low profile hardware, and no impalement hazards.
- o As soon as the jet pack stops pulling, the boat unit decelerates rapidly from water drag, and seldom presents a collision hazard to the pilot.
- o The water hose is made of heavy-duty polyester jacket fully encapsulated in UV-resistant synthetic rubber inside and outside. Control cable is designed to accommodate hose

elongations, and both the cable and hose are further protected by a special synthetic fabric jacket.

Monitoring and emergency measures

- o Safety interlocks prevent the engine from being started when the remote control is controlling throttle position, when the jetpack's throttle twist grip is not in the idle position, if there is excessive water in the bilge, or if the towing valve is not in the operating position (which would otherwise cut off cooling water to the exhaust system).
- o Two automatic 800 gallons per hour (gph) bilge pumps (one forward and one aft) remove any slow water leakage into the bilge.
- o If a major water leak occurs, a bilge water level sensor detects rising bilge water levels and lowers the pilot slowly then automatically stops the engine before more serious engine damage or swamping can occur.
- o If a Jetlev pilot is being supervised by a safety observer or instructor, the supervisor can take over throttle control to lower a rogue pilot or help a pilot in an emergency using the remote throttle control system.
- o The pilot can use either the start/stop button or the emergency engine shut off switch to stop the engine. A redundant emergency shut off switch is also located on the deck of the boat unit to allow a rescuer to lower the pilot slowly and stop the engine.
- o A warning LED system warns the pilot of abnormal operating conditions.

SECTION 2

WHO YOU CAN FLY

Since the Jetlev is a new piece of technology, there are strict rules around who can fly, who can teach individuals to fly and who can train flight instructors.

THE 3 LEVELS OF PILOT CERTIFICATION

Certified Pilot (CP) -

The buyer of a Jetlev R200 system, or another person designated by the buyer, must be trained and certified to Certified Pilot level (referred to as CP). The Certified Pilot training program covers terminology, handling and maintenance, flight skills training, and basic flight instructing. The CP student does most of the flying and learns from both actual flying and observing others fly. New CP graduates would have sufficient flying skills as well as knowledge on safety, equipment handling, maintenance, basic instructing and Jetlev equipment care, but they would have limited experience in instructing and should not train others to fly. Some CPs may gain sufficient proficiency after 10 hours or more of flight time to be able to teach family and friends how to fly, much as an experienced driver may teach family members to drive a car. Obviously, the caliber of this instructing will not meet the standards for a professional instructor, and some degradation of training skills may result with each successive generation of students. For that reason, Certified Pilots are not authorized to train students in a commercial Jetlev operation. Anyone who intends to train customers to fly must obtain CFI certification.

Certified flight instructor (CFI) -

The CFI program is designed to help the Certified Pilot graduate acquire more advanced flying skills and learn how to train beginners in a commercial setting where getting the pilot up safely and quickly is the priority. The student will also learn more advanced maintenance and servicing skills from production and service instructors. In the CFI training program, the student's and instructor's roles are reversed, in that the student is practicing being the instructor while the assistant instructor does most of the flying pretending to be a difficult student, and provides feedback to the student via radio communication and demonstrates consequences of incorrect instructions. A CFI- graduate has sufficient knowledge and experience to conduct flight experiences at a commercial flight center.

SECTION 3

GRADUATION FOR CERTIFIED PILOTS

- A. A CP designate has shown the ability to fly himself and understands the reactionary forces he creates in the Jetlev while flying
- B. Has been shown and understands the basic principles and operating standards of the remote control training program
- C. Has shown an understanding and knowledge of the transport and basic maintenance of the Jetlev
- D. Has passed both written tests

SECTION 4

GRADUATION FOR CERTIFIED FLIGHT INSTRUCTOR

- A. A CFI designate has shown the ability to fly at an advanced level
- B. Has shown advanced instructional ability in flying exercises, i.e. "pilot from hell", "tattletale"
- C. Has been shown and understands the advanced principles and operating standards of the remote control training program
- D. Has shown an understanding and knowledge of the transport and maintenance of the Jetlev.
- E. Has been introduced to and flown a new pilot completely from start (paperwork) to finish (exiting the water) and understands the principles and methods of advanced training

Master Instructor (MI)-

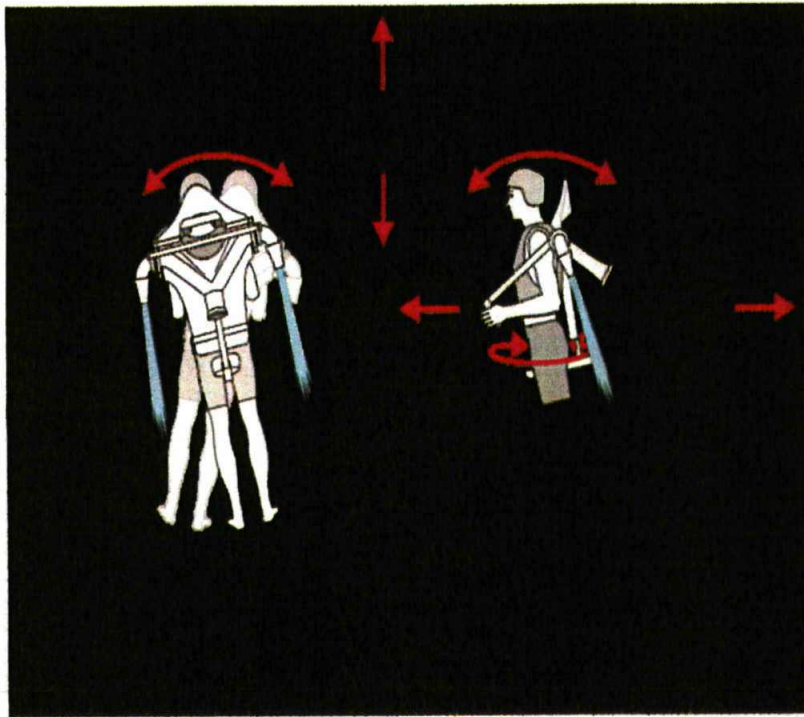
Master Instructors are instructors who can train individuals to be Certified Pilots or Certified Flight Instructors. Master Instructors are instructors who have trained over 5 Certified Pilots and 5 Certified Flight Instructors at a certified flight center under the guidance of another Master Instructor. This course is approx. 6 weeks long and, only upon completion of the course, are these individuals authorized to train Certified Flight Instructors. Failure to follow these rules will result in denial of all technical and mechanical support. These rules are in place to ensure the safety of the pilot, your business, the manufacturer and all operators within the organization.

SECTION 5

OPERATIONAL PRINCIPLES/5 DEGREES OF FREEDOM

The Jetlev R200 is capable of five degrees of freedom of movement in addition to hover flight. This unique capability allows the expert pilot to perform many different kinds of maneuvers. The following section describes the common types of maneuvers which can be attempted by Jetlev pilots as they learn and develop better skills. The high hover is one of the most dangerous positions for a new pilot to be in! High risk maneuvers at the end of this section and any other maneuvers not mentioned may be dangerous, and should not be attempted. Any such high risk maneuvers may result in damage to equipment, personal injuries, or even death.

Play it safe!

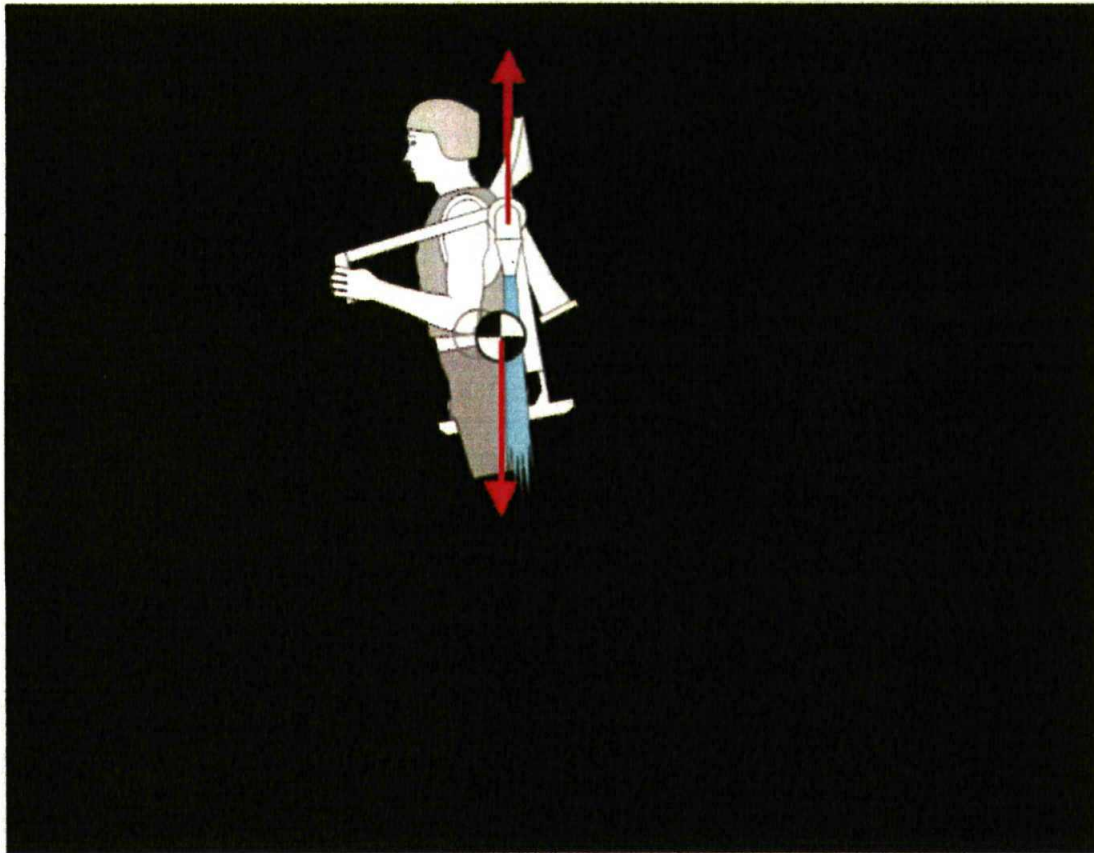


FIVE DEGREES OF FREEDOM

- 1) Forward/reverse
- 2) Climb/Descend
- 3) Pitch
- 4) Roll
- 5) Yaw

The Jetlev operates very differently from other watercraft in several important ways. It is beneficial to understand the operation principles in order to understand the inherent safety features, handling characteristics, flight controls, and to appreciate the importance of receiving proper flight instructions from certified Jetlev flight instructors using our state-of-the-art training system, before operating the Jetlev R200.

o The Jetlev R200 operates on the principle of water jet nozzle reaction force, and incorporates a number of design features to create inherent stability and control.



Nozzle Reaction Force

o Thrust for flight is controlled by the right hand grip twisting in a clockwise position (use the term "fly away") for more throttle and counter clockwise (use the term "come on home") for reducing the throttle. This action is needed to adjust engine throttle to vary the power output of the engine which drives a water pump that sends low pressurized water through a hose to the jetpack's directional nozzles. The pressure is very low. At maximum thrust the pressure is only approximately 68 psi. That is equal to most cities water pressure at the outside of your house. Lift is generated by the volume of the water exiting the

nozzles and this varies, depending on throttle positioning, from 800 to over a 1000 gallons of water a minute.

o The agility of Jetlev flight is achieved by removing the heavy propulsion source from the jetpack and supporting it in a boat unit on the water.

o Nozzle thrust is allocated by the pilot between lift (upward forces) and propulsion (forward or backward forces) with a pair of control arms which are adjustably connected to the nozzles. At any given throttle position, the further the nozzles are tilted backwards, the higher the forward speed and the lower the height. Nozzles directed straight down generate the most lift and no forward propulsion, which makes hovers possible with the Jetlev R200.

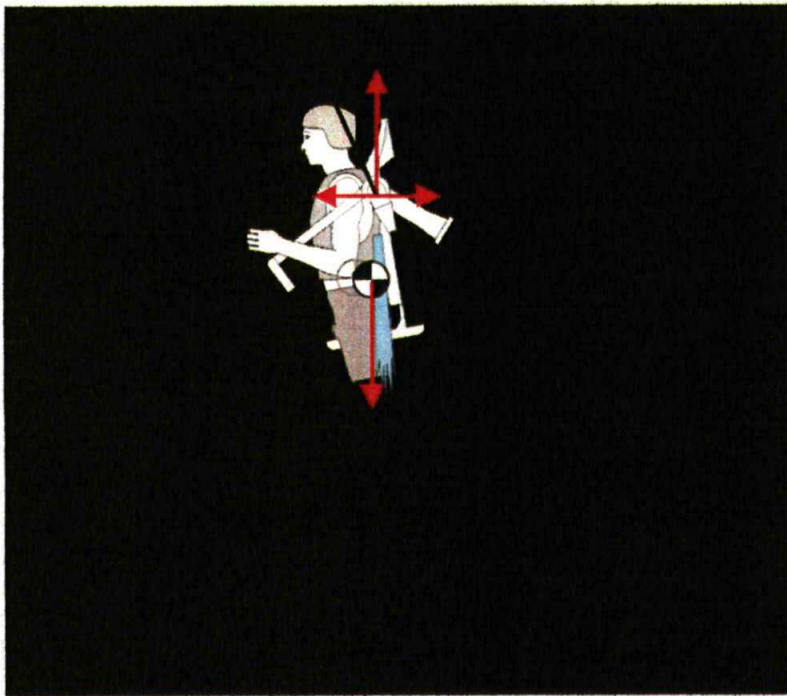


Figure 1 Thrust lift, Boat drag, Gravitational pull and Propulsion

Forces in Equilibrium

During hover or steady flight, forces are balanced. Lift balances Gravity, Propulsion balances boat drag.

SECTION 6

LIFT OR DESCENT OPERATIONAL PRINCIPLES

Lift or descent is controlled in two ways during flight, using the throttle and/or the position of the control arms.

Turning the throttle in a clockwise motion will increase engine speed which will cause lift unless acted on by lowering the arms. Similarly, turning the throttle counterclockwise will reduce engine speed which will lower you unless the arms are raised.

Lifting of the arms in a slow fashion will change the angle of the nozzles, which will generate lift and slow forward speed.

WARNING: Lifting the control arms too high will cause a continuous lift but being held at length by the supply hose will cause a rearward trajectory resulting in a dangerous backflip, possibly impacting the boat, unless arms are lowered in a quick downward fashion.

Lowering of the arms will cause the nozzles to change to more rearward angles reducing lift but increasing speed unless throttle is reduced.

o Flight control is achieved by the pilot shifting weight from side-to-side(Bicycle turns), and by deflecting the left and right thrust nozzles by different angles(Yaw turns, Advanced maneuver).

o Forward stability is generated from large centering forces created by the drag from the boat unit.

Therefore, **forward motion is necessary to generate directional stability.**

o Side-to-side (**ROLL**) stability is generated automatically by the balanced lifting forces of the nozzles, counteracting against the gravitational pull from the balanced weight of the pilot and the hose filled with water. The more throttle applied the more rigid the hose.

SECTION 7

TURNING/CONTROL PRINCIPLES

o Turning while flying forward is achieved by shifting weight off center (**BICYCLE TURN**) to roll the jetpack to the left or right. The nozzle jets start creating forces pushing the jetpack to one side or the other, resulting in a curved flight path influenced by the centering drag forces from the boat unit. More powerful turns can be made by gently lifting the control arm on the outside of the turn and lowering the arm on the inside of the turn (**YAW TURN**). This motion generates more lift and less propulsion from the nozzle on the outside of the turn and creates more roll. The lower propulsion on the outside of the turn is not material because the centering forces created by boat drag are much stronger.

o Forward-to-rearward tilt (**PITCH CONTROL**) is controlled by the pilot using the control arms to adjust the nozzle angles. Forward tilt (pitch) range is automatically limited by the jetpack's pivot mechanisms. In forward flight, there is stability because nozzle thrust is more or less aligned with the center of gravity or aligned behind it. Increasing height increases the weight of the hose and water, and the center of gravity shifts backwards and downwards. If the pilot does not pull down gently on the control arms to compensate, the nozzle thrust now starts to pull in a direction ahead of the center of gravity, and the pilot could start a backflip. Reverse nozzles are only used momentarily by expert pilots to stop quickly. When nozzles are pointing straight down, an experienced pilot would maintain a hover. If the nozzles point forward (reverse nozzles) after reaching the hover position, a back flip may result. Pilots will be made aware of this and learn to compensate. See instructional model.

SECTION 8

TERMINOLOGY TEST

This is not a graded test. This is to verify you understand the terminology as we teach it. It is important to be able to discuss the Jetlev in the proper terminology so you can better communicate issues with our office and or other pilots when describing conditions.

1. What is the approximate pressure of the water exiting the nozzles? _____
2. What is the approximate volume of water per minute? _____
3. Name the 2 types of turns you will learn? _____
4. What motion is necessary to generate directional stability? _____
5. What is forward or rearward tilt called? _____
6. What is the side to side motion called? _____
7. In two words please describe the pilots position with the nozzles pointing straight downward _____
8. In two words please describe the pilots position with the nozzles pointing rearward _____
9. Describe a YAW turn _____
10. What is the most dangerous position for a new pilot to be in? _____
11. What forces are in equilibrium during a hover? _____
12. How much does the jetpack weigh? _____

Students Name _____

Date _____

Please sign, remove this page only from your manual and give to the Instructor

Thank You

SECTION 9

IDENTIFICATION OF MAJOR COMPONENTS ON BOAT

Interior

1. Engine - The power source for the Jetlev
2. Servo - The electrical box on the throttle body that controls the opening of the throttle
3. Throttle body - The main body housing the butterfly float that controls air flow into the engine
4. Supercharger - The mechanical device that boosts air flow allowing more power to be generated than a standard fuel injected engine.
5. Starter - A mechanical device that generates the amount of torque to crank over the engine during start up and disengages when engine is running.
6. Starter relay/solenoid - An electrical device that gives the starter the proper voltage needed to generate the torque.
7. Battery - An electrical storage device
8. ECU/ECM Electronic control unit/module - This is the brain that controls all the proper voltages throughout all electrical components in the Jetlev
9. Main wiring harness - This is the supply line for all electrical components
10. Control module - This controls all the electrical signals generated from outside the boat i.e. Jetpack throttle, remote control, etc.
11. Receiver box - This houses the antennae for the remote control
12. Battery Switch box - This houses the main power switch for the entire boat and also houses the bilge switch
13. Oil filter - This ensures the oil remains as clean during operation
14. Coolant reservoir - This is the storage basin for fluid for cooling the engine
15. Coils - These are the long tubes that allow for a water sealed spark plug to get its electrical signal
16. Spark plugs - These three plugs provide the spark for the engine combustion
17. Heat Exchanger - This is for cooling the coolant fluid in a closed loop system

18. Inter-cooler - This device uses a jacketed body to cool the air going to the supercharger
19. Fuel pump - Gives fuel on demand
20. Fire Extinguisher – Used to put out any fires in or around the boat unit
21. Air intake - Allows for air to be introduced to the throttle
22. Bilge pumps - Used to expel water from inside boat. One front and one rear.
23. Pressure pipe - Large 4 "diameter tubing running the length of the boat that allows for water to be pushed in huge volume from the rear to the front of the boat
24. Z pipe - This pressure pipe is the final connection going through the bow of the boat
25. Bow pipe - This is the pipe at the front of the boat that the hose attaches to.
26. Jet Pump - This mechanical device that uses the angle of its "vaness" to increase the flow of water from a prop.
27. Information gauge – At the rear of the boat unit, provides important information about engine use, RPM, etc.
28. Prop - The bladed device used to give propulsion
29. Wear ring - A ring inserted into the Jetpump that allows for very close tolerance to the prop which allows for maximum thrust
30. Shaft - A device that connects the engine directly to the prop
31. Water baffle - Used to inject water into the exhaust to cool exhaust
32. Exhaust baffle - Used to quiet the exhaust

Exterior

33. Air baffles - The twin openings on the deck lid that allow for air to be drawn into the engine compartment yet provide a water separator for keeping water out of interior
34. Deck latch - Used to secure the deck lid closed to prevent water intrusion
35. Rear Deck Latch - Used to gain access to the rear of the boat
36. Power curve/emergency off button - Black button between lid and rear deck to adjust power settings and turn off engine in emergency situations
37. Tow valve - Used to shut off back flow of water to engine while being towed

- 38. Fuel cap - Standard fuel tank cap
- 39. Bilge ports - Used for exiting water from inside of boat
- 40. Bow tie down - Used to pull the boat onto a trailer
- 41. Rear tie down - Used for securing the boat to a trailer
- 42. Exhaust port - Large opening on left side of transom used to expel exhaust gas
- 43. Drain plug - Used for draining interior of boat
- 44. Flush port - Aluminum circle used in center of transom to flush interior engine

MAIN HOSE COMPONENTS

- 45. Hose - Supplies water to the jetpack
- 46. Nylon sleeve - Covers the rubber hose and carries the electrical hose through a pocket
- 47. Electrical hose cable - The main electrical line from the jetpack to the control board
- 48. Cable pass-through nut - The large female nut that secures the electrical hose to the boat
- 49. Nylon safety harness - A connection to the nylon sleeve and male hose connect
- 50. Male hose quick connect - A 4-inch male sleeve that fits inside the rubber hose
- 51. Quick connect clamp - A two part clamp that secures the hose to the bow pipe and jetpack
- 52. Spring plunger - The locking mechanism for the 2 part quick connect clamp
- 53. O-ring - (#240) The water seal between the 2-part quick connect clamp and the male hose quick connect
- 54. 4.25 Band clamp - The stainless steel clamps holding the hose, sheath on to the male hose quick connect.

JETPACK COMPONENTS

- 55. Back rest - The core foam injected back that supports the components of the Jetpack
- 56. Cross frame - Rear of Jetpack giving lateral and vertical support for mounting brackets

- 57. Padded seat - Unicycle seat
- 58. Seat tube - Forward to back adjustment
- 59. "Y" tube supply - Rear of Jetpack for division of water to each thrust elbows.
- 60. Swivel housing - Shoulder position
- 61. Thrust elbows (also referred to as shoulders) - Pipe for directional change of water flow
- 62. Thrust nozzles - Narrowed pipe for exit water flow control
- 63. Left and right arm controls - For lift and descent
- 64. Left hand grip - Stationary
- 65. Right hand grip - Twist grip throttle control, emergency engine shutoff, start/stop switch, and LED indicator lights
- 66. 5 point safety harness - Secures pilot in jetpack and can be released with a single twist in either direction
- 66. Foot trapeze - For advanced maneuvers and distance flying to relieve pressure off of the groin area
- 67. Torsion tube - Used to help keep arms parallel for beginning flyers

SECTION 8

COMPONENT ID TEST

Given on final day

Student should remove and give to the instructor when completed

Instructor _____

Student _____ Date _____

The instructor should ask the Student to identify and describe the location and purpose of the following components including what could result if a failure of that part occurs.

1. Spark plugs/ how many
2. Coils/ how many
3. Throttle body
4. Battery off switch
5. Battery location
6. Bilge switch
7. Hose
8. Drain plug
9. Flush out port

10. Exhaust port
11. Boat ID numbers
12. Main hood latch
13. Rear hood latch
14. Prop location
15. Tow valve
16. Emergency shut off/mode button
17. Fire extinguisher
18. Jetpump
19. Pressure Pipe
18. Air intake
19. Oil fill / dipstick
20. Coolant fill/ level
21. Remote indicator lights
22. Water baffle
23. Exhaust baffle
24. Oil filter

- 24. Fuel pump
- 25. Flight hose clamps and orings
- 26. Remote control antennae
- 27. Torsion bar
- 28. Control arms
- 29. Servo
- 30. Trapeze
- 31. Emergency off button
- 32. Throttle grip
- 33. Spring plunger
- 34. 4.25 band clamp
- 35. ECM UNIT
- 36. Control module
- 37. Training key
- 38. Flight Key

FLIGHT TRAINING SYLLABUS OUTLINE

Student pilot: _____

Instructor: _____

Start date: _____ End date: _____

Pass or Fail: _____

Comments: _____

1. Basic flight training

- Review basic flight controls:
 - fine adjustments of nozzle angles _____
 - neutral position _____
 - turning by weight shifting _____
 - throttle adjustment _____
- Review instructor commands list _____
- Jetpack fitting: arm angles and length for proper grip position, seat position, trapeze position. _____
- Donning and adjusting jetpack 5-point harness and egress. _____
- Importance of untangling hose _____
- Floating position, hand signals, emergency shut off _____
- Walk out to deep water takeoff and landing _____
- Starting and stopping engine:
 - Throttle position _____
 - LED lights _____
- Concepts of low taxi, mid taxi, high taxi, and liftoff. _____
- Flight skills 1:

Initials

- Straight run in low taxi in mid taxi _____
- Turning in one direction in mid taxi _____
- Turning at will in mid taxi _____
- Returning to neutral position after a turn _____
- Flight skills 2:
 - Straight run in high taxi _____
 - Turning in either direction in high taxi _____
 - Turning at will in high taxi _____
 - Maintaining hose tension/avoiding oscillations _____
 - Avoiding backflips _____
- Flight skills 3:
 - Straight run after liftoff _____
 - Turning in either direction after liftoff _____
 - Turning at will after takeoff _____
 - Wiggle fingers to avoid overgripping _____
- Flight skills 4:
 - Practice landing in deep water _____
 - Bottom landing in about 4 feet of water _____
- Flight skills 5:
 - Practice flying under own throttle control _____

2. Intermediate level training

- Situation awareness:
 - Learn to evaluate suitability of location _____
 - Preventing boat unit collisions with dock & shore _____
 - Anticipating threats and dangers during flight _____
- Checklists 1:
 - Trip pre-departure checklist _____
 - Preflight checklist _____
- Equipment handling 1:

Initials

- Trailering and launching procedures _____
- Handling hose assembly and cable quick connects _____
- Bilge pump and drain plugs _____
- Training equipment maintenance and operation _____
- Flight skills 6 (under own throttle control from this point on):
 - Maintaining steady height in steady forward flight _____
 - Maintaining height during turns _____
 - Turning at will in both directions (figure eights and slaloms) _____
- Flight skills 7:
 - Slow hovers _____
 - Stopping _____
 - Short reverse and turn (a go-around) _____
 - Yaw turns (90-degrees only) in both directions _____
 - Precision landing to a hover (simulated landing) _____

3. Advanced level:

- Flight skills 8:
 - High hovers _____
 - Going on plane and high speed runs _____
 - Donuts _____
- Flight skills 9:
 - Climbing and descending with and without turns _____
 - Controlling pitching oscillations _____
 - Controlling accidental yaw turns _____
 - Sensing and controlling cavitation _____
 - Restarting after a fall and checking for hose twist _____
- Sensing and reacting to equipment malfunctions:
 - Loss of power _____
 - Loss of speed/heavy drag _____
 - cavitation _____
 - Erratic throttle response _____

Initials

- Hose failures _____
 - Control arm failures _____
- Jetlev operation courtesies:
 - Fly in mid taxi in congested waterways _____
 - Avoid spraying and misting _____
 - Environmental impact and precautions _____
- Equipment handling 2:
 - Flushing, cleaning and maintenance _____
 - Training equipment rinsing and charging _____
 - Emergency switch and other safety equipment _____
- Coaching 1:
 - Using jetpack stands _____
 - Headset FRS radios, helmet radios _____
 - Remote throttle control _____
 - Emergency remote shut down _____
 - Jetpack fitting skills _____
 - Delivering flight control instructions _____
- Flight skills 10 (effects of incorrect equipment conditions on flying):
 - Incorrect arm length or arm angle _____
 - Non-parallel arm angles _____
 - No torsion tube _____
 - Wrong seat position _____
 - Incorrect trapeze position _____
 - Off-center torso/incorrect trapeze weight distribution _____
- Flight skills 11 (handling emergencies):
 - Throttle jams _____
 - Fires _____
 - Major leaks _____
 - Stuck boat unit _____
- Flight skills 12:

Initials

- Superman takeoffs _____
- Otter turn _____
- Walking on water _____
- Penthouse express _____
- Dock takeoff and landing _____
- Coaching 2:
 - Flight coaching practices flying two instructors (normal) _____
 - Flight coaching with instructors as "students from hell" _____
- Coaching 3:
 - Practice flight training two or more beginners _____

Master Trainer Name (Please Print)

CFI Trainee Name (Please Print)

Master Trainer Signature

CFI Trainee Signature

Initials

FLIGHT TRAINING FOR CERTIFIED FLIGHT INSTRUCTORS

The Certified Flight Instructor program builds upon the skills learned in the Certified Pilot course, with a focus on advanced flight instruction skills, which will allow you to handle any and all possible customer scenarios at your commercial operation. The primary goal of the course is to teach you the skills to quickly get first-time pilots flying, while ensuring they are safe throughout the experience.

SECTION 1. Initial Flight Dynamics

1. Situational awareness
2. Flight Time Expectation and Fatigue Signs

SECTION 2. Jetpack/Pilot Adjustment Procedures

1. Life vest fitting
2. Seat fitting
3. Arm fitting
4. Trapeze adjustment

SECTION 3. Pre-Flight Instruction (with pack on the stand)

1. Donning 5 point safety harness
2. Arm control instructional
3. Turning instructional
4. Engine key/Kill switch
5. Entering the trapeze
6. Helmet instructional
7. Returning to base

SECTION 4. In-Water Instruction

1. Water entry
2. Water exit
3. Starting position
4. Boat unit starting position
5. Starting the engine
6. Flight instruction (refer to Correcting Problem Flying section)
7. Pilot throttle control

SECTION 1

INITIAL FLIGHT DYNAMICS

Safety and Situational Awareness

The term Situational Awareness will be used constantly through training and even past training on your own! This refers to being completely aware of everything going on around you, the pilot, and the surrounding environment as you prepare to fly. Looking for things such as debris in the water, people too close to you during takeoff or flight, or other boats in the area are all your responsibility.

Flight time expectation and Fatigue Signs

The average first time flight varies, however it is our experience that most pilots tire quickly during their first flight after approximately 20-30 minutes. This is due to the excitement and tenseness of not knowing what to expect. The flight time is left to the instructor, however there are several factors to watch out for:

1. Customer not relaxing during flight, gripping controls too hard
2. Customer flailing around in the water during start up tiring themselves out
3. Customer holding their breath while flying or starting
4. Repeated mistakes made during flight that pilot did NOT make earlier in flight
5. Continued splash downs from customer or too many breaks in between flying

We have found that, after the initial flight, the pilot is much more relaxed and able to maintain much longer flights. So during initial training, start with low flight times and ramp up quickly with each successive flight.

SECTION 2

JETPACK/PILOT ADJUSTMENT PROCEDURES

We adjust four things prior to pilot being strapped in the backpack: Control arm angle, arm length, seat adjustment and trapeze.

Pilot fitting prior to strapping in:

1. Confirm control arms are adjusted to 90-degree angles, which will greatly reduce the risk of backflips during initial flights
2. Adjust control arm length so the pilot's arms are no less than 90 degrees at elbow (Ensure adjustment knob is secure in slotted opening on control arm)
3. Set seat position to align buttocks sitting squarely on seat with back firmly rested against backrest. Confirm customer comfort.
4. Trapeze adjustment, *do not use on first flight*, remove or secure, if attached, so as to not interfere with pilot motions. Follow these procedures if trapeze is recommended by trainer: Adjust trapeze, with customer sitting in seat, to a length with a minor bend in their knees that would allow when they stand for their rump to raise approximately 2-3 inches above the seat.

Once the adjustments are done and confirmed, go to next step

SECTION 3

PRE-FLIGHT INSTRUCTION (with pack in stand)

5-POINT SAFETY HARNESS

1. Attach shoulder straps first, verifying secure with audible click. **Do not tighten yet**
2. Attach seat strap, verifying secure with audible click
3. Attach waist straps, verifying secure with audible click
4. Instruct pilot to unbuckle themselves without looking at buckle and repeat until pilot is comfortable with procedure
5. Re-strap according to Steps 1-3

6. Starting with shoulder straps, tighten one side and then the other until pilot is secure. This should be tight enough to not allow any body movement but not cut off air supply. The purpose for shoulder first is to raise the center latch to a position where the waist straps fall on a slight downward angle across the pelvic/hip bones as they are pulled tighter which allows for a more stable pilot.
NOTE, PULLING TOO HARD FROM ONE SIDE WITH OUT ALTERNATING, SLOWLY TIGHTENING FROM SIDE TO SIDE, CAN CAUSE AN UNBALANCED PILOT
7. Follow same procedure with waist straps
CONFIRM PILOT IS SQUARE AND STRAIGHT IN SEAT AND SMALL OF BACK IS FIRMLY PRESSED AGAINST BACKREST! IT IS CRITICAL THAT THE HARNESS LOCK IS CENTERED TO THE PILOT'S MIDSECTION. REMEMBER AN OFF BODY LEAN CAN CAUSE SEVERE DIFFICULTY IN RISING OUT OF THE WATER IN INITIAL FLIGHT!

ARM CONTROL

1. Have pilot raise control arms together to straight level. Express that the control arms should almost never be in the water and the object for a good first flight is to keep the control handles *parallel* just above the water after startup .This will keep the pilot in a forward motion allowing for further instructions. Explain the drag effect of allowing the control arms to enter the water and the bad effect on steering and stability it has on the pilot.
2. Show pilot, using the throttle as reference, that from the bottom of the throttle to the top of the first set of ridges on throttle are approximately 2 inches
3. Using the same command you will give on the radio have pilot move the arms in unison to a position you dictate, arms up, arms down. Emphasize that any command concerning arm movements is to mean the control arms and NOT the customers own arms again reemphasizing the arms must be *parallel!*
4. Ask pilot to move arms to the following positions--Up 2, down 2. Verify pilot understands and follows commands. Express the minimal motions needed to adjust during flight. Explain that each command of "Arms Up" or "Arms Down" should be understood to be 1 millimeter.
NOTE: EXPLAIN TO PILOT THAT IF COMMANDS ARE NOT FOLLOWED IN A TIMELY MANNER, HE/SHE WILL BE LOWERED INTO THE WATER AND SHUT DOWN TO CONFIRM WHETHER PILOT CAN HEAR THROUGH THE HEADSET OR IF SOME OTHER ISSUE HAS DEVELOPED.

5. Explain the arms up position and the effect it has on pilot while flying. Moving arms up slowly will create thrust reaction that will *cause the pilot to slow forward speed increasing lift to the point of hovering. **WARNING! INSTRUCT PILOT TO NEVER LIFT ARMS HIGHER THAN SHOULDERS DURING FLIGHT!*** Continued lifting up on arms can create a hazardous situation where you can back up or even flip over. Explain to pilot that he must learn to “feel” forward motion and **maintain** it in all beginning flights in order to advance in skill.
6. Explain the arms down and the effect it has on pilot while flying. Slowly moving arms down will cause a thrust reaction that will cause the pilot to lower in height from where he is and move into a faster forward position.

NOTE: AGAIN EMPHASIZE THE PILOT’S RESPONSIBILITY TO MAINTAIN FORWARD MOMENTUM WITH ARMS PARALLEL WHICH HELPS IN MAINTAINING BALANCE.

TURNING AND STEERING

1. Explain the “taxi” positions:
 - a. Low taxi - water at chest level
 - b. Mid taxi - water at waist high
 - c. High taxi - just your feet are in the water. EMPHASIZE that keeping a high taxi, feet in the water, allows for stability and when pilot feels out of control he should lower the control arms so he gets into the high taxi position.
2. Explain that “Free Flight” is when your feet are completely out of the water. Turning and steering are much more sensitive and adjustments are magnified!
3. Explain the seating position in the water. This is an upright position centered in the jetpack.
4. Instruct pilot to turn head and slightly lean body in the direction they wish to turn.
5. Instruct pilot to return to neutral position
6. Explain what happens when you turn too quickly and cannot overcome the momentum of the lean. Your momentum overcomes the thrust in the opposite direction.
7. Explain the “pull” the pilot will feel when he turns too sharply. This is the resistance of the boat trying to overcome the friction of the quick turn.

8. Educate we want wide gentle turns. Multiple looks/light leans in the direction of the turn are better than a steady hard "lean".
9. If they turn too quickly, firmly raise the arm in the direction they are turning while lowering the opposite arm. This will lift you slightly and hopefully correct your out of control turn
10. If they cannot overcome the turn, instruct them to pull lanyard immediately
11. Instruct that as soon as they become comfortable flying straight we will ask them to do gentle "s" turns to prepare for a 180 wide turn.
12. An "S" turn is a gentle left to right swerve only 3-4 feet off your center line flying forward. This will give the pilot some basic feeling as to a 180 wide turn.
13. When they have successfully completed the "S" turns, prep them for the wide 180 turn.

ENGINE KEY/KILL SWITCH

1. Show pilot idle position on throttle.(All the way counterclockwise) Use fly away, throttle twist away from pilot to accelerate and then show come on home, throttle twist towards pilot to power down. Express he **WILL NOT** have throttle control but unit will not start unless throttle at idle.
2. Install lanyard on customer wrist with lanyard loop on the top part of pilots wrist while holding throttle. Important to have the lanyard strap tightly on top of wrist as a loose strap can cause a tension on the lanyard if the strap turns on the pilots wrist. This can cause the DESS post to pop off unexpectedly due to any wrist movement.
3. Insert key to DESS post
4. Light sequence, double red blink means key was recognized, green light then blinks to confirm power setting. Very rapid green means ready to start.
5. If you get no red double blink remove key and reinstall to post.
6. **DO NOT START AT THIS TIME, THIS IS FOR INSTRUCTION ONLY AND SHOULD ONLY BE STARTED IN WATER!** *Locate and press button on bottom of throttle*
7. Instruct pilot on pulling lanyard using only his arm and pulling AWAY from control arm. Reinsert key and have pilot look in opposite direction and repeat procedure. Pilot must be comfortable and understand the importance of pulling the lanyard. THE LANYARD IS TO BE PULLED UNDER ANY CIRCUMSTANCES THAT THE PILOT CANNOT SEE WHERE HE IS GOING OR CLOSES HIS EYES (AKA UNDER WATER) OUT OF CONTROL FLIGHT,

WATER ENTRY OR ANY PANIC OR NERVOUS SITUATION! PULLING THE LANYARD IS NOT A BAD THING BUT A SAFETY ONE AND SHOULD BE REINFORCED AS SUCH. EXPLAIN TURTLE MANUEVER AND EXPLAIN IT WILL BE SHOWED AT WATERS EDGE.

8. Explain any restart after a shutdown from the instructor will result in having to remove the key from the post and keeping it at least 12 inches away (the magnetic field is active when the lanyard key is held too close to the DESS post.)

ENTERING TRAPEZE

1. Instruct to never attempt to put feet in trapeze while in the water, this creates an unbalanced floating position making it difficult for new pilots to rise out of the water but wait until you are completely out of the water and moving forward comfortably.
2. When instructed by CFI, do not look down (remember, this will affect your height) but rather take one leg and while maintaining a forward flight, move your foot to where you can touch the strap of the trapeze. Slide your foot down the strap, while maintain a forward position, and apply a gentle pressure to the trapeze bar. Follow with your other foot tracing it down your leg and place it in the trapeze also
3. Now apply a gentle pressure to your legs and stand, this will reduce pressure and give better balance.
4. Instruct pilot that their feet should be out of the trapeze any time they approach any landing, water down situation or solid object.
5. Explain that you cannot put your feet in the trapeze while in the water but if you are in free flight and lower to the water you can keep them in the trapeze since your body position is already set.

HELMET INSTRUCTIONAL

1. Pretest helmet volume before placing on customer
2. Ask pilot to put on helmet (There are only 2 sizes to the helmets, small and large). You do not want to try to put on a snug helmet and trap the ears.
3. Hook up chin strap and back pinchers to make a snug fit.

4. Do a test hearing check to get a thumbs-up from the pilot that he can hear you through the helmet prior to him entering the water. If he does not respond, adjust volume or replace the helmet.

RETURNING TO BASE

1. Arms up as you slow down and enter the water. Remember to maintain forward motion and arm controls out of the water.
2. Feet removed from trapeze
3. Remove key only when instructor directs you too and at the same time do a turtle maneuver which the assistant will show you in the water.

SECTION 4

IN-WATER INSTRUCTION

WATER ENTRY

At this point, ask the pilot to place their feet directly under the body, move their hips slightly forward and stand straight up. The Instructor or Assistant should aid the pilot in getting up and out of the stand. This will allow the backpack to release from the stand. The CFI should assist and walk them to the edge where the assistant will instruct in the floating start position and the turtle maneuver.

While there are a lot of variations to water entry we will focus on two: ramp/beach and boat/pontoon entry.

- A- Ramp/beach entry: the assistant should walk or guide the pilot (Holding the pilot by the vest or nozzles to prevent slipping or a fall) into water deeper than the pilot can stand. Extreme safety on pilot remaining upright should be in effect due to waves/slippery ramp, because of the new pilot being too excited to recognize his environment with a 28 lb. backpack on.
- B- Boat or pontoon entry: Before entering the water, the assistant should instruct the pilot that he should lie directly on his back after entering the water. The assistant then guides pilot to stepping off location by holding the control arms to balance the student, turning pilot to make sure the hose is in the water and the boat is far

enough away to avoid any impact and explain to pilot to take a big step into the water sideways. The assistant should be in the water almost instantly with pilot explaining the turtle position and to relax. (Refer to the Assistant Training Manual for the CFI class)

EXITING THE WATER

After pilot is shut down in water and no longer moving forward, the assistant should assist him/her, either to shallow water or to turtle in water and unstrap himself and verify he can swim to docking ladder/platform.

STARTING POSITION

1. Assistant should have pilot sit in upright position with feet dangling straight below
2. Instruct pilot on arms at water level or slightly above
3. Instruct pilot on turtle maneuver, while lying in forward position, pull down on either arm and roll to that side, an additional kick can complete the maneuver
4. Get pilot comfortable on back and enforce recognition of floating and wellbeing
5. INSTRUCT PILOT ON IMPORTANCE OF "TURNING "BACK IN THE SAME DIRECTION AFTER A "ROLL" OR TURTLE
6. Have pilot get to seated UPRIGHT position to prepare for start

BOAT UNIT STARTING POSITION

The boat unit should be either positioned directly behind or set to 90 degrees from pilot with some slack in the hose leaving pilot approximately 20 feet from pod. The slack allows a pilot to be raised to starting position without any drag from the unit allowing the pilot to transition to forward flight before trying to overcome the dead weight of the pod.

Having the boat unit parallel or at any angle alongside pilot is an extremely bad position and NOT to be used. Any start-up of this sort can cause a pilot to be pulled sideways at start up into the pod by the hose hanging underneath the water at start up.

STARTING THE ENGINE

1. Ask pilot to confirm he can hear instructions in the helmet by giving a thumbs-up response
2. Instruct pilot to place key on post and verify with a thumbs up GREEN FAST BLINKING lights
3. **Instruct pilot that as soon as he starts the engine he immediately moves to a slight leaning forward upright position WITH THE HANDS AT WATER LEVEL. EMPHASIZE KEEPING THE HANDS PARALLEL!**
4. Instructor then powers up the throttle and raises the pilot out of the water to a mid to high taxi position. As he does the pilot must follow the commands given to lower the arms and lean slightly forward as instructed quickly to get moving forward. **Repeat these instructions to verify pilots understanding of what to do in the initial 10 seconds!**
5. As instructor raises pilot now to a mid/high taxi he must be aware of any body lean or lack of forward motion and use commands to correct or lower the pilot back into the water (See Advanced Commands and Training for Certified Flight Instructors addendum)
6. Once pilot is moving forward in a comfortable position the instructor should ask them to start the gentle "S" curves and watch for any oversteering.
7. Once pilot has done these, the instructor should prep the pilot BEFORE having him make a wide turn. Inform him of the intent, response to be expected and result of a good turn.
8. The instructor must communicate to the new pilot prior to doing any throttle or maneuver changes to keep pilot confident of what is to come.

FLIGHT INSTRUCTION

The pilot should be flown and commands given for practicing several maneuvers. Once the pilot has shown comfort in the basic maneuvers:

- a. Taxi positions
- b. Free flight
- c. Bicycle turns
- d. Yaw turns.

He should now be ready to try to put his feet in the trapeze. Refresh the commands given at the stand and remember to keep throttle control. Once pilot gets their feet in the trapeze for the first time throttle down gently to help pilot maintain this new balance point and have them start to fly as if a beginner. The new body position is very disconcerting for a new pilot.

Once they have shown competency in the trapeze and have now repeated all the maneuvers above in the trapeze they are ready for their own throttle.

PILOT THROTTLE CONTROL

NOTE: This is the most dangerous time for pilots.

In order to safely transition to self-throttle, the pilot must have shown:

1. Forward flight
2. Bicycle turns
3. Basic free flight
4. Yaw turns
5. Stopping and restarting.

To test if the pilot is ready for their own throttle the instructor should ask the pilot to make a tight 180 degree yaw turn and then yaw away from the pod while watching carefully that the pilot does not come too close to the boat and in any close circumstance can still use the remote throttle to control the pilot away from danger!. When they are successful in this maneuver they should be ready for basic self-throttle.

First, the instructor should explain prior to lowering the pilot that he intends to give the throttle to the pilot and that he is slowing him down for that reason. Have the pilot lowered to complete idle with hands parallel to water and REEMPHASIZE that the motion of the throttle is very small. Remind the pilot of the fly away command and the return home command. EMPHASIZE that you as instructor can no longer "throttle him down" but can only drop him from flying.

Instruct the pilot at this time to confirm the throttle is all the way home at idle and then turn control over to pilot by flipping the control switch from Instructor to Pilot and using the same vocal command structure as if a new pilot is flying. Remind them to go no higher than 2 feet out of the water or you will have to shut him off IMMEDIATELY FOR HIS OWN SAFETY.

Watch for signs of control issues related to steering or throttle control in the first 10 seconds. The instructor should be poised to turn off unit in an instant depending on circumstances such as but not limited to,

1. Pilot shooting himself out of the water by using too much throttle
2. Pilot not using enough throttle and is lying face down in the water
3. Pilot is erratic on the throttle revving it up and down.

The instructor must not take their eyes off of the pilot for any reason during initial self-throttle. Instructions should be short and concise and directed in having the pilot “relearn flying”. If the Pilot struggles with their own throttle and you have to “splash” them down, have them turn turtle and explain what they did wrong and without the power on, practice the motion until they feel comfortable to restart and try again. Any and all exercises after the first flight on self-throttle should be directed to help pilot establish a safety first attitude.

FLYING POSITIONS TO INSTRUCT

1. Taxi
2. Low hovers
3. Free flight at varying heights
4. Yaw turns
5. Yaw turns over hose
6. Donuts
7. Slalom runs
8. Speed runs
9. Dolphin
10. Submarine
11. No hands
12. Deep water stops and starts
13. Shallow water stops
14. Jet ski landing
15. Walk on water

There are many more, but each maneuver brings confidence and understanding of what exactly what the hose and boat are doing behind you.

Refer to the CFI Correcting Problem Flying section for information on how to handle various common occurrences with first-time flyers.

CORRECTING PROBLEM FLYING

Not all pilots will catch on and fly right away. Some will have issues that prevent them from attaining forward motion into flight position. Some may have difficulty keeping the control arms level. The goal of this document is to address the most common issues that new pilots encounter while trying to learn to fly the Jetlev. Keep in mind that every new pilot may present something you've never encountered, so it's important to closely monitor each pilot to address their specific needs.

•Commands and instructions for flying new pilots:

Command & Purpose

When you give a command, it must have a purpose. When a customer is having trouble, always ask yourself these questions:

1. What is your goal with a particular command?
2. What did they do right or wrong?
3. If they did something incorrectly, did you explain to them what it was and how to correct it? This is a new activity for the pilot, so it's up to you to explain the reasoning behind each command.

Command structure goals

1. Get new pilot flying from start position
2. Get pilot to mid taxi and forward movement
3. Have pilot steer correctly/ turns
4. Get pilot to free flight
5. Teach yaw turns in free flight

Recognizing issues prior to water entry

As the instructor, it is your responsibility to assess the person trying to fly. You do this through basic discussion with the pilot prior to strapping them in or during the instruction phase. Ask the pilot if they have any special circumstances that should be noted before their flight, such as a fear of heights, contact lenses, or neck problems. NEVER RIDICULE OR MAKE FUN OF ANY PHOBIA OR FEAR A CUSTOMER HAS! USING SYMPATHY AND QUIET TALK WILL DO MORE TO GET A PILOT TO FLY.

- a. **Do you have a problem with your face in the water?** Is this an issue that can be overcome by the turtle maneuver and the upright starting procedure? Be sure to do a

brief "swim test" to ensure the pilot feels comfortable with having their face in the water and turning turtle to get out of the forward-leaning position.

- b. **Have you had any surgeries lately that would affect your balance?** Neck and back issues are major question marks. While the Jetlev is safer than most other water sports, a splash down or sharp turn by the pilot could jolt them and this needs to be made very clear again that the pilot is releasing us from all liability and any pause or questioning of this policy will result in them being denied the right to fly. AN ANGRY CUSTOMER IS NOT IDEAL, BUT IS PREFERRED OVER A POTENTIAL INJURY SUFFERED IN THE WATER DUE TO A PRE-EXISTING CONDITION. Remember, spectators will assume the Jetlev injured the pilot and that can have disastrous consequences to future business.
- c. **Are you being pressured to do this?** This is extremely important to try to recognize. Using quiet diplomacy is a great way to release the pressure or put the onus on the instructor (yourself) to find/create a reason to remove pilot to save face. A lot of times the pilot will relax and let you try to fly them once you let them know you recognize the situation and quietly reassure them.
- d. **Is the customer under the influence of any narcotic or alcohol?** This will be your hardest determination, but absolutely anyone suspected of being under the influence is to be denied flight. Using common sense, ask your assistant to confirm what you suspect but remember you have the final responsibility. Red eyes, slurred speech, disorientation, overhyped actions, unbalanced or shaking hands, overly boisterous behavior, etc. While these situations can easily be recognized, it is your responsibility to watch for minor signs and react appropriately. If you are in doubt, do not allow the customer to fly.
- e. **Can the customer understand the language sufficiently to learn and react to commands quickly enough?** You can verify this in the stand by giving the customer commands and watching how fast they react. While people of other languages will profess to understanding, it is the speed of understanding the commands that will affect the learning. Again, it is your responsibility to insure a safe, fun flight, so use your judgment to determine if the pilot has sufficient understanding of the commands.

Recognizing the most common points of a difficult startup and how to correct

- a. **Making sure the pilot can do and is comfortable with the turtle maneuver.** The importance cannot be overstated that the customer must be able to roll onto their back by themselves and demonstrate this to the instructor. Failure to be able to do this basic maneuver is reason to pull the customer from flight. Do not let a pilot fly who has not demonstrated the ability to do this. Have the assistant work with the pilot in the water to achieve this.

- b. **Have the customer in the seated position for start up.** We teach the turtle for reassurance and comfort in the water after a splash down or stop throttle. We want the customer in an upright position for start. Lying back and starting the unit has shown to be very difficult for the pilot to transition to the forward position needed to start flight. Having the pilot in the seated upright position gives us the ability to lift straight up or have them transition to a forward lean much easier.
- c. **Instructing the pilot NOT to place their feet into the trapeze while in the water.** Explain the point of balance needed to maintain forward flight and also explain we will instruct the use of trapeze when in the air.

Water-falls and main issues on startup

- a. **Pilots trying to use their feet to "swim" or balance themselves.** It is very important to remind the pilot to let the feet dangle and not attempt to "kick" to balance. Reinforce this with the jerkiness that comes with kicking while they attempt to fly forward. Pilots using this will exhibit severe yaw motion on the arms flexing them way too much which causes unbalanced jet angles which increases their kicking to try to right themselves. If they continue to kick, lower them down and instruct why they should not use their legs!
- b. **Pilots pulling down too hard on left or right arm creating a yaw motion which turns them into the boat.** This is the most predominate issue affecting first-time pilots. It can be caused by several things which the instructor must recognize and correct:
 - i. Failing to keep the arms parallel
 - ii. Leaning as they come up out of the water
 - iii. Using the kicking motion described in previous section
 - iv. "Pushing" against the control arms forcefully
 - v. NOT pulling down on arms uniformly as they are raised out of the water
 - vi. Pilot not strapped in squarely to seat and or Pilot has slid in harness
 - vii. Not getting arms out of water before starting or lowering them below water surface level while flying
 - viii. Bending elbows out to the side ("bat wings")
 - ix. Boat was not started directly behind pilot causing drag in the hose which can be difficult for new pilots to overcome

As an Instructor, it is your responsibility to recognize the cause of the issue and correct it through communication with the pilot while the pilot is in a relaxed position in the water. If the attempt fails on several attempts, the assistant should enter the water to "shadow fly". See assistant's manual for directions on this maneuver.

Sometimes, using the remote to "pop" the customer to a mid to high Taxi will help them adjust a little faster but the instructor must be cognizant of the immediate impact

and result. If customer does not adjust fast enough you must lower them back into the water in a quick but steady fashion before the pilot can "loop" himself.

- c. **Pilots not transitioning to forward position.** The pilot's assumption is that he is going to do a face plant when you tell him to lean forward. You must direct him to keep his arms parallel and "out of the water 6 inches". Explain this will keep his face out of the water and start moving him in the forward position he needs to begin flying. Some pilots will continue to go vertical with no forward motion. You must continue to instruct the pilot to bring the arms down to water's surface as many times as needed, as fast as possible, to get the pilot to respond. Be sure to NOT raise the pilot above the high taxi position until he transitions to the forward position

When to transition to full flight (out of water)

We must have the pilot comfortable doing "S" turns and a good wide 180-degree turn before raising them. If the pilot cannot make mid to high taxi turns they most likely will not be able to turn in full flight. When the pilot has shown controlled turns in a high taxi position, you should describe what sensations he will feel as you instruct him to lift his arms to rise out to free flight.

- a. **Pilots in a tense or not relaxed state while flying forward in mid to high taxi.** The sensation can be overwhelming so here is where you as the Instructor must relay a calm influence to the pilot. Encourage them to lean in to the harness and relax the neck by leaning forward. Explain that forcing the head back creates an unbalanced flight. Ask them to wiggle their fingers to show their arms are relaxed. This should be repeated several times through the course of the flight. Use humor to get them relaxed. Compliment them on a great start and reinforce the positive things they are doing. Always maintain a calm demeanor even if a pilot does something wrong.
- b. **Proper speed for flight.** At this time, you will need to adjust the speed for the weight of the pilot. A heavier pilot will take more throttle than a lighter, but their speed must be relative to their ability to climb slowly and under control. A rule of thumb to use is no more speed than the pilot could use to get three feet out of the water using his own arms up maneuver. This is an adjustment you will have to learn. This is based upon the safety paradigm of not letting new pilots raise their arms above their heads causing a backflip. Excessive throttle at this point could cause a flip into the boat if care is not exercised. The speed should be enough to maintain a slight forward lean with the feet 2-4 feet out of the water but not enough for a high climb. At this point the pilot will need to be instructed on the small arm motions needed to maintain free flight without dropping back into the water.

- c. **Yaw assisted turning in free flight.** Once the pilot has progressed to free flight you should instruct them in using the SLIGHT yaw to assist in turning. Explain that the bicycle turn works slower in free flight and the slight yaw will give greater control on turns. Again, emphasize small movements to avoid overcorrections.
- d. **Recognizing oscillations and how to prevent them.** While in forward free flight the new pilot can develop oscillations, a whipping motion that will cause unsteady flying. This can be caused by many things such as
- i. Pilot raising himself out of the water too fast causing their legs to swing forward starting the oscillation
 - ii. Pilot not using small arm adjustments as instructed
 - iii. Flight is too fast in forward position causing any adjustment to start the motion

Instruct the pilot to lower the control arms to get to a high taxi position in the water. Explain that by dipping the feet in the water the friction will stop the oscillation in a few seconds and explain what they did to cause it and how to avoid it.

- e. **Watching for the "dolphin effect".** When new pilots first get airborne, they will rise and fall slowly or even maybe quickly. This is caused by one of two things, either they are moving their arms too quickly in an effort to balance themselves or they are waiting too long to adjust. They wait till they are at the apex of their climb before reacting and lowering their arms and then waiting until their feet touch water before raising their arms to adjust. You should be giving firm instructions at this point letting them know what is causing this effect and instructing them to either slow their arm motion or make much smaller adjustments.
- f. **Increasing power.** Only when the pilot has shown the ability to turn in free flight in a controlled manner, and has shown some steady level flight should you power up. Always explain PRIOR to doing any throttle work what you plan to do and what effect it will have. The instructor must be on the lookout for any sign of instability and be able and ready to throttle down instantly.
- g. **Things to look for creating instability.** As the instructor, you must look for anything that could cause a pilot's instability:
- i. Pilot starts jerking controls, even slightly
 - ii. Pilot begins oscillating
 - iii. Pilot starts to turn too sharply
 - iv. Pilot stops forward transition and begins to hover and yaw turn
 - v. Distraction for pilot, i.e. boat, jet ski enters the training area
 - vi. Pilot fatigue
 - vii. Helmet gets into pilots eyes and removes his hand from control
 - viii. Pilot not aware of surroundings, i.e. incoming craft, debris in water

At this point the instructor must assess and throttle down according to the issue at hand. Instructing pilot as you control throttle so they can make appropriate adjustments is very important. But in the event any adjustment that throws pilot out of control you must throttle down immediately and use emergency shut off if needed.

Splash downs or any power off situation

After a pilot drops into the water, either due to a crash or accidental pull of the key, have the downed pilot give a thumbs-up to show they are okay. Instruct the downed pilot to be aware of the boat unit and which way they twisted. The assistant should be at the pilot's side immediately following any downed situation.

CFI-1 Component Test

Instructor _____

Student _____ Date _____

The instructor should ask the Student to identify and describe the location and purpose of the following components.

1. Spark plugs/how many
2. Coils/how many
3. Throttle body
4. Battery off switch
5. Battery location
6. Bilge switch
7. Hose
8. Drain plug
9. Flush out port
10. Exhaust port
11. FL numbers
12. Main hood latch
13. Rear hood latch
14. Prop location
15. Tow valve
16. Emergency shut off/mode button
17. Fire extinguisher
18. Air intake
19. Oil fill / dipstick
20. Coolant fill/ level
21. Remote indicator lights

- 22. Water baffle
- 23. Exhaust baffle
- 24. Fuel pump
- 25. Flight hose clamps and orings
- 26. Remote control antennae
- 27. Torsion bar
- 28. Control arms
- 29. Servo
- 30. Trapeze

Jetlev Assistant Training & Specifications/Guidelines

The assistant is an essential part of the flight experience and, as such, needs training in order to maintain the percentage of first time flyers having successful, fun flights. No Instructor can have a highly-successful flight record without a properly trained assistant. The quality of the flight for the consumer skyrockets when there is a properly trained assistant on the water with them.

SECTIONS:

1. Prepare for instructors needs. Pg. 1

2. Plan for water entry/Boat, Dock, Beach. Pg. 2

3. Instruct in floating technique, starting position and turtle maneuver. Pg. 3

4. Recognizing pilot's unease. Pg. 3

5. Communication with instructor. Pg. 4

6. Starting a pilot. Pg. 4

7. Jet Ski/Support Vessel training. Pg. 5

8. Untwisting hose. Pg. 5

9. Water exit. Pg. 6

SECTION 1- Prepare for instructors needs:

- A. Have helmets turned on, paired with radios, volume set & microphone checked. (All helmets and radios should be turned to the same channel per team)
- B. Turn on remote control to verify proper idle position as well as battery level.
- C. Have lanyard and correct size helmet ready for instructor when the time comes.

SECTION 2- Plan for water entry by pilot- Boat, Dock, Beach:

- A. The assistant should recognize and prepare for the boat to float according to current and or wind and should have a plan to have boat in position for pilot.
- B. The hose should be untwisted and cleared.
- C. The assistant should communicate with the instructor on where they need pilot to be prior to moving them from the stand.
- D. The assistant takes control from the stand to the water's edge guiding the pilot to the proper depth/positioning required by location. The new pilot must be at least 30 feet from ANY object, in any direction in the water to allow maximum safety spacing.

SECTION 3- Instruct on floating technique, starting position, as well as turtle maneuver:

A. Once in proper position the following should be instructed:

1. Have client's lie on their back to recognize they have full flotation

- "Everything is positively buoyant. Once on your back this is the most comfortable position when in the water. So if you splash down, pull your key or the instructor tells you to turn turtle this is what we mean. (You will always float now whether you float face first or on your back which is why we explain this.) Just rotate to your back. Now I will instruct you on how to do so."

2. Turtle maneuver:

- Reiterate in order to get to your back YOU MUST PULL THE KEY. Explain to the customer how to rotate to turtle prior to instructing on it. "Now to rotate to your back what you want to do is

☉PULL KEY!

⊗ Pull down on one arm keeping the other stationary and rotate the opposite way (so if you pull down on your right rotate left)

- Once instructed: Show them one time actually doing it for them. Hold the clients controls and do the turtle maneuver. Then have the client show you that they can rotate to turtle with ease. (DO NOT let the client control any situation)

⊗ DO NOT let the client lay in a forward position for any appreciable time. This can cause a distraction by making the pilot afraid of putting their face near the water and tire them out prematurely by kicking trying to get upright.

3. Starting Position:

- Have client recognize the “seated” position which is a vertical position for the backpack. Reiterate to the client that this is the one and only time that the controls may be slightly under water. For the rest of the flight, controls should remain above the water’s surface.

- Legs and feet should be nice and relaxed. Also explain to the client to make sure they don’t tense up during flight. “The more relaxed you are the easier the flight will be.” Look for tenseness in the arms and hands and reiterate on being relaxed.

SECTION 4- Recognizing Pilots Unease:

A. Make sure pilot is RELAXED.

B. Pay close attention to body movement, body language, as well as expressions.

- Examples:

1. If client is gripping controls and the muscles in his/her forearms are flexed (the grip is too tight and might cause pilot to struggle)

2. Refer to the controls as them holding a “baby bird” to help them relax their grip.

3. If client wants to turn his/her face before getting it wet. He might have a fear of the water and could in turn keep throwing him/her off balance.

4. If a client is expressing pain or discomfort, ask and see what can be done to fix the situation.

SECTION 5- Communication with Instructor:

A. The assistant must ALWAYS be in communication with the instructor.

- The assistant and instructor should have hand signals that have already been pre-determined prior to on-site training. If hand signals are not being used then a waterproof radio must be used in order to stay in communication. (From 100 yds. away an instructor cannot tell if you are, giving thumbs up everything is ok or an index finger to wait one sec. or a go ahead signal. So make sure your signals are all set and able to differentiate them from one another at a distance.)

SECTION 6- Starting a Pilot:

A. Be sure that the pilot is in proper position in order to start.

- The Jetlev should be either positioned directly behind or set to 90 degrees from pilot with some slack in the hose, leaving pilot approximately 20 feet from pod. The slack allows a pilot to be raised to starting position without any drag from the unit allowing the pilot to transition to forward flight before trying to overcome the dead weight of the pod.

- **Having the Jetlev parallel or at any angle alongside pilot is an extremely bad position and NOT to be used.** Any startup of this sort can cause a pilot to be pulled into the pod by the hose hanging underneath the water at start up. Make sure there is some slack in the hose so that when started, the pilot doesn't feel a jerk, pulling them backwards and or to the side.

B. Once done instructing the in water training, give the instructor a signal allowing him to take charge and begin their instructions.

- The instructor will now tell the pilot. Insert key, hit the start button. This is where the assistant wants to stay on the right side on the pilot somewhat holding the controls so if they do start off out of control the assistant can correct the pilot or even pull the key if needed to do so. (Once started the assistant wants to try to stay close to

the pilot until certain they are in control and flying on their way. Being close to the pilot helps with instilling confidence in the pilot.)

- If the pilot seems to be having a problem starting off or having a problem keeping both control arms parallel then “**shadow flying**” might be necessary for starting to simply show the pilot what he or she is doing wrong.

- To “**shadow fly**”, the assistant must inform the instructor what is happening and the assistant will then place themselves in front of pilot holding controls below the pilots hands and as the pilot is lifted, forcefully control and instruct the pilot in proper control technique. The Instructor will keep throttle to a level that allows the assistant to fly backwards at water level showing the new pilot how to properly use the control arms.

- When the assistant feels the pilot has sufficient understanding as is showing comprehension the assistant will gently release the controls and lightly push pilot away in a forward motion.

SECTION 7- Jet Ski/Support Vessel Training:

A. Assistant should **NEVER** approach a pilot or unit head on. The jet ski/support vessel should always be aimed about 6 ft. away from both pilot as well as the unit.

B. Must approach at an appropriate speed to avoid causing unnecessary wake.

C. Make sure that the jet ski/support vessel is either tied to you (the assistant) using a rope/bungee or just secure the ski to the Jetlev unit. (Making sure that when the unit is started the ski will be clear and the rope/bungee **will not get sucked up into the unit.**

SECTION 8- Untwisting the Hose:

A. Theoretically the hose can twist 2 times and the pilot will not get shut down. Now 2.5-3 twists will cause an immediate loss of power and a “dropout”. No water going through the hose no thrust/lift is generated. ONE OF THE INSTRUCTOR’S MAIN JOBS IS TO PREVENT IT FROM GETTING TO THAT POINT. One twist can and will cause a first time pilot to be thrown off balance! So we ALWAYS UNTWIST and ALWAYS maintain the hose straight and clear.

B. Always watch the movement of the boat as well as the movements of the pilot to see which way the twist was generated and which way the pilot or boat has to be spun to untwist. (Can also recognize a twist in the hose by simply looking at the protective sheath where the electrical runs through and following it from the unit to the pack. Another way to tell if the hose is twisted is when the pack is on the stand, when you pick up the hose if the water drains out of it, the hose is straight no twists. If the water staying trapped in the hose there is a twist.)

C. When a pilot has a twisted hose:

1. Recognize it: Voice it/signal it to the instructor and have the instructor power down and have pilot pull key. Have pilot lie on their back.

2. Once pilot is comfortable on their back, start at the unit and follow the hose all the way back to the pilot. Recognizing which way the hose is twisted and how many times so that when the pilot is reached you can untwist the pilot and set them headed in the correct direction. (It is easier to spin the pilot than it is to spin the boat to untwist but both can be done depending on each situation.)

SECTION 9- Water Exit:

A. When the instructor feels appropriate he will signal the assistant to head into the dock/shore/boat, secure the jet ski/support vessel to wait for the pilot on the approach. The assistant should make haste without endangering anyone or themselves and should exit the ski and be waiting for the pilot in the water (as a buoy or point of reference) on the approach.

B. The instructor will coach when appropriate to pull key and turn turtle. The assistant must make sure that the pilot is appropriately rotating to turtle and, if not, help in doing so.

C. From here, the assistant must use their judgment whether to unstrap or simply walk the pilot out.

- Examples:

1. If the pilot seems tired, don't add additional stress making them carry the pack out (Simply have them release and have assistant carry the pack to the stand).

2. If pilot seems ok and suitable to carry the pack back to the stand, have them do so, guiding them up the ramp/shore walking slightly past the stand (to allow tension in the hose to relax) and then backing them up and guiding them onto the stand.

3. When on any type of boat, floating dock, or when a ladder has to be used for exit of water the pilot **MUST** unstrap from the jetpack and walk up. **YOUR JOB** as the assistant is to grab the pack from the pilot, secure it and/or hand it up, if necessary.

4. This is where the assistant makes sure:

I. The hose is straight.

II. The pack is properly in the stand. (So when the following client sits down it doesn't fall or bend/break something.)

III. Stretch all straps out completely to prepare for the following client.

IV. Secure helmet and key from client/pilot and have ready for instructor for the following flight.

V. CHECK

a. All Knurled knobs. (Make sure still tight, arms position hasn't changed, nozzle angle.)

b. Full basic overview of the jetpack (everything tight and secure?), hose (tears, damage?), electrical (radios battery, helmets battery, remote battery), check fuel and check engine compartment etc. make sure no damage was caused, and start to prepare for the next flight starting over with wind, current, boat positioning, etc...

VI. Although, it is the instructor's responsibility to not miss anything during their instructional like correct arm, seat, and trapeze lengths as well as everything else in their instructional, it is the assistant's responsibility to bring it to the instructor's attention **DISCREETLY** so that every pilot gets the identical experience and **ALL** remain **SAFE**.

Jetlev Toolkit

- 3/8" Ratcheting Socket Wrench
- 3/8" Socket Set
 - 5/8" Spark Plug Socket
 - 11mm Socket (Hose assembly clamps)
 - 13mm Socket (Yamaha ride-plate)
 - 14mm Socket (Yamaha intake-grate)
- 3/8" Socket Extension (12")
- Wrenches
 - 8mm
 - 10mm
 - 11mm or 7/16"
- Adjustable Wrenches
 - 6"
 - 10" or 12"
- Needle Nose Pliers
- Adjustable Pliers
- Allen Key Set
 - 1.5mm-8mm
- Screwdriver Set
 - Philips and Flat head (2-3 sizes of each)
- Pack of Razor Blades
- Brush Set
 - Brass, Wire, and Plastic bristles
- Miscellaneous Bag
 - Caps for electrical
 - Pack of O-Rings for hose assembly
 - Magnets
 - Small for helmets
 - Large for pairing receiver
 - Zip ties
- Stainless hose assembly clamps
 - 0400 (Rubber only)
 - 0425 (Rubber and sheath)
- Complete anodized hose clamp (to attach hose to unit/jetpack)
- Flush Fitting (for hose to flush boat unit)
- Spark Plugs (3 new)
- 3M Silicone Paste
- Zip-Tech (Zipper lube for zippers and dry suits)

TECHNICAL BULLETIN

Written by: D.G. Hubbard Approved by: Raymond Li Distribution date: 10/23/2011

IMPORTANT NOTICE: Jetlev Technologies, Inc.'s (JTI's) Technical Bulletins are published and distributed to all participants in Jetlev sales and distribution, service centers, technicians, trainers, registered flight instructors, customers and pilots. Technical Bulletins shall be construed as having been distributed whether delivered by email to individuals and/or by posting to our online Technical Bulletins accessible soon on our website www.jetlev.com.

Technical Bulletins are designed to provide important updated information for the safe handling, storage, transport, operation, training, maintenance, servicing, repairs, and upgrades, as well as recall notices, safety information, warranty policies and procedures, and policy updates related to these issues. Once distributed, printed manuals cannot be easily changed or updated. Technical Bulletins are therefore published and distributed as integral parts of JTI's Operator's Manuals and Service Manuals.

Since improper procedures could dramatically reduce the durability, functionality and safety of Jetlev equipment and operation, all participants in Jetlev sales and distribution, service centers, technicians, trainers, registered flight instructors, customers and pilots have the responsibility to be knowledgeable and stay abreast of information provided in Operator's Manuals (and Service Manuals where the individual's responsibilities include maintenance and service) and Technical Bulletins, and should regularly and promptly read and understand Technical Bulletins and comply with their directives.

Relevant Manual: Operator's Manual

Relevant Chapter/Section: Maintenance

Subject: Maintenance procedures after use

At the end of each day of operating the Jetlev boat unit, jetpack, and hose, the following maintenance procedures must be performed immediately. It is especially important to do this as soon as possible if the connectors have been exposed to salt water, or if the boat's engine compartment had experienced water infiltration. In general, report any damages or irregular behavior to jetlev service department as soon as possible. Sometimes, small issues which are not corrected promptly can lead to big problems and long down time shortly thereafter because salt water is extremely corrosive.

1. Minimum facilities required for proper maintenance and inspection:

- a. **Fresh water flushing hose:** The owner/operator must ensure that there is a source of pressurized fresh water for flushing purposes. A blue plastic adaptor fitting is supplied with each Jetlev system for flushing the exhaust system more effectively. Do not lose this adaptor fitting. Flushing can be performed without it but would take longer and waste more water.
- b. **Rinsing bucket:** There should be a rinsing bucket for rinsing the helmets and lanyard properly. A larger one for rinsing the hose assembly, wet suits and water shoes would also be highly beneficial.
- c. **Compressed air:** Low pressure compressed air should be readily available for drying electrical connectors and engine compartment components after they get wet and after rinsing.
- d. **Dielectric grease:** A small container of a high-viscosity dielectric grease with a small brush is ideal for coating a thin, even layer of this protection on delicate electrical connectors and exposed terminals. Keep this handy in your support vessel or towing vehicle.
- e. **Electricity:** Electricity is needed, along with a large number of outlets on a surge-protected power bar(s), would be necessary to recharge electronic equipment.
- f. **Drying facilities for PFD's, wet suits, water shoes, helmets:** There should be ample rods and hangers to hang wet PFD's and wet suits after rinsing, and racks to air dry water shoes and helmets. A large electric fan would help to speed drying, but air conditioning and electric boot dryers would be especially helpful.
- g. **Access for inspecting engine compartment and bottom of boat:** The bottom of the boat, water intake, impeller and impeller nose cone must be inspected periodically to detect and repair collision damages and

other potential issues as early as possible. Placing the Jetlev boat unit on a watercraft dolly generally provides good access.

- h. **Space for inspecting and rolling hose assembly:** Whether it is a dock, a ramp, or the deck of a boat, there should be space to lay out the hose assembly to inspect it for damages and to roll it up for storage. The surface should be free from sharp debris such as glass shards or broken barnacle shells, which can damage the hose jacket very easily.

2. **Electrical cable connectors:**

- a. **Flushing with fresh water:** Each connector should be individually flushed thoroughly with fresh water (ideally distilled water) by immersion in a bucket and shaking back and forth or held against a low pressure spigot. DO NOT use salt water or high pressure water sprays to rinse as this may damage the connectors.
- b. **Drying:** Use a low pressure air gun (40 psi or below) or canned air (e.g. Dust-Off) to dry the connector pins and sockets thoroughly. Make sure to remove any grits of sand or similar debris, because connecting the male to female connectors with any gritty debris would damage the gold plating protection immediately.
- c. **Dielectric grease:** Using a small brush and a small tub of dielectric grease, coat the male pins only with a thin layer of the dielectric grease, then reconnect the hose to the female connector on the boat. This spreads a thin layer on both pin and socket surfaces. Do not brush dielectric grease on the female connector as this may deposit excessive amount of grease into the sockets, and result in excessive pressure buildup when the male connector is engaged. Repeat the same procedures with the connectors on the jetpack end.
- d. **Use of metal and vinyl connector caps:** The protective caps are designed to minimize exposure of the connector pins and sockets to water, road spray, and dust deposits. Use the protective caps only when towing on water, trailering, and during extended storage and only after the connectors have been flushed, dried, and protected with dielectric grease. Do not cap if connectors are wet, especially before long term storage. After rinsing, drying and coating male pins with dielectric grease, connect the two hose connectors together for protection.
- e. **Never use pliers to connect and disconnect electrical connectors.** If maintained properly, the connectors can be connected and disconnected by hand without using excessive force. Make sure the mechanical keys of the connectors are matched up properly. Do not use excessive force.

3. **Radio helmets:**

- a. Repeat the same rinsing, drying and protection procedures with radio helmets, making sure to flush the lining and the charging sockets carefully in a bucket of fresh water to remove as much of the salt water as possible.
- b. Dry the charging sockets thoroughly with gentle compressed air, and coat the charging plug with a thin film of dielectric grease before charging.
- c. Never charge with water in the sockets because rapid corrosion will result. The only reason that corrosion could take place in the charging sockets is improper maintenance, and this type of damage is not covered under manufacturer's warranty. Helmets are about \$400 to replace outside warranty.
- d. Store helmets in a cool, dry place and top up the battery charge before a flight. Air conditioned space would be ideal. Adding a fan to help dry the lining more quickly would also be a good idea to prevent molds and mildews.

4. **FRS radios:**

- a. Radios are not waterproof! Do not soak in water. Remove the battery pack from the FRS radios and wipe both the radio and battery pack dry with a clean, dry cloth. Never charge the radio or battery pack while it is wet, as the charging currents will accelerate corrosion rapidly. A radio could be damaged in one charging cycle when it is charged while wet.

5. **Boat unit:**

- a. **Flushing with fresh water:** Although the engine employs a closed-loop cooling system using automotive-type radiator fluids, the exhaust system uses ambient water for cooling. During operation, salt water circulates

through the pump, stainless steel towing valve, heat exchanger, supercharger intercooler, engine exhaust manifold, water box water injectors, water box, resonator, and exhaust port on the transom. If it is allowed to stay in the cooling passages, salt crystals develop and concentrated salt solutions can cause rapid corrosion of metal parts in the system. Flushing with fresh water is mandatory to avoid premature equipment breakdowns.

Use the provided flushing adaptor to attach fresh water hose to transom flushing port. Start engine before turning on the flow of water. Run engine for about 5 minutes with fresh water running, occasionally revving engine for a second or so.

With boat unit tilted back a few degrees and drain plug opened, flush the engine compartment with low pressure fresh water to remove salt water on the engine, electrical components, and the interior surfaces of the boat. Use low pressure compressed air gun to dry, or if that is not available, keep the hatches open to air dry out of the elements.

Flush the exterior of the boat unit and wipe dry to prevent the formation of spots. Remove any fuels, solvents, bird droppings, tars and other substances that may damage the surface finish. Occasionally, apply a good quality boat wax and buff to a shine to extend the life of the finish.

- b. Impeller nose cone/bottom damages:** Occasionally, the nose cone of the impeller may work loose under mechanical stresses. If that happens, water could enter the splined area of the drive shaft and impeller hub. Prolonged operation with salt water in these areas could cause premature corrosion of the drive shaft and splines, and premature bearing failures. With an active operating schedule, inspect the impeller nose cone daily with the engine and starting key off by looking into the water intake from under the boat. Use your fingers to check that there is no gap between the tail end of the nose cone and the leading edge of the impeller. Shake the nose cone to make sure that there is no play. If the nose cone is loose, consult JTI service department for step-by-step instructions.

While under the boat, look for any damages to the boat bottom, particularly around the water intake area. Any damages should be reported to JTI service department for step-by-step instructions on the best repair procedures.

- c. Hose clamps:** A water hose clamp failure can result in rapid swamping of the boat unit during operation. Once it becomes routine, it only takes a few minutes to do. We recommend checking the single hose clamp at the water pump water takeoff port, two clamps at the towing valve, four clamps at the heat exchanger inside the transom, three clamps at the T-connector on the hose leading to the exhaust manifold, two clamps on the intercooler, one clamp on the bottom of the forward end of the exhaust manifold, two clamps on the aft end of the exhaust manifold, and clamps on the two sets of water injector hoses leading to the water box inlet area. Also check the two clamps on the recirculating pump leading to and from the heat exchanger. Look for coolant fluids in the bilge which may indicate overheating or leaks.

6. Jetpack:

- a. Fresh water flushing:** use a fresh water hose to rinse the surfaces and inside of the tubes on the jetpack, the harness webbing, and the buckles and rotary latches.
- b. Drying:** Use low pressure compressed air to remove as much water from inside and outside of the rotary latches and harness buckles as possible. Salt crystals developing on the harness webbing and buckles surfaces will increase friction and make adjustments more and more difficult. Use low pressure compressed air or wipe the composite and metal surfaces with a soft, dry cloth to speed drying and prevent formation of spots.
- c. Inspect for damages:** Look for any damages to the composite back rest, thrust nozzle assemblies or control arms. Small dents in the thrust elbows would not affect flight. Look for significant fraying or disintegration of sewing threads in the harness webbing or trapeze. If any cracks or other obvious damages are observed, contact JTI service department for instructions.
- d. Waxing harness webbing:** When dry, rub a light film of solid paraffin wax or similar hard wax on the surfaces of the webbing where adjustments occur. This will help reduce adjustment friction.

7. Hose assembly:

- a. **Fresh water flushing:** The most effective way to flush the hose assembly is to connect the undamaged electrical connectors together and soak the entire hose assembly in a large bucket of fresh water for a few minutes. If that is not possible, rinse the hose jacket with a fresh water hose thoroughly.
- b. **Inspection:** With hose assembly extended prior to rolling, inspect both sides of the hose jacket for any cuts and other damages. Small cuts and scratches will not affect performance. Look for any cuts or sharp bends in the electrical cable, and report any significant damage to Jetlev service for diagnosis and instructions.
- c. **Air dry:** Allow the hose assembly to air and drip dry in a rolled coil, with the hose surfaces oriented vertically. A good breeze or an electric fan will speed drying and minimize molds and mildew formation over time. Avoid putting the hose assembly under a hot sun as O-rings and fabrics may deteriorate more quickly with high UV exposure.

8. *Pre-trip and pre-flight checklists:*

Checklists are beyond the scope of this Technical Bulletin. Please refer to separate sections on pre-trip and pre-flight checklists.

Unit # _____

[illegible]

5.1. Maintenance schedule

PART / TASK	HOURS OF USE:	Daily	10	50	100	200	1 YR	Performed by
ENGINE								
Engine oil (1) and filter			R	R				SC
Rubber mounts			I		I			SC
Corrosion protection				L				SC
EXHAUST SYSTEM								
Exhaust system including intercooler	I (2)		I		I			O, SC
Supercharger clutch						RB(3)		SC
COOLING SYSTEM								
Hose and fasteners			I					O
Coolant			I			R		O
FUEL SYSTEM								
Fuel cap, filler neck, fuel tank, fuel tank straps, fuel lines & connections			I		I			O
Fuel system leak test			I		I			SC
Throttle body			I(4)		L			O
Fuel tank straps			I		I			O
Air intake baffles			I		I			SC
ENGINE MANAGEMENT SYSTEM								
EMS sensors			I		I			SC
EMS fault codes			I		I			SC
ELECTRICAL SYSTEM								
Spark plug			I		R(5)			O
Electrical connections & fastening (ignition system, starting system, fuel injectors, etc.)			I		I			O
Key/key post			I		I			O
Battery & fasteners			I		I			O
PROPULSION SYSTEM								
Carbon ring & rubber boot			I		I			SC
Impeller boot (nose cone)			I		I			SC
Impeller shaft seal, sleeve and O-ring					I			SC
Drive shaft/impeller splines					I, L			SC
Impeller & impeller wear ring clearance			I		I			SC
HULL & DECK								
Hull		I			I			O
Water intake & tunnel		I			I			O
JETPACK								
Jetpack		I					I	SC
HOSE ASSEMBLY								
Hose, sleeve		I				I		O
Cable connectors & clamps		I				I		O

Maintenance is very important for keeping your watercraft in safe operating condition. Proper maintenance is the owner's responsibility. Perform periodic checks and follow the maintenance schedule.

⚠ WARNING
Failure to properly maintain the watercraft according to the maintenance schedule and procedures can make it unsafe to operate.

The schedule should be adjusted according to operating conditions and use. Intensive use of watercraft will require greater frequency of inspection and maintenance.

This section includes instructions for basic maintenance procedures. If you have the necessary mechanical skills and the required tools, you can perform these procedures. If not, see your authorized Sea-Doo watercrafts dealer.

Other important items in the maintenance schedule that are more difficult and require special tools are best performed by your authorized Sea-Doo watercrafts dealer.

R: Replace
 I: Inspect
 L: Lubricate
 SC: Service Center
 O: Operator

- (1) Check level before each trip
- (2) Daily flushing when used in salt or foul water
- (3) Replace or rebuild by authorized service center
- (4) Lubricate immediately after ingesting salt water
- (5) Replace more frequently as needed after ingesting salt water due to mishaps or rough water use

MISCELLANEOUS TASKS						
Clean all wetsuits and vests with soap and dry in sun						
Clean hose with Salt Away and allow to dry in sun						
Clean pontoon outboard with Salt Away						
Restock Dock Box (Air, T9, etc.)						
Wash off and sweep Pontoon Boat						
Clean wetsuit drip pans with scrub brush						
Restock Dock Box (Air, T9, etc.)						
Wash off and sweep Pontoon Boat						

UNIT #						
Note Hours on Pod (Check Maintenance Schedule for tasks coming due)						
Inspect pod for damage and note any new items						
Flush pod and wash with Salt Away						
Check/tighten All Bolts on pack						
Inspect Fuel lines						
Check and add oil (change every 50 hours - note if added)						
Check coils and reseal with Dielectric grease						
Change plugs (every 75 hours)						
Inspect all electrical connections						
Check Impeller (note date of check, since cannot check in water or on dock)						
Wash Pod, remove paint marks, dry with chamois						
Clean engine keys with wire brush and T9						
Spray buckles with Corrosion X						



Daily Pre-Departure Checklist

- 1) **Drain plug** in
- 2) **Tow valve** on (dot facing out rather than forward) for towing to training location
- 3) **Hose and electrical** connected to pod and pack
- 4) **Fuel level** checked (pod, ski, pontoon) and filled to at least half tank (make sure fuel fill cap is tight)
- 5) **Battery switch** inside pod turned to “on” and **bilge pump switch** turned to “auto”
- 6) **Engine key** tested and green light confirmed
- 7) **Transmitter tested** in Instructor mode to confirm pairing (increase throttle on transmitter and verify that the servo rotates)
- 8) **Jet ski key** attached to jet ski and **kill switch** on
- 9) **Cell phone** on boat for communication with office



Jetlev Training Overview

- 1) Jetpack weight/buoyancy**
- 2) Water pressure**
- 3) 4 commands**
- 4) Walkie-talkie helmet**
- 5) Remote control**
- 6) Small movements**
- 7) Customer in pack**
- 8) Five-point safety harness**
- 9) Arms up while in water**
- 10) Starting the engine**
- 11) Stopping the engine**
- 12) Control review**
- 13) Starting initial movement**
- 14) Priority #1 – Level control arms**
- 15) Priority #2 – Avoid hovering**



10) Starting the engine

- Four step process:
 - Step 1 – Place key on post (use left hand to hold up control arm to place firmly on post)
 - Step 2 – Confirm throttle is OFF (knuckles in)
 - Step 3 – Wait for green flashing light
 - Step 4 – Press and hold ignition button for 3 seconds

11) Stopping the engine

- Pull the engine key from the post with the right hand
- Practice *once* to ensure they remove with right hand
- Practice again with customer looking at right hand and closing eyes, explaining that's to mimic a scenario where they may be underwater

12) Control review

- Practice Arms Up, Arms Down, ensuring very small movements and level control arms
- Practice Lean Right, Lean Left, ensuring look over shoulder and maintain level control arms

13) Starting initial movement

- Instructor will slowly throttle up
- Customer will slowly bring the arms down together to get into forward motion
- Customer should let feet go behind them
- Gently raise arms to keep face out of water

14) Priority #1 – Level control arms

- Emphasize importance of keeping arms level
- Explain that they may have to correct as the hose tugs behind them until the boat unit straightens out

15) Priority #2 – Avoid hovering

- Once the customer is flying, explain their new top priority becomes avoiding the hover
- Forward momentum is critical to stability
- Each increase in throttle *must* be accompanied by a lowering of the arms to avoid hovering and potential backflip

16) Follow Instructor Commands

- Explain that the easiest way to fly is to listen to instructor commands



Jetlev Southwest Roles and Responsibilities

Roles and Responsibilities

Office Rep

- Setting up eVoice to route office calls to cell phone:
- Changing email routing to receive info@jetlevsouthwest.com emails:
- Reviewing flight calendar to see who needs to pay
- Entering flight payments into Sales Report
- Documenting selected song for flight video
- Directing customers to training area (providing map, if necessary)
- Updating Appointment Plus with Customer information (from sign-in sheet):
 - o Customer Name (if reservation was made by different person in the group)
 - o Mailing Address
 - o Email address
 - o Phone Number
- Answering phone calls and emails
 - o Answer any general questions
 - Copy Dean on any email responses
 - Send Dean email with summary of any phone calls/voicemails returned
 - o Forward any specific/urgent issues to Dean (dean@jetlevsouthwest.com, 949-400-9790)
- Editing flight videos (see Jetlev Video Process Overview document for details)
- Selling follow-up flight time and merchandise
- Encouraging customers to share photos and videos on Facebook page
- Printing documents, as needed (waivers, maps, certificates, etc.)
- Sending Gift Certificate emails via Constant Contact
- Tell customers to check JetlevCustomerVideos YouTube channel (there's a link to it on our website Video Gallery page) for their video in a few days, in case they don't receive the Congratulations email

Office Instructor

- Greeting customers
- Collecting flight payments
- Upselling to video packages



- Overseeing sign-in and waiver signing
- Documenting selected song for flight video
- Showing training video
- Going over pack, controls and flight instruction to reduce training time on the beach
- Directing customers to training area (providing map, if necessary)
- Texting beach crew with the following info:
 - o Customer First Name(s)
 - o Flight Time (20 or 30 min)
 - o Video Package Info (Standard or Premium – 3 angle)
- Signing Pilot Certificates to give to first-time flyers
- Selling follow-up flight time and merchandise
- Encouraging customers to share photos and videos on Facebook page

Instructor

- Preparing pontoon, ski and Jetlev for training day
- Towing Jetlev to and from training area
- Training customers from the pontoon boat
- Monitoring battery levels of radios, transmitter, helmets, etc.
- Cleaning Jetlev, flushing unit, washing hose and pack
- Bringing Jetlev gear up to the office after washing
- Filling out Jetlev Incident Report for any of the following:
 - Customer contact with pod (any)
 - Customer backflips
 - Customer contact with boat/jet ski/other item, where injury of any sort occurs (bump, scratch, etc.)
 - Customer injury outside of the pack (scratch from pontoon, fall on beach, etc.)
 - Staff injury of any sort
 - Equipment damaged or lost

Instructor Assistant

- Preparing pontoon, ski and Jetlev for training day
- Driving pontoon to and from training area (side-tying jet ski, if necessary)
- Driving jet ski during customer training
- Shadow flying, if necessary
- Filming second half of customer's flight, if video package purchased
- Filming customer exiting the water after the flight, asking for a smile and thumbs up



- Shuttling customers to and from the beach
- Monitoring Jetlev and jet ski fuel levels
- Refueling Jetlev and jet ski, as necessary
- Unloading pontoon and assisting with clean-up
- Assisting with flushing of Jetlev, washing hose and pack
- Bringing Jetlev gear up to the office after washing

Floating Assistant

- Preparing pontoon, ski and Jetlev for training day
- Monitoring text messages to see when customers are arriving
- Keeping in contact with office to ensure good customer hand-offs between office and boat
- Greeting customers as they arrive at the pontoon boat
- Getting customers fitted in wetsuits and life vests
- Ensuring next customer is ready to go when previous customer completes flight
- Strapping customer into pack
- Loosening straps after each flight to get pack ready for next customer
- Switching GoPro memory cards for each customer/group
- Ensuring helmets are powered up/down to save batteries
- Answering customer questions
- Keeping pontoon boat tidy
- Hanging up wetsuits to dry
- Providing customers with GoPro memory cards in Ziploc bag and instructions to return to office to have videos edited
- Encouraging customers to purchase follow-up flights and merchandise
- Unloading pontoon and assisting with clean-up
- Washing down all wetsuits, life vests and helmets



Jetlev Video Process Overview

- 1) Ask customer what music they want for their video
- 2) Enter song choice in customer record in Appointment Plus
- 3) Open Windows Movie Maker with the template with the selected song (templates are stored in Videos folder – shortcut on Desktop)
- 4) Save video with new filename (“Jetlev Flight Movie – Pilot Name – Flight Date”) in the current date’s folder (create folder under Videos, if one does not yet exist)
- 5) Change video to Widescreen in the Project tab
- 6) Update date and pilot name in video opening credits
- 7) When customer returns to office, copy files from memory card into current date’s folder
- 8) Drag all video files into Movie Maker for editing
- 9) Review video footage and remove bad footage, only leaving the best, most varied footage
- 10) Select all video clips and choose Animations – Cross Fade
- 11) Select the last video clip and choose Visual Effects – Fade to Black
- 12) Copy video footer (www.JetlevSouthwest.com) to start at the first video clip
- 13) Change the Text Duration for the footer to 300 seconds to run the full duration of the video
- 14) Confirm the closing statement (“Come Back and Fly with Us Again Soon!”) is positioned in the last black slide
- 15) Remove the red placeholder slide
- 16) Double check each of the above items before saving file
- 17) Save Movie for High Definition Display using the same filename in the same folder
- 18) After the movie saves, upload to YouTube (Login: JetlevCustomerVideos, PW: jetlevsw)
- 19) In YouTube:
 - a. Delete the extension (.wmv) from the Filename field
 - b. Enter the following text in the YouTube Description field: “Be sure to change settings to 1080p and Full Screen for best viewing. Call Jetlev Southwest at 888-553-6471 to book your flight today!”
 - c. Enter the following text in the YouTube Tags field: “jetlev water jetpack flight”
 - d. Select “Sports” as the YouTube video Category
 - e. Save video
 - f. After video completes uploading, confirm it plays correctly by clicking the link

Jetlev Incident Report

Date _____

Employee Name _____
Title/position _____

Manager Name _____
Title/position _____

Incident Date _____
Time _____
Location _____

Description of incident (equipment damage, injuries, waivers signed, etc.)

Employee explanation

Witnesses

Action to be taken (repairs, medical attention required, etc.)

By signing this document, you acknowledge that you have read and understood the information contained herein.

Employee

Manager

Date

Date

Jetlev Toolkit

- 3/8" Ratcheting Socket Wrench
- 3/8" Socket Set
 - 5/8" Spark Plug Socket
 - 11mm Socket (Hose assembly clamps)
 - 13mm Socket (Yamaha ride-plate)
 - 14mm Socket (Yamaha intake-grate)
- 3/8" Socket Extension (12")
- Wrenches
 - 8mm
 - 10mm
 - 11mm or 7/16"
- Adjustable Wrenches
 - 6"
 - 10" or 12"
- Needle Nose Pliers
- Adjustable Pliers
- Allen Key Set
 - 1.5mm-8mm
- Screwdriver Set
 - Philips and Flat head (2-3 sizes of each)
- Pack of Razor Blades
- Brush Set
 - Brass, Wire, and Plastic bristles
- Miscellaneous Bag
 - Caps for electrical
 - Pack of O-Rings for hose assembly
 - Magnets
 - Small for helmets
 - Large for pairing receiver
 - Zip ties
- Stainless hose assembly clamps
 - 0400 (Rubber only)
 - 0425 (Rubber and sheath)
- Complete anodized hose clamp (to attach hose to unit/jetpack)
- Flush Fitting (for hose to flush boat unit)
- Spark Plugs (3 new)
- 3M Silicone Paste
- Zip-Tech (Zipper lube for zippers and dry suits)



In the matter of the petition of

JETLEV SPORTS, INC.

for an exemption from Subparts B, C, F,
I, J and Section 183.610(a)(2) of Subpart K*
of Part 183 of Title 33, Code of Federal
Regulations

FEB 2 2011

CGB 10-009

GRANT OF EXEMPTION

By letter dated December 6, 2010, Mr. Raymond Li of Jetlev Sports, Inc., 1111 Old Griffin Road, Dania, Florida, petitioned the Coast Guard for an exemption from Subparts B, C, F, I, J, and Section 183.610(a)(2) of Subpart K of Part 183 of Title 33, Code of Federal Regulations.

The exemption is sought for the Jetlev R200 personal jetpack manufactured by the petitioner. The Jetlev R200 consists of a boat unit which is 127 inches in length, has a 48-inch beam and which houses a three cylinder, four stroke engine driving a water-jet pump that delivers pressurized water to an airborne jetpack via a flexible, four-inch diameter water hose. The boat unit is designed to function as a passive floating pump and has no direct propulsion and neither carries the operator, nor any passengers. Instead, the operator wears a harness and "flies" through the air propelled by the pressurized water delivered to the jetpack. The Jetlev R200 boat unit has a dry weight of 370 kilograms and contains 7.8 cubic feet of foam flotation material. The net engine compartment volume is 19 cubic feet.

The requirement for the Display of Capacity Information in Subpart B of Part 183 requires the manufacturer of a monohull boat less than 20 feet in length to display on a label affixed to the boat the maximum weight capacity and maximum persons capacity determined in the Safe Loading Standard. The Safe Loading Standard in Subpart C of Part 183 requires the manufacturer to calculate the maximum weight capacity and maximum persons capacity of a boat in accordance with the procedures and formulae provided in the regulations.

The Flotation Standard in Subpart F of Part 183 requires the manufacturer of an inboard powered monohull boat less than 20 feet in length to calculate and provide the quantity of flotation material necessary to support the submerged weight of the boat and two-fifteenths of the dry weight of the persons capacity. Two of the weights the manufacturer must use in determining the quantity of flotation material needed, are the maximum persons capacity and maximum weight capacity found in the Safe Loading Standard.

In the Safe Loading Standard, calculation of the persons capacity according to the regulations requires adding weights along the outboard extremity of the passenger carrying area, at the height of the seat nearest the center of that area, until the boat assumes maximum list without water coming into the boat. Calculation of the maximum weight capacity in accordance with the regulation involves immersing the boat in calm water up to the point where water would flow into the hull of the boat. Since the Jetlev R200 has no open load carrying area into which water will flow as envisioned by the Safe Loading Standard, it is impossible to test the boat for maximum persons capacity and maximum weight capacity. Also, the Jetlev R200 is not designed to carry the operator or any passengers or gear. For those reasons, the petition requests an exemption from the Safe Loading Standard and from the Flotation Standard, which utilizes weight capacities found under the Safe Loading Standard. In addition, the petition requests an exemption from the requirement for the Display of Capacity Information, since it follows that if the information cannot be determined, then it cannot be displayed.

The Coast Guard has carefully considered all information presented in the petition. The formulation and wording of the Coast Guard Safe Loading Standard, as well as the validity of the capacities determined in the standard are predicated on the conventional type hull in which persons and portable gear are carried within a finite volume or area of the hull. In view of the unique configuration of the Jetlev R200, the Coast Guard considers that the calculations and tests prescribed in the Safe Loading Standard cannot reasonably be made to apply to this boat. The boat unit is designed to function as a passive floating pump and has no direct propulsion and neither carries the operator, nor any passengers. Instead, the operator wears a harness and "flies" through the air propelled by the pressurized water delivered to the jetpack. In addition, the Coast Guard recognizes that if the maximum persons capacity and maximum weight capacity cannot be reasonably and practically determined in the Safe Loading Standard, then the Flotation Standard cannot reasonably apply either. Also, a U.S. Coast Guard Maximum Capacities label cannot reasonably be required.

The basic intent of the Safe Loading Standard is to avoid the situation in which the careless or inexperienced boat operator crowds too many people or too much portable gear into a boat, reducing its stability and freeboard and making it more susceptible to capsizing and swamping. The Coast Guard's experience has been that such overloading occurs because of the simple fact that a small boat hull can physically accommodate a much greater load than the boat can safely carry. After careful examination of the Jetlev R200 design and operation method, the Coast Guard considers that it would be very difficult to either inadvertently or deliberately overload one of the petitioner's boats.

The Flotation Standard in Subpart F requires the manufacturer to equip the boat with sufficient flotation to support the submerged weight of the boat and two fifteenths of the persons capacity. The petitioner states that the Jetlev R200 is equipped with 7.4 cubic feet of foam flotation material. The petition also states that the company's own testing shows that the amount of flotation material installed is sufficient to meet the intent of the Flotation Standard.

With regard to the petition for an exemption from the Electrical System Standard in Subpart I of Part 183, the petitioner states that the electrical system is ignition-protected and special attention has been paid to insulation of terminals on ignition components and grounding of metallic

surfaces. The petitioner states that the battery is securely mounted and installed in such a way that excess movement is prevented; ungrounded battery terminals are insulated to prevent accidental contact with metallic objects; and battery terminals are secured by bolt-on type connectors.

With regard to the petition for an exemption from the Fuel System Standard in Subpart J of Part 183, the petitioner states that the fuel system in the Jetlev R200 is a closed fuel injection system which is sealed to prevent leakage even when the boat unit is capsized. The petitioner also states that the Jetlev R200 is equipped with a fuel tank that will withstand the test pressure specified in the standard; the fuel pump is operable only while the engine is running and the ignition switch is turned to the "on" position; and that the fuel system will not leak any significant amount of fuel from the fuel line, filter and strainer. The petitioner states hose clamps are worm drive and corrosion resistant; flexible fuel hoses are equivalent to "U.S. Coast Guard Type A1" hose; and the entire fuel system has been pressurized to 3 psi with no leakage as specified in the standard. The petition also states that the small engine compartment volume minimizes the amount of oxygen available for combustion.

The requirements of Subparts I and J were intended to reduce the incidence of boat fires and explosions, which cause property damage, injuries and fatalities. The elements of those regulations were based upon voluntary standards of the National Fire Protection Association, the American Boat and Yacht Council, the Society of Automotive Engineers, Underwriters Laboratories and Coast Guard sponsored research. All of those voluntary standards and the Coast Guard research considered only conventional inboard and sterndrive boats which were typically larger than 16 feet in length and which typically have conventional hull construction in which the operator and passengers ride within the confines of the hull adjacent to or directly above the engine spaces.

The Coast Guard considers that the Jetlev R200 achieves a level of safety which meets the intent of Subpart J of Part 183, because the operator does not ride within the confines of the hull adjacent to or directly above the engine spaces, there is no leakage from the fuel system even when the boat unit is capsized, the electrical system is ignition-protected, and because the small volume of the engine compartment minimizes the oxygen available to support combustion.

The petition also requests an exemption from the powered ventilation requirements in §183.610(a)(2) of the Ventilation Standard in Subpart K of Part 183. The petitioner states that due to the small net compartment volume, powered ventilation is unnecessary.

The present ventilation regulations in Subpart K of Part 183 were intended to apply to conventional types of boats powered by inboard or sterndrive engines or equipped with gasoline generators. These engines may emit gasoline fuel vapors. The ventilation regulations are intended to remove such vapors; however, the fuel system on the Jetlev R200 is not designed in the same way as the fuel system on a conventional inboard or sterndrive boat. The fuel system on the Jetlev R200 is sealed to prevent leakage. As a result, the Jetlev R200 achieves an acceptable level of safety, and compliance with §183.610(a)(2) is unnecessary.

In consideration of the foregoing, I find that to grant this exemption would not adversely affect boating safety. Therefore, pursuant to the authority contained in 46 U.S.C. 4305 and Department of Homeland Security Delegation No. 170.1(92), which authority has been delegated to me by the Commandant, an exemption from the requirements of Subparts B, C, F, I, J and Section 183.610(a)(2) of Subpart K of Part 183 of Title 33, Code of Federal Regulations is hereby granted to Jetlev Sports, Inc., subject to the following provisions:

(1) The exemption applies only to the following boat manufactured by Jetlev Sports, Inc.:

Jetlev R200

Length: 127"

Beam: 48"

Dry Weight: 370 kgs.

CuFt Flotation: 7.8

(2) Each Jetlev R200 boat, in lieu of a certification label, shall have permanently affixed to it, in a location clearly visible to the operator when boarding the boat or getting the boat underway, a label which contains the following information:

(a) The name, Jetlev Sports, Inc., and the city and State where the company is located;
and

(b) The words:

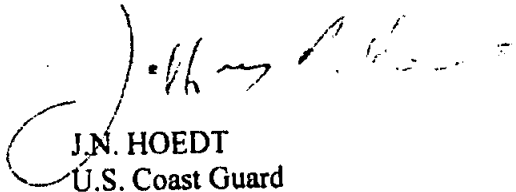
"THIS BOAT IS NOT REQUIRED TO COMPLY WITH THE FOLLOWING U.S. COAST GUARD SAFETY STANDARDS IN EFFECT ON (insert date of certification or the words 'THE DATE OF CERTIFICATION'):

- * Display of Capacity Information
- * Safe Loading
- * Flotation
- * Electrical System
- * Fuel System
- * Powered Ventilation

AS AUTHORIZED BY U.S. COAST GUARD GRANT OF EXEMPTION
(CGB 10-009)."

(3) The label required as a provision of this exemption must meet the requirements of §§181.17 and 181.19 Title 33, Code of Federal Regulations.

(4) This exemption is effective on its date of issuance and terminates three years from the date of issuance below, unless sooner superseded, rescinded or otherwise terminated.


J.N. HOEDT
U.S. Coast Guard
Chief, Office of Boating Safety
By direction of the Commandant

Issued in Washington, D.C. on: FEB 2 2001

CITY OF SAN DIEGO

LESSEE'S AND SUBLESSEE'S QUESTIONNAIRE FOR ALL LEASES, ASSIGNMENTS AND SUBLEASES

Pursuant to the City of San Diego City Charter Section 225: "Mandatory Disclosure of Business Interests," before the City will process requests to (Sub)Lease, all information requested in this Questionnaire must be completed by the proposed (Sub)Lessee. Even though a proposed Sublessee may complete the Questionnaire, the Questionnaire must be delivered or mailed to the City with a cover letter signed by the City Lessee or proposed Lessee. **THE CITY WILL NOT ACCEPT THE QUESTIONNAIRE, DOCUMENTS, OR OTHER INFORMATION DIRECTLY FROM A SUBLESSEE.**

All information furnished in this Questionnaire must be complete and accurate. Omissions, inaccuracies, or misstatements may cause the rejection and/or subsequent revocation of the City's Lease, consent to Sublease, or consent to Assignment of (Sub)Lease.

In submitting this Questionnaire, the proposed (Sub)Lessee completing the Questionnaire authorizes the City to make any inquiry or investigation it believes necessary to substantiate or supplement the information furnished in the Questionnaire, and authorizes others to release such information to the City.

Exact name of existing Lessee (always complete):

Mission Bay Sportcenter, Inc.

Exact name of proposed Lessee (complete only if applicable):

Exact name of existing Sublessee (complete only if applicable):

Exact name of proposed Sublessee (complete only if applicable):

Jetlev Southwest, LLC

Date this Questionnaire completed: November 25, 2012

The information furnished in and with this Questionnaire is true, complete, and correct to the best of my knowledge.

Signature: [Signature]

Title: President, Jetlev Southwest

Thank you for taking the time to complete the Questionnaire. Lessees may contact Real Estate Assets if they have any questions. Please return the completed Questionnaire, with any additional information or documents to:

REAL ESTATE ASSETS DEPARTMENT
1200 THIRD AVENUE STE. 1700
SAN DIEGO, CA 92101
TEL.: (619) 236-6020 FAX: (619) 236-6706

This Questionnaire contains 15 pages.

PROPOSED (SUB)LESSEE

1. Name of proposed (Sub) Lessee exactly as it will appear on the actual tenancy document:

Jetlev Southwest, LLC.

2. Mailing Address of proposed (Sub)Lessee for purposes of notice or other communication relating to the proposed tenancy:

2600 Newport Blvd, Suite 122

Newport Beach, CA 92663

Telephone No.: 949-400-9750 Fax. No.: N/A

E-mail Address: dean@jetlevsouthwest.com

3. Billing Address (*only if different from Mailing Address*):

3140 E. Abbey Ln

Orange, CA 92867

Telephone No.: Same

Fax. No.: N/A

4. Proposed (Sub)Lessee intends to operate as a:

Sole Proprietorship (); Partnership (); Corporation ();

Limited Liability Company (☒); Other _____

Explain if necessary:

5. Effective date of assignment (complete only if applicable): _____

PARTNERSHIP STATEMENT

If proposed (Sub)Lessee is a partnership, please answer the following:

1. Date of Organization: _____
2. General Partnership (☐)
Limited Partnership (☐)
Other (☐) Explain _____

3. Statement of Partnership recorded: Yes (☐) No (☐)

Date Book Page County
4. Has the partnership conducted business in San Diego County?
Yes (☐) No (☐) If so, when? _____
If so, where? _____
5. Name, address, and partnership share of each general and limited partner. If a general partner is another partnership, a corporation, or a limited liability company (LLC), please complete separate pages 3; or 4 and 5; or 6, as appropriate for such entity (type proposed [Sub]Lessee name [from page 2] on the top of each page for identification purposes). If a limited partner holding a 10% or greater interest is another partnership, a corporation, or an LLC, pages 3; or 4 and 5; or 6 must also be completed for such entity (type proposed [Sub]Lessee name [from page 2] on the top of each page).

General/Limited	Name	Address	Share %

6. Attach a complete copy of the Partnership Agreement. If a Partnership Agreement has been previously submitted, a new Partnership Agreement need be submitted only if the Partnership Agreement on file with the City is no longer current.

CORPORATION STATEMENT

If proposed (Sub)Lessee is a corporation, please answer the following:

1. Type of corporation: C () Subchapter S ()
2. When incorporated? _____
3. Where incorporated? _____
4. Is the corporation authorized to do business in California? Yes () No ()
If so, as of what date? _____

5. The corporation is held:
 - a. Publicly () Privately ()
 - b. If publicly held, how and where is the stock traded?_____

- | | | | |
|-------------------------------------|-------------------|---------------|--------------------|
| 6. Please list the following: | <u>Authorized</u> | <u>Issued</u> | <u>Outstanding</u> |
| a. Number of voting shares: | _____ | _____ | _____ |
| b. Number of nonvoting shares: | _____ | _____ | _____ |
| c. Number of shareholders: | | | _____ |
| d. Value per share of Common Stock: | | Par \$ | _____ |
| | | Book \$ | _____ |
| | | Market \$ | _____ |

7. Please furnish the name, title, address, and the number of voting and nonvoting shares of stock owned by each officer and, in addition, the same information for each stockholder owning more than 10% of any class of stock.

Name: _____

Title: _____

Address: _____

No. of Shares: _____

Name:	_____
Title:	_____
Address:	_____

No. of Shares:	_____
Name:	_____
Title:	_____
Address:	_____

No. of Shares:	_____
Name:	_____
Title:	_____
Address:	_____

No. of Shares:	_____
Name:	_____
Title:	_____
Address:	_____

No. of Shares:	_____

(Additional page(s) may be added if needed to complete list of stockholders [type proposed (Sub)Lessee name (from page 2) on the top of each page].)

8. Attach complete copies of the Articles of Incorporation (and any Certificate(s) of Amendment thereto, as the case may be) of the Corporation, and the Bylaws of the Corporation (and any Amended and Restated Bylaws, as the case may be), and any other applicable Corporate documents.

Any partnership, corporation, or LLC owning more than a 10% ownership interest must also complete separate pages 3; or 4 and 5; or 6, as appropriate for each entity (type proposed [Sub]Lessee name [from page 2] on the top of each page for identification purposes). Also, furnish the financial data for such partnership, corporation, or LLC, as required on page 7. If there is an ownership chain of additional partnerships, corporations, or LLCs, the above requirements extend to each such entity having either: (1) a 10% or greater direct, indirect, beneficial ownership, or membership interest in

the proposed (Sub)Lessee; or (2) effective control of the proposed (Sub)Lessee, regardless of the percentage of ownership or membership interest.

LIMITED LIABILITY COMPANY STATEMENT

If the proposed (Sub)Lessee is an LLC, please answer the following:

1. Date of Organization: May 2011
2. Where Organized: Orange, CA
3. Is the Company authorized to do business in California?
 - a. Yes (☒) No (☐)
 - b. If so, as of what date? May 2011
4. Has the Company conducted business in San Diego County?
 - a. Yes (☒) No (☐)
 - b. If so, when? August 2011 - October 2011
 - c. If so, where? Coronado Island at Seaforth Boat Rentals
5. Please furnish the name, address, and membership share held by each manager and officer, and each member owning more than a 10% membership interest. If a member is a partnership, corporation, or another LLC, please complete separate pages 3; or 4 and 5; or 6, as appropriate for such entity (type proposed [Sub]Lessee name [from page 2] on the top of each page).

Manager/Officer/ Member	Name	Address	Share %
Manager	John Morris	3140 E. Abbey Ln Orange, CA 92663 92667	26
Member	Jenna Morris	3140 E. Abbey Ln Orange, CA 92667	25
Officer	Dean O'Malley	1713 W. Balboa Blvd #A Newport Beach, CA 92663	19
Member	Ryan Eastman	2600 Newport Blvd, Ste 122 Newport Beach, CA 92663	15
Member	Chris Herman	2600 Newport Blvd, Ste 122 Newport Beach, CA 92663	15

6. Attach a complete copy of the Operating Agreement. If an Operating Agreement has been previously submitted, a new Operating Agreement need be submitted only if the Operating Agreement on file with the City is no longer current.

FINANCIAL AND OTHER BACKGROUND INFORMATION

FINANCIAL STATEMENT

(Sub)Lessee, general partners of (Sub)Lessee, owner-corporations of (Sub)Lessee, members of (Sub)Lessee owning more than a 10% membership interest, and any person or business entity guaranteeing the performance of (Sub)Lessee must attach a complete report, prepared in accordance with good accounting practice, reflecting current financial condition. The report must include a balance sheet and annual income statement. The person or entity covered by the report must be prepared to substantiate all information provided.

OTHER INFORMATION

Each (Sub)Lessee, each general partner of (Sub)Lessee, each owner-corporation of (Sub)Lessee, each member of (Sub)Lessee owning more than a 10% membership interest, any person or business entity guaranteeing the performance of (Sub)Lessee, any person or entity owning more than a 10% interest of (Sub)Lessee, and any guarantor of (Sub)Lessee must answer the following questions:

1. **Surety Information** - Has a surety or bonding company ever been required to perform on the default of any of the individuals or entities?
 - a. Yes () No (✓)
 - b. If yes, please attach a statement naming the surety or bonding company, date, amount of bond, and the circumstances surrounding said default and performance.
2. **Bankruptcy Information** - Have any of the individuals or entities ever been adjudicated bankrupt or are any presently a debtor in a pending bankruptcy action?
 - a. Yes () No (✓)
 - b. If yes, please give dates, court jurisdiction, and amount of liabilities and assets.
3. **Pending Litigation** - Are any of the individuals or entities presently a party to ANY pending litigation?
 - a. Yes () No (✓)
 - b. If yes, please provide detailed information for each action.
4. **Claims, Liens, or Judgments** - Are any of the individuals or entities now subject to any outstanding claims, liens, or judgments?
 - a. Yes () No (✓)
 - b. If yes, please provide detailed information for each claim, lien, or judgment.

REFERENCES FOR PROPOSED (SUB)LESSEE

Please list four persons or firms with whom you have conducted business transactions during the past three years. Two of the references must have knowledge of your debt payment history, with at least one being a financial institution. Two of the references must have knowledge of your business experience.

REFERENCE NO. 1

Name: Benjamin White
Firm: Jetlev, Inc.
Title: President
Address: 1111 Old Griffin Rd, Danis Beach, FL 33004
Telephone: 617-388-6066

Nature and magnitude of purchase, sale, loan, business, association, etc.:

Purchased multiple Jetlev units, valued at over
\$700k, in 2011.

REFERENCE NO. 2

Name: Courtney Krantz
Firm: H2O Sports Hawaii
Title: Owner
Address: 377 Keahole St., Honolulu, HI 96825
Telephone: 808-781-2006

Nature and magnitude of purchase, sale, loan, business, association, etc.:

Partners in SeaBreeze Jetlev, the Hawaiian
Jetlev Flight Center, since November 2011.

REFERENCE NO. 3

Name: Greg Pelachik
Firm: Wells Fargo
Title: Private Banker
Address: 17775 Santiago Blvd, Villa Park, CA 92861
Telephone: 714-637-8131

Nature and magnitude of purchase, sale, loan, business, association, etc.:

Manages various bank and merchant services
accounts.

REFERENCE NO. 4

Name: Trevor Allen
Firm: Alliant Insurance
Title: Assistant Vice President
Address: 701 B. Street, Suite 6, San Diego, CA 92101
Telephone: 619-849-3918

Nature and magnitude of purchase, sale, loan, business, association, etc.:

Manages all insurance coverage for Jetku
Southwest.

CITY OF SAN DIEGO PERSONAL DESCRIPTION AND RELEASE

PLEASE NOTE: All partners, both general and limited; all stockholders owning more than 10% of any class of stock of corporations; all members of a limited liability company; and sole proprietors requesting to (sub)lease, must each complete this page before the tenancy request can be processed. (You may reproduce and use copies of this page, if necessary.)

The following personal information is required to initiate a credit investigation. The business and personal reputation of principals, partners, and members will be considered in qualifying Lessees or in consenting to Sublessees.

First, Middle, & Last Name	<u>Dean Jordan O'Malley</u>
Date of Birth	<u>9-9-76</u>
Place of Birth	<u>Tarzana, CA</u>
Social Security Number	<u>554-45-7246</u>
Driver's License Number/State	<u>B3178935</u>
Home Address	<u>1713 W. Balboa Blvd, #A</u> <u>Newport Beach, CA 92663</u>
Previous Address	<u></u>
Home Telephone No.	<u>949-400-9790</u>
Employer	<u>Jetlev Southwest, LLC.</u>
Occupation	<u>President - Jetpack Sales + Rentals</u>
Business Address	<u>2600 Newport Blvd, Ste 122, Newport Beach CA 92663</u>
Business Telephone No.	<u>888-553-6471</u>
Business Fax No.	<u>N/A</u>

The City is hereby authorized to request a credit report and other information covering my financial and business history.

Date 11/25/12 Signed 

Print or type exact name of proposed (Sub)Lessee from page 2 of Questionnaire:

Jetlev Southwest, LLC.

CITY OF SAN DIEGO PERSONAL DESCRIPTION AND RELEASE

PLEASE NOTE: All partners, both general and limited; all stockholders owning more than 10% of any class of stock of corporations; all members of a limited liability company; and sole proprietors requesting to (sub)lease, must each complete this page before the tenancy request can be processed. (You may reproduce and use copies of this page, if necessary.)

The following personal information is required to initiate a credit investigation. The business and personal reputation of principals, partners, and members will be considered in qualifying Lessees or in consenting to Sublessees.

First, Middle, & Last Name Chris Herman
Date of Birth 3-30-72
Place of Birth CA
Social Security Number 619-12-4243
Driver's License Number/State A4826426
Home Address 25262 Linda Vista
Laguna Hills, CA 92653
Previous Address _____
Home Telephone No. (949) 273-5585
Employer WEST COAST YACHTS
Occupation YACHT BROKER
Business Address 2600 NEWPORT BLVD SUITE 122
Business Telephone No. (949) 673-2060
Business Fax No. (949) 673-1720

The City is hereby authorized to request a credit report and other information covering my financial and business history.

Date 11/27/12 Signed 

Print or type exact name of proposed (Sub)Lessee from page 2 of Questionnaire:

Jetlev Southwest, LLC.

CITY OF SAN DIEGO PERSONAL DESCRIPTION AND RELEASE

PLEASE NOTE: All partners, both general and limited; all stockholders owning more than 10% of any class of stock of corporations; all members of a limited liability company; and sole proprietors requesting to (sub)lease, must each complete this page before the tenancy request can be processed. (You may reproduce and use copies of this page, if necessary.)

The following personal information is required to initiate a credit investigation. The business and personal reputation of principals, partners, and members will be considered in qualifying Lessees or in consenting to Sublessees.

First, Middle, & Last Name	<u>John Steven Morris</u>
Date of Birth	<u>5-12-47</u>
Place of Birth	<u>Los Angeles, CA</u>
Social Security Number	<u>552 64-1757</u>
Driver's License Number/State	<u>K0685720</u>
Home Address	<u>3140 E. Abbey Ln.</u> <u>Orange CA 92867</u>
Previous Address	<u></u>
Home Telephone No.	<u>714-232-0173</u>
Employer	<u>Spring Mountain Motorsports</u>
Occupation	<u>CEO / President</u>
Business Address	<u>3601 S. Hwy 160 Pahrump NV 89048</u>
Business Telephone No.	<u>775-727-6363</u>
Business Fax No.	<u>775-727-6366</u>

The City is hereby authorized to request a credit report and other information covering my financial and business history.

Date 11/27/12 Signed [Signature]

Print or type exact name of proposed (Sub)Lessee from page 2 of Questionnaire:

Jetlev Southwest, LLC.

CITY OF SAN DIEGO PERSONAL DESCRIPTION AND RELEASE

PLEASE NOTE: All partners, both general and limited; all stockholders owning more than 10% of any class of stock of corporations; all members of a limited liability company; and sole proprietors requesting to (sub)lease, must each complete this page before the tenancy request can be processed. (You may reproduce and use copies of this page, if necessary.)

The following personal information is required to initiate a credit investigation. The business and personal reputation of principals, partners, and members will be considered in qualifying Lessees or in consenting to Sublessees.

First, Middle, & Last Name Lara Lee Morris

Date of Birth 6-22-56

Place of Birth Hollywood, CA

Social Security Number 547-96-2679

Driver's License Number/State N2474999

Home Address 3140 E. Abbey Ln.
Orange CA 92867

Previous Address _____

Home Telephone No. 714-282-0173

Employer J. Williams, Inc.

Occupation Self Employed

Business Address 3140 E. Abbey Ln. Orange 92867

Business Telephone No. 714-282-0173

Business Fax No. 714-282-7791

The City is hereby authorized to request a credit report and other information covering my financial and business history.

Date 11/27/12 Signed [Signature]

Print or type exact name of proposed (Sub)Lessee from page 2 of Questionnaire:

Jetlev Southwest, LLC.

CITY OF SAN DIEGO PERSONAL DESCRIPTION AND RELEASE

PLEASE NOTE: All partners, both general and limited; all stockholders owning more than 10% of any class of stock of corporations; all members of a limited liability company; and sole proprietors requesting to (sub)lease, must each complete this page before the tenancy request can be processed. (You may reproduce and use copies of this page, if necessary)

The following personal information is required to initiate a credit investigation. The business and personal reputation of principals, partners, and members will be considered in qualifying Lessees or in consenting to Sublessees.

First, Middle, & Last Name	<u>RYAN W. EASTMAN</u>
Date of Birth	<u>5/6/72</u>
Place of Birth	<u>NEWPORT BEACH CA</u>
Social Security Number	<u>SSN 83 2109</u>
Driver's License Number/State	<u>CAL A5667438</u>
Home Address	<u>4200 002ND ST.</u> <u>NEWPORT BEACH CA 92663</u>
Previous Address	<u>148 DIA TREE ST</u> <u>NEWPORT BEACH CA 92663</u>
Home Telephone No.	<u>949-375-0499</u>
Employer	<u>WEST COAST YACHTS</u>
Occupation	<u>SALES</u>
Business Address	<u>2000 NEWPORT BLVD #122, N.E. CA</u>
Business Telephone No.	<u>949-673-2000</u> <u>92663</u>
Business Fax No.	<u>949-673-1728</u>

The City is hereby authorized to request a credit report and other information covering my financial and business history.

Date 11/26/12 Signed [Signature]

Print or type exact name of proposed (Sub)Lessee from page 2 of Questionnaire:

Jettler Southwest, LLC.

METHOD OF OPERATION

Please describe your proposed business operation on the property to be (Sub)Leased.
Discuss any optional services and uses which you propose to provide.

See Jetlev Mission Bay Operation Overview document.



Jetlev Mission Bay Operation Overview

The Jetlev operation at Mission Bay Sportcenter will very closely mirror the operation at the Jetlev Southwest flight center in Newport Beach, where over 2500 first-time pilots have been successfully flown since August 2011. Detailed Roles and Responsibilities can be found in the Training Manual Miscellaneous Documents section.

The high-level flow will be as follows:

- 1) Reservations will be made online or over the phone, with all reservations being pre-paid.
- 2) Customers will receive a confirmation email with important details about what to bring, where to go and what to expect on their flight day.
- 3) Upon arriving at Mission Bay Sportcenter, the customer will sign in at the dedicated Jetlev desk, where he/she will sign necessary waivers and purchase additional flight minutes and/or video packages.
- 4) Approximately 30 minutes prior to the customer's flight time, he/she will proceed to the dedicated Jetlev dock, where he/she will watch the Jetlev safety video.
- 5) After watching the video, the customer will participate in the Jetlev equipment overview, which includes strapping into the training pack on the dock to allow him/her to feel the controls to prepare for the flight.
- 6) When the customer completes the equipment overview, he/she will be fitted for a wetsuit (if needed), a life vest and a training helmet.
- 7) The customer will then proceed to the flight zone, which will be on the west side of the peninsula where Mission Bay Sportcenter is located.
- 8) The Instructor and Instructor Assistant will greet the customer and answer any final questions he/she may have.
- 9) Once any questions have been answered, the customer will be strapped into the Jetlev and proceed into the water to begin the flight experience.
- 10) The Instructor will remain on the beach, where he/she will remotely control the customer's throttle and communicate with him/her via the headset and walkie-talkie helmet.
- 11) The Instructor Assistant will be on the jet ski in close proximity to the customer to assist with the flight from the water.
- 12) The customer will go through the standard flight experience training, which consists of 15-30 minutes of in-pack time.
- 13) Upon completion of the flight, the customer will emerge from the water and exit the pack with the assistance of the Instructor and Instructor Assistant.
- 14) The customer will return the wetsuit (if used), life vest and helmet.
- 15) The customer will then proceed back to the Jetlev desk, where he/she can purchase Returning Pilot Flight Time, Club Jetlev monthly memberships, Jetlev apparel, etc.
- 16) Upon completion of the flight, an automatic email will be sent to the customer congratulating them on becoming jetpack pilots and offering follow-up deals.

**PROPOSED METHOD OF FINANCING
DEVELOPMENT OR LEASEHOLD PURCHASE**

Describe the method of financing for the Leasehold purchase or any new or additional development on the Leasehold. Include a schedule of approximate dates when construction of each significant improvement is expected to be commenced and completed.

See Jetlev Mission Bay Financing document.



Jetlev Mission Bay Financing

The Jetlev Mission Bay operation will be 100% self-financed by Jetlev Southwest, LLC. No outside lenders will be providing financing for the operation, the equipment or the expenses.

No major modifications, improvements or construction will be required to accommodate the new Jetlev operation at Mission Bay Sportcenter. Any items required for the operation will be self-financed and will be non-permanent.

ESTIMATE OF GROSS RECEIPTS

If this Questionnaire is being completed by a prospective Lessee, please show the best estimate of the average annual gross sales for each significant use or service, and for each significant optional use or service which the Lessee and its Sublessees (if any) plan to conduct on or from the property. (If the Questionnaire is being completed by a Sublessee, only the estimate of the Sublessee's gross sales is required.) This data will be used by the City to analyze the proposed Lease or Sublease Consent application. The time periods shown should not be assumed to necessarily represent the term of a (Sub)Lease that may be granted or consented to by the City.

Average annual gross sales for each proposed significant use during each of the first five operating years:

Year of Operation	Uses (Identify Each Use)				
	Jetlev Flights	Flight Videos	Apparel		
1	\$ 250k	\$ 50 k	\$ 5 k	\$	\$
2	500 k	100 k	10 k		
3	750k	150 k	15k		
4	1 m	200k	20k		
5	1.25 m	250k	25k		

EXPERIENCE STATEMENT

Please describe in detail the duration and extent of your business experience, with special emphasis upon experience with the type of business which you propose to conduct on City property. Also state in detail the pertinent experience of the persons who will be directly involved in development and management of the business.

See Jettler Southwest Experience document



Jetlev Southwest Experience

Since launching its operation in May 2011, Jetlev Southwest has successfully opened two flight centers (Newport Beach, CA and Honolulu, HI), become the second authorized Jetlev Training Academy (second only to the academy at the manufacturer's location in Florida), become one of three authorized Jetlev sales agents with rights to sell units around the world, overseen the opening of three independently-operated flight centers, and introduced over 3000 first-time Jetlev pilots to the wonders of jetpack flight.

Through effective advertising and event-based marketing, Jetlev Southwest has gained worldwide exposure through features and segments on CNN, Inside Edition, The Discovery Channel, The Wall Street Journal, Nightline, CBS Evening News, Los Angeles Times, etc., which have covered the Jetlev as the latest watersport phenomenon, the world's first jetpack wedding, and a world record jetpack flight from Newport Beach to Catalina Island. Not only have these segments been a boost to business, but they've brought attention to the City of Newport Beach, as evidenced by an official proclamation by the City after the Newport-Catalina flight.

While the company is still working to pay off the initial investment of the Jetlev purchases, the company became cash-flow positive in less than one year and was sold out seven days a week one month in advance for the duration of the summer season. Thanks to effective marketing, high returning customer rates and a new monthly membership program, the company is still filling 3-4 flight days per week during the winter months.

With awareness growing through advertising, media exposure and positive word-of-mouth reviews, the Southern California market can easily sustain another Jetlev operation, with Mission Bay being perfectly positioned to capitalize on the growth of the industry.

Jetlev Southwest Management

John Morris – Jetlev Southwest CEO – An avid entrepreneur and aviator, John is the current owner of seven companies, including Jetlev Southwest and Spring Mountain Raceway outside Las Vegas, which is a racetrack/driving school with over \$60 Million in revenue. John brings a wealth of small business expertise to the organization, with a proven track record of success.

Dean O'Malley – Jetlev Southwest President – A former vice president at JP Morgan Chase, with a business consulting background with Accenture, Dean joined the Jetlev Southwest team in September 2011 and has helped the company grow from flying less than 50 customers per month to over 400 in less than a year. Dean is the current world record holder for the longest distance flown by jetpack, which he earned by flying 26 miles from Newport Beach to Catalina Island.

Ryan Eastman and Chris Herman – Jetlev Southwest Members – In the marine business for over 10 years each as owners of West Coast Yachts in Newport Beach, Ryan and Chris bring a wealth of boating sales, rental and maintenance experience to the operation, ensuring that all equipment is well-maintained to minimize downtime.

**TERMS AND CONDITIONS OF PURCHASE, SALE,
OR TRANSFER OF (SUB)LEASEHOLD INTEREST**

(NOTE: Complete this page only if the transaction involves a Lease assignment.)

Please summarize the terms and conditions of the purchase, sale, or transfer of Leasehold interest(s) which requires City consent, as specified in the Assignment-Sublease provisions of the City Lease. Please attach copies of the applicable sales agreement(s), escrow instructions, assignment agreement(s), or other documents in conjunction with the sale, purchase, or transfer of the (Sub)Leasehold interest(s).

Jetlev Southwest LLC
Balance Sheet
Thru September 30, 2012

Balance Sheet		
	Account	Amount
Assets		
Current Assets		
10000-0000	Petty Cash	\$500.00
10400-0000	Wells Fargo Bank	\$33,388.58
11000-0000	Client Fees Receivable	\$747.00
	Current Assets	\$34,635.58
Fixed Assets		
12070-0000	Inventory - Apparels	\$5,008.32
14000-0000	Prepaid Expenses	\$12,542.91
15060-0000	Yamaha Wave Runner	\$12,000.00
15105-0000	Jetlev No. 5	\$90,710.25
15106-0000	Jetlev No. 6	\$86,219.34
15112-0000	Jetlev No. 12	\$76,266.58
15113-0000	Jetlev No. 13	\$76,266.58
15116-0000	Jetlev No. 16	\$79,600.00
15117-0000	Jetlev No. 17	\$79,600.00
15202-0000	Truck - Silverado	\$46,986.20
17000-0000	Accum. Depreciation	(\$64,063.79)
19000-0000	Deposits	\$143.50
19100-0000	Organization Costs	\$9,889.48
19150-0000	Accum Amortiz- Org. Costs	(\$4,120.64)
	Fixed and Other Assets	\$507,048.73
	Total Assets	\$541,684.31
Liabilities		
20000-0000	Accounts Payable	\$13,168.33
23100-0000	Sales Tax Payable	\$112.72
24600-0000	Customer Deposits	\$19,900.00
24900-0000	Suspense - Clearing Account	\$1,501.00
27000-0000	Notes Payable - J & J Morris	\$494,544.82
27002-0000	Notes Payable - J. Williams Ent, Inc.	\$19,709.62
27010-0000	Notes Payable - Ally Bank	\$31,489.65
	Total Liabilities	\$580,426.14
Equity		
39005-0000	Retained Earnings	(\$130,587.32)
39005-0000	Year to Date Profit/(Loss)	\$91,845.49
	Total Equity	(\$38,741.83)
	Total Liabilities and Equity	\$541,684.31

Jetlev Southwest LLC
Income Statement
For Eight Months Ended September 30, 2012

GL NO	Account Name	Month	Mth % To Total Revenue	Year-To-Date	YTD % To Total Revenue
Revenue					
40101-0000	Jetlev Training/Flight School	\$46,289.08	94%	\$267,926.35	68%
40103-0000	Sales - Jetlev unit	\$0.00	0%	\$99,500.00	25%
40104-0000	Sales - Jetlev Video	\$2,394.00	5%	\$11,819.86	3%
40106-0000	Hawaii - Flight School Revenue Share	\$0.00	0%	\$15,000.00	4%
40160-0000	Apparels, Shirts, Hats, Shoes	\$813.79	2%	\$2,110.72	1%
41000-0000	Other Income	\$0.15	0%	\$10.15	0%
41010-0000	Sales Returns	\$0.00	0%	\$134.00	0%
	Total Revenue	\$49,497.02	100%	\$396,501.08	100%
Cost of Sales					
45035-0000	COS - Apparels	\$406.90	1%	\$1,094.65	0%
45050-0000	COS - Misc	\$431.75	1%	\$1,120.11	0%
45101-0000	COS - Jetlev Unit	\$0.00	0%	\$76,266.58	19%
	Total Cost of Sales	\$838.65	2%	\$78,481.34	20%
	Gross Profit	\$48,658.37	98%	\$318,019.74	80%

General and Admin Expenses					
50110-0000	Wages	\$14,707.88	30%	\$54,158.05	14%
60100-0000	Advertising/Marketing	\$1,361.87	3%	\$20,208.54	5%
60500-0000	Amortization Expense	\$274.71	1%	\$2,472.39	1%
61000-0000	Auto Expense	\$0.00	0%	\$697.49	0%
62000-0000	Bank Charges	\$0.00	0%	\$1,325.56	0%
63550-0000	Credit Card Process Fees	\$1,359.99	3%	\$4,620.09	1%
63555-0000	Computer Software	\$0.00	0%	\$1,834.44	0%
64000-0000	Depreciation Expense	\$5,203.04	11%	\$40,472.21	10%
64500-0000	Dues and Subscriptions Exp	\$0.00	0%	\$462.52	0%
65050-0000	Equipment Rental	\$0.00	0%	\$500.00	0%
65100-0000	Food and Entertainment	\$0.00	0%	\$38.09	0%
65500-0000	Freight Expense	\$117.57	0%	\$8,554.29	2%
65600-0000	Fuel	\$3,809.07	8%	\$15,976.24	4%
67000-0000	Insurance Expense	\$1,567.88	3%	\$7,036.84	2%
67560-0000	Boat Launch Fees	\$0.00	0%	\$253.51	0%
68800-0000	Lodging	\$0.00	0%	\$354.78	0%
69000-0000	Payroll Taxes Expense	\$0.00	0%	\$577.18	0%
69100-0000	Licenses and Permits	\$0.00	0%	\$649.00	0%
70000-0000	Maintenance Expense	\$0.00	0%	\$313.81	0%
70500-0000	Meals and Entertainment Expense	\$63.00	0%	\$2,049.92	1%
70530-0000	Miscellaneous	\$0.00	0%	\$391.00	0%
71000-0000	Office Expense	\$479.59	1%	\$4,956.96	1%
72000-0000	Payroll Tax Expense	\$1,588.28	3%	\$6,296.07	2%
73200-0000	Parts, Nuts, etc.	\$0.00	0%	\$950.00	0%
73800-0000	Professional Fees/Services	\$41.66	0%	\$2,940.39	1%
74000-0000	Rent or Lease Expense	\$2,420.00	5%	\$10,770.00	3%
74500-0000	Repairs & Maintenance	\$3,593.79	7%	\$20,656.00	5%
74520-0000	Sales Tax Expense	\$0.00	0%	\$171.80	0%
74550-0000	Shop Supplies	\$338.81	1%	\$11,043.01	3%
76500-0000	Telephone Expense	\$0.00	0%	\$9.99	0%
76510-0000	Tools	\$0.00	0%	\$2,130.74	1%
76550-0000	Travel	\$0.00	0%	\$2,503.34	1%
81000-0000	State Franchise Tax	\$0.00	0%	\$800.00	0%
	Total Gen and Admin Expenses	\$36,927.12	75%	\$226,174.25	57%
	Profit/(Loss) from Operation	\$11,731.25	24%	\$91,845.49	23%



JETLE-1

OP ID: MD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
07/03/12

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Alliant Insurance Services, Inc (Lic-0C36861) 735 Carnegie Drive, Ste 200 San Bernardino, CA 92408 6973-Trevor Allan	909-886-9861 909-886-2013	CONTACT NAME: Melissa Domliden PHONE (A/C, No, Ext): 909-474-8776 FAX (A/C, No): 909-886-2013 E-MAIL ADDRESS: mdomliden@alliantinsurance.com														
INSURED J Williams Enterprises Inc dba: Jetlev Southwest 3140 E Abbey Lane Orange, CA 92667		<table border="1"><thead><tr><th>INSURER(S) AFFORDING COVERAGE</th><th>NAIC #</th></tr></thead><tbody><tr><td>INSURER A: The Burlington Insurance Co</td><td></td></tr><tr><td>INSURER B:</td><td></td></tr><tr><td>INSURER C:</td><td></td></tr><tr><td>INSURER D:</td><td></td></tr><tr><td>INSURER E:</td><td></td></tr><tr><td>INSURER F:</td><td></td></tr></tbody></table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: The Burlington Insurance Co		INSURER B:		INSURER C:		INSURER D:		INSURER E:		INSURER F:	
INSURER(S) AFFORDING COVERAGE	NAIC #															
INSURER A: The Burlington Insurance Co																
INSURER B:																
INSURER C:																
INSURER D:																
INSURER E:																
INSURER F:																

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY ☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR \$5,000 BI/PO ded/ Occ GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PROJECT ☐ LOC		HGL0031461	06/24/12	06/24/13	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPROP AGG \$ 2,000,000 Emp Ben. \$ 1,000,000
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☐ HIRED AUTOS ☐ SCHEDULED AUTOS ☐ NON-OWNED AUTOS					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB ☐ EXCESS LIAB ☐ OCCUR ☐ CLAIMS-MADE ☐ DED ☐ RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below Y/N ☐ N/A	N/A				WC STATUTORY LIMITS ☐ OTHER ☐ E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

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CERTIFICATE HOLDER**CANCELLATION****PROOF-1**

Proof of Insurance

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



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CERTIFICATE OF LIABILITY INSURANCE

OP ID: SG

DATE (MM/DD/YYYY)

08/09/12

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

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PRODUCER Alliant Insurance Services, Inc (Lic-0C36881) 735 Carnegie Drive, Ste 200 San Bernardino, CA 92408 5973-Trevor Allan		909-886-9861 909-886-2013	CONTACT NAME: Janna Hawkins PHONE (A/C, No, Ext): 909-474-8797 FAX (A/C, No): 909-886-2013 E-MAIL ADDRESS: jhawkins@alliantinsurance.com PRODUCER CUSTOMER ID #: SPRIN-2												
INSURED Jet Lev Southwest, LLC 3601 South Hwy 160 Pahrump, NV 89048		INSURER(S) AFFORDING COVERAGE <table border="1"><tr><td>INSURER A: Federal Insurance Company</td><td>NAIC #</td></tr><tr><td>INSURER B:</td><td></td></tr><tr><td>INSURER C:</td><td></td></tr><tr><td>INSURER D:</td><td></td></tr><tr><td>INSURER E:</td><td></td></tr><tr><td>INSURER F:</td><td></td></tr></table>		INSURER A: Federal Insurance Company	NAIC #	INSURER B:		INSURER C:		INSURER D:		INSURER E:		INSURER F:	
INSURER A: Federal Insurance Company	NAIC #														
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COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

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INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	GENERAL LIABILITY ☐ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☐ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PROJECT ☐ LOC						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMPIOP AGG \$ \$
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ☐ NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ \$
	UMBRELLA LIAB ☐ OCCUR EXCESS LIAB ☐ CLAIMS-MADE DEDUCTIBLE \$ RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N ☐	N/A	79960041	08/17/12	08/17/13	☒ WC STATUTORY LIMITS ☐ OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER**CANCELLATION****CITYNEW**

City of Newport Beach
Attn: Monique Navarrate
3300 Newport Beach Blvd.
Newport Beach, CA 92663

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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