

AIRCRAFT PURCHASE AGREEMENT

AIRCRAFT PURCHASE AGREEMENT, dated October 30, 20XX, between Supersonic Wings Corp., a Delaware corporation (the "Seller"), and Fly-by-Night Aviation, Inc., a New York corporation (the "Buyer").

This Agreement provides for the Buyer's purchase of an aircraft from the Seller.

Accordingly, the parties agree as follows:

Article 1. Definitions

Terms defined in the preamble of this Agreement have their assigned meanings and the following terms have the meanings assigned to them:

- (a) **"Agreement"** means this Aircraft Purchase Agreement and all Schedules and Exhibits, as may be amended from time to time.
- (b) **"Airframe"** means the Gulfstream Aerospace Corporation G550 aircraft, bearing United States Registration No. N765BW and Manufacturer's Serial No. 8181.
- (c) **"Aircraft"** means the Airframe, its included Engines, and all appliances, avionics, furnishings, and other components, equipment, and property incorporated in, attached to, or otherwise related to, the Airframe and Engines.
- (d) **"Assumed Liabilities"** means all liabilities and obligations arising under either (i) the Maintenance Agreement on or after the date of this Agreement, except for the Greasemonkeys Lien, and (ii) the Pilot Agreement on or after the Closing Date.
- (e) **"Closing"** means the consummation of this Agreement's transaction.
- (f) **"Closing Date"** has the meaning assigned to it in Section 2.5.
- (g) **"Consent"** means any consent, approval, authorization of, notice to, or designation, registration, declaration or filing with, any Person.
- (h) **"Contract"** means any lease, agreement, license, instrument, arrangement, commitment, or understanding to which the Buyer or the Seller is a party or by which it or any of its properties or assets may be bound or affected.
- (i) **"Engines"** means the two Rolls-Royce Tay engines model number MK611-8 bearing Serial Numbers 72725 and 72726.
- (j) **"Escrow Agent"** means the partnership of Harold C. Astor & Associates.

(k) “**Escrow Agreement**” means the Escrow Agreement, dated as of August 31, 20XX, between Harold C. Astor & Associates, the Buyer, and the Seller, as may be amended from time to time.

(l) “**Escrow Payment**” has the meaning assigned to it in Section 2.3(a)(2).

(m) “**Exhibit**” means an attached form supplementing any provision in which it is referenced.

(n) “**Greasemonkeys Lien**” means the existing Lien on the Aircraft arising from the Maintenance Agreement.

(o) “**Law**” means all Federal, state, local or foreign laws, rules, and regulations.

(p) “**Lien**” means any lien, charge, encumbrance, security interest, mortgage, or pledge.

(q) “**Maintenance Agreement**” means the Maintenance Agreement, dated as of April 3, 20XX, between Greasemonkeys, Inc. and the Seller, as may be amended from time to time.

(r) “**Note**” means the Buyer’s nine percent promissory note, substantially in the form of **Exhibit A**, payable to the Seller, in the principal amount of \$5,000,000, due on December 31, 20XX.

(s) “**Order**” means any order, judgment, award, writ, injunction or decree issued by any Federal, state, local or foreign authority, court, tribunal, agency, or other governmental authority, or by any arbitrator, to which the Buyer or the Seller is subject or by which it or any of its properties or assets are subject.

(t) “**Person**” means any individual, a partnership, joint venture, corporation, trust, unincorporated organization, government (and any department or agency thereof) or other entity.

(u) “**Pilot Agreement**” means the Pilot Agreement, dated as of May 12, 20XX, between Ace Pilots, Inc. and the Seller, as may be amended from time to time.

(v) “**Purchase Price**” has the meaning assigned to it in Section 2.2.

(w) “**Schedule**” means an attached list supplementing the provision in which it is referenced.

Article 2. Purchase and Sale

2.1 Sale of the Aircraft. At the Closing, the Seller shall sell the Aircraft, and the Buyer shall buy the Aircraft.

2.2 Purchase Price. The purchase price for the Aircraft is

(a) \$21 million consisting of

(1) \$16 million and

(2) the principal amount of the Note

plus

(b) the Buyer's assumption of the Assumed Liabilities

(in the aggregate, the "Purchase Price").

2.3 Payment. The Buyer agrees to pay the Seller a total of \$21,000,000 in the following manner:

(a) **Initial Payment.**

(1) **Promissory Note.** The Buyer will execute and deliver to the Seller a promissory note in the amount of \$5,000,000 bearing nine percent annual interest. This will be in the form of a single bullet payment on December 31, 20XX.

(2) **Escrow Payment.** Upon execution of this Agreement, the Buyer will deposit \$300,000 in escrow with the Escrow Agent (the "Escrow Payment").

(b) **Closing Payment.** Upon Closing, the Buyer will pay the Seller the remaining balance in a form agreed upon by the parties.

2.4 Escrow as Payment. If Closing occurs, then the Escrow Payment is partial payment of the Purchase Price.

2.5 Time and Place of Closing. The Closing is to take place on November 25, 20XX at the offices of Workhard & Playlittle, 1133 Avenue of the Americas, New York, New York at 10:00 A.M. local time, or at such other time and date as to which the parties may agree.

2.6 Closing Deliveries.

(a) Seller's Deliveries.

(1) **Delivery of the Aircraft.** On or before the Closing Date, the Seller shall deliver the Aircraft and any spare parts to the Buyer at National Airport in Washington, D.C., or another reasonable and mutually convenient location that the Buyer designates.

(2) **Delivery of Conveyancing Documents.** At Closing, the Seller shall

(i) execute and deliver to the Buyer

(A) a bill of sale for the Aircraft, substantially in the form of **Exhibit B**;

(B) an assignment of the Maintenance Agreement and the Pilot Agreement;

(C) the documents required for registration under Article 10;

(D) any other instrument of transfer necessary to give good title to the Aircraft;

and

(ii) deliver to the Buyer the Certificate of Title.

(3) **Delivery of Documents to the Escrow Agent.** At Closing, the Seller shall execute and deliver to the Escrow Agent the documents necessary to cause the Escrow Agent to release the funds payable to the Seller.

(b) Buyer's Deliveries.

(1) **Payment.** At Closing, the Buyer shall

(i) deliver, by credit advices or wire transfer, immediately available funds aggregating \$16 million to the Seller; and

(ii) execute and deliver the Note to the Seller.

(2) **Delivery of Documents to the Escrow Agent.** At Closing, the Buyer shall execute and deliver to the Escrow Agent the documents necessary to cause the Escrow Agent to release the funds payable to the Seller.

(3) **Delivery of Assumption of Liability.** At Closing, the Buyer shall execute and deliver to the Seller an assumption of the Assumed Liabilities, substantially in the form of **Exhibit D**.

Article 3. Representations and Warranties of the Seller

The Seller represents and warrants to the Buyer as follows:

3.1 Ownership of the Aircraft. The Seller owns the Aircraft and it is not subject to any Liens, other than the Greasemonkeys Lien.

3.2 Title to Aircraft. The Seller has good title to the Aircraft, except for the \$250,000 lien arising from the Maintenance Agreement.

3.3 Condition of Property. The Aircraft is in good operating condition and repair, subject only to ordinary wear and tear.

3.4 Fuel Range. The Aircraft has a maximum range of 6000 nautical miles when carrying eight passengers and four crew members.

3.5 Registration & Recordation of the Aircraft. The Seller has properly recorded and registered the Aircraft under the Law, specifically 49 U.S.C. 44101-44105.

3.6 Organization; Good Standing. The Seller

- (a) is a corporation duly organized, validly existing, and in good standing under the Law;
- (b) has all the requisite corporate power and authority to own, operate and lease its properties, and to carry on its business as now being conducted; and
- (c) is duly qualified to do business.

3.7 Authority.

- (a) The Seller has full corporate power, authority, and legal right to
 - (1) execute, deliver, and perform its obligations, and
 - (2) consummate the transaction,under this Agreement.
- (b) The Seller has taken all necessary action to
 - (1) authorize the purchase, and
 - (2) execute, deliver, and perform its obligations

under this Agreement.

3.8 Enforceability. This Agreement has been duly executed by the Seller and constitutes a legal, valid, and binding obligation of the Seller, enforceable against the Seller in accordance with its terms, except as may be limited by:

- (a) applicable bankruptcy, insolvency, or other similar Law, which affect the enforcement of the creditors rights; and
- (b) general principles of equity regardless of whether such enforceability is considered in a proceeding in equity or at law.

3.9 Compliance with Instruments, Consents. The Seller's execution, delivery, and consummation of this Agreement's transactions will not:

- (a) violate the Seller's certificate of incorporation, its bylaws, or any Law; or
- (b) constitute a default under any Contract by which the Seller is bound.

3.10 Adverse Agreements The Seller is not subject to any Contract, charter, other corporate restriction, or any Law, which materially and adversely affects this Agreement's transaction.

3.11 Litigation and Law Compliance. The Seller has complied and will comply with any Law in which a violation could have a material adverse effect on this Agreement's transaction.

Article 4. Representations and Warranties of the Buyer

The Buyer represents and warrants to the Seller as follows:

4.1 Organization; Good Standing. The Buyer

- (a) is a corporation duly organized, validly existing, and in good standing under the Law;
- (b) has all the requisite corporate power and authority to own, operate and lease its properties, and to carry on its business as now being conducted; and
- (c) is duly qualified to do business.

4.2 Authority.

- (a) The Buyer has full corporate power, authority, and legal right to
 - (1) execute, deliver, and perform its obligations, and
 - (2) consummate the transaction,under this Agreement.
- (b) The Buyer has taken all necessary action to
 - (1) authorize the purchase, and
 - (2) execute, deliver, and perform its obligations

under this Agreement.

4.3 Enforceability. This Agreement has been duly executed by the Buyer and constitutes a legal, valid, and binding obligation of the Buyer, enforceable against the Buyer in accordance with its terms, except as may be limited by:

- (a) bankruptcy, insolvency, or other similar Law, which affect the enforcement of the creditors' rights; and
- (b) general principles of equity regardless of whether such enforceability is considered in a proceeding in equity or at law.

4.4 Compliance with Instruments, Consents. The Buyer's execution, delivery, and consummation of this Agreement's transactions will not:

- (a) violate the Seller's certificate of incorporation, its bylaws, or any Law; or
- (b) constitute a default under any Contract by which the Seller is bound.

4.5 Adverse Agreements The Buyer is not subject to any Contract, charter, other corporate restriction, or any Law, which materially and adversely affects this Agreement's transaction.

Article 5. Covenants of the Seller

With respect to the period beginning on the day this Agreement is signed and ending at Closing, the Seller covenants the following:

5.1 Good Title.

- (a) **Greasemonkeys Lien.** The Seller shall cure the Greasemonkeys Lien.
- (b) **Other Imperfections.** If any imperfections of title, Liens, or easements exist before Closing, the Seller shall cure those issues on or before the Closing Date.

5.2 Use of Aircraft. At Closing, the Aircraft will have no more than 2500 hours total flying time, excluding any flying time necessary to deliver the Aircraft to the location specified under Section 2.6(a)(1).

5.3 Condition & Maintenance. The Seller shall maintain the Aircraft, in customary repair, order, and condition according to the FAA Approved Maintenance and Inspection Program, excepting reasonable wear and tear.

5.4 Aircraft Records. The Seller shall keep the Aircraft's logbook and other flight maintenance records accurate, complete, and current.

5.5 Fuel Gauge. At Closing, the Aircraft's fuel gauge will register as full.

5.6 Logo Painting. The Seller shall paint the Buyer's logo on the tail of the Airframe.

5.7 Best Efforts. The Seller shall use its best efforts to consummate this Agreement, including obtaining any necessary Consents, permits, and licenses.

5.8 Other Transactions. Unless the Buyer consents in writing, the Seller shall not
(a) enter into any transaction which could have a material adverse effect on this Agreement's transaction, or
(b) sell, transfer, or otherwise dispose of any material assets under this Agreement.

Article 6. Covenants of the Buyer

With respect to the period beginning on the day this Agreement is signed and ending at Closing, the Buyer covenants that it will use its best efforts to consummate this Agreement, including obtaining any necessary financing, Consents, permits, and licenses.

Article 7. Conditions to the Seller's Obligation to Close

Before the Seller is obligated to consummate this Agreement's transaction, all of the following conditions must be satisfied on or before the Closing Date. The Seller may waive the Buyer's failure to satisfy any of the conditions.

7.1 Buyer's Representations and Warranties. The Buyer's representations and warranties in Article 4 must be true, except to the extent this Agreement contemplates that specific facts might change.

7.2 Buyer's Covenants. The Buyer must have performed all of its covenants in this Agreement.

7.3 No Litigation. The Seller has no obligation to close if the resolution of any of the following against the Seller or the Buyer would materially and adversely affect this Agreement's transaction:

- (a) any action, suit, or proceeding before any court, governmental or regulatory authority;
- (b) any pending investigation by any governmental or regulatory authority; or
- (c) any threatened action, suit, or proceeding by any governmental or regulatory authority that restrains, prevents, or changes this Agreement or questions the validity or legality of this Agreement.

Article 8. Conditions to the Buyer's Obligation to Close

Before the Buyer is obligated to consummate this Agreement's transaction, all of the following conditions must be satisfied on or before the Closing Date. The Buyer may waive the Seller's failure to satisfy any of the conditions.

8.1 Seller's Representations and Warranties. The Seller's representations and warranties in Article 3 must be true, except to the extent this Agreement contemplates that specific facts might change.

8.2 Seller's Covenants. The Seller must have performed all of its covenants in this Agreement.

8.3 No Litigation. The Buyer has no obligation to close if the resolution of any of the following against the Seller or the Buyer would materially and adversely affect this Agreement's transaction:

- (a) any action, suit, or proceeding before any court, governmental or regulatory authority;
- (b) any pending investigation by any governmental or regulatory authority; or
- (c) any threatened action, suit, or proceeding by any governmental or regulatory authority that restrains, prevents, or changes this Agreement or questions the validity or legality of this Agreement.

Article 9 – Endgame Provisions

9.1 Termination Provisions. Upon termination under this section, neither party has any further rights nor obligations under this Agreement.

- (a) **Mutual Termination.** The Buyer and the Seller may terminate this Agreement at any time with a written agreement signed by both parties.
- (b) **Conditions to the Seller's Obligation to Close.** If any of the conditions in Article 7 have not been satisfied or waived on or before the Closing Date, then the Seller may terminate this Agreement.
- (c) **Conditions to the Buyer's Obligations to Close.** If any of the conditions in Article 8 have not been satisfied or waived on or before the Closing Date, then the Buyer may terminate this Agreement.

9.2 Escrow. Upon termination under Section 9.1, both the Seller and the Buyer must execute and deliver the necessary documents, within seven days beginning on the day after the date of termination, to the Escrow Agent that will

- (a) direct the Escrow Agent to disburse the funds according to Section 9.3, and
- (b) discharge the Escrow Agent.

9.3 Payments.

(a) **No Fault or Mutual Termination.** If the parties mutually terminate this Agreement under to Section 9.1(a) or the termination is neither party's fault, then, within seven days beginning on the day after the date of termination,

- (1) the Seller must return the Note plus its accrued interest to the Buyer; and
- (2) the Buyer shall retain the Escrow Payment plus its accrued interest.

(b) **Seller's Fault.** If Closing does not occur because of the fault of the Seller, then, within seven days beginning on the day after the date of termination, the Buyer shall retain

- (1) the Note plus its accrued interest, and
- (2) the Escrow Payment plus its accrued interest.

(c) Buyer's Fault

(1) **Generally.** Except as otherwise provided, if the Closing does not occur because of the fault of the Buyer, then, within seven days beginning on the day after the date of termination,

- (i) the Seller shall retain \$3,000,000 of the Note and its accrued interest;
- (ii) the Seller must return the remaining \$2,000,000 of the Note to the Buyer; and
- (iii) the Buyer shall retain the Escrow Payment and the Seller shall retain its accrued interest.

(2) **Failed Financing.** If the Closing does not occur because of the Buyer's inability to secure financing, then, within seven days beginning on the day after the date of termination, the Seller shall

- (i) return the Note to the Buyer; and
- (ii) retain the Note's accrued interest, the Escrow Payment, and its accrued interest.

9.4 Failure to Clear Lien. If the Greasemonkeys Lien is not removed on or before the Closing Date, then the Buyer has no obligation to close and may sue the Seller for damages.

9.5 Unclear Term. If it is unclear whether a term is a covenant or a condition, then the Buyer has no obligation to close and may sue the Seller for damages.

Article 10 – Government Regulation & Registration

10.1 Government Registration & Regulation. If the Law requires any notice to be given to any governmental agency in connection this Agreement's transaction, then the Seller must give appropriate notice to such governmental agency within the appropriate amount of time under the Law or regulation.

10.2 Registration of an Aircraft 14 CFR § 47.35. The Buyer, as the owner of an aircraft last previously registered under 49 U.S.C. Sections 44101-44104, or under other law of the United States, may register it if it:

(a) complies with 47.3, 47.7, 47.8, 47.9, 47.11, 47.13, 47.15, and 47.17, as applicable;

and

(b) submits an Aircraft Bill of Sale, AC Form 8050-2, signed by the Seller or an equivalent conveyance, or

(c) other evidence of ownership authorized by § 47.11 with its Aircraft Registration Application.

10.3 Lacking Evidence for Registration. If, for good reason, the Buyer cannot produce the evidence of ownership required, then the Buyer must submit other evidence that is satisfactory to the FAA. This other evidence may be an affidavit stating why the Buyer cannot produce the required evidence, accompanied by whatever further evidence is available to prove the transaction.

10.4 Registration Application 14 C.F.R. § 47.31. For a Certificate of Aircraft Registration, AC Form 8050-3, the Buyer must submit the following to the Registry:

- (i) an Aircraft Registration Application, AC Form 8050-1, signed by the Buyer in the manner prescribed by § 47.13;
- (ii) The original Aircraft Bill of Sale, AC Form 8050-2, or other evidence of ownership authorized by § 47.33, § 47.35, or § 47.37 (unless already recorded at the Registry); and
- (iii) The fee required by § 47.17.

Article 11 – General Provisions

11.1 Indemnification. The Buyer may sue the Seller for any liability or damages incurred from any imperfections of title, liens, easements, or encumbrances that are found after Closing.

11.2 Merger. This Agreement states the full agreement between the Buyer and the Seller and supersedes all prior negotiations and agreements.

11.3 Notice. All notices under this Agreement shall be given in writing.

11.4 Fair Dealings. Both parties are satisfied regarding the negotiation and execution of this Agreement.

11.5 Assignment. At Closing, the Seller shall assign to the Buyer all of its rights and obligations under the Maintenance Agreement and Pilot Agreement. Neither the Buyer nor the Seller shall assign any of its rights or obligations under this Agreement.

11.6 Assumption. The Buyer shall assume the Assumed Liabilities.

To evidence the parties' agreement to this Agreement, they have executed and delivered it on the date stated in the preamble.

SUPERSONIC WINGS CORP.

By: _____
Sam Samson, President

FLY-BY-NIGHT AVIATION, INC.

By: _____
Horatio Flighty, President