

SALE OF BUSINESS BY TRANSFER OF CAPITAL STOCK OF CLOSELY HELD CORPORATION

1. Introduction.

Agreement made this 1st, day of May, 2005 between Marty L. Reising residing at 1880 Harbor Island San Diego 92101 and Brent Neville residing at 4007 Everts Street San Diego Ca. 92109 (Sellers) J R Chapman and or assigns, located at 8765 Aero Drive, Suite 221, San Diego Ca. 92123 (Buyer).

2. Sale and Purchase of Stock.

Sellers will sell to Buyer one hundred percent (100%) of the issued and outstanding capital stock of Pacific Wings Flight School Inc., and controlling interest in all associated companies, and other terms, conditions and good will as outlined in this business purchase agreement, free of any and all encumbrances, that being all of the corporation's issued and outstanding capital stock, Buyer will purchase the shares subject to the provisions of this agreement. It is understood that 45,000, shares are owner by Marty L. Reising and 15,000; shares are owned by Brent Neville.

3. Purchase Price.

The purchase price is Fifty Thousand Dollars (\$50,000) for one hundred Percent of the outstanding capital stock of Pacific Wings Flight School Inc., and controlling interest in all associated companies, and other terms, conditions and good will.

4. Payment of the Purchase Price.

The purchase price shall be paid to the sellers as follows:

- a. A one year consulting agreement
- b. A 6% equity interest in the to be formed MLS Aircraft
- c. Should the Corporation go public, Sellers shall receive \$50,000 worth of common stock in the new public company.
- d. Buyer to honor all per-sold training packages until Dec.1st, 2005.
- e. Buyer will pay up to \$3,000.00 on the leaseback of 757LP, C152

5. Seller's Representations and Warranties.

To induce Buyer to purchase their stock, Sellers jointly and severally represent and warrant the following:

- a. Corporation Duly Organized. Corporation is a business corporation organized in Accordance with the laws of the State of California, and is authorized to engage in the business of a FAA Part 61 Flight School.



- b. **Corporation in Good Standing.** The Corporation is in good standing. All Taxes currently due, including income and franchise taxes, have been paid. There are no pending actions or proceedings to limit or impair the corporation's power to engage in the business or to dissolve the Corporation. Buyer hereby limits its liability to \$3,000.00 for any unpaid taxes.
- c. **Stock Properly Issued.** Seller shares constitutes all the issued and outstanding shares of Corporation's stock. The shares have been properly issued and are fully paid and nonassessable.
- d. **Shares Free of Liens or Encumbrances.** Sellers shares are free of any liens, encumbrances, or agreements of any kind, including stockholders agreements or voting trusts.
- e. **Corporation's Assets.** Schedule A attached to this Agreement and made a part of it lists and describes each asset owned by the Corporation as of the date of this agreement. Unless otherwise stated, Corporation is the Sole owner of each asset. None of the assets is subject to any liens or encumbrances except as otherwise stated in Schedule A.
- f. **Corporation's Liabilities.** Schedule B attached to this agreement and made a part of it lists and describes Corporation's debits and liabilities as of the date of this Agreement. Including the name and address of each of the Corporation's creditors, the amount owed to each creditor, and the last date on which the debit or liability may be paid or discharged.
- g. **Corporation's Financial conditions.** There is attached to this Agreement and made a part of it Corporation's most recent financial statements consisting of a balance sheet as of None, and an income statement for the year ending None. These Financial statements have been examined by Buyers Accounting staff. There will be no changes in the Corporation's financial condition as set out in the balance sheet between the date of the balance sheet and the closing of this transaction except for those changes that will normally occur in the regular course of the Corporation's business.
- h. **No Suits Pending or Imminent.** There are no actions at law or equity or Administrative proceedings pending against the corporation or in which the Corporation is a plaintiff, defendant, petitioner, or respondent, the Corporation does not propose to commence an action at law or equity or an administrative proceeding in which it will be a plaintiff or petitioner, There are no actions at law or equity or administrative proceedings pending in which it is anticipated that the Corporation will join or be joined as a party.

Handwritten signature and initials, possibly "MR.", in the bottom right corner.

proceedings pending in which it is anticipated that the Corporation will join or be joined as a party.

- i. **No New Contracts Before Closing.** Corporation will not enter into any new contracts or agreements between the date of this Agreement and the closing except in the regular course of business and even then only for the purpose of running the business as usual.
- j. **No Dividends.** The Board of Directors of the Corporation have not declared any dividends since the date of the balance sheet attached to this Agreement and more fully described in Paragraph 5(g). There are no dividends unpaid that were declared in an earlier period. From the date of this Agreement to close, the Board of Directors of Corporation will declare no dividends.
- k. **No Salary Increases; No New Employees.** From the date of this Agreement to the closing, Corporation will not increase any employee's salary or hire any new employee without first obtaining Buyer's written consent.
- l. **Going Business.** At the time of the closing Corporation will be a going business. If this representation is breached, Buyer may terminate this Agreement and demand any sums Buyer has paid Sellers on account of the purchase price of Sellers shares. Upon return of those sum's this Agreement shall terminate and have no further effect, and Buyer and Seller shall have no further rights against each other.
- m. **Officers and Directors.** Sellers are the only officers and directors of the Corporation. From the date of this Agreement to the closing Sellers will not elect any other directors or appoint any officers except as Buyer may direct in writing.

6. Sellers Indemnity.

Sellers jointly and severally guarantee payment of any obligations, debts, and liabilities of the Corporation that exist before the closing and are not included in the balance sheet attached to this Agreement unless they were incurred following the date of the balance sheet in the regular course of business or pursuant to the terms of this Agreement. The obligations, debts and liabilities described in this Paragraph 6 including any that mature after the closing but are based upon Corporation's activities before the closing. Seller will indemnify Buyer and hold Buyer harmless by reason of any loss, including attorney's fees, that Buyer or Corporation may suffer because of Sellers failure to make any payment required pursuant to this Paragraph 6.

7. Buyers Representations.

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Buyer represents and warrants that Buyer has inspected Corporation's premises, inventory, fixtures, furnishings, equipment and other physical assets, and knows their condition. Buyer further represents and warrants that Buyer has examined Corporation's books of account and other business records and is satisfied that they properly reflect Corporation's past and present earnings and financial condition. Buyer represents and warrants that Buyer has not relied upon any representations by Sellers or others as to Corporation's past or present earnings or its prospects of future earnings.

8. Representations to Survive Closing.

The representations and warranties contained in Paragraph 5 and 7 shall survive the closing.

9. Risk of Loss or Destruction.

If Corporation's business is terminated before the closing by loss or damage caused by fire, wind or other casualty, Buyer may terminate this Agreement and demand the return of any sums Buyer may have paid to Seller on Account of the purchase price of Sellers shares. Upon return of those sums, this Agreement shall terminate and have no further effect and Buyer and Sellers shall have no further rights against each other. If the loss or damage is not sufficiently severe to terminate or interrupt Corporations business, the purchase price of the shares shall be adjusted to represent the actual monetary loss to corporation.

10. Documents to be delivered to Buyer at Closing.

At the closing Seller shall deliver to Buyer the following:

- a. Stock Certificates; representing one hundred percent of the Corporation's issued and outstanding capital stock, indorsed for transfer in blank, with all necessary transfer tax stamps affixed;
- b. Corporate Books and Records; Corporation's books of accounts and business records, minutes book, stock transfer book, blank stock certificates, and seal;
- c. Resignations; Sellers resignations as officers and directors of the Corporation; and
- d. Agreements; All agreements, contracts, and leases to which the Corporation is a party.

11. Employment of Sellers by Corporation.

At the closing of this transaction and as a condition thereof, Corporation will enter into consulting agreements with the Sellers. The form and terms of the agreements shall conform to the consulting contracts that are attached to this agreement and made a part of it.

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12. Arbitration.

Any and all disputes between the parties arising under this agreement shall be determined by Arbitration in the City of San Diego State of California before the American Arbitration Association in accordance with its rules then obtaining, and judgment may be entered upon the award.

13. Time and Place of Closing.

The Closing shall take place on the 5th day of May 2005 at the Corporation's office, at 4025 Kearney Villa Rd., San Diego, Ca., 92123 at 9:00am or such other time or place as the parties may agree upon in writing.

14. Agreement Binding.

This Agreement is binding upon and shall inure to the benefit of the parties, heirs, executors, administrators, representatives, successors, and assigns.

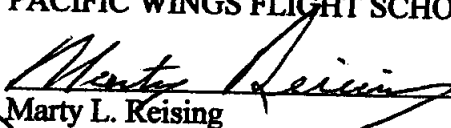
15. Applicable Law.

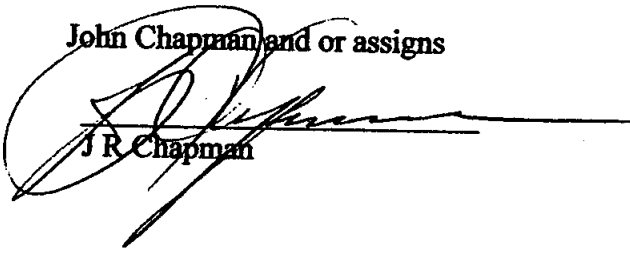
This agreement shall be construed in accordance with the laws of the State of California, the State in Which the Corporation is incorporated.

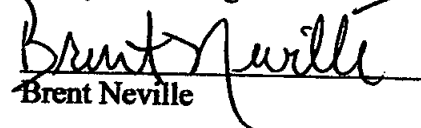
AGREED TO THIS 1st, DAY OF May, 2005 BY ALL PARTIES
HERETO.

PACIFIC WINGS FLIGHT SCHOOL INC.

John Chapman and or assigns


Marty L. Reising


J R Chapman


Brent Neville


MR



THE CITY OF SAN DIEGO

September 28, 2000

Mr. Alejandro Diaz
Pacific Wings, LLC
4025 Kearny Villa Rd.
San Diego, CA 92123

Re: Approval For Transfer of Ownership

Dear Mr. Diaz:

The City hereby approves of Mr. Mel Roberts transferring his entire ownership interest in Pacific Wings, LLC, Lessee, to you and Martha Barba de Diaz as shown in the Addendum to Minutes for Pacific Wings, LLC dated 8-11-00.

Sincerely,

Tracy L. Williams, AAE
Deputy Director, Real Estate Assets, Airport Division

cc: Mike Tussey, Airport Manager, MYF
Diana Drake, Property Agent, MYF



Diana Drake :

certified mail
9-1-2000 Mailed Copy of 30 Day Notice
dated 9-1-2000 to new owners.

Addendum to minutes. Pacific Wings, LLC.

It is hereby voted upon and agreed to unanimously by the undersigned members of Pacific Wings, LLC. That on this the eleventh day of August in the year two thousand the following change will be made and entered into the company minutes:

Martha Barba de Diaz and Alejandro Diaz will assume the 40% share holding of Mel Roberts.

This transaction is subject to the conditions set forth in exhibit "A" attached.

Martha Barba de Diaz:

Alejandro Diaz:

Mel Roberts:

Date: 8-11-00



State of California

Bill Jones

Secretary of State

LIMITED LIABILITY COMPANY - STATEMENT OF INFORMATION

Filing Fee - Please see information section

IMPORTANT - Read Instructions Before Completing This Form

1. LIMITED LIABILITY COMPANY NAME

PACIFIC WINGS, LLC

2. SECRETARY OF STATE FILE NUMBER

199732810038

3. JURISDICTION OF FORMATION

This Space For Filing Use Only

SAN DIEGO, CA

4. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE

4025 KEARNY VILLA RD

CITY AND STATE

SAN DIEGO

ZIP CODE

CA 92123

5. STREET ADDRESS IN CALIFORNIA OF OFFICE WHERE RECORDS ARE MAINTAINED (FOR DOMESTIC ONLY)

4025 KEARNY VILLA RD

SAN DIEGO

CA

ZIP CODE

92123

6. CHECK THE APPROPRIATE PROVISION BELOW AND NAME THE AGENT FOR SERVICE OF PROCESS:

☒ AN INDIVIDUAL RESIDING IN CALIFORNIA.

☐ A CORPORATION WHICH HAS FILED A CERTIFICATE PURSUANT TO SECTION 1505 OF THE CALIFORNIA CORPORATIONS CODE.

AGENT'S NAME:

DAVID PETERS

7. ADDRESS OF THE AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL

402 WEST BROADWAY 4TH FLOOR

CITY

SAN DIEGO

ZIP CODE

CA 92101

8. DESCRIBE TYPE OF BUSINESS OF THE LIMITED LIABILITY COMPANY.

CIVILIAN FLIGHT TRAINING + AIRCRAFT RENTAL

LIST THE NAME AND COMPLETE ADDRESS OF ANY MANAGER OR MANAGERS, OR IF NONE HAVE BEEN APPOINTED OR ELECTED, PROVIDE THE NAME AND ADDRESS OF EACH MEMBER AND CHIEF EXECUTIVE OFFICER (CEO), IF ANY. (CHECK THE APPROPRIATE DESIGNATION). ATTACH ADDITIONAL PAGES IF NECESSARY.

9. NAME

ALEJANDRO DIAZ

PH 643-4647 8

ADDRESS

4651 VILLAS PL.

☐ MANAGER

CITY

BONITA

STATE CA

ZIP 91902

☒ MEMBER

☐ CEO, IF ANY

10. NAME

MARTHA BARBA DE DIAZ

ADDRESS

4651 VILLAS PL

☐ MANAGER

CITY

BONITA

STATE CA

ZIP 91902

☒ MEMBER

☐ CEO, IF ANY

11. NUMBER OF PAGES ATTACHED, IF ANY.

NONE

12. I DECLARE THIS STATEMENT IS TRUE, CORRECT, AND COMPLETE.

SIGNATURE OF INDIVIDUAL AUTHORIZED TO SIGN

MEL ROBERTS - PRESIDENT

TYPE OR PRINT NAME AND TITLE OF PERSON SIGNING

DATE

8-17-00

DUE DATE: 8-16-00