

## Assets Sales Agreement

### Assets Acquisition of Mael Aircraft

This Sales agreement (the "Sales Agreement") is intended to describe the general terms and conditions of a proposed acquisition of assets of MAEL AIRCRAFT Corporation, a Sub-Chapter "s" Corporation organized under the laws of Mississippi, ("Mael"), and TAHAWI Aerospace Corp organized under the laws of Delaware ("TAHAWI") the parties intend to execute the definitive purchase and sale agreement and a definitive escrow agreement and any other agreement that may be necessary to effect the transaction (together, the "Transaction Documents"). NOTWITHSTANDING THE FOREGOING, THE PARTIES INTEND TO BE BOUND BY THE "Confidentiality", "Dispute Resolution", "Exclusivity", "Expenses" and "Governing Law", PROVISIONS. The proposed Asset Sales AGREEMENT, which are intended to be, and are, binding agreements between the parties, this Sales Agreement is a binding agreement on "Mael" and "TAHAWI" and the existing Shareholders (as defined below) to proceed with the transaction.

- 1. Parties:** Mr. Andy Altahawi, on behalf TAHAWI Aerospace and its shareholders  
Mr. Steve Mael on behalf of Mael Aircraft Corporation and its shareholders, as the individual shareholders of Mael (together, the "Existing Shareholders" with a current shareholding, respectively in Mael, and together with TAHAWI, the "Parties").
- 2. Transaction:** TAHAWI will purchase (the "Transaction") 100% of the assets of MAEL AIRCRAFT ASSETS including but not limited to one FAA Type Certificate with modifications for 2 variations of prototype airplanes, one for four passenger, twin-engine aircraft and the other for six passenger, twin-engine aircraft. Both certificate and prototype aircraft are included in the sale along with a partially assembled plane in the construction jig, a static plane model used to superimpose load factors for stress and structure, all dies, jigs and molds utilized to fabricate the airplane parts, enough formed parts for 1-3 aircraft frames and all available raw materials.

In addition, all intellectual property rights and patents associated with the aircraft as well as all available blueprints, designs, catalog and card files and books used to construct the aircraft are also included in the sale. Originally these aircraft were part of a Sam Burns/Mississippi State University study to develop lightweight fuel-efficient passenger planes that could be converted to jets in the 1970s. Both aircraft feature twin reciprocating engines utilizing semi-monocoque, an all-aluminum basic frame structure with fiberglass nose, tail, wing tips, fairings and cowls, a circular fuselage at mid-wing and a tail in a low drag design that is aerodynamically smooth construction. Also, a cabin air-operated



stairway entrance opens into a depressed center walkway. The tricycle landing gear is hydraulically operated as well as fully retractable. Electrically operated flaps are slotted with a long lip and large radius. This FAA Type Certificate offers an "immediate production" opportunity and reflects several years' worth of extensive engineering and investment by NASA.

**3. Purchase Price:**

Subject to TAHAWI's obtaining at closing (the "Closing") equity financing of the equivalent of \$5 Million in cash and \$5.5 million in post-money valued in stock "(The post money value will be calculated on a minimum of one hundred million dollars post investors money value or according to our offering memorandum to our investors, whichever is greater)", which is equal to 2,750,000 Million shares to Mael shareholders for two dollars \$2 per shares "As per TAHAWI's offering", based on the offering price of two \$2 dollars per share in our offering memorandum to the investors, this defined as the purchase price (the "Purchase Price") to be paid as of the Closing Date) will equal \$5 Million in cash, of which:

(i) \$5 Million will be paid on the Closing Date, subject to the due diligence.

(ii) \$5 Million will be held in escrow as described in the section entitled "Escrow" below.

The Parties agree that they will structure the payments of the Purchase Price in a tax efficient manner as provided by tax professional and that any such structure will be subject to the mutual agreement of the Parties. Similarly, although the Parties currently intend to structure the Transaction as the purchase of the stock of the Mael, the Parties may consider structuring the Transaction in a different manner, including a purchase of all of the assets of the Mael, subject to tax, legal and other considerations which structure shall not be unreasonably denied.

**4. Escrow:**

\$5 Million of the Purchase Price will be placed in a bank account in the names of the Mael aircraft Company, LLC. Which will release funds in such bank account, including any interest earned thereon, to the Existing Shareholders based on the on the list provided by the seller as follows:

(i) \$1 Million will be released immediately post due diligence, closing and the successful fund raise by TAHAWI to fund the acquisition, and

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the remaining balance of \$4 million dollars shall be released 60 days post-closing or at final settlement whichever is sooner.

**5. Non-Compete:**

The Existing Shareholders agreed not to, directly or indirectly, enter into, encourage, assist, work, consult or own any interest in a competing business involving the aircraft manufacturing for a period of 6 years following the Closing Date without the written consent of Mael. The Existing Shareholders will also agree not to solicit any employee, customer or vendor of the Mael for such 6 year period.

**6. Due Diligence:**

The Existing Shareholders will give, and will cause the Mael

, TAHAWI and TAHAWI's accountants, attorneys, partners, consultants, financing sources and all other representatives and agents of TAHAWI full access to the Mael management, consultants, accountants, advisors and all other representatives, and to all properties, operating and financial data, records, agreements and other information relating to the Transaction, to the extent reasonably requested by TAHAWI. The Existing Shareholders will use their best efforts to keep TAHAWI informed of any material changes that have occurred or may occur affecting the business, results of operations, condition (financial or otherwise) or prospects of the Mael.

**7. Confidentiality:**

The Parties agree to extend the Confidentiality Agreement dated to June 31<sup>st</sup>, 2022.

**8. Exclusivity:**

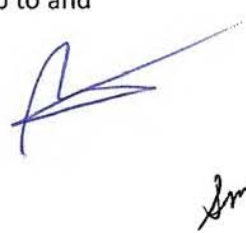
During the period from the date of this asset Sales Agreement to the later of the Closing date of January 31<sup>st</sup>, 2017, or at the fund raise completion (closing date) the Existing Shareholders will not, and will cause the Mael not to, directly or indirectly, other than in the ordinary course of business, or as contemplated by this Sales Agreement, (i) solicit, initiate or encourage any inquiries, discussions or proposals from any other person or entity relating to a possible acquisition of any part of the business or of the capital stock, securities or assets of any of the Mael, (ii) continue, solicit, encourage or enter into negotiations or discussions relating to any such possible acquisition, (iii) furnish to any other person or entity any information (not already in the public domain) relating to any of the Mael or the Transactions contemplated hereby, except as required by applicable law, or (iv) enter into or consummate any agreement or understanding providing for any such possible acquisition. TAHAWI agrees to inform Mael within 60 days following the failure to obtain the necessary Acquisition Financing, or the necessary approvals of TAHAWI's investment committee, and such notice will terminate the exclusivity period described herein.



**9. Sale of Mael Assets:** 100% of the MAEL AIRCRAFT ASSETS including but not limited to one FAA Type Certificate with modifications for two variations of prototype airplanes, one for four passenger, twin-engine aircraft and the other for six passenger, twin-engine aircraft. Both certificate and prototype aircraft are included in the sale along with a partially assembled plane in the construction jig, a static plane model used to superimpose load factors for stress and structure, all dies, jigs and molds utilized to fabricate the airplane parts, enough formed parts for 1-3 aircraft frames and all available raw materials. In addition, all intellectual property rights and patents associated with the aircraft as well as all available blueprints, designs, catalog and card files and books used to construct the aircraft are also included in the sale. Originally these aircraft were part of a Sam Burns/Mississippi State University study to develop lightweight fuel-efficient passenger planes that could be converted to jets in the 1970s. Both aircraft feature twin reciprocating engines utilizing semi-monologue, an all-aluminum basic frame structure with fiberglass nose, tail, wing tips, fairings and cowls, a circular fuselage at mid-wing and a tail in a low drag design that is aerodynamically smooth construction. Also, a cabin air-operated stairway entrance opens into a depressed center walkway. The tricycle landing gear is hydraulically operated as well as fully retractable. Electrically operated flaps are slotted with a long lip and large radius. This FAA Type Certificate offers an "immediate production" opportunity and reflects several years' worth of extensive engineering and investment by NASA.

**10. Limitation on Claims:** The Existing Shareholders agree to pay and/or reimburse TAHAWI and its affiliates for any claims and/or liabilities (including, but not limited to, reasonable attorneys' fees and the costs and expenses of defending any claims) arising out of, relating to or based upon allegations of:

- (i) any inaccuracy or breach of any representation or warranty of the Existing Shareholders contained in the Transaction Documents;
- (ii) any breach of any covenant contained in this Sales Agreement, and the Transaction Documents;
- (iii) any liability or cost arising out of the manner in which the Mael compensate their employees and other persons who work or have worked for the Mael Group; and
- (iv) past taxes (including interest, penalties, etc.) imposed in respect of the income, business, property or operations of the Mael, or for which any Existing Shareholder may otherwise be liable for the period up to and including the Closing Date.





TAHAWI, in its sole discretion, may permit any of the Existing Shareholders to participate, at his own expense, in any defense of, or settlement negotiations with respect to, any third party claims. Any claim arising out of the inaccuracy or breach of any representation or warranty contained in the Transaction Documents must be made prior to the second anniversary of the Closing Date. The maximum amount of claims that the Existing Shareholders may be liable to TAHAWI for a breach or inaccuracy of any representation or warranty will be \$1 Million, as described in the section entitled "Escrow" above, except to the extent that such claims arise from a breach of certain representations or warranties to be identified in the Transaction Documents, or fraud.

#### **11. Closing Conditions:**

The obligations of TAHAWI to complete the Transaction contemplated herein will be subject, among other things, to the satisfaction of the following conditions:

- (v) satisfactory completion of legal, accounting, tax, financial, commercial and environmental due diligence, in ALTAHAWI's sole discretion;
- (vi) negotiation, execution and delivery of satisfactory and mutually acceptable Transaction Documents;
- (vii) receipt of Acquisition Financing as described in 3 above;
- (viii) absence of any material adverse change in the business, results of operations, condition (financial or otherwise) or prospects of the Mael or any of its subsidiaries;
- (ix) absence of any material adverse change in the financial markets or economic conditions.
- (x) receipt of all necessary governmental (The FAA), board of directors, investment committee and third-party approvals;
- (xi) absence of any action or proceeding against the Existing Shareholders, the Mael or TAHAWI that may affect the Transaction or the value of TAHAWI's investment;
- (xii) true and correct representations and warranties as of the Closing Date;
- (xiii) employment contracts with key managers of Mael satisfactory to TAHAWI;
- (xiv) as of the close of business on the business day before the Closing Date, combined working capital of the Mael Group Companies that is sufficient to continue the business as contemplated by the Business Plan as determined by TAHAWI in its sole discretion;


(xv) as of the Closing Date, no indebtedness outstanding in any form, other than the Acquisition Financing and as agreed between the Parties; and

(xvi) the forgiveness of all Existing Shareholder loans, and the receipt of releases from the Existing Shareholders in respect of any claims by the Existing Shareholders against the Mael.

**12. Representations and Warranties:**

The Transaction Documents will contain representations and warranties that are customary for transactions of this size and nature, including, without limitation, the representations and warranties listed in Annex I hereto.

**13. Governing Law:** The Transaction Documents and this Sales Agreement will be governed by the laws of the state of New Jersey and by New Jersey courts.

**14. Dispute Resolution:** Any controversy, conflict or dispute of any nature arising out of or relating to the Transaction contemplated herein will be settled exclusively and finally by arbitration governed by ICC rules carried out in New York City. The Existing Shareholders and TAHAWI will each select one arbitrator to represent them, and the two arbitrators together will select a third arbitrator for the proceedings.

**15. Expenses:**

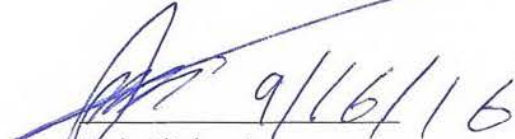
Each Party will bear its own expenses, however, if TAHAWI advises the Existing Shareholders prior to the closing date that it has received all necessary approvals, but the Closing does not occur by the closing date, then the Existing Shareholders will reimburse TAHAWI for its reasonable documented out-of-pocket expenses.

**16. Closing Date:** January 31<sup>st</sup>, 2017

Mael Aircraft Company

  
Steve Mael

TAHAWI aerospace Corp

  
Andy Altahawi

