

SECURITIES AND EXCHANGE COMMISSION

FORM 1-SA

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ASI Aviation, Inc.

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SIC: **7359** Equipment rental & leasing, nec

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 1-SA

SEMIANNUAL REPORT PURSUANT TO REGULATION A

or

SPECIAL FINANCIAL REPORT PURSUANT TO REGULATION A

For the fiscal semiannual period ended September 30, 2020

ASI Aviation, Inc.

(Exact name of issuer as specified in its charter)

Nevada

(State or other jurisdiction of
incorporation or organization)

81-1014003

(I.R.S. Employer
Identification No.)

11921 Freedom Drive, Suite 550, Reston, Virginia 20190-5667

(Full mailing address of principal executive offices)

(703) 904-4315

(Issuer's telephone number, including area code)

Item 1. Management's Discussion and Analysis of Financial Condition and Results of Operations

Use of Terms

Except as otherwise indicated by the context and for the purposes of this report only, references in this report to "we," "us," "our" or "our company" refer to ASI Aviation, Inc., a Nevada corporation.

Special Note Regarding Forward Looking Statements

Certain information contained in this report includes forward-looking statements. The statements herein which are not historical reflect our current expectations and projections about our company's future results, performance, liquidity, financial condition, prospects and opportunities and are based upon information currently available to our company and our management and our interpretation of what is believed to be significant factors affecting the businesses, including many assumptions regarding future events. The following factors, among others, may affect our forward-looking statements:

- our ability to develop our aircraft, aircraft engine and spare parts sales and leasing operation, as well as our aviation consulting services;
- our ability to pursue international opportunities and comply with local and international regulations;

- our ability to manage a rapidly growing company;
- the impact and effects of the global outbreak of the coronavirus (COVID-19) pandemic, and other potential pandemics or contagious diseases or fear of such outbreaks, on the global airline and related spare parts industries;
- the number of aircrafts in service in our markets, including consolidation of the airline industry or changes in fleet size by one or more of our future commercial airline partners;
- the economic environment and other trends that affect both business and leisure travel;
- the continued demand for aircraft spare parts and leasing operations;
- our ability to obtain required aviation and other licenses and approvals necessary for our operations;
- our ability to enter into agreements to acquire aviation related assets such as spare parts inventories, or synergistic businesses operating in the aviation industry; and
- changes in laws, regulations and interpretations affecting aviation.

Forward-looking statements, which involve assumptions and describe our future plans, strategies, and expectations, are generally identifiable by use of the words “may,” “should,” “expect,” “anticipate,” “estimate,” “believe,” “intend,” or “project” or the negative of these words or other variations on these words or comparable terminology. Actual results, performance, liquidity, financial condition, prospects and opportunities could differ materially from those expressed in, or implied by, these forward-looking statements as a result of various risks, uncertainties and other factors. Actual events or results may differ materially from those discussed in forward-looking statements as a result of various factors, including, without limitation, the risks outlined under “Risk Factors” included in our Offering Statement (the “Offering Statement”) on Form 1-A, as amended and supplemented to date (File no. 024-10786), and matters described in this report generally. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements contained in this report will in fact occur.

Potential investors should not place undue reliance on any forward-looking statements. Except as expressly required by the federal securities laws, there is no undertaking to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason.

The specific discussions herein about our company include financial projections and future estimates and expectations about our company’s business. The projections, estimates and expectations are presented in this report only as a guide about future possibilities and do not represent actual amounts or assured events. All the projections and estimates are based exclusively on our management’s own assessment of our business, the industry in which we work and the economy at large and other operational factors, including capital resources and liquidity, financial condition, fulfillment of contracts and opportunities. The actual results may differ significantly from the projections.

The following discussion of our financial condition and results of operations should be read in conjunction with our financial statements and the related notes, and other financial information. Our Management’s Discussion and Analysis contains not only statements that are historical facts, but also statements that are forward-looking. Forward-looking statements are, by their very nature, uncertain and risky. These risks and uncertainties include international, national, and local general economic and market conditions; our ability to sustain, manage, or forecast growth; our ability to successfully make and integrate acquisitions; new product offerings; existing government regulations and changes in, or the failure to comply with, government regulations; adverse publicity; competition; the ability to acquire and keep significant customers or suppliers; fluctuations and difficulty in forecasting operating results; change in business strategy or development plans; business disruptions; the ability to attract and retain qualified personnel; the risk of foreign currency exchange rate; and other risks that might be detailed from time to time in our filings with the Securities and Exchange Commission (the “SEC”).

Although the forward-looking statements in this report reflect the good faith judgment of our management, such statements can only be based on facts and factors currently known by them. Consequently, and because forward-looking statements are inherently subject to risks and uncertainties, the Company cannot guarantee future results, and the actual results and outcomes may differ materially from the results and outcomes discussed in the forward-looking statements. You are urged to carefully review and consider the various disclosures

made by us in this report, in the Offering Statement and in our other reports as we attempt to advise interested parties of the risks and factors that may affect our business, financial condition, and results of operations and prospects.

Overview.

BUSINESS OVERVIEW

The Company was incorporated under the laws of the State of Nevada on December 29, 2015. We are a developmental stage company principally involved in the business of developing our aircraft, aircraft engines and aircraft spare parts leasing and sales operations, and aviation consultancy services. The Company will also be exploring potential acquisitions of aviation related assets such as spare parts inventories or synergistic businesses in the aviation industry and international opportunities. We entered into an asset acquisition agreement with Jet X Aerospace LLC. We had a stockholder's equity of (\$59,640) at September 30, 2020.

The Jet X Aerospace Agreement

On February 10, 2020, the Company, Jet X Aerospace LLC ("Jet X") and David Carver, Jayson Carver and Demetri Xydias (the "Selling Members") entered into an asset purchase agreement (the "Agreement") pursuant to the terms of which the Company agreed to acquire (the "Acquisition"), subject to certain conditions, substantially all of the assets of Jet X. The Agreement was amended five times, and, most recently on October 19, 2020 a new agreement was signed, primarily to extend the closing date for an additional 30 days. That additional 30 days has expired, however, and the new agreement is currently being renegotiated by the Parties for a further extension.

On October 19, 2020, the Agreement, originally signed on February 10, 2020, was replaced with a new agreement revised to reflect a lower valuation from a new appraisal of Jet X's spare parts. A new closing was to take place by November 19, 2020, within 30 days after execution of the new agreement, subject to the satisfaction or waiver of all conditions to the obligation of the parties to consummate the transactions per the revised agreement. As of the date hereof, the closing date for the new agreement has passed and is currently being renegotiated by the Parties for an additional extension. We can provide no assurance that this new agreement with Jet X will be further extended or that the proposed Acquisition will be consummated.

The ZAV Airways Agreement

On August 18, 2017, the Company and Harlequin Consultancy Services Pvt. Ltd ("HCS") entered into an exclusive and irrevocable Buyer Mandate Agreement (the "Buyer Agreement") with ZAV Airways Pvt. Ltd ("ZAV Airways"), a regional airlines company based in the North East and Eastern Regions of India, to represent ZAV Airways in the potential purchase of two aircraft. The Company and HCS entered into a separate agreement relating to our respective duties and the sharing of potential commissions under the Buyer Agreement. Under the terms of our agreements with ZAV Airways and HCS, HCS will be responsible for building a working relationship with ZAV Airways and the Company will be responsible for locating aircraft, coordinating aircraft inspections, negotiating with aircraft sellers, legal fees in preparation of aircraft sales agreements, coordinating aircraft modifications, and arranging for delivery of the aircraft to modification centers and final delivery locations. The Company will retain 80% and HCS will retain 20% of any commissions or fees paid under the Buyer Agreement after deduction of direct expenses related to the aircraft delivery. On December 18, 2017, the Company and HCS extended the Buyer Agreement with ZAV Airways for an additional 18-month period and, on August 2, 2019, the Company extended the Buyer Agreement with ZAV Airways again, for an additional 18 months.

In order to generate working capital to fund our core business, prior to FY 19, we provided IT business development consulting services on a contractual basis to private companies operating in the federal government sector. To date, we have provided these services to one such company.

Before the global outbreak of the coronavirus disease ("COVID-19") pandemic hit, the aviation industry had anticipated high passenger volume and aircraft fleet growth over the next decade. Now, however, with the arrival of the COVID-19 pandemic, the aviation industry is suddenly facing a new environment where operating fleet capacities have been drastically reduced and passenger demand has declined precipitously. We expect these conditions to remain for the foreseeable future. If the global COVID-19 situation results in prolonged lock-downs and the introduction of a coronavirus vaccine is delayed, airlines' financial strength will be greatly impacted and this will change the aviation industry landscape. Privately operated airports will face difficulties in keeping costs down when there is negligible revenue generation. Also, the uncertain nature of this coronavirus pandemic has severely marred passenger confidence, which may take time to rebuild post-crisis. Weak passenger confidence in travel and declining economic conditions among many countries will impact

the total number of passengers travelling, in both the domestic and international segments. We expect that it will take a number of years for passenger numbers to reach pre-pandemic levels.

The prevailing condition attributed by covid-19 has impacted drastically the Company's ability to raise the debt and/or equity capital to make its first target acquisition. This has affected the Company's plan for growth and expansion as well as put a financial strain on the company. However, the recent approval by FDA and availability and distribution of corona vaccines from Pfizer and Moderna to public is expected to control the spread of covid-19 infection as well as and normalize financial conditions affecting the world economic starting middle of the next year.

Plan of Operation

We believe our cash balance as reported in our financial statements is not sufficient to fund our growth plan for any period of time. In order to fully implement our plan of operations for the next 12-month period, we will need to raise a significant amount of funds in the offering. The discussion below is based on the assumption that we will be able to raise the \$5 million maximum amount in the offering. After the next 12-month period we may need to raise additional financing. We do not currently have any arrangements for such additional financing.

We have generated minimal revenues to date and, although we expect to begin generating significant revenues during the next 12-months and to raise significant capital in the offering, there can be no assurances that we will be successful in these endeavors. This means that there is substantial doubt that we can continue as a going concern for the next 12-months unless we obtain additional capital to execute our plan of operations. We believe that the actions presently being taken to further implement our business plan and generate revenues provide the opportunity for us to continue as a going concern.

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During the next 12 months, we expect to engage in the following business development activities:

- Leasing, Sales and Support – We plan to offer aircraft, aircraft engines and aircraft spare parts leasing and sales, and related support functions, and to represent various parties as brokers, providing search and procurement services with respect to various types of commercial aircraft.
- Aviation Consultancy – We plan to provide consulting services to domestic, commercial vendors and governments including airline market analysis, selection of airline management teams, airline financial projections, selection of aircraft, aircraft purchase or leasing recommendations, and preparation and processing US government procurement solicitations.
- On-Site Maintenance and Operational Support – We plan to provide recommendations in the hiring and training of personnel needed to support aircraft maintenance operations and spare parts inventory, maintenance of aircraft records, and flight crew hiring and training.
- Aircraft Charter and Ferry Services – We plan to arrange for passenger air transportation with existing certificated air carrier(s) with aircraft charter services provided on an hourly, monthly or yearly basis, and to arrange for flight crews for the movement of aircraft from point of origin to final destination, for governments, and domestic, commercial vendors.
- IT Business Development Consulting Services – We intend to continue to offer IT Business Development, Messaging and Capture Management services on a contractual basis to private companies operating in the federal government sector.

Assuming we are successful in raising at least \$500,000 in the offering, although there can be no assurances that we will do so, we plan to take the following steps to develop our core aviation business: (1) Finalize our selection of initial spare parts inventories/engines/aircraft for inspection, audit, appraisals, negotiations and purchase; (2) Advertise for the hiring of qualified personnel for key positions within the Company; (3) Select and build out office and spare parts facilities, including warehousing space, and acquire furnishings and equipment for daily operations; (4) Begin purchasing and receiving spare parts inventories and engines at the warehousing facilities; (5) Move acquired aircraft to designated areas in our facility where engines and all parts will be removed and shipped for repairs and overhaul, prepared and inventoried for future sales; (6) Begin marketing the spare parts and engines that we have acquired for sales and leasing to various participants in the aviation industry; (7) Begin the brokerage of aircraft for sales and/or leasing to commercial and government aviation operators; and (8) Begin paying our executives compensation as designated elsewhere in this Form 1-K.

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More specifically, we plan to reach the following milestones during the initial 12 months following a successful completion of our ongoing Regulation A offering:

Milestone	Time Frame for Reaching Milestone	Estimated Milestone Expense (assuming the \$5,000,000 maximum amount is raised in our Regulation A offering)
<p>Acquisition of Facilities – Corporate Offices and Warehousing:</p> <ul style="list-style-type: none"> ● Corporate Offices Lease ● Corporate Office Security Deposit ● Warehouse Facility Lease ● Warehouse Facility Security Deposit ● Insurance Liability/damage ● Utilities Electric/security monitoring ● Furnishings and Equipment 	<p>The funding of a minimum of \$500,000 is raised in our ongoing Regulation A offering.</p>	<p>\$ 362,500</p>
<p>Executive Officer, Director and Consultant Payments: Initially to Dr. B. B. Sahay, James Flynn, James Silvester and L. Carl Jacobson</p>	<p>Monthly payments of approximately \$35,000 will be made to existing executives once a minimum of \$500,000 is raised in our ongoing Regulation A offering.</p>	<p>\$ 392,260</p>
<p>Personnel Hiring:</p> <ul style="list-style-type: none"> ● Buyers and Sales Representatives ● Director of Maintenance ● Director of Records ● Director of Quality Assurance ● Corp. General Staffing ● Warehouse Staffing ● Taxes and Benefits 20% ● G & A Expenses 	<p>The funding of a minimum of \$500,000 is raised in our ongoing Regulation A offering.</p>	<p>\$ 1,137,127</p>
<p>Acquisition of Spare Parts Inventories:</p> <ul style="list-style-type: none"> ● Initial Cost Functions: Travel, audit and appraisal ● Purchases: Spare parts/engines ● Purchase Related Costs: Repair and overhaul of inventory/engines; delivery 	<p>The funding of a minimum of \$500,000 is raised in our ongoing Regulation A offering.</p>	<p>\$ 2,480,613</p>
<p>Acquisition of Jet X Aerospace Assets</p>	<p>Conditioned on the funding of a minimum of \$5,000,000 by August 7, 2020.</p>	<p>\$ 5,000,000*</p>

* Some or all of the funds required for the proposed Jet X asset acquisition may come from sources other than the ongoing Regulation A offering. There can be no guarantee that we will be able to raise these additional funds.

We expect that sources of funding for the above listed milestones will be derived from our ongoing Regulation A offering, the sale of spare parts and engines, aircraft sales commissions, consulting fees, engine leasing and additional debt and/or equity financings.

We can provide no assurances, however, that we will be able to successfully raise sufficient funds in the offering to begin to execute these plans, to reach any of the above specified milestones, or to develop, offer and generate revenues from any of our designated business

activities and development actions. Also, we cannot assure you that we will be able to raise additional capital or debt as and when needed on acceptable terms if at all.

We expect to generate future revenue from our aviation consultancy services and aircraft, aircraft spare parts and aircraft engine sales and leasing operations. Our management has developed relationships with existing air carriers and companies operating government contracts with the U.S. Department of Defense, U.S. Marshals Service and the Department of Homeland Security. The Company hopes to be able to harness those relationships its team has already cultivated in order to allow its management consulting services to gain traction. The Company has developed a unique capability and strategy in the leasing and buying of aircraft to support businesses on commercial or government contracts requiring dry (aircraft only) or wet (aircraft with crew, maintenance services and insurance) aircraft lease operations.

Our total revenues were \$0 and \$0 (zero dollars) for the six months ended September 30, 2020 and 2019, respectively. Our net loss for the six months ended September 30, 2020 was \$88,250 as compared to a net loss of \$34,085 for the six months ended September 30, 2019.

Results of Operations

Comparison for the six months ended September 30, 2020 and September 30, 2019

The following table sets forth key components of our results of operations during the six months ended September 30, 2020 and September 30, 2019.

	For the six months ended September 30, 2020 and 2019,		Change	
	2020	2019	\$	%
Revenue	\$ -	\$ -	\$ -	-
Cost of services				
Operating expenses	88,250	34,085	54,165	159
Income (loss) from operations before income taxes	(88,250)	(34,085)	(54,165)	159
Tax Expense	-	-	-	-
Net income (loss) after income tax	\$ (88,250)	\$ (34,085)	\$ (54,165)	159

Revenue. Our revenues were \$0 for the six months ended September 30, 2020, and were \$0 the six months ended September 30, 2019, as we are still developing our core business in aircraft spare parts sales and leasing operations and an aviation management consulting firm.

Cost of services. Our cost of services was \$0 for the six months ended September 30, 2020, and \$0 for the six months ended September 30, 2019.

Operating expenses. Our operating expenses were \$88,250 which represent cost of bonus, professional fees, corporate fees and taxes and other office expenses for the six months ended September 30, 2020, and \$34,085 for the six months ended September 30, 2019. This increase in operating expenses was due to bonus and other expenses.

Income (loss) before income taxes. We had net loss before income taxes of \$88,250 for the six months ended September 30, 2020, compared to \$(34,085) for the six months ended September 30, 2019. This decrease in loss was due to reduction in legal and audit fees, and other expenses.

Income tax expense (benefit). Income tax expense was \$0 for the six months ended September 30, 2020 and was \$0 a for the six-month period ended September 30, 2019, therefore no tax benefit accrued for the both years.

Liquidity and Capital Resources

In order to implement the Company's plan of operations for the next twelve (12) month period, we require a minimum of \$500,000 of funding from this offering. We anticipate that after the initial twelve (12) month period we will need additional financing.

As of September 30, 2020, we had cash and cash equivalents of \$48,370. To date, we have financed our operations primarily through the sale of our common stock.

The following table provides detailed information about our net cash flow for all financial statement periods presented in this report:

Cash Flow

	For the six months ended September 30,	
	2020	2019
Net cash provided by (used in) operating activities	\$ (65,055)	\$ (26,363)
Net cash provided by (used in) financing activity	8,750	200,500
Net increase (decrease) in cash and cash equivalents	(56,305)	173,137
Cash at beginning of period	104,675	20,447
Cash at end of period	\$ 48,370	\$ 194,584

Financing Activities

As of six months ended September 30, 2020, the Company sold 0 shares of its common stock at the price of \$1.00 per share for a total amount of \$0 in its ongoing public offering pursuant to Regulation A. The Company filed a Form 1-A (SEC File No. 024-10786) with the SEC on December 29, 2017 and the offering was qualified by the SEC on July 17, 2018. The Company's most recent post-qualification amendment to its Form 1-A was qualified by the SEC on July 27 2020. Subsequently, since September 30, 2020, the Company has not sold any additional shares of common stock in its Regulation A offering. The total amount raised to date in this Regulation A offering is \$225,000.

Operating Activities

Net cash is used to cover operating expenses such as bonus, accounting, auditing, legal, consultants, professional services, rent, telephone, licenses and taxes, which were higher in the six month period ended September 30, 2020 compared to the same period in 2019. Currently available working capital will not be adequate to sustain our operations at our current levels from the date of this filing through the next 12 months. We expect to satisfy our working capital requirements over the next 12 months through the sale of equity or debt securities. However, we do not have any commitment from any third party to invest in our company or otherwise acquire any of our equity or debt securities. Furthermore, even if we successfully raise sufficient capital to satisfy our needs over the next twelve (12) months, in the future, we will require additional cash resources due to changed business conditions, implementation of our strategy to expand our business or other investments or acquisitions we may decide to pursue. If our own financial resources are insufficient to satisfy our capital requirements, we may seek to sell additional equity or debt securities or obtain additional credit facilities. The sale of additional equity securities could result in dilution to our stockholders. The incurrence of indebtedness would result in increased debt service obligations and could require us to agree to operating and financial covenants that would restrict our operations. Financing may not be available in amounts or on terms acceptable to us, if at all. Any failure by us to raise additional funds on terms favorable to us, or at all, could limit our ability to expand our business operations and could harm our overall business prospects.

Inflation

Inflation and changing prices have not had a material effect on our business and we do not expect that inflation or changing prices will materially affect our business in the foreseeable future. However, our management will closely monitor price changes in our industry and continually maintain effective cost control in operations.

Off Balance Sheet Arrangements

As of September 30, 2020, and March 31, 2020, we did not have any off-balance sheet arrangements.

Commitments and Contractual Obligations

The Company has entered into agreements with certain employees and contractors. The following is a complete list of those commitments as of September 30, 2020.

Employment Agreements with Dr. B.B. Sahay and Mr. James Flynn. These agreements as currently in effect include a base annual salary of \$150,000 and \$120,000 for Dr. Sahay and Mr. James Flynn, respectively. Both are also eligible for up to five (5) performance-based bonuses of \$30,000 for Dr. Sahay (for a total of up to \$150,000) and \$20,000 for Mr. Flynn (for a total of up to \$100,000). These salaries and bonuses are subject to the Company meeting certain funding and performance milestones. No amounts were earned or owed under these agreements as of September 30, 2020 and March 31, 2020, excluding the CEO's bonus." Additionally, On September 24, 2020 in a special meeting of ASI Board of Directors, the Board approved a Cash Bonus, in amount of \$50,000 by Dr. Sahay, Chief Executive Officer for his valuable services, to be drawn down as and when, he deems appropriate. As of September 30, 2020, \$17,050 of the \$50,000 bonus granted on September 24, 2020 has been drawn down and the remaining \$32,950 has been accrued for.

Consulting Agreements with Dr. James L Sylvester and Dr. L. Carl Jacobsen. These engagement agreements as currently in effect include a base hourly rate of \$125 for Dr. James L. Silvester, and a base hourly rate of \$50 for Dr. L. Carl Jacobsen. These compensation arrangements are subject to funding and performance. No amounts were earned or owed under these agreements as of September 30, 2020 and March 31, 2020

On August 4, 2017, the Company entered into an agreement with Colors, a builder and real estate consultant in New Delhi, India. The terms of that agreement allowed the Company to use shared office space at no cost until the Company was funded or began to generate revenue from its projects in India. Our agreement with Colors has terminated and we are now in the process of looking for new office space in New Delhi.

Our agreement with Colors ended in August 2018. We are in process of negotiating a similar agreement with another company in India. No amounts were earned or owed under these agreements as of September 30, 2020.

Effective August 2017, the Company entered into an agreement with independent contractor Nishant Goyal to serve as Director of Business Development in India. The Company has not determined the compensation for this position as the Company has not generated any revenues from its projects in India yet. No amounts were incurred or owed as of September 30, 2020.

On July 21, 2018, the Company entered into an agreement with Willis Kavin Ayieko an independent contractor, to serve as Analyst/ Representative in Kenya for researching and advising ASI on aviation related projects developed through his networking and contacts in the aviation community within East Africa. His compensation will consist of a 10% commission of the gross earnings received by ASI for any and all projects developed by him or assigned by Mr. Flynn within East Africa. No amounts were incurred or owed as of September 30, 2020.

Seasonality

We do not believe that our business will be subject to significant seasonal variations.

Critical Accounting Policies

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires our management to make assumptions, estimates and judgments that affect the amounts reported, including the notes thereto, and related disclosures of commitments and contingencies, if any. We have identified certain accounting policies that are significant to the preparation of our financial statements. These accounting policies are important for an understanding of our financial condition and results of operation. Critical accounting policies are those that are most important to the portrayal of our financial condition and results of operations and require management's difficult, subjective, or complex judgment, often as a result of the need to make estimates about the effect of matters that are inherently uncertain and may change in subsequent periods. Certain accounting estimates are particularly sensitive because of their significance to financial statements and because of the possibility that future events affecting the estimate may differ significantly from management's current judgments. We believe the following critical accounting policies involve the most significant estimates and judgments used in the preparation of our financial statements:

Income Taxes

The Company follows FASB ASC 740, "Income Taxes," when accounting for income taxes, which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for temporary differences between the financial statements and tax bases of assets and liabilities that will result in taxable or deductible

amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities. Tax years from 2015 through 2019 remain subject to examination by major tax jurisdictions.

On December 22, 2017, the United States enacted significant changes to the U.S. tax law following the passage and signing of H.R.1, “An Act to Provide for Reconciliation Pursuant to Titles II and V of the Concurrent Resolution on the Budget for Fiscal Year 2018” (the “Tax Act”) (previously known as “The Tax Cuts and Jobs Act”). The Tax Act significantly revised the U.S. corporate income tax regime by, among other things, lowering the corporate tax rate from 35% to 21%. The Tax Act reduced the U.S. corporate income tax rate reduction to 21% becomes effective January 1, 2018. Since the Company did not have previously recorded deferred tax assets and liabilities as of March 31, 2018, applying the reduced corporate income tax rate resulted in no provisional decrease to the deferred tax assets and liabilities or corresponding adjustment to the valuation allowance as of March 31, 2019 due to the Tax Act.

Recent Accounting Pronouncements

In February 2016 FASB issued ASU No. 2016-02, Leases (Topic 842), which supersedes the existing guidance for lease accounting, Leases (Topic 840). ASU 2016-02 requires lessees to recognize leases on their balance sheets, and leaves lessor accounting largely unchanged. The amendments in this ASU are effective for fiscal years beginning after December 15, 2018 and interim periods within those fiscal years. Early application is permitted for all entities. ASU 2016-02 requires a modified retrospective approach for all leases existing at, or entered into after, the date of initial application, with an option to elect to use certain transition relief. In July 2018, the FASB issued ASU No. 2018-10, “*Codification Improvements to Topic 842, Leases.*” The amendments in ASU 2018-10 clarify, correct or remove inconsistencies in the guidance provided under ASU 2016-02 related to nineteen specific issues identified. Also, in July 2018, the FASB issued ASU No. 2018-11 “*Leases (Topic 842): Targeted Improvement*” which now allows entities the option of recognizing the cumulative effect of applying the new standard as an adjustment to the opening balance of retained earnings in the year of adoption while continuing to present all prior periods under previous lease accounting guidance. The effective date and transition requirements for these two ASUs are the same as the effective date and transition requirements as ASU 2016-02. There was no effect to our financial statements upon adoption of this standard.

Revenue Recognition

Financial Instruments

In June 2016, the FASB issued ASU No. 2016-13, “Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments,” or ASU 2016-13, which modifies the measurement of expected credit losses of certain financial instruments. ASU 2016-13 will be effective for fiscal years beginning after December 15, 2022 including interim periods within those fiscal years and for us in our first quarter of 2023 and early adoption is permitted. We do not believe the adoption of ASU 2016-13 will have a material impact on our financial statements.

Item 2. Other Information

We have no information to disclose that was required to be in a report on Form 1-U during the semiannual period covered by this Form 1-SA, but was not reported.

Item 3. Financial Statements

The accompanying semiannual unaudited financial statements have been prepared in accordance with the instructions to Form 1-SA. Therefore, they do not include all information and footnotes necessary for a complete presentation of financial position, results of operations, cash flows, and stockholder’s equity (deficit) in conformity with accounting principles generally accepted in the United States of America. Except as disclosed herein, there has been no material change in the information disclosed in the notes to the financial statements for the year ended March 31, 2020 included in the Company’s Offering Statement and filed with the SEC as part of its Form 1-A. In the opinion of management, all adjustments considered necessary for a fair presentation of the results of operations and financial position have been included, and all such adjustments are of a normal recurring nature. Operating results for the six months ended September 30, 2020 are not necessarily indicative of the results that can be expected for the year ending March 31, 2021.

ASI Aviation, Inc.
Condensed Financial Statements
For the six months ended September 30, 2020 and 2019
(Unaudited)

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ASI AVIATION, INC.
CONDENSED BALANCE SHEETS
(Unaudited)

	September 30, 2020	March 31, 2020
ASSETS		
Current Assets:		
Cash	\$ 48,370	\$ 104,675
Loan receivable	5,000	-
Prepaid expenses	520	521
Total Current Assets	53,890	105,196
Total Assets	\$ 53,890	\$ 105,196
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current Liabilities:		
Accounts payable	\$ 56,739	\$ 48,886
Accrued expenses	33,041	17,700
Loans from Cares Act, current portion	1,146	-
Loans	10,000	10,000
Total Current Liabilities:	100,926	76,586
Long Term Liabilities:		
Loans from Cares Act, long term	12,604	-
Total Liabilities	113,530	76,586

Commitments and Contingencies

Stockholders' Equity (Deficit):

Common stock, par value \$0.0001, 100,000,000 Authorized, 10,267,350 and 10,042,350 outstanding as of September 30, 2020 and March 31, 2020	1,027	1,027
Additional paid in capital	267,323	267,323
Accumulated deficit	(327,990)	(239,740)
Total Stockholders' Equity (Deficit)	(59,640)	28,610
Total Liabilities and Stockholders' Equity (Deficit)	\$ 53,890	\$ 105,196

The accompanying notes are an integral part of these condensed unaudited financial statements.

F-1

ASI AVIATION, INC.
CONDENSED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Six months ended	
	September 30, 2020	September 30, 2019
Revenue	\$ -	\$ -
Cost of services	-	-
Gross profit	-	-
Operating expenses:		
Professional fees	27,317	25,514
Bonus	50,000	-
Other expenses	10,933	8,571
Total operating expenses	88,250	34,085
Net loss before taxes	(88,250)	(34,085)
Tax expense	-	-
Net loss	\$ (88,250)	\$ (34,085)
BASIC AND DILUTED LOSS PER COMMON SHARE	\$ (0.01)	\$ (0.00)
WEIGHTED AVERAGE NUMBER OF COMMON STOCK OUTSTANDING (BASIC AND DILUTED)	10,267,350	10,063,252

The accompanying notes are an integral part of these condensed unaudited financial statements.

F-2

ASI AVIATION, INC.
CONDENSED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(Unaudited)

	Six Months Ended September 30, 2020				
	Common stock		Additional paid in capital	Accumulated deficit	Total Stockholders' equity (Deficit)
	Shares	Amount			
Beginning balance, April 1, 2020	10,267,350	\$ 1,027	\$ 267,323	\$ (239,740)	\$ 28,610
Net loss	-	-	-	(88,250)	(88,250)
Ending balance, September 30, 2020	10,267,350	\$ 1,027	\$ 267,323	\$ (327,990)	\$ (59,640)

Six Months Ended September 30, 2019

	Common stock		Additional paid in capital	Accumulated deficit	Total Stockholders' equity (Deficit)
	Shares	Amount			
Beginning balance, April 1, 2019	10,042,350	\$ 1,004	\$ 42,346	\$ (96,324)	\$ (52,974)
Issuance of common stock	225,000	23	224,977	-	225,000
Net loss	-	-	-	(34,085)	(34,085)
Ending balance, September 30, 2019	<u>\$ 10,267,350</u>	<u>\$ 1,027</u>	<u>\$ 267,323</u>	<u>\$ (130,409)</u>	<u>\$ 137,941</u>

The accompanying notes are an integral part of these condensed unaudited financial statements.

F-3

**ASI AVIATION, INC.
CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)**

	September 30, 2020	September 30, 2019
Cash Flows From Operating Activities:		
Net loss	\$ (88,250)	\$ (34,085)
Changes in operating assets and liabilities:		
Accounts payable and accrued expenses	23,195	7,722
Net cash used in operating activities	<u>(65,055)</u>	<u>(26,363)</u>
Cash Flows From Financing Activities:		
Proceeds from related party loan	-	10,250
Repayment of related party loan	-	(44,750)
Proceeds from loans	13,750	22,000
Repayment of loans	-	(12,000)
Loan Receivables	(5,000)	-
Proceeds from sale of common stock	-	225,000
Net cash provided by financing activities	<u>8,750</u>	<u>200,500</u>
Net increase (decrease) in cash	<u>(56,305)</u>	<u>174,137</u>
Cash, beginning of period	<u>104,675</u>	<u>20,447</u>
Cash, end of period	<u>\$ 48,370</u>	<u>\$ 194,584</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 1,134</u>	<u>\$ 556</u>
Cash paid for taxes	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these unaudited condensed financial statements.

F-4

ASI AVIATION, INC.
Notes to Condensed Financial Statements
(Unaudited)
For the six months ended September 30, 2020 and 2019

Note 1. Organization, History and Business

ASI Aviation, Inc. is a Nevada corporation (the “Company”), incorporated under the laws of the State of Nevada on December 29, 2015. The fiscal year-end of the Company is March 31. The business plan of the Company is to develop an aircraft and aircraft spare parts sales and leasing operation, as well as providing aviation management and business development consulting services to private and public companies/governments agencies. Also, the company plans to bid on the US federal and State government contracts for aviation services to expand its business in aviation sector. The Company will also be exploring potential acquisitions in the aviation industry.

The Jet X Aerospace Agreement

On February 10, 2020, the Company, Jet X Aerospace LLC (“Jet X”) and David Carver, Jayson Carver and Demetri Xydias (the “Selling Members”) entered into an asset purchase agreement (the “Agreement”) pursuant to the terms of which the Company has agreed to acquire (the “Acquisition”), subject to certain conditions, substantially all of the assets of Jet X. The Agreement has been amended six times, most recently on October 19, 2020 to extend the closing date within 30 days; however, it is currently being negotiated by the Parties for modification and/or extension.

On October 19, 2020, the Asset Purchase Agreement (APA) originally signed on February 10, 2020, was revised due to lower valuation from appraisal of Seller’s spare parts, with closing to take place within 30 days after execution of this Asset Purchase Agreement, subject to the satisfaction or waiver of all conditions to the obligation of the parties to consummate the transactions per the revised APA. At the moment, the closing date for the APA has expired and is currently being negotiated by the Parties for modification and/or extension.

Jet X is in the business of providing customer support, solutions and management to the aviation industry including, spare parts inventory procurement and management, purchase support and supply chain management, component repair and vendor management, maintenance support for light, scheduled and heavy checks, power plant management and support and aviation industry consulting.

The Company cannot make any assurances at this time that all or any of the substantive conditions to closing will be met in a timely fashion, if at all.

The Agreement may be terminated at any time by mutual consent of the Company and Jet X and by Jet X if the preconditions required to be fulfilled by the Company subject to that date being extended by mutual consent of the Company, Jet X and the Selling Members.

The ZAV Airways Agreement

On August 18, 2017, the company and Harlequin Consultancy Services Pvt. Ltd (“HCS”) entered into an exclusive and irrevocable Buyer Mandate Agreement (the “Buyer Agreement”) with ZAV Airways Pvt. Ltd (“ZAV Airways”), a regional airlines company based in the North East and Eastern Regions of India, to represent ZAV Airways in the potential purchase of two aircraft. The company and HCS entered into a separate agreement relating to our respective duties and the sharing of potential commissions under the Buyer Agreement. Under the terms of our agreements with ZAV Airways and HCS, HCS will be responsible for building a working relationship with ZAV Airways and the company will be responsible for locating aircraft, coordinating aircraft inspections, negotiating with aircraft sellers, legal fees in preparation of aircraft sales agreements, coordinating aircraft modifications, and arranging for delivery of the aircraft to modification centers and final delivery locations. The company will retain 80% and HCS will retain 20% of any commissions or fees paid under the Buyer Agreement after deduction of direct expenses related to the aircraft delivery. On December 18, 2017, the company and HCS extended the Buyer Agreement with ZAV Airways for an additional 18-month period and, on August 2, 2019, the company extended the Buyer Agreement with ZAV Airways again, for an additional 18 months.

The COVID-19 Impact:

Before the global outbreak of the coronavirus disease (“COVID-19”) pandemic hit, the aviation industry had anticipated high passenger volume and aircraft fleet growth over the next decade. Now, however, with the arrival of the COVID-19 pandemic, the aviation industry is suddenly facing a new environment where operating fleet capacities have been drastically reduced and passenger demand has declined precipitously. The company expect these conditions to remain for the foreseeable future. If the global COVID-19 situation results in prolonged lock-downs and the introduction of a coronavirus vaccine is delayed, airlines’ financial strength will be greatly impacted and this will change the aviation industry landscape. Privately operated airports will face difficulties in keeping costs down when there is negligible revenue generation. Also, the uncertain nature of this coronavirus pandemic has severely marred passenger confidence, which may take time to rebuild post-crisis. Weak passenger confidence in travel and declining economic conditions among many countries will impact the total number of passengers travelling, in both the domestic and international segments. Company expect that it will take a number of years for passenger numbers to reach pre-pandemic levels.

The prevailing condition attributed by Covid-19 has impacted drastically the Company’s ability to raise the debt and/or equity capital to make its first target acquisition. This has badly affected the Company’s plan for growth and expansion as well as put a financial strain on the company. The promise of the upcoming corona virus vaccines however, is expected to improve the airlines’ as well as other industries’ financial health, and hopefully bring back the investors’ confidence for investments and normalize world economy starting from the middle of the year 2021.

The accompanying notes are an integral part of these financial statements

ASI AVIATION, INC.
Notes to Condensed Financial Statements
(Unaudited)
For the six months ended September 30, 2020 and 2019

Note 2. Going Concern

The accompanying condensed unaudited financial statements have been prepared assuming that the Company will continue as a going concern. Currently, the Company has limited operating history, has a net loss of \$88,250 for the six months ended September 30, 2020, and had an accumulated deficit of \$327,990 of September 30, 2020. Management believes that the Company’s capital requirements will depend on many factors including the success of the Company’s development efforts and its efforts to raise capital. Management also believes the Company needs to raise additional capital for working capital purposes. There is no assurance that such financing will be available in the future. The conditions described above raise substantial doubt about the Company’s ability to continue as a going concern. The condensed unaudited financial statements of the Company do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 3. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying condensed unaudited financial statements are prepared in accordance with generally accepted accounting principles in the United States of America (“US GAAP”).

Use of Estimates

The preparation of condensed unaudited financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed unaudited financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. Operating results for the six-month periods ended September 30, 2020 are not necessarily indicative of the results that may be expected for the year ending March 31, 2021.

These condensed unaudited financial statements should be read in conjunction with the financial statements and footnotes thereto included in the Company's 1-SA for the year ended March 31, 2020.

ASI AVIATION, INC.
Notes to Condensed Financial Statements
(Unaudited)
For the six months ended September 30, 2020 and 2019

Income Taxes

The Company follows FASB ASC 740, "Income Taxes," when accounting for income taxes, which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for temporary differences between the financial statements and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities. Tax years from 2016 through 2019 remain subject to examination by major tax jurisdictions.

On December 22, 2017, the United States enacted significant changes to the U.S. tax law following the passage and signing of H.R.1, "An Act to Provide for Reconciliation Pursuant to Titles II and V of the Concurrent Resolution on the Budget for Fiscal Year 2018" (the "Tax Act") (previously known as "The Tax Cuts and Jobs Act"). The Tax Act significantly revised the U.S. corporate income tax regime by, among other things, lowering the corporate tax rate from 35% to 21%. The Tax Act reduced the U.S. corporate income tax rate reduction to 21% becomes effective January 1, 2018. Since the Company did not have previously recorded deferred tax assets and liabilities as of March 31, 2018, applying the reduced corporate income tax rate resulted in no provisional decrease to the deferred tax assets and liabilities or corresponding adjustment to the valuation allowance as of March 31, 2020 due to the Tax Act.

Recent Accounting Pronouncements

In February 2016 FASB issued ASU No. 2016-02, Leases (Topic 842), which supersedes the existing guidance for lease accounting, Leases (Topic 840). ASU 2016-02 requires lessees to recognize leases on their balance sheets, and leaves lessor accounting largely unchanged. The amendments in this ASU are effective for fiscal years beginning after December 15, 2018 and interim periods within those fiscal years. Early application is permitted for all entities. ASU 2016-02 requires a modified retrospective approach for all leases existing at, or entered into after, the date of initial application, with an option to elect to use certain transition relief. In July 2018, the FASB issued ASU No. 2018-10, "Codification Improvements to Topic 842, Leases." The amendments in ASU 2018-10 clarify, correct or remove inconsistencies in the guidance provided under ASU 2016-02 related to nineteen specific issues identified. Also, in July 2018, the FASB issued ASU No. 2018-11 "Leases (Topic 842): Targeted Improvement" which now allows entities the option of recognizing the cumulative effect of applying the new standard as an adjustment to the opening balance of retained earnings in the year of adoption while continuing to present all prior periods under previous lease accounting guidance. The effective date and transition requirements for these two ASUs are the same as the effective date and transition requirements as ASU 2016-02. The adoption of ASU 2016.02 did not have a material impact on the condensed unaudited financial statements

Note 4. Loan Receivable

On September 21, 2020, company entered into a loan agreement with Jet X Aerospace LLC, in the amount of \$5,000 with 3% interest per annum payable on or before 4 months from the date of execution of this note.

Note 5. Loans

On July 1, 2019, the Company entered into a loan agreement payable with third party for the amount of \$10,000 with a 6% interest per annum maturing on June 30, 2021. The loan outstanding balance is \$10,000 as of September 30, 2020.

Note 6. Related Party Transactions

On November 11, 2019 in a special meeting of ASI Board of Directors, the Board approved a Cash Bonus, in amount of \$50,000 by Dr. Sahay, Chief Executive Officer for his valuable services, to be drawn down as and when, he deems appropriate, of which all has drawn down as of 09/30/2020. Additionally, On September 24, 2020 in a special meeting of ASI Board of Directors, the Board approved a Cash Bonus, in amount of \$50,000 by Dr. Sahay, Chief Executive Officer for his valuable services, to be drawn down as and when, he deems appropriate. As of September 30, 2020, \$17,050 of the \$50,000 bonus granted on September 24, 2020 has been drawn down and the remaining \$32,950 has been accrued for.

On November 26, 2019, Company signed a restricted stock unit agreement (vested upon performance threshold) to issue James Silvester 500,000 of restricted stock units. The restricted stock units shall be eligible for vesting under this agreement only upon the achievement of a performance goal set forth in this agreement i.e., which is upon the consummation of the Company's first acquisition.

Note 7. Common Stock

The holders of the Company's common stock are entitled to one vote per share of common stock held. There was no activity during the 6 months ended 9/30/2020.

Note 8. Commitments and Contingencies

The Company has entered into agreements with certain employees and contractors. The agreements included various executive employment and consulting agreements.

The Company entered into two executive employment agreements which include a base annual salary of \$150,000 and \$120,000 for Dr. Sahay and James Flynn, respectively. Both are also eligible for up to five performance-based bonuses of \$30,000 (for Dr. Sahay; a total of up to \$150,000) and \$20,000 (for Mr. Flynn; a total of \$100,000). These salaries and bonuses are subject to funding and performance. No amounts were earned or owed under these agreements as of September 30, 2020 and March 31, excluding the CEO's \$50,000 bonus earned in FY2020 and FY 2021.

The Company entered into three consulting agreements which include a base hourly rate of \$125 for Dr. James L. Silvester. \$50 for Dr. L. Carl Jacobsen, \$50 for Ms. Danette Peneburgh. No amounts were earned or owed under these agreements as of September 30, 2020 and March 31,2020.

In May 2016, the Company entered into an agreement with Colors, Indian builder and real estate consultant ("Colors"). The terms of that agreement allow the Company to use a shared office space at no cost until the Company is funded or begins to generate revenues from its projects in India. On August 4, 2017, a new agreement was signed with Colors which extends the terms for another year at no cost until the company is funded or begins to generate revenues from its projects in India. Our agreement with Colors ended in August 2018. The company are in process of negotiating a similar agreement with another company in India. No amounts were earned or owed under these agreements as of September 30, 2020 and March 31, 2020.

Effective August 2017, the Company entered into an agreement with independent contractor Nishant Goyal to serve as Director of Business Development in India. The Company has not determined the compensation for this position as the Company has not

generated any revenues from its projects in India yet. No amounts were incurred or owed as of September 30, 2020 and March 31, 2020.

On July 21, 2018, the Company entered into an agreement with Willis Kavin Ayieko an independent contractor, to serve as Analyst/ Representative in Kenya for researching and advising ASI on aviation related projects developed thru his networking and contacts in the aviation community within East Africa. His compensation will consist of a 10% commission of the gross earnings received by ASI for any and all projects developed by him or assigned by Mr. Flynn within East Africa. No amounts were incurred or owed as of September 30, 2020 and March 31, 2020.

Note 9. Income Taxes

The Company files corporate income tax returns in the United States (federal), Virginia and Nevada. The Company is subject to federal, state and local income tax examinations by tax authorities through inception.

The computation of the annual estimated effective tax rate at each period requires certain estimates and significant judgment including, but not limited to, the expected operating income for the year, projections of the proportion of income earned and taxed in various jurisdictions, permanent and temporary differences, and the likelihood of recovering deferred tax assets generated in the current year. The accounting estimates used to compute the provision for income taxes may change as new events occur, more experience is obtained, additional information becomes known or as the tax environment changes.

For the six months ended September 30, 2020 and 2019 the company have recognized income tax expense (benefit) of \$0 and \$0, respectively, for our estimated federal and state income tax provision including both current and deferred income taxes. As of September 30, 2020, and March 31, 2020 our net deferred tax asset was \$0 and \$0, respectively.

In assessing the realization of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Deferred tax assets consist primarily of the tax effect of NOL carry-forwards. The Company has provided a full valuation allowance on the deferred tax assets because of the uncertainty regarding its realizability.

Item 4. Exhibits (Previously Filed)

Exhibit No.	Description
2.1	Articles of Incorporation (1)
2.2	Bylaws (2)
3.1	Subscription Agreement of Brajnandan B. Sahay, dated December 29, 2015 (3)
4.1	Form of Regulation A Subscription Agreement (4)
6.1	Office Space Agreement with Colors Builders & Real Estate Consultants (4)
6.2	Executive Employment Agreement with B.B. Sahay, dated January 1, 2016 (4)
6.3	Affidavit of Understanding related to B.B. Sahay Employment Agreement, dated May 31, 2016 (4)
6.4	Executive Employment Agreement with James Flynn, dated January 1, 2016 (4)
6.5	Affidavit of Understanding related to James Flynn Employment Agreement, dated August 31, 2017 (4)
6.6	Revised Offer of Engagement, Chief Executive Officer, with James Silvester, dated December 22, 2017 (4)
6.7	Offer of Engagement, Vice President, Administration, with Dr. Carl Jacobsen, dated March 13, 2016 (4)
6.8	Offer of Engagement, Director of HR, Administration, with Danette Penenburgh, dated March 1, 2016 (4)
6.9	Revised Engagement Offer Letter with Nishant Goyal, dated August 1, 2017 (4)
6.10	Exclusive Mandate Agreement with ZAV Airways, dated December 18, 2017 (4)
6.11*	Asset Purchase Agreement dated October 19, 2020 by and among ASI Aviation, Inc., Jet X Aerospace, LLC and the Selling Members listed in the Agreement

* Filed herewith.

- (1) Incorporated by reference to Exhibit 3.1 of the Registration Statement on Form S-1 of the Company filed with the Securities and Exchange Commission on July 27, 2016.

- (2) Incorporated by reference to Exhibit 3.2 of the Registration Statement on Form S-1 of the Company filed with the Securities and Exchange Commission on July 27, 2016.
- (3) Incorporated by reference to Exhibit 3.1 of the Preliminary Offering Circular on Form 1-A of the Company filed with the Securities and Exchange Commission on December 29, 2017.
- (4) Incorporated by reference to the indicated Exhibits attached to Amendment No. 1 to the Preliminary Offering Circular on Form 1-A of the Company filed with the Securities and Exchange Commission on February 26, 2018.
- (5) Incorporated by reference to Exhibit 9.1 of the Current Report on Form 1-U of the Company filed with the Securities and Exchange Commission on February 13, 2020.
- (6) Incorporated by reference to Exhibit 6.12 of the Annual Report on Form 1-K of the Company filed with the Securities and Exchange Commission on July 7, 2020.

SIGNATURES

Pursuant to the requirements of Regulation A, the issuer has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: December 30, 2020

ASI AVIATION, INC.

/s/ B.B. Sahay

Name: B.B. Sahay

Title: Chief Executive Officer

(Principal Executive Officer and Principal Financial and Accounting Officer)

ASSET PURCHASE AGREEMENT

BY AND AMONG

JET X AEROSPACE LLC
AN ILLINOIS LIMITED LIABILITY COMPANY

AND

ASI AVIATION, INC.
A NEVADA CORPORATION

AND THE

SELLER MEMBERS

Dated: October 19 2020

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “Agreement”), dated October 19, 2020 (the “Effective Date”), is entered into by and among Jet X Aerospace LLC, an Illinois limited liability company (“Seller” or “Company”), ASI Aviation, Inc., a Nevada Corporation (“Buyer”), and the Seller Members. Buyer, Seller and the Seller Members each are sometimes referred to herein individually as a “Party” and collectively as the “Parties.”

RECITALS

A. Seller and Seller Members are in the business of selling and distributing new and used airplane equipment and related services (the “Business”).

B. Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, substantially all of the tangible and intangible Assets (as defined in Section 2.1) used in, held for use in or held for the benefit of the Business.

C. Buyer, Seller and Seller Members desire to enter into this Agreement to effect the purchase and sale of the Assets free and clear of all liens and encumbrances, pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual agreements and covenants hereinafter set forth, the receipt and sufficiency are hereby acknowledged, and intending to be legally bound hereby, Buyer and Seller hereby agree as follows:

ARTICLE I DEFINITIONS; RECITALS

1.1 Defined Terms. As used in this Agreement (including, without limitation, the preamble and Recitals set forth above), the capitalized terms set forth in Appendix I shall have the respective meanings specified therein. Capitalized terms used in this Agreement but not defined in Appendix I shall have the respective meanings specified herein.

1.2 Interpretation and Rules of Construction. In this Agreement, except to the extent otherwise provided or that the context otherwise requires: (a) when a reference is made in this Agreement to an Article, Section, Exhibit or Schedule, such reference is to an Article or Section of, or a Schedule or Exhibit to, this Agreement unless otherwise indicated; (b) unless otherwise specified herein, all accounting terms used herein shall be interpreted, and all accounting determinations hereunder shall be made, in accordance with GAAP; (c) whenever the words “include,” “includes” or “including” are used in this Agreement, they are deemed to be followed by the words “without limitation”; (d) the words “hereof,” “herein” and “hereunder” and words of similar import, when used in this Agreement, refer

to this Agreement as a whole and not to any particular provision of this Agreement; (e) all terms defined in this Agreement have the defined meanings when used in any certificate or other document made or delivered pursuant hereto, unless otherwise defined therein; (f) the definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms; (g) the Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement; (h) any law defined or referred to herein or in any agreement or instrument that is referred to herein means such law or statute as from time to time amended, modified or supplemented, including by succession of comparable successor laws; (i) references to a Person are also to its successors and permitted assigns; (j) the use of “or” is not intended to be exclusive unless expressly indicated otherwise; and (k) the headings or captions used in this Agreement are for convenience of reference only and do not constitute a part of this Agreement, nor affect its meaning, construction, or effect. The recitals and prefatory phrases and paragraphs set forth in this Agreement are hereby incorporated in full and made a part of this Agreement.

ARTICLE II PURCHASE AND SALE

2.1 Purchase and Sale of Assets.

(a) On the Closing Date, Seller agrees to sell, assign, transfer, convey and deliver to Buyer and Buyer agrees to accept and purchase from Seller, 100% of Seller’s right, title and interest in and to all of the Assets, excluding the Excluded Assets (as defined in Section 2.1(b) below), that are owned, used or held for use in connection with, or required for the conduct of the Business, and such purchase and sale being deemed to be effective at the Closing Date. The Assets, which shall be specifically itemized in an exhibit to the Bill of Sale, Assignment and Assumption Agreement, the form of which is attached hereto as Exhibit A, shall include, but not be limited to, the following:

(i) all tangible assets and properties owned, used or held for use by Seller (except personal property), including machinery and equipment, tools, furniture, office equipment, furnishings and fixtures and machinery a certain GMC Express truck and equipment under order or construction;

(ii) all Inventories owned, used or held for use by Seller in connection with the Business, as set forth on Exhibit A (Seller Assets);

(iii) all Receivables;

(iv) all credits, prepaid expenses, deferred charges, advance payments, security deposits and deposits owned, used or held for use by Seller;

(v) the cash on hand and prepaid expenses of Seller as of the Closing Date;

(v) all Intellectual Property of Seller;

(vi) all right, title and interest in and to any and all trade secrets, confidential and Proprietary Information, and know-how, including without limitation methods, processes, business plans, schematics, concepts, software and databases (including source code, object code and algorithms), customized application programs, end-user application programs, Seller-hosted software platforms, formulae, drawings, prototypes, models, designs, design methodologies, devices, technology, patents, if any, research and development and customer information and lists, technology, and processes, as well as any other information that may be deemed a trade secret under applicable law, whether or not in written form, which are owned, used, licensed, or otherwise controlled by Seller;

(vii) except for the Contracts identified as excluded contracts as set forth on Schedule 2.1(a)(vi) (the “Excluded Contracts”), any and all written or oral contracts, leases (including lease security deposits), licenses, agreements, arrangements, commitments, instruments or understandings pertaining to the Assets or the Business (the “Assumed Contracts”);

(viii) all Permits (to the extent that such Permits are transferable to Buyer);

(ix) copies (including electronic copies) of all of Seller's books, records, ledgers, files, documents (including originally executed copies of Assumed Contracts and Assumed Obligations), customer and supplier lists, correspondence, memoranda, forms, lists, plats, architectural plans, drawings and specifications, copies of documents evidencing Trade Names, new product development materials, creative materials, advertising and promotional materials, studies, reports, sales and purchase correspondence, books of account and records relating to the employees, photographs, quality control records and procedures, equipment maintenance records, manuals and warranty information, research and development files, in each case, whether in hard copy, electronic or magnetic format;

(x) all rights or causes of action arising out of occurrences before or after the Closing Date, including third party warranties and guarantees and all related Claims, credits, rights of recovery and set-off and other similar contractual rights, as to third Persons held by or in favor of Seller;

(xi) all rights to insurance and condemnation proceeds relating to the damage, destruction, taking or other impairment of the Assets or the Business;

(xii) all telephone numbers and email addresses of the Business;

(xiii) all other intangible property relating to the Business; and

(xiv) all books, records, accounting software and copies all notes receivable of Seller, including work in progress.

(b) Excluded Assets. Anything to the contrary in Section 2.1(a) notwithstanding, the Assets shall exclude and Buyer shall not purchase:

(i) Seller's or Seller Members' personal effects and property;

(ii) the corporate seals, minute books, stock transfer books, general ledger and other accounting records (except as otherwise provided herein), other records related exclusively to the corporate organization, existence or share capitalization of Seller, its affiliates, and subsidiaries (however, Buyer may make and keep copies of certain financial and other records obtained during its review of Seller's books and records);

(iii) the Excluded Liabilities; and

(iv) any of the assets, properties, privileges, claims and rights, if any, identified on Schedule 2.1(b) (collectively, the "Excluded Assets").

(c) Assumed Obligations. Seller shall assign, and Buyer shall assume and agree to discharge as of the Closing Date, only the following Liabilities and obligations (collectively, the "Assumed Obligations") in respect of the Assets:

(i) The Buyer shall assume Accounts Payables as mutually agreed, not to exceed \$400,000 due at time of Closing;

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(ii) all obligations of Seller arising after the Closing Date under the Assumed Contracts, but only to the extent of the executory portions of such contracts that arise after the Closing Date;

(iii) all obligations for utilities, including water, sewer, telephone, electricity and gas service, servicing any of the Assets that relate to the provision of such after the Closing Date; and

(iv) all Accounts Payable as mutually agreed incurred prior to the Closing which selection will be limited to those specifically set forth on the list of Accounts Payable identified on Schedule 2.1(c)(iv) (the "Accounts Payable List"), or otherwise incurred in the Ordinary Course of Business prior to the Closing but not set forth on the Accounts Payable List

because the corresponding invoice was not available as of the time the Accounts Payable List was delivered. Exception will be any account payable without a related account receivable as of date of Closing.

Except as set forth in this Section 2.1(c), it is the express intent of the Parties that all Liabilities or other obligations in respect of the Business or Assets be retained and satisfied by Seller, and that no such Liabilities or other obligations constitute Assumed Obligations.

(d) Excluded Liabilities. Notwithstanding anything to the contrary contained herein, Seller shall retain and not assign and Buyer shall not assume any debts, obligations or Liabilities of Seller not expressly assumed pursuant to Section 2.1(c) hereof (the "Excluded Liabilities"). The Excluded Liabilities shall include all Liabilities and obligations of Seller not specifically assumed pursuant to Section 2.1(c), regardless of any disclosure to Buyer, including the following:

(i) Revolving line of credit issued by Heartland Bank and Trust;

(ii) Heartland Bank and Trust Short term capital note;

(iii) Any and all Heartland Bank and Trust Current Liabilities and long term Liabilities;

(iv) Any and all Officer Loans payable to David Carver, Jason Carver and Demetri Xydas;

(v) all Liabilities of Seller to any employee or contractor of Seller (which shall include compensation, severance payments, accrued vacation, profit-sharing, 401(k) and similar contributions and any bonus and/or incentive payments);

(vi) all obligations or Liabilities (including Liabilities under ERISA or COBRA), in respect of any employee pension or benefit plan or program except to the extent that as such obligations and liabilities reflected in the Assumed Contracts or Assumed Obligations;

(vii) all obligations or Liabilities in respect of any employees, consultants, agents, contractors or advisors pursuant to any oral or written consulting, employment, agency, independent contractor, change in control, severance or similar agreement or arrangement, accrued sick leave or paid-time off obligations, except as such obligations and Liabilities (i) are reflected in the Assumed Contracts and relate to periods following the Closing Date, or (ii) are included in the Assumed Obligations; All Excluded Liabilities shall be the responsibility of Seller, and Seller and the Seller Members agree to jointly and severally indemnify and hold Buyer harmless against any Excluded Liabilities, debts, obligations, claims or damages therefrom, costs and expenses relating thereto.

ARTICLE III PURCHASE PRICE

3.1 Purchase Price.

(a) Purchase Consideration. Subject to the terms and conditions of this Agreement, in reliance on the representations and warranties of Seller herein contained, and in consideration of the sale, conveyance, transfer, delivery, execution and assumption of (i) the Assets, and (ii) the Assumed Obligations, Buyer agrees to pay to the Seller an aggregate purchase price of Three Million and 00/100 (\$3,000,000.00) Dollars (the "Purchase Price"), which shall consist of:

i. One Million Five Hundred Thousand and 00/100 (\$1,500,000.00) Dollars in cash to be paid against Company Liabilities; specifically:

Payment to Heartland Bank and Trust of \$930,000 for the satisfaction and settlement in full of all loans, notes and other obligations in any form owed by Seller to Heartland Bank and Trust. Buyer has arranged for the transfer to Heartland Bank and Trust of a non-refundable deposit of \$30,000, which was completed on September 21, 2020.

a. Buyer will arrange for the balance payment of \$900,000 to be made to Heartland Bank and Trust upon the Closing date. Heartland Bank and Trust, Seller and Buyer shall, prior to the Closing Date, enter into an escrow agreement (the "Escrow Agreement") which will require (i) Buyer to fund the \$900,000 Purchase Price balance into an escrow

account (the “Escrow Account”) and (ii) Heartland Bank and Trust to place in escrow a release of liens against all collateral of Seller (the “Lien Release”).

- b. \$400,000 payment for satisfaction or assumption of agreed to current and/or long term Liabilities of Seller at Closing; and
- c. \$170,000 payment for satisfaction or assumption of outstanding credit debts to be paid directly by Buyer to those persons in those amounts specified on Schedule 3.1 (a)(i)(c).

- ii. Subject to current valuation from appraisal of Seller’s spare parts inventory in an amount greater than \$2,800,000, such amount to be mutually agreed to by Buyer and the Seller Members, Buyer will issue to Seller or its designees its restricted common stock in the amount of 1,500,000 shares, as of the Closing Date. For purposes herein, each share of Buyer’s common stock shall be valued at \$1.00 per share, the price at which Buyer has first offered its common stock for public sale in its Regulation A qualified offering made pursuant to the Securities Act of 1933, as amended. Buyer will accomplish a complete updated appraisal of Seller’s existing spare parts inventory.

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- iii. Should Buyer not meet the conditions to closing per 9.1(h) by the Outside Date, Buyer may propose to modify this Article III, 3.1(a) i, a.b.c. and ii cash and stock ratio, and section 2.1(c) subject to mutual written agreement between Buyer and Seller. Without such agreed modification this agreement shall expire at the end o

- iv. Employment contracts for the Seller Members to be mutually agreed to by Buyer, Seller and the Seller Members, such employment agreements to include:

- a. David Carver, Jayson Carver and Demetri Xydas will be contracted employees of Buyer, or of the to-be-formed operating subsidiary (“Newco”) into which the Assets will be placed following the Closing, for a 5-year term; with Buyer having an additional option to maintain the employees for an additional 3-year term (total of 8 years) subject to Newco financial results and individual performance and of Buyer board of directors approval.

- b. David Carver, Jayson Carver and Demetri Xydas will each be paid \$120,000.00 annually, paid on a biweekly schedule, subject to, and beginning when, Newco achieves a net annual profit of \$1,000,000.

- c. Health Insurance for David Carver, Jayson Carver and Demetri Xydas that mirrors the coverage that Seller provides for the Seller Members as of the date of Closing.

- v. Buyer and Seller agree to enter into a marketing agreement to continue marketing the spare parts sales on behalf of Buyer following the Closing Date. Such terms of the marketing agreement shall be in writing and mutually agreed upon between the parties.

- vi. If requested by Buyer, Seller agrees to transfer (1) the existing lease agreement, (2) title to any and all property, (3) any and all spare parts consignment agreements to Newco upon execution of this Agreement.

ARTICLE IV Closing

4.1 Closing. The consummation of the transactions contemplated by this Asset Purchase Agreement (the “Closing Date”), including the payment of the Purchase Price (as defined in Section 3.1(a)) and the transfer and sale of the Assets pursuant to Section 2.1, shall take place within 30 days after execution of this Asset Purchase Agreement, subject to the satisfaction or waiver of all conditions to the obligations of the Parties to consummate the transactions contemplated hereby (other than conditions with respect to actions the respective Parties will take at the Closing itself), in such manner, including electronic transfer of required deliveries, as agreed to by

the Parties, upon the date and time agreed to by the Parties and shall be effective as of 12:01 a.m. CST on the Closing Date, or at such other time or place and on such other date as the Parties hereto shall agree in writing. All acts, deliveries and confirmations comprising the Closing, regardless of chronological sequence, shall be deemed to occur contemporaneously and simultaneously upon the occurrence of the last act, delivery or confirmation required hereunder at the Closing, and none of such acts, deliveries or confirmations shall be effective unless and until the last of the same shall have occurred.

4.2 Closing Deliveries by Seller. At the Closing, Seller shall deliver or cause to be delivered to Buyer:

(a) Documents of transfer and assignment, each duly executed by Seller, conveying to Buyer good and marketable title to all of the Assets, subject only to the Permitted Liens and the Assumed Obligations including, but not limited to the Bill of Sale, Assignment and Assumption Agreement in the form attached hereto as Exhibit A.

(b) An Intellectual Property Assignment Agreement, a form of which is attached as Exhibit B, signed by each Person who provided Intellectual Property to Seller (which Person has not previously assigned such Intellectual Property to Seller).

(c) A certificate of Seller's Secretary dated as of the Closing Date certifying (i) that attached thereto is a true and complete copy of the certificate of formation of Seller as in effect on the date of such certificate, certified by the Secretary of State of the State of Illinois; (ii) that attached thereto is a true and complete copy of the operating agreement of Seller as in effect on the date of such certificate; (iii) that attached thereto is a true and complete copy of all resolutions duly adopted by the officers, directors and Seller Members of Seller (as applicable) authorizing the execution, delivery and performance of this Agreement and the other Acquisition Documents, and the consummation of the transactions contemplated hereby and thereby, and that all such resolutions are in full force and effect on the date of such certificate and are all of the resolutions adopted in connection with the transactions contemplated by this Agreement and the other Acquisition Documents; (iv) that attached thereto is a good standing certificate of Seller issued by the Secretary of State of the State of Illinois dated not more than five (5) days before the Closing; and (v) to the incumbency and specimen signature of each officer of Seller executing this Agreement and the other Acquisition Documents, and a certification by another officer of Seller as to the incumbency of the officer signing the certificate referred to in this clause (c).

(d) Such other instruments and documents as may reasonably be requested by Buyer to consummate the contemplated transactions and to vest Buyer with ownership of and title to the Assets, free and clear of all Encumbrances (other than the Permitted Liens), including such other deeds, bills of sale, assignments, certificates of title, documents, and other instruments of transfer and conveyance as may reasonably be requested by Buyer, each in form and substance satisfactory to Buyer and its legal counsel.

4.3 Closing Deliveries by Buyer. At the Closing, Buyer shall deliver or cause to be delivered to Seller or to third party creditors as directed by Seller:

- (a) All payments to fully satisfy the Purchase Price (as defined in Section 3.1(a)) above;
- (b) executed counterparts of each other Acquisition Documents to which Buyer or Seller is a party; and
- (c) such other instruments, agreements and documents as may reasonably be requested by Seller.

4.4 Allocation. Within one hundred twenty (120) days after the Closing, Buyer shall provide Seller with an allocation of the Purchase Price (and any liabilities deemed assumed and other capitalized costs) among the Assets which allocation shall be acceptable to Seller (it being agreed that Seller shall not withhold approval unless such allocation either is not consistent with U.S. Applicable Law or reflective of fair market value of Assets). The parties shall file Internal Revenue Service Form 8594 with the IRS reflecting such allocation in accordance with Section 1060 of the Code, and shall assure that all federal, state, local and foreign Tax returns which they file reflect such allocation. Each party shall promptly provide the other party with any other information required to complete Internal Revenue Service Form 8594.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF SELLER AND SELLER MEMBERS

As an inducement to Buyer to enter into this Agreement, each of Seller and the Seller members, jointly and severally, hereby represents and warrants to Buyer on the date hereof and as of the Closing Date as follows in this Article V. The representations and warranties set forth in this Article V shall be unaffected by any investigation by Buyer, or the actual or imputed knowledge of Buyer, other than as specifically set forth in the disclosure schedules attached hereto.

5.1 Organization; Good Standing. Seller is a corporation duly organized, validly existing, and in good standing under the laws of the State of Illinois. Seller has delivered to Buyer copies of the Organizational Documents presently in effect for Seller. Schedule 5.1 contains a true and complete list of all of the officers and directors of Seller. Seller is not in violation of any provision of its articles of organization, or bylaws (each as amended to date).

5.2 Power; Authority. Seller has the full power and authority to (a) own and/or hold under lease its assets and properties, (b) carry on its business as currently conducted and as proposed to be conducted, and (c) execute and deliver this Agreement and the other Acquisition Documents, to perform its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby.

5.3 Due Authorization. The execution and delivery by Seller of this Agreement and the other Acquisition Documents to which it is a party, (b) the performance by Seller of its obligations hereunder and thereunder, and (c) the consummation of the transactions contemplated hereby and thereby, has been duly authorized and approved by all necessary action by Seller, its managers, officers, and members, and each such authorization and approval remains in full force and effect.

5.4 Binding Obligations. This Agreement and the other Acquisition Documents to which Seller is a party have been duly executed and delivered by Seller and constitute legal, valid and binding obligations of Seller, enforceable against Seller, in accordance with their respective terms.

5.5 No Consents. Seller is not required to give any notice to, make any filing with, or obtain any authorization, consent, Permit from any Governmental Authority or third party in order to consummate the transactions contemplated by this Agreement and the other Acquisition Documents.

5.6 Real Property. Schedule 5.6 lists and describes as of the date hereof all written leases, subleases, licenses, rental or occupancy agreements and other agreements (including all amendments) to lease, sublease, license or otherwise occupy or permit occupancy of, and describes all oral leases, subleases, licenses, rental or occupancy agreements pursuant to which Seller leases, subleases, licenses, or otherwise rents or occupies or has agreed to lease, sublease, license or otherwise occupy or permit occupancy of, any real property (each, a "Real Property Lease" and collectively, the "Leased Real Property").

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5.7 Assets. Seller has good, valid and marketable title to all of its properties and assets (whether real, personal, or mixed and whether tangible or intangible), and owns such free and clear of all Liens other than Permitted Liens. Seller has a valid and enforceable right to use all tangible items of personal property leased by or licensed to it, free and clear of all Liens other than Permitted Liens. All of Seller's properties and assets have been maintained in accordance with good business practice and industry standards. Notwithstanding the foregoing, Buyer has had the opportunity to inspect the tangible personal assets of Seller, and accepts all such tangible personal assets, other than Inventory, "as-is", where-is" and Seller provides no warranty regarding the condition or suitability for the purposes for which they are used or intended to be used. Except for the Excluded Assets, the Assets are the only properties and assets used or held for use in the Business.

5.8 Receivables. Schedule 5.8 contains an aged list of the Receivables showing separately those Receivables that as of such date had been outstanding for (a) thirty (30) days or less, (b) thirty-one (31) to sixty (60) days, (c) sixty-one (61) to ninety (90) days, and (d) more than ninety (90) days. Except for the Receivables, Seller has not made any loan or advance to any Person. All Receivables existing as of the date hereof arose, and as of the Closing will have arisen, from the provision of services to Persons not affiliated with Seller and in the Ordinary Course of Business and constitute or will constitute, as the case may be, only valid, undisputed claims of Seller not subject to valid claims of setoff or other defenses or counterclaims. Except for the Receivables, Seller has not made any loan or advance to any Person.

5.9 Intellectual Property. Schedule 5.9 sets forth a correct and complete list of all Intellectual Property used in Seller's Business, including Patents, Trademarks, Trade Names, Domain Names, computer software, trade secrets (without extensive or revealing descriptions thereof), and copyrights, as well as all applications therefor, and all material unregistered Trademarks which are owned by Seller or used in the Business (the "Seller Intellectual Property Rights").

5.10 Employee Benefit Plans and Contracts. There are no Plans, including any employee benefit plan maintained, established or sponsored by Seller, or which the Seller participates in or contributes to, which are subject to ERISA.

5.11 Employees; Labor Relations. Schedule 5.11 contains a true and complete list of all current employees, independent contractors and consultants of Seller.

5.12 Insurance; Sureties. Schedule 5.12 lists all insurance policies or binders of insurance issued in favor of Seller during the past five (5) years and sets forth a complete description of the nature and types of coverages provided, any deductibles and any unusual exclusions to coverage. Seller have delivered to Buyer true, correct and complete copies of all current insurance policies covering the Business and/or the Assets, all of which are in full force and effect. All premiums due and payable under all such policies have been paid and Seller is otherwise in full compliance with the terms of such policies.

5.13 Business Information. Schedule 5.13 sets forth accurate lists and summary descriptions of the following: (a) the name and address of each bank and other financial institution in which Seller currently maintains an account or, maintained an account at any time during the five (5) year period prior to the Closing Date (whether checking, savings or otherwise), lock box or safe deposit box, and the account numbers and names of persons having signing authority or other access thereto, (b) the names of all persons authorized to borrow money or incur or guarantee indebtedness on behalf of Seller, and (c) all names under which Seller has conducted any business during the last five (5) years.

5.14 Customers; Suppliers. Schedule 5.14 lists the customers of Seller (collectively, the “Major Customers”) and the suppliers of Seller (collectively, the “Major Suppliers”).

5.15 Powers of Attorney. There are no outstanding powers of attorney executed on behalf of Seller.

5.16 No Undisclosed Liabilities. Seller has no Liabilities or obligations which are material, individually or in the aggregate, which are not disclosed in the schedules to this Agreement or have otherwise been disclosed in writing to Seller, other than those incurred in the Ordinary Course of Business and which, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

ARTICLE VI REPRESENTATIONS AND WARRANTIES OF BUYER

As an inducement to Seller to enter into this Agreement, Buyer hereby represents and warrants to Seller and to the Seller Members on the date hereof and as of the Closing as follows:

6.1 Organization; Good Standing. Buyer is a corporation duly organized, validly existing, and in good standing under the laws of the State of Nevada.

6.2 Power; Authority. Buyer has the full corporate power and authority to (a) own or hold under lease its assets and properties, (b) carry on its business as currently conducted and as proposed to be conducted, and (c) execute and deliver this Agreement and the other Acquisition Documents, to perform its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby.

6.3 Due Authorization. Each of (a) the execution and delivery by Buyer of this Agreement and the other Acquisition Documents, (b) the performance by Buyer of its obligations hereunder and thereunder, and (c) the consummation of the transactions contemplated hereby and thereby has been duly authorized and approved by all necessary corporate action by Buyer, its directors, officers, and stockholders.

6.4 Binding Obligations. This Agreement and the other Acquisition Documents to which Buyer is a party have been duly executed and delivered by Buyer and constitute legal, valid and binding obligations of Buyer, enforceable against Buyer in accordance with their respective terms.

6.5 No Consents. Buyer has satisfied and completed to give any notice to, make any filing with, or obtain any authorization, consent, Permit or approval of any Governmental Authority or third party in order to consummate the transactions contemplated by this Agreement and the other Acquisition Documents.

6.6 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Buyer.

ARTICLE VII
ADDITIONAL AGREEMENTS

7.1 Further Assurances. At any time and from time to time (including after the Closing), the Parties hereto agree to (a) furnish upon request to each other such further assurances, information, documents, instruments of transfer or assignment, files and books and records as may be reasonably requested, (b) promptly execute, acknowledge, and deliver any such further assurances, documents, instruments of transfer or assignment, files and books and records as may be reasonably requested, and (c) do all such further acts and things as the other party hereto may reasonable request for the purpose of carrying out the intent of this Agreement and the documents referred to herein.

7.2 Delivery of Property Received by Seller After Closing. Seller agree that it shall transfer or deliver to Buyer, promptly after the receipt thereof, any cash or other property which they receive, directly or indirectly, after the Closing Date in respect of the Business that belongs to Buyer.

7.3 Buyer Appointed Attorney for Seller. Seller, effective at the Closing Date, hereby constitutes and appoints Buyer, its successors and assigns, the true and lawful attorney of Seller, in the name of either Buyer or Seller (as Buyer shall determine in its sole discretion) but for the benefit of Buyer to institute and prosecute all proceedings which Buyer may deem proper in order to collect, assert or enforce any claim, right or title of any kind in or to the Assets. Seller acknowledges that the foregoing powers are coupled with an interest and shall be irrevocable.

7.4 Intellectual Property Matters. Seller will, at Buyer's reasonable request, promptly perform all acts and execute all documents, irrevocable powers of attorney, certificates, affidavits, instruments and agreements, including instruments of assignment in forms suitable for recording with the United States Patent and Trademark Office, The United States Copyright Office or any corresponding foreign office or agency, requested by Buyer at any time to evidence, maintain, record, perfect, document or enforce Seller's interest in the Seller Intellectual Property or otherwise in furtherance of the provisions of this Agreement and the transactions contemplated hereby.

7.5 Company Name. Seller expressly agrees that, on and after the Closing Date, Seller shall not have any right, title or interest in any trade names, Trademarks, identifying logos or service marks employing the word "Jet X Aerospace LLC" or any variation thereof or any other Trademarks, service marks, product line names, trade dress or other Intellectual Property rights owned by Seller or confusingly similar thereto. Seller agrees that without the prior written consent of Buyer they will not (nor will any of their Affiliates) make any use of the word "Jet X Aerospace LLC" or any variation thereof from and after the Closing Date.

7.6 Access Codes and Combinations. Immediately following the Closing, Seller shall cooperate with and notify Buyer with regard to all source and access codes to computers and computer software that are owned or licensed by Seller, combinations to safe(s) used in the Business or otherwise owned by Seller, and the location of keys to safe deposit boxes used in the Business or leased by Seller, and keys to any vehicles owned or leased by Seller, if any.

7.7 Necessary Consents. Buyer shall use their reasonable best efforts to obtain, at its own expense, those authorizations, consents, orders and approvals of, and give those notices to and make all filings with, all Governmental Authorities and other Persons referenced in Sections 5.4, and 5.6 and those set forth in Schedules 5.4, and 5.6, as applicable, and such other authorizations, consents, orders, and approvals of, notices to and filings with Governmental Authorities that may be or become necessary or advisable for the performance of its obligations under this Agreement and the consummation of the transactions contemplated hereby. Each Party shall cooperate fully with the other Parties in promptly seeking to obtain all such authorizations, consents, orders and approvals, giving such notices, and making such filings. The Parties shall not take any action that is reasonably likely to have the effect of unreasonably delaying, impairing or impeding the receipt of any such required authorizations, consents, orders or approvals.

7.8 Release of Liens. At or prior to the Closing Date, Seller shall cause all Liens on the Assets (other than Permitted Liens) to be released and terminated. Seller shall provide to Buyer evidence of such release and termination of Liens, as reasonably requested by Buyer.

7.9 All Reasonable Efforts. Subject to the terms and conditions herein provided, each of the Parties hereto agrees to use all reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done as promptly as practicable, all things necessary, proper and advisable to consummate and make effective as promptly as practicable the transactions contemplated by this Agreement, including, without limitation, to cause the conditions to Closing set forth in Article IX hereof to be satisfied. If at any time after the Closing Date any further action is necessary or desirable to carry out the purposes of this Agreement, including, without limitation, the execution of additional instruments, each party to this Agreement shall take all such action.

7.10 Ordinary Course. From the Effective Date through the Closing Date, Seller and Seller Members shall carry on the Business in the usual, regular and ordinary course in substantially the same manner as heretofore conducted and, to the extent consistent with the Business, use all reasonable efforts consistent with past practice and policies to preserve intact its present business organization, maintain its properties and other assets in good working condition (normal wear and tear excepted), keep available the services of its present officers and key employees and preserve its relationships with customers, suppliers and others having business dealings with it to the end that its goodwill and ongoing business shall be unimpaired as a result of the transactions contemplated hereby

ARTICLE VIII SURVIVAL; INDEMNIFICATION

8.1 Survival of Representations and Warranties. The representations and warranties of Seller and the Seller Members contained in this Agreement and the other Acquisition Documents shall survive the Closing until the first (1st) anniversary of the Closing Date, regardless of any investigation made by or on behalf of Buyer or the knowledge of any of Buyer's Affiliates, officers, directors, employees, agents or representatives; provided, however, that the Core Representations shall survive indefinitely. Neither the period of survival nor the liability of Seller with respect to the representations and warranties of Seller hereunder shall be reduced by any investigation made at any time by or on behalf of Buyer, by any materials provided by Seller to Buyer in connection with Buyer's due diligence investigation of Seller, or by any information disclosed in any Schedule hereto. If written notice of a claim has been given by Buyer to Seller prior to the expiration of the applicable representations and warranties as set forth in this Section 8.1, then the relevant representations and warranties shall survive as to such claim, until such claim has been finally resolved.

8.2 Indemnification by Seller and Seller Members. Buyer and its Affiliates, directors, officers, stockholders, employees, agents, successors and assigns (collectively, "Buyer Indemnified Parties") shall be indemnified and held harmless by Seller and Seller Members, jointly and severally, from and against any and all Liabilities, losses, diminution in value, Taxes, damages, Claims, assessments, costs and expenses, interest, awards, judgments and penalties (including attorneys' and consultants' fees and expenses) actually suffered or incurred by them (including any Claim for damages brought or otherwise initiated by any of them) (hereinafter a "Loss"), arising out of or resulting from:

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(a) the breach of any representation or warranty made by Seller contained in this Agreement or any of the other Acquisition Documents (it being understood that such representations and warranties shall be interpreted without giving effect to any limitations or qualifications as to "materiality" (including the word "material") or "Material Adverse Effect" set forth therein);

(b) the breach of any covenant or agreement made by Seller contained in this Agreement or any of the other Acquisition Documents;

(c) notwithstanding any disclosure in this Agreement (including, in any Schedules), and notwithstanding any specific indemnity provision in this Section 8.2, any Excluded Liability or Excluded Asset;

(d) notwithstanding any disclosure in this Agreement (including in any Schedule), any Claim arising from or related to the presence, generation, emission, storage, treatment, transport, or disposal of any Hazardous Substance from, to, at, on, at or under (i) Seller's Leased Real Property prior to the Closing Date or (ii) any other real property that any Seller or any of its Affiliates directly or indirectly owns, leases or occupies or in respect of which such Person has any interest or contingent interest, whether prior to or after the Closing Date, and Liabilities arising under Environmental Requirements;

(e) any Taxes relating to the Seller in the conduct of Seller's Business, including Taxes related to the transactions set forth in this Agreement and any failure of Seller to comply with so called "bulk sales" or "tax clearance" requirements applicable to the transactions contemplated hereby; and

(f) any action, suit or proceeding relating to the foregoing.

To the extent that any of Seller' or Seller Members' undertakings set forth in this Section 8.2 may be unenforceable, Seller and Seller Members, severally and jointly, shall contribute the maximum amount that they are permitted to contribute under Applicable Law to the payment and satisfaction of all Losses described in this Section 8.2.

8.3 Indemnification by Buyer. Seller and Seller members shall be indemnified and held harmless by Buyer from and against any and all Losses actually suffered or incurred by Seller (including any Claim brought or otherwise initiated by Seller), arising out of or resulting from:

(a) the breach of any representation or warranty made by Buyer contained in this Agreement; or

(b) the breach of any covenant or agreement made by Buyer contained in this Agreement.

ARTICLE IX CONDITIONS TO CLOSING

9.1 Conditions to Obligations of Buyer. All obligations of Buyer under this Agreement are subject to the fulfillment (or waiver by Buyer), at or prior to the Closing, of the following conditions:

(a) Representations and Warranties of Seller and Seller Members. The representations and warranties of Seller and Seller Members contained herein, shall be true and correct in all material respects (provided that any of such representations and warranties that are qualified as to materiality shall be true, correct and complete in all respects) as of the Closing Date.

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(b) Performance of Seller's Obligations. Seller shall have delivered all documents and agreements described in Section 4.2 and shall have otherwise performed in all material respects all obligations required under this Agreement, including under Section 7, by them on or prior to the Closing Date.

(c) Pending Proceedings. No statute, rule or regulation shall have been enacted, promulgated or be pending which prohibits the consummation of the transactions contemplated by this Agreement, and no injunction, restraining order or other ruling or order issued by any court of competent jurisdiction or Governmental Authority or other legal restraint or prohibition preventing the consummation of the transactions contemplated by this Agreement shall be in effect or pending.

(d) No Material Adverse Effect. There shall not have occurred, nor shall there be reasonably expected to occur, any Material Adverse Effect.

(e) Due Diligence Review. Buyer shall have completed to its satisfaction its due diligence review of Seller and the Assets.

(f) Indebtedness. Other than with respect to all Indebtedness that will be settled and satisfied as a result of and at the time of the Closing, all Indebtedness of Seller shall have been satisfied and extinguished.

(g) Bank Settlement and Release. Seller and Heartland Bank and Trust shall have entered into a comprehensive settlement and release agreement pursuant to which Heartland Bank and Trust shall have agreed to cancel all Seller debt owed to it and related Liens and forever release Seller from any and all claims relating to such debt for consideration and payment received.

(h) Bank Escrow Agreement. Seller, Buyer and Heartland Bank and Trust shall have entered into the Escrow Agreement pursuant to which Heartland Bank and Trust shall deposit the Lien Release into escrow.

(i) Funding. Buyer shall have completed a registered or qualified (Regulation A) public offering or a private placement or bank financing and shall have received equity and/or debt funding, from the public offering or otherwise, in the amount of at least \$2,500,000.

9.2 Conditions to Obligations of Seller. All obligations of Seller under this Agreement are subject to the fulfillment (or waiver by Seller), at or prior to the Closing, of the following conditions:

(a) Representations and Warranties of Buyer. The representations and warranties of Buyer contained herein shall be true and correct in all material respects (provided that any of such representations and warranties that are qualified as to materiality shall be true, correct and complete in all respects) as of the Closing Date.

(b) Performance of Buyer's Obligations. Buyer shall have delivered all documents and agreements described in Section 4.3 and shall have otherwise performed in all material respects all obligations required under this Agreement to be performed by Buyer on or prior to the Closing Date.

(c) Pending Proceedings. No statute, rule or regulation shall have been enacted, promulgated or be pending which prohibits the consummation of the transactions contemplated by this Agreement, and no injunction, restraining order or other ruling or order issued by any court of competent jurisdiction or Governmental Authority or other legal restraint or prohibition preventing the consummation of the transactions contemplated by this Agreement shall be in effect or pending.

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(d) Bank Escrow Agreement. Seller, Buyer and Heartland Bank and Trust shall have entered into the Escrow Agreement pursuant to which Buyer shall deposit the \$900,000 Purchase Price balance into the Escrow Account.

(e) Funding. Buyer shall have completed a registered or qualified (Regulation A) public offering or a private placement or bank financing and shall have received equity and/or debt funding, from the public offering or otherwise, in the amount of at least \$2,500,000.

ARTICLE X TERMINATION

10.1 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by mutual consent of the Buyer and Seller;

(b) by either of Buyer or Seller if there has been a material misrepresentation or breach of covenant or agreement contained in this Agreement on the part of the other and such breach of a covenant or agreement has not been promptly cured after at least seven (7) day's written notice is given;

(c) by Buyer if any of the conditions set forth in Sections 7 and 9.1 shall not have been satisfied before the 30th day following the Effective Date (the "**Outside Date**"), or such later date as Buyer and Seller shall mutually agree in writing; or

(d) by Seller if any of the conditions set forth in Section 9.2 shall not have been satisfied before the Outside Date, or such later date as Buyer and Seller shall mutually agree in writing.

ARTICLE XI GENERAL PROVISIONS

11.1 Expenses. Except as otherwise specified in this Agreement, all costs and expenses, including fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the other Acquisition Documents and the transactions contemplated by this Agreement shall be paid by the Party incurring such costs and expenses.

11.2 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by an internationally recognized overnight courier service, by registered or certified mail (postage prepaid, return receipt requested) or by electronic mail (upon confirmation of receipt) to the respective parties hereto at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 11.2):

If to Seller: Jet X Aerospace LLC
400 N. York Road
Bensenville, IL 60106

With copy to: Law Offices of Joel Rabb & Associates, Ltd
221 N. LaSalle St. Suite 1320
Chicago, Illinois 60601
Attention: Joel Rabb

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If to Buyer: ASI Aviation, Inc.
11921 Freedom Drive, Suite 550
Reston, VA 20190

With copy to: BEVILACQUA PLLC
1050 Connecticut Avenue, NW Suite 500
Washington, DC 20036
Attention: Louis A. Bevilacqua, Esq. Email:
lou@bevilacquapllc.com

11.3 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by Applicable Law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect for so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

11.4 Entire Agreement. This Agreement and the other Acquisition Documents constitute the entire agreement of the parties hereto with respect to the subject matter hereof and thereof and supersede all prior agreements (including that certain Asset Purchase Agreement of the parties dated February 10, 2020, as amended) and undertakings, both written and oral, between or among the Parties with respect to the subject matter hereof and thereof.

11.5 Assignment. This Agreement may not be assigned by operation of law or otherwise without the express written consent of Buyer and Seller (which consent may be granted or withheld in the sole discretion of Buyer or Seller) and any such assignment or attempted assignment without such consent shall be void; provided, however, that Buyer may assign this Agreement or any of its rights and obligations hereunder to one or more Affiliates of Buyer without the consent of Seller. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

11.6 Amendment. This Agreement may not be amended or modified except (a) by an instrument in writing signed by, or on behalf of, Buyer and Seller, or (b) by a waiver in accordance with Section 11.7.

11.7 Waiver. Either of Buyer, on the one hand, and Seller, on the other hand, may (a) extend the time for the performance of any of the obligations or other acts of the parties hereto, (b) waive any inaccuracies in the representations and warranties contained herein or in any document delivered by the other Party pursuant hereto, or (c) waive compliance with any of the agreements or conditions contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by Buyer and Seller. Any waiver of any term or condition shall not be construed as a waiver of any subsequent breach or a subsequent waiver of the same term or condition, or a waiver of any other term or condition of this Agreement. The failure of any Party to assert any of its rights hereunder shall not constitute a waiver of any of such rights. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

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11.8 No Third Party Beneficiaries. Except for the provisions of Article VIII relating to indemnified parties, this Agreement shall be binding upon and inure solely to the benefit of the Parties and their respective successors and permitted assigns and nothing herein,

express or implied, is intended to or shall confer upon any other Person, including any union or any employee or former employee of Seller, any legal or equitable right, benefit or remedy of any nature whatsoever, including any rights of employment for any specified period, under or by reason of this Agreement.

11.9 Specific Performance. The Parties acknowledge and agree that if any of the provisions of this Agreement are not performed in accordance with their specific terms or are otherwise breached, immediate and irreparable harm or injury may be caused for which monetary damages would not be an adequate remedy. Accordingly, in addition to any other right or remedy to which each Party may be entitled, at law or in equity, each Party shall be entitled to enforce any provision of this Agreement by a decree of specific performance and to temporary, preliminary and permanent injunctive relief to prevent breaches or threatened breaches of any of the provisions of this Agreement, without posting any bond or other undertaking.

11.10 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Virginia.

11.11 WAIVER OF JURY TRIAL. EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR THE ACQUISITION DOCUMENTS. EACH OF THE PARTIES HEREBY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT AND THE ACQUISITION DOCUMENTS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11.11.

11.12 Time of Essence. With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

11.13 Attorney Fees. In the event of the bringing of any action or suit by a party hereto against another party hereunder by reason of any breach of any of the covenants, agreements or provisions on the part of the other party arising out of this Agreement, then in that event the prevailing party shall be entitled to have and recover of and from the other party all costs and expenses of the action or suit, including actual attorneys' fees, accounting and engineering fees, and any other professional fees resulting therefrom. The term "prevailing party" means that party whose position is substantially upheld in a final judgment rendered in any litigation, or, if the final judgment is appealed, that party whose position is substantially upheld by the decision of the final appellate body.

11.14 Counterparts, Delivery by PDF. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments hereto or thereto, to the extent signed and delivered by means of PDF email, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any Party hereto or to any such agreement or instrument, each other Party hereto or thereto shall re-execute original forms thereof and deliver them to all other Parties. No Party hereto or to any such agreement or instrument shall raise the use of PDF email to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of PDF email as a defense to the formation of a contract and each such Party forever waives any such defense.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized.

SELLER:

JET X AEROSPACE, LLC

By: _____
Printed Name: _____
Title: _____

BUYER:

ASI AVIATION, INC.

By: _____
Printed Name: _____
Title: _____

SELLER MEMBERS:

By: _____
Printed Name: David S. Carver

By: _____
Printed Name: Demetri Xydas

By: _____
Printed Name: Jayson Carver

Signature Page to Asset Purchase Agreement

APPENDIX I

DEFINITIONS

As used in the Agreement (including, without limitation, the preamble and Recitals set forth above), the capitalized terms set forth in this Appendix I shall have the respective meanings specified below:

“Accounts Payable” means the trade accounts payable incurred in the Ordinary Course of Business.

“Acquisition Documents” means this Agreement and all other agreements, documents, instruments, and certificates to be entered into or delivered by any Party in connection with the consummation of the transactions contemplated by this Agreement.

“Affiliate” means, with respect to any particular Person, any other Person Controlling, Controlled by, or under common Control with, such particular Person.

“Agreement” has the meaning specified in the Preamble of this Agreement.

“Applicable Law” or “Law” means, with respect to any Person, any domestic or foreign, federal, state or local statute, law, ordinance, rule, administrative rule, administrative order, administrative interpretation, regulation, order, writ, injunction, directive, judgment, procedure, process, permit, decree or other requirement of any Governmental Authority applicable to such Person or any of its Affiliates or any of their respective properties, assets, officers, directors, employees, consultants or agents (in connection with such officer’s, director’s, employee’s, consultant’s or agent’s activities on behalf of such Person or any of its Affiliates).

“Assets” has the meaning specified in Section 2.1(a) of this Agreement.

“Assumed Contracts” has the meaning specified in Section 2.1(a)(v) of this Agreement.

“Assumed Obligations” has the meaning specified in Section 2.1(c) of this Agreement.

“Business” has the meaning specified in the Recitals of this Agreement.

“Buyer” has the meaning specified in the Preamble of this Agreement.

“Buyer Indemnified Parties” has the meaning specified in Section 8.2 of this Agreement.

“Claim” means any and all threatened or actual actions, arbitrations, suits, petitions, appeals, demands, hearings, demand letters, inquiries, charges, sanctions, customer complaints, claims (both under contract or in tort), liens, notices of noncompliance or violation, investigations, proceedings, consent orders or consent agreements.

“Closing” has the meaning specified in Section 4.1 of this Agreement.

“Closing Date” has the meaning specified in Section 4.1 of this Agreement.

“Closing Payment” has the meaning specified in Section 3.1(a) of this Agreement.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

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“Contract” means all contracts (including, without limitation, any and all agreements and contracts with customers or clients of Seller), leases, licenses, subcontracts, notes, options, indentures, agreements, sales and purchase orders, commitments and other instruments of any kind, whether written or oral, to which Seller is a party, directly or indirectly, or by which Seller or any of its properties or assets may be bound.

“Control”, “Controlled” and “Controlling” means, with respect to a Person, the possession, directly or indirectly, of the power to direct the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

“Core Representations” means the representations and warranties made pursuant to Sections 5 and 6.

“Domain Names” shall mean all rights to Uniform Resource Locators and Web site addresses and domain names.

“Effective Date” has the meaning specified in the Preamble of this Agreement.

“Encumbrances” any and all mortgages, Liens, pledges, security interests, encumbrances, community property interests, conditions, equitable interests, options, warrants, attachments, rights of first refusal, preemptive, conversion, put, call or other claim or rights, restrictions on use, voting, receipt of income, transfer (other than restrictions imposed by federal and state securities laws) or exercise of any other attribute of ownership or liens or charges of any kind or nature whatsoever.

“Environmental Requirements” shall mean all Applicable Laws concerning pollution or protection of the environment, including all those relating to the presence, use, production, generation, handling, transportation, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, release, control or cleanup of any hazardous materials, substances or wastes.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and all rules and regulations thereunder.

“ERISA Affiliate” means any trade or business, whether or not incorporated, that together with Seller would be deemed a “single employer” under Section 414 of the Code.

“Excluded Assets” has the meaning specified in Section 2.1(b) of this Agreement.

“Excluded Contracts” has the meaning specified in Section 2.1(a)(v) of this Agreement.

“Excluded Liabilities” has the meaning specified in Section 2.1(d) of this Agreement.

“GAAP” means generally accepted accounting principles, consistently applied, as used in the United States of America as in effect at the time any applicable financial statements were or are prepared or any act requiring the application of GAAP.

“Governmental Authority” means any United States or foreign government, any state or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, or any other authority, agency, department, board, commission or instrumentality of the United States, any State of the United States or any political subdivision thereof or any foreign jurisdiction, and any court, tribunal or arbitrator(s) of competent jurisdiction, and any United States or foreign governmental or non-governmental self-regulatory organization, agency or authority.

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“Governmental Order” means any order, ruling, writ, judgment, injunction, directive, memorandum of understanding, decree, stipulation, determination or award entered by or with any Governmental Authority.

“Hazardous Substance” means and includes, but is not limited to, any and all substances (whether solid, liquid or gas) defined, listed or otherwise classified as pollutants, hazardous wastes, hazardous substances, hazardous materials, extremely hazardous wastes or words of similar meaning or regulatory effect under any present or future Applicable Law or that may have a negative impact on human health or safety due to environmental conditions, including, but not limited to, petroleum and petroleum products, asbestos and asbestos-containing materials, polychlorinated biphenyls, lead, radon, radioactive materials, flammables and explosives, lead based paint and mold and any other chemical, waste, substance or material listed in or regulated by or identified in any Environmental Requirement, but excluding substances of kinds and in amounts ordinarily and customarily used or stored in similar properties for the purposes of cleaning or other maintenance or operations and otherwise in compliance with all Applicable Law.

“Indebtedness” means, with respect to any Person, (a) all indebtedness of such Person, whether or not contingent, for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services, (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all obligations of such Person as lessee under leases that have been or should be, in accordance with GAAP, recorded as capital leases, (f) all obligations, contingent or otherwise, of such Person under acceptance, letter of credit or similar facilities, (g) all obligations of such Person to purchase, redeem, retire, defease or otherwise acquire for value any equity interests of such Person or any warrants, rights or options to acquire such equity interests, valued, in the case of redeemable preferred stock, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends, and (h) all Indebtedness of others referred to in clauses (a) through (g) above (1) guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person, or (2) secured by any Lien on any asset of such Person.

“Intellectual Property” means any and all Patents, Trademarks, Trade Names, Domain Names, Web Sites, inventions, technical data, computer programs, software, hardware, middleware, service- oriented architectures, modules, schematics, specifications, diagrams, applications, patterns, plans, representations, models, operations management procedures, industrial designs, know-how, customer and supplier lists, pricing and cost information, business and marketing plans and proposals, confidential information, Proprietary Information and trade secrets, whether or not patented or patentable; copyrights, writing and other copyrightable works and works in progress, databases, software and website content; all moral rights and other intellectual property rights and foreign equivalent or counterpart rights and forms of protection of a similar or analogous nature or having similar effect in any jurisdiction throughout the world; all registrations and applications for registration of any of the foregoing; and any renewals, extensions, continuations, divisionals, reexaminations or reissues or equivalent or counterpart of any of the foregoing in any jurisdiction throughout the world, in each case, that is owned by Seller or used by it in the conduct of the Business.

“Inventory” means all inventories of Seller, wherever located, including all office supplies and all other materials and supplies used by Seller in the conduct of its Business.

“IRS” means the Internal Revenue Service.

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“IT Assets” means computers, hardware, firmware, middleware, networks, data communications lines, routers, hubs, switches and all other information technology equipment, and all associated documentation.

“Knowledge” (including the word “Known” and the phrase “to the Knowledge of” and words or phrases of similar import) means, with respect to Seller, the knowledge of the managers, officers and members of such Seller. For purposes of this definition, a Person will be deemed to have knowledge of a particular fact or other matter if (a) such Person is actually aware of that fact or matter; or (b) a prudent individual in such Person’s position could be expected to have knowledge of or to discover or otherwise become aware of that fact or matter in the course of conducting a reasonable comprehensive investigation regarding the accuracy of any representation or warranty contained in this Agreement.

“Leased Real Property” has the meaning specified in Section 5.6 of this Agreement.

“Liability” means any and all debts, liabilities and obligations, whether accrued or fixed, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, or determined or determinable, including those arising under any Applicable Law, Claim, or Governmental Order and those arising under any Contract, including, but not limited to, credits and other reductions to accounts receivable of Seller arising from the Business.

“Lien” means any mortgage, lien, pledge, security interest, conditional sale agreement, charge, claim, easement, right, condition, restriction, option or other legal or equitable encumbrance or defect of title of any nature whatsoever (including, without limitation, any assessment, charge or other type of notice which is levied or given by any Governmental Authority and for which a Lien could be filed).

“Loss” has the meaning specified in Section 8.2 of this Agreement.

“Material Adverse Effect” means any change, event, development, occurrence, circumstance or effect on Seller that, individually or in the aggregate, (a) is or is reasonably likely to be materially adverse to the Business, assets, operations, customer relationships, condition (financial or otherwise), results of operations, or prospects of Seller, or (b) is reasonably likely to affect adversely or delay the ability of Seller to perform its obligations under this Agreement or to consummate any of the transactions contemplated by the Acquisition Documents.

“Organizational Documents” means (a) the articles or certificate of incorporation and the bylaws of a corporation; (b) the partnership agreement and any statement of partnership of a general partnership; (c) the limited partnership agreement and the certificate of limited partnership of a limited partnership; (d) the operating or limited liability company operating agreement and the articles or certificate of organization or formation of a limited liability company; (e) the trust agreement or other document of similar import of a trust, (f) any charter or similar document adopted or filed in connection with the creation, formation, or organization of a Person; and (g) any amendment to any of the foregoing.

“Outside Date” has the meaning given to it in Section 10.1(c).

“Party” has the meaning specified in the Preamble of this Agreement.

“Patents” shall mean patents (including all non-provisionals, reissues, reexaminations, divisionals, continuations, continuation in parts, renewals, substitutes and extensions thereof), utility models, design patents, provisional patent applications, non-provisional patent applications and disclosures in the United States and in all foreign countries and under all international conventions, including the Patent Cooperation Treaty.

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“Permitted Liens” means adequate Encumbrances imposed by Applicable Law, such as materialmen’s, mechanics’, carriers’, workmen’s and repairmen’s liens and other similar liens arising in the Ordinary Course of Business securing obligations that (i) are not overdue for a period of more than thirty (30) days and (ii) have been disclosed to Buyer in writing and are not in excess of Five Hundred Dollars (\$500) in the case of a single property or One Thousand Five Dollars (\$1,500) in the aggregate at any time; and (c) pledges or deposits to secure obligations under workers’ compensation laws or similar legislation or to secure public or statutory obligations.

“Permits” mean all franchises, authorizations, consents, approvals, identification numbers, licenses, registrations, certificates, certifications, orders, permits or other rights and privileges issued by any Governmental Authority.

“Person” means any individual, corporation, company, partnership (limited or general), limited liability company, joint venture, association, trust, organization or Governmental Authority.

“Plans” means each bonus, deferred compensation, incentive compensation, equity incentive, severance pay, medical, life or other health and welfare benefit, profit-sharing, or pension plan, program, agreement or arrangement, and each other employee benefit plan, program, agreement or arrangement, sponsored, maintained or contributed to or required to be contributed to by Seller or by any ERISA Affiliate for the benefit of any employee, independent contractor, or consultant or former employee, independent contractor, or consultant of Seller, whether formal or informal unless such plan, program, agreement or arrangement has been terminated, and neither Seller nor any ERISA Affiliate has any continuing liability thereunder.

“Proprietary Information” means any trade secrets, Know How, technology, processes, formulas, computer programs, customer lists, supplier lists, business or marketing plans or projections, or other confidential or proprietary business information used in or associated with the Business.

“Purchase Price” has the meaning specified in Section 3.1(a) of this Agreement.

“Real Property Lease” has the meaning specified in Section 5.15 of this Agreement.

“Receivables” means: (i) all trade accounts receivable and other rights to payment from customers of Seller and the full benefit of all security for such accounts or rights to payment, including all trade accounts receivable representing amounts receivable in respect of good shipped or products sold or services rendered to customers of Seller, in each case together with any unpaid financing charges accrued thereon; (ii) all other accounts or notes receivable of Seller and the full benefit of all security for such accounts or notes, in each case together with any unpaid financing charges accrued thereon; and (iii) any Claim, remedy or other right related to any of the foregoing.

“Seller Intellectual Property Rights” has the meaning specified in Section 5.9 of this Agreement.

“Seller IP Agreements” means all Contracts concerning Intellectual Property or IT Assets, including all (a) licenses of Intellectual Property granted by Seller to any third party, (b) licenses of Intellectual Property granted by any third party to Seller, (c) Contracts between Seller and any third party relating to the development or use of Intellectual Property or IT Assets, the development or transmission of data, or the use, modification, framing, linking, advertisement or other practices with respect to Internet websites, and (d) consents, settlements, decrees, orders, injunctions, judgments or rulings governing the use, validity or enforceability of Intellectual Property or IT Assets.

“Seller” has the meaning specified in the Preamble of this Agreement.

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“Seller Members” means David Carver, Jayson Carver and Demetri Xydas.

“Tax” means any of the Taxes and “Taxes” means (a) all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits) and all estimated, gross receipts, sales, use, ad valorem, transfer, franchise, lease, license, withholding, payroll, employment, unemployment, social security, workers’ compensation, capital stock, net worth, value added, gains, excise, severance, stamp, occupation, premium, property or windfall profits taxes, alternative or add-on minimum taxes, customs duties and other taxes, fees, levies, duties, tariffs, imposts, like assessments or charges of any kind whatsoever, together with all interest and penalties, additions to tax and other additional amounts imposed by any Taxing Authority and (b) any Liability for the payment of any amount of the type described in the immediately preceding clause (a) above as a result of any obligation to indemnify or otherwise assume or succeed to the Liability of any other Person.

“Tax Returns” means all returns, declarations, reports, election estimates, and information statements and returns required or permitted to be filed with a Governmental Authority relating to Taxes, including, but not limited to, original returns and filings, amended returns, claims for refunds, information returns, ruling requests, administrative or judicial filings, accounting method change requests, responses to revenue agents’ reports (federal, state, foreign, municipal or local) and settlement documents, and any schedules attached to any of the foregoing.

“Taxing Authority” means any Governmental Authority responsible for the imposition or regulation of any Tax (domestic or foreign).

“Trade Names” shall mean any names under which Seller does business, including without limitation any corporate names, names under which Seller is qualified to do business, fictitious names, assumed names, and trade names, used by the applicable Person.

“Trademarks” shall mean (i) brand names, trademarks, service marks, slogans, taglines, trade dress, logos, graphics, packaging, designs, domain names, Uniform Resource Locators, and registrations thereof, pending applications for registration thereof and such unregistered rights with respect thereto in the United States and in all foreign countries and under all international systems, conventions and treaties, including the Madrid system, Trademark Law Treaty, Community Trade Mark system, TRIPS and Paris Convention, which are proprietary to the Person or used in such Person’s business, and (ii) the good will of the business associated with such Trademarks.

“Web Sites” shall mean all web sites owned by Seller, including all designs for such web sites, all underlying code for such web sites, and all contents of such web sites and other similar materials.

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EXHIBIT A

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT AND BILL OF SALE

**BILL OF SALE, ASSIGNMENT AND
ASSUMPTION AGREEMENT**

This Bill of Sale, Assignment and Assumption Agreement (the "Agreement") is made effective as of [____], 2020 by and among [____] ("Seller") and [____] ("Buyer").

BACKGROUND

Buyer and Seller have entered into an Asset Purchase Agreement dated [____], 2020 (the "Asset Purchase Agreement") whereby Seller has agreed to sell, transfer, and deliver to Buyer all rights, title and interest in and to the Assets and Buyer has agreed to assume the Assumed Obligations.

AGREEMENT

In consideration of the mutual covenants and conditions set forth in this Agreement and in the Asset Purchase Agreement, Seller and Buyer agree as follows:

1. **Defined Terms.** Capitalized terms used in this Agreement, unless otherwise defined in this Agreement, have the meanings assigned to them in the Asset Purchase Agreement.
2. **Sale and Assignment.** Seller does hereby sell, transfer, convey, assign and deliver to Buyer, its successors and assigns, and Buyer hereby purchases, acquires and accepts from Seller, all rights, title and interest in and to the Assets, free and clear of all Encumbrances, other than Permitted Liens, to have and to hold unto Buyer, its successors and assigns, to its and their own use and enjoyment forever. Without limiting the generality of the foregoing, the Assets are as specifically listed on Exhibit A hereto.
3. **Assumption.** Buyer hereby assumes the Assumed Obligations and shall subsequently pay, discharge and perform when lawfully due the Assumed Obligations. Buyer shall not assume or otherwise be responsible for any other liabilities or obligations of Seller or any of their Affiliates of any nature whatsoever, including the Excluded Liabilities.
4. **Subject to Asset Purchase Agreement.** The Assets and Assumed Obligations are being delivered for good and valuable consideration pursuant to the terms and conditions of the Asset Purchase Agreement, and nothing herein shall in any way waive, limit, expand, modify, supersede or otherwise affect the terms and conditions contained in the Asset Purchase Agreement. In the event of any conflict or other difference between the Asset Purchase Agreement and this Agreement, the provisions of the Asset Purchase Agreement shall control.
5. **Further Assurances.** Each of the parties to this Agreement agrees to execute and deliver such other instruments or documents and take such other actions as shall be reasonably necessary to carry out the purposes and intent of this Agreement.
6. **Governing Law.** The governing law of this Agreement shall be as set forth in Section 11.10 of the Asset Purchase Agreement
7. **Severability.** This Agreement shall be deemed severable, and the invalidity or unenforceability of any term or provision hereof shall not affect the validity or enforceability of this Agreement or of any other term or provision hereof.
8. **Headings.** The headings in this Agreement are solely for the purpose of reference, are not a part of the Agreement and shall not affect in any way the meaning or interpretation of this Agreement.
9. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same agreement. This Agreement may be executed by, and the transactions contemplated hereby may be closed by, the delivery of facsimile copies of the signature parties hereto.

[Signature page to follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date set forth on the first page of this Agreement.

SELLER:

JET X AEROSPACE, LLC

Dated: October 19, 2020

By: _____
Name: _____
Title: _____

BUYER:

ASI AVIATION, INC.

Dated: October 19, 2020

By: _____
Name: _____
Title: _____

BILL OF SALE, ASSIGNMENT AND ASSUMPTION AGREEMENT

Exhibit A

Seller Assets

EXHIBIT B

FORM OF INTELLECTUAL PROPERTY ASSIGNMENT AGREEMENT

INTELLECTUAL PROPERTY ASSIGNMENT AGREEMENT

THIS INTELLECTUAL PROPERTY ASSIGNMENT AGREEMENT (this "Agreement") is effective as of the date set forth below, by and between ASI AVIATION, INC., a Nevada corporation (the "Company") and JET X AEROSPACE, LLC, an Illinois Limited Liability Company ("Assignor") (collectively, the Company and Assignor are referenced herein as the "Parties").

NOW, THEREFORE, in consideration of the foregoing recitals, and the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the parties hereby agree as follows:

1. Ownership. Assignor acknowledges and agrees that the Company owns all rights, including, without limitation, all trade secrets, copyrights, patents and other intellectual property rights in and to all processes, inventions, improvements, enhancements, methodologies, designs, specifications, and other works of authorship, along with any and all work product directly contributed to the work product, including, but not limited to, all copyrights, trademarks, service marks, economic rights, patent rights, and trade secrets rights throughout the world in perpetuity, of any kind of or character and the right to prosecute and recover damages for any past, present or future infringements or other violations thereof arising out of, that resulted from, or were derived from, Assignor's employment at the

Company or Assignor's provision of services to the Company in connection with any employment agreement, independent contractor agreement, consulting engagement or otherwise (collectively "Work Product").

2. Assignment. To the extent that the Company does not already own the Work Product, Assignor hereby assigns, transfers, conveys, contributes and delivers to the Company, or its designee, irrevocably and in perpetuity, any and all right, title, goodwill and interest that Assignor may have in and to the Work Product throughout the world, in all media whether now known or later developed. At the request of the Company, Assignor shall promptly and without additional compensation take all actions and execute any and all documents or instruments that the Company deems necessary or appropriate to apply for, obtain, and enforce intellectual property rights in the Work Product in the United States or any foreign country, the expenses for which will be borne by the Company. Assignor agrees that the Company shall have the unlimited right, in its sole discretion, to use, publish, copy, add to, subtract from, arrange, revise, alter, modify, distribute, transfer, create derivative works based on and otherwise exploit for any purpose, any and all of the Work Product, in any and all manner and media throughout the world in perpetuity, including but not limited to distribution, publication and use on the Internet. Assignor hereby waives the benefits of any provisions of law known as the "droit moral," "moral rights" or any similar law. Nothing contained herein shall require the Company to exercise or exploit any of its rights in or to the Work Product. The above waiver applies to any and all uses of the Work Product by the Company in any manner or media throughout the world.

3. Severability. Assignor agrees that the provisions of this Agreement are fair and reasonable and are reasonably required for the protection of the Company. If any provision of this Agreement is held to be invalid or unenforceable by a judicial order for any reason, such action shall not affect the validity or enforceability of the remaining provisions hereof and, without limiting the foregoing, any such holding shall in no event preclude the Company from enforcing the provisions hereof to such extent not inconsistent with or prohibited by said judicial order.

4. Successors. This Agreement may be assigned, in whole or in part, by the Company without the consent of Assignor to any person, firm, corporation or other entity which may become a successor in interest to the Company in the business presently operated by it (or that portion of this business to which Assignor is connected) or which may acquire all or substantially all of the Company's assets or a majority of the Company's voting capital stock (whether by merger, consolidation, stock purchase or otherwise). This Agreement shall be binding on Assignor, and Assignor's heirs, executors, assigns, and administrators, and shall inure to the benefit of the Company and its successors and assigns.

5. Entire Agreement. This Agreement constitutes the entire understanding and agreement between the parties with respect to the matters contemplated herein (but does not purport to set forth all of the terms and conditions of Assignor's engagement or service relationship with the Company) and shall not be modified or amended except by the written agreement of the parties.

6. Counterparts. This Agreement may be executed in separate counterparts (including by means of facsimile or electronic transmission in portable document format (pdf)), each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

7. Governing Law; Dispute Resolution. This Agreement shall be construed in accordance with the laws of the State of Illinois, without regard to the laws of the State of Illinois relating to conflict of laws. In the event of any dispute whatsoever arising as to the interpretation of any provision of this Agreement or arising as to the rights, duties or obligations of any of the parties hereto in connection with any provision of this Agreement, such dispute shall be resolved exclusively by submission of such dispute to any state or federal court located in Chicago, Illinois. In any action or proceeding arising out of or relating to this Agreement, the parties agree that the prevailing party in the proceeding or action shall be entitled to an award of all reasonable attorneys' fees and costs incurred by the prevailing party. As used in this Agreement, the term "prevailing party" means that party whose position is substantially upheld in a final judgment rendered in any litigation, or, if the final judgment is appealed, that party whose position is substantially upheld by the decision of the final appellate body that considers the appeal.

[SIGNATURES ARE ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereto have signed this Intellectual Property Assignment Agreement as of the date set forth below.

Dated: _____, 2020

ASI AVIATION, INC
A Nevada corporation

By: _____

Its: _____

Printed Name: _____

Address: _____

JET X AEROSPACE, LLC
A Illinois Limited Liability Company

By: _____

Its: _____

Printed Name _____

Address: _____

SCHEDULE 2.1(c)(iv)

Accounts Payable List

Payable list as of September 30, 2020 will be adjusted on or prior to Closing

Schedule 3.1(a)(i)(c)

Payments to Outstanding Creditors

David S. Carver None

Demetri Xydas None

Jayson Carver None

List Of Credit Cards

Chase Freedom Visa (6880)

Bank of America (6927)

Bank of America (7954)

Capital One Visa (8289)

Chase Ink (7625)

Chase United (0026)

Citgo WEX Bank
AmEx D. (2007) & (7003) - (Xydas)
Chase Visa (4425) & (5426) (Xydas)
Citi AAdv Mastercard (5383) (Xydas)
Spirit (6551) - (Xydas)

SCHEDULE 5.1

Qualified & List of Officers and Directors

David S. Carver – Member of Limited Liability Company

Demetri Xydas – Member of Limited Liability Company

Jayson Carver – Member of Limited Liability Company

SCHEDULE 5.6

Real Property Leases

Summary of Term

Lessor / Lessee

Effective

Term Rate

Improvement

Assignment of Lease

SCHEDULE 5.8

Receivable List

Receivable List as of August 31, 2020 will be updated on or prior to closing

	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>> 90</u>	<u>TOTAL</u>
AAR A/C SERVICES-OKC					
ADVANTAGE AVIATION SERVICES					
AERO INSTRUMENTS & AVIONICS					
Aeronautical Support					
Air Transport International					
Airpac Enterprises (C)					
AOG Logistics					
AUTO 500					
AvDUCT Worldwide					

CAVALIER AEROSPACE

Close Air Support

EMC AEROSPACE

G&S INSTRUMENTS & ACCESSORIES

Live Aerospace

MAGNETIC MRO

Mitchell Aircraft

National Airlines

Palm Aerospace

Paz Aviation, Inc.

PTR - Professional Technologies Repairs

RIDGE AERO

SAFETECH (IND)

SKY AIRLINE

STS Component Solutions LLC

WAHOO AVIATION	<u>824,373.30</u>	<u>6,550.39</u>	<u>0.00</u>	<u>10,670.04</u>	<u>841,593.73</u>
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SCHEDULE 5.9

Intellectual Property Used In the Business

Jet X Aerospace, LLC is registered in Illinois with the **Secretary of State** File number: 00406503

Domain Name: JetXAerospace.com is registered with HOVER.com

Domain Name: JetXAero.com is registered with GoDaddy.com

Domain Name: JetX.aero is registered with Dotster.com

SCHEDULE 5.11

List of all Employees, Independent Contractors and Consultants

Mark von Husen, Full time

Christopher Spaid, Full time

Wayne Brian Aranza, Full time

Catherine Toye, Part time

Fred von Husen, Independent Contractor

SCHEDULE 5.12

List of Seller's Insurance Policies

LLOYD's LONDON – Polaris Enterprise Group (General Liability)

Granite State Insurance Co. (Property)

Erie Ins. Co. (Truck)

BlueCross & BlueShield of IL (Major Medical)
Guardian (Life & Disability)
AmTrust (Workers' Comp.)

SCHEDULE 5.13

Banking Information

Bank Acct. Information:

Heartland Bank & Trust Co.
Acct. Name: Jet X Aerospace, LLC
Acct. Nbr: 0102373000
ABA Routing Nbr: 071112066

Authorized Signors:

David Carver
Jayson Carver
Demetri Xydas

BANK OF AMERICA N.A.

Acct. Name: Jet X Aerospace, LLC
Acct. Nbr: 291011458340
ABA Routing Nbr: 026009593
ACH Routing: 071103619 /081904808 (paper & electronic)
SWIFT code: BOFAUS3N

Authorized Signors:

Demetri Xydas
Jayson Carver
David Carver

JP MORGAN CHASE BANK NA

Acct. Name: Jet X Aerospace, LLC
Acct. Nbr: 643557655
ABA Routing Nbr: 021000021
ACH Routing Nbr: 071000013
SWIFT: CHASUS33

Authorized Signors:

David Carver
Demetri Xydas
Jayson Carver

SCHEDULE 5.14

List of Major Customer and Major Suppliers

Alphabetical list of Major Customers

AAR A/C SERVICES-OKC
Accent Air, Inc
AERO ZONE, INC.
AEROLEASE AVIATION, LLC
Air Station Aviation, Inc.
AIRCRAFT 28054
Alpari LLC
AOG Logistics
Applied Aerospace Solut.
APS Air Parts Services - Miami
AUTO 500
AVFLEX CORP
Broadwing Aviation
CAL/UAL
COMPONENT OVERHAUL
DHL NETWORK OP.
Everts Air Cargo
FAA
Fortress
ICELANDAIR TECHNICAL
SERVICES
INTERAERO INC.
InterSky
JET ONE AEROSPACE
MidAmerican Aerospace Ltd.
Mitchell Aircraft
National Airlines
NEXGEN AERO
OPEN SKIES
Palm Aerospace
PRIME AIR, INC (FL)
SKY Av. Mngmt
Star Aviation, Inc.
SUMMIT AEROSPACE
Unical Aviation
WAHOO AVIATION

**Alphabetical List of Major
Vendors**

AAR Aircraft & Turbine Center
Aero Trade (V)
Aero-Zone, Inc.
AerSale, Inc.
Aircom Aviation Services
Airtech Int'l
Altus Global Av.
Ansett Aircraft Spares & Services
AOG Logistics (V)
APC AIRPLANE PARTS
Applied Aerospace Solutions
AVAIR
Aviall (V)
Aviation Airmotive
Aviation Resources
AvioSupport Avmat

AVPARTS INTERNATIONAL,INC.
Broward Aviation
Services, Inc.
Cara Aviation
Cascade Spares, Inc.
CAVU Aerospace
Chromalloy Material Commercial Aviation Int'l.
Crane Aerospace & Electronics
Cypress Air, Inc.
DASI
DMS
Duncan Aviation, Inc.
ESTERLINE
Exotic Metals
Fortek Aerospace, LLC
GECAS Asset Management Services
Genesis Aviation, Inc.

GLOBAL PARTS AERO
GM AIR
GRG AIRCRAFT
Honeywell International
Ikaros Aviation (V)
InterSky Precision Instruments
Intertrade
ITS INFINITY TRADING
Jet International Co., LLC
JET TECH INT'L
JMF GLOBAL
Kaycee Aerospace
Kellstrom Aerospace
LRT, Inc.
LUFTHANSA TECH - FL
Mach 2 Corp
Magellan
MidAmerican Aerospace (V)
MILLENNIUM INT'L
Mitchell Aircraft (V)
Nearest Exit, LLC
New Gen Aerospace Corp. (V)
NWASg
OH Capital Assets, Inc.
OnAV
ORANGE AERO
Pacific Aerospace LLC
PAR AVION LLC
PAZ Aviation
Pratt & Whitney Services, Inc.
Prime Air, Inc.
Sagem Avionics
Seal Dynamics (V)
Sentry Aerospace Corporation
SPIRIT AVIATION SERVICES INC
STS Component Solutions LLC (V)
SUMMIT AEROSPACE (V)

TEMCO
Textron Aviation
TOTAL AIR
TOUCHDOWN AV. US
TRANSGROUP
INTERNATIONAL
TrueAero
Turbo Resources Int'l
Unical Aviation, Inc.
Universal Asset Management (V)
UTC Aerospace Systems
Vaero Aviation Services (V)
VAS Aero Services LLC.
Wencor, LLC (V)
Wyatt Aerospace (V)
