

## CROWD FUNDING AGREEMENT

Advanced Aircraft International, Inc. is desirous of raising funds for the production of a new concept internal combustion engine. The vehicle chosen for the fund raising is Crowd Funding of an unsecured type.

Advanced Aircraft International, Inc. is requesting that all contributors provide a minimum of \$1000.00 as their contribution to this project, although appreciated no smaller amounts will be accepted. While the target market for this engine is the aircraft industry, the engine applications go far beyond aircraft and all interested parties are welcome to contribute.

No contract, promise or repayment is expressed or implied although it is the intent of Advanced Aircraft International, Inc. to make available to each and every contributor an engine of their choice which has been priced specifically for them. The engine pricing shall reflect a discount of three times the amount of their contribution applied against the market price of the selected engine. It is further stated that said intent is contingent upon a successful development of the product and the eventual move to a production phase for each engine design and size. It is further stated that there is no limiting term for this price reduction and it can be passed on to any family member or associated provided that the transfer is done in writing and witnessed by a Notary Public.

All contributions should be made payable to the order of and sent to:

Advanced Aircraft International, Inc.

P.O. Box 242

Santa Clara, CA 95052-0242

Upon receipt of funds the contributor shall receive an acknowledgement of the received amount. Said acknowledgement is the instrument which can be passed on to a second individual or used to secure the discounted price on the purchase of an engine when the specific model desired is released.

Please note that production of the prototype design will begin in March of 2014 with a target date for completion of November 2014. While the completion date is targeted, it's achievement will move based on the availability of funds and is not guaranteed.

Respectfully,

ADVANCED AIRCRAFT INTERNATIONAL, INC.