

Quartz Mountain Aerospace, Inc.

Minutes

Meeting Board of Directors

Saturday, June 30, 2007

- 1) Chairman Grissom called the meeting to order at 10:45 am and determined a quorum to be present to conduct the business of the corporation.

The following members were in attendance in Altus:

Bill Grissom
John Daniel
Bill Newland
Gerald Smith
Keith Dodson
Billy McCoy
David Bruni

Also present: Brenda McCombs, Asst. Secretary
Joe Courtney, VP

- 2) **Agenda Updates and Announcements.**

Director McCoy advised the board that he would like an executive session at the end of the meeting to discuss a call he had received.

- 3) **Review and Approve Board Minutes.**

June 5, 2007 BOD Meeting (Altus)

Motion made (Dodson) and Seconded (Smith) to approve the minutes as presented. All voted aye, none opposed.

- 4) **Committee Reports.**

Audit and Accounting: Director Smith stated that he had nothing to report at this time.

Compensation/Stock Options Committee: Director Dodson stated that he had nothing to report at this time.

Marketing and Sales Committee: President Daniel reported that he had received an email from Jeff Magnus reaffirming GAP's commitment to QMA. The email is transcribed here as follows:

To: Quartz Mountain Aerospace
Board of Directors

From: Global Aviation Partners
President, Jeff Magnus
Date: June 30, 2007

This letter is to reaffirm the commitment Global Aviation Partners entered into with Quartz Mountain Aerospace eighteen months ago. We would also reaffirm our commitment and support of John Daniel and his team. Though this process has not been timely and within budget, we believe that receiving a product devoid of probable faults is more than worth the additional cost and time. We understand and are familiar with the governmental regulatory process, the necessary development of skilled craftsmen and many of the industries hidden hurdles. John, in our opinion, is navigating these waters with superb seamanship and as an excellent Captain.

We have been in negotiation with another aircraft owner to represent them within the same capacity as we do you. The only different is we would contract with you to build their product. Our agreement with the owner is scheduled to be completed shortly. At that point we will offer the product to you and negotiate a manufacturing agreement. The new product is not in competition with the 11E.

Within the past 30 days we have completed our third trip to India and have received a financial commitment for more than 50 aircraft. Our commitment is to begin delivery January 30, 2008 at approximately three aircraft per month. Because of the delivery delays, we have lost several of our schools. They simply could not wait any longer; their requirement for new aircraft was immediate 18 months ago. They have purchased our competitors aircraft. We have also added several schools that have become completely frustrated with our competitors aircraft and practices.

Our delivery delay has helped us reaffirm our niche market; fine tuned and solidified our current dealer relationships.

We strongly believe in John's ability to produce a first class product and our ability to purchase, sell and support everything you can make for the next three years. As the current product comes

to fruition and our dealer network comes to life, we will both have a need to work very closely together as we engineer and add new products to our stable of offerings. We envision developing an equity position in QMA.

As we emerge from this difficult development time and complete the sales and production journey, we want you to know that there are only a couple of people in the country that could have completed this task. You have chosen the BEST! John Daniel, to a fault, is honest, straight forward and knows what he is doing. I can only imagine the frustration the board has dealt with. As accomplished business people it is almost impossible to understand the required government regulation and oversight required to complete the task John has undertaken. An example might be to remember the issues the General encountered while navigating the task of building the first aircraft. If you multiply that by 1000, you will begin to see John's picture.

6/7) Finance/Management Report.

President Daniel gave a brief report on the status of cash flow, burn rate report and the cash flow projections. He also, gave an update on QMAF and how it would affect the burn rate in the future. He briefed the board of the incoming contracts for QMAF.

President Daniel reported on the test flight of the first airplane, that all went well, and that the plane is ready for paint. He also added that Paul O'Donnell would be on site to work on the IFR certification.

In personnel matters, President Daniel advised the board of the resignation of J.D. Daniel and that he is relocating to Kansas and has taken a position with AgCo. Craig Bradberry, IT, will be relocating to Alabama, but will continue working for the company on a part time basis.

President Daniel discussed the phone call that Chairman Grissom received in regard to the voting of the proxies. The anonymous caller had complained that management was pressuring employee/stockholders into voting in accordance with preferred outcomes. President Daniel explained that he had asked Jan Rose to distribute the proxies, explain the bio's and resumes of the proposed new directors and instruct stockholder/employees in the proxy process. Chairman Grissom stated that he had visited with Jan Rose and was satisfied that no undue pressure was applied by Ms. Rose, and that, in any event, management should be within its rights to make voting recommendations to employee/stockholders. The board decided that in the future all proxies would be mailed directly to the office of the Corporate Auditor.

Motion (Daniel) was made and Seconded (Smith) to have all proxies mailed to the office of the Corporate Auditor for tabulation. All voted aye, none opposed.

8) Acknowledge the Election of Directors by vote of Stockholders.

Motion (Daniel) was made and Seconded (Smith) to acknowledge the election of directors as presented to Stockholders thru the appropriate meeting notices and as proposed in the Stockholder Ballots and Proxies, with voting as certified by Nate Atchison, CPA of Finley & Cook, PLLC. All voted aye, none opposed.

9) Acknowledge the results of Stockholder Voting on Resolution SH7-01.

Motion (Dodson) was made and Seconded (Smith) to acknowledge the affirmation of Stockholder Resolution SH7-01 amending the Corporate Articles of Incorporation and directing that appropriate filings be delivered to the Secretary of State of Nevada to comply with recording requirements, said voting results confirmed by Nate Atchison, CPA of the audit firm of Finley and Cook PLLC. All voted aye, none opposed.

10) Acknowledge the results of Stockholder Voting regarding the appointment of audit firm (Finley and Cook) for FYE 12/31/07.

Motion (Smith) was made and **Seconded** (McCoy) to acknowledge the results of stockholder voting in affirmation of the appointment of the firm of Finley and Cook PLLC as confirmed by Nate Atcheson, CPA. **All voted aye, none opposed.**

11) **Election of Officers of the Board of Directors.**

<u>Position</u>	<u>Current Officer</u>
Chairman	Bill Grissom
Vice Chairman	William Newland
President/COO	John S. Daniel
Secretary	Jeff Wilmes
Treasurer	Gerald Smith
Assistant Secretary	Joe Courtney

Vice President / Admin Joe Courtney
 Vice President / Operations Vacant

Re: Amended By-Laws (Sections 2.17 & 3.01)

Motion was made (McCoy) and **Seconded** (Newland) to appoint the above listed officers in accordance with Corporate By-Laws Sections 2.17 and 3.01. **All voted aye, none opposed.**

12) **Confirmation of BOD Standing Committee Assignments:**

Director McCoy presented the committee assignments along with the recommendation of setting up a new committee, Operations and Manufacturing. The committee assignments for 2007-2008 are as follows:

<u>Committee Title</u>	<u>Current Assignment</u>
• Audit & Accounting	Grissom, Bruni, Hinds, Smith (Chair)
• Compensation/Stock Option	Newland, Smith, Dodson (Chair)
• Marketing and Sales	Daniel, Bruni, Wilmes (Chair)
• Corporate Governance Committee	McCoy (Chair), Grissom, Smith, Newland
• Operations & Manufacturing Committee	Bruni (Chair), O'Donnell, Grissom

Motion was made (McCoy) and **Seconded** (Bruni) to confirm the above listed standing committees of the board of directors, and to appoint directors and chairpersons as listed, in accordance with Corporate By-Laws. **All voted aye, none opposed.**

We believe our marriage will save considerable product cost, guarantee manufacturing revenue and position both companies for future growth and prosperity.

Thank you,

Jeff Magnus
President, Global Aviation Partners

Corporate Governance Committee: Director McCoy reported that the committee met June 29, 2007 and that the committee had approved the following items the Charter, Corporate Governance Guidelines and the Code of Business Conduct and Ethics Policy. Director McCoy requested that these minutes reflect that these documents stand approved.

The committee looked at the draft for the Hotline Policy that was provided to them by Joe Courtney, VP. The committee requested more time to review. Director McCoy stated that they needed more input from the full board.

Action Item: Director McCoy requested the need for further discussion of the Hotline Policy and how to handle the anonymous calls. He stated the procedure needs to be outlined in the policy.

Director McCoy recommended the following items that needed to be put in place for the Governance Committee, an evaluation check list which would be an evaluation of the board and each committee. Also, an evaluation of the Senior Executive Officers and an annual review process that looks at the Charter Guidelines, Code of Business Conduct and Ethics, Hotline policy, skill sets of the board and the chairs of the various committees.

Action Item: Director McCoy recommended, and a consensus of the board agreed, that Chairman Grissom and Vice Chairman Newland remain in their current positions on the Board until the Stockholders Meeting 2008 and at that time a new chairman will be appointed.

5) Corporate Counsel Report.

Chairman Grissom stated that he had talked to Paul Doughty about the conversion of the debentures and he was unclear of the agreement. Chairman Grissom suggested that the Board needed input from Corporate Counsel on the conversion of the debentures. President Daniel gave a brief statement on the management fees and the conversion of the debentures as he remembers it. President Daniel stated that he would search the conversion documentation before the next meeting.

13) **Unfinished Business.** The board reviewed a letter prepared by staff to send to Paul Schofield, Esq. regarding a potential claim for legal fees. One change was suggested and the consensus of the board thereupon was to direct the letter be delivered to Mr. Schofield without further comment.

14) **New Business.**

Action Item: Board consensus requested that staff prepare a Supplier Summary to include location, categories of parts purchased, open purchase order values, and other pertinent data.

Director Bruni inquired about a corporate nepotism policy. The corporate policy was discussed.

Director McCoy expressed concern about Director O'Donnell's independence with regard to his duties as a representative of the FAA, and his ability to serve on the board of directors. President Daniel expressed confidence in O'Donnell's ability to serve without conflict, and promised to discuss the question with him prior to the next board meeting.

15) **Adjournment.**

There being no further business before the board a Motion was made (Smith) and Seconded (Dodson) to Adjourn. All voted aye, none opposed.

Approved by (Chairman)

Secretary

Date: _____

Cc: Grissom, Chairman
Daniel, President, Director
Smith, Treasurer, Director
Newland, Vice Chairman, Director
Hinds, Director

Bruni, Director
Wilmes, Secretary, Director
Dodson, Director
O'Donnell, Director

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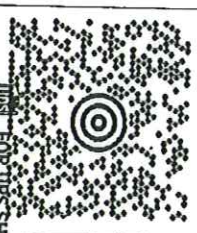
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