

CONSENT TO SUBLEASE AGREEMENT

The City of San Diego (CITY), as LESSOR under that certain Lease Agreement (LEASE) entered into with

Tactical Air Operations, Inc.

(LESSEE), dated November 10, 1998, and filed in the Office of the City Clerk as Document No. RR-290937, hereby consents to that certain Sublease Agreement dated November 11, 2010 between LESSEE and

Carlos Cortez-Bustamante and Mayo J. Obregon

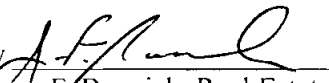
(SUBLESSEE) for a portion of LESSEE's leased premises, specifically Hangar No. 3 and on the following terms and conditions:

1. USE: The proposed use is solely and exclusively for the purposes of aircraft storage.
2. SUBORDINATION: The SUBLESSEE shall be subordinate to the LEASE in all respects, notwithstanding any provision of this consent or the LEASE contrary to or in conflict with the SUBLESSEE. The CITY is not bound by any term or condition in the Sublease Agreement. The CITY is merely approving the SUBLESSEE and the proposed use
3. ASSIGNMENT AND SUBLETTING: LESSEE shall ensure SUBLESSEE does not assign the Sublease Agreement or sublet the premises or any part thereof without the prior written consent of the CITY; any such unapproved assignment or sublease may result in termination of the LEASE. Pursuant to City Charter Section 225, incorporated herein, the Mayor must review and approve every person or entity which will have any direct or indirect interest in the Sublease Agreement as a sublessee or assignee, which approval may not be unreasonably withheld.
4. HOLD HARMLESS: Pursuant to the LEASE, LESSEE and SUBLESSEE shall assume the defense of, indemnify and hold harmless the CITY, its elected officials, officers, representatives, agents and employees from all claims, expenses and liability of every nature, directly or indirectly arising from, or alleged to have arisen from operations conducted on the leased premises, the condition of the premises or from any act or omission of LESSEE, its agents or invitees and of SUBLESSEE, its agents or invitees; provided, however, LESSEE and SUBLESSEE'S duty to indemnify and hold harmless shall not include any claims or liability arising from the established sole negligence or sole willful misconduct of the CITY, its agents, officers, or employees.
5. INSURANCE: LESSEE shall ensure that its SUBLESSEE be insured by an insurance carrier acceptable to the CITY, against loss from public liability arising from the use or condition of or operation conducted on the subleased premises. Minimum coverage shall be one million dollars (\$1,000,000) Combined Single Limit Liability. LESSEE shall require SUBLESSEE to file with CITY a copy of the policy of insurance which shall name "The City, its elected officials, officers, representatives, agents and employees" as an additional insured on a separate endorsement prior to SUBLESSEE'S occupancy of the premises. Said policy shall specify that the policy may not be terminated, altered or canceled without thirty (30) days prior written notice to CITY by the insurance company.

6. AUTHORITY: Each individual executing this Consent to Sublease on behalf of another person or legal entity represents and warrants that he/she is authorized to execute and deliver this Consent to Sublease on behalf of such person or entity in accordance with duly adopted resolutions or other authorizing actions necessary and proper and under such legal entity's articles, charter, bylaws, or other written rules of conduct or governing agreement, and that this Consent to Sublease is binding upon such person or entity in accordance with its terms.

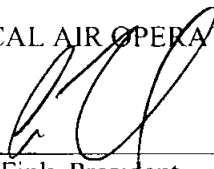
THE CITY OF SAN DIEGO

Dated 12/21/10

By 
James F. Barwick, Real Estate Assets Director

TACTICAL AIR OPERATIONS, INC.

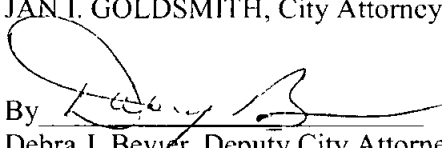
Dated 14 Dec 10

By 
Alan N. Fink, President

APPROVED AS TO FORM AND LEGALITY.

This 21st day of Dec, 2010

JAN I. GOLDSMITH, City Attorney

By 
Debra J. Bevier, Deputy City Attorney

Carlos Cortez-Bustamante and Mayo J Obregon
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on 11 November, 2010, by and between TACTICAL AIR OPERATIONS, INC. hereinafter called "SUBLESSOR", and Carlos Cortez-Bustamante and Mayo J Obregon, hereinafter collectively called "SUBLESSEE". It is agreed between the parties hereto as follows:

1. **Description of Premises:** SUBLESSOR leases to SUBLESSEE, on the terms and conditions hereinafter set forth those certain premises, hereinafter referred to as the "premises, as described in the Summary Section.
2. **Term:** The term of this Sublease shall be as set forth in the Summary Section until such time as SUBLESSOR's rights to the premises are terminated pursuant to this agreement.
3. **Rent:** SUBLESSEE shall pay to SUBLESSOR in advance, without deduction or offset, at a monthly rate and schedule as described in the Summary Section. This monthly amount does not include any taxes due any agency from the SUBLESSEE.
4. **Rent Adjustments:** SUBLESSOR may only increase rent when the rent on his Master lease is raised. The amount of the rent increase to the SUBLESSEE shall be the same percentage increase that the master lease is raised by the City of San Diego, and shall become effective the first day of the month following the increase. Example: If the master lease rent is raised 10% on February 5th, 2015, then the SUBLESSEE's rent will be raised by 10% effective March 1, 2015.
5. **Late Fees:** If the SUBLESSEE fails to pay the rent when due, SUBLESSEE will pay, in addition to the unpaid rents, \$25.00. If the rent is still unpaid at the end of fifteen (15) days, the SUBLESSEE shall pay an additional \$25.00, (being a total of \$50.00) which is hereby mutually agreed by both parties to be appropriate compensation for loss resulting from rental delinquency, including lost interest, opportunities, legal costs, and the cost of servicing the delinquent account.
6. **Use:** The premises are subleased to SUBLESSEE for the general purpose as described in the Summary Section. SUBLESSEE shall not use or permit the premises or any part thereof to be used for any purpose or purposes other than the purpose or purposes for which the premises are hereby subleased. If the SUBLESSEE uses the property for other than the specified purpose or purposes, the SUBLESSEE may be considered in breach.
7. **Delivery of Possession.** If for any reason the SUBLESSOR cannot deliver possession of the leased property to the SUBLESSEE when the lease term commences, this Lease shall not be void or voidable, nor shall the SUBLESSOR be liable to the SUBLESSEE for any loss or damage resulting therefrom. However, there shall be an abatement of rent for the period between the commencement of the lease term and the time when the SUBLESSOR delivers possession.
8. **Utilities.** Except as specified in the Summary Section, the SUBLESSEE shall be responsible for all utilities and services that are furnished to the Leased Premises. The application for and connecting of utilities, as well as all services, shall be made by and only in the name of the SUBLESSEE. However, if any services or utilities are jointly provided with other property, SUBLESSOR shall make a reasonable determination of SUBLESSEE's proportionate share of the cost of said services and utilities and SUBLESSEE agrees to pay said share to the SUBLESSOR, payable on a monthly basis included with the rent.
9. **Condition of Leased Premise** The SUBLESSEE acknowledges that the Leased Premises are in good order and repair. The SUBLESSEE agrees to take good care of and maintain the Leased Premises in good condition throughout the term of the Lease.
10. **Maintenance and Repair and Other Expenses** The SUBLESSEE, at his expense, shall make all necessary, repairs and replacements to the Leased Premises, including the repair and replacement of pipes, electrical wiring, heating and plumbing systems, fixture and all other systems and appliances and their appurtenances. The quality and class of all repairs and replacements shall be equal to the original worth. If SUBLESSEE defaults in making such repairs or replacements, SUBLESSOR may make them for SUBLESSEE's account, and such expenses will be considered additional rent.
11. **Condemnation.** If all or any part of the Leased Premises is taken by eminent domain, this lease shall expire on the date of such taking, and the rent shall be apportioned as of that date. No part of any award shall belong to SUBLESSEE.
12. **Subordination and Non-disturbance provisions.** This Sublease and Sublessee's leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Subleased Premises by Sublessor, and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances and on written request of the holder of any lien or encumbrance or the Sublessor, the Sublessee shall execute, acknowledge, and deliver any documents evidencing subordination that the lienholder or Sublessor may reasonably request. Provided, however, such subordination shall be effective upon the lienholder's agreement in writing that in the event of default by Sublessor under the security instrument evidencing such lien or encumbrance, the lienholder shall not terminate this Sublease and shall not disturb Sublessee's right to possession under the Sublease, provided Sublessee is not then in default under this Sublease and continues thereafter to fully perform all of his obligations under this Sublease.
13. **Alterations:** SUBLESSEE shall not make or suffer to be made any alterations to the premises or any part thereof without first obtaining the written consent of the SUBLESSOR.
14. **Entry by SUBLESSOR:** SUBLESSEE shall permit SUBLESSOR and its agents to enter the premises leased pursuant to this sublease at all reasonable times for the purpose of inspecting the same. Additionally, SUBLESSEE shall provide SUBLESSOR information on any and all aircraft stored on or in the leased premises within 10 days of such request, as required by the County Assessor or the City of San Diego.

15. **Non-liability of owner for Damage:** As between SUBLESSOR and SUBLESSEE, this sublease is made upon the express condition that SUBLESSOR is to be free from all liability and claim for damages by reason of any injury to any person or persons, or loss to property, of any kind whatsoever and to whomsoever belonging in or upon, or in any way connected with, the demised premises during the term of this sublease or any extension hereof. SUBLESSEE hereby covenants and agrees to indemnify and save harmless SUBLESSOR, its officers and employees and the City of San Diego from all liability, loss, cost and obligations on account of or arising out of any such injuries or losses, however occurring.

16. **Insurance:** SUBLESSEE shall be insured by an insurance carrier acceptable to the SUBLESSOR and the City of San Diego against loss from public liability arising from the use or condition of or operations conducted on the leased premises. Minimum coverage shall be \$ 1,000,000 Combined Single Limit Liability and Property Damage with an occurrence claims form. As per the Master lease, the City may increase the amount of insurance required. A copy of the policy of insurance shall be filed with the City of San Diego and shall name the SUBLESSOR and the City of San Diego as an additional insured. Said policy shall specify that the policy may not be terminated, altered or canceled without prior written notice to the SUBLESSOR and the City of San Diego by the Insurance Company.

17. **Compliance with Law and High Business Standards:** SUBLESSEE shall, at its sole cost and expense, comply with all of the requirements of all municipal, state and federal authorities now in force or which may hereafter be in force, pertaining to the demised premises and shall faithfully observe in the use of the premises all municipal ordinances and state and federal statutes now in force or which may hereinafter be in force. In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner which is detrimental to the businesses of the SUBLESSOR.

SUBLESSEE agrees to abide by all rules and regulations as established by Brown Field Airport Management and/or the SUBLESSOR. Failure to comply shall be deemed as a basis for breach by the SUBLESSEE.

18. **Assignment or Subletting:** SUBLESSEE shall not assign this sublease or any interest therein and shall not sublet the premises or any part thereof or any right or privilege pertinent thereto or suffer any other person, agents and servants of SUBLESSEE excepted, to occupy or use the premises or any portion thereof without first obtaining the written consent of the SUBLESSOR and the City of San Diego. A consent to one entity or person shall not infer consent to any other person or entity. This sublease shall not, nor shall any interest therein, be assignable as to the interest of SUBLESSEE by operation of law without the written consent of SUBLESSOR and the City of San Diego.

19. **Remedies of SUBLESSOR:** In the event of any breach of this sublease by SUBLESSEE, including the violation of any term or condition of the agreement, then SUBLESSOR, besides other rights or remedies it may have, shall have the immediate right of reentry and may remove all persons and property from the premises. SUBLESSOR shall have the sole and absolute right to determine whether or not SUBLESSEE has violated any of the terms and conditions of this lease or the Master Lease. Should SUBLESSOR elect to reenter, as herein provided, or should it take possession pursuant to legal proceedings or pursuant to any notices provided for by law, it may either terminate this sublease or it may relet the premises or any part thereof for such term or terms and at such rental or rentals and upon such terms and conditions as SUBLESSOR, in its sole discretion, may deem advisable with the right to make alterations and repairs to the premises. Upon each such reletting SUBLESSEE shall be immediately liable to pay to SUBLESSOR, in addition to any indebtedness other than rent due hereunder, the cost and expenses of such reletting and of such alterations and repairs incurred by SUBLESSOR and the amount, if any, by which the rent reserve in this sublease for the period of such reletting, up to but not beyond the term of this sublease, exceed the amount agreed to be paid as rent for the demised premises for such period on such reletting.

20. **Insolvency:** Either (a) the appointment of a receiver to take possession of all or substantially all of the assets of sublease or (b) a general assignment by

SUBLESSEE for the benefit of creditors, or any action taken or suffered by SUBLESSEE under any insolvency or bankruptcy act shall constitute a

breach of this sublease by the SUBLESSEE.

21. **Binding on Successors:** The covenants and conditions herein contained shall apply to and bind the successors and assigns of all parties hereto.

22. **Legal Proceedings:** Should it become necessary for the SUBLESSOR, or the City of San Diego to commence legal proceedings to collect rent, to recover possession or enforce any other provisions of this sublease, SUBLESSEE agrees to pay all legal costs in connection therewith, including a reasonable sum as attorney's fees.

23. **Additional Provisions:**

(i) **Relocation:** The SUBLESSEE shall, at its own expense, except as agreed to in the Summary Section, be required to relocate to another location provided by the SUBLESSOR at any time required by the SUBLESSOR.

(ii) **Security Agreement/UCC1:** SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing, listing their hangar(s), as collateral for the lease except as otherwise agreed to in the Summary Section. Even if a security agreement or UCC1 is not filed, the assets will be considered collateral for the lease unless otherwise agreed to in the summary section.

24. Miscellaneous Terms.

(i) **Notices:** Any notice, statement, demand or other communication by one party to the other, shall be given by personal delivery or by mailing the same, postage prepaid, addressed to the SUBLESSEE at the premises, or to the SUBLESSOR at the address set forth in the Summary Section.

(ii) **Severability** If any clause or provision herein shall be adjudged invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, it shall not affect the validity of any other clause or provision, which shall remain in full force and effect.

(iii) **Waiver.** The failure of either party to enforce any of the provisions of this lease shall not be considered a waiver of that provision or the right of the party to thereafter enforce the provision.

(iv) **Complete Agreement.** This Lease constitutes the entire understanding of the parties with respect to the subject matter hereof and may not be modified except by an instrument in writing and signed by the parties.

(v) **City Approval.** This Sublease shall only become effective when approved by the City of San Diego subject to any and all terms and conditions set for by the City. Should the City of San Diego not approve this Sublease within 60 days, it shall be deemed null and void.

SUMMARY SECTION

A. Description of Premises: A hangar of approximately 3,600 sf located on Brown Field, listed as hangar number Three (3) on the attached map.

B. Term: This lease shall commence on December 1, 2010 and continue till November 30, 2033.

C. Security Deposit: None.

D. Rent: \$1,080.00 per month payable in advance and must be received by the first of each month. Payments may be mailed to Tactical Air Operations, Inc., 860 Country Club Lane, Coronado, CA 92118. Sublessee understands and agrees that no bill will be sent.

E. Use: For aircraft storage

F. Utilities: Paid by SUBLESSEE.

G. Security Agreement/UCC1: Not required.

H. Personal Guarantee: N/A

I. Relocation: N/A

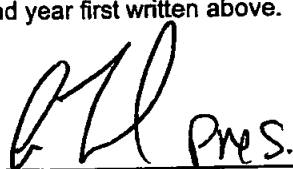
J. Notices:

To: SUBLESSOR: Tactical Air Operations, Inc.
860 Country Club Lane
Coronado, CA 92118

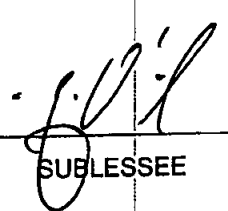
To: SUBLESSEE: Carlos Cortez-Bustamante and Mayo J Obregon
P.O.Box 530780,
San Diego, CA 92153

IN WITNESS WHEREOF, the SUBLESSOR and the SUBLESSEE have executed this sublease as of the day and year first written above.

By


SUBLESSOR

By


SUBLESSEE

NATIONAL HANGAR OWNERS ASSOCIATION, INC. and the individual members thereof

Certificate of Coverage and Participation

Cert ID 30-5324

Carlos Cortez- Bustamante & Mayo J Obregon

PO Box 530708

San Diego CA 92153

The coverages described below are included as part of the following Master Policies covering the National Hangar Owners Association

Policy No MXI98473142 Property Coverages written by Fireman's Fund Ins. Co

Policy No AP00829110 Liability Coverages written by Old Republic Ins Co

Coverage is afforded on behalf of the National Hangar Owners Association and the above named individual insured as part of the above listed Master Policies Coverage is in place on the specified National Hangar Insurance Program for the policy period, coverages and limits as described below Such insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies.

Space #: 3

Change Notes to Cert:

Airport Name Brown Field

Master Policy coverage is effective from January 1, 2010 12:01 a.m. through January 1, 2011 12:01 a.m.

Your payment was received after January, 2010, therefore the effective date for your policy begins:: 11/23/2010

Basic Coverage:

Airports Premises Liability Covers Owners, Landlords and Tenants Limit \$1,000,000 each occurrence

Medical Expense (any one person) Limit \$2,000

Optional Coverages:

HangarKeepers Legal Liability \$100,000/aircraft with \$200,000/occurrence with \$1,500 deductible/loss

Option taken. N

Building (\$1,000 deductible)

Limit \$0

Personal Property All Risk Covers Personal Property in your hangar if signs of FORCIBLE ENTRY
Mysterious disappearance IS NOT COVERED

Limit \$0

Loss of Use or Rents. Actual Loss of Rent or Use up to

Limit \$0

Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail *30 days written notice to the Certificate Holder(s) named above, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its Agents or Representatives *10 day notice of cancellation for non-payment of premium

AGENT:

Brown and Brown of Colorado, Inc

1660 S Albion Street Suite 525

Denver, CO 80222

Phone: 303-980-6265

AUTHORIZED REPRESENTATIVE:



Certificate Holders (Copies of this certificate have been provided to all listed holders, if any) Certificate Holder is
Additional insured on insured operations per policy terms

Tactical Air Operations, Inc

& The City of San Diego

860 Country Club Lane

Coronado CA 92118

CONSENT TO SUBLEASE AGREEMENT

The City of San Diego (CITY), as LESSOR under that certain Lease Agreement (LEASE) entered into with

Tactical Air Operations, Inc.

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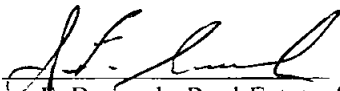
(SUBLESSEE) for a portion of LESSEE's leased premises, specifically Hangar No. 2 and on the following terms and conditions:

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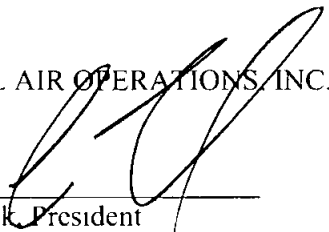
THE CITY OF SAN DIEGO

Dated 12/21/10

By 
James F. Barwick, Real Estate Assets Director

TACTICAL AIR OPERATIONS, INC.

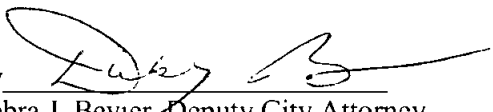
Dated 14 Dec 10

By 
Alan N. Fink, President

APPROVED AS TO FORM AND LEGALITY:

This 21st day of Dec, 2010

JAN I GOLDSMITH, City Attorney

By 
Debra J. Bevier, Deputy City Attorney

Fred J. Willert, Sr.
SUBLEASE AGREEMENT

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15. Non-liability of owner for Damage: As between SUBLESSOR and SUBLESSEE, this sublease is made upon the express condition that SUBLESSOR is to be free from all liability and claim for damages by reason of any injury to any person or persons, or loss to property, of any kind whatsoever and to whomsoever belonging in or upon, or in any way connected with, the demised premises during the term of this sublease or any extension hereof. SUBLESSEE hereby covenants and agrees to indemnify and save harmless SUBLESSOR, its officers and employees and the City of San Diego from all liability, loss, cost and obligations on account of or arising out of any such injuries or losses, however occurring.

16. Insurance: SUBLESSEE shall be insured by an insurance carrier acceptable to the SUBLESSOR and the City of San Diego against loss from public liability arising from the use or condition of or operations conducted on the leased premises. Minimum coverage shall be \$ 1,000,000 Combined Single Limit Liability and Property Damage with an occurrence claims form. As per the Master lease, the City may increase the amount of insurance required. A copy of the policy of insurance shall be filed with the City of San Diego and shall name the SUBLESSOR and the City of San Diego as an additional insured. Said policy shall specify that the policy may not be terminated, altered or canceled without prior written notice to the SUBLESSOR and the City of San Diego by the Insurance Company.

17. Compliance with Law and High Business Standards: SUBLESSEE shall, at its sole cost and expense, comply with all of the requirements of all municipal, state and federal authorities now in force or which may hereafter be in force, pertaining to the demised premises and shall faithfully observe in the use of the premises all municipal ordinances and state and federal statutes now in force or which may hereinafter be in force. In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner which is detrimental to the businesses of the SUBLESSOR.

SUBLESSEE agrees to abide by all rules and regulations as established by Brown Field Airport Management and/or the SUBLESSOR. Failure to comply shall be deemed as a basis for breach by the SUBLESSEE.

18. Assignment or Subletting: SUBLESSEE shall not assign this sublease or any interest therein and shall not sublet the premises or any part thereof or any right or privilege pertinent thereto or suffer any other person, agents and servants of SUBLESSEE excepted, to occupy or use the premises or any portion thereof without first obtaining the written consent of the SUBLESSOR and the City of San Diego. A consent to one entity or person shall not infer consent to any other person or entity. This sublease shall not, nor shall any interest therein, be assignable as to the interest of SUBLESSEE by operation of law without the written consent of SUBLESSOR and the City of San Diego.

19. Remedies of SUBLESSOR: In the event of any breach of this sublease by SUBLESSEE, including the violation of any term or condition of the agreement, then SUBLESSOR, besides other rights or remedies it may have, shall have the immediate right of reentry and may remove all persons and property from the premises. SUBLESSOR shall have the sole and absolute right to determine whether or not SUBLESSEE has violated any of the terms and conditions of this lease or the Master Lease. Should SUBLESSOR elect to reenter, as herein provided, or should it take possession pursuant to legal proceedings or pursuant to any notices provided for by law, it may either terminate this sublease or it may relet the premises or any part thereof for such term or terms and at such rental or rentals and upon such terms and conditions as SUBLESSOR, in its sole discretion, may deem advisable with the right to make alterations and repairs to the premises. Upon each such reletting SUBLESSEE shall be immediately liable to pay to SUBLESSOR, in addition to any indebtedness other than rent due hereunder, the cost and expenses of such reletting and of such alterations and repairs incurred by SUBLESSOR and the amount, if any, by which the rent reserve in this sublease for the period of such reletting, up to but not beyond the term of this sublease, exceed the amount agreed to be paid as rent for the demised premises for such period on such reletting.

20. Insolvency: Either (a) the appointment of a receiver to take possession of all or substantially all of the assets of sublease or (b) a general assignment by

SUBLESSEE for the benefit of creditors, or any action taken or suffered by SUBLESSEE under any insolvency or bankruptcy act shall constitute a

breach of this sublease by the SUBLESSEE.

21. Binding on Successors: The covenants and conditions herein contained shall apply to and bind the successors and assigns of all parties hereto.

22. Legal Proceedings: Should it become necessary for the SUBLESSOR, or the City of San Diego to commence legal proceedings to collect rent, to recover possession or enforce any other provisions of this sublease, SUBLESSEE agrees to pay all legal costs in connection therewith, including a reasonable sum as attorney's fees.

23. Additional Provisions:

(i) **Relocation:** The SUBLESSEE shall, at its own expense, except as agreed to in the Summary Section, be required to relocate to another location provided by the SUBLESSOR at any time required by the SUBLESSOR.

(ii) **Security Agreement/UCC1:** SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing, listing their hangar(s), as collateral for the lease except as otherwise agreed to in the Summary Section. Even if a security agreement or UCC1 is not filed, the assets will be considered collateral for the lease unless otherwise agreed to in the summary section.

24. Miscellaneous Terms.

(i) **Notices:** Any notice, statement, demand or other communication by one party to the other, shall be given by personal delivery or by mailing the same, postage prepaid, addressed to the SUBLESSEE at the premises, or to the SUBLESSOR at the address set forth in the Summary Section.

(ii) **Severability** If any clause or provision herein shall be adjudged invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, it shall not affect the validity of any other clause or provision, which shall remain in full force and effect.

(iii) **Waiver.** The failure of either party to enforce any of the provisions of this lease shall not be considered a waiver of that provision or the right of the party to thereafter enforce the provision.

(iv) **Complete Agreement.** This Lease constitutes the entire understanding of the parties with respect to the subject matter hereof and may not be modified except by an instrument in writing and signed by the parties.

(v) **City Approval.** This Sublease shall only become effective when approved by the City of San Diego subject to any and all terms and conditions set for by the City. Should the City of San Diego not approve this Sublease within 60 days, it shall be deemed null and void.

SUMMARY SECTION

A. Description of Premises: A hangar of approximately 3,600 sf located on Brown Field, listed as hangar number two (2) on the attached map.

B. Term: This lease shall commence on December 1, 2010 and continue till November 30, 2033.

C. Security Deposit: None.

D. Rent: \$1,080.00 per month payable in advance and must be received by the first of each month. Payments may be mailed to Tactical Air Operations, Inc., 860 Country Club Lane, Coronado, CA 92118. Sublessee understands and agrees that no bill will be sent.

E. Use: For aircraft storage

F. Utilities: Paid by SUBLESSEE.

G. Security Agreement/UCC1: Not required.

H. Personal Guarantee: N/A

I. Relocation: N/A

J. Notices:

To: SUBLESSOR: Tactical Air Operations, Inc.
860 Country Club Lane
Coronado, CA 92118

To: SUBLESSEE: Fred J. Willert, Sr. •
1869 Nirvana Avenue
Chula Vista, CA 91911

IN WITNESS WHEREOF, the SUBLESSOR and the SUBLESSEE have executed this sublease as of the day and year first written above.

By

SUBLESSOR

By

SUBLESSEE

Certificate of Insurance

This is to certify to: To Whom It May Concern

That the insured named below is on this date insured as described below:

Named Insured: Fred Willert

Underwriting Company: U.S. Specialty Insurance Company

Policy No.: TBD

Policy Period: 11/4/2010 to 11/4/2011

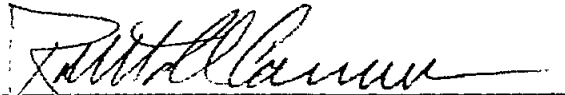
Description of Coverage: Airport Premises Liability

Liability Limit: \$1,000,000.00 Each Occurrence

Additional Insured: Tactical Air Operations, Inc., its officers, representatives, agents and employees, and the City of San Diego, its elected officials, officers, representatives, agents and employees
13531 Olay Lakes Road
Jamul, CA 91935

Cannon Aviation Insurance Inc.

Date: November 4, 2010



Robert D Cannon
CEO/Chairman

CONSENT TO SUBLEASE AGREEMENT

The City of San Diego (CITY), as LESSOR under that certain Lease Agreement (LEASE) entered into with

Tactical Air Operations, Inc.

(LESSEE), dated November 10, 1998, and filed in the Office of the City Clerk as Document No. RR-290937, hereby consents to that certain Sublease Agreement dated November 11, 2010 between LESSEE and

Enrique J. Sanchez dba Total Aviation

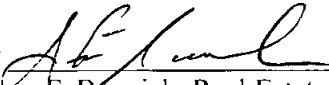
(SUBLESSEE) for a portion of LESSEE's leased premises, specifically Hangar No. 4 and on the following terms and conditions:

1. USE: The proposed use is solely and exclusively for the purposes of aircraft storage.
2. SUBORDINATION. The SUBLESSEE shall be subordinate to the LEASE in all respects, notwithstanding any provision of this consent or the LEASE contrary to or in conflict with the SUBLESSEE. The CITY is not bound by any term or condition in the Sublease Agreement. The CITY is merely approving the SUBLESSEE and the proposed use.
3. ASSIGNMENT AND SUBLETTING: LESSEE shall ensure SUBLESSEE does not assign the Sublease Agreement or sublet the premises or any part thereof without the prior written consent of the CITY; any such unapproved assignment or sublease may result in termination of the LEASE. Pursuant to City Charter Section 225, incorporated herein, the Mayor must review and approve every person or entity which will have any direct or indirect interest in the Sublease Agreement as a sublessee or assignee, which approval may not be unreasonably withheld.
4. HOLD HARMLESS. Pursuant to the LEASE, LESSEE and SUBLESSEE shall assume the defense of, indemnify and hold harmless the CITY, its elected officials, officers, representatives, agents and employees from all claims, expenses and liability of every nature, directly or indirectly arising from, or alleged to have arisen from operations conducted on the leased premises, the condition of the premises or from any act or omission of LESSEE, its agents or invitees and of SUBLESSEE, its agents or invitees; provided, however, LESSEE and SUBLESSEE'S duty to indemnify and hold harmless shall not include any claims or liability arising from the established sole negligence or sole willful misconduct of the CITY, its agents, officers, or employees
5. INSURANCE: LESSEE shall ensure that its SUBLESSEE be insured by an insurance carrier acceptable to the CITY, against loss from public liability arising from the use or condition of or operation conducted on the subleased premises. Minimum coverage shall be one million dollars (\$1,000,000) Combined Single Limit Liability. LESSEE shall require SUBLESSEE to file with CITY a copy of the policy of insurance which shall name "The City, its elected officials, officers, representatives, agents and employees" as an additional insured on a separate endorsement prior to SUBLESSEE'S occupancy of the premises. Said policy shall specify that the policy may not be terminated, altered or canceled without thirty (30) days prior written notice to CITY by the insurance company.

6. AUTHORITY: Each individual executing this Consent to Sublease on behalf of another person or legal entity represents and warrants that he/she is authorized to execute and deliver this Consent to Sublease on behalf of such person or entity in accordance with duly adopted resolutions or other authorizing actions necessary and proper and under such legal entity's articles, charter, bylaws, or other written rules of conduct or governing agreement, and that this Consent to Sublease is binding upon such person or entity in accordance with its terms.

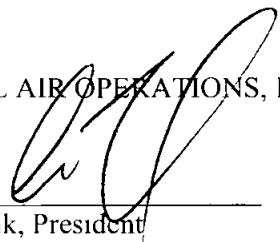
THE CITY OF SAN DIEGO

Dated 12/21/10

By 
James F. Barwick, Real Estate Assets Director

TACTICAL AIR OPERATIONS, INC.

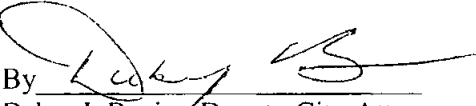
Dated 14 Dec 10

By 
Alan N. Fink, President

APPROVED AS TO FORM AND LEGALITY.

This 21st day of Dec, 2010

JAN I. GOLDSMITH, City Attorney

By 
Debra J. Bevier, Deputy City Attorney

Enrique J. Sanchez dba Total Aviation
SUBLEASE AGREEMENT

SERVICES

ES *ES*

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on 11 November, 2010, by and between TACTICAL AIR OPERATIONS, INC. hereinafter called "SUBLESSOR", and Enrique J. Sanchez dba Total Aviation, hereinafter called SUBLESSEE". It is agreed between the parties hereto as follows:

1. **Description of Premises:** SUBLESSOR leases to SUBLESSEE, on the terms and conditions hereinafter set forth those certain premises, hereinafter referred to as the "premises, as described in the Summary Section.
2. **Term:** The term of this Sublease shall be as set forth in the Summary Section until such time as SUBLESSOR's rights to the premises are terminated pursuant to this agreement.
3. **Rent:** SUBLESSEE shall pay to SUBLESSOR in advance, without deduction or offset, at a monthly rate and schedule as described in the Summary Section. This monthly amount does not include any taxes due any agency from the SUBLESSEE.
4. **Rent Adjustments:** SUBLESSOR may only increase rent when the rent on his Master lease is raised. The amount of the rent increase to the SUBLESSEE shall be the same percentage increase that the master lease is raised by the City of San Diego, and shall become effective the first day of the month following the increase. Example: If the master lease rent is raised 10% on February 5th, 2015, then the SUBLESSEE's rent will be raised by 10% effective March 1, 2015.
5. **Late Fees:** If the SUBLESSEE fails to pay the rent when due, SUBLESSEE will pay, in addition to the unpaid rents, \$25.00. If the rent is still unpaid at the end of fifteen (15) days, the SUBLESSEE shall pay an additional \$25.00, (being a total of \$50.00) which is hereby mutually agreed by both parties to be appropriate compensation for loss resulting from rental delinquency, including lost interest, opportunities, legal costs, and the cost of servicing the delinquent account.
6. **Use:** The premises are subleased to SUBLESSEE for the general purpose as described in the Summary Section. SUBLESSEE shall not use or permit the premises or any part thereof to be used for any purpose or purposes other than the purpose or purposes for which the premises are hereby subleased. If the SUBLESSEE uses the property for other than the specified purpose or purposes, the SUBLESSEE may be considered in breach.
7. **Delivery of Possession.** If for any reason the SUBLESSOR cannot deliver possession of the leased property to the SUBLESSEE when the lease term commences, this Lease shall not be void or voidable, nor shall the SUBLESSOR be liable to the SUBLESSEE for any loss or damage resulting therefrom. However, there shall be an abatement of rent for the period between the commencement of the lease term and the time when the SUBLESSOR delivers possession.
8. **Utilities.** Except as specified in the Summary Section, the SUBLESSEE shall be responsible for all utilities and services that are furnished to the Leased Premises. The application for and connecting of utilities, as well as all services, shall be made by and only in the name of the SUBLESSEE. However, if any services or utilities are jointly provided with other property, SUBLESSOR shall make a reasonable determination of SUBLESSEE's proportionate share of the cost of said services and utilities and SUBLESSEE agrees to pay said share to the SUBLESSOR, payable on a monthly basis included with the rent.
9. **Condition of Leased Premise** The SUBLESSEE acknowledges that the Leased Premises are in good order and repair. The SUBLESSEE agrees to take good care of and maintain the Leased Premises in good condition throughout the term of the Lease.
10. **Maintenance and Repair and Other Expenses** The SUBLESSEE, at his expense, shall make all necessary, repairs and replacements to the Leased Premises, including the repair and replacement of pipes, electrical wiring, heating and plumbing systems, fixture and all other systems and appliances and their appurtenances. The quality and class of all repairs and replacements shall be equal to the original worth. If SUBLESSEE defaults in making such repairs or replacements, SUBLESSOR may make them for SUBLESSEE's account, and such expenses will be considered additional rent.
11. **Condemnation.** If all or any part of the Leased Premises is taken by eminent domain, this lease shall expire on the date of such taking, and the rent shall be apportioned as of that date. No part of any award shall belong to SUBLESSEE.
12. **Subordination and Non-disturbance provisions.** This Sublease and Sublessee's leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Subleased Premises by Sublessor, and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances and on written request of the holder of any lien or encumbrance or the Sublessor, the Sublessee shall execute, acknowledge, and deliver any documents evidencing subordination that the lienholder or Sublessor may reasonably request. Provided, however, such subordination shall be effective upon the lienholder's agreement in writing that in the event of default by Sublessor under the security instrument evidencing such lien or encumbrance, the lienholder shall not terminate this Sublease and shall not disturb Sublessee's right to possession under the Sublease, provided Sublessee is not then in default under this Sublease and continues thereafter to fully perform all of his obligations under this Sublease.
13. **Alterations:** SUBLESSEE shall not make or suffer to be made any alterations to the premises or any part thereof without first obtaining the written consent of the SUBLESSOR.
14. **Entry by SUBLESSOR:** SUBLESSEE shall permit SUBLESSOR and its agents to enter the premises leased pursuant to this sublease at all reasonable times for the purpose of inspecting the same. Additionally, SUBLESSEE shall provide SUBLESSOR information on any and all aircraft stored on or in the leased premises within 10 days of such request, as required by the County Assessor or the City of San Diego.

15. **Non-liability of owner for Damage:** As between SUBLESSOR and SUBLESSEE, this sublease is made upon the express condition that SUBLESSOR is to be free from all liability and claim for damages by reason of any injury to any person or persons, or loss to property, of any kind whatsoever and to whomsoever belonging in or upon, or in any way connected with, the demised premises during the term of this sublease or any extension hereof. SUBLESSEE hereby covenants and agrees to indemnify and save harmless SUBLESSOR, its officers and employees and the City of San Diego from all liability, loss, cost and obligations on account of or arising out of any such injuries or losses, however occurring.

16. **Insurance:** SUBLESSEE shall be insured by an insurance carrier acceptable to the SUBLESSOR and the City of San Diego against loss from public liability arising from the use or condition of or operations conducted on the leased premises. Minimum coverage shall be \$ 1,000,000 Combined Single Limit Liability and Property Damage with an occurrence claims form. As per the Master lease, the City may increase the amount of insurance required. A copy of the policy of insurance shall be filed with the City of San Diego and shall name the SUBLESSOR and the City of San Diego as an additional insured. Said policy shall specify that the policy may not be terminated, altered or canceled without prior written notice to the SUBLESSOR and the City of San Diego by the Insurance Company.

17. **Compliance with Law and High Business Standards:** SUBLESSEE shall, at its sole cost and expense, comply with all of the requirements of all municipal, state and federal authorities now in force or which may hereafter be in force, pertaining to the demised premises and shall faithfully observe in the use of the premises all municipal ordinances and state and federal statutes now in force or which may hereinafter be in force. In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner which is detrimental to the businesses of the SUBLESSOR.

SUBLESSEE agrees to abide by all rules and regulations as established by Brown Field Airport Management and/or the SUBLESSOR. Failure to comply shall be deemed as a basis for breach by the SUBLESSEE.

18. **Assignment or Subletting:** SUBLESSEE shall not assign this sublease or any interest therein and shall not sublet the premises or any part thereof or any right or privilege pertinent thereto or suffer any other person, agents and servants of SUBLESSEE excepted, to occupy or use the premises or any portion thereof without first obtaining the written consent of the SUBLESSOR and the City of San Diego. A consent to one entity or person shall not infer consent to any other person or entity. This sublease shall not, nor shall any interest therein, be assignable as to the interest of SUBLESSEE by operation of law without the written consent of SUBLESSOR and the City of San Diego.

19. **Remedies of SUBLESSOR:** In the event of any breach of this sublease by SUBLESSEE, including the violation of any term or condition of the agreement, then SUBLESSOR, besides other rights or remedies it may have, shall have the immediate right of reentry and may remove all persons and property from the premises. SUBLESSOR shall have the sole and absolute right to determine whether or not SUBLESSEE has violated any of the terms and conditions of this lease or the Master Lease. Should SUBLESSOR elect to reenter, as herein provided, or should it take possession pursuant to legal proceedings or pursuant to any notices provided for by law, it may either terminate this sublease or it may relet the premises or any part thereof for such term or terms and at such rental or rentals and upon such terms and conditions as SUBLESSOR, in its sole discretion, may deem advisable with the right to make alterations and repairs to the premises. Upon each such reletting SUBLESSEE shall be immediately liable to pay to SUBLESSOR, in addition to any indebtedness other than rent due hereunder, the cost and expenses of such reletting and of such alterations and repairs incurred by SUBLESSOR and the amount, if any, by which the rent reserve in this sublease for the period of such reletting, up to but not beyond the term of this sublease, exceed the amount agreed to be paid as rent for the demised premises for such period on such reletting.

20. **Insolvency:** Either (a) the appointment of a receiver to take possession of all or substantially all of the assets of sublease or (b) a general assignment by SUBLESSEE for the benefit of creditors, or any action taken or suffered by SUBLESSEE under any insolvency or bankruptcy act shall constitute a breach of this sublease by the SUBLESSEE.

21. **Binding on Successors:** The covenants and conditions herein contained shall apply to and bind the successors and assigns of all parties hereto.

22. **Legal Proceedings:** Should it become necessary for the SUBLESSOR, or the City of San Diego to commence legal proceedings to collect rent, to recover possession or enforce any other provisions of this sublease, SUBLESSEE agrees to pay all legal costs in connection therewith, including a reasonable sum as attorney's fees.

23. Additional Provisions:

(i) **Relocation:** The SUBLESSEE shall, at its own expense, except as agreed to in the Summary Section, be required to relocate to another location provided by the SUBLESSOR at any time required by the SUBLESSOR.

(ii) **Security Agreement/UCC1:** SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing, listing their hangar(s), as collateral for the lease except as otherwise agreed to in the Summary Section. Even if a security agreement or UCC1 is not filed, the assets will be considered collateral for the lease unless otherwise agreed to in the summary section.

24. Miscellaneous Terms.

(i) **Notices:** Any notice, statement, demand or other communication by one party to the other, shall be given by personal delivery or by mailing the same, postage prepaid, addressed to the SUBLESSEE at the premises, or to the SUBLESSOR at the address set forth in the Summary Section.

(ii) **Severability** If any clause or provision herein shall be adjudged invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, it shall not affect the validity of any other clause or provision, which shall remain in full force and effect.

(iii) **Waiver.** The failure of either party to enforce any of the provisions of this lease shall not be considered a waiver of that provision or the right of the party to thereafter enforce the provision.

(iv) **Complete Agreement.** This Lease constitutes the entire understanding of the parties with respect to the subject matter hereof and may not be modified except by an instrument in writing and signed by the parties.

(v) **City Approval.** This Sublease shall only become effective when approved by the City of San Diego subject to any and all terms and conditions set for by the City. Should the City of San Diego not approve this Sublease within 60 days, it shall be deemed null and void.

SUMMARY SECTION

A. Description of Premises: A hangar of approximately 3,600 sf located on Brown Field, listed as hangar number Four (4) on the attached map.

B. Term: This lease shall commence on December 1, 2010 and continue till November 30, 2033.

C. Security Deposit: None.

D. Rent: \$1,080.00 per month payable in advance and must be received by the first of each month. Payments may be mailed to Tactical Air Operations, Inc., 860 Country Club Lane, Coronado, CA 92118. Sublessee understands and agrees that no bill will be sent.

E. Use: For aircraft storage and maintenance

F. Utilities: Paid by SUBLESSEE.

G. Security Agreement/UCC1: Not required.

H. Personal Guarantee: N/A

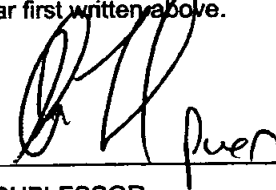
I. Relocation: N/A

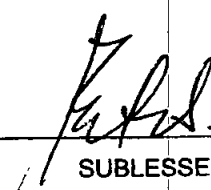
J. Notices:

To: SUBLESSOR: Tactical Air Operations, Inc.
860 Country Club Lane
Coronado, CA 92118

To: SUBLESSEE: Enrique J. Sanchez dba Total Aviation SERVICES
6929 Curran Street #4 ES hb
San Diego, CA 92154

IN WITNESS WHEREOF, the SUBLESSOR and the SUBLESSEE have executed this sublease as of the day and year first written above.

By 
SUBLESSOR

By 
SUBLESSEE

NATIONAL HANGAR OWNERS ASSOCIATION, INC, and the individual members thereof**Certificate of Coverage and Participation**

Cert ID 30-5325

Total Aviation Services		
Enrique Sanchez		
6929 Curran St, Hgr #4		
San Diego	CA	92154

The coverages described below are included as part of the following Master Policies covering the National Hangar Owners Association

Policy No MXI98473142 Property Coverages written by Fireman's Fund Ins. Co

Policy No AP00829110 Liability Coverages written by Old Republic Ins Co

Coverage is afforded on behalf of the National Hangar Owners Association and the above named individual insured as part of the above listed Master Policies Coverage is in place on the specified National Hangar Insurance Program for the policy period, coverages and limits as described below. Such insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies

Space # 4

Change Notes to Cert

Airport Name Brown Field

Master Policy coverage is effective from January 1, 2010 12:01 a.m. through January 1, 2011 12:01 a.m.**Your payment was received after January, 2010, therefore the effective date for your policy begins::** 11/29/2010**Basic Coverage:**

Airports Premises Liability Covers Owners, Landlords and Tenants	Limit \$1,000,000 each occurrence
Medical Expense (any one person)	Limit \$2,000

Optional Coverages:

HangarKeepers Legal Liability \$100,000/aircraft with \$200,000/occurrence with \$1,500 deductible/loss

Option taken N

Building (\$1,000 deductible)	Limit	\$0
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Personal Property All Risk Covers Personal Property in your hangar if signs of FORCIBLE ENTRY. Mysterious disappearance IS NOT COVERED	Limit	\$0
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Loss of Use or Rents Actual Loss of Rent or Use up to	Limit	\$0
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Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail *30 days written notice to the Certificate Holder(s) named above, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its Agents or Representatives *10 day notice of cancellation for non-payment of premium

AGENT:

Brown and Brown of Colorado, Inc
1660 S. Albion Street Suite 525
Denver, CO 80222
Phone 303-980-6265

AUTHORIZED REPRESENTATIVE:

Certificate Holders (Copies of this certificate have been provided to all listed holders, if any) Certificate Holder is Additional insured on insured operations per policy terms

City of San Diego, Its Elected Of

Reps, agents & employees

1424 Continental Street

San Diego CA 92154

Tactical Air Ops, Inc It's Officers, Rep Age

860 Country Club Lane

Coronado CA 92118

CONSENT TO SUBLEASE AGREEMENT

The City of San Diego (CITY), as LESSOR under that certain Lease Agreement (LEASE) entered into with

Tactical Air Operations, Inc.

(LESSEE), dated November 10, 1998, and filed in the Office of the City Clerk as Document No RR-290937, hereby consents to that certain Sublease Agreement dated November 11, 2010 between LESSEE and

Dennis Goodwin

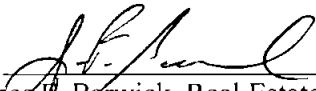
(SUBLESSEE) for a portion of LESSEE's leased premises, specifically Hangar No 1 and on the following terms and conditions:

1. USE: The proposed use is solely and exclusively for the purposes of aircraft storage.
2. SUBORDINATION: The SUBLESSEE shall be subordinate to the LEASE in all respects, notwithstanding any provision of this consent or the LEASE contrary to or in conflict with the SUBLESSEE. The CITY is not bound by any term or condition in the Sublease Agreement. The CITY is merely approving the SUBLESSEE and the proposed use.
3. ASSIGNMENT AND SUBLETTING: LESSEE shall ensure SUBLESSEE does not assign the Sublease Agreement or sublet the premises or any part thereof without the prior written consent of the CITY; any such unapproved assignment or sublease may result in termination of the LEASE. Pursuant to City Charter Section 225, incorporated herein, the Mayor must review and approve every person or entity which will have any direct or indirect interest in the Sublease Agreement as a sublessee or assignee, which approval may not be unreasonably withheld.
4. HOLD HARMLESS: Pursuant to the LEASE, LESSEE and SUBLESSEE shall assume the defense of, indemnify and hold harmless the CITY, its elected officials, officers, representatives, agents and employees from all claims, expenses and liability of every nature, directly or indirectly arising from, or alleged to have arisen from operations conducted on the leased premises, the condition of the premises or from any act or omission of LESSEE, its agents or invitees and of SUBLESSEE, its agents or invitees; provided, however, LESSEE and SUBLESSEE'S duty to indemnify and hold harmless shall not include any claims or liability arising from the established sole negligence or sole willful misconduct of the CITY, its agents, officers, or employees.
5. INSURANCE: LESSEE shall ensure that its SUBLESSEE be insured by an insurance carrier acceptable to the CITY, against loss from public liability arising from the use or condition of or operation conducted on the subleased premises. Minimum coverage shall be one million dollars (\$1,000,000) Combined Single Limit Liability. LESSEE shall require SUBLESSEE to file with CITY a copy of the policy of insurance which shall name "The City, its elected officials, officers, representatives, agents and employees" as an additional insured on a separate endorsement prior to SUBLESSEE'S occupancy of the premises. Said policy shall specify that the policy may not be terminated, altered or canceled without thirty (30) days prior written notice to CITY by the insurance company

6. AUTHORITY: Each individual executing this Consent to Sublease on behalf of another person or legal entity represents and warrants that he/she is authorized to execute and deliver this Consent to Sublease on behalf of such person or entity in accordance with duly adopted resolutions or other authorizing actions necessary and proper and under such legal entity's articles, charter, bylaws, or other written rules of conduct or governing agreement, and that this Consent to Sublease is binding upon such person or entity in accordance with its terms.

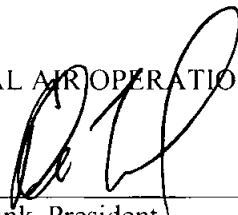
THE CITY OF SAN DIEGO

Dated 12/21/10

By 
James F. Barwick, Real Estate Assets Director

TACTICAL AIR OPERATIONS, INC.

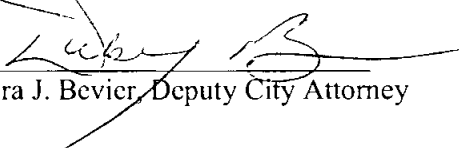
Dated 14 Dec 10

By 
Alan N. Fink, President

APPROVED AS TO FORM AND LEGALITY.

This 21st day of Dec, 2010

JAN-I. GOLDSMITH, City Attorney

By 
Debra J. Bevier, Deputy City Attorney

Dennis Goodwin
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on 11 November, 2010, by and between TACTICAL AIR OPERATIONS, INC., hereinafter called "SUBLESSOR", and Dennis Goodwin, hereinafter called "SUBLESSEE". It is agreed between the parties hereto as follows:

1. **Description of Premises:** SUBLESSOR leases to SUBLESSEE, on the terms and conditions hereinafter set forth those certain premises, hereinafter referred to as the "premises, as described in the Summary Section.
2. **Term:** The term of this Sublease shall be as set forth in the Summary Section until such time as SUBLESSOR's rights to the premises are terminated pursuant to this agreement.
3. **Rent:** SUBLESSEE shall pay to SUBLESSOR in advance, without deduction or offset, at a monthly rate and schedule as described in the Summary Section. This monthly amount does not include any taxes due any agency from the SUBLESSEE.
4. **Rent Adjustments:** SUBLESSOR may only increase rent when the rent on his Master lease is raised. The amount of the rent increase to the SUBLESSEE shall be the same percentage increase that the master lease is raised by the City of San Diego, and shall become effective the first day of the month following the increase. Example: If the master lease rent is raised 10% on February 5th, 2015, then the SUBLESSEE's rent will be raised by 10% effective March 1, 2015.
5. **Late Fees:** If the SUBLESSEE fails to pay the rent when due, SUBLESSEE will pay, in addition to the unpaid rents, \$25.00. If the rent is still unpaid at the end of fifteen (15) days, the SUBLESSEE shall pay an additional \$25.00, (being a total of \$50.00) which is hereby mutually agreed by both parties to be appropriate compensation for loss resulting from rental delinquency, including lost interest, opportunities, legal costs, and the cost of servicing the delinquent account.
6. **Use:** The premises are subleased to SUBLESSEE for the general purpose as described in the Summary Section. SUBLESSEE shall not use or permit the premises or any part thereof to be used for any purpose or purposes other than the purpose or purposes for which the premises are hereby subleased. If the SUBLESSEE uses the property for other than the specified purpose or purposes, the SUBLESSEE may be considered in breach.
7. **Delivery of Possession.** If for any reason the SUBLESSOR cannot deliver possession of the leased property to the SUBLESSEE when the lease term commences, this Lease shall not be void or voidable, nor shall the SUBLESSOR be liable to the SUBLESSEE for any loss or damage resulting therefrom. However, there shall be an abatement of rent for the period between the commencement of the lease term and the time when the SUBLESSOR delivers possession.
8. **Utilities.** Except as specified in the Summary Section, the SUBLESSEE shall be responsible for all utilities and services that are furnished to the Leased Premises. The application for and connecting of utilities, as well as all services, shall be made by and only in the name of the SUBLESSEE. However, if any services or utilities are jointly provided with other property, SUBLESSOR shall make a reasonable determination of SUBLESSEE's proportionate share of the cost of said services and utilities and SUBLESSEE agrees to pay said share to the SUBLESSOR, payable on a monthly basis included with the rent.
9. **Condition of Leased Premise** The SUBLESSEE acknowledges that the Leased Premises are in good order and repair. The SUBLESSEE agrees to take good care of and maintain the Leased Premises in good condition throughout the term of the Lease.
10. **Maintenance and Repair and Other Expenses** The SUBLESSEE, at his expense, shall make all necessary, repairs and replacements to the Leased Premises, including the repair and replacement of pipes, electrical wiring, heating and plumbing systems, fixture and all other systems and appliances and their appurtenances. The quality and class of all repairs and replacements shall be equal to the original worth. If SUBLESSEE defaults in making such repairs or replacements, SUBLESSOR may make them for SUBLESSEE's account, and such expenses will be considered additional rent.
11. **Condemnation.** If all or any part of the Leased Premises is taken by eminent domain, this lease shall expire on the date of such taking, and the rent shall be apportioned as of that date. No part of any award shall belong to SUBLESSEE.
12. **Subordination and Non-disturbance provisions.** This Sublease and Sublessee's leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Subleased Premises by Sublessor, and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances and on written request of the holder of any lien or encumbrance or the Sublessor, the Sublessee shall execute, acknowledge, and deliver any documents evidencing subordination that the lienholder or Sublessor may reasonably request. Provided, however, such subordination shall be effective upon the lienholder's agreement in writing that in the event of default by Sublessor under the security instrument evidencing such lien or encumbrance, the lienholder shall not terminate this Sublease and shall not disturb Sublessee's right to possession under the Sublease, provided Sublessee is not then in default under this Sublease and continues thereafter to fully perform all of his obligations under this Sublease.
13. **Alterations:** SUBLESSEE shall not make or suffer to be made any alterations to the premises or any part thereof without first obtaining the written consent of the SUBLESSOR.
14. **Entry by SUBLESSOR:** SUBLESSEE shall permit SUBLESSOR and its agents to enter the premises leased pursuant to this sublease at all reasonable times for the purpose of inspecting the same. Additionally, SUBLESSEE shall provide SUBLESSOR information on any and all aircraft stored on or in the leased premises within 10 days of such request, as required by the County Assessor or the City of San Diego.

15. **Non-liability of owner for Damage:** As between SUBLESSOR and SUBLESSEE, this sublease is made upon the express condition that SUBLESSOR is to be free from all liability and claim for damages by reason of any injury to any person or persons, or loss to property, of any kind whatsoever and to whomsoever belonging in or upon, or in any way connected with, the demised premises during the term of this sublease or any extension hereof. SUBLESSEE hereby covenants and agrees to indemnify and save harmless SUBLESSOR, its officers and employees and the City of San Diego from all liability, loss, cost and obligations on account of or arising out of any such injuries or losses, however occurring.
16. **Insurance:** SUBLESSEE shall be insured by an insurance carrier acceptable to the SUBLESSOR and the City of San Diego against loss from public liability arising from the use or condition of or operations conducted on the leased premises. Minimum coverage shall be \$ 1,000,000 Combined Single Limit Liability and Property Damage with an occurrence claims form. As per the Master lease, the City may increase the amount of insurance required. A copy of the policy of insurance shall be filed with the City of San Diego and shall name the SUBLESSOR and the City of San Diego as an additional insured. Said policy shall specify that the policy may not be terminated, altered or canceled without prior written notice to the SUBLESSOR and the City of San Diego by the Insurance Company.
17. **Compliance with Law and High Business Standards:** SUBLESSEE shall, at its sole cost and expense, comply with all of the requirements of all municipal, state and federal authorities now in force or which may hereafter be in force, pertaining to the demised premises and shall faithfully observe in the use of the premises all municipal ordinances and state and federal statutes now in force or which may hereinafter be in force. In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner which is detrimental to the businesses of the SUBLESSOR. SUBLESSEE agrees to abide by all rules and regulations as established by Brown Field Airport Management and/or the SUBLESSOR. Failure to comply shall be deemed as a basis for breach by the SUBLESSEE.
18. **Assignment or Subletting:** SUBLESSEE shall not assign this sublease or any interest therein and shall not sublet the premises or any part thereof or any right or privilege pertinent thereto or suffer any other person, agents and servants of SUBLESSEE excepted, to occupy or use the premises or any portion thereof without first obtaining the written consent of the SUBLESSOR and the City of San Diego. A consent to one entity or person shall not infer consent to any other person or entity. This sublease shall not, nor shall any interest therein, be assignable as to the interest of SUBLESSEE by operation of law without the written consent of SUBLESSOR and the City of San Diego.
19. **Remedies of SUBLESSOR:** In the event of any breach of this sublease by SUBLESSEE, including the violation of any term or condition of the agreement, then SUBLESSOR, besides other rights or remedies it may have, shall have the immediate right of reentry and may remove all persons and property from the premises. SUBLESSOR shall have the sole and absolute right to determine whether or not SUBLESSEE has violated any of the terms and conditions of this lease or the Master Lease. Should SUBLESSOR elect to reenter, as herein provided, or should it take possession pursuant to legal proceedings or pursuant to any notices provided for by law, it may either terminate this sublease or it may relet the premises or any part thereof for such term or terms and at such rental or rentals and upon such terms and conditions as SUBLESSOR, in its sole discretion, may deem advisable with the right to make alterations and repairs to the premises. Upon each such reletting SUBLESSEE shall be immediately liable to pay to SUBLESSOR, in addition to any indebtedness other than rent due hereunder, the cost and expenses of such reletting and of such alterations and repairs incurred by SUBLESSOR and the amount, if any, by which the rent reserve in this sublease for the period of such reletting, up to but not beyond the term of this sublease, exceed the amount agreed to be paid as rent for the demised premises for such period on such reletting.
20. **Insolvency:** Either (a) the appointment of a receiver to take possession of all or substantially all of the assets of sublease or (b) a general assignment by SUBLESSEE for the benefit of creditors, or any action taken or suffered by SUBLESSEE under any insolvency or bankruptcy act shall constitute a breach of this sublease by the SUBLESSEE.
21. **Binding on Successors:** The covenants and conditions herein contained shall apply to and bind the successors and assigns of all parties hereto.
22. **Legal Proceedings:** Should it become necessary for the SUBLESSOR, or the City of San Diego to commence legal proceedings to collect rent, to recover possession or enforce any other provisions of this sublease, SUBLESSEE agrees to pay all legal costs in connection therewith, including a reasonable sum as attorney's fees.
23. **Additional Provisions:**
- (i) **Relocation:** The SUBLESSEE shall, at its own expense, except as agreed to in the Summary Section, be required to relocate to another location provided by the SUBLESSOR at any time required by the SUBLESSOR.
- (ii) **Security Agreement/UCC1:** SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing, listing their hangar(s), as collateral for the lease except as otherwise agreed to in the Summary Section. Even if a security agreement or UCC1 is not filed, the assets will be considered collateral for the lease unless otherwise agreed to in the summary section.

24. Miscellaneous Terms.

(i) **Notices:** Any notice, statement, demand or other communication by one party to the other, shall be given by personal delivery or by mailing the same, postage prepaid, addressed to the SUBLESSEE at the premises, or to the SUBLESSOR at the address set forth in the Summary Section.

(ii) **Severability** If any clause or provision herein shall be adjudged invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, it shall not affect the validity of any other clause or provision, which shall remain in full force and effect.

(iii) **Waiver.** The failure of either party to enforce any of the provisions of this lease shall not be considered a waiver of that provision or the right of the party to thereafter enforce the provision.

(iv) **Complete Agreement.** This Lease constitutes the entire understanding of the parties with respect to the subject matter hereof and may not be modified except by an instrument in writing and signed by the parties.

(v) **City Approval.** This Sublease shall only become effective when approved by the City of San Diego subject to any and all terms and conditions set for by the City. Should the City of San Diego not approve this Sublease within 60 days, it shall be deemed null and void.

SUMMARY SECTION

A. Description of Premises: A hangar of approximately 3,000 sf located on Brown Field, listed as hangar number one (1) on the attached map.

B. Term: This lease shall commence on December 1, 2010 and continue till November 30, 2033.

C. Security Deposit: None.

D. Rent: \$900.00 per month payable in advance and must be received by the first of each month. Payments may be mailed to Tactical Air Operations, Inc., 860 Country Club Lane, Coronado, CA 92118. Sublessee understands and agrees that no bill will be sent.

E. Use: For aircraft storage

F. Utilities: Paid by SUBLESSEE.

G. Security Agreement/UCC1: Not required.

H. Personal Guarantee: N/A

I. Relocation: N/A

J. Notices:

To: SUBLESSOR: Tactical Air Operations, Inc.
860 Country Club Lane
Coronado, CA 92118

To: SUBLESSEE: Dennis Goodwin
4888 Cass Street
San Diego, CA 92109

IN WITNESS WHEREOF, the SUBLESSOR and the SUBLESSEE have executed this sublease as of the day and year first written above.

By

SUBLESSOR

By

SUBLESSEE

Signed in
Duplicate

NATIONAL HANGAR OWNERS ASSOCIATION, INC. and the individual members thereof

Certificate of Coverage and Participation

Cert ID: 30-5286

Dennis Goodwin
Carousel Cleaners
4888 Cass Street
San Diego CA 92109

The coverages described below are included as part of the following Master Policies covering the National Hangar Owners Association:

Policy No MX198473142 Property Coverages written by Fireman's Fund Ins. Co.

Policy No AP00829110 Liability Coverages written by Old Republic Ins. Co.

Coverage is afforded on behalf of the National Hangar Owners Association and the above named individual insured as part of the above listed Master Policies. Coverage is in place on the specified National Hangar Insurance Program for the policy period, coverages and limits as described below. Such insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies.

Space #: 1

Change Notes to Cert:

Airport Name: Brown Field

Master Policy coverage is effective from January 1, 2010 12:01 a.m. through January 1, 2011 12:01 a.m.
Your payment was received after January, 2010, therefore the effective date for your policy begins:: 4/29/2010

Basic Coverage:

Airports Premises Liability: Covers Owners, Landlords and Tenants

Limit \$1,000,000 each occurrence

Medical Expense (any one person)

Limit \$2,000

Optional Coverages:

Hangarkeepers Legal Liability \$100,000/aircraft with \$200,000/occurrence with \$1,500 deductible/loss

Option taken: N

Building (\$1,000 deductible)

Limit \$60,000

Personal Property All Risk: Covers Personal Property in your hangar if signs of FORCIBLE ENTRY.
Mysterious disappearance IS NOT COVERED:

Limit \$1,000

Loss of Use or Rents: Actual Loss of Rent or Use up to:

Limit \$0

Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail *30 days written notice to the Certificate Holder(s) named above, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its Agents or Representatives *10 day notice of cancellation for non-payment of premium.

AGENT:

Brown and Brown of Colorado, Inc.
1660 S. Alblon Street Suite 525
Denver, CO 80222
Phone: 303-880-6265

AUTHORIZED REPRESENTATIVE:

Karen Klein

Certificate Holders (Copies of this certificate have been provided to all listed holders, if any). Certificate Holder is Additional Insured on insured operations per policy terms:

City of San Diego Air Ops

Buzz Fink T.A.O.

Brown Field Division

860 Country Club Lane

1424 Continental

San Diego

CA 92154

Coronado

CA 92118

CONSENT TO SUBLEASE AGREEMENT

The City of San Diego ("CITY"), as LESSOR under that certain Flat Rate Aviation Lease ("MASTER LEASE") entered into with

AVIATION CONSULTING INTERNATIONAL CORPORATION
dba AVIATION INTERNATIONAL

("LESSEE") dated December 1, 1998, as amended, and filed with the Office of the City Clerk on November 10, 1998, as Document No. RR-290937, hereby consents to that certain Sublease Agreement between the above LESSEE ("SUBLESSOR") and

UNITED STATES OF AMERICA (GOVERNMENT) (Department of the Navy)
("SUBLESSEE")

dated January 1, 2006 ("SUBLEASE"), for Naval Special Warfare Group ONE. The SUBLEASE is for a portion of LESSEE's leased premises, specifically one hangar, temporary aircraft parking access to parking for fifteen (15) passenger vehicles and one (1) passenger bus, and access to restroom facilities.

1. USE. The proposed use is solely and exclusively for aviation related uses.
2. SUBORDINATION. The SUBLEASE shall be subordinate to the MASTER LEASE in all respects, notwithstanding any provision of this consent or the MASTER LEASE contrary to or in conflict with the SUBLEASE. The CITY is not bound by any term or condition in the SUBLEASE which in any way conflicts with or is additional to the provisions of the MASTER LEASE. The CITY is merely approving the SUBLESSEE and the proposed use only.
3. ASSIGNMENT AND SUBLEASING. LESSEE shall ensure SUBLESSEE does not assign the SUBLEASE or sublet the premises or any part thereof without the prior written consent of the CITY; any such unapproved assignment or sublease may result in termination of the MASTER LEASE. An assignment by operation of law shall automatically terminate the SUBLEASE.
4. WAIVER. In consenting to the SUBLEASE, CITY does not waive any of its rights and/or LESSEE's obligations under the MASTER LEASE. This includes, but is not limited to LESSEE's obligation to complete the Development Plan outlined in Section 11.4 of the MASTER LEASE. If LESSEE fails to complete the Development Plan in a timely manner acceptable to the CITY, CITY reserves the right to revoke its consent to the SUBLEASE.
5. HOLD HARMLESS. LESSEE shall continue in its obligation to hold the CITY harmless as provided in Section 5.1 of the MASTER LEASE. In addition, LESSEE agrees to defend, indemnify, protect and hold the CITY, its agents, officers, and employees harmless from and against any and all claims asserted or liability established for damages or injuries to any person or property, including injury to SUBLESSEE'S employees, invitees, guests, or officers, which arise out of or are in any manner directly or indirectly connected with the development or operation of the leasehold or the work to be performed under this agreement, and all expenses of

investigating and defending against same' provided, however, that LESSEE'S duty to indemnify and hold harmless shall not include any claims or liability arising from the established active negligence, sole negligence, or sole willful misconduct of the CITY, its agents, officers, or employees.

In addition, SUBLESSEE liability for damages to persons or property arising from all claims asserted or liability established for damages or injuries to any person or property, including injury to SUBLESSEE'S employees, invitees, guests, or officers, which arise out of or are in any manner directly or indirectly connected with the development or operation of the leasehold or the work to be performed under the SUBLEASE, shall be determined under the terms of the Federal Tort Claims Act (FTCA) 28 U.S.C. sections 2671-2680, 1346(b) or the Military Claims Act (MCA) 10 U.S.C. section 2733, as applicable.

6. INSURANCE. The SUBLESSEE is self-insured for any and all claims arising under the SUBLEASE. A letter of verification of self-insurance shall be provided to City prior to execution of this Consent to Sublease Agreement.

7. LEGAL PROCEEDINGS. Should it become necessary for the LESSEE or CITY to commence legal proceedings to collect rent, to recover possession or enforce any other provision of this consent, the SUBLESSEE's payment of any legal costs or attorneys fees will be determined under applicable federal law, which includes the Equal Access to Justice Act, 28 U.S.C. Section 2412.

LESSOR: CITY OF SAN DIEGO

Dated 2/23, 2006

By Richard Haas
Richard Haas, Deputy Chief of Public Works

LESSEE: AVIATION CONSULTING
INTERNATIONAL CORPORATION

Dated FEB. 22 -, 2006

By Juan J Escalante Jr
Name JUAN J ESCALANTE JR
Title PRESIDENT

SUBLESSEE: UNITED STATES OF AMERICA
(GOVERNMENT)

Dated 17 Feb, 2006

By [Signature]
Name M. J. Fitzgerald
Title Real Estate Contracting Officer

EXHIBIT (D ,

APPROVED AS TO FORM AND LEGALITY:

MICHAEL J. AGUIRRE, City Attorney

Dated MARCH 1, 2006

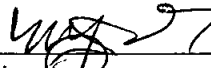
By 
Deputy City Attorney

EXHIBIT (D)

U.S. GOVERNMENT SUBLEASE FOR REAL PROPERTY**DATE OF SUBLEASE:** 1 JANUARY 2006 **NO. N6247306RP06P33**

THIS SUBLEASE, made and entered into this date by and between Mr. Juan N. Escalante III, Aviation Consulting International, Corporation dba Aviation International, hereinafter called the SUBLESSOR whose address is: 6929 Curran Street, San Diego, California 92154, in the County of San Diego, California and whose interest in the property hereinafter described is that of LESSEE of Hangar #5, 6929 Curran Street, San Diego, California 92154 under a Flat Rate Aviation Lease with the City of San Diego dated December 1, 1998, as amended, and filed with the Office of the City clerk on November 10, 1998, as Document No. RR-290937 (PRIMARY LEASE), and the UNITED STATES OF AMERICA, hereinafter called the GOVERNMENT, acting by and through the Department of the Navy:

WITNESSETH: The parties hereto for the consideration hereinafter mentioned, covenant and agree as follow .

1. **PREMISES:** The SUBLESSOR hereby subleases to the GOVERNMENT the following described Premises:

- Exclusive use of Hangar #5 (approximately 3,600 sq.ft.)
- Temporary parking for C-130 aircraft, helicopters, and other miscellaneous airborne operations aircraft on the airport ramp in proximity to Hangar #5. The authorized Government fueling contractor for Brown Field shall be permitted access to these aircraft and Premises for fueling
- Access to parking for fifteen (15) passenger vehicles, and one (1) 36-passenger bus (note: GOVERNMENT may not park motor vehicles, other than aircraft, on the airport ramp area)
- Access to restroom facilities

All located on Brown Field Airfield at, or in proximity to, 6929 Curran Street, San Diego, CA 92154, in the County of San Diego, State of California, as shown on map, Exhibit "A", attached hereto and by this reference made a part hereof.

2. **USE:** The Premises shall be used as follows: The temporary parking, loading, and fueling of C-130 aircraft, helicopters, and other miscellaneous airborne operations aircraft on the airport ramp in proximity to Hangar #5. The storage of government equipment. The preparation of personnel and equipment in support of Navy parachute operations at Brown Field, San Diego, California.

3. **TERM:** The initial term of this SUBLEASE shall commence on January 1, 2006 and terminate on September 30, 2006, subject to termination and extension rights as may be herein set forth. GOVERNMENT shall have four (4) options to extend this

SUBLEASE for an additional one-year period, subject to providing written notice to the SUBLESSOR, and the availability of appropriated funds. The GOVERNMENT may exercise each of these options by giving SUBLESSOR written notice not less than thirty (30) days prior to the termination of the then current term. All other terms and conditions of this SUBLEASE shall remain the same during any extension term, except option period rent as outlined below. Said notice shall be computed commencing with the day after the date of mailing.

4. UTILITIES: SUBLESSOR, at SUBLESSOR's sole cost and expense, shall provide all utilities to the Premises, including but not limited to one phone line, electricity, water, sewer, garbage, gas (if applicable).

5. TERMINATION: The GOVERNMENT may terminate this SUBLEASE at any time and for any reason, by giving SUBLESSOR thirty (30) days written notice and no rent shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

6. RENT: The GOVERNMENT shall pay to the SUBLESSOR rent in accordance with the following schedule:

- First month's rent (January 2006) shall be paid in the amount of \$2,510.00, in arrears.
- February 2006 and March 2006 shall be in the amount of \$1,700.00 per month, paid in arrears each month.
- April, May, and June 2006 rent shall be paid as a quarterly payment and in arrears, at the rate of \$1,700 per month
- July, August, and September 2006 rent shall be paid as a quarterly payment and in arrears, at the rate of \$1,700 per month
- All rents for the use of the leased premises shall be payable no later than the fifth working day of the month following the month the rent is due. SUBLESSOR shall be registered in the Central Contractor Registration and shall be paid through the Electronic Funds Transfer, as described in Exhibit "B", attached hereto and made a part hereof. Note: all references to "Lessor" in Exhibit" are hereby changed to "Sublessor". Rent for a lesser period shall be prorated on the basis of a 30 day month. Rent checks shall be made payable to: Aviation Consulting International, Corp. at 6929 Curran Street, San Diego, CA 92154.

7. RENT FOR OPTION PERIODS: Should the GOVERNMENT exercise its options to extend the term of this SUBLEASE, the rent for the option extension periods shall be:

- Option period one: \$1,785.00 per month
- Option period two: \$1,874.00 per month
- Option period three: \$1,968.00 per month
- Option period four: \$2,066.00 per month

Rent for all option periods shall be paid quarterly, in arrears.

8. SERVICES/EQUIPMENT TO BE PROVIDED BY SUBLESSOR: SUBLESSOR, at SUBLESSOR's sole cost and expense agrees to provide the following services and equipment to the GOVERNMENT:

- Hanger #5 space will be vacant and clean prior to SUBLEASE start date.
- A working phone line, including long distance service
- Upon 24-hour notice, C-130, or other aircraft, marshaling service and staging access to tarmac/ramp area in close proximity to Hangar #5. SUBLESSOR shall move other aircraft, as necessary, to accommodate GOVERNMENT aircraft
- Provide/install outside lighting to illuminate tarmac/ramp area
- Provide/install inside hangar lighting to adequately illuminate hangar
- Removal of all tools, material, vehicles, etc. from the hangar so that hangar is completely clean and clear
- Power wash and degrease entire hangar floor area and paint entire hangar floor area
- Bottled drinking water services, including water bottle holder/dispenser
- Access to and use of photo-copier and FAX machine.
- Access to restrooms
- One portable/chemical toilet with hand-washing sink. Toilet to be serviced at least once per week

9. NEGOTIATED LEASE: This SUBLEASE is entered into as a result of negotiations pursuant to the authority of 10 U.S.C. 2304(a) and any necessary determinations and findings, or other support statement of justification, prescribed by the applicable act have been made.

10. GRATUITIES CLAUSE:

The right of the SUBLESSOR to proceed with this SUBLEASE may be terminated by written notice if, after notice and hearing, the GOVERNMENT determines that the SUBLESSOR, its agent, or another representative:

(1) Offered or gave a gratuity (e.g., an entertainment or gift) to an officer, official, or employee of the GOVERNMENT; and

(2) Intended, by the gratuity, to obtain a contract/SUBLEASE or favorable treatment under a contract.

(b) The facts supporting this determination may be reviewed by a court having lawful jurisdiction.

(c) If this SUBLEASE is terminated under paragraph (a) above, the GOVERNMENT is entitled:

(1) To pursue the same remedies as in a breach of the contract/SUBLEASE; and

(2) In addition to any other damages provided by law, to exemplary damages of not less than 3 nor more than 10 times the cost incurred by the SUBLESSOR in giving gratuities to the person concerned, as determined by the GOVERNMENT. (This subparagraph (c)(2) is applicable only if this contract uses money appropriated to the Department of Defense).

(d) The rights and remedies of the GOVERNMENT provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract/SUBLEASE.

11. SUBLESSEE (GOVERNMENT) ACKNOWLEDGEMENT OF PRIMARY LEASE:

GOVERNMENT agrees to assume the rights and obligations of this SUBLEASE, and will keep and perform all covenants, conditions and provisions of the PRIMARY LEASE which are applicable to the rights acquired under the SUBLEASE. Notwithstanding this agreement, GOVERNMENT will not be required to pay additional rent to the City of San Diego, for any reason.

12. OTHER TERMS AND CONDITIONS:

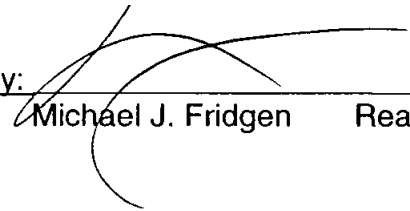
- GENERAL PROVISIONS, CERTIFICATION AND INSTRUCTIONS – Exhibit "C" attached hereto and by this reference made a part hereof. Note all references to LESSOR in this Exhibit are hereby changed to SUBLESSOR
- CONSENT TO SUBLEASE AGREEMENT – Exhibit "D" attached hereto and by this reference made a part hereof.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the dates below:

SUBLESSOR:

AVIATION CONSULTING INTERNATIONAL CORP.

By: Juan N. Escalante III President FEB - 22 - 2006
 (Official Title) Date

SUBLESSEE:**UNITED STATES OF AMERICA (GOVERNMENT):**By: 

Michael J. Fridgen

Real Estate Contracting Officer

17 FEB 2006

Date

USING ACTIVITY

Naval Special Warfare Group ONE
 3632 Guadalcanal Road
 San Diego, CA
 92151-5883

PAYING OFFICE

Director

DFAS-NORFOLK
 1837 Morris Street S. 1401
 Norfolk, VA 23511-3431

Accounting Data to be cited on resulting billings

A ACRN	B APPROPRI- ATION	C SUBHEAD	D. OBJ CLASS	E BU- CONTROL	F SA	G AAA	H TT	I PAA	J. COST CODE	K. AMOUNT
AB	9706060100	74D1	252	48254	0	068688	2D	C00002	482546SFQMSQ	\$16,693.40

16. Payment by Electronic Funds Transfer-Central Contractor Registration (May 1999)

(a) *Method of payment*

(1) All payments by the Government under this contract shall be made by electronic funds transfer (EFT), except as provided in paragraph (a)(2) of this clause. As used in this clause, the term "EFT" refers to the funds transfer and may also include the payment information transfer.

(2) In the event the Government is unable to release one or more payments by EFT, the Lessor agrees to either

(i) Accept payment by check or some other mutually agreeable method of payment; or

(ii) Request the Government to extend the payment due date until such time as the Government can make payment by EFT (but see paragraph (d) of this clause).

(b) *Lessor's EFT information.* The Government shall make payment to the Lessor using the EFT information contained in the Central Contractor Registration (CCR) database. In the event that the EFT information changes, the Lessor shall be responsible for providing the updated information to the CCR database.

(c) *Mechanisms for EFT payment.* The Government may make payment by EFT through either the Automated Clearing House (ACH) network, subject to the rules of the National Automated Clearing House Association, or the Fedwire Transfer System. The rules governing Federal payments through the ACH are contained in 31 CFR part 210.

(d) *Suspension of payment.* If the Lessor's EFT information in the CCR database is incorrect, then the Government need not make payment to the Lessor under this contract until correct EFT information is entered into the CCR database; and any invoice or contract financing request shall be deemed not to be a proper invoice for the purpose of prompt payment under this contract. The prompt payment terms of the contract regarding notice of an improper invoice and delays in accrual of interest penalties apply.

(e) *Lessor EFT arrangements.* If the Lessor has identified multiple payment receiving points (i.e., more than one remittance address and/or EFT information set) in the CCR database, and the Lessor has not notified the Government of the payment receiving point applicable to this contract, the Government shall make payment to the first payment receiving point (EFT information set or remittance address as applicable) listed in the CCR database.

(f) *Liability for uncompleted or erroneous transfers*

(1) If an uncompleted or erroneous transfer occurs because the Government used the Lessor's EFT information incorrectly, the Government remains responsible for

(i) Making a correct payment:

(ii) Paying any prompt payment penalty due, and

(iii) Recovering any erroneously directed funds.

(2) If an uncompleted or erroneous transfer occurs because the Lessor's EFT information was incorrect, or was revised within 30 days of Government release of the EFT payment transaction instruction to the Federal Reserve System. And--

(i) If the funds are no longer under the control of the payment office, the Government is deemed to have made payment and the Lessor is responsible for recovery of any erroneously directed funds; or

(ii) If the funds remain under the control of the payment office, the Government shall not make payment, and the provisions of paragraph (d) of this clause shall apply.

(g) *EFT and prompt payment.* A payment shall be deemed to have been made in a timely manner in accordance with the prompt payment terms of this contract if, in the EFT payment transaction instruction released to the Federal Reserve System, the date specified for settlement of the payment is on or before the prompt payment due date, provided the specified payment date is a valid date under the rules of the Federal Reserve System.

(h) *EFT and assignment of claims.* If the Lessor assigns the proceeds of this contract as provided for in the assignment of claims terms of this contract, the Lessor shall require as a condition of any such assignment, that the assignee shall register in the CCR database and shall be paid by EFT in accordance with the terms of this clause. In all respects, the requirements of this clause shall apply to the assignee as if it were the Lessor. EFT information that shows the ultimate recipient of the transfer to be other than the Lessor, in the absence of a proper assignment of claims acceptable to the Government, is incorrect EFT information within the meaning of paragraph (d) of this clause.

(i) *Liability for change of EFT information by financial agent.* The Government is not liable for errors resulting from changes to EFT information made by the Lessor's financial agent.

(j) *Payment information.* The payment or disbursing office shall forward to the Lessor available payment information that is suitable for transmission as of the date of release of the EFT instruction to the Federal Reserve System. The Government may request the Lessor to designate a desired format and method(s) for delivery of payment information from a list of formats and methods the payment office is capable of executing. However, the Government does not guarantee that any particular format or method of delivery is available at any particular payment office and retains the latitude to use the format and delivery method most convenient to the Government. If the Government makes payment by check in accordance with paragraph (a) of this clause, the Government shall mail the payment information to the remittance address contained in the CCR database.

17. Required Central Contractor Registration (Mar 1998)

(a) *Definitions.* As used in this clause

- (1) "Central Contractor Registration (CCR) database" means the primary DOD repository for contractor information required for the conduct of business with DOD.
- (2) "Data Universal Number System (DUNS) number" means the 9-digit number assigned by Dun and Bradstreet Information Services to identify unique business entities.
- (3) "Data Universal Numbering System +4 (DUNS+4) number" means the DUNS number assigned by Dun and Bradstreet plus a 4-digit suffix that may be assigned by a parent (controlling) business concern. This 4digit suffix may be assigned at the discretion of the parent business concern for such purposes as identifying subunits or affiliates of the parent business concern.
- (4) "Registered in the CCR database" means that all mandatory information, including the DUNS number or the DUNS+4 number, if applicable, and the corresponding Commercial and Government Entity (CAGE) code, is in the CCR database; the DUNS number and the CAGE code have been validated; and all edits have been successfully completed.

(b)

- (1) The lessor acknowledges the requirement of registration in the CCR database prior to award, during performance, and through final payment of any contract.
- (2) The lessor shall provide its DUNS or, if applicable, its DUNS+4 number, which will be used by the Contracting Officer to verify that the lessor is registered in the CCR database.
- (3) Lack of registration in the CCR database will make a lessor ineligible for award.
- (4) DOD has established a goal of registering an applicant in the CCR database within 48 hours after receipt of a complete and accurate application via the Internet. However, registration of an applicant submitting an application through a method other than the Internet may take up to 30 days. Therefore, lessors that are not registered should consider applying for registration

immediately.

(e) The Lessor is responsible for the accuracy and completeness of the data within the CCR, and for any liability resulting from the Government's reliance on inaccurate or incomplete data. To remain registered in the CCR database after the initial registration, the Lessor is required to confirm on an annual basis that its information in the CCR database is accurate and complete.

(d) Lessors may obtain information on registration and annual confirmation requirements by calling 1-888227-2423, or via the Internet at <http://ccr.edi.disa.mil>.

EXHIBIT (B)

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GENERAL PROVISIONS, CERTIFICATION AND INSTRUCTIONS
U.S. Government Lease for Real Property

GENERAL PROVISIONS

1 SUBLETTING THE PREMISES

The Government may sublet any part of the premises but shall not be relieved from any obligations under this lease by reason of any such subletting

2. MAINTENANCE OF PREMISES

The Lessor shall maintain the demised premises, including the building and any and all equipment, fixtures, and appurtenances, furnished by the Lessor under this lease in good repair and tenantable conditions, except in case of damage arising from the act or the negligence of the Government's agents or employees. For the purpose of so maintaining said premises and property, the Lessor may at reasonable times, and with the approval of the authorized Government representative in charge, enter and inspect the same and make any necessary repairs thereto.

3 DAMAGE BY FIRE OR OTHER CASUALTY

If the said premises be destroyed by fire or other casualty this lease shall immediately terminate. In case of partial destruction or damage, so as to render the premises untenantable, as determined by the Government, the Government may terminate the lease by giving written notice to the Lessor within fifteen (15) days thereafter, if so terminated no rent shall accrue to the Lessor after such partial destruction or damage; and if not so terminated the rent shall be reduced proportionately by supplemental agreement hereto effective from the date of such partial destruction or damage

4 ALTERATIONS

The Government shall have the right during the existence of this lease to make alterations, attach fixtures and erect additions, structures or signs in or upon the premises hereby leased, which fixtures, additions or structures so placed in, upon or attached to the said premises shall be and remain the property of the Government and may be removed or otherwise disposed of by the Government

5. CONDITION REPORT

A joint physical survey and inspection report of the demised premises shall be made as of the effective date of this lease, reflecting the ten present condition, and will be signed on behalf of both parties hereto.

6. COVENANT AGAINST CONTINGENT FEES

The Lessor warrants that no person or selling agency has been employed or retained to solicit or secure this lease upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Lessor for the purpose of securing business. For breach or violation of this warranty the Government shall have the right to annul this lease without liability or in its discretion to deduct from the rental price or consideration, or otherwise recover, the

full amount of such commission, percentage, brokerage, or contingent fee (Licensed real estate agents or brokers having listings on property for rent, in accordance with general business practice, and who have not obtained such licenses for the sole purpose of effecting this lease, may be considered as bona fide employees or agencies within the exception contained in this clause)

7 OFFICIALS NOT TO BENEFIT

No member of or Delegate of Congress, or Resident Commissioner shall be admitted to any share or part of this lease contract, or to any benefit that may arise therefrom; but this provision shall not be construed to extent to this lease contract if made with a corporation for its general benefit.

8 ASSIGNMENT OF CLAIMS

Pursuant to the provisions of the Assignment of Claims Act of 1940, as amended (31 U.S.C. 203, 41 U.S.C. 15), if this lease provides for payments aggregating \$1,000 or more, claims for monies due or to become due the Lessor from the Government under this contract may be assigned to a bank, trust company, or other financing institution, including any Federal lending agency, and may thereafter be further assigned or reassigned to any such institution. Any such assignment or reassignment shall cover all amounts payable under this contract and not already paid, and shall not be made to more than one party, except that any such assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in such financing. Notwithstanding any provisions of this contract, payments to an assignee of any monies due or to become due under this contract shall not, to the extent provided in said Act, as amended be subject to reduction or set-off

9. EQUAL OPPORTUNITY CLAUSE

(The following clause is applicable unless this contract is exempt under the rules, regulations, and relevant orders of the Secretary of Labor (41 CFR, Ch. 60))

(a) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Government setting forth the provisions of this nondiscrimination clause.

(b) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin

EXHIBIT (C)

1 of 5

(c) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding a notice to be provided by the government, advising the labor union or worker's representative of the Contractor's commitments under this Equal Opportunity clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment

(d) The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(e) The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, and by the rules, regulations, and orders of the Secretary of Labor or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigating to ascertain compliance with such rules, regulations, and orders

(f) In the event of the Contractor's noncompliance with the Equal Opportunity clause of this lease or with any of said rules, regulations, or orders, this lease may be canceled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965 as amended by Executive Order 11375 of October 13, 1967, and other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law

(g) The Contractor will include the provisions of paragraphs (a) through (g) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

10. FACILITIES NONDISCRIMINATION

(a) As used in the section, the term "facility" means stores, shops, restaurants, cafeterias, restrooms, and any other facility of a public nature in the building in which the space covered by this lease is located.

(b) The Lessor agrees that he will not discriminate by segregation or otherwise against any person or persons because of race, color, religion, sex, or national origin in furnishing, or by refusing to furnish, to such person or persons the use of any facility, including any and all services, privileges, accommodations, and activities provided thereby. Nothing herein shall require the furnishing to the general public of the use of any facility

customarily furnished by the Lessor solely to tenants, their employees, customers, patients, clients, guests and invitees

(c) It is agreed that the Lessor's noncompliance with the provisions of this section shall constitute a material breach of this lease. In the event of such noncompliance, the Government may take appropriate action to enforce compliance, may terminate this lease, or may pursue such other remedies as may be provided by law. In the event of termination, the Lessor shall be liable for all excess costs of the Government in acquiring substitute space, including but not limited to the cost of moving to such space. Substitute space shall be obtained in as close proximity to the lessor's building as is feasible and moving costs will be limited to the actual expenses thereof as incurred

(d) It is further agreed that from and after the date hereof the Lessor will, at such time as any agreement is to be entered into or a concession is to be permitted to operate, include or require the inclusion of the foregoing provisions of this section in every such agreement or concession pursuant to which any person other than the Lessor operates or has the right to operate any facility. Nothing herein contained, however, shall be deemed to require the Lessor to include or require the inclusion of the foregoing provisions of this section in any existing agreement or concession arrangement or one in which the contracting party other than the Lessor has the unilateral right to renew or extend the agreement or arrangement, until the expiration of the existing agreement or arrangement and the unilateral right to renew or extend. The Lessor also agrees that it will take any and all lawful actions as expeditiously as possible, with respect to any such agreement as the contracting agency may direct, as a means of enforcing the intent of this section, including, but not limited to, termination of the agreement or concession and institution of court action

11. EXAMINATION OF RECORDS

(Note - This provision is applicable if this lease was negotiated without advertising.)

(a) The Lessor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of 3 years after final payment under this lease, have access to and the right to examine any directly pertinent books, documents, papers, and records of the Lessor involving transactions related to this lease

(b) The Lessor further agrees to include in all his subcontracts hereunder a provision to the effect that the subcontractor agrees that the Comptroller General of the United States or his representatives shall, until the expiration of 3 years after final payment under this lease with the Government, have access to and the right to examine any directly pertinent books, documents, papers, and records of such subcontractor involving transactions related to the subcontract

12. APPLICABLE CODES AND ORDINANCES

The Lessor, as part of the rental consideration, agrees to comply with all codes and ordinances applicable to the ownership and operation of the building in which the leased space is situated and, at his own expense, to obtain all necessary permits and related items

13. INSPECTION

At all times after receipt of Bids, prior to or after acceptance of any Bid or during any construction, remodeling or renovation

work, the premises and the building or any parts thereof, upon reasonable and proper notice, shall be accessible for inspection by the Contracting Officer, or by architects, engineers, or other technicians, representing him, to determine whether the essential requirements of the solicitation or the lease requirements are met

14 ECONOMY ACT LIMITATION

If the rental specified in this lease exceeds \$2,000 per annum, the limitation of Section 322 of the Economy Act of 1932, as amended (40 U.S.C. 278a), shall apply

15 FAILURE IN PERFORMANCE

In the event of failure by the Lessor to provide any service, utility, maintenance or repairs required under this lease, the Government shall have the right to secure said services, utilities, maintenance or repairs and to deduct the cost thereof from rental payments.

16 LESSOR'S SUCCESSORS

The terms and provisions of this Lease and the conditions herein shall bind the Lessor, and the Lessor's heirs, executors, administrators, successors, and assigns

CERTIFICATION

1 CERTIFICATION OF NONSEGREGATED FACILITIES

(Applicable to (1) contracts, (2) subcontracts, and (3) agreements with applicants who are themselves performing federally assisted construction contracts, exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity clause)

By the submission of this bid, the bidder, offeror, applicant, or subcontractor certifies that he does not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location, under his control where segregated facilities are maintained. He certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he will not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. The bidder, offeror, applicant, or subcontractor agrees that a breach of this certification is a violation of the Equal Opportunity clause in this contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by

explicit directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise. He further agrees that (except where he has obtained identical certifications from proposed subcontractors for specific time periods) he will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity clause, that he will retain such certifications in his files, and that he will forward the following notice to such proposed subcontractors (except where the proposed subcontractors have submitted identical certifications for specific time periods),

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENTS FOR CERTIFICATION OF NONSEGREGATED FACILITIES

A certification of nonsegregated Facilities must be submitted prior to the award of a subcontract exceeding \$10,000 which is not exempt from the provisions of the Equal Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually)

NOTE The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

INSTRUCTIONS

1 Whenever the Lease is executed by an attorney, agent, or trustee on behalf of the Lessor, two authenticated copies of this power of attorney, or other evidence to act on behalf of the Lessor, shall accompany the lease

2 When the Lessor is a partnership, the names of the partners composing the firm shall be stated in the body of the lease. The lease shall be signed with the partnership name, followed by the name of the partner signing the same

3 Where the Lessor is a corporation, the lease shall be signed with the corporate name, followed by the signature and title of the officer or other person signing the lease on its behalf, duly attested, and, if requested by the Government evidence of this authority so to act shall be furnished.

4 When deletions or other alterations are made specific notation thereof shall be entered under clause 8 of the lease before signing.

5 If the property leased is located in a State requiring the recording of the leases, the Lessor shall comply with all such statutory requirements at Lessor's expense

ENCLOSURE (C)

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GENERAL PROVISIONS, CERTIFICATION AND INSTRUCTIONS (continued)

17. DISPUTES.

17.1 This sublease is subject to the Contract Disputes Act of 1978, as amended (41 U.S.C. 601-613) (the Act).

17.2 Except as provided in the Act, all disputes arising under or relating to this sublease shall be resolved under this clause.

17.3 "Claim", as used in this clause, means a written demand or written assertion by the SUBLESSOR or the GOVERNMENT seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of sublease terms, or other relief arising under or relating to this sublease. A claim arising under this sublease, unlike a claim relating to this sublease, is a claim that can be resolved under a sublease clause that provides for the relief sought by the claimant. However, a written demand or written assertion by the SUBLESSOR seeking the payment of money exceeding \$100,000 is not a claim under the Act until certified as required by subparagraph 17.4(2) below. A voucher, invoice, or other routine request for payment that is not in dispute when submitted is not a claim under the Act. The submission may be converted to a claim under the Act, by complying with the submission and certification requirements of this clause, if it is disputed either as to liability or amount or is not acted upon in a reasonable time.

17.4(1) A claim by the SUBLESSOR shall be made in writing and submitted to the Commanding Officer, Naval Facilities Engineering Command Southwest, for a written decision. A claim by the GOVERNMENT against the SUBLESSOR shall be subject to a written decision by the Commanding Officer, Naval Facilities Engineering Command Southwest.

17.4(2)(a) The SUBLESSOR shall provide the certification specified in subparagraph 17.4(2)(c) of this clause when submitting any claim--

- (A) Exceeding \$100,000; or
- (B) Regardless of the amount claimed, when using--

- (1) Arbitration conducted pursuant to 5 U.S.C. 575-580; or
- (2) Any other alternative means of dispute resolution (ADR) technique that the agency elects to handle in accordance with the Administrative Dispute Resolution Act (ADRA).

17.4(2)(b) The certification requirement does not apply to issues in controversy that have not been submitted as all or part of a claim.

17.4(2)(c) The certification shall state as follows: "I certify that the claim is made in good faith; that the supporting data are accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the contract adjustment for which the SUBLESSOR believes the GOVERNMENT is liable; and that I am duly authorized to certify the claim on behalf of the SUBLESSOR."

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17.4(3) The certification may be executed by any person duly authorized to bind the SUBLESSOR with respect to the claim.

17.5 For SUBLESSOR claims of \$100,000 or less, the Commanding Officer, Naval Facilities Engineering Command Southwest must, if requested in writing by the SUBLESSOR, render a decision within 60 days of the request. For SUBLESSOR-certified claims over \$100,000, the Commanding Officer, Naval Facilities Engineering Command Southwest must, within 60 days, decide the claim or notify the SUBLESSOR of the date by which the decision will be made.

17.6 The Commanding Officer, Naval Facilities Engineering Command, Southwest decision shall be final unless the SUBLESSOR appeals or files a suit as provided in the Act.

17.7 At the time a claim by the SUBLESSOR is submitted to the Commanding Officer, Naval Facilities Engineering Command Southwest or a claim by the GOVERNMENT is presented to the SUBLESSOR, the parties, by mutual consent, may agree to use ADR. When using arbitration conducted pursuant to 5 U.S.C. 575-580, or when using any other ADR technique that the agency elects to handle in accordance with the ADRA, any claim, regardless of amount, shall be accompanied by the certification described in paragraph 1.4(2)(c) of this clause, and executed in accordance with paragraph 1.4(3) of this clause.

17.8 The GOVERNMENT shall pay interest on the amount found due and unpaid by the GOVERNMENT from (1) the date the Commanding Officer, Naval Facilities Engineering Command Southwest receives the claim (properly certified if required), or (2) the date payment otherwise would be due, if that date is later, until the date of payment. With regard to claims having defective certifications, as defined in FAR 33.201, interest shall be paid from the date that the Commanding Officer, Naval Facilities Engineering Command Southwest initially receives the claim. Simple interest on claims shall be paid at the rate, fixed by the Secretary of the Treasury, as provided in the Act, which is applicable to the period during which the Commanding Officer, Naval Facilities Engineering Command Southwest receives the claim and then at the rate applicable for each 6-month period as fixed by the Treasury Secretary during the pendency of the claim.

17.9 The SUBLESSOR shall proceed diligently with the performance of the sublease, pending final resolution of any request for relief, claim, appeal, or action arising under the sublease, and comply with any decision of the Commanding Officer, Naval Facilities Engineering Command Southwest.

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