Doc 10000 4466

San Diego JET CENTER By Lancair

City Of San Diego
Airports Division
Robert Zolezzi
3750 John J. Montgomery Drive
San Diego, Ca. 92123

RE: Sublease Approval

June 29, 2009, 2009

Following is a copy of lease and a copy of consent to sublease for Emersys Inc, a new tenant at 1590 Continental Street #120, San Diego CA 92154. I have also included their check in the amount of $200.00 for their consent to sublease and a copy of their insurance.
If you have any questions, please call.

Thank you,

Jeanne Ricotta

1424 Continental Street, San Diego, CA 92154
Phone 619-671-9222 * Fax 619-671-9665

Emersys Inc.
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on June 1 , 2009, between Lancair Corp hereinafter called "SUBLESSOR", Gustavo Guevara and Emersys Inc. , 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. First and Last months rent and a security deposit one-half month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises.
4. **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.
5. **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 under Section 17.
6. **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.
7. **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.
8. **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.
9. **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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably
determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay its share, as reasonably determined by the SUBLESSOR,
and payable on a monthly basis included with the rent.
10. **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.
11. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
12. **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.
13. **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.
14. **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.
15. **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. 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.
16. **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 statues 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 that 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 breech by the SUBLESSEE.

17. **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.
18. **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.

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

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

21. **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 attorneys fees.

22. **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.

SUMMARY SECTION

A. Description of Premises: 1590 Continental St. Suite #120, San Diego, CA 92154

B. Term: Month to Month

C. Security Deposit: One-months rent plus last months rent and security deposit, all $415.00 each.

D. Rent: $415.00 per month plus utilities and cleaning. Must be received in the office by the 5th of the month. Payments may be mailed to Lancair Corp at 1424 Continental St., San Diego, CA 92154

E. Use: General Office

F. Utilities and Cleaning: Paid by SUBLESSEE.

G. Security Agreement: SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing, listing their office equipment 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.

H. Personal Guarantee: A personal guarantee is required under this lease

I. Alterations: Tenant must get approval for the addition of window covering, security bars, signs, etc. Any signs must be approved.

J. Notices:

To: SUBLESSOR: Lancair Corp
1424 Continental Street
San Diego, CA 92154

To: SUBLESSEE Emersys Inc. (619) 661-7299 x310
9874 Via De La Amistad Ste A
San Diego, Ca. 92154

To: GUARANTOR Gustavo Guevara
Same As Above

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

By _____ for Lancair Corp.
SUBLESSOR

By _____
SUBLESSEE

By _____
GUARANTOR

CONSENT TO SUBLEASE AGREEMENT

The City of San Diego ("CITY"), as LESSOR under that certain Third Amended and Restated Flat Rate Lease Agreement ("MASTER LEASE") entered into with

BROWN FIELD AVIATION VENTURES
(sublet to LANCAIR CORP.)

("LESSEE") dated June 1, 2009, hereby consents to that certain Sublease Agreement between the above LESSEE ("SUBLESSOR") and

Emersys Inc. and Gustavo Guevara
("SUBLESSEE")

dated June 1, 2009 ("SUBLEASE"). The SUBLEASE is for 1590 Continental Street #120 San Diego, California 92154.

1. USE. The proposed use is solely and exclusively for aviation.

2. ADMISTRATIVE FEE. LESSEE acknowledges that it is responsible for paying to CITY a Two Hundred Dollar ($200.00) Administrative Fee for approval of aviation related subleases and shall forthwith remit payment to the CITY.

3. 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. SUBLESSEE acknowledges receiving a copy of the MASTER LEASE from SUBLESSOR and understanding the terms and conditions contained therein, including, without limitation, Section 4.2 thereof. 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. CITY is merely approving the SUBLESSEE and the proposed use only.

4. HOLD HARMLESS. SUBLESSEE shall assume the defense of, indemnify and hold harmless CITY from all claims, expenses and liability of every nature, directly or indirectly arising from, or alleged to have arisen from the operations conducted on the leased premises, the condition of the premises or from any act or omission of SUBLESSEE, its agents and invitees; provided, however, SUBLESSEE'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 CITY, its elected officials, representatives, agents, officers or employees.

5. INSURANCE. SUBLESSEE shall be insured by an insurance carrier acceptable to CITY against loss from public liability arising from the use or condition of or operation conducted on the leased premises. Minimum coverage shall be One Million Dollars ($1,000,000) Combined Single Limit Liability. A copy of the policy of insurance shall be filed with

CITY. On a separate endorsement, the policy shall name "The City of San Diego, its elected officials, officers, representatives, agents, and employees" as additional insured. The 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. LEGAL PROCEEDINGS:. Should it become necessary for LESSEE or CITY to commence legal proceedings to collect rent, to recover possession or enforce any other provision of this consent, the prevailing party shall be entitled to an award of reasonable legal costs, including court and attorneys' fees.

LESSOR: CITY OF SAN DIEGO

Dated _____, 2009

By _____
, San Diego Airports

LESSEE: LANCAIR CORP.

Dated 6-1, 2009

By _____
Name Jeanne Ricotta
Title Office Mgr.

SUBLESSEE: Gustavo Guevara
And
Emersys Inc.

Dated 6-19, 2009

By _____
Name Gustavo Guevara
Title Owner

APPROVED AS TO FORM AND LEGALITY:

Dated _____, 2008

By _____
Deputy City Attorney

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 05/29/2009

PRODUCER 619.522.6600 FAX 619.437.0129
Crown Island Insurance
1001 B Street Suite 103
P.O. Box 189001
Coronado, CA 92178-9001

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED EMERSYS, INC., DBA: QUALISYS
9874 VIA DE LA AMISTAD
SUITE A
SAN DIEGO, CA 92154

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Hartford Casualty Insurance Co	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS	
A		GENERAL LIABILITY [X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [X] POLICY [ ] PRO-JECT [ ] LOC	72SBAUU7727	02/23/2009	02/23/2010	EACH OCCURRENCE	$ 2,000,000
						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 300,000
						MED EXP (Any one person)	$ 10,000
						PERSONAL & ADV INJURY	$ 2,000,000
						GENERAL AGGREGATE	$ 4,000,000
						PRODUCTS - COMP/OP AGG	$ 4,000,000
		AUTOMOBILE LIABILITY [ ] ANY AUTO [ ] ALL OWNED AUTOS [ ] SCHEDULED AUTOS [ ] HIRED AUTOS [ ] NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident)	$
						BODILY INJURY (Per person)	$
						BODILY INJURY (Per accident)	$
						PROPERTY DAMAGE (Per accident)	$
		GARAGE LIABILITY [ ] ANY AUTO				AUTO ONLY - EA ACCIDENT	$
						OTHER THAN AUTO ONLY: EA ACC	$
						AGG	$
		EXCESS / UMBRELLA LIABILITY [ ] OCCUR [ ] CLAIMS MADE [ ] DEDUCTIBLE [ ] RETENTION $				EACH OCCURRENCE	$
						AGGREGATE	$
							$
							$
							$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N [ ] (Mandatory in NH) If yes, describe under SPECIAL PROVISIONS below				WC STATU-TORY LIMITS [ ] OTH-ER	
						E.L. EACH ACCIDENT	$
						E.L. DISEASE - EA EMPLOYEE	$
						E.L. DISEASE - POLICY LIMIT	$
		OTHER					

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

CERTIFICATE HOLDERS ARE NAMED AS ADDITIONAL INSUREDS/LESSORS AS RESPECTS SPACE OCCUPIED AT 590 CONTINENTAL STREET, SUITE #120, SAN DIEGO, CA 92154

10 DAYS NOTICE OF CANCELLATION WILL APPLY TO NON-PAYMENT OF THE PREMIUM

CERTIFICATE HOLDER

LANCAIR, its officers, representatives agents and employees & the City of San Diego its elected officials, officers,reprentatives agents and employees
1424 CONTINENTAL STREET
SAN DIEGO, CA 92154

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30* DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

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Version 1.8

Revenue and Deposit Upload Template

ORGANIZATION And DEPOSIT INFORMATION

	Name		Phone
PREPARED BY	Dora Carrasco		x31428
REVIEWED BY			
DEPOSITED BY			
DEPOSIT DATE	8/6/2009		
DEPOSIT DESCRIPTION	Sublease Deposit		
LOCATION NUMBER	00014	Brown Field Airport	
INTERNAL REFERENCE			

Instructions

The macro button is used to automatically create an Upload File. These files are automatically saved in the directory identified by the user. Specify now the location where the new files are to be saved.
Sample format: C:\Daily Deposits\
The Summary View worksheet provides a compilation of all the deposit and distribution information entered.

A hard copy of the Summary View worksheet may be printed at any time for review or reference or can be saved by clicking on the "SUMMARY FILE" button on that worksheet.

When all the data is correct, click on the "GENERATE UPLOAD FILE" button. A new Upload File will be automatically generated, uniquely named, and saved in the specified directory above.

DEPOSIT DETAIL

	Payment Type	Assignment	Amount	Deposit Slip #
1	Treasury Deposit - Cash & Checks	0000000014	$200.00	
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				

Shortcut Keys
Organization And Deposit Info (Ctrl + o) Deposit Detail (Ctrl + d)
Revenue Distribution (Ctrl + r) Generate Upload File (Ctrl + g)
Browse... (Ctrl + b)

DEPOSIT And REVENUE SUMMARY

Deposit Total	$200.00
Revenue Distribution Total	$200.00

Upload File Is Saved To:

REVENUE DISTRIBUTION

	Description	GL Account	Cost Center	Internal Order	WBS Element	Fund	Grant	Functional Area	Amount
1	Sublease agreement Emersys Inc. & Lancair	422069	2111000011			700033		ADAP-00000000-CL	$200.00
2									
3									
4									
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24									
25									
26									
27									
28									
	Overage								
	Shortage								

Doc.Type : Z2 (Cash Applications) Parked document							
Doc. Number	100004466	Company code	CSD1	Fiscal year	2010
Doc. date	08/06/2009	Posting date	08/05/2009	Period	02
Calculate Tax	☐				
Doc.currency	USD				
Doc. Hdr Text	Sublease Deposit				

Itm	PK	Account	Account short text	Assignment	Tx	Amount
1	40	110984	Treas Lobby Clearing	0000000014		200.00
2	50	422069	READ-Processing Fees			200.00-

QUALISYS
(619) 661-7299
9874 VIA DE LA AMISTAD, STE. A
SAN DIEGO, CA 92154

11878
16-66/1220

Date 6/1/09

Pay to the Order of THE CITY OF SAN DIEGO $ 200.00

(TWO HUNDRED AND 00/100) Dollars

BANK OF AMERICA
201 E. SAN YSIDRO BLVD
SAN YSIDRO, CA 92173

For

⑈011878⑈ ⑆122000661⑆ 21848-01157⑈

Doc. 100004558
Complete 8-6-09

San Diego
JET CENTER
By Lancair

City Of San Diego
Airports Division
Robert Zolezzi
3750 John J. Montgomery Drive
San Diego, Ca. 92123

RE: Sublease Approval

May 13, 2009

Following is a copy of lease and a copy of consent to sublease for Mendeola Signature Motors Inc., a new tenant at 1590 Continental Street #106, San Diego CA 92154. I have also included their check in the amount of $200.00 for their consent to sublease.
If you have any questions, please call.

Thank you,

Jeanne Ricotta

Suite 106

Doc 100004558
Complete 8-6-09

1424 Continental Street, San Diego, CA 92154
Phone 619-671-9222 * Fax 619-671-9665

Mendeola Signature Motors Inc
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on May 13, 2009, between Lancair Corp hereinafter called "SUBLESSOR", and Mendeola Signature Motors Inc. , 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. First and Last months rent and a security deposit one-half month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises.
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5. **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 under Section 17.
6. **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.
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8. **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.
9. **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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably
determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay its share, as reasonably determined by the SUBLESSOR,
and payable on a monthly basis included with the rent.
10. **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.
11. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
12. **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.
13. **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.
14. **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.
15. **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. 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.
16. **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 statues 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 that 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 breech by the SUBLESSEE.

17. **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.
18. **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 hereund[redacted]e cost and expenses of such reletting and of such [redacted]ations and repairs incurred by SUBLESSOR and the amount, if any, by which the rent reserve[redacted]his sublease for the period of such reletting, up to bu[redacted]ot 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.

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

SUBLESSEE for the benefit of creditors, or (c)any action taken or suffered by SUBLESSEE under any insolvency or bankruptcy act shall constitute a breach of this sublease by the SUBLESSEE.

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

21. **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 attorneys fees.

22. **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.

SUMMARY SECTION

A. Description of Premises: 1590 Continental St. Suite #106, San Diego, CA 92154

B. Term: Month to Month

C. Security Deposit: One-months rent plus last months rent and security deposit, all $350.00 each.

D. Rent: $350.00 per month plus utilities and cleaning. Must be received in the office by the 5th of the month. Payments may be mailed to Lancair Corp at 1424 Continental St., San Diego, CA 92154

E. Use: General Office

F. Utilities and Cleaning: Paid by SUBLESSEE.

G. Security Agreement: SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing, listing their office equipment 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.

H. Personal Guarantee: A personal guarantee is required under this lease

I. Alterations: Tenant must get approval for the addition of window covering, security bars, signs, etc. Any signs must be approved.

J. Notices:

To: SUBLESSOR: Lancair Corp
1424 Continental Street
San Diego, CA 92154

To: SUBLESSEE Mendeola Signature Motors Inc. (619) 710-4946 & (619) 710-8800
7005 Camino Maquiladora
San Diego, Ca. 92154

To: GUARANTOR Michael James Mendeola
Same As Above

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

By _____ for Lancair Corp.
SUBLESSOR

By _____
SUBLESSEE

By _____
GUARANTOR

CONSENT TO SUBLEASE AGREEMENT

The City of San Diego ("CITY"), as LESSOR under that certain Third Amended and Restated Flat Rate Lease Agreement ("MASTER LEASE") entered into with

BROWN FIELD AVIATION VENTURES
(sublet to LANCAIR CORP.)

("LESSEE") dated May 13, 2009, hereby consents to that certain Sublease Agreement between the above LESSEE ("SUBLESSOR") and

Mendeola Signature Motors Inc.
("SUBLESSEE")

dated May 13, 2009 ("SUBLEASE"). The SUBLEASE is for 1590 Continental Street #106 San Diego, California 92154.

1. USE. The proposed use is solely and exclusively for aviation.

2. ADMISTRATIVE FEE. LESSEE acknowledges that it is responsible for paying to CITY a Two Hundred Dollar ($200.00) Administrative Fee for approval of aviation related subleases and shall forthwith remit payment to the CITY.

3. 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. SUBLESSEE acknowledges receiving a copy of the MASTER LEASE from SUBLESSOR and understanding the terms and conditions contained therein, including, without limitation, Section 4.2 thereof. 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. CITY is merely approving the SUBLESSEE and the proposed use only.

4. HOLD HARMLESS. SUBLESSEE shall assume the defense of, indemnify and hold harmless CITY from all claims, expenses and liability of every nature, directly or indirectly arising from, or alleged to have arisen from the operations conducted on the leased premises, the condition of the premises or from any act or omission of SUBLESSEE, its agents and invitees; provided, however, SUBLESSEE'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 CITY, its elected officials, representatives, agents, officers or employees.

5. INSURANCE. SUBLESSEE shall be insured by an insurance carrier acceptable to CITY against loss from public liability arising from the use or condition of or operation conducted on the leased premises. Minimum coverage shall be One Million Dollars ($1,000,000) Combined Single Limit Liability. A copy of the policy of insurance shall be filed with

CITY. On a separate endorsement, the policy shall name "The City of San Diego, its elected officials, officers, representatives, agents, and employees" as additional insured. The 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. LEGAL PROCEEDINGS:. Should it become necessary for LESSEE or CITY to commence legal proceedings to collect rent, to recover possession or enforce any other provision of this consent, the prevailing party shall be entitled to an award of reasonable legal costs, including court and attorneys' fees.

LESSOR: CITY OF SAN DIEGO

Dated _____, 2009

By _____
Michael C. Tussey, Airports Deputy Director

LESSEE: LANCAIR CORP.

Dated 5-13, 2009

By _____
Name Jeanne Ricotta
Title Office Mgr.

AND: Mendeola Signatur Motors Inc.

Dated 5-14-09, 2009

By _____
Name MARILYN C. MENDEOLA
Title SEC TREAS.

APPROVED AS TO FORM AND LEGALITY:

MICHAEL J. AGUIRRE, City Attorney

Dated _____, 2009

By _____
Deputy City Attorney

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 5/28/2009

DUCER
esert Coastal Insurance
1810 Del Webb
alm Desert, CA 92211
502009291

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE	NAIC#
INSURER A: Northfield Ins Co	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

RED Mendeola Signature Motors Inc
1695 Cactus Road
San Diego, Ca 92154
619-731-8000

Office Bldg.

VERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS	
X	GENERAL LIABILITY [X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [ ] POLICY [ ] PRO-JECT [X] LOC	WS037725	5/26/2009	5/26/2010	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1000000 $ 100000 $ 5000 $ Excluded $ 2000000 $ Excluded
	AUTOMOBILE LIABILITY [ ] ANY AUTO [ ] ALL OWNED AUTOS [ ] SCHEDULED AUTOS [ ] HIRED AUTOS [ ] NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ $ $ $
	GARAGE LIABILITY [ ] ANY AUTO				AUTO ONLY - EA ACCIDENT OTHER THAN AUTO ONLY: EA ACC AGG	$ $ $
	EXCESS / UMBRELLA LIABILITY [ ] OCCUR [ ] CLAIMS MADE [ ] DEDUCTIBLE [ ] RETENTION $				EACH OCCURRENCE AGGREGATE	$ $
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N [ ] If yes, describe under SPECIAL PROVISIONS below				WC STATU-TORY LIMITS [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ $ $
	OTHER					

CRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

::1590 CONTINENTAL STREET #106, SAN DIEGO, CA 92154 LANCAIR, ITS OFFICERS, REPRESENTATIVES, ENTS, AND EMPLOYEES AND THE CITY OF SAN DIEGO, ITS ELECTED OFFICIALS, OFFICERS, REPRESENTATIVES, ENTS, AND EMPLOYEES ARE NAMED AS ADDITIONAL INSURED WITH RESPECTS TO GENERAL LIABILITY.
) DAY NOC FOR NON PAYMENT OF PREMIUM

RTIFICATE HOLDER

LANCAIR
1424 CONTINENTAL STREET
SAN DIEGO, CA 92154

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Curt Simpson

ORD 25 (2009/01)

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Doc 100006748
8-18-09

San Diego JET CENTER By Lancair

City Of San Diego
Airports Division
Robert Zolezzi
3750 John J. Montgomery Drive
San Diego, Ca. 92123

RE: Sublease Approval

August 1, 2009

Following is a copy of lease, a copy of consent to sublease and insurance for Torino Auto Sales, a new tenant at 1590 Continental Street #220, San Diego CA 92154. I have also included a check in the amount of $200.00 for their consent to sublease.
If you have any questions, please call.

Thank you,

Jeanne Ricotta

1424 Continental Street, San Diego, CA 92154
Phone 619-671-9222 * Fax 619-671-9665

Chamonix Corp
DBA Torino Auto Sales
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on June 6 , 2009, between Lancair Corp hereinafter called "SUBLESSOR", Chamonix Corp. DBA Torino Auto Sales, 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. First and Last months rent and a security deposit one-half month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises.
4. **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.
5. **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 under Section 17.
6. **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.
7. **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.
8. **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.
9. **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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably
determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay its share, as reasonably determined by the SUBLESSOR,
and payable on a monthly basis included with the rent.
10. **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.
11. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
12. **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.
13. **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.
14. **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.
15. **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. 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.
16. **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 statues 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 that 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 breech by the SUBLESSEE.

17. **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.
18. **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 [redacted]law, it may either terminate this sublease or it may [redacted] the premises or any part thereof for such term or terms and at such rental or rentals and [redacted]or, [redacted]h terms and conditions as SUBLESSOR, in [redacted]le [redacted]cretion, 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.

19. **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 (c)any action taken or suffered by SUBLESSEE under any insolvency or bankruptcy act shall constitute a breach of this sublease by the SUBLESSEE.

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

21. **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 attorneys fees.

22. **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.

SUMMARY SECTION

A. Description of Premises: 1590 Continental St. Suite #220, San Diego, CA 92154

B. Term: Month to Month

C. Security Deposit: One-months rent plus last months rent and security deposit, all $440.00 each.

D. Rent: $440.00 per month plus utilities and cleaning. Must be received in the office by the 5th of the month. Payments may be mailed to Lancair Corp at 1424 Continental St., San Diego, CA 92154

E. Use: General Office

F. Utilities and Cleaning: Paid by SUBLESSEE.

G. Security Agreement: SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing, listing their office equipment 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.

H. Personal Guarantee: A personal guarantee is required under this lease

I. Alterations: Tenant must get approval for the addition of window covering, security bars, signs, etc. Any signs must be approved.

J. Notices:

To: SUBLESSOR: Lancair Corp DBA San Diego Jet Center
1424 Continental Street
San Diego, CA 92154

To: SUBLESSEE Chamonix Corp. DBA Torino Auto Sales (619) 941-7007
307 Orange Avenue Apt 86
Chula Vista, Ca. 91911

To: GUARANTOR Jesus Alejandro Chavez Alvarez
Same As Above

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

By _____ SUBLESSOR Lancair Corp.

By _____ SUBLESSEE

By _____ GUARANTOR

CONSENT TO SUBLEASE AGREEMENT

The City of San Diego ("CITY"), as LESSOR under that certain Third Amended and Restated Flat Rate Lease Agreement ("MASTER LEASE") entered into with

BROWN FIELD AVIATION VENTURES
(sublet to LANCAIR CORP.)

("LESSEE") dated June 6, 2009, hereby consents to that certain Sublease Agreement between the above LESSEE ("SUBLESSOR") and

Chamonix Corp DBA Torino Auto Sales
("SUBLESSEE")

dated June 6, 2009 ("SUBLEASE"). The SUBLEASE is for 1590 Continental Street #220 San Diego, California 92154.

1. USE. The proposed use is solely and exclusively for aviation.

2. ADMISTRATIVE FEE. LESSEE acknowledges that it is responsible for paying to CITY a Two Hundred Dollar ($200.00) Administrative Fee for approval of aviation related subleases and shall forthwith remit payment to the CITY.

3. 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. SUBLESSEE acknowledges receiving a copy of the MASTER LEASE from SUBLESSOR and understanding the terms and conditions contained therein, including, without limitation, Section 4.2 thereof. 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. CITY is merely approving the SUBLESSEE and the proposed use only.

4. HOLD HARMLESS. SUBLESSEE shall assume the defense of, indemnify and hold harmless CITY from all claims, expenses and liability of every nature, directly or indirectly arising from, or alleged to have arisen from the operations conducted on the leased premises, the condition of the premises or from any act or omission of SUBLESSEE, its agents and invitees; provided, however, SUBLESSEE'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 CITY, its elected officials, representatives, agents, officers or employees.

5. INSURANCE. SUBLESSEE shall be insured by an insurance carrier acceptable to CITY against loss from public liability arising from the use or condition of or operation conducted on the leased premises. Minimum coverage shall be One Million Dollars ($1,000,000) Combined Single Limit Liability. A copy of the policy of insurance shall be filed with

CITY. On a separate endorsement, the policy shall name "The City of San Diego, its elected officials, officers, representatives, agents, and employees" as additional insured. The 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. LEGAL PROCEEDINGS:. Should it become necessary for LESSEE or CITY to commence legal proceedings to collect rent, to recover possession or enforce any other provision of this consent, the prevailing party shall be entitled to an award of reasonable legal costs, including court and attorneys' fees.

LESSOR: CITY OF SAN DIEGO

Dated _____, 2009

By _____
Michael C. Tussey, Airports Deputy Director

LESSEE: LANCAIR CORP.

Dated June 6, 2009

By _____
Name Jeanne Ricotta
Title Office Manager

SUBLESSEE: Chamonix Corp.
DBA Torino Auto Sales

Dated June 5, 2009

By _____
Name J. ALEJANDRO CHAVEZ
Title PRESIDENT

APPROVED AS TO FORM AND LEGALITY:

_____, City Attorney

Dated _____, 2009

By _____
City of San Diego

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 7/28/2009

PRODUCER	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
(619)683-9990 FAX: (619)683-9999 Michael Ehrenfeld Company 2655 Camino Del Rio North #200 San Diego CA 92108	INSURERS AFFORDING COVERAGE	NAIC #
INSURED Chamonix Corp, DBA: Torino Auto Sales DBA: Torino Auto Wrecking 941 Orange Avenue #111 Coronado CA 92118	INSURER A: CENTURY SURETY COMPANY	
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS	
		GENERAL LIABILITY				EACH OCCURRENCE	$
		☐ COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence)	$
	X	☐ CLAIMS MADE ☐ OCCUR				MED EXP (Any one person)	$
						PERSONAL & ADV INJURY	$
		GEN'L AGGREGATE LIMIT APPLIES PER:				GENERAL AGGREGATE	$
		☐ POLICY ☐ PRO-JECT ☐ LOC				PRODUCTS - COMP/OP AGG	$
		AUTOMOBILE LIABILITY					
		☐ ANY AUTO				COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
A		X ALL OWNED AUTOS					
		☐ SCHEDULED AUTOS				BODILY INJURY (Per person)	$
		☐ HIRED AUTOS					
		X NON-OWNED AUTOS	CA109000333	7/24/2009	7/24/2010	BODILY INJURY (Per accident)	$
						PROPERTY DAMAGE (Per accident)	$
		GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	$
A		☐ ANY AUTO	CA109000333	7/24/2009	7/24/2010	OTHER THAN AUTO ONLY: EA ACC	$ 1,000,000
		X Premises Liability				AGG	$ 2,000,000
		EXCESS / UMBRELLA LIABILITY				EACH OCCURRENCE	$
		☐ OCCUR ☐ CLAIMS MADE				AGGREGATE	$
							$
		☐ DEDUCTIBLE					$
		☐ RETENTION $					$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N				☐ WC STATU-TORY LIMITS ☐ OTH-ER	
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☐ (Mandatory in NH)				E.L. EACH ACCIDENT	$
		If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE	$
						E.L. DISEASE - POLICY LIMIT	$
		OTHER					

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

THE CERTIFICATE HOLDER IS NAMED AS ADDITIONAL INSURED/LANDLORD AS RESPECTS 1590 CONTINENTAL STREET, SUITE 220, SAN DIEGO CA 92154

CERTIFICATE HOLDER

LANCAIR CORPORATION;
THE CITY OF SAN DIEGO
1424 CONTINENTAL STREET
SAN DIEGO, CA 92054

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

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7023

LANCAIR CORP.
1424 CONTINENTAL STREET
SAN DIEGO, CA 92154
(619) 671-9222

WELLS FARGO BANK, N.A.
CALIFORNIA
16-24-1220

8/1/2009

PAY TO THE ORDER OF City of San Diego

$ **200.00

Two Hundred and 00/100********** DOLLARS

Security features. Details on back.

881064 / 04-08

City of San Diego

MEMO New Tenant 1590 Continental #220

AUTHORIZED SIGNATURE

⑈007023⑈ ⑆122000247⑆ 20121078 27⑈

LANCAIR CORP.

7023

City of San Diego 6230 · Licenses and Permits	8/1/2009	200.00

Wells Fargo Bank	New Tenant 1590 Continental #220	200.00

Doc.Type : Z2 (Cash Applications) Parked document

Doc. Number	100006748	Company code	CSD1	Fiscal year	2010
Doc. date	08/18/2009	Posting date	08/18/2009	Period	02
Calculate Tax	☐				
Doc.currency	USD				
Doc. Hdr Text	Sublease Agreement				

Itm	PK	Account	Account short text	Assignment	Tx	Amount
1	40	110984	Treas Lobby Clearing	0000000014		200.00
2	50	422069	READ-Processing Fees			200.00-

Version 1.8

Revenue and Deposit Upload Template

ORGANIZATION And DEPOSIT INFORMATION

	Name	Phone
PREPARED BY	Dora Carrasco	x31428
REVIEWED BY		
DEPOSITED BY		
DEPOSIT DATE	8/18/2009	
DEPOSIT DESCRIPTION	Sublease Agreement	
LOCATION NUMBER	00014	Brown Field Airport
INTERNAL REFERENCE		

DEPOSIT DETAIL

	Payment Type	Assignment	Amount	Deposit Slip #
1	Treasury Deposit - Cash & Checks	0000000014	$200.00	
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				

Instructions

The macro button is used to automatically create an Upload File. These files are automatically saved in the directory identified by the user. Specify now the location where the new files are to be saved.
Sample format: C:\Daily Deposits\
The Summary View worksheet provides a compilation of all the deposit and distribution information entered.

A hard copy of the Summary View worksheet may be printed at any time for review or reference or can be saved by clicking on the "SUMMARY FILE" button on that worksheet.

When all the data is correct, click on the "GENERATE UPLOAD FILE" button. A new Upload File will be automatically generated, uniquely named, and saved in the specified directory above.

Shortcut Keys

Organization And Deposit Info (Ctrl + o) Deposit Detail (Ctrl + d)
Revenue Distribution (Ctrl + r) Generate Upload File (Ctrl + g)
Browse... (Ctrl + b)

DEPOSIT And REVENUE SUMMARY

Deposit Total	$200.00
Revenue Distribution Total	$200.00

Upload File Is Saved To:

REVENUE DISTRIBUTION

	Description	GL Account	Cost Center	Internal Order	WBS Element	Fund	Grant	Functional Area	Amount
1	Lancair w/Torino Auto Sales	422069	2111000011			700033			$200.00
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
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18									
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21									
22									
23									
24									
25									
26									
27									
28									
	Overage								
	Shortage								

LANCAIR CORP. 7023

City of San Diego		8/1/2009	
6230 · Licenses and Permits			200.00
Wells Fargo Bank	New Tenant 1590 Continental #220		200.00

****
CITY OF SAN DIEGO
Treasurer's Office
1200 Third Avenue
San Diego, CA 92101
****
Reg# #/Rcpt#: 002-00083357 [JACOSTA]
Accounting Date: Wed, Aug 19, 2009
Date/Time: Tue, Aug 18, 2009 10:42 AM
****
14\BROWN FIELD AIRPORT
110984
REF #: 100006748

FEE AMOUNT: $200.00

RECEIPT TOTAL = $200.00
****
Payment Data:
Pmt# :1
Payer: INTERNAL DEPOSITOR
Method: CK
Ref#: 100006748
AMOUNT = $200.00
****
RECEIPT SUMMARY
****
TOTAL TENDERED = $200.00
RECEIPT TOTAL = $200.00

CHANGE DUE = $0.00
****
Thank you!
****

Livingston Flight Instruction
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on February 15, 2006 between Lancair Corp hereinafter called "SUBLESSOR", and Livingston Flight Instruction.., hreinafter 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. First and Last months rent and a security deposit one-half month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises.
4. **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.
5. **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 under Section 17.
6. **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.
7. **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.
8. **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.
9. **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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay its share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the rent.
10. **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.
11. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
12. **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.
13. **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.
14. **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.
15. **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. 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.
16. **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 statues 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 that 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 breech by the SUBLESSEE.

17. **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.
18. **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.

19. **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 (c)any action taken or suffered by SUBLESSEE under any insolvency or bankruptcy act shall constitute a breach of this sublease by the SUBLESSEE.

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

21. **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 attorneys fees.

22. **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.

SUMMARY SECTION

A. Description of Premises: 6851 Curran St. Suite A, San Diego, CA 92154

B. Term: Month to Month

C. Security Deposit: One months rent, with option for one year lease.

D. Rent: $1000.00 per month plus utilities and cleaning. Must be received in the office by the 5th of the month. Payments may be mailed to Lancair Corp or delivered to Lancair Corp, 1424 Continental St., San Diego, CA 92154

E. Use: Aviation – Flight School

F. Utilities and Cleaning: Paid by SUBLESSEE.

G. Security Agreement: SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing, listing their office equipment 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.

H. Personal Guarantee: A personal guarantee is required under this lease

I. Alterations: Tenant must get approval for the addition of window covering, security bars, signs, etc.

J. Notices:

To: SUBLESSOR: Lancair Corp
1424 Continental Street
San Diego, CA 92154

To: SUBLESSEE: Livingston Flight Instruction...
6851 Curran Street Suite A
San Diego, CA 92154

To: GUARANTOR: Brett Livingston
816 Vista San Matias
San Diego, CA 92154 619-917-7974

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

By _____
GUARANTOR

San Diego JET CENTER By Lancair

City Of San Diego
Airports Division
Robert Zolezzi
3750 John J. Montgomery Drive
San Diego, Ca. 92123

RE: Sublease Approval

December 19, 2008

Following is a copy of lease, copy of consent to sublease and a check for the city for a new tenant at 6851 Curran Street, San Diego CA 92154. The named tenant is GLF Aeromedical Inc., Alberto Carson and will be occupying this office.
If you have any questions, please call.

Thank you,

Jeanne Ricotta

1424 Continental Street, San Diego, CA 92154
Phone 619-671-9222 * Fax 619-671-9665

GLF AEROMEDICAL INC.
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on Dec 3, 2008 between Lancair Corp hereinafter called "SUBLESSOR", and GLF Aeromedical Inc., 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. First and Last months rent and a security deposit one-half month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises.
4. **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.
5. **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 under Section 17.
6. **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.
7. **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.
8. **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.
9. **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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay its share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the rent.
10. **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.
11. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
12. **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.
13. **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.
14. **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.
15. **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. 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.
16. **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 statues 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 that 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 breech by the SUBLESSEE.

17. **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.
18. **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 [redacted] sublease for the period of such reletting, up to bu[redacted] beyond the term of this sublease, exceed the amount agreed to be paid as rent for the demise[redacted]emises for such period on such reletting.

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

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

21. **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 attorneys fees.

22. **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.

SUMMARY SECTION

A. Description of Premises: Office Building located at 6851 Curran St. San Diego, CA 92154. Top Floor only of the 2 story building.
B. Term: Month to Month
C. Security Deposit: Customer to pay first, last and 1 month security deposit.
D. Rent: $1,000 per month
E. Use: General Office
F. Utilities and Cleaning: Paid by SUBLESSEE. Tenant to pay portion of common electric meter.
G. Security Agreement: SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing, listing their office equipment 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.
H. Personal Guarantee: A personal guarantee is required under this lease
I. Alterations: There are to be no alterations unless tenant has written permission from Landlord.
J. Notices:

To: SUBLESSOR: Lancair Corp
1424 Continental Street
San Diego, CA 92154

To: SUBLESSEE: GLF Aeromedical Inc.
6851 Curran Street
San Diego, CA 92154

To: GUARANTOR: Alberto Carson 619-938-5621
42927 Cala Rosso 619-638-1923
Temecula, Ca. 92592

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

By _____ GUARANTOR

CONSENT TO SUBLEASE AGREEMENT

The City of San Diego ("CITY"), as LESSOR under that certain Third Amended and Restated Flat Rate Lease Agreement ("MASTER LEASE") entered into with

BROWN FIELD AVIATION VENTURES
(sublet to LANCAIR CORP.)

("LESSEE") dated Dec. 3, 2008, hereby consents to that certain Sublease Agreement between the above LESSEE ("SUBLESSOR") and

GLF Aeromedical Inc.
("SUBLESSEE")

dated Dec. 3, 2008 ("SUBLEASE"). The SUBLEASE is for 6851 Curran Street San Diego, California 92154.

1. USE. The proposed use is solely and exclusively for aviation.

2. ADMISTRATIVE FEE. LESSEE acknowledges that it is responsible for paying to CITY a Six Hundred Dollar ($600.00) Administrative Fee for approval of aviation related subleases and shall forthwith remit payment to the CITY.

3. 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. SUBLESSEE acknowledges receiving a copy of the MASTER LEASE from SUBLESSOR and understanding the terms and conditions contained therein, including, without limitation, Section 4.2 thereof. 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. CITY is merely approving the SUBLESSEE and the proposed use only.

4. HOLD HARMLESS. SUBLESSEE shall assume the defense of, indemnify and hold harmless CITY from all claims, expenses and liability of every nature, directly or indirectly arising from, or alleged to have arisen from the operations conducted on the leased premises, the condition of the premises or from any act or omission of SUBLESSEE, its agents and invitees; provided, however, SUBLESSEE'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 CITY, its elected officials, representatives, agents, officers or employees.

5. INSURANCE. SUBLESSEE shall be insured by an insurance carrier acceptable to CITY against loss from public liability arising from the use or condition of or operation conducted on the leased premises. Minimum coverage shall be One Million Dollars ($1,000,000) Combined Single Limit Liability. A copy of the policy of insurance shall be filed with

CITY. On a separate endorsement, the policy shall name "The City of San Diego, its elected officials, officers, representatives, agents, and employees" as additional insured. The 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. LEGAL PROCEEDINGS:. Should it become necessary for LESSEE or CITY to commence legal proceedings to collect rent, to recover possession or enforce any other provision of this consent, the prevailing party shall be entitled to an award of reasonable legal costs, including court and attorneys' fees.

LESSOR: CITY OF SAN DIEGO

Dated _____, 2008

By _____
Michael C. Tussey, Airports Deputy Director

LESSEE: LANCAIR CORP.

Dated Dec 3, 2008

By Tom Ricotta
Name Tom Ricotta
Title President

SUBLESSEE: GLF Aeromedical Inc.

Dated DEC 11, 2008

By _____
Name ALBERTO CORSOU
Title DIRECTOR OF OPERATIONS

APPROVED AS TO FORM AND LEGALITY:

MICHAEL J. AGUIRRE, City Attorney

Dated _____, 2007

By _____
Deputy City Attorney

City Of San Diego
Airports Division
Christian Anderson
3750 John J. Montgomery Drive
San Diego, Ca. 92123

RE: Sublease Approval

Dec 2, 2008

Following is a copy of lease, copy of Consent to Sublease and a check for the city for a new tenant at 1590 Continental Street #110, San Diego CA 92154. The named tenant is Ray Wolf Quality Inspections and again will be occupying office suite #110.
If you have any questions, please call.

Thank you,

Jeanne Ricotta

1424 Continental Street, San Diego, CA 92154
Phone 619-671-9222 * Fax 619-671-9665

San Diego JET CENTER
By Lancair

City Of San Diego
Airports Division
Christian Anderson
3750 John J. Montgomery Drive
San Diego, Ca. 92123

RE: Sublease Approval

Dec 2, 2008

Following is a copy of lease, copy of Consent to Sublease and a check for the city for a new tenant at 1590 Continental Street #110, San Diego CA 92154. The named tenant is Ray Wolf Quality Inspections and again will be occupying office suite #110.
If you have any questions, please call.

Thank you,

Jeanne Ricotta

1424 Continental Street, San Diego, CA 92154
Phone 619-671-9222 * Fax 619-671-9665

RAY WOLF QUALITY INSPECTIONS
32158 CAMINO CAPISTRANO
STE 209
SAN JUAN CAPO, CA 92675

188

16-66/1220
2462

Date 12-2-08

Pay to the Order of City of San Diego $ 200.00/100

Two Hundred 00/100 Dollars

Security features are included Details on back

Bank of America
West Hemet
2498 W Florida Ave
Hemet CA
951.929.4131

VALUED Customer Since 2008

For Lease

Raymond A. Wolf

MP

⑆122000661⑆0188 246 20 6728

©Clarke American

San Diego JET CENTER
By Lancair

City of San Diego
Airports Division
Christian Anderson
3750 John J Montgomery Drive
San Diego, Ca. 92123

Re: Sublease Approval

May 29, 2007

Following is a copy of lease, copy of insurance and a check payable to the City of San Diego for a new tenant at Brown Field. The named tenant is Ricksan Corp/Ricardo Sandoval and will be occupying an office suite at 1590 Continental Street, San Diego 92154.
If you have any questions, please call.

Thank you,

Jeanne Ricotta

1424 Continental Street, San Diego, CA 92154
Phone 619-671-9222 * Fax 619-671-9665

RICKSAN CORP
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on May 24,, 2007, between Lancair Corp hereinafter called "SUBLESSOR", and RICKSAN CORP; Ricardo Sandoval, 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. First and Last months rent and a security deposit one-half month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises.
4. **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.
5. **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 under Section 17.
6. **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.
7. **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.
8. **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.
9. **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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably
determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay its share, as reasonably determined by the SUBLESSOR,
and payable on a monthly basis included with the rent.
10. **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.
11. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
12. **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.
13. **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.
14. **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.
15. **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. 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.
16. **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 statues 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 that 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 breech by the SUBLESSEE.

17. **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.
18. **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 on 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.

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

SUBLESSEE for the benefit of creditors, or (c)any action taken or suffered by SUBLESSEE under any insolvency or bankruptcy act shall constitute a breach of this sublease by the SUBLESSEE.

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

21. **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 attorneys fees.

22. **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.

SUMMARY SECTION

A. Description of Premises: 1590 Continental St. Suite #106, San Diego, CA 92154

B. Term: Month to Month

C. Security Deposit: One-Months Rent plus last months rent and Security Deposit

D. Rent: $425.00 per month plus utilities and cleaning. Must be received in the office by the 5th of the month. Payments may be mailed to Lancair Corp at 1424 Continental St., San Diego, CA 92154

E. Use: General Office

F. Utilities and Cleaning: Paid by SUBLESSEE.

G. Security Agreement: SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing, listing their office equipment 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.

H. Personal Guarantee: A personal guarantee is required under this lease

I. Alterations: Tenant must get approval for the addition of window covering, security bars, signs, etc. Any signs must be approved.

J. Notices:

To: SUBLESSOR: Lancair Corp
1424 Continental Street
San Diego, CA 92154

To: SUBLESSEE Ricksan Corp.
Ricardo Sandoval
1590 Continental #106
San Diego, CA 92154

To: GUARANTOR Ricksan Corp.
Ricardo Sandoval
583 Trailridge Drive
Bonita, CA. 91902
(619) 651-3613 (619) 216-7413

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

By Tom Ricotta
SUBLESSOR

By
SUBLESSEE

By
GUARANTOR

San Diego
JET CENTER
By Lancair

City Of San Diego
Airports Division
Christian Anderson
3750 John J. Montgomery Drive
San Diego, Ca. 92123

RE: Sublease Approval

May 18, 2007

Following is a copy of lease, copy of insurance and a check for the city for a new tenant at Brown Field. The named tenant is Theodore Barlam and will be occupying Hangar C7.
If you have any questions, please call.

Thank you,

Jeanne Ricotta

1424 Continental Street, San Diego, CA 92154
Phone 619-671-9222 * Fax 619-671-9665

STATE OF CALIFORNIA
DMV
DEPARTMENT OF MOTOR VEHICLES
A Public Service Agency

NAME
OL NUMBER

OCCUPATIONAL LICENSING SECTION

PROPERTY USE VERIFICATION FOR VEHICLE DEALER'S LICENSE

Instructions: This form is to be completed *(in ink)* by an official of the agency responsible for property use in your area, pursuant to Government Code Section 65850, and submitted with your application for license to a department Inspector.

In connection with an application for a Vehicle Dealer's License to be submitted to the Department of Motor Vehicles by:

APPLICANT'S NAME	PRESENTLY ZONED
ARIEL VILLALOBOS	
BUSINESS NAME	
A & A AUTO SALES	
BUSINESS ADDRESS	CITY / STATE / ZIP CODE
1590 CONTINENTAL ST. Sto#104,	San Diego

I hereby certify that the property located above is *(check one of the following):*

- [X] Approved for the operation of Vehicle Retail Sales (office, sign, and display area **mandatory**).
- [ ] Approved for the operation of a Vehicle Dealer-Wholesale Only, no retail sales (office **mandatory**).
- [ ] Approved for the operation of a Vehicle Autobroker, no retail sales (office and sign **mandatory**).
- [ ] Not approved for the operation of a vehicle dealer business.

SIGNATURE	TITLE
X Christian Anderson	Property Agent
AGENCY	CITY, COUNTY, OR CITY AND COUNTY
City of San Diego	San Diego
DATE	AREA CODE/TELEPHONE NUMBER
10/10/06	(858) 573-1433

CITY OF SAN DIEGO

10/06/2006

OFFICE OF THE CITY TREASURER
BUSINESS TAX PROGRAM
PO BOX 122289
SAN DIEGO CA 92112-2289
(619) 615-1500 8:00 a.m. - 5:00 p.m. M-F

REQUEST FOR BUSINESS TAX INFORMATION FORM

Request Date:	10/06/2006
Business Tax Cert#:	2005010687
Business Name:	A & A AUTO FINDERS
Business Owner Name:	ARIEL VILLALOBOS
Ownership Type:	SOLE PROPRIETORSHIP
Business Start Date:	08/31/2005
Expiration Date:	08/31/2007
Account Status:	ACTIVE
Fee Status:	BALANCE DUE
Primary Business Type:	USED CAR DEALERS
Secondary Business Type:	AUTOMOBILE & OTHER MOTOR VEHICLE WHSLE
Processing User Id:	DCP

Business Address

1590 CONTINENTAL ST #104
SAN DIEGO CA 92154-5730

Ownership Information

Name	Role
ARIEL VILLALOBOS	OWNER

I DO HEREBY CERTIFY THAT
THE INFORMATION BEING PROVIDED
IS A TRUE AND CORRECT COPY OF
THE INFORMATION ON FILE WITH THIS
OFFICE ON THIS DATE.

CITY OF SAN DIEGO
OFFICE OF THE CITY TREASURER

10/6/06
DATE

San Diego JET CENTER By Lancair

City of San Diego
Airports Division
Christian Anderson
1424 Continental St.
San Diego, CA 92154

RE: Sublease Approval

Hello Christian, enclose is a copy of the sublease for Delmar Auto Sales. He is renting office building #103,also included is a copy of his insurance and a check for $200 for his sublease approval. If you have any questions please call.

Thanks

Roselyn Resendez
San Diego Jet Center

1424 Continental Street, San Diego, CA 92154
Phone 619-671-9222 * Fax 619-671-9665

DELMAR 5 AUTO SALES
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on February 1, 2007 between Lancair Corp hereinafter called "SUBLESSOR", and Del Mar 5 Corp. dba Del Mar 5 Auto Sales, 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. First and Last months rent and a security deposit one-half month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises.
4. **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.
5. **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 under Section 17.
6. **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.
7. **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.
8. **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.
9. **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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay its share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the rent.
10. **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.
11. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
12. **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.
13. **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.
14. **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.
15. **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. 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.
16. **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 statues 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 that 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 breech by the SUBLESSEE.

17. **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.
18. **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.

19. **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 (c)any action taken or suffered by SUBLESSEE under any insolvency or bankruptcy act shall constitute a breach of this sublease by the SUBLESSEE.

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

21. **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 attorneys fees.

22. **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.

SUMMARY SECTION

A. Description of Premises: 1590 Continental St. Suite #103 San Diego, CA 92154
B. Term: Month to Month
C. Security Deposit: One-Months Rent
D. Rent: $400.00 per month plus utilities and cleaning. Must be received in the office by the 5th of the month. Payments may be mailed to Lancair Corp at 1424 Continental St., San Diego, CA 92154
E. Use: General Office – Car Dealer
F. Utilities and Cleaning: Paid by SUBLESSEE.
G. Security Agreement: SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing, listing their office equipment 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.
H. Personal Guarantee: A personal guarantee is required under this lease
I. Alterations: Tenant must get approval for the addition of window covering, security bars, signs, etc. Any signs must be approved.
J. Notices:

To: SUBLESSOR:	Lancair Corp 1424 Continental Street San Diego, CA 92154	
To: SUBLESSEE	Del Mar 5 Corp. . 1590 Continental #103 San Diego, CA 92154	Cell 619-892-2321 Home 619-271-2001
To: GUARANTOR	Mario Delmar 1317 Carneros St. Chula Vista, CA 91913	

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

By Tom Ricotta
SUBLESSOR

By M Delmar
SUBLESSEE

By M Delmar
GUARANTOR

STATE OF CALIFORNIA
DMV
DEPARTMENT OF MOTOR VEHICLES
A Public Service Agency

NAME	
OL NUMBER	

OCCUPATIONAL LICENSING SECTION

PROPERTY USE VERIFICATION FOR VEHICLE DEALER'S LICENSE

Instructions: This form is to be completed *(in ink)* by an official of the agency responsible for property use in your area, pursuant to Government Code Section 65850, and submitted with your application for license to a department Inspector.

In connection with an application for a Vehicle Dealer's License to be submitted to the Department of Motor Vehicles by:

APPLICANT'S NAME	PRESENTLY ZONED
DELMAR 5 CORP.	

BUSINESS NAME
DELMAR 5 AUTO SALES

BUSINESS ADDRESS	CITY	STATE	ZIP CODE
1590 Continental St. #103	San Diego	CA.	92154

I hereby certify that the property located above is *(check one of the following)*:

- ☐ Approved for the operation of Vehicle Retail Sales (office, sign, and display area **mandatory**).
- ☐ Approved for the operation of a Vehicle Dealer-Wholesale Only, no retail sales (office **mandatory**).
- ☐ Approved for the operation of a Vehicle Autobroker, no retail sales (office and sign **mandatory**).
- ☐ Not approved for the operation of a vehicle dealer business.

SIGNATURE	TITLE
X Christen Anderson	Spv. Property Agent
AGENCY	CITY, COUNTY, OR CITY AND COUNTY
City of San Diego	San Diego San Diego Ct
DATE	AREA CODE/TELEPHONE NUMBER
2/7/07	(858) 573-1433

OL 902 (REV. 5/2003) WWW

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 2/5/2007

PRODUCER
Jeff Case Insurance Services
5780 Chesapeake Ct. #23
San Diego, CA 92123
858-503-0810

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED
DELMAR 5, CORP.
DBA: DELMAR 5 AUTO SALES
1590 CONTINENTAL STREET, SUITE 103
SAN DIEGO, CA 92154
619-892-2321

INSURERS AFFORDING COVERAGE	NAIC#
INSURER A: STATE NATIONAL INSURANCE CO.	12831
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
		GENERAL LIABILITY				EACH OCCURRENCE	$ 1,000,000
		[X] COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurence)	$
		[ ] CLAIMS MADE [X] OCCUR	CR6-20860	02/02/07	02/02/08	MED EXP (Any one person)	$
						PERSONAL & ADV INJURY	$
						GENERAL AGGREGATE	$ 1,000,000
		GEN'L AGGREGATE LIMIT APPLIES PER:				PRODUCTS - COMP/OP AGG	$
		[ ] POLICY [ ] PRO-JECT [ ] LOC					
		AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT (Ea accident)	$
		[ ] ANY AUTO					
		ALL OWNED AUTOS				BODILY INJURY (Per person)	$
		[ ] SCHEDULED AUTOS					
		HIRED AUTOS				BODILY INJURY (Per accident)	$
		[ ] NON-OWNED AUTOS					
		[ ]				PROPERTY DAMAGE (Per accident)	$
		GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	$
		[ ] ANY AUTO				OTHER THAN AUTO ONLY: EA ACC	$
						AGG	$
		EXCESS/UMBRELLA LIABILITY				EACH OCCURRENCE	$
		[ ] OCCUR [ ] CLAIMS MADE				AGGREGATE	$
							$
		[ ] DEDUCTIBLE					$
		RETENTION $					$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATU-TORY LIMITS / OTH-ER	
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?				E.L. EACH ACCIDENT	$
		If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE	$
						E.L. DISEASE - POLICY LIMIT	$
		OTHER					

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

LANCAIR, ITS ELECTED OFFICIALS, OFFICERS, REPRESENTATIVES, AGENTS, AND EMPLOYEES & THE CITY OF SAN DIEGO, ITS ELECTED OFFICIALS, OFFICERS, REPRESENTATIVES, AGENTS, AND EMPLOYEES ARE NAMED AS ADDITIONAL INSURED WITH RESPECT TO PREMISES LIABILITY.

CERTIFICATE HOLDER

(SEE ABOVE)
1424 CONTINENTAL STREET
SAN DIEGO, CA 92154

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Jeff Case

© ACORD CORPORATION 1988

CA (STATE)

INSURANCE IDENTIFICATION CARD

COMPANY NUMBER
NAIC #12831

COMPANY
STATE NATIONAL INSURANCE CO.

POLICY NUMBER
CR6-20860

EFFECTIVE DATE
02/02/07

EXPIRATION DATE
02/02/08

YEAR
ALL

MAKE/MODEL
OWNED VEHICLES OF

VEHICLE IDENTIFICATION NUMBER
INSURED

AGENCY/COMPANY ISSUING CARD
Jeff Case Insurance Services
5780 Chesapeake Ct. #23
San Diego, CA 92123
858-503-0810

INSURED
DELMAR 5 AUTO SALES
1590 CONTINENTAL STREET, SUITE 103
SAN DIEGO, CA 92154

MARIO DELMAR

SEE IMPORTANT NOTICE ON REVERSE SIDE

City of San Diego
Office of the City Treasurer
Business Tax Program
Ph: 619-615-1500
Official Receipt

Date Paid:	01/26/2007
Account No:	2007001187
Effective Dt:	02/01/2007
Expiration Dt:	01/31/2008
Business Name:	DELMAR 5 SALES
Business Owner:	DELMAR 5 CORP
Business Address:	1590 CONTINENTAL ST 103 SAN DIEGO, CA 92154-5730
Amount Due:	$76.00
Amount Paid:	$76.00
Balance:	$.00
Payment Type:	CHECK
Employee ID:	DCP

DELMAR 5 AUTO SALES
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on February 1, 2007 between Lancair Corp hereinafter called "SUBLESSOR", and Del Mar 5 Corp. dba Del Mar 5 Auto Sales, 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. First and Last months rent and a security deposit one-half month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises.
4. **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.
5. **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 under Section 17.
6. **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.
7. **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.
8. **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.
9. **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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay its share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the rent.
10. **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.
11. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
12. **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.
13. **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.
14. **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.
15. **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. 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.
16. **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 statues 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 that 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 breech by the SUBLESSEE.

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the period of such reletting, up to but not beyond [redacted] term of this sublease, exceed the amount agreed to b[redacted]d as rent for the demised premises for such period on such reletting.

19. **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 (c)any action taken or suffered by SUBLESSEE under any insolvency or bankruptcy act shall constitute a breach of this sublease by the SUBLESSEE.

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

21. **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 attorneys fees.

22. **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.

SUMMARY SECTION

A. Description of Premises: 1590 Continental St. Suite #103 San Diego, CA 92154

B. Term: Month to Month

C. Security Deposit: One-Months Rent

D. Rent: $400.00 per month plus utilities and cleaning. Must be received in the office by the 5th of the month. Payments may be mailed to Lancair Corp at 1424 Continental St., San Diego, CA 92154

E. Use: General Office – Car Dealer

F. Utilities and Cleaning: Paid by SUBLESSEE.

G. Security Agreement: SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing, listing their office equipment 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.

H. Personal Guarantee: A personal guarantee is required under this lease

I. Alterations: Tenant must get approval for the addition of window covering, security bars, signs, etc. Any signs must be approved.

J. Notices:

To: SUBLESSOR:	Lancair Corp 1424 Continental Street San Diego, CA 92154	
To: SUBLESSEE	Del Mar 5 Corp. 1590 Continental #103 San Diego, CA 92154	Cell 619-892-2321 Home 619-271-2001
To: GUARANTOR	Mario Delmar 1317 Carneros St. Chula Vista, CA 91913	

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

By Tom Ricotta
SUBLESSOR

By M Delmar
SUBLESSEE

By M Delmar
GUARANTOR

San Diego JET CENTER By Lancair

City of San Diego
Airports Division
Christian Anderson
1424 Continental St.
San Diego, Ca 92154

February 1, 2007

RE: Sublease Approval

Hello Christian, enclosed is a copy of the sublease for Auto Sales 4U. He is renting Suite #216. Also included is a copy of his insurance and a check for $200 for his sublease approval. I f you have any questions please call.

Thank You

Norma Gaspar
San Diego Jet Center

1424 Continental Street, San Diego, CA 92154
Phone 619-671-9222 * Fax 619-671-9665

AUTO SALES 4 U
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on January 31, 2007, between Lancair Corp hereinafter called "SUBLESSOR", and Romo Enterprises Inc. DBA AUTO SALES 4 U, hreinafter 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. First and Last months rent and a security deposit one-half month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises.
4. **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.
5. **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 under Section 17.
6. **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.
7. **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.
8. **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.
9. **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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay its share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the rent.
10. **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.
11. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
12. **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.
13. **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.
14. **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.
15. **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. 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.
16. **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 statues 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 that 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 breech by the SUBLESSEE.

17. **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.
18. **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 beyon[redacted] term of this sublease, exceed the amount agreed to b[redacted]aid as rent for the demised premises for such period on such reletting.

19. **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 (c)any action taken or suffered by SUBLESSEE under any insolvency or bankruptcy act shall constitute a breach of this sublease by the SUBLESSEE.

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

21. **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 attorneys fees.

22. **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.

SUMMARY SECTION

A. Description of Premises: 1590 Continental St. Suite #216, San Diego, CA 92154
B. Term: Month to Month
C. Security Deposit: One-Months Rent plus last months rent
D. Rent: $425.00 per month plus utilities and cleaning. Must be received in the office by the 5th of the month. Payments may be mailed to Lancair Corp at 1424 Continental St., San Diego, CA 92154
E. Use: General Office – Car Dealer
F. Utilities and Cleaning: Paid by SUBLESSEE.
G. Security Agreement: SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing, listing their office equipment 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.
H. Personal Guarantee: A personal guarantee is required under this lease
I. Alterations: Tenant must get approval for the addition of window covering, security bars, signs, etc. Any signs must be approved.
J. Notices:

To: SUBLESSOR: Lancair Corp
1424 Continental Street
San Diego, CA 92154

To: SUBLESSEE Romo Enterprises Inc.
DBA AUTO SALES 4 U
1590 Continental #216
San Diego, CA 92154

To: GUARANTOR Jose Fernando Romo
30492 Calle Velasco
Valley Center, CA 92082

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

By Tom Ricotta its President
SUBLESSOR

By
SUBLESSEE

By
GUARANTOR

To: Christian Anderson

From: Ellen Ricotta

Enclosures:

Warren Weinstein
- Copy of Sublease Agreement
- Certificate of Insurance
- Check #1413 in the amount of $600.00

Livingston Flight Instruction
- Check #1017 in the amount of $300.00
- We have already submitted his sublease, insurance and $300.00

CA Express
- Check #1015 in the amount of $200.00
- Copy of Sublease Agreement
- Certificate of Insurance

J Merl McKnight & Associates
- Copy of Sublease Agreement
- Certificate of Insurance
- Ch #3364 in the amount of $200.00

1424 Continental Street, San Diego, CA 92154
Phone 619-671-9222 * Fax 619-671-9665

Warren Weinstein
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on July 1, 2006, between Lancair Corp hereinafter called "SUBLESSOR", and Warren Weinstein, 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.

4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor.

If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. -

Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.

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 under Section 17.

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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.

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.

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. 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 statues 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 [redacted] 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 (c)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 attorneys fees.

23. **Additional Provisions:**

(i) Relocation: The SUBLESSEE shall, at it's 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.

SUMMARY SECTION

A. Description of Premises: An Open area 1360 square feet to house a hangar in a location or locations to be determined by Lancair Corp

B. Term: This lease shall commence on July 1, 2006 and continue month to month.

C. Security Deposit: 1 month
rent

D. Rent: $193.35 per month payable in advance and must be received by the first of each month. Payments may be mailed or delivered to Lancair Corp, 1424 Continental St., San Diego, CA 92154.

E. Use: For aircraft storage

F. Utilities: Paid by UBLESSEE.

G. Security Agreement/UCC1: No changes.

H. Personal Guarantee: A personal guarantee is required under this lease

I. Relocation: The SUBLESSEE agrees to move the hangar to anther site on Brown Field as many times as required by the SUBLESSOR, the first move shall be at the sole expense of the SUBLESSEE. If the SUBLESSEE is required to move, they shall have the option to not accept the move and to cancel the rental agreement. In this event, the SUBLESSEE agrees to remove the hangar from the ramp. The Sublessee shall be responsible for all costs involved with moving of hangar including foundation, utilities connection and permitting.

J. Notices:

To: SUBLESSOR: Lancair Corp
6851 Curran St
San Diego, CA 92154

To: SUBLESSEE: Warren Weinstein

To: GUARANTOR: Warren Weinstein

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

By _____
SUBLESSOR

By X _____
GUARANTOR

By X _____
SUBLESSEE

AIRCRAFT MARINE ASSURANCE AGENCY, INC.
2306 E. Evergreen, Vancouver, Washington 98661
Office 360.694.1303 / Fax 360.694.8249

Certificate of Insurance

DESCRIPTION SCHEDULE

Named Insured: Warren Weinstein B-3
Address: 4511 Caminito Pedernal
San Diego, CA 92117
Ins. Company: U. S. Specialty Insurance Company
Policy Number: GA00141997-02
Effective Date: July 23, 2005
Expiration Date: July 23, 2006
Aircraft Covered: 1993 American Champion
N#: 8643

COVERAGES	LIMITS OF LIABILITY	
A) Bodily Injury liability, excluding passengers:		Each Person Each Occurrence
B) Passenger Bodily Injury:		Each Person
C) Property Damage liability:		Each Occurrence
D) Single Limit Bodily Injury and Property damage Including Passengers:	$1,000,000 $100,000	Each Occurrence Each Passenger
F) All Risks While Not in Motion:		Deductible:
G) All Risks While in Motion:		Deductible:

Loss, if any, under Coverages F and G is payable as interest may appear to the Named Insured and:

This Certificate is issued to: Lançair, Its elected officials, officers, representatives, agents and employees.

Breach of Warranty
Additional Insr'd XXXX

The City of San Diego, Its officials, officers, representatives, agents and employees.
1424 Continental Street
San Diego, CA 92154

With whom we agree, if possible to notify 30 *days before date of cancellation should the policy be cancelled, but the company shall not be liable in any way to give such notice.*

Viviane Hibbler — Authorized Signature
6/16/2006 — Date

J Merl McKnight & Associates.
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on May 5, 2006 between Lancair Corp hereinafter called "SUBLESSOR", and J Merl McKnight & Associates., hreinafter 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. First and Last months rent and a security deposit one-half month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises.
4. **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.
5. **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 under Section 17.
6. **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.
7. **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.
8. **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.
9. **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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay its share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the rent.
10. **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.
11. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
12. **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.
13. **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.
14. **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.
15. **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. 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.
16. **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 statues 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 that 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 breech by the SUBLESSEE.

17. **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.
18. **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.

19. **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 (c)any action taken or suffered by SUBLESSEE under any insolvency or bankruptcy act shall constitute a breach of this sublease by the SUBLESSEE.

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

21. **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 attorneys fees.

22. **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.

SUMMARY SECTION

A. Description of Premises: 1590 Continental St. Suite #210, San Diego, CA 92154

B. Term: Month to Month

C. Security Deposit: One-Months Rent

D. Rent: $750.00 per month plus utilities and cleaning. Must be received in the office by the 5th of the month. Payments may be mailed to Lancair Corp at 1424 Continental St., San Diego, CA 92154

E. Use: General Office

F. Utilities and Cleaning: Paid by SUBLESSEE.

G. Security Agreement: SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing, listing their office equipment 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.

H. Personal Guarantee: A personal guarantee is required under this lease

I. Alterations: Tenant must get approval for the addition of window covering, security bars, signs, etc. Any signs must be approved.

J. Notices:

To: SUBLESSOR: Lancair Corp
1424 Continental Street
San Diego, CA 92154

To: SUBLESSEE J Merl McKnight & Associates..
1590 Continental #210
San Diego, CA 92154

To: GUARANTOR J. Merl McKnight & Associates
961 Pine Avenue.
San Jacinto, CA 92582

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

By _____
GUARANTOR

ACORD CERTIFICATE OF LIABILITY INSURANCE

OP ID MT JMERL-1 | DATE (MM/DD/YYYY) 06/23/06

PRODUCER
Apollo Comm'l Lines #0394033
Apollo Agencies, Inc.
P. O. Box 11610
Santa Ana CA 92711
Phone: 714-832-2100 Fax: 714-832-7208

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Burlington Ins Co	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

INSURED

J Merl McKnight & Associates
Merl McKnight
961 Pine Ave
San Jacinto CA 92582

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	X	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC	157B001377	05/06/06	05/06/07	EACH OCCURRENCE	$ 1000000
						DAMAGE TO RENTED PREMISES (Ea occurence)	$ 100000
						MED EXP (Any one person)	$ 5000
						PERSONAL & ADV INJURY	$ 1000000
						GENERAL AGGREGATE	$ 2000000
						PRODUCTS - COMP/OP AGG	$ 2000000
		AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident)	$
						BODILY INJURY (Per person)	$
						BODILY INJURY (Per accident)	$
						PROPERTY DAMAGE (Per accident)	$
		GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT	$
						OTHER THAN AUTO ONLY: EA ACC	$
						AGG	$
		EXCESS/UMBRELLA LIABILITY OCCUR CLAIMS MADE DEDUCTIBLE RETENTION $				EACH OCCURRENCE	$
						AGGREGATE	$
							$
							$
							$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				WC STATU-TORY LIMITS OTH-ER	
						E.L. EACH ACCIDENT	$
						E.L. DISEASE - EA EMPLOYEE	$
						E.L. DISEASE - POLICY LIMIT	$
		OTHER					

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

*Except 10 days notice for nonpayment of premium. The City of San Diego, its elected officials, officers, representatives, agents and employees are named as Additional Insured as respects General Liability.

CERTIFICATE HOLDER

City of San Diego
c/o Lancair
1424 Continental St
San Diego CA 92154

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATIO DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL *30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE Philip A. Rathbun mm

© ACORD CORPORATION 198

CA Express
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on May 1, 2006 between Lancair Corp hereinafter called "SUBLESSOR", and CA Express ., hreinafter 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. First and Last months rent and a security deposit one-half month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises.
4. **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.
5. **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 under Section 17.
6. **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.
7. **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.
8. **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.
9. **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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay its share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the rent.
10. **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.
11. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
12. **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.
13. **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.
14. **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.
15. **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. 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.
16. **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 statues 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 that 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 breech by the SUBLESSEE.

17. **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.
18. **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.

19. **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 (c)any action taken or suffered by SUBLESSEE under any insolvency or bankruptcy act shall constitute a breach of this sublease by the SUBLESSEE.

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

21. **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 attorneys fees.

22. **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.

SUMMARY SECTION

A. Description of Premises: 1590 Continental St. Suite #205/[redacted] San Diego, CA 92154

B. Term: Month to Month

C. Security Deposit: One-Months Rent

D. Rent: $400.00 per month plus utilities and cleaning. Must be received in the office by the 5th of the month. Payments may be mailed to Lancair Corp at 1424 Continental St., San Diego, CA 92154

E. Use: General Office – General Freight Trucking

F. Utilities and Cleaning: Paid by SUBLESSEE.

G. Security Agreement: SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing, listing their office equipment 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.

H. Personal Guarantee: A personal guarantee is required under this lease

I. Alterations: Tenant must get approval for the addition of window covering, security bars, signs, etc. Any signs must be approved.

J. Notices:

To: SUBLESSOR: Lancair Corp
1424 Continental Street
San Diego, CA 92154

To: SUBLESSEE CA Express .
1590 Continental #205
San Diego, CA 92154

To: GUARANTOR Carlos Felipe Arias
729 Anchor Cove
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 X _____
SUBLESSEE

By X _____
GUARANTOR

CERTIFICATE OF INSURANCE

This certifies that

- ☒ STATE FARM FIRE AND CASUALTY COMPANY, Bloomington, Illinois
- ☐ STATE FARM GENERAL INSURANCE COMPANY, Bloomington, Illinois
- ☐ STATE FARM FIRE AND CASUALTY COMPANY, Scarborough, Ontario
- ☐ STATE FARM FLORIDA INSURANCE COMPANY, Winter Haven, Florida
- ☐ STATE FARM LLOYDS, Dallas, Texas

insures the following policyholder for the coverages indicated below:

Policyholder	ARIA, CARLOS DBA CA EXPRESS
Address of policyholder	P O BOX 532281 SAN DIEGO CA 92153
Location of operations	1590 CONTINENTAL STREET #205 SAN DIEGO CA 92154
Description of operations	TRUCK LOCAL

The policies listed below have been issued to the policyholder for the policy periods shown. The insurance described in these policies is subject to all the terms, exclusions, and conditions of those policies. The limits of liability shown may have been reduced by any paid claims.

POLICY NUMBER	TYPE OF INSURANCE	POLICY PERIOD Effective Date	POLICY PERIOD Expiration Date	LIMITS OF LIABILITY (at beginning of policy period)
PENDING	Comprehensive Business Liability	05/08/06	05/08/07	BODILY INJURY AND PROPERTY DAMAGE
This insurance includes:	☐ Products - Completed Operations ☐ Contractual Liability ☐ Personal Injury ☐ Advertising Injury ☐ ☐ ☐			Each Occurrence $ 1,000,000 General Aggregate $ 2,000,000 Products – Completed Operations Aggregate $
	EXCESS LIABILITY ☐ Umbrella ☐ Other	POLICY PERIOD Effective Date	POLICY PERIOD Expiration Date	BODILY INJURY AND PROPERTY DAMAGE (Combined Single Limit) Each Occurrence $ Aggregate $
	Workers' Compensation and Employers Liability	POLICY PERIOD Effective Date	POLICY PERIOD Expiration Date	Part I - Workers Compensation - Statutory Part II - Employers Liability Each Accident $ Disease - Each Employee $ Disease - Policy Limit $
POLICY NUMBER	TYPE OF INSURANCE	POLICY PERIOD Effective Date	POLICY PERIOD Expiration Date	LIMITS OF LIABILITY (at beginning of policy period)

THE CERTIFICATE OF INSURANCE IS NOT A CONTRACT OF INSURANCE AND NEITHER AFFIRMATIVELY NOR NEGATIVELY AMENDS, EXTENDS OR ALTERS THE COVERAGE APPROVED BY ANY POLICY DESCRIBED HEREIN.

Name and Address of Certificate Holder

Additional Insured:

Lancair,
its elected officials, officers, representatives, agents and employees & the City of San Diego, its elected officials, officers, representatives, agents and employees

If any of the described policies are canceled before their expiration date, State Farm will try to mail a written notice to the certificate holder 10 days before cancellation. If however, we fail to mail such notice, no obligation or liability will be imposed on State Farm or its agents or representatives.

Signature of Authorized Representative

AGENT STAFF — 06/05/6

Title — Date

MARK G WITCHER

Agent Name

Telephone Number 619-656-4200

Agent's Code Stamp

Agent Code M. Witcher 55-7044

AFO Code San Diego South 12-F410

558-994 a.5 Rev. 11-08-2004 Printed in U.S.A.

06/05/2006 00:54 FAX 001

San Diego JET CENTER By Lancair

City of San Diego
Airports Division
Christian Anderson
1424 Continental St.
San Diego, CA 92154

January 22, 2007

RE: Sublease Approval

Hello Christian, enclosed is a copy of the sublease for HBB Engineering USA Inc. He is renting office building #118. Also included is a copy of his insurance and a check for $200 for his sublease approval. If you have any questions please call.

Thanks

Roselyn Resendez

Roselyn Resendez
San Diego Jet Center

1424 Continental Street, San Diego, CA 92154
Phone 619-671-9222 * Fax 619-671-9665

HBB Engineering USA Inc..
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on December 6, 2006 between Lancair Corp hereinafter called "SUBLESSOR", and HBB Engineering USA, Inc..., hreinafter 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. First and Last months rent and a security deposit one-half month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises.
4. **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.
5. **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 under Section 17.
6. **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.
7. **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.
8. **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.
9. **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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay its share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the rent.
10. **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.
11. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
12. **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.
13. **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.
14. **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.
15. **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. 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.
16. **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 statues 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 that 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 breech by the SUBLESSEE.

17. **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.
18. **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 or such reletting.

19. **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 (c)any action taken or suffered by SUBLESSEE under any insolvency or bankruptcy act shall constitute a breach of this sublease by the SUBLESSEE.

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

21. **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 attorneys fees.

22. **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.

SUMMARY SECTION

A. Description of Premises: 1590 Continental St. Suite #118, San Diego, CA 92154

B. Term: Month to Month

C. Security Deposit: One-Months Rent

D. Rent: $400.00 per month plus utilities and cleaning. Must be received in the office by the 5th of the month. Payments may be mailed to Lancair Corp at 1424 Continental St., San Diego, CA 92154

E. Use: General Office –

F. Utilities and Cleaning: Paid by SUBLESSEE.

G. Security Agreement: SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing, listing their office equipment 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.

H. Personal Guarantee: A personal guarantee is required under this lease

I. Alterations: Tenant must get approval for the addition of window covering, security bars, signs, etc. Any signs must be approved.

J. Notices:

To: SUBLESSOR: Lancair Corp
1424 Continental Street
San Diego, CA 92154

To: SUBLESSEE HBB Engineering USA Inc.
1590 Continental #118
San Diego, CA 92154
Phone 619.482.9445
OR 011.52.664.973.5800

To: GUARANTOR Jin Gon Jun
1013 Camino Atajo
Chula Vista, CA 91910

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

By _____
GUARANTOR

READ No. _____ (Original Request), _____ (Resubmitted), _____ (Resubmitted)

City Atty LE No. _____

OFFICE OF THE CITY ATTORNEY
Legal Services Request Form

To: City Attorney (MS-59) Attention: Morton Park, Deputy City Attorney

From: _____ 5/11/06
Signature of Supervising Agent Authorizing Legal Request — Date of Original Request

[SPA] Initials Req. for Followup Action

Re: Brown Field
Location/Identification of Property

[ ] _____ Date

Brown Field Aviation Ventures
Name of Lessee, Permittee or Third Party

[ ] _____ Date

3 Consents to Sublease agreement
Type of Legal Document (*e.g., Lease Amendment, ROE Permit, Easement, etc...*)

This is a request for legal services. Please establish an assignment based upon the following information:

A. Property Agent (*please print*): Carol L. Young Telephone: 31435

B. Requested Response Date: 5/29/06 (*If response needed in less than 10 working days from the date of your request, please state specific reasons, including reference to any legal deadlines*)

_____

Requested response for Followup Action(s): _____

C. Requested form of response (please check one): [ ] Written [ ] Oral [ ] Attend Mtg/Hearing

[X] Edit Document [ ] Sign as to Form and Legality [ ] Other: _____

D. Subject Matter of Legal Request: _____

[ ] Please provide an e-mail response acknowledging receipt of this Request for Legal Services.

[ ] Follow-up action required: [ ] Review second draft [ ] Execute document [ ] Other

(PLEASE SEE PAGE 2 FOR DESCRIPTION OF LEGAL REQUEST)

ATTORNEY TRANSMISSION RECORD

Date Received: _____ [ ] Sent Acknowledgment Email on _____
[ ] Returned for additional information on _____ Information needed: _____
[ ] Returned for further drafting on _____ [ ] PLEASE RETURN FOR FURTHER REVIEW
[ ] Assignment completed and returned on _____
[ ] Signed as to form and legality on _____

CONFIDENTIAL ATTORNEY-CLIENT COMMUNICATION

Information provided by the City Attorney is for Internal use only. This form and any other accompanying documents are CONFIDENTIAL and not to be distributed to anyone outside of the City. If you are unsure as to whether a document can be provided to anyone other than the person to whom it was addressed, please check with the City Attorney first.

L-40

Description of Legal Request (Please provide a detailed statement of the question or issue, including all necessary background information. Copies of background documents should be attached.):

Attached are Consents and Subleases for:

1. Don Jamison
2. Resendiz Auto Sales
3. Malgoza Auto Sales

Certificates of Insurance have been requested.

Attorney Notes/Response:

CONFIDENTIAL ATTORNEY-CLIENT COMMUNICATION

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L-40

CONSENT TO SUBLEASE AGREEMENT

The City of San Diego ("CITY"), as LESSOR under that certain Third Amended and Restated Flat Rate Lease Agreement ("MASTER LEASE") entered into with

BROWN FIELD AVIATION VENTURES
(sublet to LANCAIR CORP.)

("LESSEE") dated December 28, 2005, hereby consents to that certain Sublease Agreement between the above LESSEE ("SUBLESSOR") and

MELGOZA AUTO SALES
("SUBLESSEE")

dated May 1, 2006 ("SUBLEASE"). The SUBLEASE is for Suite 203 at 1590 Continental Street, San Diego, California 92154.

1. USE. The proposed use is solely and exclusively for general office space for retail auto sales with the following conditions: (a) All vehicles must be stored off site; (b) there will be no test driving or storage of autos on airport property; and (c) there will be no auto-related banners, streamers, signs or other car lot style advertising.

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. 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. CITY is merely approving the SUBLESSEE and the proposed use only.

3. ASSIGNMENT AND SUBLEASING. LESSEE shall ensure that SUBLESSEE does not assign the SUBLEASE or sublet the premises or any part thereof without the prior written consent of 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. HOLD HARMLESS. SUBLESSEE shall assume the defense of, indemnify and hold harmless CITY from all claims, expenses and liability of every nature, directly or indirectly arising from, or alleged to have arisen from the operations conducted on the leased premises, the condition of the premises or from any act or omission of SUBLESSEE, its agents and invitees; provided, however, SUBLESSEE'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 CITY, its elected officials, representatives, agents, officers or employees.

5. INSURANCE. SUBLESSEE shall be insured by an insurance carrier acceptable to CITY against loss from public liability arising from the use or condition of or operation conducted

on the leased premises. Minimum coverage shall be One Million Dollars ($1,000,000) Combined Single Limit Liability. A copy of the policy of insurance shall be filed with CITY. On a separate endorsement, the policy shall name "The City of San Diego, its elected officials, officers, representatives, agents, and employees" as additional insured. The 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. LEGAL PROCEEDINGS: Should it become necessary for LESSEE or CITY to commence legal proceedings to collect rent, to recover possession or enforce any other provision of this consent, the prevailing party shall be entitled to an award of reasonable legal costs, including court and attorneys' fees.

LESSOR: CITY OF SAN DIEGO

Dated _____, 2006

By _____
R. F. Haas, Deputy Chief of Public Works

LESSEE: LANCAIR CORP.

Dated _____, 2006

By _____
Name _____
Title _____

SUBLESSEE: MELGOZA AUTO SALES

Dated _____, 2006

By _____
Name _____
Title _____

APPROVED AS TO FORM AND LEGALITY:

MICHAEL J. AGUIRRE, City Attorney

Dated _____, 2006

By _____
Deputy City Attorney

H:\Young\Consent to Sublease-Melgoza-Lancair

Melgoza Auto Sales
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on May 1, 2006 between Lancair Corp hereinafter called "SUBLESSOR", and Melgoza Auto Sales., hreinafter 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. First and Last months rent and a security deposit one-half month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises.
4. **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.
5. **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 under Section 17.
6. **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.
7. **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.
8. **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.
9. **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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay its share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the rent.
10. **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.
11. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
12. **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.
13. **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.
14. **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.
15. **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. 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.
16. **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 statues 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 that 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 breech by the SUBLESSEE.

17. **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.
18. **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 releting. 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 releting.

19. **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 (c)any action taken or suffered by SUBLESSEE under any insolvency or bankruptcy act shall constitute a breach of this sublease by the SUBLESSEE.

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

21. **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 attorneys fees.

22. **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.

SUMMARY SECTION

A. Description of Premises: 1590 Continental St. Suite #203, San Diego, CA 92154

B. Term: Month to Month

C. Security Deposit: One-Months Rent

D. Rent: $400.00 per month plus utilities and cleaning. Must be received in the office by the 5th of the month. Payments may be mailed to Lancair Corp at 1424 Continental St., San Diego, CA 92154

E. Use: General Office – Retail Auto Sales (a) all vehicles must be stored off site (b) there are no test driving or storage on airport property (c) there are to be no auto-related banners, streamers, signs or other car lot style advertising.

F. Utilities and Cleaning: Paid by SUBLESSEE.

G. Security Agreement: SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing, listing their office equipment 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.

H. Personal Guarantee: A personal guarantee is required under this lease

I. Alterations: Tenant must get approval for the addition of window covering, security bars, signs, etc. Any signs must be approved.

J. Notices:

To: SUBLESSOR: Lancair Corp
1424 Continental Street
San Diego, CA 92154

To: SUBLESSEE Melgoza Auto Sales.
1590 Continental #203
San Diego, CA 92154

To: GUARANTOR Jose Jorge Melgoza, Jr.
1647 Falcon Peak St.
Chula Vista, CA 91913

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

By _____
SUBLESSOR

By X _____
SUBLESSEE

By X _____
GUARANTOR

DAILY CASH RECEIPT DEPOSIT FORM

Date: 5/11/06 Requesting Agent: Chad Young

Division: Airport Agent Job No.: 254176

Engineering Work Order No.: _____

Name: Jose Melgoza (Person or Company to whom monies are to be credited.)

Address: 1647 Falcon Peak St.
Chula Vista, CA 91913

Lessee: Brown Field Aviation Ventures Sublessee: Melgoza Auto Sales

PROJECT NAME & DESCRIPTIVE LOCATION: Sublease at 1590 Continental St., Suite 203

DESCRIPTION OF PAYMENT: (i.e., Proceeds of Sale, Earnest Money Deposit, Proceeds of Easement, Processing Fee, Security Deposit, Interest, Refund from Escrow, Trust Fund, et...)

Processing Fee for Consent to Sublease

OFFICIAL RECEIPT NO.: _____ CHECK NO.: 526

BANK CHECK DRAWN: Wells Fargo DATED: 5/1/06

FILL IN CORRECT ACCOUNTING DATA: *

FUND	DEPT.	ORG.	REVENUE	JOB ORDER	FACILITY	AMOUNT
41100	720		77438			200.00

	*FUND	REVENUE ACCOUNT
FOR TRUST DEPOSIT	63021	9022
PROCESSING FEES: WATER DEPT.	41500	77438
AIRPORT	41100	77438
SPORTS ARENA	10330	77438
PARK & REC.	100	77438
GENERAL FUND	100	77438

I:\FORMS\DCRDF

JOSE J MELGOZA
VIOLETA MELGOZA
1647 FALCON PEAK ST
CHULA VISTA, CA 91913-1760

1526

Pay to the Order of City of San Diego 5-01-06 Date

16-24/1220 4435
0801953589

(Two hundred d/15 00/cents) $ 200 00

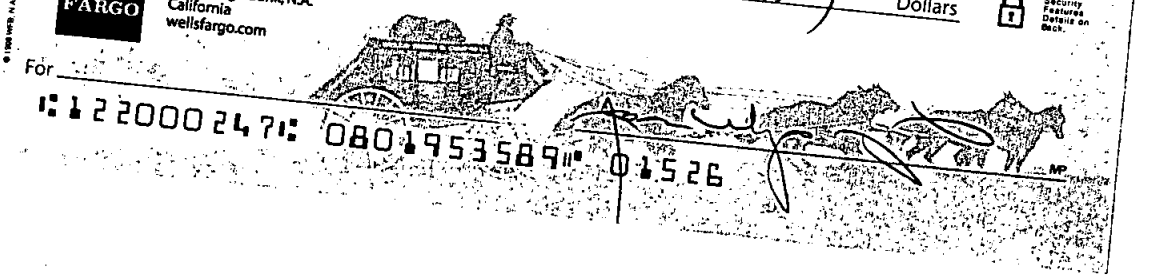
Dollars

WELLS FARGO

Wells Fargo Bank, N.A.
California
wellsfargo.com

Security Features Details on Back.

For



⑆122000247⑆ 0801953589⑈ 01526

CONSENT TO SUBLEASE AGREEMENT

The City of San Diego ("CITY"), as LESSOR under that certain Third Amended and Restated Flat Rate Lease Agreement ("MASTER LEASE") entered into with

BROWN FIELD AVIATION VENTURES
(sublet to LANCAIR CORP.)

("LESSEE") dated December 28, 2005, hereby consents to that certain Sublease Agreement between the above LESSEE ("SUBLESSOR") and

RESENDIZ AUTO SALES
("SUBLESSEE")

dated May 9, 2006 ("SUBLEASE"). The SUBLEASE is for Suite 209 at 1590 Continental Street, San Diego, California 92154.

1. USE. The proposed use is solely and exclusively for general office space for retail auto sales with the following conditions: (a) All vehicles must be stored off site; (b) there will be no test driving or storage of autos on airport property; and (c) there will be no auto-related banners, streamers, signs or other car lot style advertising.

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. 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. CITY is merely approving the SUBLESSEE and the proposed use only.

3. ASSIGNMENT AND SUBLEASING. LESSEE shall ensure that SUBLESSEE does not assign the SUBLEASE or sublet the premises or any part thereof without the prior written consent of 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. HOLD HARMLESS. SUBLESSEE shall assume the defense of, indemnify and hold harmless CITY from all claims, expenses and liability of every nature, directly or indirectly arising from, or alleged to have arisen from the operations conducted on the leased premises, the condition of the premises or from any act or omission of SUBLESSEE, its agents and invitees; provided, however, SUBLESSEE'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 CITY, its elected officials, representatives, agents, officers or employees.

5. INSURANCE. SUBLESSEE shall be insured by an insurance carrier acceptable to CITY against loss from public liability arising from the use or condition of or operation conducted

on the leased premises. Minimum coverage shall be One Million Dollars ($1,000,000) Combined Single Limit Liability. A copy of the policy of insurance shall be filed with CITY. On a separate endorsement, the policy shall name "The City of San Diego, its elected officials, officers, representatives, agents, and employees" as additional insured. The 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. LEGAL PROCEEDINGS: Should it become necessary for LESSEE or CITY to commence legal proceedings to collect rent, to recover possession or enforce any other provision of this consent, the prevailing party shall be entitled to an award of reasonable legal costs, including court and attorneys' fees.

LESSOR: CITY OF SAN DIEGO

Dated _____, 2006

By _____
R. F. Haas, Deputy Chief of Public Works

LESSEE: LANCAIR CORP.

Dated _____, 2006

By _____
Name _____
Title _____

SUBLESSEE: RESENDIZ AUTO SALES

Dated _____, 2006

By _____
Name _____
Title _____

APPROVED AS TO FORM AND LEGALITY:

MICHAEL J. AGUIRRE, City Attorney

Dated _____, 2006

By _____
Deputy City Attorney

H:\Young\Consent to Sublease-Resendiz-Lancair

Resendiz Auto Sales
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on May 9, 2006 between Lancair Corp , hereinafter called "SUBLESSOR", and Resendiz Auto Sales., hreinafter 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. First and Last months rent and a security deposit one-half month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises.
4. **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.
5. **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 under Section 17.
6. **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.
7. **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.
8. **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.
9. **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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay its share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the rent.
10. **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.
11. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
12. **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.
13. **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.
14. **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.
15. **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. 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.
16. **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 statues 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 that 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 breech by the SUBLESSEE.

17. **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.
18. **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 beyo[redacted]e term of this sublease, exceed the amount agreed to [redacted]aid as rent for the demised premises for such period on such reletting.

19. **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 (c)any action taken or suffered by SUBLESSEE under any insolvency or bankruptcy act shall constitute a breach of this sublease by the SUBLESSEE.

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

21. **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 attorneys fees.

22. **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.

SUMMARY SECTION

A. Description of Premises: 1590 Continental St. Suite #209, San Diego, CA 92154

B. Term: Month to Month

C. Security Deposit: One-Months Rent

D. Rent: $350.00 per month plus utilities and cleaning. Must be received in the office by the 5th of the month. Payments may be mailed to Lancair Corp at 1424 Continental St., San Diego, CA 92154

E. Use: General Office – Retail Auto Sales (a) all vehicles must be stored off site (b) there are no test driving or storage on airport property (c) there are to be no auto-related banners, streamers, signs or other car lot style advertising.

F. Utilities and Cleaning: Paid by SUBLESSEE.

G. Security Agreement: SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing, listing their office equipment 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.

H. Personal Guarantee: A personal guarantee is required under this lease

I. Alterations: Tenant must get approval for the addition of window covering, security bars, signs, etc. Any signs must be approved.

J. Notices:

To: SUBLESSOR: Lancair Corp
1424 Continental Street
San Diego, CA 92154

To: SUBLESSEE Resendiz Auto Sales.
1590 Continental #209
San Diego, CA 92154

To: GUARANTOR Rufino Resendiz-Medorio
291 Sycamore Rd. #6
San Ysidro, CA 92173

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

By _____
SUBLESSOR

By X Resendiz Rufino
SUBLESSEE

By X Resendiz Rufino
GUARANTOR

DAILY CASH RECEIPT DEPOSIT FORM

Date: 5/11/06 Requesting Agent: Carol Young

Division: Airports Agent Job No.: 25476

Engineering Work Order No.: _____

Name: Rufino Resendiz Medoza (Person or Company to whom monies are to be credited.)

Address: 315 East San Ysidro Blvd.
San Ysidro, CA 9273

Lessee: Brown Field Aviation Ventures Sublessee: Resendiz Auto Sales

PROJECT NAME & DESCRIPTIVE LOCATION: _____
Sublease at 1590 Continental St., Suite 209

DESCRIPTION OF PAYMENT: (i.e., Proceeds of Sale, Earnest Money Deposit, Proceeds of Easement, Processing Fee, Security Deposit, Interest, Refund from Escrow, Trust Fund, et...)

Processing fee for Consent to Sublease

OFFICIAL RECEIPT NO.: _____ CHECK NO.: 401

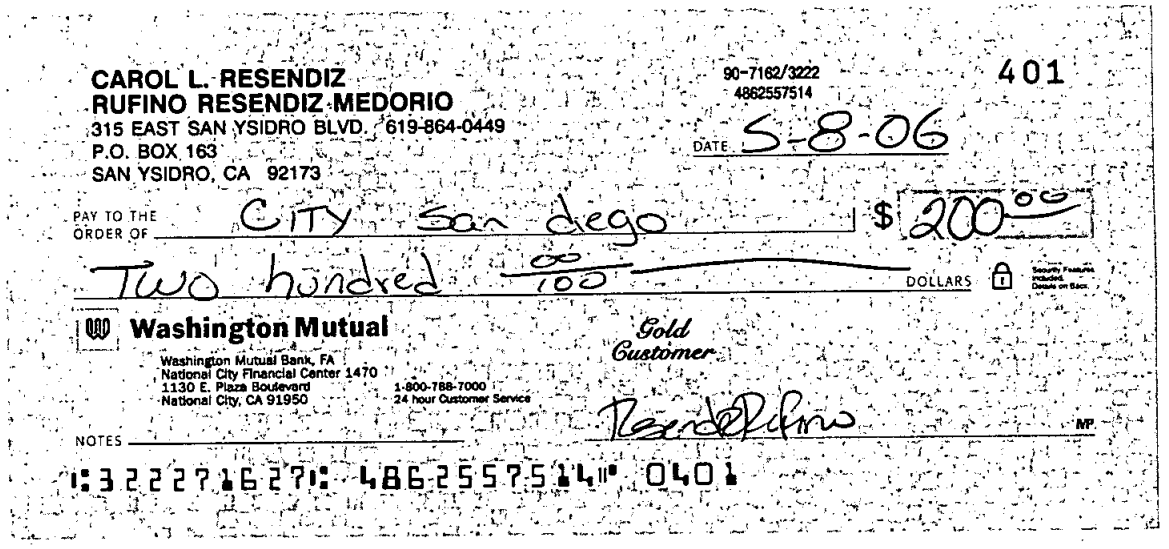
BANK CHECK DRAWN: Washington Mutual DATED: 5/8/06

FILL IN CORRECT ACCOUNTING DATA: *

FUND	DEPT.	ORG.	REVENUE	JOB ORDER	FACILITY	AMOUNT
41100	720		77438			200

	*FUND	REVENUE ACCOUNT
FOR TRUST DEPOSIT	63021	9022
PROCESSING FEES: WATER DEPT.	41500	77438
AIRPORT	41100	77438
SPORTS ARENA	10330	77438
PARK & REC.	100	77438
GENERAL FUND	100	77438

I:\FORMS\DCRDF



CAROL L. RESENDIZ
RUFINO RESENDIZ-MEDORIO
315 EAST SAN YSIDRO BLVD. 619-864-0449
P.O. BOX 163
SAN YSIDRO, CA 92173

90-7162/3222
4862557514

401

DATE 5-8-06

PAY TO THE ORDER OF CITY San diego $ 200.00

Two hundred 00/100 DOLLARS

Washington Mutual

Washington Mutual Bank, FA
National City Financial Center 1470
1130 E. Plaza Boulevard
National City, CA 91950

1-800-788-7000
24 hour Customer Service

Gold Customer

Rosendo Rufino

NOTES

⑈322271627⑈ 4862557514⑈ 0401

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY) 5/08/06

PRODUCER

KALFAYAN INSURANCE AGENCY
845 E 8TH STREET SUITE B
NATIONAL CITY, CA 91950

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

INSURED

RESENDIZ AUTO SALES
1590 CONTINENTAL STREET
SAN DIEGO, CA 92154

INSURER A: STATE NATIONAL INS.
INSURER B:
INSURER C:
INSURER D:
INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY				
X	COMMERCIAL GENERAL LIABILITY	TBD	5/8/06	5/8/07	EACH OCCURRENCE $ 1,000,000
	CLAIMS MADE OCCUR				FIRE DAMAGE (Any one fire) $
					MED EXP (Any one person) $
					PERSONAL & ADV INJURY $
					GENERAL AGGREGATE $
	GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC				PRODUCTS - COMP/OP AGG $
	AUTOMOBILE LIABILITY				
	ANY AUTO				COMBINED SINGLE LIMIT (Ea accident) $
	ALL OWNED AUTOS				BODILY INJURY (Per person) $
	SCHEDULED AUTOS				BODILY INJURY (Per accident) $
	HIRED AUTOS				PROPERTY DAMAGE (Per accident) $
	NON-OWNED AUTOS				
	GARAGE LIABILITY				AUTO ONLY: EA ACCIDENT $
	ANY AUTO				OTHER THAN AUTO ONLY: EA ACC $
					AGG $
	EXCESS LIABILITY				EACH OCCURRENCE $
	OCCUR CLAIMS MADE				AGGREGATE $
					$
	DEDUCTIBLE				$
	RETENTION $				$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATU-TORY LIMITS / OTH-ER
					E.L. EACH ACCIDENT $
					E.L. DISEASE - EA EMPLOYEE $
					E.L. DISEASE - POLICY LIMIT $
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

CERTIFICATE HOLDER X ADDITIONAL INSURED; INSURER LETTER:

LANCAIRE CITY OF SAN DIEGO
1424 CONTINENTAL STREET
SAN DIEGO, CA 92154

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

©ACORD CORPORATION 1988

CONSENT TO SUBLEASE AGREEMENT

The City of San Diego ("CITY"), as LESSOR under that certain Third Amended and Restated Flat Rate Lease Agreement ("MASTER LEASE") entered into with

BROWN FIELD AVIATION VENTURES
(sublet to LANCAIR CORP.)

("LESSEE") dated December 28, 2005, hereby consents to that certain Sublease Agreement between the above LESSEE ("SUBLESSOR") and

DON JAMISON
("SUBLESSEE")

dated May 1, 2006 ("SUBLEASE"). The SUBLEASE is for 1,360 square feet to house a hangar in a location or locations to be determined by Lancair Corp.

1. USE. The proposed use is solely and exclusively for aircraft storage.

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. 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. CITY is merely approving the SUBLESSEE and the proposed use only.

3. ASSIGNMENT AND SUBLEASING. LESSEE shall ensure that SUBLESSEE does not assign the SUBLEASE or sublet the premises or any part thereof without the prior written consent of 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. HOLD HARMLESS. SUBLESSEE shall assume the defense of, indemnify and hold harmless CITY from all claims, expenses and liability of every nature, directly or indirectly arising from, or alleged to have arisen from the operations conducted on the leased premises, the condition of the premises or from any act or omission of SUBLESSEE, its agents and invitees; provided, however, SUBLESSEE'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 CITY, its elected officials, representatives, agents, officers or employees.

5. INSURANCE. SUBLESSEE shall be insured by an insurance carrier acceptable to CITY against loss from public liability arising from the use or condition of or operation conducted on the leased premises. Minimum coverage shall be One Million Dollars ($1,000,000) Combined Single Limit Liability. A copy of the policy of insurance shall be filed with CITY. On a separate endorsement, the policy shall name "The City of San Diego, its elected

officials, officers, representatives, agents, and employees" as additional insured. The 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. LEGAL PROCEEDINGS: Should it become necessary for LESSEE or CITY to commence legal proceedings to collect rent, to recover possession or enforce any other provision of this consent, the prevailing party shall be entitled to an award of reasonable legal costs, including court and attorneys' fees.

LESSOR: CITY OF SAN DIEGO

Dated _____, 2006

By _____
R. F. Haas, Deputy Chief of Public Works

LESSEE: LANCAIR CORP.

Dated _____, 2006

By _____
Name _____
Title _____

SUBLESSEE:

Dated _____, 2006

By _____
Don Jamison, an individual

APPROVED AS TO FORM AND LEGALITY:

MICHAEL J. AGUIRRE, City Attorney

Dated _____, 2006

By _____
Deputy City Attorney

H:\Young\Consent to Sublease-Jamison-Lancair

Don Jamison
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on May 1, 2006, between Lancair Corp hereinafter called "SUBLESSOR", and Don Jamison, 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.

4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor.

If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. -

Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.

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 under Section 17.

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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.

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.

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. 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 statues 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 breech 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 (c)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 attorneys fees.

23. **Additional Provisions:**

(i) Relocation: The SUBLESSEE shall, at it's 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.

SUMMARY SECTION

A. Description of Premises: An Open area 1360 square feet to house a hangar in a location or locations to be determined by Lancair Corp.

B. Term: This lease shall commence on November 21, 2002 and continue through June 1, 2006.

C. Security Deposit: One months rent

D. Rent: $204.90 per month payable in advance and must be received by the first of each month. Payments may be mailed or delivered to Lancair Corp, 1424 Continental St., San Diego, CA 92154.

E. Use: For aircraft storage

F. Utilities: Paid by UBLESSEE.

G. Security Agreement/UCC1: No changes.

H. Personal Guarantee: A personal guarantee is required under this lease

I. Relocation: The SUBLESSEE agrees to move the hangar to anther site on Brown Field as many times as required by the SUBLESSOR, the first move shall be at the sole expense of the SUBLESSEE. The relocated site shall have paved runway/taxiway access and shall have comparable power and water available within a reasonable distance. If the SUBLESSEE is required to move, they shall have the option to not accept the move and to cancel the lease agreement. In this event, the SUBLESSEE agrees to remove the hangar from the ramp. The Sublessee shall be responsible for all costs involved with moving of hangar including foundation, utilities connection and permitting.

J. Notices:

To: SUBLESSOR: Lancair Corp
1424 Continental Street
San Diego, CA 92154

To: SUBLESSEE: Don Jamison

To: GUARANTOR: Don Jamison

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

By _____
SUBLESSOR

By _____
GUARANTOR

By _____
SUBLESSEE

DAILY CASH RECEIPT DEPOSIT FORM

Date: 5/11/06 Requesting Agent: Carol Young

Division: Airports Agent Job No.: 25417

Engineering Work Order No.: _____

Name: Don Jamison (Person or Company to whom monies are to be credited.)

Address: 369 Wagonwheel Way
Bonita, CA 91902

Lessee: Brown Field Aviation Ventures Sublessee: Don Jamison

PROJECT NAME & DESCRIPTIVE LOCATION:

Sublease at Brown Field for hangar space.

DESCRIPTION OF PAYMENT: (i.e., Proceeds of Sale, Earnest Money Deposit, Proceeds of Easement, Processing Fee, Security Deposit, Interest, Refund from Escrow, Trust Fund, et...)

Processing fee for Consent to Sublease

OFFICIAL RECEIPT NO.: _____ CHECK NO.: 1072

BANK CHECK DRAWN: USAA Federal Savings DATED: 4/27/06

FILL IN CORRECT ACCOUNTING DATA: *

FUND	DEPT.	ORG.	REVENUE	JOB ORDER	FACILITY	AMOUNT
41100	720		77438			600

		*FUND	REVENUE ACCOUNT
FOR TRUST DEPOSIT		63021	9022
PROCESSING FEES:	WATER DEPT.	41500	77438
	AIRPORT	41100	77438
	SPORTS ARENA	10330	77438
	PARK & REC.	100	77438
	GENERAL FUND	100	77438

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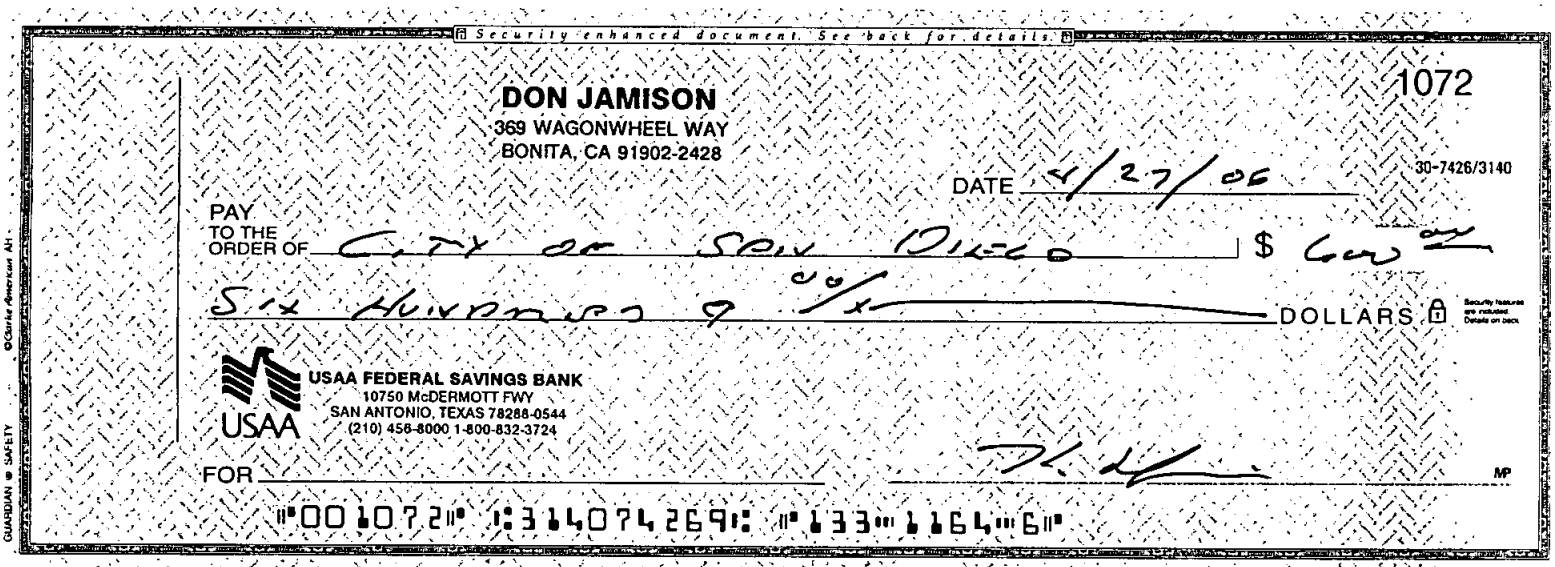

Security enhanced document. See back for details.

DON JAMISON
369 WAGONWHEEL WAY
BONITA, CA 91902-2428

1072

30-7426/3140

DATE 4/27/06

PAY TO THE ORDER OF City of San Diego $ 600 00/xx

Six Hundred 00/xx DOLLARS

Security features are included. Details on back.

USAA FEDERAL SAVINGS BANK
10750 McDERMOTT FWY
SAN ANTONIO, TEXAS 78288-0544
(210) 456-8000 1-800-832-3724

FOR

MP

⑈001072⑈ ⑆314074269⑆ ⑈133⑉1164⑉6⑈

GUARDIAN ® SAFETY ©Clarke American AH

CONSENT TO SUBLEASE AGREEMENT

The City of San Diego ("CITY"), as LESSOR under that certain Third Amended and Restated Flat Rate Lease Agreement ("MASTER LEASE") entered into with

BROWN FIELD AVIATION VENTURES
(sublet to LANCAIR CORP.)

("LESSEE") dated December 28, 2005, hereby consents to that certain Sublease Agreement between the above LESSEE ("SUBLESSOR") and

LIVINGSTON FLIGHT INSTRUCTION
("SUBLESSEE")

dated February 15, 2006 ("SUBLEASE"). The SUBLEASE is for Suite A at 6851 Curran Street, San Diego, California 92154.

1. USE. The proposed use is solely and exclusively for an aviation flight school.

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. 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. CITY is merely approving the SUBLESSEE and the proposed use only.

3. ASSIGNMENT AND SUBLEASING. LESSEE shall ensure that SUBLESSEE does not assign the SUBLEASE or sublet the premises or any part thereof without the prior written consent of 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. HOLD HARMLESS. SUBLESSEE shall assume the defense of, indemnify and hold harmless CITY from all claims, expenses and liability of every nature, directly or indirectly arising from, or alleged to have arisen from the operations conducted on the leased premises, the condition of the premises or from any act or omission of SUBLESSEE, its agents and invitees; provided, however, SUBLESSEE'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 CITY, its elected officials, representatives, agents, officers or employees.

5. INSURANCE. SUBLESSEE shall be insured by an insurance carrier acceptable to CITY against loss from public liability arising from the use or condition of or operation conducted on the leased premises. Minimum coverage shall be One Million Dollars ($1,000,000) Combined Single Limit Liability. A copy of the policy of insurance shall be filed with CITY. On a separate endorsement, the policy shall name "The City of San Diego, its elected

officials, officers, representatives, agents, and employees" as additional insured. The 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. LEGAL PROCEEDINGS:. Should it become necessary for LESSEE or CITY to commence legal proceedings to collect rent, to recover possession or enforce any other provision of this consent, the prevailing party shall be entitled to an award of reasonable legal costs, including court and attorneys' fees.

LESSOR: CITY OF SAN DIEGO

Dated _____, 2006

By _____
R. F. Haas, Deputy Chief of Public Works

LESSEE: LANCAIR CORP.

Dated _____, 2006

By _____
Name _____
Title _____

SUBLESSEE: LIVINGSTON FLIGHT INSTRUCTION

Dated _____, 2006

By _____
Name _____
Title _____

APPROVED AS TO FORM AND LEGALITY:

MICHAEL J. AGUIRRE, City Attorney

Dated _____, 2006

By _____
Deputy City Attorney

H:\Young\Consent to Sublease-Livingston-Lancair

CONSENT TO SUBLEASE AGREEMENT

The City of San Diego ("CITY"), as LESSOR under that certain Third Amended and Restated Flat Rate Lease Agreement ("MASTER LEASE") entered into with

BROWN FIELD AVIATION VENTURES
(sublet to LANCAIR CORP.)

("LESSEE") dated December 28, 2005, hereby consents to that certain Sublease Agreement between the above LESSEE ("SUBLESSOR") and

CAPITAL INVESTMENT, INC.
("SUBLESSEE")

dated March 2, 2006 ("SUBLEASE"). The SUBLEASE is for Suite 208 at 1590 Continental Street, San Diego, California 92154.

1. USE. The proposed use is solely and exclusively for general office purposes.

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. 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. CITY is merely approving the SUBLESSEE and the proposed use only.

3. ASSIGNMENT AND SUBLEASING. LESSEE shall ensure that SUBLESSEE does not assign the SUBLEASE or sublet the premises or any part thereof without the prior written consent of 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. HOLD HARMLESS. SUBLESSEE shall assume the defense of, indemnify and hold harmless CITY from all claims, expenses and liability of every nature, directly or indirectly arising from, or alleged to have arisen from the operations conducted on the leased premises, the condition of the premises or from any act or omission of SUBLESSEE, its agents and invitees; provided, however, SUBLESSEE'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 CITY, its elected officials, representatives, agents, officers or employees.

5. INSURANCE. SUBLESSEE shall be insured by an insurance carrier acceptable to CITY against loss from public liability arising from the use or condition of or operation conducted on the leased premises. Minimum coverage shall be One Million Dollars ($1,000,000) Combined Single Limit Liability. A copy of the policy of insurance shall be filed with CITY. On a separate endorsement, the policy shall name "The City of San Diego, its elected

officials, officers, representatives, agents, and employees" as additional insured. The 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. LEGAL PROCEEDINGS:..Should it become necessary for LESSEE or CITY to commence legal proceedings to collect rent, to recover possession or enforce any other provision of this consent, the prevailing party shall be entitled to an award of reasonable legal costs, including court and attorneys' fees.

LESSOR: CITY OF SAN DIEGO

Dated _____, 2006

By _____
R. F. Haas, Deputy Chief of Public Works

LESSEE: LANCAIR CORP.

Dated _____, 2006

By _____
Name _____
Title _____

SUBLESSEE: CAPITAL INVESTMENT, INC.

Dated _____, 2006

By _____
Name _____
Title _____

APPROVED AS TO FORM AND LEGALITY:

MICHAEL J. AGUIRRE, City Attorney

Dated _____, 2006

By _____
Deputy City Attorney

H:\Young\Consent to Sublease-CapitalInvestment-Lancair

Livingston Flight Instruction
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on February 15, 2006 between Lancair Corp hereinafter called "SUBLESSOR", and Livingston Flight Instruction.., hreinafter 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. First and Last months rent and a security deposit one-half month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises.
4. **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.
5. **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 under Section 17.
6. **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.
7. **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.
8. **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.
9. **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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay its share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the rent.
10. **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.
11. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
12. **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.
13. **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.
14. **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.
15. **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. 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.
16. **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 statues 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 that 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 breech by the SUBLESSEE.

17. **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.
18. **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.

19. **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 (c)any action taken or suffered by SUBLESSEE under any insolvency or bankruptcy act shall constitute a breach of this sublease by the SUBLESSEE.

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

21. **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 attorneys fees.

22. **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.

SUMMARY SECTION

A. Description of Premises: 6851 Curran St. Suite A, San Diego, CA 92154

B. Term: Month to Month

C. Security Deposit: One months rent, with option for one year lease.

D. Rent: $1000.00 per month plus utilities and cleaning. Must be received in the office by the 5th of the month. Payments may be mailed to Lancair Corp or delivered to Lancair Corp, 1424 Continental St., San Diego, CA 92154

E. Use: Aviation – Flight School

F. Utilities and Cleaning: Paid by SUBLESSEE.

G. Security Agreement: SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing, listing their office equipment 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.

H. Personal Guarantee: A personal guarantee is required under this lease

I. Alterations: Tenant must get approval for the addition of window covering, security bars, signs, etc.

J. Notices:

To: SUBLESSOR: Lancair Corp
1424 Continental Street
San Diego, CA 92154

To: SUBLESSEE: Livingston Flight Instruction...
6851 Curran Street Suite A
San Diego, CA 92154

To: GUARANTOR: Brett Livingston
816 Vista San Matias
San Diego, CA 92154 619-917-7974

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

By _____
GUARANTOR

Capital Investment, Inc.
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on March 2, 2006 between Lancair Corp hereinafter called "SUBLESSOR", and Capital Investment, Inc.,, hreinafter 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. First and Last months rent and a security deposit one-half month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises.
4. **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.
5. **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 under Section 17.
6. **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.
7. **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.
8. **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.
9. **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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay its share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the rent.
10. **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.
11. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
12. **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.
13. **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.
14. **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.
15. **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. 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.
16. **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 statues 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 that 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 breech by the SUBLESSEE.

17. **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.
18. **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 beyon[redacted]e term of this sublease, exceed the amount agreed to [redacted]paid as rent for the demised premises for such period on such reletting.

19. **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 (c)any action taken or suffered by SUBLESSEE under any insolvency or bankruptcy act shall constitute a breach of this sublease by the SUBLESSEE.

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

21. **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 attorneys fees.

22. **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.

SUMMARY SECTION

A. Description of Premises: 1590 Continental St. Suite #208, San Diego, CA 92154
B. Term: Month to Month
C. Security Deposit: One-Months Rent
D. Rent: $350.00 per month plus utilities and cleaning. Must be received in the office by the 5th of the month. Payments may be mailed to Lancair Corp at 1424 Continental St., San Diego, CA 92154
E. Use: General Office –
F. Utilities and Cleaning: Paid by SUBLESSEE.
G. Security Agreement: SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing, listing their office equipment 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.
H. Personal Guarantee: A personal guarantee is required under this lease
I. Alterations: Tenant must get approval for the addition of window covering, security bars, signs, etc. Any signs must be approved.
J. Notices:

To: SUBLESSOR: Lancair Corp
1424 Continental Street
San Diego, CA 92154

To: SUBLESSEE Capital Investment, Inc...
1590 Continental #208
San Diego, CA 92154

To: GUARANTOR Blair Adonis

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

By _____
SUBLESSOR

By X _____
SUBLESSEE

By X _____
GUARANTOR

VOID AFTER 90 DAYS

Bank of America

11-35/1210

2021342029

Issuer: Bank of America, N.A., San Francisco, California

MATCH THE AMOUNT IN WORDS WITH THE AMOUNT IN NUMBERS

BANK OF AMERICA 200 00 TWO ZERO ZERO CTS CTS

SN - 2021342029 B-0850 T-TLR LK

THE AMOUNT IN NUMBERS MUST MATCH THE AMOUNT IN WORDS THE AMOUNT IN NUMBERS MUST MATCH THE AMOUNT IN WORDS

********** MAR 02 2006 ■ TWO HUNDRED DOLLARS AND 00 CENTS

THE AMOUNT IN NUMBERS MUST MATCH THE AMOUNT IN WORDS THE AMOUNT IN NUMBERS MUST MATCH THE AMOUNT IN WORDS

Pay To The Order Of ***CITY OF SAN DIEGO***

PURCHASER:
CAPITAL INVESTMENTS INC
VOID OVER $200.00

AUTHORIZED SIGNATURE

TWO SIGNATURES REQUIRED FOR AMOUNTS OVER $250,000.

Cashier's Check

Payable at Bank of America, N.A.
San Francisco, California

ISSUED IN US DOLLARS

COPYRIGHT ANTI-FRAUD PROTECTION PATENTS

⑈2021342029⑈ ⑆121000358⑆ 13970⑈85076⑈

THE ORIGINAL DOCUMENT HAS REFLECTIVE WATERMARK ON THE BACK THE ORIGINAL DOCUMENT HAS REFLECTIVE WATERMARK ON THE BACK

CERTIFICATE OF INSURANCE

Date 03/02/2006

PRODUCER

Michael Ehrenfeld Company
2655 Camino Del Rio N.200
San Diego, CA 92108
6196839990
0537922

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW

COMPANIES AFFORDING COVERAGE

COMPANY A: HARTFORD

INSURED 170 963

Blair Adonis Capital Investment
610 West Ash Street #1610
San Diego, CA 92101

COMPANY B:

COMPANY C:

COMPANY D:

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY [X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS MADE [X] OCCUR OWNER'S & CONTRACTOR'S PROT	72SBANU0051	03/01/2006	03/01/2007	GENERAL AGGREGATE	$4,000,000
					PRODUCTS - COMP/OP AGG	$4,000,000
					PERSONAL & ADV INJURY	$2,000,000
					EACH OCCURRENCE	$2,000,000
					FIRE DAMAGE (Any one fire)	$300,000
					MED EXP (Any one person)	$10,000
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS				COMBINED SINGLE LIMIT	
					BODILY INJURY (Per Person)	
					BODILY INJURY (Per Accident)	
					PROPERTY DAMAGE	
	GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT	
					OTHER THAN AUTO ONLY:	
					EACH ACCIDENT	
					AGGREGATE	
	EXCESS LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA				EACH ACCIDENT	
					AGGREGATE	
	WORKERS COMPENSATION EMPLOYERS' LIABILITY THE PROPRIETOR/ PARTNERS/EXECUTIVE OFFICERS ARE: [ ] INCL [X] EXCL				WC STATU-TORY LIMITS / OTH-ER	
					EL EACH ACCIDENT	
					EL DISEASE - POLICY LIMIT	
					EL DISEASE-EA EMPLOYEE	
A	OTHER PROPERTY	72SBANU0051	03/01/2006	03/01/2007	$5,000 BUSINESS PERSONAL PROPERTY $500 DEDUCTIBLE	

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

RE: 1590 CONTINENTAL WAY SUITE 203, SAN DIEGO, CA 92154 CERTIFICATE HOLDER IS NAMED AS ADDITIONAL INSURED/LANDLORD

BROWN FIELD

NOTE: 10 day notice of cancellation in the event of non-payment of premium.

CERTIFICATE HOLDER 7665 2

CITY OF SAN DIEGO
1200 3RD AVENUE SUITE 1700
SAN DIEGO CA 92101

CANCELLATION

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 NAMED TO THE LEFT. BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVE

AUTHORIZED REPRESENTATIVE

READ No. _____, _____, _____
(Original Request) (Resubmitted) (Resubmitted)

City Atty LE No. _____

OFFICE OF THE CITY ATTORNEY
Legal Services Request Form

To: City Attorney (MS-59) Attention: Morton Park, Deputy City Attorney

From: _____ 2/20/06
Signature of Supervising Agent Authorizing Legal Request — Date of Original Request

[SPA] Initials Req. for Followup Action

Re: 1590 Continental St, Brown Field
Location/Identification of Property

[ ] _____ Date

Brown Field Aviation Ventures
Name of Lessee, Permittee or Third Party

[ ] _____ Date

3 Consents to Sublease
Type of Legal Document (*e.g., Lease Amendment, ROE Permit, Easement, etc...*)

This is a request for legal services. Please establish an assignment based upon the following information:

A. Property Agent (*please print*): Carol L. Young Telephone: 31435

B. Requested Response Date: 3/7/06 (*If response needed in less than 10 working days from the date of your request, please state specific reasons, including reference to any legal deadlines*)

_____

Requested response for Followup Action(s): _____

C. Requested form of response (please check one): [ ] Written [ ] Oral [ ] Attend Mtg/Hearing

[X] Edit Document [ ] Sign as to Form and Legality [ ] Other: _____

D. Subject Matter of Legal Request: Consents to Sublease

[ ] Please provide an e-mail response acknowledging receipt of this Request for Legal Services.

[ ] Follow-up action required: [ ] Review second draft [ ] Execute document [ ] Other

(PLEASE SEE PAGE 2 FOR DESCRIPTION OF LEGAL REQUEST)

ATTORNEY TRANSMISSION RECORD

Date Received: _____ [ ] Sent Acknowledgment Email on _____
[ ] Returned for additional information on _____ Information needed: _____
[ ] Returned for further drafting on _____ [ ] PLEASE RETURN FOR FURTHER REVIEW
[ ] Assignment completed and returned on _____
[ ] Signed as to form and legality on _____

CONFIDENTIAL ATTORNEY-CLIENT COMMUNICATION

Information provided by the City Attorney is for Internal use only. This form and any other accompanying documents are CONFIDENTIAL and not to be distributed to anyone outside of the City. If you are unsure as to whether a document can be provided to anyone other than the person to whom it was addressed, please check with the City Attorney first.

L-40

Description of Legal Request (Please provide a detailed statement of the question or issue, including all necessary background information. Copies of background documents should be attached.):

attached: ① 3 Consents to Sublease
② Master Lease with BPA

Attorney Notes/Response:

CONFIDENTIAL ATTORNEY-CLIENT COMMUNICATION

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L-40

CONSENT TO SUBLEASE AGREEMENT

The City of San Diego ("CITY"), as LESSOR under that certain Third Amended and Restated Flat Rate Lease Agreement ("MASTER LEASE") entered into with

BROWN FIELD AVIATION VENTURES
(as assigned to LANCAIR CORP.)

("LESSEE") dated as of December 28, 2005, hereby consents to that certain Sublease Agreement between the above LESSEE ("SUBLESSOR") and

JMD SERVICES
(SUBLESSEE")

dated February 6, 2006 ("SUBLEASE"). The SUBLEASE is for Suite 115 at 1590 Continental Street, San Diego, California 92154.

1. USE. The proposed use is solely and exclusively for general office space for retail auto sales with the following conditions: (a) All vehicles must be stored off site; (b) there will be no test driving or storage of autos on airport property; and (c) there will be no auto-related banners, streamers, signs or other car lot style advertising.

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. 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. CITY is merely approving the SUBLESSEE and the proposed use only.

3. ASSIGNMENT AND SUBLEASING. LESSEE shall ensure that SUBLESSEE does not assign the SUBLEASE or sublet the premises or any part thereof without the prior written consent of 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. HOLD HARMLESS. SUBLESSEE shall assume the defense of, indemnify and hold harmless CITY from all claims, expenses and liability of every nature, directly or indirectly arising from, or alleged to have arisen from the operations conducted on the leased premises, the condition of the premises or from any act or omission of SUBLESSEE, its agents and invitees; provided, however, SUBLESSEE'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 CITY, its elected officials, representatives, agents, officers or employees.

5. INSURANCE. SUBLESSEE shall be insured by an insurance carrier acceptable to CITY against loss from public liability arising from the use or condition of or operation conducted

on the leased premises. Minimum coverage shall be One Million Dollars ($1,000,000) Combined Single Limit Liability. A copy of the policy of insurance shall be filed with CITY and shall name "The City of San Diego, its elected officials, officers, representatives, agents, and employees" as additional insured. The 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. LEGAL PROCEEDINGS. Should it become necessary for LESSEE or CITY to commence legal proceedings to collect rent, to recover possession or enforce any other provision of this consent, the prevailing party shall be entitled to an award of reasonable legal costs, including court and attorneys' fees.

LESSOR: CITY OF SAN DIEGO

Dated _____, 2006

By _____
Michael C. Tussey, Deputy Director
Airports Division

LESSEE: LANCAIR CORP.

Dated _____, 2006

By _____
Name _____
Title _____

SUBLESSEE: JMD SERVICES

Dated _____, 2006

By _____
Name _____
Title _____

APPROVED AS TO FORM AND LEGALITY:

MICHAEL J. AGUIRRE, City Attorney

Dated _____, 2006

By _____
Deputy City Attorney

JMD Services
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on February 6, 2006 between Lancair Corp hereinafter called "SUBLESSOR", and JMD Services,, hreinafter 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. First and Last months rent and a security deposit one-half month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises.
4. **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.
5. **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 under Section 17.
6. **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.
7. **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.
8. **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.
9. **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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay its share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the rent.
10. **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.
11. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
12. **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.
13. **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.
14. **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.
15. **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. 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.
16. **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 statues 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 that 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 breech by the SUBLESSEE.

17. **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.
18. **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.

19. **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 (c)any action taken or suffered by SUBLESSEE under any insolvency or bankruptcy act shall constitute a breach of this sublease by the SUBLESSEE.

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

21. **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 attorneys fees.

22. **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.

SUMMARY SECTION

A. Description of Premises: 1590 Continental St. Suite #115, San Diego, CA 92154

B. Term: Month to Month

C. Security Deposit: One-Months Rent

D. Rent: $350.00 per month plus utilities and cleaning. Must be received in the office by the 5th of the month. Payments may be mailed to Lancair Corp at 1424 Continental St., San Diego, CA 92154

E. Use: General Office – Retail Auto Sales (a) all vehicles must be stored off site (b) there are no test driving or storage on airport property (c) there are to be no auto-related banners, streamers, signs or other car lot style advertising.

F. Utilities and Cleaning: Paid by SUBLESSEE.

G. Security Agreement: SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing, listing their office equipment 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.

H. Personal Guarantee: A personal guarantee is required under this lease

I. Alterations: Tenant must get approval for the addition of window covering, security bars, signs, etc. Any signs must be approved.

J. Notices:

To: SUBLESSOR: Lancair Corp
1424 Continental Street
San Diego, CA 92154

To: SUBLESSEE JMD Services.
1590 Continental #115
San Diego, CA 92154

To: GUARANTOR Mark and Annabelle Hale
2631 Coyote Ridge Terrance
Chula Vista, CA 91915

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

By _____ SUBLESSOR

By X _____ SUBLESSEE X _____

By X _____ GUARANTOR X _____

NAVY FEDERAL Credit Union

NAVY FEDERAL CREDIT UNION
PO Box 3000
Merrifield VA 22119-3000
navyfcu.org

68-743[illegible]
256[illegible]

CASHIER'S CHECK

SERIAL NO.	ACCOUNT NO.	DATE	AMOUNT
[illegible]	[illegible]	[illegible]	[illegible]

PAY TO THE ORDER OF CITY SAN DIEGO

REMITTER: ANNABELLE T. HALE

ASSISTANT TREASURER

TWO SIGNATURES REQUIRED FOR AMOUNTS OF $10,000 AND ABOVE

C 36 (6-05)

⑆256074974⑆ ⑈002

CONSENT TO SUBLEASE AGREEMENT

The City of San Diego ("CITY"), as LESSOR under that certain Third Amended and Restated Flat Rate Lease Agreement ("MASTER LEASE") entered into with

BROWN FIELD AVIATION VENTURES
(as assigned to LANCAIR CORP.)

("LESSEE") dated as of December 28, 2005, hereby consents to that certain Sublease Agreement between the above LESSEE ("SUBLESSOR") and

IDEAL AUTO SALES
(SUBLESSEE")

dated February 15, 2006 ("SUBLEASE"). The SUBLEASE is for Suite 101 at 1590 Continental Street, San Diego, California 92154.

1. USE. The proposed use is solely and exclusively for general office space for retail auto sales with the following conditions: (a) All vehicles must be stored off site; (b) there will be no test driving or storage of autos on airport property; and (c) there will be no auto-related banners, streamers, signs or other car lot style advertising.

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. 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. CITY is merely approving the SUBLESSEE and the proposed use only.

3. ASSIGNMENT AND SUBLEASING. LESSEE shall ensure that SUBLESSEE does not assign the SUBLEASE or sublet the premises or any part thereof without the prior written consent of 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. HOLD HARMLESS. SUBLESSEE shall assume the defense of, indemnify and hold harmless CITY from all claims, expenses and liability of every nature, directly or indirectly arising from, or alleged to have arisen from the operations conducted on the leased premises, the condition of the premises or from any act or omission of SUBLESSEE, its agents and invitees; provided, however, SUBLESSEE'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 CITY, its elected officials, representatives, agents, officers or employees.

5. INSURANCE. SUBLESSEE shall be insured by an insurance carrier acceptable to CITY against loss from public liability arising from the use or condition of or operation conducted

on the leased premises. Minimum coverage shall be One Million Dollars ($1,000,000) Combined Single Limit Liability. A copy of the policy of insurance shall be filed with CITY and shall name "The City of San Diego, its elected officials, officers, representatives, agents, and employees" as additional insured. The 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. LEGAL PROCEEDINGS. Should it become necessary for LESSEE or CITY to commence legal proceedings to collect rent, to recover possession or enforce any other provision of this consent, the prevailing party shall be entitled to an award of reasonable legal costs, including court and attorneys' fees.

LESSOR: CITY OF SAN DIEGO

Dated _____, 2006

By _____
Michael C. Tussey, Deputy Director
Airports Division

LESSEE: LANCAIR CORP.

Dated _____, 2006

By _____
Name _____
Title _____

SUBLESSEE: IDEAL AUTO SALES

Dated _____, 2006

By _____
Name _____
Title _____

APPROVED AS TO FORM AND LEGALITY:

MICHAEL J. AGUIRRE, City Attorney

Dated _____, 2006

By _____
Deputy City Attorney

Ideal Auto Sales
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on February 15, 2006 between Lancair Corp hereinafter called "SUBLESSOR", and Ideal Auto Sales., hreinafter 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. First and Last months rent and a security deposit one-half month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises.
4. **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.
5. **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 under Section 17.
6. **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.
7. **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.
8. **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.
9. **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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay its share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the rent.
10. **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.
11. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
12. **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.
13. **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.
14. **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.
15. **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. 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.
16. **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 statues 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 that 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 breech by the SUBLESSEE.

17. **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.
18. **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 th[redacted]m of this sublease, exceed the amount agreed to be p[redacted]s rent for the demised premises for such period on such reletting.

19. **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 (c)any action taken or suffered by SUBLESSEE under any insolvency or bankruptcy act shall constitute a breach of this sublease by the SUBLESSEE.

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

21. **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 attorneys fees.

22. **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.

SUMMARY SECTION

A. Description of Premises: 1590 Continental St. Suite #101, San Diego, CA 92154

B. Term: Month to Month

C. Security Deposit: One-Months Rent

D. Rent: $400.00 per month plus utilities and cleaning. Must be received in the office by the 5th of the month. Payments may be mailed to Lancair Corp at 1424 Continental St., San Diego, CA 92154

E. Use: General Office – Retail Auto Sales (a) all vehicles must be stored off site (b) there are no test driving or storage on airport property (c) there are to be no auto-related banners, streamers, signs or other car lot style advertising.

F. Utilities and Cleaning: Paid by SUBLESSEE.

G. Security Agreement: SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing, listing their office equipment 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.

H. Personal Guarantee: A personal guarantee is required under this lease

I. Alterations: Tenant must get approval for the addition of window covering, security bars, signs, etc. Any signs must be approved.

J. Notices:

To: SUBLESSOR: Lancair Corp
1424 Continental Street
San Diego, CA 92154

To: SUBLESSEE Ideal Auto Sales.
1590 Continental #101
San Diego, CA 92154

To: GUARANTOR John W. Peters
767 Brookstone Rd. #101
Chula Vista, CA 91913

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

By _____
SUBLESSOR

By X _____
SUBLESSEE

By X _____
GUARANTOR

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 2/15/2006

PRODUCER
J. Terry Babler, Broker
5780 Chesapeake Ct. #23
San Diego, CA 92123
858-503-0810

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED
JOHN W. PETERS
DBA: IDEAL AUTO SALES
1590 CONTINENTAL STREET, SUITE 101
SAN DIEGO, CA 92154
619-474-3350

INSURERS AFFORDING COVERAGE	NAIC#
INSURER A: STATE NATIONAL INSURANCE CO.	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
		GENERAL LIABILITY				EACH OCCURRENCE	$ 1,000,000
		[X] COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence)	$
		[ ] CLAIMS MADE [X] OCCUR	CR4-12176	03/31/05	03/31/06	MED EXP (Any one person)	$
						PERSONAL & ADV INJURY	$
						GENERAL AGGREGATE	$ 1,000,000
		GEN'L AGGREGATE LIMIT APPLIES PER:				PRODUCTS - COMP/OP AGG	$
		[ ] POLICY [ ] PRO-JECT [ ] LOC					
		AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT (Ea accident)	$
		[ ] ANY AUTO					
		[ ] ALL OWNED AUTOS				BODILY INJURY (Per person)	$
		[ ] SCHEDULED AUTOS					
		[ ] HIRED AUTOS				BODILY INJURY (Per accident)	$
		[ ] NON-OWNED AUTOS					
						PROPERTY DAMAGE (Per accident)	$
		GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	$
		[ ] ANY AUTO				OTHER THAN AUTO ONLY: EA ACC	$
						AGG	$
		EXCESS/UMBRELLA LIABILITY				EACH OCCURRENCE	$
		[ ] OCCUR [ ] CLAIMS MADE				AGGREGATE	$
							$
		[ ] DEDUCTIBLE					$
		RETENTION $					$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				[ ] WC STATU-TORY LIMITS [ ] OTH-ER	
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?				E.L. EACH ACCIDENT	$
		If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE	$
						E.L. DISEASE - POLICY LIMIT	$
		OTHER					

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

THE CERTIFICATE HOLDER NAMED BELOW IS ADDITIONAL INSURED/LOSS PAYEE WITH RESPECT TO PREMISES LIABILITY.

CERTIFICATE HOLDER

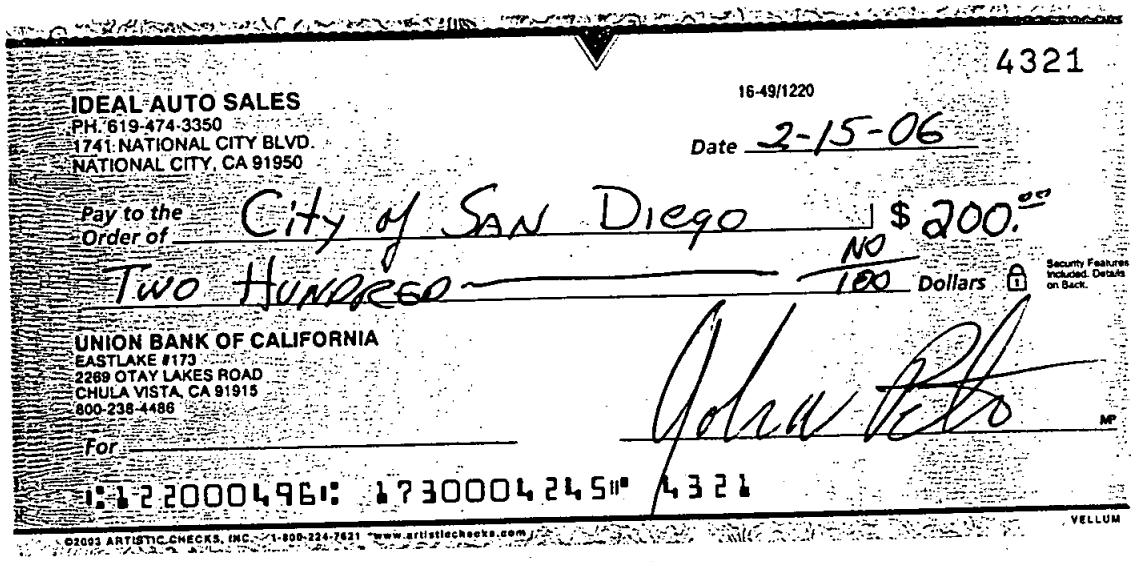
LANCAIR CORP & CITY OF SAN DIEGO
1424 CONTINENTAL STREET
SAN DIEGO, CA 92154

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
J. Terry Babler by A. Gary

© ACORD CORPORATION 1988



4321

16-49/1220

IDEAL AUTO SALES
PH. 619-474-3350
1741 NATIONAL CITY BLVD.
NATIONAL CITY, CA 91950

Date 2-15-06

Pay to the Order of City of San Diego $ 200.00

Two Hundred NO/100 Dollars

Security Features Included. Details on Back.

UNION BANK OF CALIFORNIA
EASTLAKE #173
2269 OTAY LAKES ROAD
CHULA VISTA, CA 91915
800-238-4486

For

⑈122000496⑈ 173000424511⑈ 4321

VELLUM

©2003 ARTISTIC CHECKS, INC. 1-800-224-7621 www.artistichecks.com

CONSENT TO SUBLEASE AGREEMENT

The City of San Diego ("CITY"), as LESSOR under that certain Third Amended and Restated Flat Rate Lease Agreement ("MASTER LEASE") entered into with

BROWN FIELD AVIATION VENTURES
(as assigned to LANCAIR CORP.)

("LESSEE") dated as of December 28, 2005, hereby consents to that certain Sublease Agreement between the above LESSEE ("SUBLESSOR") and

ROSILES TRUCKING, INC.
(SUBLESSEE")

dated February 10, 2006 ("SUBLEASE"). The SUBLEASE is for Suite 102 at 1590 Continental Street, San Diego, California 92154.

1. USE. The proposed use is solely and exclusively for general office space.

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. 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. CITY is merely approving the SUBLESSEE and the proposed use only.

3. ASSIGNMENT AND SUBLEASING. LESSEE shall ensure that SUBLESSEE does not assign the SUBLEASE or sublet the premises or any part thereof without the prior written consent of 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. HOLD HARMLESS. SUBLESSEE shall assume the defense of, indemnify and hold harmless CITY from all claims, expenses and liability of every nature, directly or indirectly arising from, or alleged to have arisen from the operations conducted on the leased premises, the condition of the premises or from any act or omission of SUBLESSEE, its agents and invitees; provided, however, SUBLESSEE'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 CITY, its elected officials, representatives, agents, officers or employees.

5. INSURANCE. SUBLESSEE shall be insured by an insurance carrier acceptable to CITY against loss from public liability arising from the use or condition of or operation conducted on the leased premises. Minimum coverage shall be One Million Dollars ($1,000,000) Combined Single Limit Liability. A copy of the policy of insurance shall be filed with CITY and shall name "The City of San Diego, its elected officials, officers, representatives, agents,

and employees" as additional insured. The 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. LEGAL PROCEEDINGS. Should it become necessary for LESSEE or CITY to commence legal proceedings to collect rent, to recover possession or enforce any other provision of this consent, the prevailing party shall be entitled to an award of reasonable legal costs, including court and attorneys' fees.

LESSOR: CITY OF SAN DIEGO

Dated _____, 2006

By _____
Michael C. Tussey, Deputy Director
Airports Division

LESSEE: LANCAIR CORP.

Dated _____, 2006

By _____
Name _____
Title _____

SUBLESSEE: ROSILES TRUCKING, INC.

Dated _____, 2006

By _____
Name _____
Title _____

APPROVED AS TO FORM AND LEGALITY:

MICHAEL J. AGUIRRE, City Attorney

Dated _____, 2006

By _____
Deputy City Attorney

H:\Young\Consent to Sublease-RosilesTrucking-Lancair

Rosiles Trucking, Inc.
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on February 10, 2006 between Lancair Corp hereinafter called "SUBLESSOR", and Rosiles Trucking, Inc.,, hreinafter 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. First and Last months rent and a security deposit one-half month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises.
4. **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.
5. **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 under Section 17.
6. **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.
7. **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.
8. **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.
9. **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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay its share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the rent.
10. **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.
11. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
12. **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.
13. **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.
14. **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.
15. **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. 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.
16. **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 statues 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 that 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 breech by the SUBLESSEE.

17. **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.
18. **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 [redacted]erm of this sublease, exceed the amount agreed to b[redacted]d as rent for the demised premises for such period on such reletting.

19. **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 (c)any action taken or suffered by SUBLESSEE under any insolvency or bankruptcy act shall constitute a breach of this sublease by the SUBLESSEE.

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

21. **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 attorneys fees.

22. **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.

SUMMARY SECTION

A. Description of Premises: 1590 Continental St. Suite #102, San Diego, CA 92154

B. Term: Month to Month

C. Security Deposit: One-Months Rent

D. Rent: $400.00 per month plus utilities and cleaning. Must be received in the office by the 5th of the month. Payments may be mailed to Lancair Corp at 1424 Continental St., San Diego, CA 92154

E. Use: General Office –

F. Utilities and Cleaning: Paid by SUBLESSEE.

G. Security Agreement: SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing, listing their office equipment 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.

H. Personal Guarantee: A personal guarantee is required under this lease

I. Alterations: Tenant must get approval for the addition of window covering, security bars, signs, etc. Any signs must be approved.

J. Notices:

To: SUBLESSOR: Lancair Corp
1424 Continental Street
San Diego, CA 92154

To: SUBLESSEE Rosiles Trucking, Inc..
1590 Continental #102
San Diego, CA 92154

To: GUARANTOR Manuel Rosiles
4762 Falconhurst Terrace
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 X _____
SUBLESSEE

By X _____
GUARANTOR

1709

ROSILES TRUCKING, INC.
208 DEL MAR AVE.
CHULA VISTA, CA 91910

90-3781/1222
30112936

DATE 2/10/06

Pay to the order of City of San Diego $ 200.—

Two hundred dllrs xx/100 DOLLARS

San Diego Community Bank
2494 ROLL DRIVE
SAN DIEGO, CA 92154

FOR 1590 Continental str. 102

Rowe Rosiles

⑈001709⑈ ⑆122237816⑆ 30⑈112936⑈

READ No. _____, _____, _____
(Original Request) (Resubmitted) (Resubmitted)

City Atty LE No. _____

OFFICE OF THE CITY ATTORNEY
Legal Services Request Form

To: City Attorney (MS-59) Attention: Morton Park, Deputy City Attorney

From: _____ 17 JANUARY 2006
Signature of ~~Supervising Agent~~ Authorizing Legal Request Date of Original Request

Re: Brown Field - 1424 Continental St. [SPA] Initials Req. for Followup Action
Location/Identification of Property

BFAN/Fancaii [ ] _____ Date
Name of Lessee, Permittee or Third Party

Consents to Sublease [ ] _____ Date
Type of Legal Document (*e.g., Lease Amendment, ROE Permit, Easement, etc...*)

This is a request for legal services. Please establish an assignment based upon the following information:

A. Property Agent (*please print*): Carol L. Young Telephone: 31435

B. Requested Response Date: 1/31/06 (*If response needed in less than 10 working days from the date of your request, please state specific reasons, including reference to any legal deadlines*)

_____

Requested response for Followup Action(s): _____

C. Requested form of response (please check one): [ ] Written [ ] Oral [ ] Attend Mtg/Hearing

[X] Edit Document [ ] Sign as to Form and Legality [ ] Other: _____

D. Subject Matter of Legal Request: Consents to Sublease

[ ] Please provide an e-mail response acknowledging receipt of this Request for Legal Services.

[ ] **Follow-up action required: [ ] Review second draft [ ] Execute document [ ] Other**

(PLEASE SEE PAGE 2 FOR DESCRIPTION OF LEGAL REQUEST)

ATTORNEY TRANSMISSION RECORD

Date Received: _____ [ ] Sent Acknowledgment Email on _____
[ ] Returned for additional information on _____ Information needed: _____
[ ] Returned for further drafting on _____ [ ] PLEASE RETURN FOR FURTHER REVIEW
[ ] Assignment completed and returned on _____
[ ] Signed as to form and legality on _____

CONFIDENTIAL ATTORNEY-CLIENT COMMUNICATION

Information provided by the City Attorney is for internal use only. This form and any other accompanying documents are CONFIDENTIAL and not to be distributed to anyone outside of the City. If you are unsure as to whether a document can be provided to anyone other than the person to whom it was addressed, please check with the City Attorney first.

L-40

Description of Legal Request (Please provide a detailed statement of the question or issue, including all necessary background information. Copies of background documents should be attached.):

Attached: 1. Ltr to Consent to Sublease
2. Sublease Agreements
3. Master Lease
4. Settlement Agreement

Attorney Notes/Response:

CONFIDENTIAL ATTORNEY-CLIENT COMMUNICATION

Information provided by the City Attorney is for internal use only. This form and any other accompanying documents are CONFIDENTIAL and not to be distributed to anyone outside of the City. If you are unsure as to whether a document can be provided to anyone other than the person to whom it was addressed, please check with the City Attorney first.

L-40

CONSENT TO SUBLEASE AGREEMENT

The City of San Diego ("CITY"), as LESSOR under that certain Third Amended and Restated Flat Rate Lease Agreement ("MASTER LEASE") entered into with

BROWN FIELD AVIATION VENTURES
(as assigned to LANCAIR CORP.)

("LESSEE") dated _____, 2005, hereby consents to that certain Sublease Agreement between the above LESSEE ("SUBLESSOR") and

RANA MOTORS
(SUBLESSEE")

dated January 1, 2006 ("SUBLEASE"). The SUBLEASE is for Suite 108 at 1590 Continental Street, San Diego, California 92154.

1. USE. The proposed use is solely and exclusively for retail auto sales with the following conditions: (a) All vehicles must be stored off site; (b) there will be no test driving or storage of autos on airport property; and (c) there will be no auto-related banners, streamers, signs or other car lot style advertising.

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. 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. CITY is merely approving the SUBLESSEE and the proposed use only.

3. ASSIGNMENT AND SUBLEASING: LESSEE shall ensure that SUBLESSEE does not assign the SUBLEASE or sublet the premises or any part thereof without the prior written consent of 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. HOLD HARMLESS: SUBLESSEE shall assume the defense of, indemnify and hold harmless CITY from all claims, expenses and liability of every nature, directly or indirectly arising from, or alleged to have arisen from the operations conducted on the leased premises, the condition of the premises or from any act or omission of SUBLESSEE, its agents and invitees; provided, however, SUBLESSEE'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 CITY, its elected officials, representatives, agents, officers or employees.

5. INSURANCE: SUBLESSEE shall be insured by an insurance carrier acceptable to CITY against loss from public liability arising from the use or condition of or operation conducted

on the leased premises. Minimum coverage shall be Two Million Dollars ($2,000,000) Combined Single Limit Liability. A copy of the policy of insurance shall be filed with CITY and shall name "The City of San Diego, its elected officials, officers, representatives, agents, and employees" as additional insured. The 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. LEGAL PROCEEDINGS: Should it become necessary for LESSEE or CITY to commence legal proceedings to collect rent, to recover possession or enforce any other provision of this consent, the prevailing party shall be entitled to an award of reasonable legal costs, including court and attorneys' fees.

LESSOR: CITY OF SAN DIEGO

Dated _____, 2006

By _____
Michael C. Tussey, Deputy Director
Airports Division

LESSEE: LANCAIR, CORP.

Dated _____, 2006

By _____
Name _____
Title _____

SUBLESSEE: RANA MOTORS

Dated _____, 2006

By _____
Name _____
Title _____

APPROVED AS TO FORM AND LEGALITY:

MICHAEL J. AGUIRRE, City Attorney

Dated _____, 2006

By _____
Deputy City Attorney

Rana Motors
SUBLEASE AGREEMENT

Jan 1. 2006

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on ~~December 14, 2005~~ between Lancair Corp hereinafter called "SUBLESSOR", and Rana Motors., hreinafter 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. First and Last months rent and a security deposit one-half month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises.
4. **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.
5. **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 under Section 17.
6. **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.
7. **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.
8. **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.
9. **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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay its share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the rent.
10. **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.
11. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
12. **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.
13. **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.
14. **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.
15. **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. 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.
16. **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 statues 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 that 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 breech by the SUBLESSEE.

17. **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.
18. **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 beyo[redacted]e term of this sublease, exceed the amount agreed t[redacted]paid as rent for the demised premises for such period on such reletting.

19. **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 (c)any action taken or suffered by SUBLESSEE under any insolvency or bankruptcy act shall constitute a breach of this sublease by the SUBLESSEE.

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

21. **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 attorneys fees.

22. **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.

SUMMARY SECTION

A. Description of Premises: 1590 Continental St. Suite #108, San Diego, CA 92154

B. Term: Month to Month

C. Security Deposit: One-Months Rent

D. Rent: $375.00 per month plus utilities and cleaning. Must be received in the office by the 5th of the month. Payments may be mailed to Lancair Corp at 1424 Continental St., San Diego, CA 92154

E. Use: General Office – Retail Auto Sales (a) all vehicles must be stored off site (b) there are no test driving or storage on airport property (c) there are to be no auto-related banners, streamers, signs or other car lot style advertising.

F. Utilities and Cleaning: Paid by SUBLESSEE.

G. Security Agreement: SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing, listing their office equipment 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.

H. Personal Guarantee: A personal guarantee is required under this lease

I. Alterations: Tenant must get approval for the addition of window covering, security bars, signs, etc. Any signs must be approved.

J. Notices:

To: SUBLESSOR: Lancair Corp
1424 Continental Street
San Diego, CA 92154

To: SUBLESSEE Rana Motors.
1590 Continental #108
San Diego, CA 92154

To: GUARANTOR Johnny Roy Hicks
P O Box 20653
El Cajon, CA 92021

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

By _____
SUBLESSOR

By X _____
SUBLESSEE

By X _____
GUARANTOR

ACORD INSURANCE BINDER

This supersedes and corrects Binder B05122900697

DATE 12/29/2005

THIS BINDER IS A TEMPORARY INSURANCE CONTRACT, SUBJECT TO THE CONDITIONS SHOWN ON THE REVERSE SIDE OF THIS FORM.

PRODUCER
PHONE (A/C, No, Ext): (619)445-5797
FAX (619)445-9297
M.E.James Surplus Lines Insurance Brokerage,Inc.
P. O. Box 1149
Alpine, CA 91901-1149

COMPANY: Century Surety Company

BINDER #: B05122900698

EFFECTIVE DATE	EFFECTIVE TIME		EXPIRATION DATE	EXPIRATION TIME	
12/31/2005	12:01	X AM / PM	01/30/2006	X 12:01 AM / NOON	

THIS BINDER IS ISSUED TO EXTEND COVERAGE IN THE ABOVE NAMED COMPANY PER EXPIRING POLICY #:

CODE: SUB CODE:

AGENCY CUSTOMER ID: 00004717

INSURED
Johnny Hicks dba: Rana Motors
P.O. Box 20653
El Cajon, CA 92020

DESCRIPTION OF OPERATIONS/VEHICLES/PROPERTY (Including Location)
Policy Number: CCP390085
Policy Period: 12/31/2005 to 12/31/2006
Operations: Office
Location: 1590 Continental St. #108
San Diego CA 92154

COVERAGES

TYPE OF INSURANCE	COVERAGE/FORMS	LIMITS: DEDUCTIBLE	COINS %	AMOUNT
PROPERTY — CAUSES OF LOSS: BASIC / BROAD / SPEC				
GENERAL LIABILITY: X COMMERCIAL GENERAL LIABILITY; CLAIMS MADE / X OCCUR; X 500.BI/PD deductible	RETRO DATE FOR CLAIMS MADE:			
		EACH OCCURRENCE		$ 1,000,000
		FIRE DAMAGE (Any one fire)		$ 50,000
		MED EXP (Any one person)		$ 2,000
		PERSONAL & ADV INJURY		$ Excluded
		GENERAL AGGREGATE		$ 1,000,000
		PRODUCTS - COMP/OP AGG		$ Excluded
AUTOMOBILE LIABILITY: ANY AUTO; ALL OWNED AUTOS; SCHEDULED AUTOS; HIRED AUTOS; NON-OWNED AUTOS				
		COMBINED SINGLE LIMIT		$
		BODILY INJURY (Per person)		$
		BODILY INJURY (Per accident)		$
		PROPERTY DAMAGE		$
		MEDICAL PAYMENTS		$
		PERSONAL INJURY PROT		$
		UNINSURED MOTORIST		$
				$
AUTO PHYSICAL DAMAGE — DEDUCTIBLE: COLLISION: ; OTHER THAN COL:	ALL VEHICLES / SCHEDULED VEHICLES	ACTUAL CASH VALUE / STATED AMOUNT / OTHER		$
GARAGE LIABILITY: ANY AUTO		AUTO ONLY - EA ACCIDENT		$
		OTHER THAN AUTO ONLY: EACH ACCIDENT		$
		OTHER THAN AUTO ONLY: AGGREGATE		$
EXCESS LIABILITY: UMBRELLA FORM / OTHER THAN UMBRELLA FORM	RETRO DATE FOR CLAIMS MADE:	EACH OCCURRENCE		$
		AGGREGATE		$
		SELF-INSURED RETENTION		$
WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY		WC STATUTORY LIMITS		
		E.L. EACH ACCIDENT		$
		E.L. DISEASE - EA EMPLOYEE		$
		E.L. DISEASE - POLICY LIMIT		$
SPECIAL CONDITIONS/ OTHER COVERAGES: Premium $758.00 + 22.74 state tax +1.71 stamp fee + $150.00 process fee = $932.45 Total Policy Premium		FEES		$
		TAXES		$
		ESTIMATED TOTAL PREMIUM		$

NAME & ADDRESS
Lance Air Corporation
City of San Diego
1424 Continental St.
San Diego CA 92154

MORTGAGEE / LOSS PAYEE / X ADDITIONAL INSURED

LOAN #

AUTHORIZED REPRESENTATIVE

ACORD 75-S (1/98) NOTE: IMPORTANT STATE INFORMATION ON REVERSE SIDE ©ACORD CORPORATION 1993

CONDITIONS

This Company binds the kind(s) of insurance stipulated on the reverse side. The Insurance is subject to the terms, conditions and limitations of the policy(ies) in current use by the Company.

This binder may be cancelled by the Insured by surrender of this binder or by written notice to the Company stating when cancellation will be effective. This binder may be cancelled by the Company by notice to the Insured in accordance with the policy conditions. This binder is cancelled when replaced by a policy. If this binder is not replaced by a policy, the Company is entitled to charge a premium for the binder according to the Rules and Rates in use by the Company.

Applicable in California

When this form is used to provide insurance in the amount of one million dollars ($1,000,000) or more, the title of the form is changed from "Insurance Binder" to "Cover Note".

Applicable in Delaware

The mortgagee or Obligee of any mortgage or other instrument given for the purpose of creating a lien on real property shall accept as evidence of insurance a written binder issued by an authorized insurer or its agent if the binder includes or is accompanied by: the name and address of the borrower; the name and address of the lender as loss payee; a description of the insured real property; a provision that the binder may not be canceled within the term of the binder unless the lender and the insured borrower receive written notice of the cancellation at least ten (10) days prior to the cancellation; except in the case of a renewal of a policy subsequent to the closing of the loan, a paid receipt of the full amount of the applicable premium, and the amount of insurance coverage.

Chapter 21 Title 25 Paragraph 2119

Applicable in Florida

Except for Auto Insurance coverage, no notice of cancellation or nonrenewal of a binder is required unless the duration of the binder exceeds 60 days. For auto insurance, the insurer must give 5 days prior notice, unless the binder is replaced by a policy or another binder in the same company.

Applicable in Nevada

Any person who refuses to accept a binder which provides coverage of less than $1,000,000.00 when proof is required: (A) Shall be fined not more than $500.00, and (B) is liable to the party presenting the binder as proof of insurance for actual damages sustained therefrom.

CONSENT TO SUBLEASE AGREEMENT

The City of San Diego ("CITY"), as LESSOR under that certain Third Amended and Restated Flat Rate Lease Agreement ("MASTER LEASE") entered into with

BROWN FIELD AVIATION VENTURES
(as assigned to LANCAIR CORP.)

("LESSEE") dated _____, 2005, hereby consents to that certain Sublease Agreement between the above LESSEE ("SUBLESSOR") and

HEISENBERG AUTOMATION, INC.
(SUBLESSEE")

dated January 1, 2006 ("SUBLEASE"). The SUBLEASE is for Suite 204 at 1590 Continental Street, San Diego, California 92154.

1. USE. The proposed use is solely and exclusively for retail auto sales with the following conditions: (a) All vehicles must be stored off site; (b) there will be no test driving or storage of autos on airport property; and (c) there will be no auto-related banners, streamers, signs or other car lot style advertising.

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. 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. CITY is merely approving the SUBLESSEE and the proposed use only.

3. ASSIGNMENT AND SUBLEASING: LESSEE shall ensure that SUBLESSEE does not assign the SUBLEASE or sublet the premises or any part thereof without the prior written consent of 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. HOLD HARMLESS: SUBLESSEE shall assume the defense of, indemnify and hold harmless CITY from all claims, expenses and liability of every nature, directly or indirectly arising from, or alleged to have arisen from the operations conducted on the leased premises, the condition of the premises or from any act or omission of SUBLESSEE, its agents and invitees; provided, however, SUBLESSEE'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 CITY, its elected officials, representatives, agents, officers or employees.

5. INSURANCE: SUBLESSEE shall be insured by an insurance carrier acceptable to CITY against loss from public liability arising from the use or condition of or operation conducted

on the leased premises. Minimum coverage shall be Two Million Dollars ($2,000,000) Combined Single Limit Liability. A copy of the policy of insurance shall be filed with CITY and shall name "The City of San Diego, its elected officials, officers, representatives, agents, and employees" as additional insured. The 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. LEGAL PROCEEDINGS: Should it become necessary for LESSEE or CITY to commence legal proceedings to collect rent, to recover possession or enforce any other provision of this consent, the prevailing party shall be entitled to an award of reasonable legal costs, including court and attorneys' fees.

LESSOR: CITY OF SAN DIEGO

Dated _____, 2006

By _____
Michael C. Tussey, Deputy Director
Airports Division

LESSEE: LANCAIR, CORP.

Dated _____, 2006

By _____
Name _____
Title _____

SUBLESSEE: HEISENBERG AUTOMATION, INC.

Dated _____, 2006

By _____
Name _____
Title _____

APPROVED AS TO FORM AND LEGALITY:

MICHAEL J. AGUIRRE, City Attorney

Dated _____, 2006

By _____
Deputy City Attorney

Heisenberg Automation, Inc.
SUBLEASE AGREEMENT

1.1.06 eR Mau Jr.

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on ~~December 15, 2005~~ between Lancair Corp hereinafter called "SUBLESSOR", and Heisenberg Automation, Inc.., hreinafter 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. First and Last months rent and a security deposit one-half month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises.
4. **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.
5. **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 under Section 17.
6. **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.
7. **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.
8. **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.
9. **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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay its share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the rent.
10. **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.
11. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
12. **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.
13. **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.
14. **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.
15. **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. 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.
16. **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 statues 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 that 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 breech by the SUBLESSEE.

17. **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.
18. **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 beyon[redacted] term of this sublease, exceed the amount agreed to [redacted]id as rent for the demised premises for such period on such reletting.

19. **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 (c)any action taken or suffered by SUBLESSEE under any insolvency or bankruptcy act shall constitute a breach of this sublease by the SUBLESSEE.

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

21. **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 attorneys fees.

22. **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.

SUMMARY SECTION

A. Description of Premises: 1590 Continental St. Suite #204, San Diego, CA 92154

B. Term: Month to Month

C. Security Deposit: One-Months Rent

D. Rent: $400.00 per month plus utilities and cleaning. Must be received in the office by the 5th of the month. Payments may be mailed to Lancair Corp at 1424 Continental St., San Diego, CA 92154

E. Use: General Office – Retail Auto Sales (a) all vehicles must be stored off site (b) there are no test driving or storage on airport property (c) there are to be no auto-related banners, streamers, signs or other car lot style advertising.

F. Utilities and Cleaning: Paid by SUBLESSEE.

G. Security Agreement: SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing, listing their office equipment 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.

H. Personal Guarantee: A personal guarantee is required under this lease

I. Alterations: Tenant must get approval for the addition of window covering, security bars, signs, etc. Any signs must be approved.

J. Notices:

To: SUBLESSOR: Lancair Corp
1424 Continental Street
San Diego, CA 92154

To: SUBLESSEE Heisenberg Automation, Inc..
1590 Continental #204
San Diego, CA 92154

To: GUARANTOR Mario Sanchez Abundis
416 W San Ysidro Blvd L49
San Ysidro, CA 92173

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

By _____
SUBLESSOR

By X _____
SUBLESSEE

By X _____
GUARANTOR

READ No. _____ (Original Request) _____ (Resubmitted) _____ (Resubmitted)

City Atty LE No. _____

OFFICE OF THE CITY ATTORNEY

Legal Services Request Form

To: City Attorney (MS-59) Attention: Morton Park, Deputy City Attorney

From: _____ Signature of Supervising Agent Authorizing Legal Request

1/24/06 Date of Original Request

Re: 1590 Continental St., Brown Field Location/Identification of Property

[SPA] Initials Req. for Followup Action

[ ] _____ Date

[ ] _____ Date

BFAV/Lincan Name of Lessee, Permittee or Third Party

Consent to Sublease Type of Legal Document (*e.g., Lease Amendment, ROE Permit, Easement, etc...*)

This is a request for legal services. Please establish an assignment based upon the following information:

A. Property Agent (*please print*): Carol C. Young Telephone: 31435

B. Requested Response Date: 2/8/06 (*If response needed in less than 10 working days from the date of your request, please state specific reasons, including reference to any legal deadlines*)

_____

Requested response for Followup Action(s): _____

C. Requested form of response (please check one): [ ] Written [ ] Oral [ ] Attend Mtg/Hearing

[X] Edit Document [ ] Sign as to Form and Legality [ ] Other: _____

D. Subject Matter of Legal Request: Consent to Sublease

[ ] Please provide an e-mail response acknowledging receipt of this Request for Legal Services.

[ ] Follow-up action required: [ ] Review second draft [ ] Execute document [ ] Other

(PLEASE SEE PAGE 2 FOR DESCRIPTION OF LEGAL REQUEST)

ATTORNEY TRANSMISSION RECORD

Date Received: _____ [ ] Sent Acknowledgment Email on _____

[ ] Returned for additional information on _____ Information needed: _____

[ ] Returned for further drafting on _____ [ ] PLEASE RETURN FOR FURTHER REVIEW

[ ] Assignment completed and returned on _____

[ ] Signed as to form and legality on _____

CONFIDENTIAL ATTORNEY-CLIENT COMMUNICATION

Information provided by the City Attorney is for Internal use only. This form and any other accompanying documents are CONFIDENTIAL and not to be distributed to anyone outside of the City. If you are unsure as to whether a document can be provided to anyone other than the person to whom it was addressed, please check with the City Attorney first.

L-40

Description of Legal Request (Please provide a detailed statement of the question or issue, including all necessary background information. Copies of background documents should be attached.):

The Sublease Agreement and Consent are attached. You have a copy of the Master Lease with the previous Consents.

Attorney Notes/Response:

CONFIDENTIAL ATTORNEY-CLIENT COMMUNICATION

Information provided by the City Attorney is for internal use only. This form and any other accompanying documents are CONFIDENTIAL and not to be distributed to anyone outside of the City. If you are unsure as to whether a document can be provided to anyone other than the person to whom it was addressed, please check with the City Attorney first.

CONSENT TO SUBLEASE AGREEMENT

The City of San Diego ("CITY"), as LESSOR under that certain Third Amended and Restated Flat Rate Lease Agreement ("MASTER LEASE") entered into with

BROWN FIELD AVIATION VENTURES
(as assigned to LANCAIR CORP.)

("LESSEE") dated _____, 2005, hereby consents to that certain Sublease Agreement between the above LESSEE ("SUBLESSOR") and

ANDERSON MOTORS
(SUBLESSEE")

dated January 16, 2006 ("SUBLEASE"). The SUBLEASE is for Suite 110 at 1590 Continental Street, San Diego, California 92154.

1. USE. The proposed use is solely and exclusively for retail auto sales with the following conditions: (a) All vehicles must be stored off site; (b) there will be no test driving or storage of autos on airport property; and (c) there will be no auto-related banners, streamers, signs or other car lot style advertising.

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. 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. CITY is merely approving the SUBLESSEE and the proposed use only.

3. ASSIGNMENT AND SUBLEASING. LESSEE shall ensure that SUBLESSEE does not assign the SUBLEASE or sublet the premises or any part thereof without the prior written consent of 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. HOLD HARMLESS. SUBLESSEE shall assume the defense of, indemnify and hold harmless CITY from all claims, expenses and liability of every nature, directly or indirectly arising from, or alleged to have arisen from the operations conducted on the leased premises, the condition of the premises or from any act or omission of SUBLESSEE, its agents and invitees; provided, however, SUBLESSEE'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 CITY, its elected officials, representatives, agents, officers or employees.

5. INSURANCE. SUBLESSEE shall be insured by an insurance carrier acceptable to CITY against loss from public liability arising from the use or condition of or operation conducted

on the leased premises. Minimum coverage shall be Two Million Dollars ($2,000,000) Combined Single Limit Liability. A copy of the policy of insurance shall be filed with CITY and shall name "The City of San Diego, its elected officials, officers, representatives, agents, and employees" as additional insured. The 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. LEGAL PROCEEDINGS. Should it become necessary for LESSEE or CITY to commence legal proceedings to collect rent, to recover possession or enforce any other provision of this consent, the prevailing party shall be entitled to an award of reasonable legal costs, including court and attorneys' fees.

LESSOR: CITY OF SAN DIEGO

Dated _____, 2006

By _____
Michael C. Tussey, Deputy Director
Airports Division

LESSEE: LANCAIR CORP.

Dated _____, 2006

By _____
Name _____
Title _____

SUBLESSEE: ANDERSON MOTORS

Dated _____, 2006

By _____
Name _____
Title _____

APPROVED AS TO FORM AND LEGALITY:

MICHAEL J. AGUIRRE, City Attorney

Dated _____, 2006

By _____
Deputy City Attorney

Anderson Motors
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on January 16, 2006 between Lancair Corp hereinafter called "SUBLESSOR", and Anderson Motors., hreinafter 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. First and Last months rent and a security deposit one-half month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises.
4. **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.
5. **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 under Section 17.
6. **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.
7. **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.
8. **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.
9. **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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay its share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the rent.
10. **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.
11. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
12. **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.
13. **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.
14. **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.
15. **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. 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.
16. **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 statues 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 that 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 breech by the SUBLESSEE.

17. **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.
18. **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 t[redacted]d the term of this sublease, exceed the amount agree[redacted]e paid as rent for the demised premises for such period on such reletting.

19. **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 (c)any action taken or suffered by SUBLESSEE under any insolvency or bankruptcy act shall constitute a breach of this sublease by the SUBLESSEE.

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

21. **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 attorneys fees.

22. **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.

SUMMARY SECTION

A. Description of Premises: 1590 Continental St. Suite #110, San Diego, CA 92154

B. Term: Month to Month

C. Security Deposit: One-Months Rent

D. Rent: $350.00 per month plus utilities and cleaning. Must be received in the office by the 5th of the month. Payments may be mailed to Lancair Corp at 1424 Continental St., San Diego, CA 92154

E. Use: General Office – Retail Auto Sales (a) all vehicles must be stored off site (b) there are no test driving or storage on airport property (c) there are to be no auto-related banners, streamers, signs or other car lot style advertising.

F. Utilities and Cleaning: Paid by SUBLESSEE.

G. Security Agreement: SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing, listing their office equipment 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.

H. Personal Guarantee: A personal guarantee is required under this lease

I. Alterations: Tenant must get approval for the addition of window covering, security bars, signs, etc. Any signs must be approved.

J. Notices:

To: SUBLESSOR: Lancair Corp
1424 Continental Street
San Diego, CA 92154

To: SUBLESSEE Anderson Motors.
1590 Continental #110
San Diego, CA 92154

To: GUARANTOR Mike Anderson
4608 Acacia Avenue
La Mesa, CA 91941

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

By _____
SUBLESSOR

By X _____
SUBLESSEE

By X _____
GUARANTOR

A10

May 1, 2006

Carol,

As per our conversation, this is new tenant information for a Lancair owned hangar. No fee is required.

Ellen

1424 Continental Street, San Diego, CA 92154
Phone 619-671-9222 * Fax 619-671-9665

Antony Dickinson
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on May 1, 2006 between Lancair Corp hereinafter called "SUBLESSOR", and Antony Dickinson.., hreinafter 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. First and Last months rent and a security deposit one-half month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises.
4. **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.
5. **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 under Section 17.
6. **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.
7. **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.
8. **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.
9. **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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay its share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the rent.
10. **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.
11. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
12. **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.
13. **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.
14. **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.
15. **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. 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.
16. **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 statues 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 that 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 breech by the SUBLESSEE.

17. **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.
18. **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.

19. **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 (c)any action taken or suffered by SUBLESSEE under any insolvency or bankruptcy act shall constitute a breach of this sublease by the SUBLESSEE.

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

21. **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 attorneys fees.

22. **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.

SUMMARY SECTION

A. Description of Premises: 1424 Continental St. #P8
B. Term: Month to Month
C. Security Deposit: One months rent
D. Rent350.00 per month . Must be received in the office by the 5th of the month. Payments may be mailed to or delivered to Lancair Corp, 1424 Continental St., San Diego, CA 92154
E. Use: Aviation
F. Utilities and Cleaning: Paid by SUBLESSEE.
G. Security Agreement: SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing, listing their office equipment 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.
H. Personal Guarantee: A personal guarantee is required under this lease
I. Alterations: No Alternations Allowed.
J. Notices:

To: SUBLESSOR: Lancair Corp
6851 Curran Street
San Diego, CA 92154

To: SUBLESSEE: Antony Dickinson
4475 Estada Dr.
Oceanside, CA 92057

To: GUARANTOR: Antony Dickinson

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

By _____
SUBLESSOR

By X _____
SUBLESSEE

By X _____
GUARANTOR

PM Distributing Co., Inc.
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on November 1, 2004 between Lancair Corp hereinafter called "SUBLESSOR", and PM Distributing Co. Inc.., hreinafter 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. First and Last months rent and a security deposit one-half month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises.
4. **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.
5. **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 under Section 17.
6. **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.
7. **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.
8. **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.
9. **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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably
determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay its share, as reasonably determined by the SUBLESSOR,
and payable on a monthly basis included with the rent.
10. **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.
11. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
12. **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.
13. **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.
14. **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.
15. **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. 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.
16. **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 statues 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 that 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 breech by the SUBLESSEE.

17. **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.
18. **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.

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

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

21. **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 attorneys fees.

22. **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.

SUMMARY SECTION

A. Description of Premises: 1590 Continental St. Suite #112, San Diego, CA 92154

B. Term: Month to Month

C. Security Deposit: One months rent

D. Rent: $350.00 per month plus utilities and cleaning. Must be received in the office by the 5th of the month. Payments may be mailed to or delivered to Lancair Corp, 6851 Curran St., San Diego, CA 92154

E. Use: Import Export

F. Utilities and Cleaning: Paid by SUBLESSEE.

G. Security Agreement: SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing, listing their office equipment 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.

H. Personal Guarantee: A personal guarantee is required under this lease

I. Alterations: Tenant must get approval for the addition of window covering, security bars, signs, etc. The only approved sign is a 24 x 24 sign purchased through All Up Signs. There is to be no banners or signs on the vehicles unless prior approval by the City of San Diego sign division.

J. Notices:

To: SUBLESSOR: Lancair Corp
6851 Curran Street
San Diego, CA 92154

To: SUBLESSEE: PM Distributing Co., Inc..
1590 Continental #112
San Diego, CA 92154

To: GUARANTOR: Jaime Portillo
Boulevard Agua Caliente.
Tijuana, Mexico 25420

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

By _____
GUARANTOR

Prior to requirement for Consent

CONSENT TO SUBLEASE AGREEMENT

The City of San Diego (CITY), as LESSOR under that certain Lease Agreement (Master Lease) entered into with Brown Field Aviation Ventures, (LESSEE), dated November 12, 1996 and filed in the office of the City Clerk as Document 00-18361, together with Amendments thereto, hereby consents to that certain Sublease Agreement between the above LESSEE (SUBLESSOR) and Lancair Corporation, (SUBLESSEE) dated March 1, 2001 attached hereto. Said Sublease shall be subordinate to the Master Lease in all respects.

The CITY is merely approving the SUBLESSEE and all terms and conditions of the Master Lease shall control and supersede any inconsistent or contrary provisions in the Sublease which in any way conflicts with or is additional to the provisions of the Master Lease, except as otherwise approved herein.

The consent of the CITY is granted on the following conditions:

1. It is understood that this consent does not release LESSEE from its contractual obligations, i.e: LESSEE is ultimately responsible for damages, repairs, etc. committed by SUBLESSEE, if SUBLESSEE defaults.

2. SUBLESSEE shall obtain Comprehensive General Liability insurance in the amount of one million dollars, ($1,000,000) with an occurrence claims form, naming the CITY OF SAN DIEGO as additional insured. Said insurance shall be maintained in full force throughout the term of the Sublease and a copy or proof of same shall be on file with CITY during the term of the Sublease. The insurance policy shall specify that it may not be canceled without thirty (30) days prior written notice to CITY. SUBLESSEE shall also obtain All Peril Property insurance covering 100% of the replacement costs of the premises throughout the Sublease, and shall name the City of San Diego and as additional insured.

3. SUBLESSEE agrees to defend, indemnify, protect, and hold the CITY, its agents, officers, and employees harmless from and against all claims asserted or liability established for damages or injuries to any person or property , including injuries 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 premises and all expenses of investigating and defending against same; provided, however, that SUBLESSEE'S duty to indemnify and hold harmless shall not include any claims or liability arising from the established negligence, active negligence or willful misconduct of the CITY or SUBLESSOR, their agents, officers, or employees. .....(continued)...

DOCUMENT NO. 00-18361-3
FILED MAR 18 2002
OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA

4. After first obtaining written approval from Airports Division, SUBLESSEE agrees to obtain permits from Development Services Division for all modifications, renovations, or improvements undertaken on the premises, and to pay the fees associated therewith.

5. SUBLESSOR agrees to pay the CITY'S fee of $310 for reviewing and consenting to the Sublease.

SIGNATURES:

CITY OF SAN DIEGO

Dated 4-2-01

BY _____
Tracy L. Means, A.A.E.
Deputy Director, Airports Division

BROWN FIELD AVIATION VENTURES

Dated 3/29/01

BY _____
(Sublessor)

LANCAIR CORPORATION

Dated 3-29-01

BY _____
(Sublessee)

Approved as to form and legality this 26th Day of March, 2001

CASEY GWINN, City Attorney

BY _____
Deputy City Attorney

SUBLEASE AGREEMENT

This Sublease Agreement ("Sublease") is entered into effective March 26, 2001, between Brown Field Aviation Ventures Inc., a California corporation ("BFAV") and Lancair Corporation, a Nevada corporation ("LC"), with reference to the following facts:

A. The City of San Diego, a municipal corporation ("City") as Lessor, and BFAV, as Lessee, executed the City of San Diego Flat Rate Lease dated December 4, 1996 for certain real property containing approximately 15 acres situated in the City of San Diego. First and Second Amendments to said Flat Rate Lease were subsequently executed by the parties increasing the site to 18.98 acres. BFAV entered into the Flying "J" Aviation Assignment Agreement which reduced the site to 16.04 acres. Additionally, a separate agreement for the assignment of the Bearden lease to Bearden Aviation has been approved by BFAV which will result in a reduction of the site to 11.42 acres. The Flat Rate Lease, the two Amendments thereto, and the Flying "J" Assignment Agreement are attached hereto as Exhibit "A", incorporated herein by reference as though set forth in full, and collectively referred to herein as the "Master Lease".

B. LC and BFAV acknowledge that subleases for hangars, office space, and ramp space, as listed on Exhibit "B" attached hereto (collectively "Rentals"), are currently in full force and effect. The parties wish to have the Rentals assigned to LC, and to have LC honor all of the terms and conditions of the Rentals as part of the sublease of the Master Lease from BFAV.

C. BFAV has entered into an agreement to provide Flying "J" Aviation adequate parking spaces for their business in return for access to their ramp space to be used as a taxilane ("FJA Agreement"). The parties wish to have LC assigned all rights and obligations of the FJA Agreement as part of the sublease of the Master Lease from BFAV.

D. BFAV desires to sublease to LC the property occupied by BFAV pursuant to the terms of the Master Lease including all rights and obligations of BFAV arising under the Rentals and the FJA Agreement. LC desires to sublease the property from BFAV and to assume the rights and obligations of BFAV under the Master Lease, including all rights and obligations of BFAV arising under the Rentals and the FJA Agreement.

E. The written consent to this Sublease by City is required by the provisions of Section 4.2 of the Master Lease.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the undersigned hereby agree as follows:

1. Incorporation of Recitals. All of the recitals set forth above are true and correct and are hereby incorporated in and made a part of this Agreement.

2. Subleasing of Property. Subject to the terms, covenants, and conditions set forth in this Sublease and the Master Lease, BFAV hereby subleases to LC, and LC hereby subleases from BFAV, the entirety of the property identified in and covered by

BFAV LC

the Master Lease, including all rights and obligations arising from the Rentals and the FJA Agreement. LC agrees to perform all of the requirements and fulfill all of the conditions which Lessee is required to perform or fulfill under the Master Lease, and all obligations required to be performed by BFAV under the Rentals and the FJA Agreement. LC shall indemnify, defend and hold harmless BFAV and the City of San Diego with respect to all costs and expenses arising from the Master Lease, the Rentals, and the FJA Agreement.

3. Term. The term of this Sublease shall be thirty (30) years beginning on May 1, 2001.

4. Rent. LC shall pay to BFAV as rent for the subleased premises the sum of $15,858.05 per month plus the amount of all rent and other charges due to the City from BFAV pursuant to the Master Lease. Rent shall be paid to BFAV in advance on or before the first day of each calendar month and must be received by BFAV at its office located at 436 Country Club Lane, Coronado, California 92118 on or before the first day of each calendar month. Payments which BFAV does not receive on time shall be subject to the late payment charges set forth in the Master Lease.

5. Developmental Plan. LC shall, in addition to complying with the developmental plan in the Master Lease, develop the leasehold estate according to the Developmental Plan set forth in Exhibit "C" attached hereto and incorporated herein by reference.

6. Default. In the event LC fails to comply with any of the terms and conditions of this Sublease or fails to perform any and all of the provisions of the Master Lease for which Lessee is responsible, LC's rights under this Sublease shall be terminated at BFAV's option, and LC shall forfeit any and all rights which it may have under this Sublease or the Master Lease.

7. Attorneys Fees. If any action or other proceeding arising out of this Sublease is commenced by either party, then as between BFAV and LC, the prevailing party shall be entitled to receive from the other, in addition to any other relief that may be granted, reasonable attorneys fees, court costs, and other expenses incurred in the action or proceeding by the prevailing party.

IN WITNESS WHEREOF, this Sublease is executed effective March 26, 2001, at San Diego, California.

BFAV

BROWN FIELD AVIATION VENTURES, INC., a California corporation

By: _____
Its Authorized Agent

LC

LANCAIR CORPORATION, a Nevada corporation

By: _____
Its Authorized Agent

BFAV LC

Attachment "B"

BFAV Subleases as of March 1, 2001

	Name	Expires
C 1	Canon	May 1, 2002
C 2	Nance	May 1, 2002
C 3	Hill	May 1, 2002
C 4	Broderick	May 1, 2002
C 5	Gregory	May 1, 2002
C 6	Gillespie	May 1, 2002
C 7	Rathbun	May 1, 2002
C 8	Jamison	May 1, 2002
C 9	Meredith	May 1, 2002
C 10	Crevling	May 1, 2002
C 11	Woolgast	May 1, 2002
C 12	Woolgast	May 1, 2002
C 13	Woolgast	May 1, 2002
C 14	Woolgast	May 1, 2002
C 15	Cowling	May 1, 2002
C 16	Cowling	May 1, 2002
C 17	Souttere	May 1, 2002
C 99	Sanchex-Avala	Month to Month
A 1	Gray	January 1, 2007
A 2	McCutchin (Precision Automation)	January 1, 2007
A 3	Conde	January 1, 2007
A 4	Rathbun	January 1, 2007
A 5	Van Wormer	January 1, 2007
A 6	Ehly	January 1, 2007
A 7	Flint	January 1, 2007
A 8	E. Mohler	January 1, 2007
A 9	Gregory	January 1, 2007
A 10	Catanzaro	Month to Month
A 11	Kaul	January 1, 2007
A 12	Smith	January 1, 2007
A 13	Russell	January 1, 2007
A 14	B. Mohler	January 1, 2007
A 15	Jamison	January 1, 2007
O 1	Ri-Ver	Month to Month
O 2	McDonalds	Month to Month
O 3	Jose Perez	Month to Month
O 4	two Guys Truck Parts	Month to Month
O 5	Nicolas Paulido	Month to Month
L 1	Christian	Month to Month
L 2	Total Aviation	Month to Month
AA 1	Leading Edge Rigging	July 15, 2001
B 1	Bearden Aviation	December 1, 2031

Exhibit "C"
DEVELOPMENT SCHEDULE

Within 60 months, based on business demand, the following will be accomplished:

1. An additional 40 General Aviation Hangars will be added South of Curran Street.
2. Two additional Corporate Hangars, ranging between 10,000 sf and 80,000 sf, will be added to the existing ramp space.
3. An airplane wash facility will be constructed.
4. The building at 1590 Continental Street will be renovated for use as general business office space.

CONSENT TO SUBLEASE AGREEMENT

The City of San Diego (CITY), as LESSOR under that certain Lease Agreement (Master Lease) entered into with Brown Field Aviation Ventures, (LESSEE), dated December 1, 1996, hereby consents to that certain Sublease Agreement between the above LESSEE (SUBLESSOR) and Leading Aviation, (SUBLESSEE) dated OCT 1 1999 1999 attached hereto. Said Sublease shall be subordinate to the Master Lease in all respects.

The CITY is merely approving the SUBLESSEE and all terms and conditions of the Master Lease shall control and supersede any inconsistent or contrary provisions in the Sublease which in any way conflicts with or is additional to the provisions of the Master Lease, except as otherwise approved herein.

The consent of the CITY is granted on the following conditions:

1. SUBLESSEE shall obtain general liability insurance in the amount of one million dollars, ($1,000,000) with an occurrence claims form, naming the CITY OF SAN DIEGO and the SUBLESSOR as additional insured. Said insurance shall be maintained in full force throughout the term of the Sublease and a copy or proof of same shall be on file with CITY or SUBLESSOR during the term of the Sublease. The insurance policy shall specify that it may not be canceled without thirty (30) days prior written notice to CITY. SUBLESSEE shall also obtain fire insurance to cover 100% of the replacement costs of the premises throughout the Sublease, and shall name the City of San Diego and SUBLESSOR as additional insured.

2. SUBLESSEE agrees to defend, indemnify, protect, and hold the CITY and SUBLESSOR, their agents, officers, and employees harmless from and against all claims asserted or liability established for damages or injuries to any person or property , including injuries 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 premises and all expenses of investigating and defending against same; provided, however, that SUBLESSEE'S duty to indemnify and hold harmless shall not include any claims or liability arising from the established negligence, or willful misconduct of the CITY or SUBLESSOR, their agents, officers, or employees.

(Continued, next page).....

3. SUBLESSEE agrees to obtain permits from Development Services Division for all modifications, renovations, or improvements undertaken on the premises, and to pay the fees associated therewith.

4.. SUBLESSOR agrees to pay the CITY'S fee of $310 for reviewing and consenting to the Sublease.

SIGNATURES:

CITY OF SAN DIEGO

Dated 10/6/99

BY _____
C.V. Svensson, C.P.M.
Supervising Property Agent

BROWN FIELD AVIATION VENTURES

Dated OCT 1 1999

BY _____ GM
(Sublessor)

LEADING AVIATION

Dated OCT 1 1999

BY _____
(Sublessee)

Leading Aviation
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on Oct 1 1999 between Brown Field Aviation Ventures, Inc. hereinafter called "SUBLESSOR", and Leading 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. Any property taxes and/or possessory interest taxes assessed on the leased premises are the responsibility of the SUBLESSEE. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.

4. Rent Adjustments: Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor.
If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. -
Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.

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 under Section 17.

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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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. This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.

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.

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. 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 statues 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 breech 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 (c)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 attorneys fees.

23. **Additional Provisions:**

(I) Relocation: The SUBLESSEE shall, at it's 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. This lease agreement shall not become effective until approved in writing by all parties listed below

SUMMARY SECTION

A. Description of Premises: A hangar approximately 12,000 sf and a nose dock adjacent to the hangar, including ramp space in front of the hangar within the boundaries of BFAV's master lease. Upon written agreement between the SUBLESSEE and the SUBLESSOR, the leased area may be increased or decreased.

B. Term: This lease shall commence on OCT 1 1999 and continue on a month to month basis. Upon written agreement between the SUBLESSEE and the SUBLESSOR this lease can extended.

C. Security Deposit: $0

D. Rent: $6,000.00 per month. Rent is payable in advance and must be received by the first of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173 . First rent payment may be late up to 20 days without penalty.

E. Use: Any Aviation use as authorized in the BFAV/City of San Diego Master Lease

F. Utilities: Paid by SUBLESSEE.

G. Relocation: No changes

H. Security Agreement/UCC1: No changes.

I. Personal Guarantee: A personal guarantee is required under this lease

J. Notices:

To: SUBLESSOR:
Brown Field Aviation Ventures,Inc.
1590 Continental Street
San Diego, CA 92173
(619) 661-6671

To: SUBLESSEE
Leading Aviation
1424 Continental Street, Suite A
San Diego, CA 92173

To: GUARANTOR:
Luis Evia
1424 Continental Street, Suite A
San Diego, CA 92173

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

_____
GUARANTOR

Leading Aviation
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on April 1, 2000 between Brown Field Aviation Ventures. Inc, hereinafter called "SUBLESSOR", and Leading 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. Any property taxes and/or possessory interest taxes assessed on the leased premises are the responsibility of the SUBLESSEE. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.

4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor.

If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. -

Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.

5. **Late Fees:** If the SUBLESSEE fails to pay the rent when due, SUBLESSEE will pay, in addition to the unpaid rents, 5% of the rent amount if the rent is late 1-15 days, and 10% of the rent amount if after 15 days 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 under Section 17.

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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.

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. SUBLESSEE agrees to paint building, install a drain in the front parking lot of the building, pave front parking area and to install perimeter fencing within 6 month of lease inception. The improvements were considered in agreeing to the lease rates.

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.

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. 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 statues 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 breech 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 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 (c)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 attorneys fees.

23. **Additional Provisions:**

(i) Relocation: No provisions.

(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.

(iii) AASI: In consideration of the granting of this lease, SUBLESSEE agrees, for the length of this lease, to allow Air Adventures Skydiving, Inc. (AASI) to purchase fuel at cost. Cost is defined as the price the SUBLESSEE pays to the fuel provider. There will be no pumping charges. Additionally, SUBLESSEE agrees, for the length of this lease, to receive split loads of fuel with AASI at cost. A staging area for skydivers and one aircraft parking spot will be provided to AASI at no cost for the length of this lease.

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. This lease agreement shall not become effective until approved in writing by all parties listed below

SUMMARY SECTION

A. Description of Premises: A hangar approximately 12,000 sf and a nose dock adjacent to the hangar, including ramp space in front of the hangar within the boundries of BFAV's master lease and an area east of the hangar sufficient to place a Fuel Farm Storage Tank.

B. Term: This lease shall commence on April 1, 2000 and continue for a period of 24 months. The SUBLESSEE shall have the option to extend the lease for an additional 36 months under the current terms.

C. Security Deposit: $6,000.00

D. Rent: $6,000.00 per month. Rent is payable in advance and must be received by the first of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173 .

E. Use: Any Aviation use as authorized in the BFAV/City of San Diego Master Lease.

F. Utilities: Paid by SUBLESSEE.

G. Relocation: No changes

H. Security Agreement/UCC1: No changes.

I. Personal Guarantee: A personal guarantee is required under this lease

J. Notices:

To: SUBLESSOR:
Brown Field Aviation Ventures,Inc.
1590 Continental Street
San Diego, CA 92173
(619) 661-6671

To: SUBLESSEE
Leading Aviation
1424 Continental Street, Suite A
San Diego, CA 92173

To: GUARANTOR:
KURT AMBROSIUS
1424 Continental Street, Suite A
San Diego, CA 92173

To: Co Guarantor
Luis Elvia
1424 Continental St
San Diego, CA 92173

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

By _____
SUBLESSOR - BFAV

By _____
SUBLESSEE - LEADING AVIATION

_____
GUARANTOR

Co Guarantor

Leading Aviation
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on July 15, 1999 between Brown Field Aviation Ventures, Inc. hereinafter called "SUBLESSOR", and Leading 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. Any property taxes and/or possessory interest taxes assessed on the leased premises are the responsibility of the SUBLESSEE. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.

4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor.
If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. -
Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.

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 under Section 17.

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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.

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. SUBLESSEE agrees to paint building, install a drain in the front parking lot of the building, pave front parking area and to install perimeter fencing within 6 month of lease inception. The improvements were considered in agreeing to the lease rates.

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.

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. 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 statues 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 breech 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 (c)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 attorneys fees.

23. **Additional Provisions:**

(i) Relocation: The SUBLESSEE shall, at it's 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. This lease agreement shall not become effective until approved in writing by all parties listed below

SUMMARY SECTION

A. Description of Premises: A hangar approximately 12,000 sf and a nose dock adjacent to the hangar, including ramp space in front of the thangar within the boundries of BFAV's master lease. Aug 1, 99

B. Term: This lease shall commence on ~~July 15, 1999~~ and continue on a month to month basis

C. Security Deposit: $0

D. Rent: $6,000.00 per month. Rent is payable in advance and must be received by the first of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173. First rent payment may be late up to 20 days without penalty.

E. Use: Any Aviation use as authorized in the BFAV/City of San Diego Master Lease

F. Utilities: Paid by SUBLESSEE.

G. Relocation: No changes

H. Security Agreement/UCC1: No changes.

I. Personal Guarantee: A personal guarantee is required under this lease

J. Notices:

To: SUBLESSOR:
Brown Field Aviation Ventures,Inc.
1590 Continental Street
San Diego, CA 92173
(619) 661-6671

To: SUBLESSEE
Leading Aviation
1424 Continental Street, Suite A
San Diego, CA 92173

To: GUARANTOR:
Luis Evia
1424 Continental Street, Suite A
San Diego, CA 92173

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

By _____
SUBLESSOR

_____
GUARANTOR

By _____
SUBLESSEE

BROWN FIELD AVIATION VENTURES, INC.

February 28, 2000

Luis Avia
Leading Aviation
6851 Curran Street
San Diego, CA 92154

Dear Mr. Avia,

This letter is to amend our lease dated July 15, 1999.

Both parties agree to add the following to the Paragraph "A" of the summary section:

Additional space to the east of the 12,000 sf hangar adequate to locate one fuel tank, not to exceed 50 feet east, is hereby added to the lease at no extra cost ".

If you have any additional questions, please feel free to call me at (619) 661-6671.

BUZZ FINK
Brown Field Aviation Ventures, Inc.

1590 Continental Street, San Diego, CA 92173(619) 661-6671 Fax (619) 661-6770

PAUL CATANZARO
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California, between Brown Field Aviation Ventures, Inc. hereinafter called "SUBLESSOR", and Paul Catanzaro, 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.

4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor. If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.

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 under Section 17.

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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance of the ramp area, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. This does not include the renovation of the nose dock. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.

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.

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. 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 statues 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 breech 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. 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. No request shall be unreasonable withheld by the SUBLESSOR.

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 ail of the assets of sublease or (b) a general assignment by SUBLESSEE for the benefit of creditors, or (c)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 attorneys fees. In the event of any litigation regarding this lease, the prevailing party shall be entitled to an award of reasonable legal cost's, including court and attorney's fees.

23. **Additional Provisions:**

(I) Relocation: The SUBLESSEE shall, at it's 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.

SUMMARY SECTION

A. Description of Premises: An open area 1800 square feet to house a hangar in a location or locations to be determined by Brown Field Aviation Ventures, Inc.

B. Term: This lease shall be month to month. Either party may terminate this lease with 30 day written notice. Sublessee acknowledges the hangar will need to be relocated in the near future.

C. Security Deposit: None

D. Rent: $180 per month payable in advance and must be received by the first of each month. No late penalties will be assessed if payment is received before the 5th of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173 .

E. Use: Primarily for aircraft storage and non-commercial/not for hire maintenance of aircraft. Storage of other personal items is also authorized provided the hangar is still primarily used for storage and maintenance of an aircraft and the other personal items do not use more than 25% of the available floor space. Use of the hangar as a storage facility with no aircraft is prohibited and shall be deemed a breach of the lease.

F. Utilities: Paid by SUBLESSEE.

G. Relocation: The SUBLESSEE agrees to move the hangar to another site on Brown Field as many time as required by the SUBLESSOR, and at the sole expense of the SUBLESSEE. First required relocation shall be at the sole expense of the SUBLESSEE. Any additional relocation's required by the SUBLESSOR, shall be at the sole expense of the SUBLESSEE except, SUBLESSOR shall waive three months rental payments for said move. If the American ramp is ever sold or transferred from BFAV and the hangar is required to be relocated, then the current landlord will pay the costs of moving the hangar for the term of this lease. The relocated site shall be paved and shall have paved runway/taxiway access and shall have comparable power & water available within a reasonable distance. If the SUBLESSEE is required to move, they shall have the option to not accept the move and to cancel the lease agreement. In this event, the SUBLESSEE agrees to remove the hangar from the ramp.

H. Security Agreement/UCC1: No changes.

I. Personal Guarantee: A personal guarantee is required under this lease

J. Notices:

To: SUBLESSOR: Brown Field Aviation Ventures,Inc.
1590 Continental Street
San Diego, CA 92173

To: SUBLESSEE: Paul Catanzaro
372 Camino Elevado
Bonita, CA 91902

To: GUARANTOR: Paul Catanzaro
372 Camino Elevado
Bonita, CA 91902

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

By _____ 10/24/97
SUBLESSEE DATE

By _____ 10-25-97
SUBLESSOR DATE

By _____ 10/24/97
GUARANTOR DATE

James H. Williams - Kenneth L. Russell
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California, between Brown Field Aviation Ventures, Inc, hereinafter called "SUBLESSOR", and James H. Williams - Kenneth L. Russell, 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.

4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor. If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.

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 under Section 17.

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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance of the ramp area, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. This does not include the renovation of the nose dock. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.

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.

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. 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 statues 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 breech 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. 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. No request shall be unreasonable withheld by the SUBLESSOR.

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 (c)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 attorneys fees. In the event of any litigation regarding this lease, the prevailing party shall be entitled to an award of reasonable legal cost's, including court and attorney's fees.

23. **Additional Provisions:**

(i) Relocation: The SUBLESSEE shall, at it's 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.

SUMMARY SECTION

A. Description of Premises: An open area 1360 square feet to house a hangar in a location or locations to be determined by Brown Field Aviation Ventures, Inc.

B. Term: This lease shall commence on July 1, 1997 and continue for 113 months.

C. Security Deposit: None

D. Rent: $136 per month payable in advance and must be received by the first of each month. No late penalties will be assessed if payment is received before the 5th of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173 .

E. Use: Primarily for aircraft storage and non-commercial/not for hire maintenance of aircraft. Storage of other personal items is also authorized provided the hangar is still primarily used for storage and maintenance of an aircraft and the other personal items do not use more than 25% of the available floor space. Use of the hangar as a storage facility with no aircraft is prohibited and shall be deemed a breach of the lease.

F. Utilities: Paid by SUBLESSEE.

G. Relocation: The SUBLESSEE agrees to move the hangar to another site on Brown Field as many time as required by the SUBLESSOR, and at the sole expense of the SUBLESSEE. First required relocation shall be at the sole expense of the SUBLESSEE. Any additional relocation's required by the SUBLESSOR, shall be at the sole expense of the SUBLESSEE except, SUBLESSOR shall waive three months rental payments for said move. If the American ramp is ever sold or transferred from BFAV and the hangar is required to be relocated, then the current landlord will pay the costs of moving the hangar for the term of this lease. The relocated site shall be paved and shall have paved runway/taxiway access and shall have comparable power & water available within a reasonable distance. If the SUBLESSEE is required to move, they shall have the option to not accept the move and to cancel the lease agreement. In this event, the SUBLESSEE agrees to remove the hangar from the ramp.

H. Security Agreement/UCC1: No changes.

I. Personal Guarantee: A personal guarantee is required under this lease

J. Notices:

To: SUBLESSOR: Brown Field Aviation Ventures,Inc.
1590 Continental Street
San Diego, CA 92173

To: SUBLESSEE: James H. Williams - Kenneth L. Russell
6720 San Miguel Avenue
Lemon Grove, CA 91945

To: GUARANTOR: James H. Williams - Kenneth L. Russell
6720 San Miguel Avenue
Lemon Grove, CA 91945

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

By Kenneth L Russell James H Williams 10/25/97
SUBLESSEE DATE

By
SUBLESSOR

10-25-97
DATE

By Kenneth L Russell James H Williams 10/25/97
GUARANTOR DATE

Lloyd Gray
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California, between Brown Field Aviation Ventures, Inc. hereinafter called "SUBLESSOR", and Lloyd Gray, 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.

4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor. If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.

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 under Section 17.

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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance of the ramp area, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. This does not include the renovation of the nose dock. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.

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.

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. 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 statues 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 breech 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. 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. No request shall be unreasonable withheld by the SUBLESSOR.

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 (c)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 attorneys fees. In the event of any litigation regarding this lease, the prevailing party shall be entitled to an award of reasonable legal cost's, including court and attorney's fees.

23. **Additional Provisions:**

(I) Relocation: The SUBLESSEE shall, at it's 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.

SUMMARY SECTION

A. Description of Premises: An open area 2000 square feet to house a hangar in a location or locations to be determined by Brown Field Aviation Ventures, Inc.

B. Term: This lease shall commence on July 1, 1997 and continue for 113 months.

C. Security Deposit: None

D. Rent: $200 per month payable in advance and must be received by the first of each month. No late penalties will be assessed if payment is received before the 5th of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173 .

E. Use: Primarily for aircraft storage and non-commercial/not for hire maintenance of aircraft. Storage of other personal items is also authorized provided the hangar is still primarily used for storage and maintenance of an aircraft and the other personal items do not use more than 25% of the available floor space. Use of the hangar as a storage facility with no aircraft is prohibited and shall be deemed a breach of the lease.

F. Utilities: Paid by SUBLESSEE.

G. Relocation: The SUBLESSEE agrees to move the hangar to another site on Brown Field as many time as required by the SUBLESSOR, and at the sole expense of the SUBLESSEE. First required relocation shall be at the sole expense of the SUBLESSEE. Any additional relocation's required by the SUBLESSOR, shall be at the sole expense of the SUBLESSEE except, SUBLESSOR shall waive three months rental payments for said move. If the American ramp is ever sold or transferred from BFAV and the hangar is required to be relocated, then the current landlord will pay the costs of moving the hangar for the term of this lease. The relocated site shall be paved and shall have paved runway/taxiway access and shall have comparable power & water available within a reasonable distance. If the SUBLESSEE is required to move, they shall have the option to not accept the move and to cancel the lease agreement. In this event, the SUBLESSEE agrees to remove the hangar from the ramp.

H. Security Agreement/UCC1: No changes.

I. Personal Guarantee: A personal guarantee is required under this lease

J. Notices:

To: SUBLESSOR: Brown Field Aviation Ventures,Inc.
1590 Continental Street
San Diego, CA 92173

To: SUBLESSEE: Lloyd Gray
1851 Lahoud
Cardiff, CA 92007-1443

To: GUARANTOR: Lloyd Gray
1851 Lahoud
Cardiff, CA 92007-1443

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

By Lloyd Gray 10/24/97
SUBLESSEE DATE

By 10-24-97
SUBLESSOR DATE

By Lloyd Gray 10/24/97
GUARANTOR DATE

JOHN E. HELM & CHARLES H.SMITH
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California, between Brown Field Aviation Ventures, Inc. hereinafter called "SUBLESSOR", and John E. Helm & Charles H. Smith, 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.

4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor. If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.

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 under Section 17.

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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance of the ramp area, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. This does not include the renovation of the nose dock. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.

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.

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. 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 statues 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 breech 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. 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. No request shall be unreasonable withheld by the SUBLESSOR.

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 (c)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 attorneys fees. In the event of any litigation regarding this lease, the prevailing party shall be entitled to an award of reasonable legal cost's, including court and attorney's fees.

23. **Additional Provisions:**

(i) Relocation: The SUBLESSEE shall, at it's 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.

SUMMARY SECTION

A. Description of Premises: An open area 1360 square feet to house a hangar in a location or locations to be determined by Brown Field Aviation Ventures, Inc.

B. Term: This lease shall commence on July 1, 1997 and continue for 113 months.

C. Security Deposit: None

D. Rent: $136 per month payable in advance and must be received by the first of each month. No late penalties will be assessed if payment is received before the 5th of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173 .

E. Use: Primarily for aircraft storage and non-commercial/not for hire maintenance of aircraft. Storage of other personal items is also authorized provided the hangar is still primarily used for storage and maintenance of an aircraft and the other personal items do not use more than 25% of the available floor space. Use of the hangar as a storage facility with no aircraft is prohibited and shall be deemed a breach of the lease.

F. Utilities: Paid by SUBLESSEE.

G. Relocation: The SUBLESSEE agrees to move the hangar to another site on Brown Field as many time as required by the SUBLESSOR, and at the sole expense of the SUBLESSEE. First required relocation shall be at the sole expense of the SUBLESSEE. Any additional relocation's required by the SUBLESSOR, shall be at the sole expense of the SUBLESSEE except, SUBLESSOR shall waive three months rental payments for said move. If the American ramp is ever sold or transferred from BFAV and the hangar is required to be relocated, then the current landlord will pay the costs of moving the hangar for the term of this lease. The relocated site shall be paved and shall have paved runway/taxiway access and shall have comparable power & water available within a reasonable distance. If the SUBLESSEE is required to move, they shall have the option to not accept the move and to cancel the lease agreement. In this event, the SUBLESSEE agrees to remove the hangar from the ramp.

H. Security Agreement/UCC1: No changes.

I. Personal Guarantee: A personal guarantee is required under this lease

J. Notices:

To: SUBLESSOR: Brown Field Aviation Ventures,Inc.
1590 Continental Street
San Diego, CA 92173

To: SUBLESSEE: John E. Helm & Charles H. Smith
PO Box 1194
Bonita, CA 91908

To: GUARANTOR: John E. Helm & Charles H. Smith
PO Box 1194
Bonita, CA 91908

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

By _____ 10-22-97
SUBLESSEE DATE

By _____ SITA 10-22-97
SUBLESSOR DATE

By _____ 10-22-97
GUARANTOR DATE

ALAN AND DIANE FLINT
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California, between Brown Field Aviation Ventures, Inc. hereinafter called "SUBLESSOR", and ALAN AND DIANE FLINT, 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.

4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor. If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.

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 under Section 17.

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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance of the ramp area, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. This does not include the renovation of the nose dock. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.

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.

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. 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 statues 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 breech 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. 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. No request shall be unreasonable withheld by the SUBLESSOR.

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 (c)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 attorneys fees. In the event of any litigation regarding this lease, the prevailing party shall be entitled to an award of reasonable legal cost's, including court and attorney's fees.

23. **Additional Provisions:**

(I) Relocation: The SUBLESSEE shall, at it's 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.

SUMMARY SECTION

A. Description of Premises: An open area 1360 square feet to house a hangar in a location or locations to be determined by Brown Field Aviation Ventures, Inc.

B. Term: This lease shall commence on July 1, 1997 and continue for 113 months.

C. Security Deposit: None

D. Rent: $136 per month payable in advance and must be received by the first of each month. No late penalties will be assessed if payment is received before the 5th of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173 .

E. Use: Primarily for aircraft storage and non-commercial/not for hire maintenance of aircraft. Storage of other personal items is also authorized provided the hangar is still primarily used for storage and maintenance of an aircraft and the other personal items do not use more than 25% of the available floor space. Use of the hangar as a storage facility with no aircraft is prohibited and shall be deemed a breach of the lease.

F. Utilities: Paid by SUBLESSEE.

G. Relocation: The SUBLESSEE agrees to move the hangar to another site on Brown Field as many time as required by the SUBLESSOR, and at the sole expense of the SUBLESSEE. First required relocation shall be at the sole expense of the SUBLESSEE. Any additional relocation's required by the SUBLESSOR, shall be at the sole expense of the SUBLESSEE except, SUBLESSOR shall waive three months rental payments for said move. If the American ramp is ever sold or transferred from BFAV and the hangar is required to be relocated, then the current landlord will pay the costs of moving the hangar for the term of this lease. The relocated site shall be paved and shall have paved runway/taxiway access and shall have comparable power & water available within a reasonable distance. If the SUBLESSEE is required to move, they shall have the option to not accept the move and to cancel the lease agreement. In this event, the SUBLESSEE agrees to remove the hangar from the ramp.

H. Security Agreement/UCC1: No changes.

I. Personal Guarantee: A personal guarantee is required under this lease

J. Notices:

To: SUBLESSOR: Brown Field Aviation Ventures,Inc.
1590 Continental Street
San Diego, CA 92173

To: SUBLESSEE: Alan and Diane Flint
67 Pepper Tree Road
Chula Vista, CA 91910

To: GUARANTOR: Alan and Diane Flint
67 Pepper Tree Road
Chula Vista, CA 91910

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

By Alan Flint 12-12-97
SUBLESSEE DATE

Diane Flint 12-11-97

By _____ 12-30-97
SUBLESSOR DATE

By Alan Flint 12-12-97
GUARANTOR DATE

Diane Flint 12-11-97

JAY RATHBUN
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California, between Brown Field Aviation Ventures. Inc. hereinafter called "SUBLESSOR", and JAY RATHBUN, 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.

4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor. If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.

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 under Section 17.

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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance of the ramp area, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. This does not include the renovation of the nose dock. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.

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.

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. 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 statues 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 breech 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. 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. No request shall be unreasonable withheld by the SUBLESSOR.

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 (c)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 attorneys fees. In the event of any litigation regarding this lease, the prevailing party shall be entitled to an award of reasonable legal cost's, including court and attorney's fees.

23. **Additional Provisions:**

(i) Relocation: The SUBLESSEE shall, at it's 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.

SUMMARY SECTION

A. Description of Premises: An open area 1600 square feet to house a hangar in a location or locations to be determined by Brown Field Aviation Ventures, Inc.

B. Term: This lease shall commence on July 1, 1997 and continue for 113 months.

C. Security Deposit: None

D. Rent: $160 per month payable in advance and must be received by the first of each month. No late penalties will be assessed if payment is received before the 5th of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173 .

E. Use: Primarily for aircraft storage and non-commercial/not for hire maintenance of aircraft. Storage of other personal items is also authorized provided the hangar is still primarily used for storage and maintenance of an aircraft and the other personal items do not use more than 25% of the available floor space. Use of the hangar as a storage facility with no aircraft is prohibited and shall be deemed a breach of the lease.

F. Utilities: Paid by SUBLESSEE.

G. Relocation: The SUBLESSEE agrees to move the hangar to another site on Brown Field as many time as required by the SUBLESSOR, and at the sole expense of the SUBLESSEE. First required relocation shall be at the sole expense of the SUBLESSEE. Any additional relocation's required by the SUBLESSOR, shall be at the sole expense of the SUBLESSEE except, SUBLESSOR shall waive three months rental payments for said move. If the American ramp is ever sold or transferred from BFAV and the hangar is required to be relocated, then the current landlord will pay the costs of moving the hangar for the term of this lease. The relocated site shall be paved and shall have paved runway/taxiway access and shall have comparable power & water available within a reasonable distance. If the SUBLESSEE is required to move, they shall have the option to not accept the move and to cancel the lease agreement. In this event, the SUBLESSEE agrees to remove the hangar from the ramp.

H. Security Agreement/UCC1: No changes.

I. Personal Guarantee: A personal guarantee is required under this lease

J. Notices:

To: SUBLESSOR: Brown Field Aviation Ventures,Inc.
1590 Continental Street
San Diego, CA 92173

To: SUBLESSEE: Jay Rathbun
3170 W. Fox Run Way
San Diego, CA 92111

To: GUARANTOR: Jay Rathbun
3170 W. Fox Run Way
San Diego, CA 92111

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

By Jay H Rathbun 12/3/97
SUBLESSEE DATE

By _____ 12-3-97
SUBLESSOR DATE

By Jay H Rathbun 12/3/97
GUARANTOR DATE

GARRETT GREGORY
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California, between Brown Field Aviation Ventures, Inc. hereinafter called "SUBLESSOR", andGarrett Gregory, 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.
4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor. If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.
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 under Section 17.
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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance of the ramp area, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. This does not include the renovation of the nose dock. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
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.
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. 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 statues 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 breech 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. 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. No request shall be unreasonable withheld by the SUBLESSOR.

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 (c)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 attorneys fees. In the event of any litigation regarding this lease, the prevailing party shall be entitled to an award of reasonable legal cost's, including court and attorney's fees.

23. **Additional Provisions:**

(I) Relocation: The SUBLESSEE shall, at it's 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.

SUMMARY SECTION

A. Description of Premises: An open area 160 square feet to house a hangar in a location or locations to be determined by Brown Field Aviation Ventures, Inc.

B. Term: This lease shall commence on July 1, 1997 and continue for 113 months.

C. Security Deposit: None

D. Rent: $160 per month payable in advance and must be received by the first of each month. No late penalties will be assessed if payment is received before the 5th of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173 .

E. Use: Primarily for aircraft storage and non-commercial/not for hire maintenance of aircraft. Storage of other personal items is also authorized provided the hangar is still primarily used for storage and maintenance of an aircraft and the other personal items do not use more than 25% of the available floor space. Use of the hangar as a storage facility with no aircraft is prohibited and shall be deemed a breach of the lease.

F. Utilities: Paid by SUBLESSEE.

G. Relocation: The SUBLESSEE agrees to move the hangar as many time as required by the SUBLESSOR, and at the sole expense of the SUBLESSEE. First required relocation shall be at the sole expense of the SUBLESSEE. Any additional relocation's required by the SUBLESSOR, shall be at the sole expense of the SUBLESSEE except, SUBLESSOR shall waive three months rental payments for said move.

H. Security Agreement/UCC1: No changes.

I. Personal Guarantee: A personal guarantee is required under this lease

J. Notices:

To: SUBLESSOR: Brown Field Aviation Ventures,Inc.
1590 Continental Street
San Diego, CA 92173

To: SUBLESSEE: Garrett Gregory
68 Castleman Place
Chula Vista, CA 91910

To: GUARANTOR: Garrett Gregory
68 Castleman Place
Chula Vista, CA 91910

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

By _____ _____
SUBLESSOR DATE

By _____ 8-29-97
SUBLESSEE DATE

By _____ _____
GUARANTOR DATE

CREDIT CARD AUTHORIZATION

I do hereby authorize Brown Field Aviation Ventures, Inc., or it's designee, to charge my credit card as listed below, each month for my monthly hangar rent, the amount as agreed to in the sublease agreement.

Type of Credit Card: _____

Account number: 4388 5310 1004 2727

Expires: 3/99

Signature of Cardholder

Date 2/4/97

Gabriel Sanchez-Alvana
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California, between Brown Field Aviation Ventures, Inc. hereinafter called "SUBLESSOR", and Gabriel Sanchez-Alvana, 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.
4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor. If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.
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 under Section 17.
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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance of the ramp area, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. This does not include the renovation of the nose dock. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
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.
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. 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 statues 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 breech 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. 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 (c)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 attorneys fees.

23. **Additional Provisions:**

(I) Relocation: The SUBLESSEE shall, at it's 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.

SUMMARY SECTION

A. Description of Premises: A Quonset hut approximately 480 square feet.

B. Term: This lease shall commence on February 1, 1998 and continue on a month to month basis.

C. Security Deposit: None

D. Rent: $48.00 per month payable in advance and must be received by the first of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173 .

E. Use: Office Space

F. Utilities: Paid by SUBLESSEE.

G. Relocation: N/A

H. Security Agreement/UCC1: No changes.

I. Personal Guarantee: A personal guarantee is required under this lease

J. Notices:

To: SUBLESSOR: Brown Field Aviation Ventures,Inc.
1590 Continental Street
San Diego, CA 92173

To: SUBLESSEE: Gabriel Sanchez-Alvana
1424 Continental Street
San Diego, CA 92173

To: GUARANTOR: Alma Orpineda
1424 Continental Street
San Diego, CA 92173

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

By _____ SUBLESSEE JAN 1 98 DATE

By _____ SUBLESSOR 1-1-98 DATE

By _____ GUARANTOR JAN 1 98 DATE

RI-VER INDUSTRIAL CO
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California, between Brown Field Aviation Ventures, Inc. hereinafter called "SUBLESSOR", and RI-VER INDUSTRIAL CO, 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.
4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor. If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.
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 under Section 17.
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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance of the ramp area, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. This does not include the renovation of the nose dock. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
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.
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. 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 statues 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 breech 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. 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 (c)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 attorneys fees.

23. **Additional Provisions:**

(i) Relocation: The SUBLESSEE shall, at it's 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.

SUMMARY SECTION

A. Description of Premises: An office space approximately 100 square feet located in Bldg 2048.

B. Term: This lease shall commence on November 1, 1997 and continue for twelve months. After that, the lease will revert to a month to month basis.

C. Security Deposit: None

D. Rent: $150 per month payable in advance and must be received by the first of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173 .

E. Use: Office Space

F. Utilities: Paid by SUBLESSEE.

G. Relocation: N/A

H. Security Agreement/UCC1: No changes.

I. Personal Guarantee: A personal guarantee is required under this lease

J. Notices:

To: SUBLESSOR: Brown Field Aviation Ventures,Inc.
1590 Continental Street
San Diego, CA 92173

To: SUBLESSEE: Ri-ver Industrial Co.
6919 Curran Street, Suite C-107
San Diego, CA 92173

To: GUARANTOR: Ricardo Fregoso
6919 Curran Street, Suite C-107
San Diego, CA 92173

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

By Ricardo Fregoso 10/31/97
SUBLESSEE DATE

By _____ 10-31-97
SUBLESSOR DATE

By Ricardo Fregoso 10/31/97
GUARANTOR DATE

TWO GUYS TRUCK PARTS
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California, between Brown Field Aviation Ventures, Inc. hereinafter called "SUBLESSOR", and Two Guys Truck Parts, 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.
4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor. If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.
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 under Section 17.
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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance of the ramp area, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. This does not include the renovation of the nose dock. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
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.
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. 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 statues 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 breech 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. 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 (c)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 attorneys fees.

23. **Additional Provisions:**

(i) Relocation: The SUBLESSEE shall, at it's 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.

SUMMARY SECTION

A. Description of Premises; An office space approximately 75 square feet located in Bldg 2048.
B. Term: This lease shall commence on November 1, 1997 and continue on a month to month basis.
C. Security Deposit: None
D. Rent: $150 per month payable in advance and must be received by the first of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173 .
E. Use: Office Space
F. Utilities: Paid by SUBLESSEE.
G. Relocation: N/A
H. Security Agreement/UCC1: No changes.
I. Personal Guarantee: A personal guarantee is required under this lease
J. Notices:

To: SUBLESSOR: Brown Field Aviation Ventures,Inc.
1590 Continental Street
San Diego, CA 92173

To: SUBLESSEE: Two Guys Truck Parts
6919 Curran Street, Suite C-101
San Diego, CA 92173

To: GUARANTOR: Salvador Camargo
6919 Curran Street, Suite C-101
San Diego, CA 92173

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

By Salvador Camargo 10-29-97
SUBLESSEE DATE

By _____ 10-29-97
SUBLESSOR DATE

By Salvador Camargo 10-29-97
GUARANTOR DATE

McDonalds-Rob Seder
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California, between Brown Field Aviation Ventures, Inc. hereinafter called "SUBLESSOR", and McDonalds-Rob Seder, 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.
4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor. If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.
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 under Section 17.
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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance of the ramp area, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. This does not include the renovation of the nose dock. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
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.
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. 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 statues 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 breech by the SUBLESSEE.

18. **Assignment or Subletting:** SUBLESSEE shall assign this sublease or any interest therein and shall 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. 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 (c)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 attorneys fees.

23. **Additional Provisions:**

(I) Relocation: The SUBLESSEE shall, at it's 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.

SUMMARY SECTION

A. Description of Premises: An office space approximately 100 square feet located in Bldg 2048.

B. Term: This lease shall commence on November 1, 1997 and continue for twelve months. After that, the lease will revert to a month to month basis.

C. Security Deposit: None

D. Rent: $150 per month payable in advance and must be received by the first of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173 .

E. Use:

F. Utilities: Paid by SUBLESSEE.

G. Relocation: N/A

H. Security Agreement/UCC1: No changes.

I. Personal Guarantee: A personal guarantee is required under this lease

J. Notices:

To: SUBLESSOR: Brown Field Aviation Ventures,Inc.
1590 Continental Street
San Diego, CA 92173

To: SUBLESSEE: McDonalds-Rob Seder
6919 Curran Street, Suite C-106
San Diego, CA 92173

To: GUARANTOR: Rob Seder
6919 Curran Street, Suite C-106
San Diego, CA 92173

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

By _____ OCT 9 1997
SUBLESSEE DATE

By _____ OCT 9 1997
SUBLESSOR DATE

By _____ OCT 9 1997
GUARANTOR DATE

671-0147

Nicolas Pulido
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California, between Brown Field Aviation Ventures. Inc. hereinafter called "SUBLESSOR", and Nicolas Pulido, 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.
4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor. If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.
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 under Section 17.
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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance of the ramp area, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. This does not include the renovation of the nose dock. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
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.
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. 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 statues 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 breech 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. 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 (c)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 attorneys fees.

23. **Additional Provisions:**

(I) Relocation: The SUBLESSEE shall, at it's 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.

SUMMARY SECTION

A. Description of Premises: An office space approximately 80 square feet located in Bldg 2048.

B. Term: This lease shall commence on November 1, 1997 and continue ~~for twelve months. After that, the lease will revert to a~~ month to month basis.

C. Security Deposit: None

D. Rent: $150 per month payable in advance and must be received by the first of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173 .

E. Use: Office Space

F. Utilities: Paid by SUBLESSEE.

G. Relocation: N/A

H. Security Agreement/UCC1: No changes.

I. Personal Guarantee: A personal guarantee is required under this lease

J. Notices:

To: SUBLESSOR: Brown Field Aviation Ventures,Inc.
1590 Continental Street
San Diego, CA 92173

To: SUBLESSEE: Nicolas Pulido
6919 Curran Street, Suite C-103
San Diego, CA 92173

To: GUARANTOR: Jose A. Pulido
6919 Curran Street, Suite C-103
San Diego, CA 92173

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

By Nicolas Pulido 10/28/97
SUBLESSEE DATE

By _____ 10/28/97
SUBLESSOR DATE

By Jose A. Pulido 10/28/97
GUARANTOR DATE

Briggs Gillespie

SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on April 1, 1997 between Brown Field Aviation Ventures. Inc. hereinafter called "SUBLESSOR", and Briggs Gillespie, 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.

4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor.

If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. -

Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.

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 under Section 17.

7. **Delivery of Possession.** If for any reason the Landlord cannot deliver possession of the leased property to the Tenant when the lease term commences, this Lease shall not be void or voidable, nor shall the Landlord be liable to the Tenant 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 Landlord delivers possession.

8. **Utilities.** Except as specified in the Summary Section, the Tenant 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 Tenant. 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 Tenant acknowledges that the Leased Premises are in good order and repair. The Tenant 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 Tenant, 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 Tenant defaults in making such repairs or replacements, Landlord may make them for Tenant's account, and such expenses will be considered additional rent. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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 Tenant.

12. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.

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.

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. 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 statues 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 breech by the SUBLESSEE.

18. **Assignment or Subletting:** SUBLESSEE shall ssign this sublease or any interest therein and shall n blet the premises or any pa 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 (c)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 attorneys fees.

23. **Additional Provisions:**
(i) Relocation: The SUBLESSEE shall, at it's 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 Tenant at the premises, or to the Landlord 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.

SUMMARY SECTION

A. Description of Premises: An open area 1,100 square feet to house a hangar, in a location or locations to be determined by Brown Field Aviation Ventures, Inc.

B. Term: This lease shall commence on May 1, 1997 and continue for a period a 60 months.

C. Security Deposit: None

D. Rent: $110.00 per month payable in advance and must be received by the first of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173 .

E. Use: For aircraft storage

F. Utilities: Paid by SUBLESSEE.

G. Relocation: The SUBLESSEE agrees to move the hangar as many time as required by the SUBLESSOR, and at the sole expense of the SUBLESSEE. First required relocation shall be at the sole expense of the SUBLESSEE. Any additional relocation's required by the SUBLESSOR, shall be at the sole expense of the SUBLESSEE except, SUBLESSOR shall waive three months rental payments for said move.

H. Security Agreement/UCC1: No changes.

I. Personal Guarantee: A personal guarantee is required under this lease

J. Notices:

To: SUBLESSOR:	Brown Field Aviation Ventures,Inc. 1590 Continental Street San Diego, CA 92173
To: SUBLESSEE	Briggs Gillespie 3129 Calle Abajo #174 San Diego, CA 92139-3551
To: GUARANTOR:	Briggs Gillespie 3129 Calle Abajo #174 San Diego, CA 92139-3551

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

By _____
GUARANTOR

CREDIT CARD AUTHORIZATION

I, Briggs Gillespie, do hereby authorize Brown Field Aviation Ventures, Inc., or it's designee, to charge my Mastercard, account 5334 7000 7212 2204, exp 08/98, for my monthly hangar rent, the amount as agreed to in the sublease agreement. This authorization shall remain in effect until I rescind it in writing.

4-1-97

Briggs A. Gillespie

John Nance

SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on April 26, 1997, between Brown Field Aviation Ventures, Inc. hereinafter called "SUBLESSOR", and John Nance, 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.

4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor.

If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. -

Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.

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 under Section 17.

7. **Delivery of Possession.** If for any reason the Landlord cannot deliver possession of the leased property to the Tenant when the lease term commences, this Lease shall not be void or voidable, nor shall the Landlord be liable to the Tenant 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 Landlord delivers possession.

8. **Utilities.** Except as specified in the Summary Section, the Tenant 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 Tenant. 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 Tenant acknowledges that the Leased Premises are in good order and repair. The Tenant 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 Tenant, 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 Tenant defaults in making such repairs or replacements, Landlord may make them for Tenant's account, and such expenses will be considered additional rent. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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 Tenant.

12. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.

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.

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. 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 statues 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 breech 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 (c)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 attorneys fees.

23. **Additional Provisions:**
(i) Relocation: The SUBLESSEE shall, at it's 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 Tenant at the premises, or to the Landlord 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.

SUMMARY SECTION

A. Description of Premises: An open area 1,100 square feet to house a hangar, in a location or locations to be determined by Brown Field Aviation Ventures, Inc.

B. Term: This lease shall commence on May 1, 1997 and continue for 60 months.

C. Security Deposit: None

D. Rent: $110.00 per month payable in advance and must be received by the first of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173 .

E. Use: For aircraft storage

F. Utilities: Paid by SUBLESSEE.

G. Relocation: The SUBLESSEE agrees to move the hangar as many time as required by the SUBLESSOR, and at the sole expense of the SUBLESSEE. First required relocation shall be at the sole expense of the SUBLESSEE. Any additional relocation's required by the SUBLESSOR, shall be at the sole expense of the SUBLESSEE except, SUBLESSOR shall waive three months rental payments for said move.

H. Security Agreement/UCC1: No changes.

I. Personal Guarantee: A personal guarantee is required under this lease

J. Notices:

To: SUBLESSOR:	Brown Field Aviation Ventures,Inc. 1590 Continental Street San Diego, CA 92173
To: SUBLESSEE:	John Nance 4247 Pilon Pt. San Diego, CA 92130
To: GUARANTOR:	John Nance 4247 Pilon Pt. San Diego, CA 92130

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

By _____
GUARANTOR

Hillsair Inc.

SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California, between Brown Field Aviation Ventures. Inc. hereinafter called "SUBLESSOR", and Hillsair Inc., 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.

4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor.

If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. -

Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.

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 under Section 17.

7. **Delivery of Possession.** If for any reason the Landlord cannot deliver possession of the leased property to the Tenant when the lease term commences, this Lease shall not be void or voidable, nor shall the Landlord be liable to the Tenant 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 Landlord delivers possession.

8. **Utilities.** Except as specified in the Summary Section, the Tenant 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 Tenant. 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 Tenant acknowledges that the Leased Premises are in good order and repair. The Tenant 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 Tenant, 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 Tenant defaults in making such repairs or replacements, Landlord may make them for Tenant's account, and such expenses will be considered additional rent. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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 Tenant.

12. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.

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.

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. 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 statues 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 breech 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 (c)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 attorneys fees.

23. **Additional Provisions:**
(i) Relocation: The SUBLESSEE shall, at it's 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 Tenant at the premises, or to the Landlord 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.

SUMMARY SECTION

A. Description of Premises: An open area 1,100 square feet to house a hangar, in a location or locations to be determined by Brown Field Aviation Ventures, Inc.

B. Term: This lease shall commence on May 1, 1997 and continue on a month to month basis.

C. Security Deposit: None

D. Rent: $110.00 per month payable in advance and must be received by the first of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173 .

E. Use: For aircraft storage

F. Utilities: Paid by SUBLESSEE.

G. Relocation: The SUBLESSEE agrees to move the hangar as many time as required by the SUBLESSOR, and at the sole expense of the SUBLESSEE. First required relocation shall be at the sole expense of the SUBLESSEE. Any additional relocation's required by the SUBLESSOR, shall be at the sole expense of the SUBLESSEE except, SUBLESSOR shall waive three months rental payments for said move.

H. Security Agreement/UCC1: No changes.

I. Personal Guarantee: A personal guarantee is required under this lease

J. Notices:

To: SUBLESSOR:	Brown Field Aviation Ventures,Inc. 1590 Continental Street San Diego, CA 92173
To: SUBLESSEE	Hillsair Inc. 2535 San Clemente Terrace San Diego, CA 92122
To: GUARANTOR:	Steve Hill 3003 Chicago Street San Diego, CA 92117

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

By _____ 6-15-97
SUBLESSOR DATE

By _____ 6-15-97
SUBLESSEE DATE

By _____ 6-15-97
GUARANTOR DATE

CREDIT CARD AUTHORIZATION

I, William Cannon, do hereby authorize Brown Field Aviation Ventures, Inc., or it's designee, to charge my Mastercard, account 5418302150749765, exp 06/97, for my hangar rent, the amount as agreed to in the sublease agreement.

William M Cannon

21/MARCH/1997

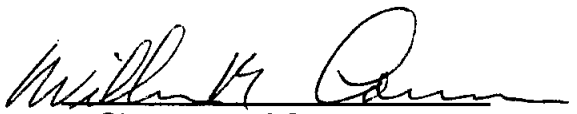
CREDIT CARD AUTHORIZATION

I do hereby authorize Brown Field Aviation Ventures, Inc., or it's designee, to charge my credit card as listed below, each month for my monthly hangar rent, the amount as agreed to in the sublease agreement.

Type of Credit Card: **VISA**

Account number: **4024 0238 5108 1774**

Expires: **05/99**



Signature of Cardholder

JULY 8, 1997

Date

William Cannon

ASSIGNMENT OF LEASE

This assignment letter is entered into by and between Brown Field Aviation Ventures, Inc. (BFAV), Richard Kenny, (Assignor), and Robert Brodrick (Assignee).

The parties listed above all consent to the assignment of the Assignor lease in the LARC area for one T-Hangar.

Assignee agrees to fully assume all responsibilities of the lease.

Assignor

Robert M Brodrick
Assignee

BFAV

Richard Kenney

SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on April 15, 1997 between Brown Field Aviation Ventures, Inc. hereinafter called "SUBLESSOR", and Richard Kenney, 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.

4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor.

If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. -

Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.

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 under Section 17.

7. **Delivery of Possession.** If for any reason the Landlord cannot deliver possession of the leased property to the Tenant when the lease term commences, this Lease shall not be void or voidable, nor shall the Landlord be liable to the Tenant 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 Landlord delivers possession.

8. **Utilities.** Except as specified in the Summary Section, the Tenant 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 Tenant. 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 Tenant acknowledges that the Leased Premises are in good order and repair. The Tenant 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 Tenant, 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 Tenant defaults in making such repairs or replacements, Landlord may make them for Tenant's account, and such expenses will be considered additional rent. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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 Tenant.

12. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.

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.

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. 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 statues 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 breech 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 (c)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 attorneys fees.

23. **Additional Provisions:**
(i) Relocation: The SUBLESSEE shall, at it's 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 Tenant at the premises, or to the Landlord 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.

SUMMARY SECTION

A. Description of Premises: An open area 1,100 square feet to house a hangar in a location or locations to be determined by Brown Field Aviation Ventures, Inc.

B. Term: This lease shall commence on May 1, 1997 and continue for 60 months.

C. Security Deposit: None

D. Rent: $110.00 per month payable in advance and must be received by the first of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173 .

E. Use: For aircraft storage

F. Utilities: Paid by SUBLESSEE.

G. Relocation: The SUBLESSEE agrees to move the hangar as many time as required by the SUBLESSOR, and at the sole expense of the SUBLESSEE. First required relocation shall be at the sole expense of the SUBLESSEE. Any additional relocation's required by the SUBLESSOR, shall be at the sole expense of the SUBLESSEE except, SUBLESSOR shall waive three months rental payments for said move.

H. Security Agreement/UCC1: No changes.

I. Personal Guarantee: A personal guarantee is required under this lease

J. Notices:

To: SUBLESSOR:	Brown Field Aviation Ventures,Inc. 1590 Continental Street San Diego, CA 92173
To: SUBLESSEE:	Richard Kenney 337 Glorietta Coronado, CA 92118
To: GUARANTOR:	Richard Kenney 337 Glorietta Coronado, CA 92118

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

By _____
GUARANTOR

James Cowling

SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on April 14, 1997, between Brown Field Aviation Ventures, Inc. hereinafter called "SUBLESSOR", and James Cowling, 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.

4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor.

If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. -

Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.

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 under Section 17.

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 SUBLESSORS 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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.

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.

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. 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 statues 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

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 (c)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 attorneys fees.

23. **Additional Provisions:**
(i) Relocation: The SUBLESSEE shall, at it's 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.

SUMMARY SECTION

A. Description of Premises: An open area 1,100 square feet to house a hangar, #12, in a location or locations to be determined by Brown Field Aviation Ventures, Inc.

B. Term: This lease shall commence on May 1, 1997 and continue for 60 months.

C. Security Deposit: None

D. Rent: $110.00 per month payable in advance and must be received by the first of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173 .

E. Use: For aircraft storage

F. Utilities: Paid by SUBLESSEE.

G. Relocation: The SUBLESSEE agrees to move the hangar as many time as required by the SUBLESSOR, and at the sole expense of the SUBLESSEE. First required relocation shall be at the sole expense of the SUBLESSEE. Any additional relocation's required by the SUBLESSOR, shall be at the sole expense of the SUBLESSEE except, SUBLESSOR shall waive three months rental payments for said move.

H. Security Agreement/UCC1: No changes.

I. Personal Guarantee: A personal guarantee is required under this lease

J. Notices:

To: SUBLESSOR: Brown Field Aviation Ventures,Inc.
1590 Continental Street
San Diego, CA 92173

To: SUBLESSEE: James Cowling
539 Wisteria Street
Chula Vista, CA 91911

To: GUARANTOR: James Cowling
539 Wisteria Street
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

By _____
GUARANTOR

Arthur Wollgast

SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California, between Brown Field Aviation Ventures. Inc. hereinafter called "SUBLESSOR", and Arthur Wollgast, 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.

4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor.

If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. -

Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.

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 under Section 17.

7. **Delivery of Possession.** If for any reason the Landlord cannot deliver possession of the leased property to the Tenant when the lease term commences, this Lease shall not be void or voidable, nor shall the Landlord be liable to the Tenant 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 Landlord delivers possession.

8. **Utilities.** Except as specified in the Summary Section, the Tenant 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 Tenant. 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 Tenant acknowledges that the Leased Premises are in good order and repair. The Tenant 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 Tenant, 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 Tenant defaults in making such repairs or replacements, Landlord may make them for Tenant's account, and such expenses will be considered additional rent. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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 Tenant.

12. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.

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.

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. 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 statues 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 breech 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 (c)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 attorneys fees.

23. **Additional Provisions:**
(I) Relocation: The SUBLESSEE shall, at it's 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 Tenant at the premises, or to the Landlord 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.

SUMMARY SECTION

A. Description of Premises: An open area 1,100 square feet to house a hangar, #11, in a location or locations to be determined by Brown Field Aviation Ventures, Inc.

B. Term: This lease shall commence on May 1, 1997 and continue on a month to month basis.

C. Security Deposit: None

D. Rent: $110.00 per month payable in advance and must be received by the first of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173 .

E. Use: For aircraft storage

F. Utilities: Paid by SUBLESSEE.

G. Relocation: The SUBLESSEE agrees to move the hangar as many time as required by the SUBLESSOR, and at the sole expense of the SUBLESSEE. First required relocation shall be at the sole expense of the SUBLESSEE. Any additional relocation's required by the SUBLESSOR, shall be at the sole expense of the SUBLESSEE except, SUBLESSOR shall waive three months rental payments for said move.

H. Security Agreement/UCC1: No changes.

I. Personal Guarantee: A personal guarantee is required under this lease

J. Notices:

To: SUBLESSOR:	Brown Field Aviation Ventures,Inc. 1590 Continental Street San Diego, CA 92173
To: SUBLESSEE:	Arthur Wollgast 9462 San Carlos Street Spring Valley, CA 91902
To: GUARANTOR:	Arthur Wollgast 9462 San Carlos Street Spring Valley, CA 91902

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

By _____ JUL - 5 1997
SUBLESSOR DATE

By Arthur T. Wollgast JUL - 5 1997
SUBLESSEE DATE

By Arthur T. Wollgast JUL - 5 1997
GUARANTOR DATE

Arthur Wollgast

SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California, between Brown Field Aviation Ventures, Inc. hereinafter called "SUBLESSOR", and Arthur Wollgast, 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.

4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor.

If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. -

Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.

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 under Section 17.

7. **Delivery of Possession.** If for any reason the Landlord cannot deliver possession of the leased property to the Tenant when the lease term commences, this Lease shall not be void or voidable, nor shall the Landlord be liable to the Tenant 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 Landlord delivers possession.

8. **Utilities.** Except as specified in the Summary Section, the Tenant 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 Tenant. 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 Tenant acknowledges that the Leased Premises are in good order and repair. The Tenant 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 Tenant, 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 Tenant defaults in making such repairs or replacements, Landlord may make them for Tenant's account, and such expenses will be considered additional rent. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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 Tenant.

12. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.

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.

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. 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 statues 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 breech 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 (c)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 attorneys fees.

23. **Additional Provisions:**
(i) Relocation: The SUBLESSEE shall, at it's 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 Tenant at the premises, or to the Landlord 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.

SUMMARY SECTION

A. Description of Premises: An open area 1,100 square feet to house a hangar, #8, in a location or locations to be determined by Brown Field Aviation Ventures, Inc.

B. Term: This lease shall commence on May 1, 1997 and continue on a month to month basis.

C. Security Deposit: None

D. Rent: $110.00 per month payable in advance and must be received by the first of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173 .

E. Use: For aircraft storage

F. Utilities: Paid by SUBLESSEE.

G. Relocation: The SUBLESSEE agrees to move the hangar as many time as required by the SUBLESSOR, and at the sole expense of the SUBLESSEE. First required relocation shall be at the sole expense of the SUBLESSEE. Any additional relocation's required by the SUBLESSOR, shall be at the sole expense of the SUBLESSEE except, SUBLESSOR shall waive three months rental payments for said move.

H. Security Agreement/UCC1: No changes.

I. Personal Guarantee: A personal guarantee is required under this lease

J. Notices:

To: SUBLESSOR: Brown Field Aviation Ventures,Inc.
1590 Continental Street
San Diego, CA 92173

To: SUBLESSEE: Arthur Wollgast
9462 San Carlos Street
Spring Valley, CA 91902

To: GUARANTOR: Arthur Wollgast
9462 San Carlos Street
Spring Valley, CA 91902

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

By _____ JUL - 5 1997
SUBLESSOR DATE

By _____ JUL - 5 1997
SUBLESSEE DATE

By _____ JUL - 5 1997
GUARANTOR DATE

CREDIT CARD AUTHORIZATION

I do hereby authorize Brown Field Aviation Ventures, Inc., or it's designee, to charge my credit card as listed below, each month for my monthly hangar rent, hangars numbers 2, 8, 11 & 16, for the amount as agreed to in the sublease agreement.

Type of Credit Card: Mastercard

Account number: 5286- 3058- 0109-4332

Expires: 9/98

Arthur F. Wollgast

Signature of Cardholder

7-5-97

CREDIT CARD AUTHORIZATION

I do hereby authorize Brown Field Aviation Ventures, Inc., or it's designee, to charge my credit card as listed below, each month for my monthly hangar rent, hangars numbers 2, 8, 11 & 16, for the amount as agreed to in the sublease agreement.

Type of Credit Card: Mastercard

Account number: 5286-3058-0109-4332

Expires: 9/98

Arthur T. Wolfgard

Signature of Cardholder

7-5-97

Arthur Wollgast

SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California, between Brown Field Aviation Ventures. Inc. hereinafter called "SUBLESSOR", and Arthur Wollgast, 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.

4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor.

If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. -

Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.

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 under Section 17.

7. **Delivery of Possession.** If for any reason the Landlord cannot deliver possession of the leased property to the Tenant when the lease term commences, this Lease shall not be void or voidable, nor shall the Landlord be liable to the Tenant 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 Landlord delivers possession.

8. **Utilities.** Except as specified in the Summary Section, the Tenant 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 Tenant. 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 Tenant acknowledges that the Leased Premises are in good order and repair. The Tenant 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 Tenant, 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 Tenant defaults in making such repairs or replacements, Landlord may make them for Tenant's account, and such expenses will be considered additional rent. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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 Tenant.

12. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.

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.

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. 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 statues 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 breech 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 of 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 (c)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 attorneys fees.

23. **Additional Provisions:**
(i) Relocation: The SUBLESSEE shall, at it's 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 Tenant at the premises, or to the Landlord 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.

SUMMARY SECTION

A. Description of Premises: An open area 1,100 square feet to house a hangar, #16, in a location or locations to be determined by Brown Field Aviation Ventures, Inc.

B. Term: This lease shall commence on May 1, 1997 and continue on a month to month basis.

C. Security Deposit: None

D. Rent: $110.00 per month payable in advance and must be received by the first of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173 .

E. Use: For aircraft storage

F. Utilities: Paid by SUBLESSEE.

G. Relocation: The SUBLESSEE agrees to move the hangar as many time as required by the SUBLESSOR, and at the sole expense of the SUBLESSEE. First required relocation shall be at the sole expense of the SUBLESSEE. Any additional relocation's required by the SUBLESSOR, shall be at the sole expense of the SUBLESSEE except, SUBLESSOR shall waive three months rental payments for said move.

H. Security Agreement/UCC1: No changes.

I. Personal Guarantee: A personal guarantee is required under this lease

J. Notices:

To: SUBLESSOR:	Brown Field Aviation Ventures,Inc. 1590 Continental Street San Diego, CA 92173
To: SUBLESSEE:	Arthur Wollgast 9462 San Carlos Street Spring Valley, CA 91902
To: GUARANTOR:	Arthur Wollgast 9462 San Carlos Street Spring Valley, CA 91902

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

By _____ JUL - 5 1997
SUBLESSOR DATE

By Arthur F. Wollgast JUL - 5 1997
SUBLESSEE DATE

By Arthur F. Wollgast JUL - 5 1997
GUARANTOR DATE

CREDIT CARD AUTHORIZATION

I do hereby authorize Brown Field Aviation Ventures, Inc., or it's designee, to charge my credit card as listed below, each month for my monthly hangar rent, hangars numbers 2, 8, 11 & 16, for the amount as agreed to in the sublease agreement.

Type of Credit Card: Mastercard

Account number: 5286-3058-0109-4332

Expires: 9/98

Arthur T. Wolfgast

Signature of Cardholder

7-6-97

Arthur Wollgast

SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego , between Brown Field Aviation Ventures. Inc. hereinafter called "SUBLESSOR", and Arthur Wollgast, 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.

4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor.

If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. -

Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.

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 under Section 17.

7. **Delivery of Possession.** If for any reason the Landlord cannot deliver possession of the leased property to the Tenant when the lease term commences, this Lease shall not be void or voidable, nor shall the Landlord be liable to the Tenant 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 Landlord delivers possession.

8. **Utilities.** Except as specified in the Summary Section, the Tenant 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 Tenant. 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 Tenant acknowledges that the Leased Premises are in good order and repair. The Tenant 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 Tenant, 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 Tenant defaults in making such repairs or replacements, Landlord may make them for Tenant's account, and such expenses will be considered additional rent. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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 Tenant.

12. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.

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.

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. 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 statues 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 breech 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 (c)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 attorneys fees.

23. **Additional Provisions:**
(I) Relocation: The SUBLESSEE shall, at it's 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 Tenant at the premises, or to the Landlord 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.

SUMMARY SECTION

A. Description of Premises: An open area 1,100 square feet to house a hangar, #2, in a location or locations to be determined by Brown Field Aviation Ventures, Inc.

B. Term: This lease shall commence on May 1, 1997 and continue on a month to month basis.

C. Security Deposit: None

D. Rent: $110.00 per month payable in advance and must be received by the first of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173 .

E. Use: For aircraft storage

F. Utilities: Paid by SUBLESSEE.

G. Relocation: The SUBLESSEE agrees to move the hangar as many time as required by the SUBLESSOR, and at the sole expense of the SUBLESSEE. First required relocation shall be at the sole expense of the SUBLESSEE. Any additional relocation's required by the SUBLESSOR, shall be at the sole expense of the SUBLESSEE except, SUBLESSOR shall waive three months rental payments for said move.

H. Security Agreement/UCC1: No changes.

I. Personal Guarantee: A personal guarantee is required under this lease

J. Notices:

To: SUBLESSOR:	Brown Field Aviation Ventures,Inc. 1590 Continental Street San Diego, CA 92173
To: SUBLESSEE:	Arthur Wollgast 9462 San Carlos Street Spring Valley, CA 91902
To: GUARANTOR:	Arthur Wollgast 9462 San Carlos Street Spring Valley, CA 91902

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

By _____ JUL - 5 1997
SUBLESSOR Date

By Arthur F. Wollgast JUL - 5 1997
SUBLESSEE Date

By Arthur F. Wollgast JUL - 5 1997
GUARANTOR Date

WILLIAM CANNON

SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on 21 March 97, between Brown Field Aviation Ventures, Inc. hereinafter called "SUBLESSOR", and William Cannon, 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.

4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor.

If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event.

Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.

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 under Section 17.

7. **Delivery of Possession.** If for any reason the Landlord cannot deliver possession of the leased property to the Tenant when the lease term commences, this Lease shall not be void or voidable, nor shall the Landlord be liable to the Tenant 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 Landlord delivers possession.

8. **Utilities.** Except as specified in the Summary Section, the Tenant 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 Tenant. 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 Tenant acknowledges that the Leased Premises are in good order and repair. The Tenant 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 Tenant, 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 Tenant defaults in making such repairs or replacements, Landlord may make them for Tenant's account, and such expenses will be considered additional rent. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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 Tenant.

12. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.

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.

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. 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 statues 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 breech 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 (c)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 attorneys fees.

23. **Additional Provisions:**
(i) Relocation: The SUBLESSEE shall, at it's 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 Tenant at the premises, or to the Landlord 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.

SUMMARY SECTION

A. Description of Premises: An open area 1,100 square feet to house a hangar in a location or locations to be determined by Brown Field Aviation Ventures, Inc.

B. Term: . Commences on 1 May 1997 and continues for a period of 60 months.

C. Security Deposit: None

D. Rent: $110 payable in advance and must be received by the first of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173 .

E. Use: For aircraft storage

F. Utilities: Paid by SUBLESSEE.

G. Relocation: The SUBLESSEE agrees to move the hangar as many time as required by the SUBLESSOR, and at the sole expense of the SUBLESSEE. First required relocation shall be at the sole expense of the SUBLESSEE. Any additional relocation's required by the SUBLESSOR, shall be at the sole expense of the SUBLESSEE except, SUBLESSOR shall waive three months rental payments for said move.

H. Security Agreement/UCC1: No changes.

I. Personal Guarantee: A personal guarantee is required under this lease

J. Notices:

To: SUBLESSOR:	Brown Field Aviation Ventures,Inc. 1590 Continental Street San Diego, CA 92173
To: SUBLESSEE:	William Cannon 1320 Seacoast Drive, Unit "L" Imperial Beach, CA 91932
To: GUARANTOR:	William Cannon 1320 Seacoast Drive, Unit "L" Imperial Beach, CA 91932

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

By _____
GUARANTOR

Jay Rathbun

SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on April 9, 1997 between Brown Field Aviation Ventures, Inc. hereinafter called "SUBLESSOR", and Jay Rathbun, 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.

4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor.

If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. -

Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.

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 under Section 17.

7. **Delivery of Possession.** If for any reason the Landlord cannot deliver possession of the leased property to the Tenant when the lease term commences, this Lease shall not be void or voidable, nor shall the Landlord be liable to the Tenant 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 Landlord delivers possession.

8. **Utilities.** Except as specified in the Summary Section, the Tenant 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 Tenant. 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 Tenant acknowledges that the Leased Premises are in good order and repair. The Tenant 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 Tenant, 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 Tenant defaults in making such repairs or replacements, Landlord may make them for Tenant's account, and such expenses will be considered additional rent. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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 Tenant.

12. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.

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.

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. 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 statues 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 breech 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 (c)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 attorneys fees.

23. **Additional Provisions:**
(i) Relocation: The SUBLESSEE shall, at it's 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 Tenant at the premises, or to the Landlord 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.

SUMMARY SECTION

A. Description of Premises: An open area 1,100 square feet to house a hangar, in a location or locations to be determined by Brown Field Aviation Ventures, Inc.

B. Term: This lease shall commence on May 1, 1997 and continue for 60 months.

C. Security Deposit: None

D. Rent: $110.00 per month payable in advance and must be received by the first of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173 .

E. Use: For aircraft storage

F. Utilities: Paid by SUBLESSEE.

G. Relocation: The SUBLESSEE agrees to move the hangar as many time as required by the SUBLESSOR, and at the sole expense of the SUBLESSEE. First required relocation shall be at the sole expense of the SUBLESSEE. Any additional relocation's required by the SUBLESSOR, shall be at the sole expense of the SUBLESSEE except, SUBLESSOR shall waive three months rental payments for said move.

H. Security Agreement/UCC1: No changes.

I. Personal Guarantee: A personal guarantee is required under this lease

J. Notices:

To: SUBLESSOR:	Brown Field Aviation Ventures,Inc. 1590 Continental Street San Diego, CA 92173
To: SUBLESSEE	Jay Rathbun 3170 W. Fox Run Way San Diego, CA 92111
To: GUARANTOR:	Jay Rathbun 3170 W. Fox Run Way San Diego, CA 92111

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

By _____
GUARANTOR

James Cowling

SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on April 14, 1997, between Brown Field Aviation Ventures, Inc. hereinafter called "SUBLESSOR", and James Cowling, 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.

4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor.

If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. -

Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.

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 under Section 17.

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 SUBLESSORS 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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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:** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.

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.

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. 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 statues 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

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 (c)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 attorneys fees.

23. **Additional Provisions:**
(i) Relocation: The SUBLESSEE shall, at it's 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.

SUMMARY SECTION

A. Description of Premises: An open area 1,100 square feet to house a hangar, #9, in a location or locations to be determined by Brown Field Aviation Ventures, Inc.

B. Term: This lease shall commence on May 1, 1997 and continue for 60 months.

C. Security Deposit: None

D. Rent: $110.00 per month payable in advance and must be received by the first of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173 .

E. Use: For aircraft storage

F. Utilities: Paid by SUBLESSEE.

G. Relocation: The SUBLESSEE agrees to move the hangar as many time as required by the SUBLESSOR, and at the sole expense of the SUBLESSEE. First required relocation shall be at the sole expense of the SUBLESSEE. Any additional relocation's required by the SUBLESSOR, shall be at the sole expense of the SUBLESSEE except, SUBLESSOR shall waive three months rental payments for said move.

H. Security Agreement/UCC1: No changes.

I. Personal Guarantee: A personal guarantee is required under this lease

J. Notices:

To: SUBLESSOR:	Brown Field Aviation Ventures,Inc. 1590 Continental Street San Diego, CA 92173
To: SUBLESSEE:	James Cowling 539 Wisteria Street Chula Vista, CA 91911
To: GUARANTOR:	James Cowling 539 Wisteria Street 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

By _____
GUARANTOR

CREDIT CARD AUTHORIZATION

I do hereby authorize Brown Field Aviation Ventures, Inc., or it's designee, to charge my credit card as listed below, each month for my monthly hangar rent, hangars numbers 2, 8, 11 & 16, for the amount as agreed to in the sublease agreement.

Type of Credit Card: Mastercard

Account number: 5286-3058-0109-4332

Expires: 9/98

Arthur T. Wollgast

Signature of Cardholder

7-2-97

14 April 1997

To: James Cowling
From: Buzz Fink

Subj: AUTHORIZATION TO SUBLET

1. This written letter serves as authorization for James Cowling to sublet his 2 hangars, provided all terms of his lease continue to be met and payments are made in accordance with the lease agreement.

BUZZ FINK
General Manager
Brown Field Aviation Ventures, Inc.

14 April 1997

To: James Cowling
From: Buzz Fink

Subj: AUTHORIZATION TO SUBLET

1. This written letter serves as authorization for James Cowling to sublet his 2 hangars, provided all terms of his lease continue to be met and payments are made in accordance with the lease agreement.

BUZZ FINK
General Manager
Brown Field Aviation Ventures, Inc.

Lou Conde

NAME

SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California, between Brown Field Aviation Ventures, Inc. hereinafter called "SUBLESSOR", and XXX, 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.

4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor. If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.

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 under Section 17.

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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance of the ramp area, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. This does not include the renovation of the nose dock. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.

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.

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. 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 statues 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 breech 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. 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. No request shall be unreasonable withheld by the SUBLESSOR.

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 (c)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 attorneys fees. In the event of any litigation regarding this lease, the prevailing party shall be entitled to an award of reasonable legal cost's, including court and attorney's fees.

23. **Additional Provisions:**

(i) Relocation: The SUBLESSEE shall, at it's 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.

SUMMARY SECTION

A. Description of Premises: An open area square feet to house a hangar in a location or locations to be determined by Brown Field Aviation Ventures, Inc.

B. Term: This lease shall commence on July 1, 1997 and continue for 113 months.

C. Security Deposit: None

D. Rent: $xxx per month payable in advance and must be received by the first of each month. No late penalties will be assessed if payment is received before the 5th of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173.

E. Use: Primarily for aircraft storage and non-commercial/not for hire maintenance of aircraft. Storage of other personal items is also authorized provided the hangar is still primarily used for storage and maintenance of an aircraft and the other personal items do not use more than 25% of the available floor space. Use of the hangar as a storage facility with no aircraft is prohibited and shall be deemed a breach of the lease.

F. Utilities: Paid by SUBLESSEE.

G. Relocation: The SUBLESSEE agrees to move the hangar to another site on Brown Field as many time as required by the SUBLESSOR, and at the sole expense of the SUBLESSEE. First required relocation shall be at the sole expense of the SUBLESSEE. Any additional relocation's required by the SUBLESSOR, shall be at the sole expense of the SUBLESSEE except, SUBLESSOR shall waive three months rental payments for said move. If the American ramp is ever sold or transferred from BFAV and the hangar is required to be relocated, then the current landlord will pay the costs of moving the hangar for the term of this lease. The relocated site shall be paved and shall have paved runway/taxiway access and shall have comparable power & water available within a reasonable distance. If the SUBLESSEE is required to move, they shall have the option to not accept the move and to cancel the lease agreement. In this event, the SUBLESSEE agrees to remove the hangar from the ramp.

H. Security Agreement/UCC1: No changes.

I. Personal Guarantee: A personal guarantee is required under this lease

J. Notices:

To: SUBLESSOR: Brown Field Aviation Ventures,Inc.
1590 Continental Street
San Diego, CA 92173

To: SUBLESSEE: xxx
xxx
xxx

To: GUARANTOR: xxx
xxx
xxx

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

By _____ 11/6/97
SUBLESSEE DATE

By _____ _____
SUBLESSOR DATE

By _____ _____
GUARANTOR DATE

Dave Bloch
~~Don Jamison~~

SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California, between Brown Field Aviation Ventures, Inc. hereinafter called "SUBLESSOR", and Don Jamison, 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.

4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor.

If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event.

Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.

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 under Section 17.

7. **Delivery of Possession.** If for any reason the Landlord cannot deliver possession of the leased property to the Tenant when the lease term commences, this Lease shall not be void or voidable, nor shall the Landlord be liable to the Tenant 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 Landlord delivers possession.

8. **Utilities.** Except as specified in the Summary Section, the Tenant 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 Tenant. 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 Tenant acknowledges that the Leased Premises are in good order and repair. The Tenant 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 Tenant, 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 Tenant defaults in making such repairs or replacements, Landlord may make them for Tenant's account, and such expenses will be considered additional rent. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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 Tenant.

12. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.

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.

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. 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 statues 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 breech 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 (c)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 attorneys fees.

23. **Additional Provisions:**
(i) Relocation: The SUBLESSEE shall, at it's 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 Tenant at the premises, or to the Landlord 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.

SUMMARY SECTION

A. Description of Premises: An open area 1,100 square feet to house a hangar in a location or locations to be determined by Brown Field Aviation Ventures, Inc.

B. Term: This lease shall commence on May 1, 1997 and continue for 60 months.

C. Security Deposit: None

D. Rent: $110.00 per month payable in advance and must be received by the first of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173 .

E. Use: For aircraft storage

F. Utilities: Paid by SUBLESSEE.

G. Relocation: The SUBLESSEE agrees to move the hangar as many time as required by the SUBLESSOR, and at the sole expense of the SUBLESSEE. First required relocation shall be at the sole expense of the SUBLESSEE. Any additional relocation's required by the SUBLESSOR, shall be at the sole expense of the SUBLESSEE except, SUBLESSOR shall waive three months rental payments for said move.

H. Security Agreement/UCC1: No changes.

I. Personal Guarantee: A personal guarantee is required under this lease

J. Notices:

To: SUBLESSOR: Brown Field Aviation Ventures,Inc.
1590 Continental Street
San Diego, CA 92173

To: SUBLESSEE: Don Jamison
369 Wagon Wheel
Bonita, CA 91902

To: GUARANTOR: Don Jamison
369 Wagon Wheel
Bonita, CA 91902

Assigned to:
BARRY J. BROCATO
1624 POMONA AVE
CORONADO, CA. 92118
(619) 435-4186

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

By _____ SUBLESSOR _____ 4/23/97 DATE

By _____ SUBLESSEE _____ 4/23/97 DATE assignee: BBrocato

By _____ GUARANTOR _____ 4/23/97 DATE New Guarantor BBrocato

Assignment Authorized by:

Sublessor BB 7-6-00 Sublessee _____

J T Racing, Inc.

SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on April 14, 1997 between Brown Field Aviation Ventures, Inc. hereinafter called "SUBLESSOR", and J T Racing, Inc., 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.

4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor.

If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. -

Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.

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 under Section 17.

7. **Delivery of Possession.** If for any reason the Landlord cannot deliver possession of the leased property to the Tenant when the lease term commences, this Lease shall not be void or voidable, nor shall the Landlord be liable to the Tenant 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 Landlord delivers possession.

8. **Utilities.** Except as specified in the Summary Section, the Tenant 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 Tenant. 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 Tenant acknowledges that the Leased Premises are in good order and repair. The Tenant 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 Tenant, 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 Tenant defaults in making such repairs or replacements, Landlord may make them for Tenant's account, and such expenses will be considered additional rent. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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 Tenant.

12. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.

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.

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. 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 statues 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 breech 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. OK to Sublease

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 (c)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 attorneys fees.

23. **Additional Provisions:**
(I) Relocation: The SUBLESSEE shall, at it's 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 Tenant at the premises, or to the Landlord 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.

SUMMARY SECTION

A. Description of Premises: An open area 1,100 square feet to house a hangar, in a location or locations to be determined by Brown Field Aviation Ventures, Inc.

B. Term: This lease shall commence on May 1, 1997 and continue for 60 months.

C. Security Deposit: None

D. Rent: $110.00 per month payable in advance and must be received by the first of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173 .

E. Use: For aircraft storage

F. Utilities: Paid by SUBLESSEE.

G. Relocation: The SUBLESSEE agrees to move the hangar as many time as required by the SUBLESSOR, and at the sole expense of the SUBLESSEE. First required relocation shall be at the sole expense of the SUBLESSEE. Any additional relocation's required by the SUBLESSOR, shall be at the sole expense of the SUBLESSEE except, SUBLESSOR shall waive three months rental payments for said move.

H. Security Agreement/UCC1: No changes.

I. Personal Guarantee: A personal guarantee is required under this lease

J. Notices:

To: SUBLESSOR:	Brown Field Aviation Ventures,Inc. 1590 Continental Street San Diego, CA 92173
To: SUBLESSEE	J T Racing, Inc. 515 Otay Valley Road Chula Vista, CA 91911
To: GUARANTOR:	John Gregory 515 Otay Valley Road 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

By _____
GUARANTOR

CREDIT CARD AUTHORIZATION

I, John G Gregory, do hereby authorize Brown Field Aviation Ventures, Inc., or it's designee, to charge my First Interstate credit card, account 5473 6604 3821 0062, expires 7/98, each month for my monthly hangar rent, the amount as agreed to in the sublease agreement.

John G Gregory

Signature of Cardholder

4-22-97

Date

DAN McCUTCHEON
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California, between Brown Field Aviation Ventures, Inc. hereinafter called "SUBLESSOR", and Dan McCutcheon, 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.
4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor. If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.
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 under Section 17.
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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance of the ramp area, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. This does not include the renovation of the nose dock. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
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.
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. 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 statues 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 breech 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. 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. No request shall be unreasonable withheld by the SUBLESSOR.

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 (c)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 attorneys fees. In the event of any litigation regarding this lease, the prevailing party shall be entitled to an award of reasonable legal cost's, including court and attorney's fees.

23. **Additional Provisions:**

(i) Relocation: The SUBLESSEE shall, at it's 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.

SUMMARY SECTION

A. Description of Premises: An open area 3,500 square feet to house a hangar in a location or locations to be determined by Brown Field Aviation Ventures, Inc.

B. Term: This lease shall commence on July 1, 1997 and continue for 113 months.

C. Security Deposit: None

D. Rent: $350.00 per month payable in advance and must be received by the first of each month. No late penalties will be assessed if payment is received before the 5th of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173 .

E. Use: Primarily for aircraft storage and non-commercial/not for hire maintenance of aircraft. Storage of other personal items is also authorized provided the hangar is still primarily used for storage and maintenance of an aircraft and the other personal items do not use more than 25% of the available floor space. Use of the hangar as a storage facility with no aircraft is prohibited and shall be deemed a breach of the lease.

F. Utilities: Paid by SUBLESSEE.

G. Relocation: The SUBLESSEE agrees to move the hangar as many time as required by the SUBLESSOR, and at the sole expense of the SUBLESSEE. First required relocation shall be at the sole expense of the SUBLESSEE. Any additional relocation's required by the SUBLESSOR, shall be at the sole expense of the SUBLESSEE except, SUBLESSOR shall waive three months rental payments for said move. If the American ramp is ever sold or transferred from BFAV and the hangar is required to be relocated within two years of the sale or transfer, then the current landlord will pay the costs of moving the hangar for the term of this lease.

H. Security Agreement/UCC1: No changes.

I. Personal Guarantee: A personal guarantee is required under this lease

J. Notices:

To: SUBLESSOR: Brown Field Aviation Ventures,Inc.
1590 Continental Street
San Diego, CA 92173

To: SUBLESSEE: Dan McCutcheon
10931 Vivaracho Way
San Diego, CA 92124
858 279 8011

To: GUARANTOR: Dan McCutcheon
10931 Vivaracho Way
San Diego, CA 92124

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

By _____ 9-28-97
SUBLESSOR DATE

By Dan M Cutcheon 9-28-97
SUBLESSEE DATE

By Dan M Cutcheon 9-28-97
GUARANTOR DATE

BROWN FIELD AVIATION VENTURES, INC.

September 29, 1997

Dan McCutcheon
10931 Vivaracho Way
San Diego, CA 92124

Dear Mr. McCutchan,

This letter is to amend our lease dated September 28, 1997.

Both parties agree to ad the following to the relocation provision in the summary section:

"If the SUBLESSOR requires relocation of the hangar to an area which is unacceptable to the SUBLESSEE, then the SUBLESSEE shall have the option to accept the new location or to terminate the lease and remove his hangar".

Accepted:

Dan McCutcheon — SUBLESSEE

9-28-97 — DATE

SUBLESSOR

9-28-97 — DATE

1590 Continental Street, San Diego, CA 92173(619) 661-6671 Fax (619) 661-6770

BROWN FIELD AVIATION VENTURES, INC.

March 6, 1999
To: William Cannon
From: Buzz Fink

Subj: APPROVAL OF TRANSFER OF LEASE

1. This letter serves as official approval of the transfer of the hangar lease on space 14 from Fred Crevling to Bill Canon effective 1 April 1999.

Buzz Fink, General Manager

Marie Crevling for Fred Crevling

Williaml Canon

1590 Continental Street, San Diego, CA 92173(619) 661-6671 Fax (619) 661-6770

Fred Creveling

SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on April 14, 1997 between Brown Field Aviation Ventures, Inc. hereinafter called "SUBLESSOR", and Fred Creveling, 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.

4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor.

If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. -

Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.

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 under Section 17.

7. **Delivery of Possession.** If for any reason the Landlord cannot deliver possession of the leased property to the Tenant when the lease term commences, this Lease shall not be void or voidable, nor shall the Landlord be liable to the Tenant 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 Landlord delivers possession.

8. **Utilities.** Except as specified in the Summary Section, the Tenant 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 Tenant. 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 Tenant acknowledges that the Leased Premises are in good order and repair. The Tenant 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 Tenant, 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 Tenant defaults in making such repairs or replacements, Landlord may make them for Tenant's account, and such expenses will be considered additional rent. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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 Tenant.

12. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.

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.

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. 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 statues 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 breech 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 ail of the assets of sublease or (b) a general assignment by SUBLESSEE for the benefit of creditors, or (c)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 attorneys fees.

23. **Additional Provisions:**
(i) Relocation: The SUBLESSEE shall, at it's 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 Tenant at the premises, or to the Landlord 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.

SUMMARY SECTION

A. Description of Premises: An open area 1,100 square feet to house a hangar in a location or locations to be determined by Brown Field Aviation Ventures, Inc.

B. Term: This lease shall commence on May 1, 1997 and continue for 60 months.

C. Security Deposit: None

D. Rent: $110.00 per month payable in advance and must be received by the first of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173 .

E. Use: For aircraft storage

F. Utilities: Paid by SUBLESSEE.

G. Relocation: The SUBLESSEE agrees to move the hangar as many time as required by the SUBLESSOR, and at the sole expense of the SUBLESSEE. First required relocation shall be at the sole expense of the SUBLESSEE. Any additional relocation's required by the SUBLESSOR, shall be at the sole expense of the SUBLESSEE except, SUBLESSOR shall waive three months rental payments for said move.

H. Security Agreement/UCC1: No changes.

I. Personal Guarantee: A personal guarantee is required under this lease

J. Notices:

To: SUBLESSOR: Brown Field Aviation Ventures,Inc.
1590 Continental Street
San Diego, CA 92173

To: SUBLESSEE: Fred Creveling
2101 L Avenue
National City, CA 92050

To: GUARANTOR: Fred Creveling
2101 L Avenue
National City, CA 92050

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

By _____
GUARANTOR

DON JAMISON
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California, between Brown Field Aviation Ventures, Inc. hereinafter called "SUBLESSOR", and Don Jamison, 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.
4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor. If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.
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 under Section 17.
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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance of the ramp area, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. This does not include the renovation of the nose dock. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
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.
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. 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 statues 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 breech 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. 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. No request shall be unreasonable withheld by the SUBLESSOR. .

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 (c)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 attorneys fees. In the event of any litigation regarding this lease, the prevailing party shall be entitled to an award of reasonable legal cost's, including court and attorney's fees.

23. **Additional Provisions:**

(I) Relocation: The SUBLESSEE shall, at it's 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.

SUMMARY SECTION

A. Description of Premises: An open area 160 square feet to house a hangar in a location or locations to be determined by Brown Field Aviation Ventures, Inc.

B. Term: This lease shall commence on July 1, 1997 and continue for 113 months.

C. Security Deposit: None

D. Rent: $160 per month payable in advance and must be received by the first of each month. . No late penalties will be assessed if payment is received before the 5th of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173 .

E. Use: Primarily for aircraft storage and non-commercial/not for hire maintenance of aircraft. Storage of other personal items is also authorized provided the hangar is still primarily used for storage and maintenance of an aircraft and the other personal items do not use more than 25% of the available floor space. Use of the hangar as a storage facility with no aircraft is prohibited and shall be deemed a breach of the lease.

F. Utilities: Paid by SUBLESSEE.

G. Relocation: The SUBLESSEE agrees to move the hangar as many time as required by the SUBLESSOR, and at the sole expense of the SUBLESSEE. First required relocation shall be at the sole expense of the SUBLESSEE. Any additional relocation's required by the SUBLESSOR, shall be at the sole expense of the SUBLESSEE except, SUBLESSOR shall waive three months rental payments for said move.

H. Security Agreement/UCC1: No changes.

I. Personal Guarantee: A personal guarantee is required under this lease

J. Notices:

To: SUBLESSOR:	Brown Field Aviation Ventures,Inc. 1590 Continental Street San Diego, CA 92173
To: SUBLESSEE:	Don Jamison 369 Wagon Wheel Road Bonita, CA 91902
To: GUARANTOR	Don Jamison 369 Wagon Wheel Road Bonita, CA 91902

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

By _____ 9/5/97
SUBLESSOR DATE

By _____ 9-5-97
SUBLESSEE DATE

By _____ 9/5/97
GUARANTOR DATE

Don Jamison

SOUTHBAY AUTO WRECKERS/DOUG KAUL
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California, between Brown Field Aviation Ventures, Inc, hereinafter called "SUBLESSOR", and Southbay Auto Wreckers/Doug Kaul, 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.

4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an Index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor. If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.

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 under Section 17.

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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance of the ramp area, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. This does not include the renovation of the nose dock. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.

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.

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. 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 statues 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 breech 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. 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. No request shall be unreasonable withheld by the SUBLESSOR.

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 (c)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 attorneys fees. In the event of any litigation regarding this lease, the prevailing party shall be entitled to an award of reasonable legal cost's, including court and attorney's fees.

23. **Additional Provisions:**

(I) Relocation: The SUBLESSEE shall, at it's 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.

SUMMARY SECTION

A. Description of Premises: An open area 1360 square feet to house a hangar in a location or locations to be determined by Brown Field Aviation Ventures, Inc.

B. Term: This lease shall commence on July 1, 1997 and continue for 113 months.

C. Security Deposit: None

D. Rent: $136.00 per month payable in advance and must be received by the first of each month. No late penalties will be assessed if payment is received before the 5th of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173 .

E. Use: Primarily for aircraft storage and non-commercial/not for hire maintenance of aircraft. Storage of other personal items is also authorized provided the hangar is still primarily used for storage and maintenance of an aircraft and the other personal items do not use more than 25% of the available floor space. Use of the hangar as a storage facility with no aircraft is prohibited and shall be deemed a breach of the lease.

F. Utilities: Paid by SUBLESSEE.

G. Relocation: The SUBLESSEE agrees to move the hangar to another site on Brown Field as many time as required by the SUBLESSOR, and at the sole expense of the SUBLESSEE. First required relocation shall be at the sole expense of the SUBLESSEE. Any additional relocation's required by the SUBLESSOR, shall be at the sole expense of the SUBLESSEE except, SUBLESSOR shall waive three months rental payments for said move. If the American ramp is ever sold or transferred from BFAV and the hangar is required to be relocated, then the current landlord will pay the costs of moving the hangar for the term of this lease. The relocated site shall be paved and shall have paved runway/taxiway access and shall have comparable power & water available within a reasonable distance. If the SUBLESSEE is required to move, they shall have the option to not accept the move and to cancel the lease agreement. In this event, the SUBLESSEE agrees to remove the hangar from the ramp.

H. Security Agreement/UCC1: No changes.

I. Personal Guarantee: A personal guarantee is required under this lease

J. Notices:

To: SUBLESSOR: Brown Field Aviation Ventures,Inc.
1590 Continental Street
San Diego, CA 92173

To: SUBLESSEE: SouthBay Auto Wreckers/Doug Kaul
811 Energy Way
Chula Vista, CA 91911

To: GUARANTOR: SouthBay Auto Wreckers/Doug Kaul
811 Energy Way
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 Doug Kaul — SUBLESSEE — 10-28-97 — DATE

By — SUBLESSOR — 28 Oct 97 — DATE

By Doug Kaul — GUARANTOR — 10-28-97 — DATE

EARL MOHLER
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California, between Brown Field Aviation Ventures, Inc. hereinafter called "SUBLESSOR", and Earl Mohler, 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.

4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor. If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.

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 under Section 17.

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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance of the ramp area, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. This does not include the renovation of the nose dock. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.

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.

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. 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 statues 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 breech 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. 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. No request shall be unreasonable withheld by the SUBLESSOR.

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 (c)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 attorneys fees. In the event of any litigation regarding this lease, the prevailing party shall be entitled to an award of reasonable legal cost's, including court and attorney's fees.

23. **Additional Provisions:**

(i) Relocation: The SUBLESSEE shall, at it's 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.

SUMMARY SECTION

A. Description of Premises: An open area 1360 square feet to house a hangar in a location or locations to be determined by Brown Field Aviation Ventures, Inc.

B. Term: This lease shall commence on July 1, 1997 and continue for 113 months.

C. Security Deposit: None

D. Rent: $136 per month payable in advance and must be received by the first of each month. No late penalties will be assessed if payment is received before the 5th of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173 .

E. Use: Primarily for aircraft storage and non-commercial/not for hire maintenance of aircraft. Storage of other personal items is also authorized provided the hangar is still primarily used for storage and maintenance of an aircraft and the other personal items do not use more than 25% of the available floor space. Use of the hangar as a storage facility with no aircraft is prohibited and shall be deemed a breach of the lease.

F. Utilities: Paid by SUBLESSEE.

G. Relocation: The SUBLESSEE agrees to move the hangar to another site on Brown Field as many time as required by the SUBLESSOR, and at the sole expense of the SUBLESSEE. First required relocation shall be at the sole expense of the SUBLESSEE. Any additional relocation's required by the SUBLESSOR, shall be at the sole expense of the SUBLESSEE except, SUBLESSOR shall waive three months rental payments for said move. If the American ramp is ever sold or transferred from BFAV and the hangar is required to be relocated, then the current landlord will pay the costs of moving the hangar for the term of this lease. The relocated site shall be paved and shall have paved runway/taxiway access and shall have comparable power & water available within a reasonable distance. If the SUBLESSEE is required to move, they shall have the option to not accept the move and to cancel the lease agreement. In this event, the SUBLESSEE agrees to remove the hangar from the ramp.

H. Security Agreement/UCC1: No changes.

I. Personal Guarantee: A personal guarantee is required under this lease

J. Notices:

To: SUBLESSOR: Brown Field Aviation Ventures,Inc.
1590 Continental Street
San Diego, CA 92173

To: SUBLESSEE: Earl Mohler
3515 Valley Vista Road
Bonita, CA 91902
267-1943

To: GUARANTOR: Earl Mohler
3515 Valley Vista Road
Bonita, CA 91902

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

By _____ 6 Dec 97
SUBLESSEE DATE

By _____ 12-6-97
SUBLESSOR DATE

By _____ 6 Dec 97
GUARANTOR DATE

Bvd

Earl Mohler
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California, between Brown Field Aviation Ventures, Inc. hereinafter called "SUBLESSOR", Earl Mohler, 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.

4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor. If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.

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 under Section 17.

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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance of the ramp area, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. This does not include the renovation of the nose dock. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.

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.

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. 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 statues 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 breech 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. 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. No request shall be unreasonable withheld by the SUBLESSOR.

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 (c)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 attorneys fees. In the event of any litigation regarding this lease, the prevailing party shall be entitled to an award of reasonable legal cost's, including court and attorney's fees.

23. **Additional Provisions:**

(I) Relocation: The SUBLESSEE shall, at it's 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.

SUMMARY SECTION

A. Description of Premises: An open area 1360 square feet to house a hangar in a location or locations to be determined by Brown Field Aviation Ventures, Inc.

B. Term: This lease shall commence on July 1, 1997 and continue for 113 months.

C. Security Deposit: None

D. Rent: $136 per month payable in advance and must be received by the first of each month. No late penalties will be assessed if payment is received before the 5th of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173 .

E. Use: Primarily for aircraft storage and non-commercial/not for hire maintenance of aircraft. Storage of other personal items is also authorized provided the hangar is still primarily used for storage and maintenance of an aircraft and the other personal items do not use more than 25% of the available floor space. Use of the hangar as a storage facility with no aircraft is prohibited and shall be deemed a breach of the lease.

F. Utilities: Paid by SUBLESSEE.

G. Relocation: The SUBLESSEE agrees to move the hangar to another site on Brown Field as many time as required by the SUBLESSOR, and at the sole expense of the SUBLESSEE. First required relocation shall be at the sole expense of the SUBLESSEE. Any additional relocation's required by the SUBLESSOR, shall be at the sole expense of the SUBLESSEE except, SUBLESSOR shall waive three months rental payments for said move. If the American ramp is ever sold or transferred from BFAV and the hangar is required to be relocated, then the current landlord will pay the costs of moving the hangar for the term of this lease. The relocated site shall be paved and shall have paved runway/taxiway access and shall have comparable power & water available within a reasonable distance. If the SUBLESSEE is required to move, they shall have the option to not accept the move and to cancel the lease agreement. In this event, the SUBLESSEE agrees to remove the hangar from the ramp.

H. Security Agreement/UCC1: No changes.

I. Personal Guarantee: A personal guarantee is required under this lease

J. Notices:

To: SUBLESSOR: Brown Field Aviation Ventures,Inc.
1590 Continental Street
San Diego, CA 92173

To: SUBLESSEE: Earl Mohler
3440 Aliso Drive
Bonita, CA 91902

To: GUARANTOR: Earl Mohler
3440 Aliso Drive
Bonita, CA 91902

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

By Earl Mohler SUBLESSEE 10-22-97 DATE

By SUBLESSOR 10-22-97 DATE

By Earl Mohler GUARANTOR 10-22-97 DATE

Earl Mohler

Jose Antonio Perez
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California, between Brown Field Aviation Ventures, Inc. hereinafter called "SUBLESSOR", and Jose Antonio Perez, 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.
4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84 which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor. If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.
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 under Section 17.
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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance of the ramp area, repairs, taxes and other expenses as can be reasonably determined by the SUBLESSOR. This does not include the renovation of the nose dock. If costs exceed this maximum, then the SUBLESSEE shall pay it's share, as reasonably determined by the SUBLESSOR, and payable on a monthly basis included with the 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.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
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.
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. 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 statues 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 breech 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. 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 (c)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 attorneys fees.

23. **Additional Provisions:**

(I) Relocation: The SUBLESSEE shall, at it's 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.

SUMMARY SECTION

A. Description of Premises: An office space approximately 75 square feet located in Bldg 2048.
B. Term: This lease shall commence on November 1, 1997 and continue on a month to month basis.
C. Security Deposit: None
D. Rent: $150 per month payable in advance and must be received by the first of each month. No invoice will be sent. Payments may be mailed or delivered to Brown Field Aviation Ventures, Inc., 1590 Continental Street, San Diego, CA 92173 .
E. Use: Office Space
F. Utilities: Paid by SUBLESSEE.
G. Relocation: N/A
H. Security Agreement/UCC1: No changes.
I. Personal Guarantee: A personal guarantee is required under this lease
J. Notices:

To: SUBLESSOR: Brown Field Aviation Ventures,Inc.
1590 Continental Street
San Diego, CA 92173

To: SUBLESSEE: Jose Antonio Perez
6919 Curran Street, Suite C-102
San Diego, CA 92173

To: GUARANTOR: Jose Antonio Perez
6919 Curran Street, Suite C-102
San Diego, CA 92173

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

By _____ SUBLESSEE — OCT/29/97 DATE

By _____ GUARANTOR — OCT/29/97 DATE

By _____ SUBLESSOR — Oct 29 97 DATE

CONSENT TO SUBLEASE AGREEMENT

The City of San Diego (CITY), as LESSOR under that certain Lease Agreement (Master Lease) entered into with Brown Field Aviation Ventures, (LESSEE), dated November 12, 1996 and filed in the office of the City Clerk as Document 00-18361, together with Amendments thereto, hereby consents to that certain Sublease Agreement between the above LESSEE (SUBLESSOR) and Lancair Corporation, (SUBLESSEE) dated March 1, 2001 attached hereto. Said Sublease shall be subordinate to the Master Lease in all respects.

The CITY is merely approving the SUBLESSEE and all terms and conditions of the Master Lease shall control and supersede any inconsistent or contrary provisions in the Sublease which in any way conflicts with or is additional to the provisions of the Master Lease, except as otherwise approved herein.

The consent of the CITY is granted on the following conditions:

1. It is understood that this consent does not release LESSEE from its contractual obligations, i.e: LESSEE is ultimately responsible for damages, repairs, etc. committed by SUBLESSEE, if SUBLESSEE defaults.

2. SUBLESSEE shall obtain Comprehensive General Liability insurance in the amount of one million dollars, ($1,000,000) with an occurrence claims form, naming the CITY OF SAN DIEGO as additional insured. Said insurance shall be maintained in full force throughout the term of the Sublease and a copy or proof of same shall be on file with CITY during the term of the Sublease. The insurance policy shall specify that it may not be canceled without thirty (30) days prior written notice to CITY. SUBLESSEE shall also obtain All Peril Property insurance covering 100% of the replacement costs of the premises throughout the Sublease, and shall name the City of San Diego and as additional insured.

3. SUBLESSEE agrees to defend, indemnify, protect, and hold the CITY, its agents, officers, and employees harmless from and against all claims asserted or liability established for damages or injuries to any person or property , including injuries 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 premises and all expenses of investigating and defending against same; provided, however, that SUBLESSEE'S duty to indemnify and hold harmless shall not include any claims or liability arising from the established negligence, active negligence or willful misconduct of the CITY or SUBLESSOR, their agents, officers, or employees. .....(continued)...

SUBLEASE AGREEMENT

This Sublease Agreement ("Sublease") is entered into effective March 26, 2001, between Brown Field Aviation Ventures Inc., a California corporation ("BFAV") and Lancair Corporation, a Nevada corporation ("LC"), with reference to the following facts:

A. The City of San Diego, a municipal corporation ("City") as Lessor, and BFAV, as Lessee, executed the City of San Diego Flat Rate Lease dated December 4, 1996 for certain real property containing approximately 15 acres situated in the City of San Diego. First and Second Amendments to said Flat Rate Lease were subsequently executed by the parties increasing the site to 18.98 acres. BFAV entered into the Flying "J" Aviation Assignment Agreement which reduced the site to 16.04 acres. Additionally, a separate agreement for the assignment of the Bearden lease to Bearden Aviation has been approved by BFAV which will result in a reduction of the site to 11.42 acres. The Flat Rate Lease, the two Amendments thereto, and the Flying "J" Assignment Agreement are attached hereto as Exhibit "A", incorporated herein by reference as though set forth in full, and collectively referred to herein as the "Master Lease".

B. LC and BFAV acknowledge that subleases for hangars, office space, and ramp space, as listed on Exhibit "B" attached hereto (collectively "Rentals"), are currently in full force and effect. The parties wish to have the Rentals assigned to LC, and to have LC honor all of the terms and conditions of the Rentals as part of the sublease of the Master Lease from BFAV.

C. BFAV has entered into an agreement to provide Flying "J" Aviation adequate parking spaces for their business in return for access to their ramp space to be used as a taxilane ("FJA Agreement"). The parties wish to have LC assigned all rights and obligations of the FJA Agreement as part of the sublease of the Master Lease from BFAV.

D. BFAV desires to sublease to LC the property occupied by BFAV pursuant to the terms of the Master Lease including all rights and obligations of BFAV arising under the Rentals and the FJA Agreement. LC desires to sublease the property from BFAV and to assume the rights and obligations of BFAV under the Master Lease, including all rights and obligations of BFAV arising under the Rentals and the FJA Agreement.

E. The written consent to this Sublease by City is required by the provisions of Section 4.2 of the Master Lease.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the undersigned hereby agree as follows:

1. Incorporation of Recitals. All of the recitals set forth above are true and correct and are hereby incorporated in and made a part of this Agreement.

2. Subleasing of Property. Subject to the terms, covenants, and conditions set forth in this Sublease and the Master Lease, BFAV hereby subleases to LC, and LC hereby subleases from BFAV, the entirety of the property identified in and covered by

BFAV LC

4. After first obtaining written approval from Airports Division, SUBLESSEE agrees to obtain permits from Development Services Division for all modifications, renovations, or improvements undertaken on the premises, and to pay the fees associated therewith.

5. SUBLESSOR agrees to pay the CITY'S fee of $310 for reviewing and consenting to the Sublease.

SIGNATURES:

CITY OF SAN DIEGO

Dated 4-2-01

BY _____
Tracy L. Means, A.A.E.
Deputy Director, Airports Division

BROWN FIELD AVIATION VENTURES

Dated 3/29/01

BY _____
(Sublessor)

LANCAIR CORPORATION

Dated 3-29-01

BY _____
(Sublessee)

Approved as to form and legality this 26th Day of March, 2001

CASEY GWINN, City Attorney

BY _____
Deputy City Attorney

the Master Lease, including all rights and obligations arising from the Rentals and the FJA Agreement. LC agrees to perform all of the requirements and fulfill all of the conditions which Lessee is required to perform or fulfill under the Master Lease, and all obligations required to be performed by BFAV under the Rentals and the FJA Agreement. LC shall indemnify, defend and hold harmless BFAV and the City of San Diego with respect to all costs and expenses arising from the Master Lease, the Rentals, and the FJA Agreement.

3. Term. The term of this Sublease shall be thirty (30) years beginning on May 1, 2001.

4. Rent. LC shall pay to BFAV as rent for the subleased premises the sum of $15,858.05 per month plus the amount of all rent and other charges due to the City from BFAV pursuant to the Master Lease. Rent shall be paid to BFAV in advance on or before the first day of each calendar month and must be received by BFAV at its office located at 436 Country Club Lane, Coronado, California 92118 on or before the first day of each calendar month. Payments which BFAV does not receive on time shall be subject to the late payment charges set forth in the Master Lease.

5. Developmental Plan. LC shall, in addition to complying with the developmental plan in the Master Lease, develop the leasehold estate according to the Developmental Plan set forth in Exhibit "C" attached hereto and incorporated herein by reference.

6. Default. In the event LC fails to comply with any of the terms and conditions of this Sublease or fails to perform any and all of the provisions of the Master Lease for which Lessee is responsible, LC's rights under this Sublease shall be terminated at BFAV's option, and LC shall forfeit any and all rights which it may have under this Sublease or the Master Lease.

7. Attorneys Fees. If any action or other proceeding arising out of this Sublease is commenced by either party, then as between BFAV and LC, the prevailing party shall be entitled to receive from the other, in addition to any other relief that may be granted, reasonable attorneys fees, court costs, and other expenses incurred in the action or proceeding by the prevailing party.

IN WITNESS WHEREOF, this Sublease is executed effective March 26, 2001, at San Diego, California.

BFAV

BROWN FIELD AVIATION VENTURES, INC., a California corporation

By: _____
Its Authorized Agent

LC

LANCAIR CORPORATION, a Nevada corporation

By: _____
Its Authorized Agent

Attachment "B"

BFAV Subleases as of March 1, 2001

	Name	Expires
C 1	Canon	May 1, 2002
C 2	Nance	May 1, 2002
C 3	Hill	May 1, 2002
C 4	Broderick	May 1, 2002
C 5	Gregory	May 1, 2002
C 6	Gillespie	May 1, 2002
C 7	Rathbun	May 1, 2002
C 8	Jamison	May 1, 2002
C 9	Meredith	May 1, 2002
C 10	Crevling	May 1, 2002
C 11	Woolgast	May 1, 2002
C 12	Woolgast	May 1, 2002
C 13	Woolgast	May 1, 2002
C 14	Woolgast	May 1, 2002
C 15	Cowling	May 1, 2002
C 16	Cowling	May 1, 2002
C 17	Souttere	May 1, 2002
C 99	Sanchex-Avala	Month to Month
A 1	Gray	January 1, 2007
A 2	McCutchin (Precision Automation)	January 1, 2007
A 3	Conde	January 1, 2007
A 4	Rathbun	January 1, 2007
A 5	Van Wormer	January 1, 2007
A 6	Ehly	January 1, 2007
A 7	Flint	January 1, 2007
A 8	E. Mohler	January 1, 2007
A 9	Gregory	January 1, 2007
A 10	Catanzaro	Month to Month
A 11	Kaul	January 1, 2007
A 12	Smith	January 1, 2007
A 13	Russell	January 1, 2007
A 14	B. Mohler	January 1, 2007
A 15	Jamison	January 1, 2007
O 1	Ri-Ver	Month to Month
O 2	McDonalds	Month to Month
O 3	Jose Perez	Month to Month
O 4	two Guys Truck Parts	Month to Month
O 5	Nicolas Paulido	Month to Month
L 1	Christian	Month to Month
L 2	Total Aviation	Month to Month
AA 1	Leading Edge Rigging	July 15, 2001
B 1	Bearden Aviation	December 1, 2031

Exhibit "C"
DEVELOPMENT SCHEDULE

Within 60 months, based on business demand, the following will be accomplished:

1. An additional 40 General Aviation Hangars will be added South of Curran Street.
2. Two additional Corporate Hangars, ranging between 10,000 sf and 80,000 sf, will be added to the existing ramp space.
3. An airplane wash facility will be constructed.
4. The building at 1590 Continental Street will be renovated for use as general business office space.

CONSENT TO SUBLEASE AGREEMENT

The City of San Diego (CITY), as LESSOR under that certain Lease Agreement (Master Lease) entered into with Brown Field Aviation Ventures, (LESSEE), dated November 12, 1996 and filed in the office of the City Clerk as Document 00-18361, together with Amendments thereto, hereby consents to that certain Sublease Agreement between the above LESSEE (SUBLESSOR) and Lancair Corporation, (SUBLESSEE) dated March 1, 2001 attached hereto. Said Sublease shall be subordinate to the Master Lease in all respects.

The CITY is merely approving the SUBLESSEE and all terms and conditions of the Master Lease shall control and supersede any inconsistent or contrary provisions in the Sublease which in any way conflicts with or is additional to the provisions of the Master Lease, except as otherwise approved herein.

The consent of the CITY is granted on the following conditions:

1. It is understood that this consent does not release LESSEE from its contractual obligations, i.e: LESSEE is ultimately responsible for damages, repairs, etc. committed by SUBLESSEE, if SUBLESSEE defaults.

2. SUBLESSEE shall obtain Comprehensive General Liability insurance in the amount of one million dollars, ($1,000,000) with an occurrence claims form, naming the CITY OF SAN DIEGO as additional insured. Said insurance shall be maintained in full force throughout the term of the Sublease and a copy or proof of same shall be on file with CITY during the term of the Sublease. The insurance policy shall specify that it may not be canceled without thirty (30) days prior written notice to CITY. SUBLESSEE shall also obtain All Peril Property insurance covering 100% of the replacement costs of the premises throughout the Sublease, and shall name the City of San Diego and as additional insured.

3. SUBLESSEE agrees to defend, indemnify, protect, and hold the CITY, its agents, officers, and employees harmless from and against all claims asserted or liability established for damages or injuries to any person or property , including injuries 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 premises and all expenses of investigating and defending against same; provided, however, that SUBLESSEE'S duty to indemnify and hold harmless shall not include any claims or liability arising from the established negligence, active negligence or willful misconduct of the CITY or SUBLESSOR, their agents, officers, or employees. .....(continued)...

4. After first obtaining written approval from Airports Division, SUBLESSEE agrees to obtain permits from Development Services Division for all modifications, renovations, or improvements undertaken on the premises, and to pay the fees associated therewith.

5. SUBLESSOR agrees to pay the CITY'S fee of $310 for reviewing and consenting to the Sublease.

SIGNATURES:

CITY OF SAN DIEGO

Dated 4-2-01

BY _____
Tracy L. Means, A.A.E.
Deputy Director, Airports Division

BROWN FIELD AVIATION VENTURES

Dated 3/29/01

BY _____
(Sublessor)

LANCAIR CORPORATION

Dated 3-29-01

BY _____
(Sublessee)

Approved as to form and legality this 26th Day of March, 2001

CASEY GWINN, City Attorney

BY _____
Deputy City Attorney

Attachment "B"

BFAV Subleases as of March 1, 2001

	Name	Expires
C 1	Canon	May 1, 2002
C 2	Nance	May 1, 2002
C 3	Hill	May 1, 2002
C 4	Broderick	May 1, 2002
C 5	Gregory	May 1, 2002
C 6	Gillespie	May 1, 2002
C 7	Rathbun	May 1, 2002
C 8	Jamison	May 1, 2002
C 9	Meredith	May 1, 2002
C 10	Crevling	May 1, 2002
C 11	Woolgast	May 1, 2002
C 12	Woolgast	May 1, 2002
C 13	Woolgast	May 1, 2002
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A 6	Ehly	January 1, 2007
A 7	Flint	January 1, 2007
A 8	E. Mohler	January 1, 2007
A 9	Gregory	January 1, 2007
A 10	Catanzaro	Month to Month
A 11	Kaul	January 1, 2007
A 12	Smith	January 1, 2007
A 13	Russell	January 1, 2007
A 14	B. Mohler	January 1, 2007
A 15	Jamison	January 1, 2007
O 1	Ri-Ver	Month to Month
O 2	McDonalds	Month to Month
O 3	Jose Perez	Month to Month
O 4	two Guys Truck Parts	Month to Month
O 5	Nicolas Paulido	Month to Month
L 1	Christian	Month to Month
L 2	Total Aviation	Month to Month
AA 1	Leading Edge Rigging	July 15, 2001
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Exhibit "C"
DEVELOPMENT SCHEDULE

Within 60 months, based on business demand, the following will be accomplished:

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2. Two additional Corporate Hangars, ranging between 10,000 sf and 80,000 sf, will be added to the existing ramp space.
3. An airplane wash facility will be constructed.
4. The building at 1590 Continental Street will be renovated for use as general business office space.

Ref. to T.M. on 7-17-02 File

LANCAIR

City of San Diego
Property Agent
Diana Drake
1424 Continental St., MS 83
San Diego, CA 92154

7-17-02

Dear Diana:

Lancair would like to get preliminary approval for renting space at 1590 Continental st. for a small restaurant serving Mexican seafood. If you need more details please do not hesitate to ask. A fast response would be appreciated, as they want to do something right away.

Thank you.

Tom Ricotta

Tom Ricotta
General Manager

6851 Curran Street, San Diego, Ca 92154
Phone 619-671-9222 * Fax 619-671-9665

[redacted] [redacted] Lancair

From: Connie Kennelly
To: Diana Drake
Date: 7/12/02 2:00PM
Subject: Re: Did Perci sign the Cosent to Sublease that I dropped off yesterday for Daniel's Registration, and di

yes.

>>> Diana Drake 07/12 1:47 PM >>>
Did Perci sign the Cosent to Sublease that I dropped off yesterday for Daniel's Registration, and did you send it back inter-office mail? Thanks.
Diana Drake, MS 83

Ellen + Tom,

The Sublease has been approved. I Should have it by Monday.

Diana

619 671 9665

FYI

Faxed to TM 6/13

LANCAIR

June 12, 2002

Diana L. Drake, Property Agent
City of San Diego
1424 Continental Street
San Diego, Ca 92154

Dear Ms Drake:

Daniel's Registration would like to rent an office from us at 1590 Continental St. They are a registration service for DMV. There is no required parking space and no automotive sales it is just paperwork being accomplished to register vehicles. Daniel's Registration is aware that they must meet DMV approval and will be inspected by them.

Norma Ewing from Daniel's will bring by a copy of her lease and the zoning approval form for you sign.

Sincerely,

Ellen A. Ricotta
Sec/Treas

Tracy
This is on hold until you authorize it

6851 Curran Street, San Diego, CA 92154
Phone 619-671-9222 * Fax 619-671-9665

Copy Handed to T.M 6/24/02

CONSENT TO SUBLEASE AGREEMENT

The City of San Diego (CITY), as Lessor under that certain lease agreement (Master Lease) entered into with Brown Field Air Ventures (LESSEE) dated November 12, 1996, and filed in the office of the City Clerk as Document 00-18361, as amended, hereby consents to a sublease agreement between LESSEE's Sublessee, Lancair Corporation, and Daniel's Registration (SUB-SUBLESSEE).

Said sublease agreement shall be subordinate to the Master Lease in all respects. The CITY is merely approving the SUB-SUBLESSEE and the proposed use. All terms and conditions of the Master Lease shall control and supersede any inconsistent or contrary provisions in the sublease agreement. The CITY is not bound by any term or condition in the sublease agreement, which in any way conflicts with or is additional to the provisions of the Master Lease.

In addition, this Consent is subject to the following conditions:

ASSIGNMENT AND SUBLEASING: SUB-SUBLESSEE shall not assign its sublease or sublet the premises or any part thereof without the prior written consent of CITY. An assignment by operation of law shall automatically terminate this lease.

HOLD HARMLESS: SUB-SUBLESSEE shall assume the defense of, indemnify and hold harmless the CITY from all claims, expenses and liability of every nature, directly or indirectly arising from, or alleged to have arisen from the operations conducted on the leased premises, the condition of the premises or from any act or omission of SUB-SUBLESSEE, his agents and invitees; provided, however, SUB-SUBLESSEE'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. **LESSEE shall provide CITY proof of SUB-SUBLESSEE's written indemnification of CITY on or before the first day of SUB-SUBLESSEE's occupancy of the premises.**

INSURANCE: SUB-SUBLESSEE shall 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 leased premises. Minimum coverage shall be $1 million COMBINED SINGLE LIMIT LIABILITY. A copy of the policy

of insurance shall be filed with CITY and shall name "The City of San Diego" as an additional insured. Said policy shall specify that the policy may not be terminated, altered or canceled without 30 days prior written notice to CITY by the insurance company. **LESSEE shall provide CITY proof of SUB-SUBLESSEE's insurance coverage, with CITY named as an additional insured, on or before the first day of SUB-SUBLESSEE's occupancy of the premises.**

LEGAL PROCEEDINGS: Should it become necessary for CITY to commence legal proceedings to collect rent, to recover possession or enforce any other provision of this lease, the prevailing party shall be entitled to an award of reasonable legal costs, including court and attorneys' fees. CITY shall have the right to commence said legal action against any or all of the lessees, sublessees and/or sub-sublessees under the Master Lease.

THE CITY OF SAN DIEGO

Dated _____ By: _____
Tracy L. Means, AAE
Airports Division Director

APPROVED AS TO FORM:

CASEY GWINN, City Attorney

Dated _____ By: _____
Deputy City Attorney

File: C:Cst.Danl.Reg

Daniel's Registration Services
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on July 1, 2002 between Lancair Corp hereinafter called "SUBLESSOR", and Daniel's Registration Services 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. First and Last months rent and a security deposit one-half month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises.
4. 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.
5. 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 under Section 17.
6. 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.
7. 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.
8. 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.
9. 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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably
determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay its share, as reasonably determined by the SUBLESSOR,
and payable on a monthly basis included with the rent.
10. 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.
11. Subordination. This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
12. 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.
13. 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.
14. 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.
15. 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. 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.
16. 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 statues 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 that 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 breech by the SUBLESSEE.

17. 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.
18. 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 [redacted] and [redacted] penses of such releting and of such alterat[redacted] and [redacted] airs incurred by SUBLESSOR and the amount, if any, by which the rent reserve in this [redacted]leas[redacted] for the period of such releting, up to but not [redacted]ond[redacted] term of this sublease, exceed the amount agreed to be paid as rent for the demised premises for such period on such releting.

19. 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 (c)any action taken or suffered by SUBLESSEE under any insolvency or bankruptcy act shall constitute a breach of this sublease by the SUBLESSEE.

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

21. 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 attorneys fees.

22. 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.

SUMMARY SECTION

A. Description of Premises: Office space located at 1590 Continental Street #210, San Diego, CA 92154
B. Term: Month to Month
C. Security Deposit: One months rent
D. Rent: Payments may be mailed to or delivered to Lancair Corp, 6851 Curran St., San Diego, CA 92154
E. Use: General Office –Aircraft Title and DMV Registration
F. Utilities and Cleaning: Paid by SUBLESSEE.
G. Security Agreement/UCC1. SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing, listing their office equipment 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.
H. Personal Guarantee: A personal guarantee is required under this lease
I: Alterations: No signs may be put up without prior written approval. Signs to be purchased through All Up Signs

To: SUBLESSOR: Lancair Corp
6851 Curran Street
San Diego, CA 92154

To: SUBLESSEE: Daniel's Registration Services
1590 Continental #210
San Diego, CA 92154

To: GUARANTOR: Norma G. Ewing
5953 Albemarle St
San Diego, CA 92139

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

By _____ GUARANTOR

POST IN CONSPICUOUS PLACE OR KEEP ON PERSON

CITY OF SAN DIEGO * CERTIFICATE OF PAYMENT OF BUSINESS TAX

DANIEL'S REGISTRATION /AIRCRAFT TITLE
NORMA EWING
7049 CURRAN ST 215
SAN DIEGO, CA 92154-5705

Certificate Number:	2001-008589
Business Name:	DANIEL'S REGISTRATION /AIRCRAFT TITLE
Business Owner:	EWING NORMA G
Business Address:	7049 CURRANT ST 215 SAN DIEGO CA 92154
Business Type:	OTHER BUSINESS SERVICE
Effective Date:	09/01/01
Expiration Date:	08/31/02

PLEASE NOTIFY THE CITY TREASURER'S OFFICE IN WRITING OF ANY CHANGE IN OWNERSHIP OR ADDRESS — BUSINESS TAX DIVISION, PO BOX 121536, SAN DIEGO, CA 92112

BUSINESS FILE COPY

CITY OF SAN DIEGO
CERTIFICATE OF PAYMENT OF BUSINESS TAX
PO BOX 121536 SAN DIEGO CA 92112-1536
1200 3RD AVENUE, MS 51T, SAN DIEGO, CA 92101
(619) 236-6173 M-F 8:00 AM TO 5:00 PM

Certificate Number:	2001-008589
Business Name:	DANIEL'S REGISTRATION /AIRCRAFT TITLE
Business Owner:	EWING NORMA G
Business Address:	7049 CURRANT ST 215 SAN DIEGO CA 92154
Business Type:	OTHER BUSINESS SERVICE
Effective Date:	09/01/01
Expiration Date:	08/31/02

*******AUTO**3-DIGIT 921
DANIEL'S REGISTRATION /AIRCRAFT TITLE
NORMA EWING
7049 CURRAN ST 215
SAN DIEGO, CA 92154-5705

Mailing Address: DANIEL'S REGISTRATION /AIRCRAFT TITLE
NORMA EWING
7049 CURRAN ST 215
SAN DIEGO CA 92154

This Certificate acknowledges payment of business taxes pursuant to the San Diego Municipal Code. This **is not** a License to do business within the City of San Diego in violation of any section of the Municipal Code or regulation adopted by the City Council including, but not limited to: Zoning restrictions; Land Use specifications as defined in Planned Districts

NAME	
OL NUMBER	

STATE OF CALIFORNIA
DEPARTMENT OF MOTOR VEHICLES

A Public Service Agency

OCCUPATIONAL LICENSING BRANCH

ZONING VERIFICATION FOR VEHICLE DEALER'S LICENSE

Instructions: This form is to be completed *(in ink)* by an official of the agency responsible for zoning in your area and submitted with your application for license to a department Inspector.

In connection with an application for a Vehicle Dealer's License to be submitted to the Department of Motor Vehicles by:

APPLICANT'S NAME	PRESENTLY ZONED
Norma Ewing	
BUSINESS NAME	
Daniel's Registration	
BUSINESS ADDRESS	CITY ZIP CODE
7049 Curran st. ste 215	SD CA 92154

I hereby certify that the property located above is *(check one of the following):*

☐ Compatible to the operation of Vehicle Retail Sales (office, sign, and display area **mandatory**).

☐ Compatible to the operation of a Vehicle Dealer-Wholesale Only, no retail sales (office **mandatory**).

☐ Compatible to the operation of a Vehicle Autobroker, no retail sales (office and sign **mandatory**).

☐ Non-compatible to the operation of a vehicle dealer business.

☐ Other comments:

SIGNATURE	TITLE
X	
AGENCY	CITY, COUNTY, OR CITY AND COUNTY
DATE	AREA CODE/TELEPHONE NUMBER
	( )

California Vehicle Code Section 1653 requires that a dealer's place of business be in an area zoned for that type of business.

File Lancair

CONSENT TO SUBLEASE AGREEMENT

The City of San Diego (CITY), as Lessor under that certain lease agreement (Master Lease), as amended, entered into with Brown Field Air Ventures (LESSEE) dated November 12, 1996, and filed in the office of the City Clerk as Document 00-1836, hereby consents to a sublease agreement between LESSEE's Sublessee, Lancair Corporation, and Daniel's Registration (SUB-SUBLESSEE).

Said sublease agreement shall be subordinate to the Master Lease, as amended, in all respects. The CITY is merely approving the SUB-SUBLESSEE and the proposed temporary use. All other terms and conditions of the Master Lease shall control and supersede any inconsistent or contrary provisions in the sublease agreement. The CITY is not bound by any term or condition in the sublease agreement, which in any way conflicts with or is additional to the provisions of the Master Lease.

In addition, this Consent is subject to the following conditions:

ASSIGNMENT AND SUBLEASING: SUB-SUBLESSEE shall not assign its sublease or sublet the premises or any part thereof without the prior written consent of CITY. An assignment by operation of law shall automatically terminate this lease.

HOLD HARMLESS: SUB-SUBLESSEE shall assume the defense of, indemnify and hold harmless the CITY from all claims, expenses and liability of every nature, directly or indirectly arising from, or alleged to have arisen from the operations conducted on the leased premises, the condition of the premises or from any act or omission of SUB-SUBLESSEE, his agents and invitees; provided, however, SUB-SUBLESSEE'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. **LESSEE shall provide CITY proof of SUB-SUBLESSEE's written indemnification of CITY on or before the first day of SUB-SUBLESSEE's occupancy of the premises.**

INSURANCE: SUB-SUBLESSEE shall 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 leased premises. Minimum coverage shall be $1 million COMBINED SINGLE LIMIT LIABILITY. A copy of the policy of insurance shall be filed with CITY and shall name "The City

of San Diego" as an additional insured. Said policy shall specify that the policy may not be terminated, altered or canceled without 30 days prior written notice to CITY by the insurance company. **LESSEE shall provide CITY proof of SUB-SUBLESSEE's insurance coverage, with CITY named as an additional insured, on or before the first day of SUB-SUBLESSEE's occupancy of the premises.**

LEGAL PROCEEDINGS: Should it become necessary for CITY to commence legal proceedings to collect rent, to recover possession or enforce any other provision of this lease, the prevailing party shall be entitled to an award of reasonable legal costs, including court and attorneys' fees. CITY shall have the right to commence said legal action against any or all of the lessees, sublessees and/or sub-sublessees under the Master Lease.

THE CITY OF SAN DIEGO

Dated 7-1-02

By: Tracy L. Means
Tracy L. Means, AAE
Airports Division Director

APPROVED AS TO FORM:

CASEY GWINN, City Attorney

Dated 7/12/02

By: Russell Dumond
Deputy City Attorney

File: C:Cst.Danl.Reg

Daniel's Registration Services
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on July 1, 2002 between Lancair Corp hereinafter called "SUBLESSOR", and Daniel's Registration Services 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. First and Last months rent and a security deposit one-half month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises.
4. 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.
5. 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 under Section 17.
6. 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.
7. 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.
8. 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.
9. 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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably
determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay its share, as reasonably determined by the SUBLESSOR,
and payable on a monthly basis included with the rent.
10. 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.
11. Subordination. This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
12. 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.
13. 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.
14. 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.
15. 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. 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.
16. 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 statues 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 that 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 breech by the SUBLESSEE.

17. 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.
18. 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, 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 the 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.

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

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

21. 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 attorneys fees.

22. 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.

SUMMARY SECTION

A. Description of Premises: Office space located at 1590 Continental Street #210, San Diego, CA 92154
B. Term: Month to Month
C. Security Deposit: One months rent
D. Rent: Payments may be mailed to or delivered to Lancair Corp, 6851 Curran St., San Diego, CA 92154
E. Use: General Office –Aircraft Title and DMV Registration
F. Utilities and Cleaning: Paid by SUBLESSEE.
G. Security Agreement/UCC1. SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing, listing their office equipment 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.
H. Personal Guarantee: A personal guarantee is required under this lease
I: Alterations: No signs may be put up without prior written approval. Signs to be purchased through All Up Signs

To: SUBLESSOR: Lancair Corp
6851 Curran Street
San Diego, CA 92154

To: SUBLESSEE: Daniel's Registration Services
1590 Continental #210
San Diego, CA 92154

To: GUARANTOR: Norma G. Ewing
5953 Albemarle St
San Diego, CA 92139

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

By _____ GUARANTOR

P & M Auto Sales
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on February 5, 2002 between Lancair Corp hereinafter called "SUBLESSOR", and P & M Auto Sales, hreinafter 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. First and Last months rent and a security deposit one-half month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises.
4. **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.
5. **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 under Section 17.
6. **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.
7. **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.
8. **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.
9. **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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably
determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay its share, as reasonably determined by the SUBLESSOR,
and payable on a monthly basis included with the rent.
10. **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.
11. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
12. **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.
13. **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.
14. **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.
15. **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. 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.
16. **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 statues 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 that 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 breech by the SUBLESSEE.

17. **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.
18. **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

...it, if any, by which the rent reserve in this sublease for the period ...
agreed to be paid as rent for the demised premises for such period on such reletting.
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 SUBLESSEE for the benefit of creditors, or (c)any action taken or suffered by SUBLESSEE under any insolvency or bankruptcy act shall constitute a breach of this sublease by the SUBLESSEE.

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

21. 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 attorneys fees.

22. 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.

SUMMARY SECTION

A. Description of Premises: 1590 Continental St. Suite #112, San Diego, CA 92154.

B. Term: Month to Month

C. Security Deposit: One-Half months rent

D. Rent: $350.00 per month plus utilities and cleaning. Must be received in the office by the 5th of the month. Payments may be mailed to Lancair Corp at P O Box 12330, El Cajon, CA 92022 or delivered to Lancair Corp, 6851 Curran St., San Diego, CA 92154

E. Use: General Office. Auto Sales.

F. Utilities and Cleaning: Paid by SUBLESSEE.

G. Security Agreement: SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing, listing their office equipment 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.

H. Personal Guarantee: A personal guarantee is required under this lease

I. Alterations: Tenant must get approval for the addition of window covering, security bars, signs, etc. The only approved sign is a 24 x 24 sign purchased through All Up Signs. There is to be no banners or signs on the vehicles unless prior approval by the City of San Diego sign division. Tenant is entitled to two marked parking spaces to be designated by Landlord.

J. Notices:

To: SUBLESSOR: Lancair Corp
6851 Curran Street
San Diego, CA 92154

To: SUBLESSEE: P & M Auto Sales
1590 Continental Suite ~~115~~ 112
San Diego, CA 92154

To: GUARANTOR Oscar E. Gonazles-Soto
4763 Sea Tern Ct.
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

By _____ GUARANTOR

Rapid Motors
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on March 1, 2002 between Lancair Corp hereinafter called "SUBLESSOR", and Rapid Motors, hreinafter 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. First and Last months rent and a security deposit one-half month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises.
4. **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.
5. **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 under Section 17.
6. **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.
7. **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.
8. **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.
9. **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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably
determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay its share, as reasonably determined by the SUBLESSOR,
and payable on a monthly basis included with the rent.
10. **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.
11. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
12. **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.
13. **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.
14. **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.
15. **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. 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.
16. **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 statues 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 that 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 breech by the SUBLESSEE.

17. **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.
18. **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 hereun[illegible]he cost and expenses of such reletting and of such [illegible]rations and repairs incurred by SUBLESSOR and the amount, if any, by which the rent reserve[illegible]this sublease for the period of such reletting, up to [illegible]ot 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.

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

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

21. 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 attorneys fees.

22. 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.

SUMMARY SECTION

A. Description of Premises: 1590 Continental St. Suite #212, San Diego, CA 92154.

B. Term: Month to Month

C. Security Deposit: One-Half months rent

D. Rent: $350.00 per month plus utilities and cleaning. Must be received in the office by the 5th of the month. Payments may be mailed to Lancair Corp at P O Box 12330, El Cajon, CA 92022 or delivered to Lancair Corp, 6851 Curran St., San Diego, CA 92154

E. Use: General Office. Auto Sales.

F. Utilities and Cleaning: Paid by SUBLESSEE.

G. Security Agreement: SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing, listing their office equipment 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.

H. Personal Guarantee: A personal guarantee is required under this lease

I. Alterations: Tenant must get approval for the addition of window covering, security bars, signs, etc. The only approved sign is a 24 x 24 sign purchased through All Up Signs. There is to be no banners or signs on the vehicles unless prior approval by the City of San Diego sign division. Tenant is entitled to two marked parking spaces to be designated by Landlord.

J. Notices:

To: SUBLESSOR: Lancair Corp
6851 Curran Street
San Diego, CA 92154

To: SUBLESSEE: Rapid Motors
1590 Continental Suite 212
San Diego, CA 92154

To: GUARANTOR Ricardo J. Vargas
9465 Customhouse Plaza Ste A.
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

By _____
GUARANTOR

6851 Curran St., San Diego, CA 92154
Phone 619-671-9222 Fax 619-671-9665

Lancair Corp

Fax

To:	Diana Drake	**From:**	Ellen Ricotta
Fax:	424-0488	**Pages:**	1
Phone:		**Date:**	6/19/2002
Re:	Repairs to Office Building	**CC:**	Debra Bevier, Tracy Means, Will Griffith, Bruce Young

☐ **Urgent** ☐ **For Review** ☐ **Please Comment** ☐ **Please Reply** ☐ **Please Recycle**

• **Comments:**

The following is a list of repairs made to the Office Building at 1590 Continental St.

- Repair Drywall
- Replace Broken Glass in Windows
- Replace Floor Coverings
- Paint
- Replace Broken Doors
- Replace Door Locks
- Repair Outdoor Irrigation System (sprinklers)
- Replace Suite Numbers
- Repair and Replace Existing Light Fixtures with like Fixtures
- Install Window Coverings

+ Plumbing

Ellen

Consent to Sublease Lancair + Daniel's Registration

RFP - Ad document - Ad goes into newspaper today

Numerous compl. from Ind. tenants concerning 30 days notice

A to Z Liquidators
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on March 26, 2003 between Lancair Corp hereinafter called "SUBLESSOR", and A to Z Liquidators, hreinafter 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. First and Last months rent and a security deposit one-half month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises.
4. **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.
5. **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 under Section 17.
6. **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.
7. **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.
8. **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.
9. **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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably
determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay its share, as reasonably determined by the SUBLESSOR,
and payable on a monthly basis included with the rent.
10. **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.
11. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
12. **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.
13. **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.
14. **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.
15. **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. 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.
16. **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 statues 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 that 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 breech by the SUBLESSEE.

17. **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.
18. **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.

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

SUBLESSEE for the benefit of creditors, or (c)any action taken or suffered by SUBLESSEE under any insolvency or bankruptcy act shall constitute a breach of this sublease by the SUBLESSEE.

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

21. **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 attorneys fees.

22. **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.

SUMMARY SECTION

A. Description of Premises: 1590 Continental St. Suite #218, San Diego, CA 92154

B. Term: Month to Month

C. Security Deposit: One months rent

D. Rent: $400.00 per month plus utilities and cleaning. Must be received in the office by the 5th of the month. Payments may be mailed to Lancair Corp at P O Box 12330, El Cajon, CA 92022 or delivered to Lancair Corp, 6851 Curran St., San Diego, CA 92154

E. Use: General Office whole car sales

F. Utilities and Cleaning: Paid by SUBLESSEE.

G. Security Agreement: SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing, listing their office equipment 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.

H. Personal Guarantee: A personal guarantee is required under this lease

I. Alterations: Tenant must get approval for the addition of window covering, security bars, signs, etc. The only approved sign is a 24 x 24 sign purchased through All Up Signs. There is to be no banners or signs on the vehicles unless prior approval by the City of San Diego sign division. Carpet must be professionally cleaned at departure.

J. Notices:

To: SUBLESSOR: Lancair Corp
6851 Curran Street
San Diego, CA 92154

To: SUBLESSEE: Eugene G. Alim
1590 Continental #218
San Diego, CA 92154

To: GUARANTOR: Eugene Alim
P O Box 210481
Chula Vista, CA 91921

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

By _____
GUARANTOR

Apex Towing
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on **September 15, 2001** between **Lancair Corp** hereinafter called "SUBLESSOR", and **Apex Towing,** 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. A security deposit equal to one month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises unless the term of this agreement exceeds 12 months in which case the security deposit shall be waived.
4. **Rent Adjustments:** Said rent is subject to an annual Consumer Price Index (CPI) increase from January 1st through December 31st of the previous year effective March 1 . The index used will be the CPI for "All Urban Consumers" for Los Angeles/Long Beach/Anaheim, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a rental adjustment is calculated using an index from a different base year than 1982-84, which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor. If the Department of Labor indexes are no longer published, another index generally recognized as authoritative will be substituted by agreement of SUBLESSEE and SUBLESSOR. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event. Regardless of the index publication dates, the effective date of the rent adjustment is as specified in this Subsection b.(1) CPI Index Adjustments. Until the rent adjustment can be reasonably determined by the index method, SUBLESSEE shall continue to make payments at the existing rental rate. When the adjustment is determined, the balance of rents due at the adjusted rate will be paid to SUBLESSOR within thirty (30) days. In no event shall the adjusted rent as established by the Consumer Price Index be less than the rent in existence immediately prior to the adjustment date.
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 under Section 17.
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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably
determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay its share, as reasonably determined by the SUBLESSOR,
and payable on a monthly basis included with the 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.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
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.
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. 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 statues 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 that 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 breech 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 (c)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 attorneys fees.

23. **Additional Provisions:**

(i) Relocation: The SUBLESSEE shall, at it's 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.

SUMMARY SECTION

A. Description of Premises: Fenced area behind wood working building. Area is to be kept clean by sublessee. Sublessee to chain link fence the area and will receive a $200 rent credit for 5 months. Chain Link fence is to be covered with approved mesh by sublessee. Sublessee to cover the area with gravel. Absolutely no junk or damaged vehicles or parts to be stored on the premises. NO sublessing. Cars are to be parked neat and straight and area surrounding is to be kept trimmed and clean.

B. Term: This lease shall commence on September 15, 2001 and continue month to month.

C. Security Deposit: $1200

D. Rent: $1200.00 per month payable in advance and must be received by the first of each month. Payments may be mailed or delivered to Lancair Corp, 6851 Curran St., San Diego, CA 92154

E. Use: For vehicle storage.

F. Utilities: Paid by SUBLESSEE.

G. Security Agreement/UCC1: No changes.

H. Personal Guarantee: A personal guarantee is required under this lease

I. Notices:

To: SUBLESSOR: Lancair Corp
6851 Curran Street
San Diego, CA 92154

To: SUBLESSEE: A;ex Towing
6950-B Sikorsky Street
San Diego, CA 92154

To: GUARANTOR: Tony De Santiago
6950-B Sikorsky Street
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

By _____
GUARANTOR

Os'Cars
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on March 5, 2003 between Lancair Corp hereinafter called "SUBLESSOR", and Os'Cars, hreinafter 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. First and Last months rent and a security deposit one-half month's rent and as described in the Summary Section shall be paid to SUBLESSOR prior to occupancy of the premises.
4. **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.
5. **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 under Section 17.
6. **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.
7. **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.
8. **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.
9. **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. The SUBLESSOR has set aside a maximum of one cent per square foot per month of leased area for common area maintenance, repairs, taxes and other expenses as can be reasonably
determined by the SUBLESSOR. If costs exceed this maximum, then the SUBLESSEE shall pay its share, as reasonably determined by the SUBLESSOR,
and payable on a monthly basis included with the rent.
10. **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.
11. **Subordination.** This lease, and the SUBLESSEE leasehold interest, is and shall be subordinate, subject and inferior to any and all liens and encumbrances now and thereafter placed on the Leased Premises by SUBLESSOR, any and all extensions of such liens and encumbrances and all advances paid under such liens and encumbrances.
12. **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.
13. **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.
14. **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.
15. **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. 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.
16. **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 statues 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 that 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 breech by the SUBLESSEE.

17. **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.
18. **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.

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

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

21. **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 attorneys fees.

22. **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.

SUMMARY SECTION

A. Description of Premises: 1590 Continental St. Suite #203, San Diego, CA 92154.

B. Term: Month to Month

C. Security Deposit: One months rent

D. Rent: $400.00 per month plus utilities and cleaning. Must be received in the office by the 5th of the month. Payments may be mailed to Lancair Corp at P O Box 12330, El Cajon, CA 92022 or delivered to Lancair Corp, 6851 Curran St., San Diego, CA 92154

E. Use: General Office. Auto Sales.

F. Utilities and Cleaning: Paid by SUBLESSEE.

G. Security Agreement: SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing, listing their office equipment 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.

H. Personal Guarantee: A personal guarantee is required under this lease

I. Alterations: Tenant must get approval for the addition of window covering, security bars, signs, etc. The only approved sign is a 24 x 24 sign purchased through All Up Signs. There is to be no banners or signs on the vehicles unless prior approval by the City of San Diego sign division. Tenant is entitled to two marked parking spaces to be designated by Landlord.

J. Notices:

To: SUBLESSOR: Lancair Corp
6851 Curran Street
San Diego, CA 92154

To: SUBLESSEE: Os'Cars
1590 Continental Suite 203
San Diego, CA 92154

To: GUARANTOR Oscar A. Cardenas
3761 Acacia St.
San Diego, CA 92113

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

By _____
SUBLESSOR

By X _____
SUBLESSEE

By X _____
GUARANTOR

CONTRACTORS

EXPLAIN ALL "YES" RESPONSES (For past or present operations)	YES	NO	EXPLAIN ALL "YES" RESPONSES (For past or present operations)	YES	NO
1. DOES APPLICANT DRAW PLANS, DESIGNS, OR SPECIFICATIONS FOR OTHERS?		X	4. DO YOUR SUBCONTRACTORS CARRY COVERAGES OR LIMITS LESS THAN YOURS?		X
2. DO ANY OPERATIONS INCLUDE BLASTING OR UTILIZE OR STORE EXPLOSIVE MATERIAL?		X	5. ARE SUBCONTRACTORS ALLOWED TO WORK WITHOUT PROVIDING YOU WITH A CERTIFICATE OF INSURANCE?		X
3. DO ANY OPERATIONS INCLUDE EXCAVATION, TUNNELING, UNDERGROUND WORK OR EARTH MOVING?		X	6. DOES APPLICANT LEASE EQUIPMENT TO OTHERS WITH OR WITHOUT OPERATORS?		

REMARKS/DESCRIBE THE TYPE OF WORK SUBCONTRACTED	$ PAID TO SUB-CONTRACTORS:	% OF WORK SUBCONTRACTED:	# FULL-TIME STAFF:	# PART-TIME STAFF:

PRODUCTS/COMPLETED OPERATIONS

PRODUCTS	ANNUAL GROSS SALES	# OF UNITS	TIME IN MARKET	EXPECTED LIFE	INTENDED USE	PRINCIPAL COMPONENTS
storage vehicles	$120K					

EXPLAIN ALL "YES" RESPONSES (For any past or present product or operation)	YES	NO	EXPLAIN ALL "YES" RESPONSES (For any past or present product or operation)	YES	NO
1. DOES APPLICANT INSTALL, SERVICE OR DEMONSTRATE PRODUCTS?		X	6. PRODUCTS RECALLED, DISCONTINUED, CHANGED?		X
2. FOREIGN PRODUCTS SOLD, DISTRIBUTED, USED AS COMPONENTS?		X	7. PRODUCTS OF OTHERS SOLD OR RE-PACKAGED UNDER APPLICANT LABEL?		X
3. RESEARCH AND DEVELOPMENT CONDUCTED OR NEW PRODUCTS PLANNED?		X	8. PRODUCTS UNDER LABEL OF OTHERS?		X
4. GUARANTEES, WARRANTIES, HOLD HARMLESS AGREEMENTS?		X	9. VENDORS COVERAGE REQUIRED?		X
5. PRODUCTS RELATED TO AIRCRAFT/SPACE INDUSTRY?		X	10. DOES ANY NAMED INSURED SELL TO OTHER NAMED INSUREDS?		X

PLEASE ATTACH LITERATURE, BROCHURES, LABELS, WARNINGS, ETC

ADDITIONAL INTEREST/CERTIFICATE RECIPIENT

ACORD 45 attached for additional names

INTEREST	RANK:	NAME AND ADDRESS	REFERENCE #:	CERTIFICATE REQUIRED	INTEREST IN ITEM NUMBER	
2	ADDITIONAL INSURED	Lancair Corp, 6851 Convent St. S.D. Ca 92154.	City of San Diego, 1424 Cortland St. Mail Station M.S.-83 S.D. Ca 92154.		LOCATION:	BUILDING:
	LOSS PAYEE				VEHICLE:	BOAT:
	MORTGAGEE				SCHEDULED ITEM NUMBER:	
	LIENHOLDER				OTHER	
	EMPLOYEE AS LESSOR					
		ITEM DESCRIPTION:				

GENERAL INFORMATION

EXPLAIN ALL "YES" RESPONSES (For all past or present operations)	YES	NO	EXPLAIN ALL "YES" RESPONSES (For all past or present operations)	YES	NO
1. ANY MEDICAL FACILITIES PROVIDED OR MEDICAL PROFESSIONALS EMPLOYED OR CONTRACTED?		X	12. ANY STRUCTURAL ALTERATIONS CONTEMPLATED?		X
2. ANY EXPOSURE TO RADIOACTIVE/NUCLEAR MATERIALS?		X	13. ANY DEMOLITION EXPOSURE CONTEMPLATED?		X
3. DO/HAVE PAST, PRESENT OR DISCONTINUED OPERATIONS INVOLVE(D) STORING, TREATING, DISCHARGING, APPLYING, DISPOSING, OR TRANSPORTING OF HAZARDOUS MATERIAL? (e.g. landfills, wastes, fuel tanks, etc)		X	14. HAS APPLICANT BEEN ACTIVE IN OR IS CURRENTLY ACTIVE IN JOINT VENTURES?		X
4. ANY OPERATIONS SOLD, ACQUIRED, OR DISCONTINUED IN LAST 5 YEARS?		X	15. DO YOU LEASE EMPLOYEES TO OR FROM OTHER EMPLOYERS?		X
5. MACHINERY OR EQUIPMENT LOANED OR RENTED TO OTHERS?		X	16. IS THERE A LABOR INTERCHANGE WITH ANY OTHER BUSINESS OR SUBSIDIARIES?		X
6. ANY WATERCRAFT, DOCKS, FLOATS OWNED, HIRED OR LEASED?		X	17. ARE DAY CARE FACILITIES OPERATED OR CONTROLLED?		X
7. ANY PARKING FACILITIES OWNED/RENTED?		X	18. HAVE ANY CRIMES OCCURRED OR BEEN ATTEMPTED ON YOUR PREMISES WITHIN THE LAST THREE YEARS?		X
8. IS A FEE CHARGED FOR PARKING?		X	19. IS THERE A FORMAL, WRITTEN SAFETY AND SECURITY POLICY IN EFFECT?	X	
9. RECREATION FACILITIES PROVIDED?		X	20. DOES THE BUSINESSES' PROMOTIONAL LITERATURE MAKE ANY REPRESENTATIONS ABOUT THE SAFETY OR SECURITY OF THE PREMISES?		X
10. IS THERE A SWIMMING POOL ON THE PREMISES?		X			
11. SPORTING OR SOCIAL EVENTS SPONSORED?		X			

REMARKS

USF INSURANCE COMPANY

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

Under the Terrorism Risk Insurance Act of 2002, effective November 26, 2002 (the "Act"), you have a right to purchase insurance coverage for losses arising out of acts of terrorism, as defined in Section 102(1) of the Act. The term "certified act of terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States – to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion; and that causes losses of at least $5,000,000.

You should know that coverage for losses caused by "certified acts of terrorism" is partially reimbursed by the United States under a formula established by federal law. Under this formula, the United States pays 90% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The premium for this coverage is shown below and does not include any charges for the portion of loss covered by the federal government under the Act.

IN ACCORDANCE WITH THE ACT, YOU MUST CHOOSE TO ACCEPT OR REJECT COVERAGE FOR "CERTIFIED ACTS OF TERRORISM."

SELECTION OR REJECTION OF CERTIFIED TERRORISM INSURANCE COVERAGE

☐	I hereby elect to purchase certified terrorism coverage for a prospective premium of $ 100.00 .
☑	I hereby reject the purchase of certified terrorism coverage.

Policyholder/Applicant's Signature

Print Name

031103
Date

APEX TOWING
Named Insured/Firm

Policy Number (if available)

CA1-65953-0-TOTB-053500-SKN
03/10/2003/SKN

PREMIUM FINANCE AGREEMENT – Truth-in-Lending Disclosure

Royal Premium
A RAMPART GROUP COMPANY

LENDER: **ROYAL PREMIUM BUDGET OF CALIFORNIA, INC.**
30033 Northwestern Highway – Suite 220, Farmington Hills, Michigan 48334
P.O. Box 257 – Southfield, MI 48037-0257
(248) 932-9080 (800) 477-7680 Fax (248) 932-9043

Type of Loan: [ ] Personal [X] Commercial [ ] Agri Premium

License No. 1550 Underwriter: CA1-SKN Account No. Contract Date: 03/10/2003

AGENT/BROKER (NAME AND BUSINESS ADDRESS)
TOTAL BUDGET INSURANCE SERVICES
134 E 30TH STREET
NATIONAL CITY, CA 91950
PHONE: 619/477-0805 FAX: 619/336-7874 PRODUCER CODE: TOTB

BORROWER (NAME AND RESIDENCE OR BUSINESS ADDRESS)
APEX TOWING
PHONE: FAX:

A	TOTAL PREMIUM $ 1,971.19	NUMBER OF INSTALLMENTS 8	AMOUNT OF EACH INSTALLMENT 181.63	WHEN PAYMENTS ARE DUE: FIRST INSTALLMENT DUE 3/09/2003	SUBSEQUENT INSTALLMENTS DUE DATES 9TH MONTHLY
B	DOWN PAYMENT $ 606.30				
C	AMOUNT FINANCED THE AMOUNT OF CREDIT PROVIDED ON YOUR BEHALF $ 1,365.89				
D	FINANCE CHARGE THE DOLLAR AMOUNT THE CREDIT WILL COST YOU $ 87.14				
E	DOC STAMP TAXES (FLORIDA ONLY) $ N/A				
F	TOTAL OF PAYMENTS AMOUNT PAID AFTER MAKING ALL SCHEDULED PAYMENTS $ 1,453.04				
G	APR THE COST OF YOUR CREDIT AS A YEARLY RATE 18.7500%				

POLICY PREFIX AND NUMBER	POLICY EFFECTIVE DATE	NAME OF INSURANCE CARRIER AND NAME OF MANAGING GENERAL AGENT	TYPE OF COVERAGE	POLICY TERM	GROSS PREMIUM
	02/07/2003	USF INSURANCE COMPANY BURNS & WILCOX INSURANCE SERVICES	LIABILITY-GENERI TAXES FEES	12	1,788.00 88.19 160.00
TOTAL PREMIUMS MUST AGREE WITH BOX "A" ABOVE >>>>>>					1,971.19

TO THE BORROWER:

If you sign below, you acknowledge receipt of a copy of this Agreement and you agree to the provisions BOTH ON THE FIRST AND THE SECOND PAGE OF THIS AGREEMENT. You further agree that you are appointing LENDER your ATTORNEY-IN-FACT to cancel the policies as outlined in this agreement. The borrower may request the Spanish language disclosure before signing any documents if required by state law.

1. Do not sign this agreement before you read it or if it contains any blank spaces.
2. You are entitled to a completely filled-in copy of this agreement.
3. Under the law, you have the right to pay off in advance the full amount due and under certain conditions to obtain a partial refund of the service charge.

IF FOR ANY REASON YOU DO NOT RECEIVE YOUR PAYMENT COUPONS OR INVOICE FOR INSTALLMENTS DUE, YOU MUST STILL MAKE YOUR PAYMENTS ON THE ABOVE DATE TO THE ABOVE ADDRESS.

(X) SIGNATURE OF BORROWER(S) OR DULY AUTHORIZED AGENT OF BORROWER(S) DATE 03/10/03

PRODUCER'S WARRANTIES AND REPRESENTATIONS:

Remittance: Retention:

THE UNDERSIGNED WARRANTS AND GUARANTEES: (1) The Borrower has received a copy of this Agreement, and the Required Federal Truth-In-Lending disclosures for Personal Lines Insurance, if applicable. (2) The policies hereon are in full force and effect and the information in the schedule of policies and the premiums are correct. (3) The Borrower has authorized this transaction and recognizes the security interest assigned herein (4) To hold in trust for LENDER any payments made or added to the Borrower through or to the undersigned, directly, indirectly, actually or constructively by any of the insurance companies and to pay the same to LENDER upon demand to satisfy the then outstanding indebtedness of the Borrower and that any lien the undersigned now has or hereafter may acquire on any returned premium arising out of the above listed insurance policies is subordinated to LENDER's lien or security interest therein. (5) There are no exceptions to the policies other than those indicated and the policies comply with LENDER's eligibility requirements. (6) NO AUDIT OR REPORTING FORM POLICIES, POLICIES SUBJECT TO RETROSPECTIVE RATING OR TO MINIMUM EARNED PREMIUMS ARE INCLUDED EXCEPT AS INDICATED AND THAT THE DEPOSIT OR PROVISIONAL PREMIUMS ARE NOT LESS THAN THE ANTICIPATED PREMIUMS TO BE EARNED FOR THE FULL TERM OF THE POLICIES. IF POLICY IS SUBJECT TO A MINIMUM EARNED PREMIUM IT IS 441.56. The policies can be cancelled by the Borrower or the company on 10 days notice and the unearned premiums will be computed on the standard short rate or pro rate table except as indicated. (8) The undersigned represents that a proceeding in bankruptcy, receivership or insolvency has not been instituted by or against the named Borrower or if the named Borrower is the subject of such a proceeding, it is noted on this Agreement in the space in which the Borrower's name and address is placed.

SIGNATURE OF AGENT OR BROKER DATE

3CTR CA (01/2003) CA1-65663-0-TOTB-053500-SKN

TOTAL BUDGET INSURANCE SERVICES

124 E. 30TH ST.
NATIONAL CITY, CA 91950
PHONE (619) 336-7872
FAX (619) 336-7874

CUSTOMER NAME: Apex Towing

Dear : Jorge,

Per your instructions and reliance upon statements made in your application(s), we have arranged for the following quotation:

SUBJECT: COMMERCIAL GENERAL LIABILITY

COMPANY: USF INS.

FORM OF COVERAGE:
Commercial General Liability

LIMITS/DEDUCTIBLES:
Liability Agg. $1,000,000 , Each Occurrence $1,000,000, Products/Completed Operations, $1,000,000, Personal & Advertising Injury $1,000,000, Fire Legal Liability $50,000 Medical Expenses $5,000, a package is included and Disclosed on Dec Page.

DEDUCTIBLE IS $1000.00

TOTAL ANNUAL PREMIUM IF PAID IN FULL: $2,557.00

FINANCE AVAILABLE Total Down Payment of $1,190.30 and 8 monthly payamets of $181.63

RATING BASIS: PER ATTACHED RATING SUMMARY

FORMS APPLICABLE ARE SUBJECT IN ALL RESPECTS TO THE TERMS CONDITIONS AND LIMITATIONS OF THE POLICY(IES), CERTIFICATE(S) AND COVER NOTE(S) IN CURRENT USE BY THE INSURER(S), UNLESS OTHERWISE SPECIFIED.

EXCLUSIONS:
ASBESTOS, EMPLOYMENT-RELATED PRACTICES, HEALTH HAZARDS, INTENTIONAL INJURY, LEAD CONTAMINATION, LIQUOR LIABILITY, PUNITIVE DAMAGES, SEXUAL

APPLICANT INFORMATION SECTION — INSURANCE APPLICATION

PRODUCER — NAME, ADDR, PH. NO.: (619) 336-7872
TOTAL BUDGET INSURANCE
124 E 30TH ST
NATIONAL CITY CA 91950

CODE:
AGENCY CUSTOMER ID:
SUB CODE:

CARRIER: burns wilcox
NAIC CODE:
UNDERWRITER: sharon newbern
DATE: 03/06/03
POLICIES OR PROGRAM REQUESTED: comm general liab

INDICATE SECTIONS ATTACHED

- [ ] PROPERTY
- [ ] GLASS AND SIGN
- [ ] ACCOUNTS RECEIVABLE/ VALUABLE PAPERS
- [ ] CRIME/MISCELLANEOUS CRIME
- [ ] TRANSPORTATION/ MOTOR TRUCK CARGO
- [ ] EQUIPMENT FLOATER
- [ ] INSTALLATION/BUILDERS RISK
- [ ] ELECTRONIC DATA PROC
- [X] COMMERCIAL GENERAL LIABILITY
- [ ] BUSINESS AUTO
- [ ] TRUCKERS/MOTOR CARRIER
- [ ] GARAGE AND DEALERS
- [ ] VEHICLE SCHEDULE
- [ ] BOILER & MACHINERY
- [ ] WORKERS COMPENSATION
- [ ] UMBRELLA

STATUS OF SUBMISSION

- [X] QUOTE
- [ ] ISSUE POLICY
- BOUND (Give Date and/or Attach Copy): DATE 03/06/03 TIME 1030 [X] AM [ ] PM

PACKAGE POLICY INFORMATION
ENTER THIS INFORMATION WHEN COMMON DATES AND TERMS APPLY TO SEVERAL LINES, OR FOR MONOLINE POLICIES

PROPOSED EFF DATE	PROPOSED EXP DATE	BILLING PLAN	PAYMENT PLAN	AUDIT
03/06/03	03/06/04	[X] DIRECT BILL [ ] AGENCY BILL		

APPLICANT INFORMATION
NAME (First Named Insured & Other Named Insureds): Jorge DeSantiago Dba APEX TOWING
FEIN OR SOC SEC #: 523-58-5765
MAILING ADDRESS INCL ZIP+4 (of First Named Insured): 6960 SIRONEY, SAN DIEGO, CA 92154-
BUSINESS PHONE INCL. AREA CODE: 619 661 6909

- [X] INDIVIDUAL
- [ ] PARTNERSHIP
- [ ] CORPORATION
- [ ] JOINT VENTURE
- [ ] SUBCHAPTER 'S' CORPORATION
- [ ] LIMITED CORPORATION
- [ ] NOT FOR PROFIT ORGANIZATION

INSPECTION CONTACT — PHONE INCL. AREA CODE:
ACCOUNTING RECORDS CONTACT — PHONE INCL. AREA CODE:
YEAR BUSINESS STARTED: 1

PREMISES INFORMATION

LOC #	BLD #	STREET, CITY, COUNTY, STATE, ZIP+4	CITY LIMITS	INTEREST	YR BUILT	PART OCCUPIED
1	1	(Same)	[ ] INSIDE [ ] OUTSIDE	[ ] OWNER [ ] TENANT		
			[ ] INSIDE [ ] OUTSIDE	[ ] OWNER [ ] TENANT		
			[ ] INSIDE [ ] OUTSIDE	[ ] OWNER [ ] TENANT		

NATURE OF BUSINESS/DESCRIPTION OF OPERATIONS BY PREMISE(S)
Towing private passenger vehicles to storage (impound) average vehicles per night 50 approx.

GENERAL INFORMATION

EXPLAIN ALL "YES" RESPONSES	YES	NO
IS THE APPLICANT A SUBSIDIARY OF ANOTHER ENTITY OR DOES THE APPLICANT HAVE ANY SUBSIDIARIES?		X
IS A FORMAL SAFETY PROGRAM IN OPERATION? (Attach safety program.)	X	
ANY EXPOSURE TO FLAMMABLES, EXPLOSIVES, CHEMICALS?		X
ANY CATASTROPHE EXPOSURE?		X
ANY OTHER INSURANCE WITH THIS COMPANY OR BEING SUBMITTED?		X
ANY POLICY OR COVERAGE DECLINED, CANCELLED OR NON-RENEWED DURING THE PRIOR 3 YEARS? (IF NOT APPLICABLE, FILL IN NO)		X

EXPLAIN ALL "YES" RESPONSES	YES	NO
7. ANY PAST LOSSES OR CLAIMS RELATING TO SEXUAL ABUSE OR MOLESTATION ALLEGATIONS, DISCRIMINATION OR NEGLIGENT HIRING?		X
8. DURING THE LAST TEN YEARS, HAS ANY APPLICANT BEEN CONVICTED OF ANY DEGREE OF THE CRIME OF ARSON? (In RI, this question must be answered by any applicant for property insurance. Failure to disclose the existence of an arson conviction is a misdemeanor punishable by a sentence of up to one year of imprisonment).		X
9. ANY UNCORRECTED FIRE CODE VIOLATIONS?		X

REMARKS

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS THE PERSON TO CRIMINAL AND [NY: SUBSTANTIAL] CIVIL PENALTIES.

APPLICANT'S SIGNATURE: Jorge DeSantiago
PRODUCER'S SIGNATURE:

ABUSE, TOTAL POLLUTION, YEAR 2000 COMPUTER PROBLEMS, CERTAIN COMPUTER RELATED LOSS, PER COMPANY FORMS, RADIACTIVE CONTAMINATION EXCLUSION CLAUSE NMA1191, ELECTRONIC DATE RECOGNITION EXCLUSION, NMA2802, LOSSES, NUCLEAR ENERGY LIAB. ATHLETIC OR SPORTS PARTICIPANTS EXCL, WAR OR TERR ORISM EXCL.

CONDITIONS:
REQUIRE COMPLETED APPLICATION PRIOR TO BINDING, SUBCONTRACTORS CARRY SAME OR BETTER LIMITS, SIGNED ORIGINAL APPLICATION, ADDITIONAL CHARGE FOR ADDITIONAL INDURED $50.00_(Incl_Brokers fee Included $585.00 Non-Refundable.)

PLEASE READ THIS CAREFULLY AS IT MAY DIFFER FROM REQUESTED TERMS, LIMITS, COVERAGES AND CONDITIONS. FLAT CANCELLATIONS ARE NOT ALLOWED. NO BINDING AUTHORITY IS CONVEYED TO ANY PRODUCER. 25 % PENALTY CHARGE OF ANNUAL PREMIUM FOR PREMATURE CANCELLATION.

MY SIGNATURE BELOW ATTESTS THAT I HAVE READ AND UNDERSTAND THIS AGREEMENT

_X _____ DATE 03/10/2003