

William Ballard III
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on November 1, 2010, between Lancair Corp hereinafter called "SUBLESSOR", and William Ballard III, 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 statutes now in force or which may hereinafter be in force. In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner 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 breach 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 #204, San Diego, CA 92154

B. Term: Month to Month

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

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 Lancar 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

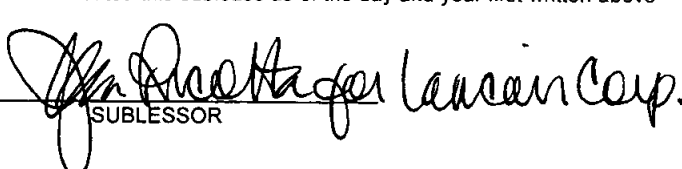
J. Notices:

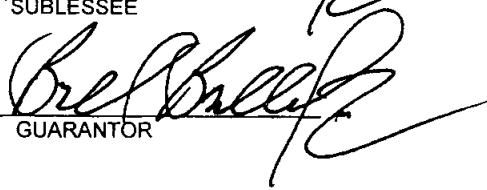
To SUBLESSOR: Lancar Corp
1424 Continental Street
San Diego, CA 92154

To SUBLESSEE William Ballard III (619) 370-6133
3995 Bonita Road
Bonita, Ca 91902

To GUARANTOR William Ballard III
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  SUBLESSEE By  SUBLESSOR

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 November 1, 2010 hereby consents to that certain Sublease Agreement between the above LESSEE ("SUBLESSOR") and

William Ballard III
("SUBLESSEE")

dated November 1, 2010 ("SUBLEASE"). The SUBLEASE is for 1590 Continental Street #204 San Diego, California 92154.

1. USE. The proposed use is solely and exclusively for general offices.
2. ADMINISTRATIVE 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 _____, 2010

By _____
Michael C. Tussey, Airports Deputy Director

LESSEE: LANCAIR CORP.

Dated 10-8, 2010

By [Signature]
Name Jeanne Ricotta
Title Secretary/Treasurer

SUBLESSEE: William Ballard III

Dated _____, 2010

By [Signature]
Name William Ballard III
Title Owner

APPROVED AS TO FORM AND LEGALITY:

_____, City Attorney

Dated _____, 2010

By _____
City of San Diego



Policy Number:

Date Entered: 10/11/2010

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

10/11/2010

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER WEBSTER AGENCY 3288 El Cajon Blvd #1 CA Insurance Lic: 0726701 San Diego, CA 92104	CONTACT NAME: PHONE (A/C, No, Ext): (619) 563-0130 FAX (A/C, No): (619) 563-8848 E-MAIL: PRODUCER: CUSTOMER I.D.#:
INSURED Bonita Valley Auto Care, Inc DBA: Bonita Valley 76 3995 Bonita Rd Bonita, CA 91902	INSURER(S) AFFORDING COVERAGE INSURER A: Truck Insurance Exchange INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

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.

INSR LTR	TYPE OF INSURANCE	ADDITIONAL INSURER	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ GENERAL LIABILITY ☒ COMMERCIAL GENERAL LIABILITY CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER ☒ POLICY ☐ PRO. ☐ LOC		60263-15-15	12/28/2009	12/28/2010	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Per occurrence) \$400,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000
A	☒ AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS ☒ all allowed autos		60263-15-15	12/28/2009	12/28/2010	COMBINED SINGLE LIMIT (Per accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ \$
	☐ UMBRELLA LIAB ☐ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE DEDUCTIBLE RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$ \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N ☐ N/A	B01110667	10/1/2010	10/1/2011	☒ WC STATUTORY LIMITS ☐ OTHER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
A	GKLL - Loc 1		60263-15-15	12/28/2009	12/28/2010	Each Location \$130,000 Comp. Ded. \$500 each

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Location #1: 3995 Bonita Road, Bonita, CA 91902

Location #2: 1590 Continental St #204, San Diego, Ca 92154

**Lancair, its officers, representatives, agents and employees & The City of San Diego, its elected officials, officers, representatives, agents and employees, as additional insured for Comm'l Gen'l Liability

CERTIFICATE HOLDER Lancair et al ** 1424 Continental St San Diego, CA 92154	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
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ACORD 25 (2009/09)

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Renee Ayala DBA: Arya Auto Sales
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on July 15, 2010, between Lancair Corp hereinafter called "SUBLESSOR", and Renee Ayala DBA: Arya 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 month rent and a security deposit one 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 Premises.** 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 statutes now in force or which may hereinafter be in force. In addition, the SUBLESSEE shall observe *high* moral and ethical standards in the use of the premises and shall not conduct a business in any manner 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 breach 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.

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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 #116, San Diego, CA 92154

B. Term: Month to Month

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

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. *****THIS SECTION IS BEING EXCLUDED PER SUBLESSOR AND SUBLESSEE*****

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.

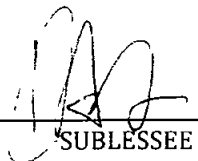
J. Notices:

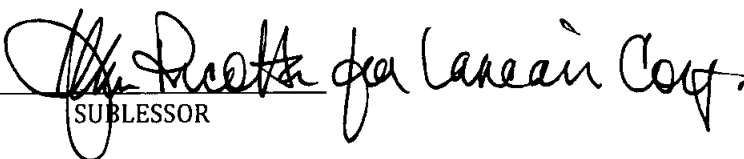
To: SUBLESSOR: Lancair Corp DBA: San Diego Jet Center
1424 Continental Street
San Diego, CA 92154

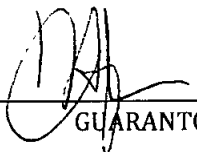
To: SUBLESSEE Renee Ayala DBA: Arya Auto Sales
1590 Continental Street #116
San Diego, Ca. 92154

To: GUARANTOR Renee Ayala
1339 Bobcat Lane or 5460 Baltimore Drive
Alpine, Ca. 91901 San Diego, Ca. 91942

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

By  _____
SUBLESSEE

By  _____
SUBLESSOR

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 July 15, 2010, hereby consents to that certain Sublease Agreement between the above LESSEE ("SUBLESSOR") and

Renee Ayala DBA: Arya Auto Sales
("SUBLESSEE")

Dated July 15, 2010 ("SUBLEASE"). The SUBLEASE is 1590 Continental Street #116 San Diego, California 92154.

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

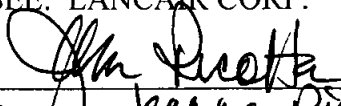
LESSOR: CITY OF SAN DIEGO

Dated _____, 2010

By _____
Michael C. Tussey, Airports Deputy Director

LESSEE: LANCAIR CORP.

Dated 7-9, 2010

By 
Name Jeanne Picotta
Title Secretary

SUBLESSEE: Renee Ayala DBA: Arya Auto Sales

Dated 7-9, 2010

By 
Name Renee Ayala
Title owner

APPROVED AS TO FORM AND LEGALITY:

Dated _____, 2010

By _____
City of San Diego

Ralph Pierson
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on Date July 1, 2010 between Lancair Corp DBA San Diego Jet Center hereinafter called "SUBLESSOR", and Ralph Pierson, 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 statutes now in force or which may hereinafter be in force In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner 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 breach 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: Hangar B28, Brown Field Airport-San Diego, Ca 92154

B. Term: This lease shall commence on July 1, 2010 and continue month to month.

C. Security Deposit Last Month's Rent and Security Deposit (Each in the amount of the Month Rent)

D. Rent \$198.64 per month payable in advance and must be received by the first of each month Payments may be mailed or delivered to Lancair Corp at 1424 Continental St , San Diego, CA 92154

E. Use. Aircraft Storage

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:

J. Notices:

To SUBLESSOR Lancair Corp
1424 Continental Street
San Diego, CA 92154 Phone 619-671-9222

To SUBLESSEE Ralph Pierson
1424 Continental Street #20
San Diego, Ca 92154

To GUARANTOR Ralph Pierson
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 Ralph Pierson
SUBLESSEE

By [Signature] for Lancair Corp.
SUBLESSOR

By Ralph Pierson
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 July 1, 2010, hereby consents to that certain Sublease Agreement between the above LESSEE ("SUBLESSOR") and

Ralph Pierson
("SUBLESSEE")

Dated July 1, 2010 ("SUBLEASE"). The SUBLEASE is for Hangar B28, Brown Field Airport-San Diego, California 92154.

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

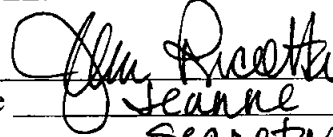
LESSOR: CITY OF SAN DIEGO

Dated _____, 2010

By _____
Michael C. Tussey, Airports Deputy Director

LESSEE: LANCAIR CORP.

Dated 7-6, 2010

By 
Name Jeannette Picotta
Title Secretary

SUBLESSEE: Ralph Pierson

Dated 7-6, 2010

By 
Name _____
Title _____

APPROVED AS TO FORM AND LEGALITY:

Dated _____, 2010

By _____
City of San Diego

Sandra Lopez
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on April 1, 2010 between Lancair Corp hereinafter called "SUBLESSOR", and Sandra Lopez, 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 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 premises 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 binding 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 statutes now in force or which may hereinafter be in force In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner 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 breach 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 #108, San Diego, CA 92154

B. Term: Month to Month

C. Security Deposit 1st months rent, last months rent and security deposit, all in same amount as rent

D. Rent \$375.00 per month plus utilities and cleaning. Payment must be received in the office by the 5th of the month. Payments may be mailed or delivered to Lancar Corp, 1424 Continental Street, 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

J. Notices:

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

To: SUBLESSEE
Sandra Lopez
1590 Continental #108
San Diego, CA 92154

To: GUARANTOR
Sandra Lopez (619-871-2917) (619-266-2763)
5450 San Mateo Drive
San Diego, Ca 92114

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

By Sandra Lopez SUBLESSEE

By Sandra Lopez GUARANTOR

By [Signature] for Lancar Corp. SUBLESSOR

SIGN
HERE

SIGN
HERE



COMMERCIAL INSURANCE APPLICATION

APPLICANT INFORMATION SECTION

DATE (MM/DD/YYYY)
05/12/2010

AGENCY Cesar Sterling Insurance Services 8911 La Mesa Blvd Suite 103 La Mesa, CA 91942		CARRIER		NAIC CODE
CONTACT NAME: Cesar Sterkling		UNDERWRITER:		UNDERWRITER OFFICE:
PHONE (A/C, No, Ext): (619) 400-6240		INDICATE SECTIONS ATTACHED		POLICY NUMBER
FAX (A/C, No): (619) 342-7598		☒ ACCOUNTS RECEIVABLE/ VALUABLE PAPERS		☐ TRUCKERS/MOTOR CARRIER
E-MAIL ADDRESS: csterling@farmersagent.com		☐ BOILER & MACHINERY		☐ UMBRELLA
CODE:		☐ BUSINESS AUTO		☐ VEHICLE SCHEDULE
SUB CODE:		☒ COMMERCIAL GENERAL LIABILITY		☐ WORKERS COMPENSATION
		☐ CRIME/MISCELLANEOUS CRIME		☐ YACHT
		☐ DEALERS		
		☒ DRIVER INFO SCHEDULE		
		☐ ELECTRONIC DATA PROC		
		☐ EQUIPMENT FLOATER		
		☐ GARAGE AND DEALERS		
		☐ GLASS AND SIGN		
		☐ INSTALLATION/BUILDERS RISK		
		☐ OPEN CARGO		
		☐ PROPERTY		
		☐ TRANSPORTATION/ MOTOR TRUCK CARGO		

STATUS OF TRANSACTION				PACKAGE POLICY INFORMATION			
☒ QUOTE	☐ ISSUE POLICY	☐ RENEW	ENTER THIS INFORMATION WHEN COMMON DATES AND TERMS APPLY TO SEVERAL LINES, OR FOR MONOLINE POLICIES				
BOUND (Give Date and/or Attach Copy):			PROPOSED EFF DATE	PROPOSED EXP DATE	BILLING PLAN	PAYMENT PLAN	AUDIT
CHANGE	DATE	TIME	05/13/2010	05/13/2011	DIRECT BILL		
CANCEL		AM PM			AGENCY BILL	PACKAGE POLICY PREMIUM: \$	

APPLICANT INFORMATION		MAILING ADDRESS INCL ZIP+4 (of First Named Insured)	
NAME (First Named Insured & Other Named Insureds) Sandra H. Lopez <i>DBA world Auto Direct Exports</i> 1590 Continental St #108 San Diego, CA 92154			
FEN OR SOC SEC # (of First Named Insured): 558-98-9757		PHONE (A/C, No, Ext): (619) 871-2917	
E-MAIL ADDRESS(ES):		WEBSITE ADDRESS(ES):	
☒ INDIVIDUAL	☐ CORPORATION	☐ SUBCHAPTER "S" CORPORATION NOT FOR PROFIT ORG	☐ LLC NO. OF MEMBERS AND MANAGERS
☐ PARTNERSHIP	☐ JOINT VENTURE		CR BUREAU NAME:
INSPECTION CONTACT: Sandra H. Lopez		ID NUMBER:	
ACCOUNTING RECORDS CONTACT:		DATE BUS STARTED	
PHONE (A/C, No, Ext):	E-MAIL ADDRESS:	PHONE (A/C, No, Ext):	E-MAIL ADDRESS:

PREMISES INFORMATION		ACORD 823 attached for additional premises						
LOC #	BLD #	STREET, CITY, COUNTY, STATE, ZIP+4	CITY LIMITS	INTEREST	YR BUILT	# EMPLOYEES	ANNUAL REVENUES	% OCCUPIED
1	1	1590 Continental St #108 San Diego San Diego CA 92154	☒ INSIDE ☐ OUTSIDE	☐ OWNER ☒ TENANT		1	100,000	100
			☐ INSIDE ☐ OUTSIDE	☐ OWNER ☐ TENANT				
			☐ INSIDE ☐ OUTSIDE	☐ OWNER ☐ TENANT				
			☐ INSIDE ☐ OUTSIDE	☐ OWNER ☐ TENANT				

NATURE OF BUSINESS/DESCRIPTION OF OPERATIONS BY PREMISE(S)
Auto wholesaler office, needs general liability on office operations for landlord and DMV licensing, no garage operations or vehicles stored at this location.

PRIOR CARRIER INFORMATION

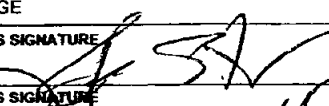
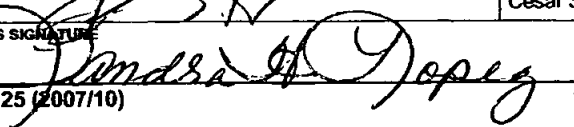
LINE	CATEGORY	CLAIMS MADE		OCCURRENCE		CLAIMS MADE		OCCURRENCE		CLAIMS MADE		OCCURRENCE		CLAIMS MADE		OCCURRENCE	
GENERAL COMMERCIAL LIABILITY	CARRIER																
	POLICY NUMBER																
	POLICY TYPE																
	RETRO DATE																
	EFF-EXP DATE																
	GENERAL AGGREGATE																
	PRODUCTS COMP OP AGGREGATE																
	PERSONAL & ADV INJ																
	EACH OCCURRENCE																
	FIRE DAMAGE																
	MEDICAL EXPENSE																
	BODILY INJURY																
	PROPERTY DAMAGE																
	COMBINED SINGLE LIMIT																
	MODIFICATION FACTOR																
TOTAL PREMIUM																	
AUTOMOBILITY	CARRIER																
	POLICY NUMBER																
	POLICY TYPE																
	EFF-EXP DATE																
	COMBINED SINGLE LIMIT																
	BODILY INJURY																
	PROPERTY DAMAGE																
	MODIFICATION FACTOR																
	TOTAL PREMIUM																
	CARRIER																
POLICY NUMBER																	
POLICY TYPE																	
EFF-EXP DATE																	
BUILDING AMT																	
PERS PROP AMT																	
MODIFICATION FACTOR																	
TOTAL PREMIUM																	
PROPERTY	CARRIER																
	POLICY NUMBER																
	POLICY TYPE																
	EFF-EXP DATE																
	LIMIT																
	MODIFICATION FACTOR																
TOTAL PREMIUM																	

LOSS HISTORY

ENTER ALL CLAIMS OR LOSSES (REGARDLESS OF FAULT AND WHETHER OR NOT INSURED) OR OCCURRENCES THAT MAY GIVE RISE TO CLAIMS FOR THE PRIOR 5 YEARS (3 YEARS IN KS & NY)

DATE OF OCCURRENCE	LINE	TYPE/DESCRIPTION OF OCCURRENCE OR CLAIM	DATE OF CLAIM	AMOUNT PAID	AMOUNT RESERVED	CLAIM STATUS
REMARKS						ATTACHMENTS
NOTE: FIDELITY REQUIRES A FIVE YEAR LOSS HISTORY						STATE SUPPLEMENT(S) (if applicable)

GENERAL INFORMATION

EXPLAIN ALL "YES" RESPONSES		Y/N
1a IS THE APPLICANT A SUBSIDIARY OF ANOTHER ENTITY?		☐ N
1b DOES THE APPLICANT HAVE ANY SUBSIDIARIES?		☐ N
2. IS A FORMAL SAFETY PROGRAM IN OPERATION?		☐ Y
3 ANY EXPOSURE TO FLAMMABLES, EXPLOSIVES, CHEMICALS?		☐ N
4 ANY CATASTROPHE EXPOSURE?		☐ N
5 ANY OTHER INSURANCE WITH THIS COMPANY OR BEING SUBMITTED?		☐ N
6. ANY POLICY OR COVERAGE DECLINED, CANCELLED OR NON-RENEWED DURING THE PRIOR THREE (3) YEARS? (Not applicable in MO)		☐ N
7 ANY PAST LOSSES OR CLAIMS RELATING TO SEXUAL ABUSE OR MOLESTATION ALLEGATIONS, DISCRIMINATION OR NEGLIGENT HIRING?		☐ N
8 DURING THE LAST FIVE YEARS (TEN IN RI), HAS ANY APPLICANT BEEN INDICTED FOR OR CONVICTED OF ANY DEGREE OF THE CRIME OF FRAUD, BRIBERY, ARSON OR ANY OTHER ARSON-RELATED CRIME IN CONNECTION WITH THIS OR ANY OTHER PROPERTY? (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.)		☐ N
9 ANY UNCORRECTED FIRE CODE VIOLATIONS?		☐ N
10 ANY BANKRUPTCIES, TAX OR CREDIT LIENS AGAINST THE APPLICANT IN THE PAST FIVE (5) YEARS?		☐ N
11. HAS BUSINESS BEEN PLACED IN A TRUST? IF "YES", NAME OF TRUST:		☐ N
12. ANY FOREIGN OPERATIONS, FOREIGN PRODUCTS DISTRIBUTED IN USA, OR US PRODUCTS SOLD/DISTRIBUTED IN FOREIGN COUNTRIES? (If "YES", attach ACORD 815 for Liability Exposure and/or ACORD 816 for Property Exposure)		☐ N
REMARKS/PROCESSING INSTRUCTIONS (Attach additional sheets if more space is required)		
COPY OF THE NOTICE OF INFORMATION PRACTICES (PRIVACY) HAS BEEN GIVEN TO THE APPLICANT. (Not applicable in all states, consult your agent or broker for your state's requirements.)		
NOTICE OF INSURANCE INFORMATION PRACTICES - PERSONAL INFORMATION ABOUT YOU, INCLUDING INFORMATION FROM A CREDIT REPORT, MAY BE COLLECTED FROM PERSONS OTHER THAN YOU IN CONNECTION WITH THIS APPLICATION FOR INSURANCE AND SUBSEQUENT POLICY RENEWALS. SUCH INFORMATION AS WELL AS OTHER PERSONAL AND PRIVILEGED INFORMATION COLLECTED BY US OR OUR AGENTS MAY IN CERTAIN CIRCUMSTANCES BE DISCLOSED TO THIRD PARTIES WITHOUT YOUR AUTHORIZATION. YOU HAVE THE RIGHT TO REVIEW YOUR PERSONAL INFORMATION IN OUR FILES AND CAN REQUEST CORRECTION OF ANY INACCURACIES. A MORE DETAILED DESCRIPTION OF YOUR RIGHTS AND OUR PRACTICES REGARDING SUCH INFORMATION IS AVAILABLE UPON REQUEST. CONTACT YOUR AGENT OR BROKER FOR INSTRUCTIONS ON HOW TO SUBMIT A REQUEST TO US. 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. (Not applicable in CO, FL, HI, MA, NE, OH, OK, OR, or VT, in DC, LA, ME, TN, VA and WA, insurance benefits may also be denied) IN FLORIDA, ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY INSURER FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE, OR MISLEADING INFORMATION IS GUILTY OF A FELONY OF THE THIRD DEGREE. THE UNDERSIGNED IS AN AUTHORIZED REPRESENTATIVE OF THE APPLICANT AND REPRESENTS THAT REASONABLE ENQUIRY HAS BEEN MADE TO OBTAIN THE ANSWERS TO QUESTIONS ON THIS APPLICATION. HE/SHE REPRESENTS THAT THE ANSWERS ARE TRUE, CORRECT AND COMPLETE TO THE BEST OF HIS/HER KNOWLEDGE.		
PRODUCER'S SIGNATURE 	PRODUCER'S NAME (Please Print) Cesar Sterling	STATE PRODUCER LICENSE NO (Required in Florida) 0G32830
APPLICANT'S SIGNATURE 	DATE 05/11/2010	NATIONAL PRODUCER NUMBER

AGENCY CUSTOMER ID:

COMMERCIAL GENERAL LIABILITY SECTION

DATE (MM/DD/YYYY)
05/12/2010

AGENCY Cesar Sterling Insurance Services		CARRIER	NAIC CODE
POLICY NUMBER	EFFECTIVE DATE 05/13/2010	APPLICANT / FIRST NAMED INSURED Sandra H. Lopez	

COVERAGES

LIMITS

☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS MADE ☐ OCCURRENCE OWNER'S & CONTRACTOR'S PROTECTIVE			GENERAL AGGREGATE \$ 1,000,000 LIMIT APPLIES PER: ☐ POLICY ☒ LOCATION ☐ PROJECT ☐ OTHER:			PREMIUMS PREMISES/OPERATIONS	
			PRODUCTS & COMPLETED OPERATIONS AGGREGATE \$ Excluded			PRODUCTS	
DEDUCTIBLES			PERSONAL & ADVERTISING INJURY \$ Excluded				
☒ PROPERTY DAMAGE \$ 1,000			EACH OCCURRENCE \$ 1,000,000			OTHER	
☒ BODILY INJURY \$ 1,000			DAMAGE TO RENTED PREMISES (each occurrence) \$				
☐ \$ ☐ PER CLAIM ☐ PER OCCURRENCE			MEDICAL EXPENSE (Any one person) \$ 5,000			TOTAL	
			EMPLOYEE BENEFITS \$ 0				
			\$				

OTHER COVERAGES, RESTRICTIONS AND/OR ENDORSEMENTS (For hired/non-owned auto coverages attach the applicable state Business Auto Section, ACORD 137)

SCHEDULE OF HAZARDS

[illegible]

RATING AND PREMIUM BASIS		(P) PAYROLL - PER \$1,000/PAY	(C) TOTAL COST - PER \$1,000/COST	(U) UNIT - PER UNIT
(S) GROSS SALES - PER \$1,000/SALES	(A) AREA - PER 1,000/SQ FT	(M) ADMISSIONS - PER 1,000/ADM	(T) OTHER	

CLAIMS MADE (Explain all "Yes" responses)

EXPLAIN ALL "YES" RESPONSES		Y/N
1. PROPOSED RETROACTIVE DATE		
2. ENTRY DATE INTO UNINTERRUPTED CLAIMS MADE COVERAGE		
3. HAS ANY PRODUCT, WORK, ACCIDENT, OR LOCATION BEEN EXCLUDED, UNINSURED OR SELF-INSURED FROM ANY PREVIOUS COVERAGE?		N
4. WAS TAIL COVERAGE PURCHASED UNDER ANY PREVIOUS POLICY?		N

EMPLOYEE BENEFITS LIABILITY

1. DEDUCTIBLE PER CLAIM. \$		3. NUMBER OF EMPLOYEES COVERED BY EMPLOYEE BENEFITS PLANS	
2. NUMBER OF EMPLOYEES.		4. RETROACTIVE DATE:	

AGENCY CUSTOMER ID: _____

PREMISES INFORMATION		PREMISES #:		STREET ADDRESS:				
		BUILDING #:		BLDG DESCRIPTION:				
SUBJECT OF INSURANCE	AMOUNT	COINS %	VALU- ATION	CAUSES OF LOSS	INFLATION GUARD %	DED	BLKT #	FORMS AND CONDITIONS TO APPLY
ADDITIONAL INFORMATION		BUSINESS INCOME / EXTRA EXPENSE - Attach ACORD #10				VALUE REPORTING INFORMATION - Attach ACORD #11		
ADDITIONAL COVERAGES, OPTIONS, RESTRICTIONS, ENDORSEMENTS AND RATING INFORMATION								
SPOILAGE COVERAGE (Y/N)	DESCRIPTION OF PROPERTY COVERED			LIMIT \$	DEDUCTIBLE \$	REFRIG MAINT AGREEMENT (Y/N)		OPTIONS
# OF OPEN SIDES ON STRUCTURE. _____								
CONSTRUCTION TYPE		DISTANCE TO HYDRANT		FIRE STAT		FIRE DISTRICT/CODE NUMBER		PROT CL
		FT		MI				
BUILDING IMPROVEMENTS		BLDG CODE GRADE		TAX CODE		ROOF TYPE		OTHER OCCUPANCIES
WIRING, YR.		PLUMBING, YR						
ROOFING, YR:		HEATING, YR		WIND CLASS		SEMI- RESISTIVE		HEATING BOILER ON PREMISES? (Y/N)
OTHER: YR		RESISTIVE						IF YES, IS INSURANCE PLACED ELSEWHERE? (Y/N)
RIGHT EXPOSURE & DISTANCE		LEFT EXPOSURE & DISTANCE		FRONT EXPOSURE & DISTANCE		REAR EXPOSURE & DISTANCE		
BURGLAR ALARM TYPE		CERTIFICATE #				EXPIRATION DATE		CENTRAL STATION WITH KEYS
BURGLAR ALARM INSTALLED AND SERVED BY		EXTENT		GRADE		# GUARDS/WATCHMEN		CLOCK HOURLY
PREMISES FIRE PROTECTION (Sprinklers, Standpipes, CO2/Chemical Systems)				% SPRINK	FIRE ALARM MANUFACTURER			CENTRAL STATION LOCAL GONG

ADDITIONAL INTERESTS

RANK:	NAME AND ADDRESS:	REFERENCE #:	CERTIFICATE REQUIRED	INTEREST IN ITEM NUMBER
INTEREST ☐ LOSS ☐ PAYEE ☐ MORT- ☐ GAGEE	ITEM DESCRIPTION:		LOCATION: BUILDING:	
			SCHEDULED ITEM NUMBER:	
			OTHER:	
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. (Not applicable in CO, FL, HI, MA, NE, OH, OK, OR or VT; in DC, LA, ME, TN, VA and WA, insurance benefits may also be denied) IN FLORIDA, ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY INSURER FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE, OR MISLEADING INFORMATION IS GUILTY OF A FELONY OF THE THIRD DEGREE. IN MASSACHUSETTS, NEBRASKA, OREGON AND VERMONT, 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 MAY SUBJECT THE PERSON TO CRIMINAL AND CIVIL PENALTIES.				



PROPERTY SECTION

 DATE (MM/DD/YYYY)
05/11/2010

AGENCY Cesar Sterling Insurance Services				APPLICANT (First Named Insured) Sandra H. Lopez			
POLICY NUMBER				CARRIER			NAIC CODE
EFFECTIVE DATE 05/14/2010	EXPIRATION DATE 05/14/2011	☒ DIRECT BILL ☐ AGENCY BILL	PAYMENT PLAN		AUDIT	FOR COMPANY USE ONLY	

PREMISES INFORMATION		PREMISES #: 1	STREET ADDRESS: 1590 Continental St # 108 San Diego, CA 92154					
		BUILDING #: 1	BLDG DESCRIPTION:					
SUBJECT OF INSURANCE	AMOUNT	COINS %	VALU- ATION	CAUSES OF LOSS	INFLATION GUARD %	DED	BLKT #	FORMS AND CONDITIONS TO APPLY
Building	10,000		RC	Special		1,000		
Contents	5,000		RC	Special		1,000		

ADDITIONAL INFORMATION	BUSINESS INCOME / EXTRA EXPENSE - Attach ACORD 810	VALUE REPORTING INFORMATION - Attach ACORD 811
------------------------	--	--

ADDITIONAL COVERAGES, OPTIONS, RESTRICTIONS, ENDORSEMENTS AND RATING INFORMATION							
SPOILAGE COVERAGE (Y/N)	DESCRIPTION OF PROPERTY COVERED	LIMIT \$	DEDUCTIBLE \$	REFRIG MAINT AGREEMENT (Y/N)	OPTIONS		
N				N			

--	--	--	--	--	--	--	--

# OF OPEN SIDES ON STRUCTURE: _____									
CONSTRUCTION TYPE	DISTANCE TO HYDRANT	FIRE STAT	FIRE DISTRICT/CODE NUMBER		PROT CL	# STORIES	# BASMTS	YR BUILT	TOTAL AREA
Frame	< 500 FT	5 MI	Otay Fire Department		3	2	0		400.00
BUILDING IMPROVEMENTS			BLDG CODE GRADE	TAX CODE	ROOF TYPE	OTHER OCCUPANCIES			
☐ WIRING, YR	☐ PLUMBING, YR					Offices			
☐ ROOFING, YR	☐ HEATING, YR		WIND CLASS		SEMI- RESISTIVE	HEATING BOILER ON PREMISES? (Y/N)			
OTHER: YR			RESISTIVE			IF YES, IS INSURANCE PLACED ELSEWHERE? (Y/N)			
RIGHT EXPOSURE & DISTANCE		LEFT EXPOSURE & DISTANCE		FRONT EXPOSURE & DISTANCE		REAR EXPOSURE & DISTANCE			
BURGLAR ALARM TYPE			CERTIFICATE #			EXPIRATION DATE		CENTRAL STATION	
								WITH KEYS	
BURGLAR ALARM INSTALLED AND SERVICED BY				EXTENT		GRADE		# GUARDS/WATCHMEN	
								CLOCK HOURLY	
PREMISES FIRE PROTECTION (Sprinklers, Standpipes, CO2/Chemical Systems)				% SPRINK		FIRE ALARM MANUFACTURER		CENTRAL STATION	
								LOCAL GONG	

ADDITIONAL INTERESTS				
RANK:	NAME AND ADDRESS:	REFERENCE #: 108	☒ CERTIFICATE REQUIRED	INTEREST IN ITEM NUMBER
INTEREST	LANCAIR, ITS OFFICERS, REPRESENTATIVES AGENTS AND EMPLOYEES & THE CITY OF SAN DIEGO, ITS ELECTED OFFICIALS, OFFICERS, REPRESENTATIVES, AGENTS AND EMPLOYEES		LOCATION: 1 BUILDING: 1	
☒ LOSS PAYEE MORTGAGEE	1424 CONTINENTAL STREET SAN DIEGO CA 92154		SCHEDULED ITEM NUMBER:	
	ITEM DESCRIPTION:		OTHER:	

CONTRACTORS

EXPLAIN ALL "YES" RESPONSES (For all past or present operations)

1 DOES APPLICANT DRAW PLANS, DESIGNS, OR SPECIFICATIONS FOR OTHERS?	☐ N
2. DO ANY OPERATIONS INCLUDE BLASTING OR UTILIZE OR STORE EXPLOSIVE MATERIAL?	☐ N
3. DO ANY OPERATIONS INCLUDE EXCAVATION, TUNNELING, UNDERGROUND WORK OR EARTH MOVING?	☐ N
4 DO YOUR SUBCONTRACTORS CARRY COVERAGES OR LIMITS LESS THAN YOURS?	☐ N
5 ARE SUBCONTRACTORS ALLOWED TO WORK WITHOUT PROVIDING YOU WITH A CERTIFICATE OF INSURANCE?	☐ N
6 DOES APPLICANT LEASE EQUIPMENT TO OTHERS WITH OR WITHOUT OPERATORS?	☐ N
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

EXPLAIN ALL "YES" RESPONSES (For all past or present products or operations) PLEASE ATTACH LITERATURE, BROCHURES, LABELS, WARNINGS, ETC.

1 DOES APPLICANT INSTALL, SERVICE OR DEMONSTRATE PRODUCTS?	☐ N
2 FOREIGN PRODUCTS SOLD, DISTRIBUTED, USED AS COMPONENTS? (If "YES", attach ACORD 815)	☐ N
3 RESEARCH AND DEVELOPMENT CONDUCTED OR NEW PRODUCTS PLANNED?	☐ N
4 GUARANTEES, WARRANTIES, HOLD HARMLESS AGREEMENTS?	☐ N
5. PRODUCTS RELATED TO AIRCRAFT/SPACE INDUSTRY?	☐ N
6 PRODUCTS RECALLED, DISCONTINUED, CHANGED?	☐ N
7 PRODUCTS OF OTHERS SOLD OR RE-PACKAGED UNDER APPLICANT LABEL?	☐ N
8 PRODUCTS UNDER LABEL OF OTHERS?	☐ N
9. VENDORS COVERAGE REQUIRED?	☐ N
10. DOES ANY NAMED INSURED SELL TO OTHER NAMED INSURED?	☐ N

AGENCY CUSTOMER ID: _____

ADDITIONAL INTEREST / CERTIFICATE RECIPIENT

ACORD 45 attached for additional names

INTEREST	NAME AND ADDRESS RANK:	EVIDENCE: ☒ CERTIFICATE	INTEREST IN ITEM NUMBER	
☒ ADDITIONAL INSURED	LANCAIR, ITS OFFICERS, REPRESENTATIVES AGENTS AND EMPLOYEES AND THE CITY OF SAN DIEGO, ITS ELECTED OFFICIALS, OFFICERS, REPRESENTATIVES, AGENTS AND EMPLOYEES 1424 CONTINENTAL STREET SAN DIEGO CA 92154		LOCATION: 1	BUILDING: 1
☐ EMPLOYEE AS LESSOR			ITEM CLASS:	ITEM:
☐ LIENHOLDER			ITEM DESCRIPTION	
☐ LOSS PAYEE				
☐ MORTGAGEE				
REFERENCE / LOAN #:				

GENERAL INFORMATION

EXPLAIN ALL "YES" RESPONSES (For all past or present operations)

EXPLAIN ALL "YES" RESPONSES (For all past or present operations)	Y / N
1 ANY MEDICAL FACILITIES PROVIDED OR MEDICAL PROFESSIONALS EMPLOYED OR CONTRACTED?	☐ N
2 ANY EXPOSURE TO RADIOACTIVE/NUCLEAR MATERIALS?	☐ N
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)	☐ N
4 ANY OPERATIONS SOLD, ACQUIRED, OR DISCONTINUED IN LAST FIVE (5) YEARS? STARTING THIS OPERATION ON 05/14/2010	☐ Y
5. MACHINERY OR EQUIPMENT LOANED OR RENTED TO OTHERS?	☐ N
6. ANY WATERCRAFT, DOCKS, FLOATS OWNED, HIRED OR LEASED?	☐ N
7 ANY PARKING FACILITIES OWNED/RENTED?	☐ N
8 IS A FEE CHARGED FOR PARKING?	☐ N
9 RECREATION FACILITIES PROVIDED?	☐ N
10 IS THERE A SWIMMING POOL ON THE PREMISES?	☐ N
11 SPORTING OR SOCIAL EVENTS SPONSORED?	☐ N
12 ANY STRUCTURAL ALTERATIONS CONTEMPLATED?	☐ N
13. ANY DEMOLITION EXPOSURE CONTEMPLATED?	☐ N
14. HAS APPLICANT BEEN ACTIVE IN OR IS CURRENTLY ACTIVE IN JOINT VENTURES?	☐ N
15 DO YOU LEASE EMPLOYEES TO OR FROM OTHER EMPLOYERS?	☐ N

GENERAL INFORMATION (continued)

EXPLAIN ALL "YES" RESPONSES (For all past or present operations)

	Y / N
16 IS THERE A LABOR INTERCHANGE WITH ANY OTHER BUSINESS OR SUBSIDIARIES?	☐ N
17. ARE DAY CARE FACILITIES OPERATED OR CONTROLLED?	☐ N
18 HAVE ANY CRIMES OCCURRED OR BEEN ATTEMPTED ON YOUR PREMISES WITHIN THE LAST THREE (3) YEARS?	☐ N
19 IS THERE A FORMAL, WRITTEN SAFETY AND SECURITY POLICY IN EFFECT?	☐ N
20 DOES THE BUSINESSES' PROMOTIONAL LITERATURE MAKE ANY REPRESENTATIONS ABOUT THE SAFETY OR SECURITY OF THE PREMISES?	☐ N

REMARKS (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

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. (Not applicable in CO, DC, FL, HI, MA, NE, OH, OK, OR, VT or WA; in LA, ME, TN and VA, insurance benefits may also be denied)

IN THE DISTRICT OF COLUMBIA, WARNING: IT IS A CRIME TO PROVIDE FALSE OR MISLEADING INFORMATION TO AN INSURER FOR THE PURPOSE OF DEFRAUDING THE INSURER OR ANY OTHER PERSON. PENALTIES INCLUDE IMPRISONMENT AND/OR FINES.

IN FLORIDA, ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY INSURER FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE, OR MISLEADING INFORMATION IS GUILTY OF A FELONY OF THE THIRD DEGREE.

IN MASSACHUSETTS, NEBRASKA, OREGON AND VERMONT, 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, MAY BE COMMITTING A FRAUDULENT INSURANCE ACT, WHICH MAY BE A CRIME AND MAY SUBJECT THE PERSON TO CRIMINAL AND CIVIL PENALTIES

IN WASHINGTON, IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES INCLUDE IMPRISONMENT, FINES, AND DENIAL OF INSURANCE BENEFITS

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	SANDRA H LOPEZ			PRESENTLY ZONED
BUSINESS NAME	WORLD Auto Exports			
BUSINESS ADDRESS	CITY	STATE	ZIP CODE	
1590 Continental St #108	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 <i>Christian Andersen</i>	<i>Airport Dev. Coordinator</i>
AGENCY	CITY, COUNTY, OR CITY AND COUNTY
<i>City of San Diego</i>	<i>San Diego, San Diego</i>
DATE	AREA CODE/TELEPHONE NUMBER
<i>5/14/2010</i>	<i>(858) 573-1433</i>



Colcars and Myriam Contreras-Triana
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on April 1, 2010 between Lancair Corp hereinafter called "SUBLESSOR", and Colcars, Myriam Contreras-Triana, 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 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 binding 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 statutes now in force or which may hereinafter be in force. In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner 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 breach 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 #209, San Diego, CA 92154

B. Term: Month to Month

C. Security Deposit: 1st months rent, last months rent and security deposit, all in same amount as rent.

D. Rent: \$375.00 per month plus utilities and cleaning. Payment must be received in the office by the 5th of the month. Payments may be mailed or delivered to Lancar Corp, 1424 Continental Street, 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.

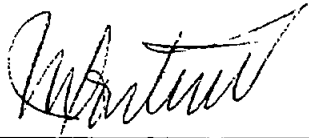
J. Notices:

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

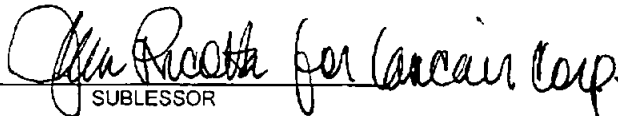
To SUBLESSEE:
Colcars
1590 Continental #209
San Diego, CA 92154

To GUARANTOR
Myriam Contreras-Triana 619-829-7682
4455 Federal Blvd Ste #80 619-527-2876
San Diego, Ca 92102

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

By 
SUBLESSEE

By 
GUARANTOR

By 
SUBLESSOR

Commercial Certificate of Insurance


FARMERS

Agency : Julio Vega
 Name : 799 3RD AVE
 & : Chula Vista, CA 91910-5828
 Address : 619-426-0554

Issue Date (MM/DD/YY) 03/30/2010

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 shown below.

St. 99 Dist 33 Agent 303

Companies Providing Coverage:

Insured : CONTRERAS, MYRIAM
 Name : COLCARS
 & : 1590 CONTINENTAL # 290
 Address : SAN DIEGO, CA 92154

Company A Truck Insurance Exchange
 Letter
 Company B Farmers Insurance Exchange
 Letter
 Company C Mid-Century Insurance Company
 Letter
 Company D _____
 Letter

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)	Policy Limits	
B	General Liability ✕ Commercial General Liability ✕ - Occurrence Version Contractual - Incidental Only Owners & Contractors Prot.	604754094	07/28/2009	07/28/2010	General Aggregate Products-Comp/OPS Aggregate Personal & Advertising Injury Each Occurrence Fire Damage (Any one fire) Medical Expense (Any one person)	\$ 2,000,000 \$ 1,000,000 \$ 1,000,000 \$ 1,000,000 \$ 75,000 \$ 5,000
	Automobile Liability All Owned Commercial Autos Scheduled Autos Hired Autos Non-Owned Autos Garage Liability				Combined Single Limit Bodily Injury (Per person) Bodily Injury (Per accident) Property Damage Garage Aggregate	\$ \$ \$ \$ \$
	Umbrella Liability				Limit	\$
	Workers' Compensation and Employers' Liability				Statutory Each Accident Disease - Each Employee Disease - Policy Limit	\$ \$ \$ \$

Description of Operations/Vehicles/Restrictions/Special items:
 1590 CONTINENTAL # 290, SAN DIEGO, CA 92154

Certificate Holder

Name : LANCAIR'S OFFICER, REPRE, AGE,
 & : EMPLOYE, THE CITY OF SAN DIEGO
 Address : 1424 CONTINENTAL ST,
 SAN DIEGO, CA 92154

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 representatives.

Authorized Representative

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 April 1, 2010, hereby consents to that certain Sublease Agreement between the above LESSEE ("SUBLESSOR") and

Colcars
("SUBLESSEE")

dated April 1, 2010 ("SUBLEASE"). The SUBLEASE is 1590 Continental Street #209 San Diego, California 92154.

1. USE. The proposed use is solely and exclusively for general office.
2. ADMINISTRATIVE 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 _____, 2010

By _____
Michael C. Tussey, Airports Deputy Director

LESSEE: LANCAIR CORP.

Dated 3-30, 2010

By *Jeane Picotta*
Name *Jeane Picotta*
Title *Secretary*

SUBLESSEE: Colcars

Myriam Contreras-Triana

Dated _____, 2010

By *Myriam Contreras*
Name *Myriam Contreras*
Title *owner*

APPROVED AS TO FORM AND LEGALITY:

Dated _____, 2010

By _____
City of San Diego

Pio Auto Sales
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on March 15, 2010 between Lancair Corp hereinafter called "SUBLESSOR", and Pio Auto Sales and Carlos Regato, 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 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 binding 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 statutes now in force or which may hereinafter be in force In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner 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 breach 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 #105, San Diego, CA 92154

B. Term: Month to Month

C. Security Deposit 1st months rent, last months rent and security deposit, all in same amount as rent

D. Rent \$425.00 per month plus utilities and cleaning Payment must be received in the office by the 5th of the month Payments may be mailed or delivered to Lancar Corp, 1424 Continental Street, 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.

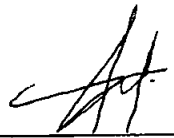
J. Notices:

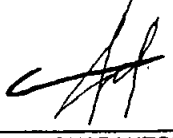
To SUBLESSOR
Lancar Corp DBA San Diego Jet Center
1424 Continental Street
San Diego, CA 92154

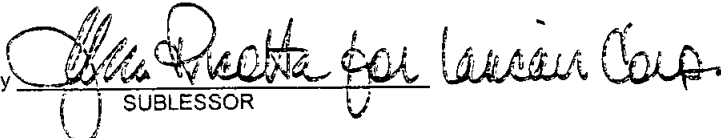
To SUBLESSEE.
Pro Auto Sales
1590 Continental #105
San Diego, CA 92154

To GUARANTOR
Carlos Regato (619) 651-7636 (619) 454-3891
1390 Santa Alicia Avenue 7303
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 
SUBLESSEE

By 
GUARANTOR

By 
SUBLESSOR



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
03/18/2010

PRODUCER RJ UNITED BUSINESS INSURANCE AGENCY 13711 VAN NUYS BLVD #4 PACOMA, CA 91331 818-834-8562 FAX 866-874-4442		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 CARLOS REGATO PIO AUTO SALES 1590 CONTINENTAL ST #105 SAN DIEGO, CA 92154		INSURERS AFFORDING COVERAGE	NAIC #
		INSURER A MOUNT VERNON FIRE INS 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 INSR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	☒	GENERAL LIABILITY ☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS MADE ☒ OCCUR ☐ ☐ GEN'L AGGREGATE LIMIT APPLIES PER ☐ POLICY ☐ PROJECT ☐ LOC	CL2568523	03/16/2010	03/16/2011	EACH OCCURRENCE	\$1,000,000
						DAMAGE TO RENTED PREMISES (Eg occurrence)	\$100,000
						MED EXP (Any one person)	\$5,000
						PERSONAL & ADV INJURY	\$Excluded
						GENERAL AGGREGATE	\$2,000,000
						PRODUCTS - COMP/OP AGG	\$Excluded
							\$
	☐	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ☐ NON-OWNED AUTOS ☐				COMBINED SINGLE LIMIT (Each Occurrence)	\$
						BODILY INJURY (Per person)	\$
						BODILY INJURY (Per accident)	\$
						PROPERTY DAMAGE (Per accident)	\$
	☐	GARAGE LIABILITY ☐ ANY AUTO ☐				AUTO ONLY - EA ACCIDENT	\$
						OTHER THAN EA ACC	\$
						AUTO ONLY 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 STATUTORY 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 IS NAMED AS ADDITIONAL INSURED
10 DAYS NOTICE GIVEN IN EVENT OF NON-PAYMENT OF PREMIUM

CERTIFICATE HOLDER

SAN DIEGO JET CENTER
1424 CONTINENTAL ST
SAN DIEGO CA 92154

FAX (619) 474-6569

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AFFORDING COVERAGE 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

ACORD 25 (2001/08)

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 March 15, 2010, hereby consents to that certain Sublease Agreement between the above LESSEE ("SUBLESSOR") and

Pio Auto Sales
("SUBLESSEE")

dated March 15, 2010 ("SUBLEASE"). The SUBLEASE is 1590 Continental Street #105 San Diego, California 92154.

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

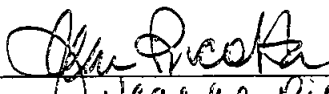
LESSOR: CITY OF SAN DIEGO

Dated _____, 2010

By _____
Michael C. Tussey, Airports Deputy Director

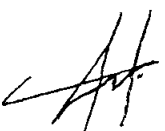
LESSEE: LANCAIR CORP.

Dated 3.8, 2010

By 
Name Jeanne Ricotta
Title Secretary

SUBLESSEE: Pio Auto Sales
Carlos Regato

Dated 3.8, 2010

By 
Name CARLOS REGATO
Title PRESIDENT

APPROVED AS TO FORM AND LEGALITY:

Dated _____, 2010

By _____
City of San Diego

Hal Arnold
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on March 1, 2010 between Lancair Corp hereinafter called "SUBLESSOR", and Hal Arnold, 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 months rent and a security deposit one 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 statutes now in force or which may hereinafter be in force. In addition, the SUBLESSEE shall observe *high* moral and ethical standards in the use of the premises and shall not conduct a business in any manner 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 breach 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: An open area approx 1000 sf. To house a hangar (C12) in location determined by Lancair Corp.

B. Term: Commencing 3/1/2010 and Month to Month thereafter

C. Security Deposit: one months rent

D. Rent: Payments may be mailed 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: Tenant must get approval for the addition of window covering, security bars, etc.

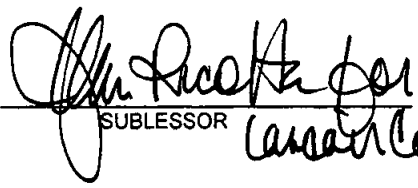
J. Notices:

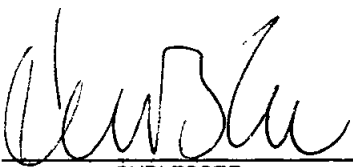
To: SUBLESSOR: Lancair Corp
 1424 Continental Street
 San Diego, CA 92154

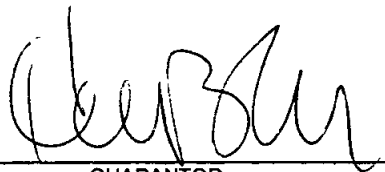
To: SUBLESSEE: Hal Arnold (619-220-0281) (805-377-0584)
 2606 Myrtle
 San Diego, Ca 92104

To: GUARANTOR: Hal Arnold
 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 March 1, 2010, hereby consents to that certain Sublease Agreement between the above LESSEE ("SUBLESSOR") and

Hal Arnold
("SUBLESSEE")

Dated March 1, 2010 ("SUBLEASE"). The SUBLEASE known as Hangar #C12, San Diego Brown Field Airport, San Diego, California 92154.

1. USE. The proposed use is solely and exclusively for aviation.
2. ADMINISTRATIVE FEE. LESSEE acknowledges that it is responsible for paying to CITY a Two 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 _____, 2010

By _____
Michael C. Tussey, Airports Deputy Director

LESSEE: LANCAIR CORP.

Dated 3.4, 2010

By [Signature]
Name Jeanne Ricotta
Title Secretary

SUBLESSEE: Hal Arnold

Dated 3.6.10, 2010

By [Signature]
Name Hal Arnold
Title _____

APPROVED AS TO FORM AND LEGALITY:

Dated _____, 2010

By _____
City of San Diego

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement is

part of policy number: SA00140370-06
 endorsement number: 001
 issued to (first Named Insured): HAL ARNOLD
 effective: 06/20/2009
 for: Additional premium of \$ 189.75

(if no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

COVERAGE IDENTIFICATION PAGE CHANGE

ITEM 1	This endorsement applies to the following aircraft : N9727E Your Coverage Identification Page is changed as shown in this endorsement where an 'X' appears beside the Item							
1	NAME INSURED							
2	YOUR ADDRESS							
3	POLICY PERIOD: 12:01 A.M. STANDARD TIME AT YOUR ABOVE ADDRESS FROM: TO:							
4	LOCATION OF AIRCRAFT: The aircraft will be principally based at _____							
5	DESCRIPTION OF AIRCRAFT: You have told us that each of the aircraft below (1) has an FAA standard airworthiness certificate unless noted below*; and (2) is solely and unconditionally owned by you unless noted differently in Item 1 and/or 11 or endorsements we issue.							
	FAA NUMBER	YEAR, MAKE AND MODEL (Include description of aircraft and FAA standard certificated airplane)	TOTAL SEATS	AIRCRAFT PHYSICAL DAMAGE COVERAGE (If no Agreed Value shown, no coverage is provided)				
				AGREED VALUE	Not in Motion DEDUCTIBLE	In Motion DEDUCTIBLE		
	N9727E	1947 AERONCA CHIEF 11AC	2	\$ 15,000	\$ 50	\$ 500		
6	COVERAGES AND LIMITS OF LIABILITY: The most we will pay under each coverage we provide is shown below for each aircraft (Where no amount is shown, no coverage is provided)							
	LIABILITY TO OTHERS	A Bodily Injury Excluding Passengers	B Passenger Bodily Injury	C Property Damage	D Single Limit Bodily Injury/Property Damage EXCLUDING Pass	DE Single Limit Bodily Injury/Property Damage Limited Pass	E Medical Expense	
	each person	\$	\$	\$	\$ DELETED	\$ 100,000	\$ 3,000	
	each occurrence	\$	\$	\$	\$	\$ 1,000,000	\$ 6,000	
9	THE PILOT FLYING THE AIRCRAFT: The aircraft must be operated in flight only by a person shown below, who must have a current and proper (1) medical certificate and (2) pilot certificate with necessary ratings as required by the FAA for each flight. There is no coverage under the policy if the pilot does not meet these requirements.							
10	THE USE OF THE AIRCRAFT: The aircraft will be used for your pleasure and business related purposes where no charge is made for such use and also will be used for the following purposes:							
11	ADDITIONAL INTEREST: Payment for Aircraft Physical Loss or Damage under Coverage F or G will be made to you and							
	NAME AND ADDRESS OF LIENHOLDER					LI	LOAN BALANCE	

Your additional (Return) Premium for each coverage we changed is shown below.

COV. A	COV. B	COV. C	COV. D	COV. DE	COV. E	COV. F	COV. G	TOTAL FOR AC
\$	\$	\$ -135.53	\$ 168.22	\$ 7.97	\$ -50.23	\$ 199.32	\$	\$ 189.75

NOTHING HEREIN CONTAINED SHALL BE HELD TO VARY, ALTER OR EXTEND ANY OF THE TERMS, CONDITIONS OR AGREEMENTS OF THE POLICY OTHER THAN AS STATED ABOVE.

Bart Crowder
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on Dec. 1, 2009 between Lancar Corp. hereinafter called "SUBLESSOR", and Bart Crowder, 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 months rent and a security deposit one 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 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 statutes now in force or which may hereinafter be in force In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner 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 breach 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: An open area approx 1000 sf. To house a hangar (C12) in location determined by Lancair Corp

B. Term: Commencing 12/1/09 and Month to Month thereafter

C. Security Deposit one months rent

D. Rent Payments may be mailed 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: Tenant must get approval for the addition of window covering, security bars, etc

J. Notices:

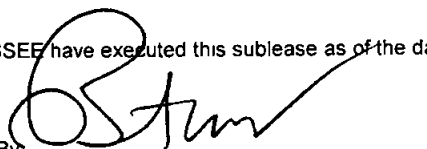
To: SUBLESSOR
Lancair Corp
1424 Continental Street
San Diego, CA 92154

To: SUBLESSEE
Bart Crowder (858) 776-7768
14916 Satanas Street
San Diego, Ca 92129

To: GUARANTOR.
Bart Crowder
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 December 1, 2009, hereby consents to that certain Sublease Agreement between the above LESSEE ("SUBLESSOR") and

Bart Crowder
("SUBLESSEE")

dated December 1, 2009 ("SUBLEASE"). The SUBLEASE is for Hangar known as C12, western ramp Brown Field Airport, San Diego, California 92154.

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

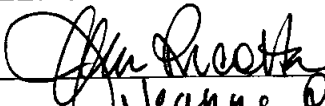
LESSOR: CITY OF SAN DIEGO

Dated _____, 2009

By _____
Michael C. Tussey, Airports Deputy Director

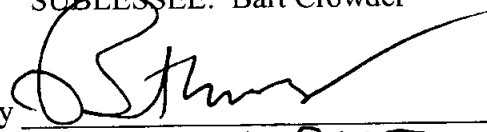
LESSEE: LANCAIR CORP.

Dated _____, 2009

By 
Name Jeanne Ricotta
Title Secretary

SUBLESSEE: Bart Crowder

Dated _____, 2009

By 
Name CROWDER, BART
Title MR.

APPROVED AS TO FORM AND LEGALITY:

Dated _____, 2009

By _____
City of San Diego

EnviroCon International
Consulting
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on January 15, 2010, between Lancair Corp hereinafter called "SUBLESSOR", and EnviroCon Int'l Consulting, 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 month rent and a security deposit one 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 Premises. 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.

LMA

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 statutes now in force or which may hereinafter be in force. In addition, the SUBLESSEE shall observe *high* moral and ethical standards in the use of the premises and shall not conduct a business in any manner 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 breach 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.

LSH/H

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 plus last month rent and Security Deposit

D. Rent: \$700.00 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. *****THIS SECTION IS BEING EXCLUDED PER SUBLESSOR AND SUBLESSEE*****

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.

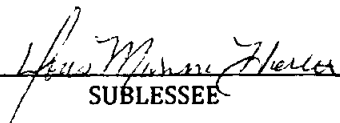
J. Notices:

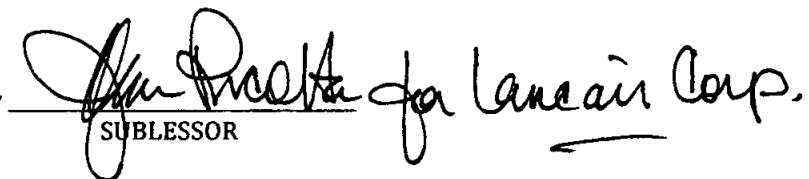
To: SUBLESSOR: Lancair Corp DBA: San Diego Jet Center
1424 Continental Street
San Diego, CA 92154

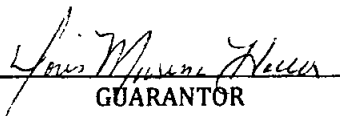
To: SUBLESSEE EnviroCon International Consulting
1590 Continental Street #210
San Diego, Ca. 92154

To: GUARANTOR Doris Holter, President
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 
SUBLESSEE

By  for Lancair Corp.
SUBLESSOR

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 January 15, 2010, hereby consents to that certain Sublease Agreement between the above LESSEE ("SUBLESSOR") and

EnviroCon International Consulting
(**"SUBLESSEE"**)

dated January 15, 2010 ("SUBLEASE"). The SUBLEASE is 1590 Continental Street #210 San Diego, California 92154.

1. **USE.** The proposed use is solely and exclusively for general office.
2. **ADMINISTRATIVE 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 _____, 2010

By _____
Michael C. Tussey, Airports Deputy Director

LESSEE: LANCAIR CORP.

Dated 1-14, 2010

By [Signature]
Name Jeanne Ricotta
Title Secretary

SUBLESSEE: EnviroCon International
Consulting

Dated Jan 15, 2010

By [Signature]
Name Deis Marina Helter
Title President / CEO

APPROVED AS TO FORM AND LEGALITY:

Dated _____, 2010

By _____
City of San Diego



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

1/15/2010

PRODUCER (619) 683-9990 FAX: (619) 683-9999

Michael Ehrenfeld Company

2655 Camino Del Rio North

#200

San Diego

CA 92108

INSURED

Envirocon International, Inc.

1590 Continental Street, Suite 210

San Diego

CA 92154

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 Hartford Casualty Insurance

29424

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 ADD'L LTR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY	72SBAUW3802	1/15/2010	1/15/2011	EACH OCCURRENCE \$ 1,000,000
	☒ COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000
	☐ CLAIMS MADE ☒ OCCUR				MED EXP (Any one person) \$ 10,000
					PERSONAL & ADV INJURY \$ 1,000,000
					GENERAL AGGREGATE \$ 2,000,000
					PRODUCTS - COMP/OP AGG \$ 2,000,000
					GEN'L AGGREGATE LIMIT APPLIES PER ☒ POLICY ☐ PRO- JECT ☐ LOC
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT (Ea accident) \$
	☐ ANY AUTO				BODILY INJURY (Per person) \$
	☐ ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	☐ SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident) \$
	☐ HIRED AUTOS				
	☐ NON-OWNED AUTOS				
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT \$
	☐ ANY AUTO				OTHER THAN EA ACC \$
					AUTO ONLY 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? (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

CERTIFICATE HOLDER IS NAMED AS ADDITIONAL INSURED/LANDLORD AS RESPECTS TO GENERAL LIABILITY PER POLICY FORM.

10 days notice of cancellation only required in the event of non-payment of premium.

CERTIFICATE HOLDER

LANCAIR CORPORATION
1424 CONTINENTAL STREET
SAN DIEGO, CA 92154-5702

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

Fred Liebel/MARYLB

ACORD 25 (2009/01)

INS025 (2009/01)

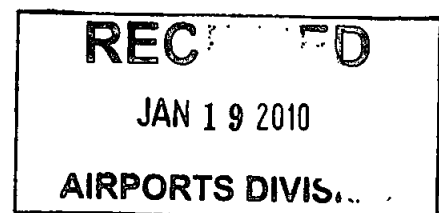
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Traffic Auto Group
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on January 11, 2010, between Laanair Corp hereinafter called "SUBLESSOR", and Traffic Auto Group, 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 month rent and a security deposit one 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 Premises.** 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 statutes now in force or which may hereinafter be in force. In addition, the SUBLESSEE shall observe *high* moral and ethical standards in the use of the premises and shall not conduct a business in any manner 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 breach 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 #111, San Diego, CA 92154

B. Term: Month to Month

C. Security Deposit: One-Months Rent plus last month 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 DBA: San Diego Jet Center
1424 Continental Street
San Diego, CA 92154

To: SUBLESSEE Traffic Auto Group
1590 Continental Street #111
San Diego, Ca. 92154

To: GUARANTOR Sergio Adrian Torres Jimenez
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 Sergio A. Torres
SUBLESSEE

By [Signature] for Lancair Corp.
SUBLESSOR

By Sergio A. Torres
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 January 11, 2010, hereby consents to that certain Sublease Agreement between the above LESSEE ("SUBLESSOR") and

Traffic Auto Group
("SUBLESSEE")

dated January 11, 2010 ("SUBLEASE"). The SUBLEASE is 1590 Continental Street #111 San Diego, California 92154.

1. USE. The proposed use is solely and exclusively for general office.
2. ADMINISTRATIVE 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 _____, 2010

By _____
Michael C. Tussey, Airports Deputy Director

LESSEE: LANCAIR CORP.

Dated 1-11, 2010

By [Signature]
Name Jeanne Ricotta
Title Secretary

SUBLESSEE: Traffic Auto Group

Dated 1-11, 2010

By [Signature]
Name Sergio Adrian Torres Jimenez
Title Owner.

APPROVED AS TO FORM AND LEGALITY:

Dated _____, 2010

By _____
City of San Diego

Commercial Certificate of Insurance



FARMERS

Agency
Name
&
Address

- FARMERS INSURANCE GROUP
- JULIO VEGA
- 799 THIRD AVE
- CHULA VISTA, CA. 91910

Issue Date (MM/DD/YY) 01/05/09

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 shown below.

St. 99 Dist. 33 Agent 303

Companies Providing Coverage:

Insured
Name
&
Address

- TRAFFIC AUTO GROUP
- DBA: TRAFFIC MOTOR
- 1590 CONTINENTAL ST # 111
- SAN DIEGO, CA. 92154

Company A Truck Insurance Exchange
Letter
Company B Farmers Insurance Exchange
Letter
Company C Mid-Century Insurance Company
Letter
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)	Policy Limits
B	General Liability Commercial General Liability - Occurrence Version Contractual - Incidental Only Owners & Contractors Prot.	604789000	01/05/10	01/05/11	General Aggregate Products-Comp/OPS Aggregate Personal & Advertising Injury Each Occurrence Fire Damage (Any one fire) Medical Expense (Any one person) \$ 2,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 75,000.00 \$ 5,000.00
	Automobile Liability All Owned Commercial Autos Scheduled Autos Hired Autos Non-Owned Autos Garage Liability				Combined Single Limit Bodily Injury (Per person) Bodily Injury (Per accident) Property Damage Garage Aggregate \$ \$ \$ \$ \$
	Umbrella Liability				Limit \$
	Workers' Compensation and Employers' Liability				Statutory Each Accident Disease - Each Employee Disease - Policy Limit \$ \$ \$

Description of Operations/Vehicles/Restrictions/Special Items:

Location(s): 1590 CONTINENTAL ST # 111, SAN DIEGO, CA 92154
Endorsement - (IF APPLICABLE, WILL BE DELIVERED WITH POLICY).

Certificate Holder

Lancairs its officers representative's agents and employees
Name & the City of San Diego its elected officials, officers,
& Representatives agents and employees
Address 1424 Continental St San Diego Ca. 92154

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 representatives.

Authorized Representative

Otay Surveillance SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on November 1, 2009 between Lancair Corp. hereinafter called "SUBLESSOR", and Otay Surveillance and Mike Heard., 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 statutes now in force or which may hereafter 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 breach 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: Office Building located at 1590 Continental St #200 San Diego, CA 92154

B. Term: 5 Month Lease (Until March 31, 2010) and Month to Month thereafter

C. Security Deposit Customer to pay last month's rent and 1 month security deposit In the form of \$260.00 payments per month beginning November 1, 2009 through March 1, 2010 totaling \$1300.00 and balance to be traded for camera system

D. Rent \$650.00 per month

E. Use General Office-For Aviation Purposes

F. Utilities and Cleaning: Paid by SUBLESSEE Tenant to pay a 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
Lancar Corp
1424 Continental Street
San Diego, CA 92154

To: SUBLESSEE
Otay Surveillance
7060 Curran Street
San Diego, CA 92154

To: GUARANTOR
Mike Heard
1328 Heritage Road
San Diego, Ca 92154
619-843-5091
619-623-6976

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

By 
SUBLESSOR
Lancar 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 November 1, 2009, hereby consents to that certain Sublease Agreement between the above LESSEE ("SUBLESSOR") and

Otay Surveillance
("SUBLESSEE")

dated November 1, 2009 ("SUBLEASE"). The SUBLEASE is for 1590 Continental Street #200 San Diego, California 92154.

1. USE. The proposed use is solely and exclusively for aviation.
2. ADMINISTRATIVE FEE. LESSEE acknowledges that it is responsible for paying to CITY a Six 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.

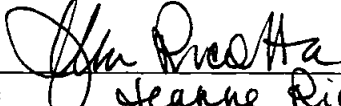
LESSOR: CITY OF SAN DIEGO

Dated _____, 2009

By _____
Michael C. Tussey, Airports Deputy Director

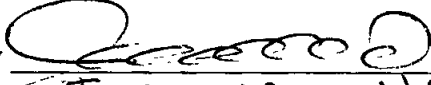
LESSEE: LANCAIR CORP.

Dated 10.14, 2009

By 
Name Jeanne Ricotta
Title Secretary

SUBLESSEE: Otay Surveillance

Dated _____, 2009

By 
Name J. MICHAEL HEARD
Title Partner

APPROVED AS TO FORM AND LEGALITY:

_____, City Attorney

Dated _____, 2009

By _____
City of San Diego



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

10/14/2009

PRODUCER

KREMER INSURANCE

9672 Via Excelencia, Ste. 104

San Diego, CA 92126

(858) 486-5400

INSURED

Otay Surveillance

1590 Continental Rd. Ste. 200

San Diego, CA 92154

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: Farmers Insurance Group

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	ADDL INFO	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A		GENERAL LIABILITY	604740875	05/15/09	05/15/10	EACH OCCURRENCE
	☒ COMMERCIAL GENERAL LIABILITY	DAMAGE TO RENTED PREMISES (Ea occurrence)				
	☐ CLAIMS MADE ☒ OCCUR	MED EXP (Any one person)				
		PERSONAL & ADV INJURY				
		GEN'L AGGREGATE LIMIT APPLIES PER:				GENERAL AGGREGATE
		☐ POLICY ☐ PRO-JECT ☐ LOC				PRODUCTS - COM/PROP AGG
		AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT (Ea accident)
		ANY AUTO				BODILY INJURY (Per person)
		ALL OWNED AUTOS				BODILY INJURY (Per accident)
		SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident)
		HIRED AUTOS				AUTO ONLY - EA ACCIDENT
		NON-OWNED AUTOS				OTHER THAN EA ACC AGG
		GARAGE LIABILITY				EACH OCCURRENCE
		ANY AUTO				AGGREGATE
		EXCESS / UMBRELLA LIABILITY				
		☐ OCCUR ☐ CLAIMS MADE				
		DEDUCTIBLE				
		RETENTION \$				
A		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	A01099326	05/15/09	05/15/10	WC STATUTORY LIMITS
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/EMPLOYEE EXCLUDED? (Mandatory in NH) If yes, describe under SPECIAL PROVISIONS below	OTHER				
		EL EACH ACCIDENT				
		EL DISEASE - EA EMPLOYEE				
		OTHER				EL DISEASE - POLICY LIMIT

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

Lancair, its officers, representatives agents and employees & The City of San Diego, its elected officials, officers, representatives, agents and employees are listed as additional insureds.

CERTIFICATE HOLDER

San Diego Jet Center
by 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

Barry Brocato
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on November 1, 2010, between Lancar Corp hereinafter called "SUBLESSOR", and Barry Brocato, 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 statutes now in force or which may hereafter be in force. In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner which is detrimental to the businesses of the SUBLESSOR. SUBLESSEE agrees to abide by all rules and regulations as established by Brown Field Airport Management and/or the SUBLESSOR. Failure to comply shall be deemed as a basis for breach by the SUBLESSEE.

18. **Assignment or Subletting.** SUBLESSEE shall not assign this sublease or any interest therein and shall not sublet the premises or any part thereof or any right or privilege pertinent thereto or suffer any other person, agents and servants of SUBLESSEE excepted, to occupy or use the premises or any portion thereof without first obtaining the written consent of the SUBLESSOR and the City of San Diego. A consent to one entity or person shall not infer consent to

any other person or entity. This sublease shall not, nor shall any interest therein, be assignable as to the interest of SUBLESSEE by operation of law without the written consent of SUBLESSOR and the City of San Diego.

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

20. **Insolvency:** Either (a) the appointment of a receiver to take possession of all or substantially all of the assets of sublease or (b) a general assignment by SUBLESSEE for the benefit of creditors, or (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 its own expense, except as agreed to in the Summary Section, be required to relocate to another location provided

by the SUBLESSOR at any time required by the SUBLESSOR.

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

24. **Miscellaneous Terms.**

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

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

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

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

SUMMARY SECTION

A. Description of Premises: An Open area to house a hangar (known as #A4) in a location or locations to be determined by Lancair Corp.

B. Term: This lease shall commence on November 1, 2010 and continue month to month.

C. Security Deposit: None

D. Rent: \$377.20 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 SUBLESSEE.

G. Security Agreement/UCC1: No changes.

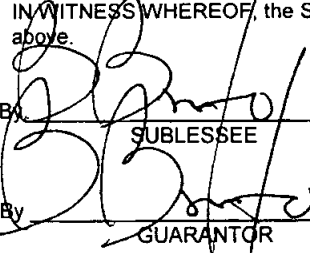
H. Personal Guarantee: A personal guarantee is required under this lease.

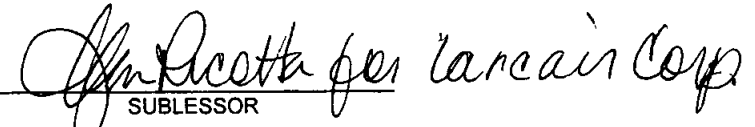
I. Relocation: The SUBLESSEE agrees to move the hangar to another site on Brown Field as many times as required by the SUBLESSOR.

J. Notices:

To SUBLESSOR Lancair Corp
 1424 Continental Street
 San Diego, CA 92154
To SUBLESSEE Barry Brocato
To GUARANTOR Barry Brocato

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

By  _____
SUBLESSEE
By _____
GUARANTOR

By  _____
SUBLESSOR

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 November 1, 2010 hereby consents to that certain Sublease Agreement between the above LESSEE ("SUBLESSOR") and

Barry Brocato
("SUBLESSEE")

dated November 1, 2010 ("SUBLEASE"). The SUBLEASE is for Hangar known as A4 at Brown Field Airport, San Diego, California 92154.

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

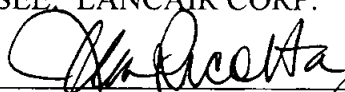
LESSOR: CITY OF SAN DIEGO

Dated _____, 2010

By _____
Michael C. Tussey, Airports Deputy Director

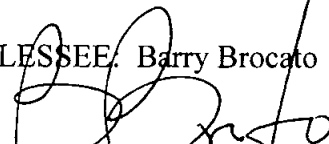
LESSEE: LANCAIR CORP.

Dated 11-2, 2010

By 
Name Jeanne Ricotta
Title Secretary, Treasurer

SUBLESSEE: Barry Brocato

Dated 11-3, 2010

By 
Name Barry Brocato
Title Owner

APPROVED AS TO FORM AND LEGALITY:

_____, City Attorney

Dated _____, 2010

By _____
City of San Diego

SUBLEASE AGREEMENT

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This Sublease Agreement, hereinafter referred to as "agreement" is executed in duplicate at San Diego California on April 24, 1997 between Bearden Aviation, Inc., hereinafter called "SUBLESSOR", John Gerstenberg, 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 lease 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 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 less 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, Brown Field Aviation Ventures, and the City of San Diego as an additional insured Said policy shall specify that the policy may not be terminated, altered or canceled without prior written notice to the SUBLESSOR and the City of San Diego by the insurance company

17 Compliance with Law and High Business Standards SUBLESSEE shall, at its sole cost and expense, comply with all of the requirements of all municipal, state and federal authorities now in force or which may hereafter be in force, pertaining to the demised premises and shall faithfully observe in the use of the premises all municipal ordinances and state and federal statutes now in force or which may hereafter 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 laws and regulations of the City of San Diego

SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego, California on April 24, 1997 between Bearden Aviation, Inc., hereinafter called "SUBLESSOR", John Gerstenberg, 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 lease 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.

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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 whomever belonging to 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, Brown Field Aviation Ventures, and the City of San Diego as an additional insured. Said policy shall specify that the policy may not be terminated, altered or canceled without prior written notice to the SUBLESSOR and the City of San Diego by the insurance company.

17 Compliance with Law and High Business Standards. SUBLESSEE shall, at its sole cost and expense, comply with all of the requirements of all municipal, state and federal authorities now in force or which may hereafter be in force, pertaining to the demised premises and shall faithfully observe in the use of the premises all municipal ordinances and state and federal statutes now in force or which may hereafter 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.

CHARTIS AEROSPACE INSURANCE SERVICES, INC.



CERTIFICATE OF INSURANCE

THIS IS TO CERTIFY TO: LANCAIR ITS ELECTED OFFICIALS
 REPRESENTATIVES AGENTS EMPLOYEES, 1424 CONTINENTAL STREET
 SAN DIEGO, CA 92154

THAT THE FOLLOWING POLICY/IES OF INSURANCE HAVE BEEN ISSUED TO:

JOHN GERSTENBERG
 5667 BRAVO COURT
 SAN DIEGO, CA 92124, USA

Brown

POLICY NO. LA 008127811-12

POLICY PERIOD From August 7, 2010

to August 7, 2011

INSURANCE COMPANY NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

Coverage only applies as indicated by a specific limit and deductible.

Limits of Liability	
A. Aircraft Liability Single Limit for Bodily Injury and Property Damage In cluding Passengers , but Passenger Bodily Injury Limited within the Single Limit to	\$ <u>1,000,000.</u> each occurrence
B. Medical Expense In cluding crew	\$ <u>100,000.</u> each passenger
C. Physical Damage to Your Aircraft	\$ <u>3,000.</u> each passenger

ID Number	Year	Make and Model	Agreed Value	Deductibles		
				Not-in-Motion	Not-in-Flight	Flight
N3637U	1963	CESSNA 182	\$ 50,000.	\$ 100.	\$ 100.	\$ 100.
			\$	\$	\$	\$
			\$	\$	\$	\$
			\$	\$	\$	\$
			\$	\$	\$	\$
			\$	\$	\$	\$
			\$	\$	\$	\$

THIS CERTIFICATE HOLDER IS:

1. included as additional insured as respects liability coverage but coverage only applies after all other coverage available to the additional insured has been exhausted;
2. included as additional insured as respects liability coverage but coverage only applies with respect to the vicarious responsibility of the additional insured for the operation of the aircraft by the Named Insured, including any interest in the aircraft as owner/lessor;
3. included as additional insured as respects liability coverage but coverage does not apply to any occurrence arising from the design, manufacture, modification, repair, sale, or servicing of insured aircraft other than ground handling.

Coverage is subject to Aviation Date Recognition Endorsement Form No. 71223.

The **Aviation Managers** have made provision to give the certificate holder prompt notice of cancellation of any policy above. But, the **Aviation Managers** assume no responsibility for failure to provide such notice. This certificate does not change in any way the actual coverages provided by the policy/ies specified above.

Certificate No. 11235377-10

Date of Issue August 3, 2010

By

[Signature]

(Authorized Representative)

LAD30B (3/00)

Peter Tadlock
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on August 12, 10 ^{OK}
2009, between Lancair Corp hereinafter called "SUBLESSOR", and Peter Tadlock and 27 Romeo LLC, 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
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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 statutes now in force or which may hereinafter be in force. In addition, the SUBLESSEE shall observe *high* moral and ethical standards in the use of the premises and shall not conduct a business in any manner which is detrimental to the businesses of the SUBLESSOR.

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

18 Assignment or Subletting: SUBLESSEE shall not assign this sublease or any interest therein and shall not sublet the premises or any part thereof or any right or privilege pertinent thereto or suffer any other person, agents and servants of SUBLESSEE excepted, to occupy or use the premises or any portion thereof without first obtaining the written consent of the SUBLESSOR and the City of San Diego. A consent to one entity or person shall not infer consent to

any other person or entity. This sublease shall not, nor shall any interest therein, be assignable as to the interest of SUBLESSEE by operation of law without the written consent of SUBLESSOR and the City of San Diego.

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

20 Insolvency: Either (a) the appointment of a receiver to take possession of all or substantially all of the assets of sublease or (b) a general assignment by SUBLESSEE for the benefit of creditors, or (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 its own expense, except as agreed to in the Summary Section, be required to relocate to another location provided

by the SUBLESSOR at any time required by the SUBLESSOR.

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

24 Miscellaneous Terms.

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

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

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

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

SUMMARY SECTION

A. Description of Premises: An Open area 1360 square feet to house a hangar known as #B3 in a location or locations to be determined by Lancair Corp

B. Term: This lease shall commence on August 12, 2009 and continue month to month

C. Security Deposit Security Deposit and Last Months Rent, Both Equivalent to 1 months rent

D. Rent \$425 00 per month 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 SUBLESSEE

G. Security Agreement/UCC1: No changes

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

I. Relocation: If applicable The SUBLESSEE agrees to move the hangar to another 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:

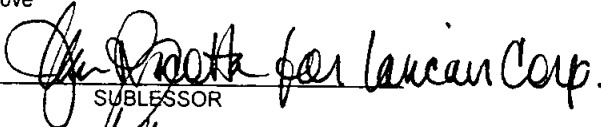
To SUBLESSOR
Lancair Corp
1424 Continental Street
San Diego, CA 92154

To SUBLESSEE
Peter Tadlock (619) 954-5733
27 Romeo LLC
935 Stone Gate Court
Chula Vista, Ca 91913

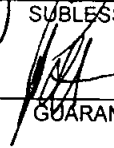
To GUARANTOR
Peter Tadlock

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

AIRCRAFT CERTIFICATE OF INSURANCE

Date 08/10/2010

Descriptive Schedule

Named Insured
Address of Insured

27 ROMEO LLC
935 STONEGATE COURT
CHULA VISTA, CA 91913

Peter Tadlock

Company
Policy Number
Effective Date
Expiration Date
Aircraft Covered

U.S. SPECIALTY INSURANCE COMPANY
SA00166045-01
08/05/2010
08/05/2011
N776CD, 2004 CIRRUS SR22

AIRCRAFT LIABILITY	
COVERAGES	LIMITS OF LIABILITY
A – Bodily Injury Liability Excluding Passengers	\$ Each Occurrence
B – Passenger Bodily Injury	\$ Each Passenger \$ Each Occurrence
C – Property Damage Liability	\$ Each Occurrence
D – Single Limit Bodily Injury / Property Damage Liability Passengers	\$ Each Occurrence
DL – Single Limit Bodily Injury / Property Damage Limited Passengers	\$ 100,000 Each Passenger \$ 1,000,000 Each Occurrence

AIRCRAFT PHYSICAL DAMAGE			
F – All Risks While Not In Motion	\$	Less \$	deductible
G – All Risks While In Motion	\$	Less \$	deductible

Payment for aircraft physical damage under Coverage F or G will be made to the Named Insured and

(Absence of an entry means "no exception")

This Certificate is issued to
Additional Insured
See Policy Conditions For Details

LANCAIR, ITS OFFICERS, REPRESENTATIVES, AGENTS & EMPLOYEES
& THE CITY OF SAN DIEGO, ITS ELECTED
OFFICIALS, OFFICERS, REPRESENTATIVES,
AGENTS & EMPLOYEES
1424 CONTINENTAL STREET
SAN DIEGO, CA 92154

With whom we agree, if possible, to notify 10 days before date of cancellation if policy should be cancelled, but the Company shall not be liable in any way for failure to give such notice

The above coverages are subject to all policy terms, conditions and exclusions.

Travers & Associates
AVIATION INSURANCE NATIONWIDE

Since 1950

Mary Maggio

SAU 1012 GA(01/91)

www.traversaviation.com

P.O. Box 220519 • St. Louis, MO 63122

Bob Dobry
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on September 1, 2006 between Lancair Corp. hereinafter called "SUBLESSOR", and Bob Dobry, 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 months rent and a security deposit one 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 statutes now in force or which may hereinafter be in force. In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner 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 breach 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: Hangar known as B2 Brown Field Airport, San Diego, CA 92154

B. Term: Month to Month

C. Security Deposit one months rent

D. Rent Payments may be mailed 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: Tenant must get approval for the addition of window covering, security bars, etc

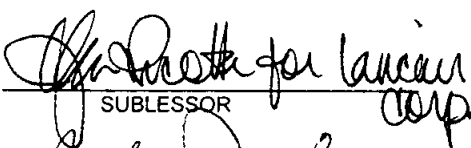
J. Notices:

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

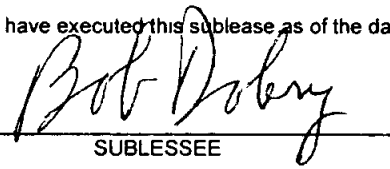
To SUBLESSEE. Bob Dobry
2830 2870 E Wardlow Road
Long Beach, Ca 90807

To GUARANTOR Bob Dobry
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

By 
GUARANTOR

By 
SUBLESSEE

10/07/2010

AIRCRAFT CERTIFICATE OF INSURANCE

Date: 10/08/2010

Descriptive Schedule

Named Insured: AERIAL PROMOTIONS, INC.
2830 E. WARDLOW ROAD
Address of Insured: LONG BEACH CA 90807

Company: U. S. SPECIALTY INSURANCE COMPANY
Policy Number: GA00141034-07
Effective Date: 10/08/2010
Expiration Date: 05/24/2011
Aircraft Covered: N624AP 1978 SCOUT/N625AP 1979 SCOUT
N626AP 1975 SCOUT/N630AP 1974 SCOUT
N611AP 1979 SCOUT/N612AP 1979 SCOUT
N613AP 1976 SCOUT/N637AP 1975 SCOUT

AIRCRAFT LIABILITY			
COVERAGES	LIMITS OF LIABILITY		
A - Bodily Injury Liability Excluding Passengers	\$	Each Occurrence	
B - Passenger Bodily Injury	\$	Each Passenger	
	\$	Each Occurrence	
C - Property Damage Liability	\$	Each Occurrence	
D - Single Limit Bodily Injury / Property Damage Liability cluding Passengers	\$	Each Occurrence	
DL - Single Limit Bodily Injury / Property Damage Limited Passengers	\$	100,000	Each Passenger
	\$	1,000,000	Each Occurrence

AIRCRAFT PHYSICAL DAMAGE			
F - All Risks While Not In Motion	\$	Less	\$ Deductible
G - All Risks While In Motion	\$	Less	\$ Deductible

Payment for aircraft physical damage under Coverage F or G will be made to the Named Insured and:

(Absence of an entry means "no exception")

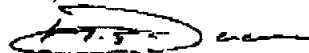
This Certificate is issued to:
ADDITIONAL INSURED

See Policy Conditions For Details

LANCAIR CORP. & CITY OF SAN DIEGO, IT'S
OFFICIALS, OFFICERS, REPRESENTATIVES,
AGENTS & EMPLOYEES
1424 CONTINENTAL STREET
SUITE C
SAN DIEGO, CA. 92154

With whom we agree, if possible, to notify 10 days before date of cancellation if policy should be cancelled,
but the Company shall not be liable in any way for failure to give such notice.

The above coverages are subject to all policy terms, conditions and exclusions.



Approved

Three Point Partners, Inc.
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on September 24, 2007 between Lancar Corp hereinafter called "SUBLESSOR", and Three Point Partners 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 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

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 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 statutes now in force or which may hereinafter be in force In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner which is detrimental to the businesses of the SUBLESSOR

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

18 **Assignment or Subletting.** SUBLESSEE shall not assign this sublease or any interest therein and shall not sublet the premises or any part thereof or any right or privilege pertinent thereto or suffer any other person, agents and servants of SUBLESSEE excepted, to occupy or use the premises or any portion thereof without first obtaining the written consent of the SUBLESSOR and the City of San Diego. A consent to one entity or person shall not infer consent to

any other person or entity. This sublease shall not, nor shall any interest therein, be assignable as to the interest of SUBLESSEE by operation of law without the written consent of SUBLESSOR and the City of San Diego.

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

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

SUBLESSEE for the benefit of creditors, or (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 its own expense, except as agreed to in the Summary Section, be required to relocate to another location provided

by the SUBLESSOR at any time required by the SUBLESSOR.

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

24 **Miscellaneous Terms.**

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

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

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

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

SUMMARY SECTION

A. Description of Premises An Open area Approx 1400 square feet described as #A13, to house a hangar in a location or locations to be determined by Lancair Corp

B. Term. This lease is on a month to month basis and shall commence on September 24, 2007

C. Security Deposit Last months rent and Security Deposit

D. Rent Payable 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 SUBLESSEE

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 another 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

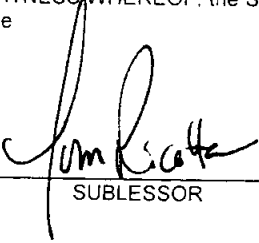
J. Notices:

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

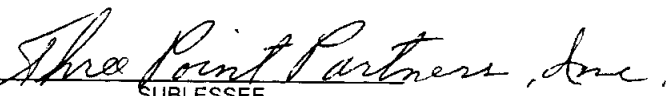
To SUBLESSEE
Three Point Partners, Inc
PO Box 710670
Santee, Ca 92072

To GUARANTOR
David Derby
7434 Herschel Avenue
La Jolla, Ca 92037
(760) 445-3880
(619) 596-1279

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



A Member Company of C.V. Starr & Co., Inc.

3353 Peachtree Road NE, Suite 1000
Atlanta, GA 30326

Certificate of Insurance

Certificate Holder: LANCAIR, ITS OFFICERS, REPRESENTATIVES, AGENTS AND EMPLOYEES & THE CITY OF SAN DIEGO, ITS ELECTED OFFICIALS, OFFICERS, REPRESENTATIVES, AGENTS AND EMPLOYEES

1424 CONTINENTAL ST, SAN DIEGO, CA 92154

Named Insured: DAVID DERBY

P.O BOX 710670

SANTEE, CALIFORNIA 92072

Policy Period: From SEPTEMBER 20, 2010 To SEPTEMBER 20, 2011

Policy Number: 9958-4225-01

Issuing Company: FEDERAL INSURANCE COMPANY

This is to certify that the policy(ies) listed herein have been issued providing coverage for the listed insured as further described. This certificate of insurance is not an insurance policy and does not amend, extend, or alter the coverage afforded by the policy(ies) listed herein. Notwithstanding any requirement, term or condition of any contract, or other document with respect to which this certificate of insurance may be concerned or may pertain, the Insurance afforded by the policy(ies) listed on this certificate is subject to all the terms, exclusions, and conditions of such policy(ies).

Aircraft:		Reg	Insured Value	Deductibles NIM / IM	Liability Limit	Passenger Sublimits
Year	Make and Model	No				
1943	BOEING E75N1 STEARMAN	N5106N	\$ 100,000.	NIL / NIL	\$ 1,000,000.	/\$100,000.
			\$		\$	/\$
			\$		\$	/\$
			\$		\$	/\$
			\$		\$	/\$
			\$		\$	/\$

THE CERTIFICATE HOLDER IS INCLUDED AS ADDITIONAL INSURED UNDER LIABILITY COVERAGES, BUT ONLY AS RESPECTS OPERATIONS OF THE NAMED INSURED.

THE COMPANY SHALL ENDEAVOR TO PROVIDE 30 DAYS NOTICE OF CANCELLATION

Certificate Number: 1.1

Issued By and Date: SU 9/13/2010

Starr 10201 (6/06)

By

(Authorized Representative)

Smith, Charles
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on July 25, 2001 between Lancair Corp hereinafter called "SUBLESSOR", and Charles 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. First months rent and a security deposit one 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 statutes now in force or which may hereinafter be in force In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner 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 breach 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 relating 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 relating, 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 relating.

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: Hangar known as A12 Brown Field Airport, San Diego, CA 92154

B. Term: Month to Month

C. Security Deposit: one months rent

D. Rent: Payments may be mailed 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: Tenant must get approval for the addition of window covering, security bars, etc.

J. Notices:

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

To: SUBLESSEE: Charles Smith
4251 Acacia Avenue
Bonita, Ca. 91902

To: GUARANTOR: Charles Smith
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 [Signature]
SUBLESSOR

By [Signature]
SUBLESSEE

By [Signature]
GUARANTOR

NATIONAL HANGAR OWNERS ASSOCIATION, INC. and the individual members thereof
Certificate of Coverage and Participation Cert ID 30-5314

Charles H Smith

4291 Acacia Avenue

Bonita CA 91902

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

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

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

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

Space # A-12

Change Notes to Cert:

Airport Name Brown Field

Master Policy coverage is effective from January 1, 2010 12:01 a.m. through January 1, 2011 12:01 a.m.
Your payment was received after January, 2010, therefore the effective date for your policy begins:: 10/13/2010

Basic Coverage:

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

Optional Coverages:

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

Option taken N

Building (\$1,000 deductible)

Limit \$0

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

Limit \$0

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

Limit \$0

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

AGENT:

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

AUTHORIZED REPRESENTATIVE:

Karen Hinn

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

Lanfair, Its Officers, Rep Agents

& The City of San Diego

1424 Continental Street

San Diego CA 92154

Kaul, Doug
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on July 25, 2001 between Lancair Corp. hereinafter called "SUBLESSOR", and South Bay Auto Wreckers and 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. First months rent and a security deposit one 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 statutes now in force or which may hereinafter be in force In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner 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 breach 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: Hangar known as A11 Brown Field Airport, San Diego, CA 92154

B. Term: Month to Month

C. Security Deposit one months rent

D. Rent Payments may be mailed 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: Tenant must get approval for the addition of window covering, security bars, etc

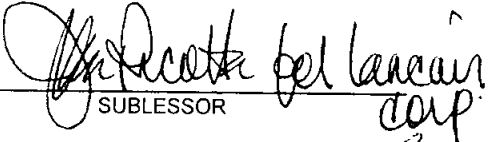
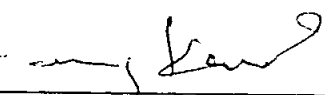
J. Notices:

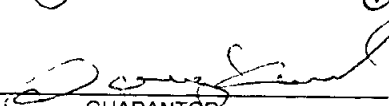
To SUBLESSOR
Lancair Corp
1424 Continental Street
San Diego, CA 92154

To SUBLESSEE
South Bay Auto Wreckers
811 Energy Way
Chula Vista, Ca 91911

To GUARANTOR
Doug Kaul
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 By  SUBLESSEE

By  GUARANTOR



GLOBAL AEROSPACE, INC.

C E R T I F I C A T E O F I N S U R A N C E

THIS CERTIFICATE IS GIVEN AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE ADDRESSEE

May 25, 2010

is to certify to:

The City of San Diego, its elected officials, officers,
representing agents and employees
1424 Central Street
San Diego, CA 92154

that the policies listed below have been issued to the following for the period
indicated by One or More Member Companies of Global Aerospace Pool
through Global Aerospace, Inc:

DOUG KAUL

811 ENERGY WAY
CHULA VISTA, CA 91911

Policy Period: from May 25, 2010 to May 25, 2011

Policy No. 101948

COVERAGE

A. ~~Liability~~
Single Limit Bodily Injury and Property Damage
Liability for passengers

Limits of Liability
\$1,000,000
Each Occurrence

\$100,000
Each Passenger

AIR CRAFT

~~Make and Model of Aircraft~~
CESSNA 441

Identification No.
N5161L

I agree that this respects any written agreement between the Named Insured and the certificate addressee and entered into as a
condition to the use of an airport by the Named Insured:

As respects aircraft:

- Described in the certificate.
 - Which is the subject of the extended insurance provisions of Insuring Agreement V. TEMPORARY USE OF SUBSTITUTE AIRCRAFT.
 - Which is the subject of the extended insurance provisions of Insuring Agreement VII. AUTOMATIC INSURANCE FOR NEWLY ACQUIRED AIRCRAFT.
- for which insurance is afforded by Liability Coverage D - Single Limit Bodily Injury and Property Damage Liability, the definition of
insured includes the certificate addressee, but only with respect to its liability because of acts or omissions of the Named Insured and to
no greater extent than the scope of the insurance afforded by the policy.

Unless otherwise indicated in this policy, the policy shall not apply to any assumption of the liability of the certificate addressee by the
Named Insured for liability injury or property damage caused by an occurrence arising out of any service performed by or on behalf of the
certificate addressee.

In the event the policy is cancelled by the Company, thirty (30) days prior written notice shall be given to the certificate addressee.

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. This certificate does not amend, extend
or otherwise alter the coverages afforded by the policies described herein. Limits may have been reduced by paid claims.

Global Aerospace, Inc. has made provision for prompt notice to the certificate addressee in the event of cancellation of the policies described herein, but except
as otherwise stated in this certificate, Global Aerospace, Inc. assumes no legal responsibility for any failure to do so.

GLOBAL AEROSPACE, INC.

BY:

Luis K. Pardo

Page 1 of 1

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 statutes now in force or which may hereafter be in force. In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner which is detrimental to the businesses of the SUBLESSOR. SUBLESSEE agrees to abide by all rules and regulations as established by Brown Field Airport Management and/or the SUBLESSOR. Failure to comply shall be deemed as a basis for breach by the SUBLESSEE
- 18 **Assignment or Subletting.** SUBLESSEE shall not assign this sublease or any interest therein and shall not sublet the premises or any part thereof or any right or privilege pertinent thereto or suffer any other person, agents and servants of SUBLESSEE excepted, to occupy or use the premises or any portion thereof without first obtaining the written consent of the SUBLESSOR. 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 its own expense, except as agreed to in the Summary Section, be required to relocate to another location provided by the SUBLESSOR at any time required by the SUBLESSOR.

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

24 **Miscellaneous Terms:**

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

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

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

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

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 times 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 Paul Catanzaro 10/24/97
SUBLESSEE DATE

By [Signature] 10-25-97
SUBLESSOR DATE

By Paul Catanzaro 10/24/97
GUARANTOR DATE

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

Certificate of Coverage and Participation

Cert ID 30-4636

Paul Catanzaro

372 Camino Elevado

Bonita CA 91902

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

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

Policy No AP00829110 Liability Coverages written by Old Republic Ins Co

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

Space # A-10

Airport Name Brown Field

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

Basic Coverage:

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

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

Optional Coverages:

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

Option taken N

Building (\$1,000 deductible) Limit \$0

Personal Property All Risk Covers Personal Property in your hangar if signs of FORCIBLE ENTRY
Mysterious disappearance IS NOT COVERED Limit \$0

Loss of Use or Rents Actual Loss of Rent or Use up to Limit \$0

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

AGENT:

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

AUTHORIZED REPRESENTATIVE:

Karyn Hinn

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

Lancair Corp

1424 Continental St

San Diego CA 92154

Tom Frederick
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on March 1, 2004 between Lancair Corp hereinafter called "SUBLESSOR", and Tom Frederick, 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. 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 statutes now in force or which may hereinafter be in force. In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner which is detrimental to the businesses of the SUBLESSOR.
SUBLESSEE agrees to abide by all rules and regulations as established by Brown Field Airport Management and/or the SUBLESSOR. Failure to

comply shall be deemed as a basis for [redacted] 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 its own expense, except as agreed to in the Summary Section, be required to relocate to another location provided

by the SUBLESSOR at any time required by the SUBLESSOR

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

24. **Miscellaneous Terms.**

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

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

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

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

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 March 1, 2004 and continue through December 1, 2006.

C. **Security Deposit** None

D. **Rent** \$213.41 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 aircraft storage

F. **Utilities:** Paid by SUBLESSEE

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 another 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
6851 Curran St
San Diego, CA 92154

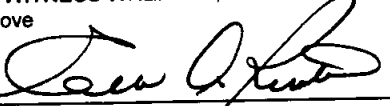
To: SUBLESSEE

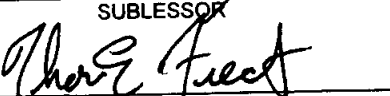
Tom Frederenck
11907 Sunshine Park Court
San Diego, CA 92131

To: GUARANTOR

Tom Frederick
11907 Sunshine Park Court
San Diego, CA 92131

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

By 
SUBLESSOR

By 

By 



Certificate of Insurance

This is to certify to. Lancar, Its Officers, Representatives, Agents & Employees & The City of San Diego, Its Elected Officials,
Representatives, Agents & Employees
whose address is. San Diego Jet Center
1424 Continental Street
San Diego, CA 92154

that: Thomas Frederick & Richard Klunk
whose address is. 102 Batista Court
Palm Desert CA 92211

Is insured with Preferred Aviation Underwriter, for the Limits of Coverage stated below.

Insurance Type	Policy Number(s)	Policy Term	Limits of Coverage	
PREMISES LIABILITY	02-LX-001109333-0/000	10/11/10 -10/11/11	Aggregate \$1,000,000	Each Occurrence \$1,000,000

HANGAR PHYSICAL DAMAGE

Deductible

Deductible

Amount of Insurance:
\$

\$

\$

Applies to: 1424 Continental St., Hgr. A-9, San Diego, CA 92154

Lancar, Its Officers, Representatives, Agents & Employees & The City of San Diego, Its Elected Officials, Representatives, Agents & Employees are named as additional insureds with respect to the operations of the Named Insured. Whom we agree to notify 30 days before date of cancellation, if policy should be cancelled by the insured company.

This certificate of insurance neither affirmatively nor negatively amends, alters or extends the coverage afforded by the above numbered policy

Falcon Insurance Agency, Inc.

Address: P O Box 291388, Kerrville, Texas 78029 - Telephone 800-880-4545 - Fax (830) 792-1144

By

Michael Ettinger

date: October 11, 2010

Charles and Donna Pickett
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on November 21, 2002, between Lanfair Corp hereinafter called "SUBLESSOR", and Charles and Donna Pickett, 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.
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 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 occurrences 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 statutes now in force or which may hereinafter be in force. In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner which is detrimental to the businesses of the SUBLESSOR.

comply shall be deemed as a basis for liability 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 its own expense, except as agreed to in the Summary Section, be required to relocate to another location provided

by the SUBLESSOR at any time required by the SUBLESSOR.

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

24. **Miscellaneous Terms.**

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

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

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

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

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 November 21, 2002 and continue through December 1, 2006.

C. **Security Deposit:** None

D. **Rent:** \$152.95 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 aircraft storage

F. **Utilities:** Paid by SUBLESSEE.

G. **Security Agreement/UCC1:** No changes.

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

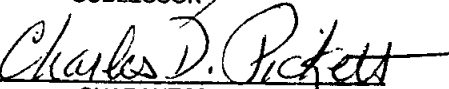
I. **Relocation:** The SUBLESSEE agrees to move the hangar to another site on Brown Field as many times as required by the SUBLESSOR, the first move shall be at the sole expense of the SUBLESSEE. The relocated site shall have paved runway/taxiway access and shall have comparable power and water available 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
6851 Curran St
San Diego, CA 92154
To: SUBLESSEE: Charles and Donna Pickett
To: GUARANTOR: Charles and Donna Pickett

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

Charles 619-479-9732
Donna 760-337-7621
Tanner 760-312-9861



Certificate of Insurance

This is to certify to
whose address is. LANCAIR & THE CITY OF SAN DIEGO IT'S ELECTED
OFFICIALS OFFICERS REPRESENTATIVES
1424 CONTINENTAL STREET
SAN DIEGO, CA 92154

that
whose address is Charles & Donna Pickett
812 Corral Court
Bonita, CA 91902

Is at this date insured with **STARR AVIATION** for the Limits of Coverage stated below.

Descriptive Schedule of Coverages

Kind of Insurance	Policy Number(s)	Expiration Date(s)	Limits of Coverage
AIRCRAFT LIABILITY	9957-5141-02	09/01/11	
Combined Liability Coverage for Bodily Injury and Property Damage			\$1,000,000 per occurrence \$ 100,000 per passenger
Medical coverage			\$ 5,000 each passenger
AIRCRAFT PHYSICAL DAMAGE - ALL RISKS			
	Not In-Motion Deductible \$0	In-Motion Deductible \$0	Amount of Insurance \$110,000

APPLIES TO 1965 BEECH 35, N807T

LANCAIR & THE CITY OF SAN DIEGO IT'S ELECTED
OFFICIALS OFFICERS REPRESENTATIVES is included as an additional insured under the Airport Liability Coverage with respect to
insured's use of the airport premises.

This certificate or verification of insurance is not an insurance policy and does not amend, extend or alter the coverage afforded by the policies listed herein. Notwithstanding any requirement, term or condition of any contract or other document, with respect to which this certificate or verification of insurance may be issued or may pertain, the insurance afforded by the policies described herein is subject to all terms, exclusions and conditions of such policies.

We agree that in the event of cancellation of the policy(ies), we will endeavor to give the party to whom this certificate is issued 30 days advance notice of such cancellation, but we shall not be liable in any way for failure to give such notice.

Falcon Insurance Agency, Inc.

Address P O Box 291388, Kerrville, Texas 78029 - Telephone 830-257-1000 - Fax (830) 792-1144

Tyan Anderlitch

date. August 27, 2010

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 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 statutes now in force or which may hereinafter be in force. In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner which is detrimental to the businesses of the SUBLESSOR. SUBLESSEE agrees to abide by all rules and regulations as established by Brown Field Airport Management and/or the SUBLESSOR. Failure to comply shall be deemed as a basis for breach by the SUBLESSEE.

18 **Assignment or Subletting:** SUBLESSEE shall not assign this sublease or any interest therein and shall not sublet the premises or any part thereof or any right or privilege pertinent thereto or suffer any other person, agents and servants of SUBLESSEE excepted, to occupy or use the premises or any portion thereof without first obtaining the written consent of the SUBLESSOR. 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 its own expense, except as agreed to in the Summary Section, be required to relocate to another location provided by the SUBLESSOR at any time required by the SUBLESSOR.

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

24 **Miscellaneous Terms.**

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

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

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

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

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 times 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 [Signature] 10-24-97
SUBLESSOR DATE

By Lloyd Gray 10/24/97
GUARANTOR DATE

AI

CERTIFICATE OF INSURANCE

THIS CERTIFICATE IS ISSUED TO

Date. 10/05/2009

Lancair Corp
and the County, their elected
officials, representatives,
agents and employees
1424 Continental St
San Diego, CA 92154

Brown Hanger AI

POLICYHOLDER
Lloyd T. Gray
1851 Lahoud Drive
Cardiff, CA 92007-1443

--DESCRIPTIVE SCHEDULE--

ADDITIONAL ASSURED: Sarah Ann Gray

POLICY NUMBER: 990105795921

POLICY PERIOD From: 11/11/2009 To: 11/10/2010
12:00:01 A.M. 11:59:59 P.M. (local time at policyholder's address)

INSURED AIRCRAFT: 56741 1942 AERONCA L3

LIMITS OF LIABILITY. (125301)

LIABILITY – Bodily Injury (Including Occupants) and Property Damage	\$ 100,000 each person
	\$ 1,000,000 property damage
	\$ 1,000,000 each accident

The most current date shown in the top right corner is the most current certificate for this insured property, and replaces all certificates, if any, previously issued under this Policy number or any other Policy number.

This Certificate of Insurance neither affirmatively nor negatively amends, extends or alters the coverage afforded by the Policy. It is issued as a matter of information only and confers no rights upon the certificate holder.

DISTRIBUTION:

Certificate Holder
Policyholder
NC-F1-1253

Avemco Insurance Company

James A. Rousselle

Authorized Representative

Certificate Holder's Copy

Maurice J. Argoud
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on August 01, 2004, between Lancair Corp hereinafter called "SUBLESSOR", and Maurice J Argoud, 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 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 statutes now in force or which may hereinafter be in force. In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner which is detrimental to the businesses of the SUBLESSOR.
SUBLESSEE agrees to abide by all rules and regulations as established by Brown Field Airport Management and/or the SUBLESSOR Failure to

comply shall be deemed as a basis for breach of 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 its own expense, except as agreed to in the Summary Section, be required to relocate to another location provided by the SUBLESSOR at any time required by the SUBLESSOR.

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

24 **Miscellaneous Terms.**

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

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

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

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

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 August 1, 2004 and continue through December 1, 2006.

C. **Security Deposit:** None

D. **Rent:** \$189.81 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 aircraft storage.

F. **Utilities:** Paid by SUBLESSEE.

G. **Security Agreement/UCC1:** No changes.

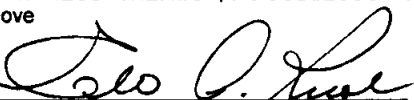
H. **Personal Guarantee:** A personal guarantee is required under this lease.

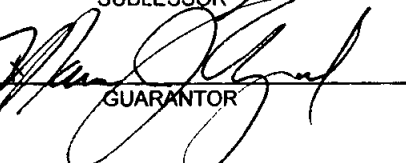
I. **Relocation:** The SUBLESSEE agrees to move the hangar to another site on Brown Field as many times as required by the SUBLESSOR, the first move shall be at the sole expense of the SUBLESSEE. The relocated site shall have paved runway/taxiway access and shall have comparable power and water available 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.

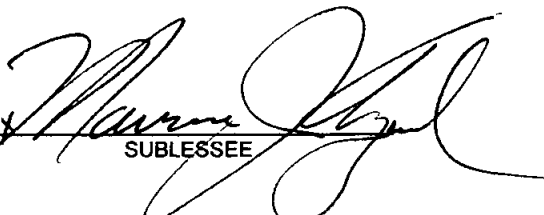
J. **Notices:**

To SUBLESSOR: Lancair Corp
6851 Curran St
San Diego, CA 92154
To SUBLESSEE: Maurice J. Argoud
1346 Sea Coast Drive
Imperial Beach, CA 91932
To GUARANTOR: Maurice J. Argoud

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

Certificate of Insurance

This is to certify to: To Whom It May Concern

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

Named Insured: Maurice Argoud

***Underwriting
Company:*** Specialty Aviation Underwriters

Policy No.: SA-103064-02

Policy Period: 5/20/2010 to 5/20/2011

***Description
of Coverage:*** Airport Liability

Re: 1951 Ryan Navion B, N5444K

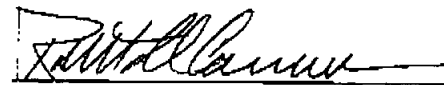
Liability Limit: \$1,000,000.00 Combined Single Limit coverage for Bodily Injury (including limited coverage for persons) and Property Damage.

***Additional
Insured:*** Lancair, its officers, representatives agents and employees
The City of San Diego, its elected officials, officers, representatives, agents
and employees
1424 Continental Street
San Diego, CA 92154

Additional Insured Coverage effective for storage and tie-down of aircraft
referenced above.

Date: October 8, 2010

Cannon Aviation Insurance Inc.



Robert D Cannon
CEO/Chairman

Jonathon Ehly
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on July 1, 1997, between Lancar Corp hereinafter called "SUBLESSOR", and Jonathon Ehly, 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 statutes now in force or which may hereinafter be in force In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner which is detrimental to the businesses of the SUBLESSOR
SUBLESSEE agrees to abide by all rules and regulations as established by Brown Field Airport Management and/or the SUBLESSOR Failure to comply shall be deemed as a basis for breach by the SUBLESSEE

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

19 **Remedies of SUBLESSOR:** In the event of any breach of this sublease by SUBLESSEE, including the violation of any term or condition of the agreement, then SUBLESSOR, besides other rights or remedies it may have, shall have the immediate right of reentry and may remove all persons and property from the premises. SUBLESSOR shall have the sole and absolute right to determine whether or not SUBLESSEE has violated any of the terms and conditions of this lease or the Master Lease. Should SUBLESSOR elect to reenter, as herein provided, or should it take possession pursuant to legal proceedings or pursuant to any notices provided for by law, it may either terminate this sublease or it may relet the premises or any part thereof or 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 its own expense, except as agreed to in the Summary Section, be required to relocate to another location provided by the SUBLESSOR at any time required by the SUBLESSOR.

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

24 **Miscellaneous Terms.**

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

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

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

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

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, 1997 and continue month to month.

C. Security Deposit: None

D. Rent: \$136.00 per month "To adjust per Section 4" 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 SUBLESSEE.

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 another site on Brown Field as many times as required by the SUBLESSOR and at the sole expense of the Sublessee.

J. Notices:

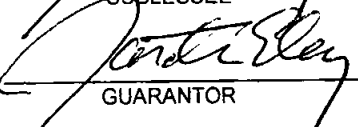
To SUBLESSOR
Lancair Corp
1424 Continental Street
San Diego, CA 92154

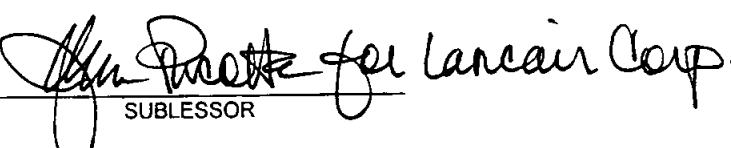
To SUBLESSEE
Jonathon Ehly
3453 Ingrahm Street #106
San Diego, Ca. 92109

To GUARANTOR
Jonathon Ehly C/O Nicolson Co
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 
SUBLESSEE

By 
GUARANTOR

By 
SUBLESSOR

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

Certificate of Coverage and Participation

Cert ID 30-5310

Jonathan Ehly

PO Box 2310

Borrego Springs CA 92004

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

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

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

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

Space # A6

Change Notes to Cert

Airport Name Brown Field

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

Your payment was received after January, 2010, therefore the effective date for your policy begins 10/11/2010

Basic Coverage:

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

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

Optional Coverages:

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

Option taken N

Building (\$1,000 deductible)

Limit \$0

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

Limit \$0

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

Limit \$0

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

AGENT:

Brown and Brown of Colorado, Inc.

1660 S. Albion Street Suite 525

Denver, CO 80222

Phone 303-980-6265

AUTHORIZED REPRESENTATIVE:



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

Lancair, Its Officers, Representa

Employees City of San Diego

1424 Continental Street

San Diego CA 92154

Aaron Hogue
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on Date June 25, 2008 between Lancar Corp. hereinafter called "SUBLESSOR", and Aaron Hogue, 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 statutes now in force or which may hereinafter be in force. In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner 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 breach 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: Hangar C17, Brown Field Airport (West Ramp) San Diego, Ca 92154

B. Term: This lease shall commence on June 25, 2008 and continue month to month

C. Security Deposit Last Month's Rent and Security Deposit (Each in the amount of the Month Rent)

D. Rent \$234.36 per month payable in advance and must be received by the first of each month. Payments may be mailed or delivered to Lancar Corp at 1424 Continental St., San Diego, CA 92154

E. Use Aircraft Storage

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.

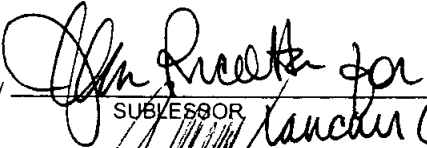
J. Notices:

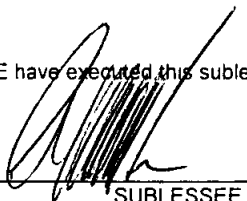
To SUBLESSOR
Lancar Corp
1424 Continental Street
San Diego, CA 92154
Phone 619-671-9222

To SUBLESSEE
Aaron Hogue
PO Box 1138
Paseo Robles, Ca
93447

To GUARANTOR
Aaron Hogue
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 Lancar Corp.

By 
SUBLESSEE

By 
GUARANTOR



GLOBAL AEROSPACE, INC.

C E R T I F I C A T E O F I N S U R A N C E

THIS CERTIFICATE IS GIVEN AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE ADDRESSEE

Date: February 9, 2010

This is to certify to

that the policies listed below have been issued to the following for the period indicated by One or More Member Companies of Global Aerospace Pool through Global Aerospace, Inc.

Lancair, Its elected officials, officers, representatives, agents and employees
1424 Continental Street
San Diego, CA 92154

Hogue Tool and Machine Inc, et al

550 Linne Road
Paso Robles, CA 93446

Brown Field

- 917
- 814

Policy No: 10126945

Policy Period: from February 9, 2010 to February 9, 2011

COVERAGE

Aircraft Liability

Single Limit Bodily Injury and Property Damage
Liability Including Passengers

Limits of Liability

\$1,000,000
Each Occurrence

\$100,000
Each Passenger

Year, Make and Model of Aircraft

1973 CESSNA T210L

Identification No.

N210WZ

It is agreed that:

- 1 As respects Liability Coverage D - Single Limit Bodily Injury and Property Damage Liability, the definition of Insured includes the certificate addressee, but only with respect to his, her, or its liability because of acts or omissions of the Named Insured
- 2 Unless otherwise indicated in the policy, the policy shall not apply to any assumption of the liability of the certificate addressee by the Named Insured for bodily injury or property damage caused by an occurrence arising out of any service performed by or on behalf of the certificate addressee

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. This certificate does not amend, extend or otherwise alter the coverages afforded by the policies described herein. Limits may have been reduced by paid claims.

Global Aerospace, Inc. has made provision for prompt notice to the certificate addressee in the event of cancellation of the policies described herein, but except as otherwise stated in this certificate, Global Aerospace, Inc. assumes no legal responsibility for any failure to do so.

GLOBAL AEROSPACE, INC.

BY:

Lee Anderson
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on May 1, 2005, between Lancair Corp hereinafter called "SUBLESSOR", and Lee Anderson, 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 statutes now in force or which may hereinafter be in force. In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner which is detrimental to the businesses of the SUBLESSOR.
- SUBLESSEE agrees to abide by all rules and regulations as established by Brown Field Airport Management and/or the SUBLESSOR. Failure to

comply shall be deemed as a basis for breach by the SUBLESSEE

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

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

20. **Insolvency:** Either (a) the appointment of a receiver to take possession of all or substantially all of the assets of sublease or (b) a general assignment by SUBLESSEE for the benefit of creditors, or (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 its own expense, except as agreed to in the Summary Section, be required to relocate to another location provided by the SUBLESSOR at any time required by the SUBLESSOR.

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

24. Miscellaneous Terms.

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

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

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

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

SUMMARY SECTION

A. **Description of Premises:** An Open area 1000 square feet to house a hangar in a location or locations to be determined by Lancair Corp.

B. **Term:** This lease shall commence on May 1, 2005 and continue month to month.

C. **Security Deposit:** None.

D. **Rent:** \$175.00 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 aircraft storage.

F. **Utilities:** Paid by SUBLESSEE.

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 another site on Brown Field as many times as required by the SUBLESSOR/

J. Notices:

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

To: SUBLESSEE.
Lee Anderson
813 Cardamom Court.
Chula Vista, CA 91910

To: GUARANTOR:
Lee Anderson
813 Cardamom Court.
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 
GUARANTOR

By 
SUBLESSEE



Certificate of Insurance

This is to certify to Lanczir Corporation
whose address is 1424 Continental Street
San Diego, CA 92154

that Leland R. Anderson Co Trustee
whose address is 1662 Wildflower Circle
Yuba City CA 95993

Is insured with Global Aerospace, for the Limits of Coverage stated below.

Insurance Type	Policy Number(s)	Policy Term	Limits of Coverage	
AIRCRAFT LIABILITY	10129859	05/19/10 -05/19/11	Each passenger Excluded	Each Occurrence \$1,000,000

Combined Liability Coverage for
Bodily injury and property damage

AIRCRAFT PHYSICAL DAMAGE

Not In-Motion Deductible	In-Motion Deductible	Amount of Insurance
\$	\$	\$

Applies to 1959 Piper PA-24-250, N598SP

Lanczir Corporation is named as an additional insured with respect to the operations of the Named Insured. Whom we agree to notify 30 days before date of cancellation, if policy should be cancelled by the insured company.

This certificate of insurance neither affirmatively nor negatively amends, alters or extends the coverage afforded by the above numbered policy.

Falcon Insurance Agency, Inc.

Address P.O. Box 291388, Kerrville, Texas 78029 – Telephone 800-880-4545 – Fax (830) 792-1144

By

Tammy Hall

date, May 19, 2010

California License 0804146

David Isono
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on Date November 1, 2009 between Lancar Corp hereinafter called "SUBLESSOR", and David Isono, 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 statutes now in force or which may hereinafter be in force In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner 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 breach 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: Hangar C13, Brown Field Airport (West Ramp) San Diego, Ca 92154

B. Term: This lease shall commence on November 1, 2009 and continue month to month

C. Security Deposit Last Month's Rent and Security Deposit (Each in the amount of the Month Rent)

D. Rent \$256.68 per month payable in advance and must be received by the first of each month. Payments may be mailed or delivered to Lancair Corp at 1424 Continental St, San Diego, CA 92154

E. Use Aircraft Storage

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:

J. Notices:

To SUBLESSOR
Lancair Corp DBA San Diego Jet Cntr
1424 Continental Street
San Diego, CA 92154 Phone 619-671-9222

To SUBLESSEE
David Isono
8017 N Lincoln Avenue
Skokie, IL 60077 (847) 674-8570

To GUARANTOR
David Isono
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 David Isono
SUBLESSOR

By [Signature] for Lancair Corp.
SUBLESSEE

By David Isono
GUARANTOR



CERTIFICATE OF INSURANCE

This is to certify to

Lancair, its Officers, Representatives, Agents and Employees &

(Certificate Holder)

The City of San Diego, its Elected Officials, Officers,
Representatives, Agents and Employees
1424 Continental Street, San Diego, CA 92154

The following policy(ies)
have been issued to

David Isono
4903 Royal Island Way
San Diego, CA 92154

AIRCRAFT POLICY NO: AV 10340401
THIS COVERAGE IS EFFECTIVE 12:01 AM
INSURANCE COMPANY:

POLICY PERIOD: FROM 03/11/2010 TO 03/11/2011

OLD REPUBLIC INSURANCE COMPANY

LIABILITY COVERAGES:

- ☒ Single Limit Including **Passengers**,
☒ with **Passenger** Liability Limited to

LIMITS OF LIABILITY	
EACH PERSON	EACH OCCURRENCE
\$XXXX	\$1,000,000
\$100,000	\$XXXX

DESCRIPTION OF AIRCRAFT

FAA
NUMBER
N9581G

YEAR
1998

MAKE & MODEL
Cessna 172

PHYSICAL DAMAGE COVERAGE:

INSURED
VALUE
\$80,000
\$
\$
\$

NOT IN-MOTION
\$0
\$
\$
\$

ALL RISKS GROUND AND IN-FLIGHT

DEDUCTIBLES
IN-MOTION
\$200
\$
\$
\$

- ☐ As respects any Aircraft Owned and Operated by the Named Insured and covered under the above referenced Policy

THIS CERTIFICATE HOLDER IS:

- ☐ Included as a Loss Payee for Aircraft Physical Damage Coverage
☐ Breach of Warranty Coverage on Aircraft Physical Damage as their interest may appear not to exceed 90% of the Insured Value
☐ Included as an Additional Insured on Aircraft Liability Coverage but only with respect to hangaring and tie-down of insured aircraft

- ☐ Provided a Waiver of Subrogation on Aircraft Physical Damage Coverage, but only

OTHER COVERAGES/CONDITIONS/REMARKS:

Policy Territory: United States of America, Canada, Mexico and as may be endorsed.

Provision has been made to give the Certificate Holder thirty (30) days Notice of Cancellation - ten (10) days for nonpayment of premium of any policy above, however, the Company assumes no responsibility for the failure to provide such notice. This Certificate of Insurance neither affirmatively nor negatively amends, extends, nor alters the coverage afforded by the policy(ies) numbered in this certificate

Agency Name	Aviation Marine Insurance Services	Phoenix Aviation Representative:
Agency Phone	510-530-4415	

Date: October 11, 2010

Hal Arnold
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on March 1, 2010 between Lancair Corp hereinafter called "SUBLESSOR", and Hal Arnold, 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 months rent and a security deposit one 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 statutes now in force or which may hereinafter be in force. In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner 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 breach 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: An open area approx 1000 sf. To house a hangar (C12) in location determined by Lancair Corp.

B. Term: Commencing 3/1/2010 and Month to Month thereafter

C. Security Deposit: one months rent

D. Rent: Payments may be mailed 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: Tenant must get approval for the addition of window covering, security bars, etc.

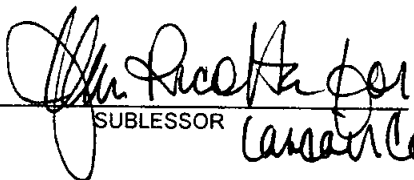
J. Notices:

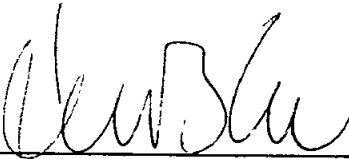
To: SUBLESSOR. Lancair Corp
 1424 Continental Street
 San Diego, CA 92154

To SUBLESSEE. Hal Arnold (619-220-0281) (805-377-0584)
 2606 Myrtle
 San Diego, Ca 92104

To GUARANTOR: Hal Arnold
 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



CERTIFICATE OF LIABILITY INSURANCE

OP ID LA

DATE (MM/DD/YYYY)

10/08/10

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Butler-Brown Insurance 309 High Ave E, P.O. Box 410 Oskaloosa IA 52577 Phone: 641-673-8603 Fax: 641-673-9853	CONTACT NAME PHONE (A/C, No, Ext) FAX (A/C, No) E-MAIL ADDRESS PRODUCER CUSTOMER ID # ARNOHA1	
	INSURER(S) AFFORDING COVERAGE INSURER A U S SPECIALTY INSURANCE CO INSURER B INSURER C INSURER D INSURER E INSURER F	

COVERAGES

CERTIFICATE NUMBER.

REVISION NUMBER.

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.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	GENERAL LIABILITY ☐ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS MADE ☐ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER ☐ POLICY ☐ PROJ. ☐ LOC						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ☐ NON-OWNED AUTOS ☒ Aircraft Liab			SA00140370-07	04/07/10	04/07/11	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ *100,000 BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ \$
	UMBRELLA LIAB ☐ OCCUR EXCESS LIAB ☐ CLAIMS-MADE DEDUCTIBLE RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						WC STATUTORY LIMITS OTHER E L EACH ACCIDENT \$ E L DISEASE - EA EMPLOYEE \$ E L DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

1947 Aeronca 11AC, N9727E; Lancair, LLC (as hangar lessor) it's officers, representatives, agents and employees and the City of San Diego, it's elected officials, officers, representatives, agents and employees are included as an Additional Insured, but solely with respect to the operations of the Named Insured. *bodily injury per passenger is included in CSI

CERTIFICATE HOLDER

CANCELLATION

Lancair, LLC 1424 Continental St San Diego CA 92154	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE

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Barry Eugene Berendt
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on October 1, 2005, between Lancair Corp hereinafter called "SUBLESSOR", and Barry Eugene Berendt, 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 statutes now in force or which may hereinafter be in force. In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner which is detrimental to the businesses of the SUBLESSOR. SUBLESSEE agrees to abide by all rules and regulations as established by Brown Field Airport Management and/or the SUBLESSOR. Failure to

comply shall be deemed as a basis for breach by 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 its own expense, except as agreed to in the Summary Section, be required to relocate to another location provided by the SUBLESSOR at any time required by the SUBLESSOR.

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

24. **Miscellaneous Terms.**

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

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

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

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

SUMMARY SECTION

A. **Description of Premises:** An Open area 1000 square feet to house a hangar in a location or locations to be determined by Lancair Corp

B. **Term:** This lease shall commence on October 1, 2005 and continue month to month

C. **Security Deposit:** None

D. **Rent:** \$180 78 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, 1424 Continental St., San Diego, CA 92154.

E. **Use:** For aircraft storage

F. **Utilities:** Paid by SUBLESSEE

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 another site on Brown Field as many times as required by the SUBLESSOR/

J. **Notices:**

To SUBLESSOR: Lancair Corp
6851 Curran St
San Diego, CA 92154
To SUBLESSEE: Barry Eugene Berendt
2544 Bonita Street
Lemon Grove, CA 91945
To GUARANTOR: Barry Eugene Berendt

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

CERTIFICATE OF INSURANCE

This is to certify to
(Certificate Holder)

Lancair Corp.
1424 Continental Street
San Diego, CA 92154

The following policy(ies)
have been issued to

Berry Berendt
2544 Bonita Street
Lemon Grove, CA 91945-3104

Brown Hangar Tenant

AIRCRAFT POLICY NO:
INSURANCE COMPANY:

AV10327701

POLICY PERIOD: FROM: 02-22-2010
OLD REPUBLIC INSURANCE COMPANY

TO: 02-22-2011

LIABILITY COVERAGES

- ☐ **Bodily Injury**
☐ **Property Damage**
☐ **Passenger Bodily Injury**
☒ **Single Limit Including Passengers,**
☒ **with Passenger Liability Limited to:**

LIMITS OF LIABILITY

EACH PERSON

\$
\$ XXXX
\$
\$ XXXX
\$100,000.

EACH OCCURRENCE

\$
\$
\$
\$1,000,000
\$ XXXX

DESCRIPTION OF AIRCRAFT

FAA
NUMBER **YEAR** **MAKE & MODEL**
N8883N 1969 Piper PA-28-140

PHYSICAL DAMAGE COVERAGE:

INSURED
VALUE
\$55,000
\$

NOT IN-MOTION
\$0.
\$

ALL RISKS GROUND AND IN-FLIGHT

DEDUCTIBLES
IN-MOTION
\$200
\$

- ☐ As respects any Aircraft Owned and Operated by the Named Insured and covered under the above referenced Policy

AIRPORT POLICY NO:
INSURANCE COMPANY:

POLICY PERIOD: FROM:
OLD REPUBLIC INSURANCE COMPANY

TO

LIABILITY COVERAGES:

- ☐ **Comprehensive General Liability**
☐ **Completed Operations / Products Liability**

☐ **Not Applicable**

☐ **Hangarkeepers Liability**
☐ **Premises Medical Payments**
Deductibles Hangarkeeper's Liability
 Premises Liability

LIMITS OF LIABILITY

\$ each person
\$ each person
\$ each person
\$ each aircraft
\$ each person
\$ each loss
\$ each claim with respect to **Property Damage**

\$ each occurrence *
\$ each occurrence *
\$ property damage *
\$ each occurrence *
\$ property damage *
\$ each loss
\$ each accident

* Refer to the Policy, an Annual Aggregate limit may apply to some coverages.

This Certificate Holder is:

- ☐ Included as a Loss Payee for Aircraft Physical Damage Coverage.
☐ Provided Breach of Warranty Coverage on Aircraft Physical Damage Coverage not to exceed 90% of the Insured Value.
☒ Is included as an Additional Insured, but only with respect to operations of the Named Insured.
☐ Is provided a Waiver of Subrogation, but only as respects Aircraft Physical Damage Coverage.

OTHER COVERAGES/CONDITIONS/REMARKS:

Provision has been made to give the Certificate Holder prompt notice of cancellation of any policy above, however, the Company assumes no responsibility for the failure to provide such notice. This Certificate does not change in any way the actual coverages provided by the policy(ies) specified above.

Agency Name: Travers & Associates
Agency Phone: 314 963-9080

Phoenix Aviation Representative:

[Signature]

Date: 2/26/2010

Steve D. Buchholz
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on March 1, 2003, between Lanfair Corp hereinafter called "SUBLESSOR", and Steve D. Buchholz, 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. 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 statutes now in force or which may hereinafter be in force. In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner which is detrimental to the businesses of the SUBLESSOR. SUBLESSEE agrees to abide by all rules and regulations as established by Brown Field Airport Management and/or the SUBLESSOR. Failure to

comply shall be deemed as a basis for breach of 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 its own expense, except as agreed to in the Summary Section, be required to relocate to another location provided

by the SUBLESSOR at any time required by the SUBLESSOR.

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

24. **Miscellaneous Terms.**

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

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

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

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

SUMMARY SECTION

A. **Description of Premises:** An Open area 1000 square feet to house a hangar in a location or locations to be determined by Lancair Corp.

B. **Term:** This lease shall commence on March 1, 2003 and continue month to month.

C. **Security Deposit:** None

D. **Rent:** \$150.00 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 aircraft storage.

F. **Utilities:** Paid by SUBLESSEE.

G. **Security Agreement/UCC1:** No changes.

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

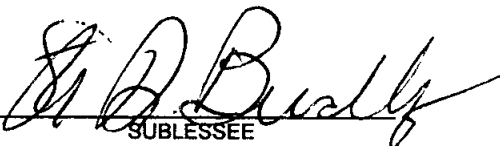
I. **Relocation:** The SUBLESSEE agrees to move the hangar to another site on Brown Field as many times as required by the SUBLESSOR/

J. **Notices:**

To: SUBLESSOR: Lancair Corp
6851 Curran St
San Diego, CA 92154
To SUBLESSEE: Steve D Buchholz
P O Box 8002
Chula Vista, CA 91912
To GUARANTOR: Steve D. Buchholz
P O Box 8002
Chula Vista, CA 91912

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



AOPA Insurance Agency, Inc.

P.O. Box 9170
Wichita, KS 67277
(800) 622-AOPA (2672)
KS (316) 942-2223
Fax (316) 942-0091

AIRCRAFT CERTIFICATE OF INSURANCE

Date: 11/20/2009

This certificate is issued to

Lancair Corporation, It's elect officials, officers,
reps, agents and employees
1424 Continental St.
San Diego, CA 92154

Descriptive Schedule

Named Insured and Address:

Steve D Buchholz
PO BOX 8002
CHULA VISTA, CA 91912-8002

Brown tenant

Company Chartis Aerospace Insurance Services, Inc.
Policy Number LP6330746
Effective Date 12/23/2009
Expiration Date 12/23/2010
Aircraft Covered N86270 1946 AERONCA 11AC

COVERAGES

LIMITS OF LIABILITY

**Single Limit Bodily Injury &
Property Damage Liability**

Each Occurrence \$1,000,000
Including Passenger Sub-Limit each passenger \$100,000

The entity shown above is included under Aircraft Liability Coverage as an Additional Insured but only to the extent of liability arising out of the Named Insured's ownership, maintenance or use of the Covered Aircraft.

Notice is hereby given that AOPA Insurance Agency is not the insurer hereunder and shall not be held liable for any loss or damage nor for failure to provide Notice of Coverage Cancellation.

The above coverages are subject to all policy terms, conditions and exclusions.

Approved By:

Brenda G. Jennings

California License # 0B18071

CERTINS CERTIFICATE LBRETTCHES

This fax was sent by AOPA Insurance Agency

Armond Brattland **SUBLEASE AGREEMENT**

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on May 1, 2003, between Lancair Corp hereinafter called "SUBLESSOR", and Armond Brattland, 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. 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 statutes now in force or which may hereinafter be in force. In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner which is detrimental to the businesses of the SUBLESSOR.
- SUBLESSEE agrees to abide by all rules and regulations as established by Brown Field Airport Management and/or the SUBLESSOR. Failure to

comply shall be deemed as a basis for breach of 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 its own expense, except as agreed to in the Summary Section, be required to relocate to another location provided

by the SUBLESSOR at any time required by the SUBLESSOR.

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

24. **Miscellaneous Terms.**

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

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

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

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

SUMMARY SECTION

A. **Description of Premises:** An Open area 1000 square feet to house a hangar in a location or locations to be determined by Lancair Corp.

B. **Term:** This lease shall commence on May 1, 2003 and continue month to month.

C. **Security Deposit:** None

D. **Rent:** \$154.20 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 aircraft storage.

F. **Utilities:** Paid by SUBLESSEE.

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 another site on Brown Field as many times as required by the SUBLESSOR/

J. **Notices:**

To SUBLESSOR.

Lancair Corp
6851 Curran St
San Diego, CA 92154

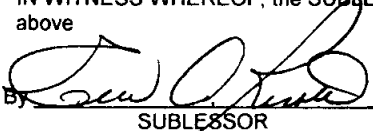
To SUBLESSEE

Armond Brattland
79 Jicama Way
Chula Vista, CA 91911

To GUARANTOR

Armond Brattland
79 Jicama 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 
SUBLESSOR

By 
GUARANTOR

By 
SUBLESSEE

CERTIFICATE OF INSURANCE

THIS CERTIFICATE IS ISSUED TO:

Date: 06/09/2010

Lancair & the City of San
Diego, Their elected officials
officers, representatives,
agents and employees
1424 Continental Street
San Diego, CA 92154

Brown

--DESCRIPTIVE SCHEDULE--

POLICYHOLDER:

Armond D. Brattland
79 Jicama Way
Chula Vista, CA 91911-5125

POLICY NUMBER: 990103445611

POLICY
PERIOD

From: 06/14/2010

To: 06/13/2011

12:00:01 A.M.

11:59:59 P.M.

(local time at policyholder's address)

INSURED AIRCRAFT: 25AB

1999 MAULE AIR INC MXT-7-180A

COVERAGES AND LIMITS OF LIABILITY WITH RESPECT
TO PREMISES LIABILITY PROVIDED BY THIS POLICY:
(127301)

LIABILITY – Bodily Injury
and Property Damage

\$ 100,000 each person

\$ 1,000,000 property damage

\$ 1,000,000 each accident

The most current date shown in the top right corner is the most current certificate for this Policy and replaces all certificates, if any, previously issued under this Policy number or any other Policy number with respect to premises liability under Endorsement 127301.

This Certificate of Insurance neither affirmatively nor negatively amends, extends or alters the coverage afforded by the Policy. It is issued as a matter of information only and confers no rights upon the certificate holder.

DISTRIBUTION:

Certificate Holder
Policyholder
NC-F1-1273

Avemco Insurance Company

James A. Lawrence

Authorized Representative

Certificate Holder's Copy

Theodore Barlam
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on May 1, 2007, between Lancar Corp hereinafter called "SUBLESSOR", and Theodore Barlam, 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 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. *Lancar recognizes existing concrete on hangar floor. If hangar ever moved tenant to*
 - 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. *at all times*
 - 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 statutes now in force or which may hereinafter be in force. In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner which is detrimental to the businesses of the SUBLESSOR.
- SUBLESSEE agrees to abide by all rules and regulations as established by Brown Field Airport Management and/or the SUBLESSOR. Failure to

comply shall be deemed as a basis for breach by the SUBLESSEE.

18 **Assignment or Subletting** SUBLESSEE shall not assign this sublease or any interest therein and shall not sublet the premises or any part thereof or any right or privilege pertinent thereto or suffer any other person, agents and servants of SUBLESSEE excepted, to occupy or use the premises or any portion thereof without first obtaining the written consent of the SUBLESSOR and the City of San Diego. A consent to one entity or person shall not infer consent to

any other person or entity. This sublease shall not, nor shall any interest therein, be assignable as to the interest of SUBLESSEE by operation of law without the written consent of SUBLESSOR and the City of San Diego.

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

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

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

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

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

23 **Additional Provisions:**

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

by the SUBLESSOR at any time required by the SUBLESSOR.

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

24 **Miscellaneous Terms.**

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

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

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

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

SUMMARY SECTION

A. Description of Premises: An Open area approximately 1000 square feet to house a hangar in a location or locations to be determined by Lancair Corp.

B. Term: This lease shall commence on May 1, 2007 and continue month to month.

C. Security Deposit: First, last and 1 month Security Deposit.

D. Rent: \$212.04 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 SUBLESSEE.

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 another site on Brown Field as many times as required by the SUBLESSOR/

J. Notices:

To SUBLESSOR
Lancair Corp
1424 Continental St
San Diego, CA 92154

To SUBLESSEE
Theodore Barlam (858) 212-2715
13185 ~~Tree Crest Street~~ **TREECREST STREET**
Poway, Ca 92064

To GUARANTOR
Theodore Barlam

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

By Theodore P. Barlam

Thomas Ricotta LANCAIR CORP.

SUBLESSOR

By _____

By _____



PORT-A-PORT HANGAR OWNER'S INSURANCE PROGRAM

Certificate of Coverage and Participation

Insured's Name and Address

Theodore Philip Barlam
13185 Treecrest St
Poway, CA 92064-2983

The coverages described below are included as part of the following master policies covering the Port-a-Port Hangar Owner's Association

PROPERTY COVERAGES:

Policy No MXI-98473397 written by Allianz Global Corporate

LIABILITY COVERAGES:

Policy No AP00432322 written by Old Republic Ins Co

Coverage is afforded on behalf of the Port-a-Port Hangar Owner's Association and the above named individual insured as part of the above listed master policies. Coverage is in place on the specified Port-a-Port hangar for the policy period, coverages and limits as described below. Such insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies.

Serial No/Space	Hangar Value	Located at	State
3590 / Sp #C7	\$20,000	Brown Field Municipal Airport (SDM), San Diego	CA

Coverage is effective from September 30, 2010 12:01a m through February 1, 2011 12:01a m

Basic Coverages

AIRPORT PREMISES LIABILITY	Covers Owners, Landlords and Tenants Liability	LIMIT	\$1,000,000 each occurrence
PHYSICAL DAMAGE	ALL RISKS including limited flood coverage in the amount of \$10,000 per hangar with a \$1,000 deductible. Subject to exclusions which include but are not limited to Earthquake, War, Government Confiscations, Wear and Tear	LIMIT	\$20,000 Subject to \$500 deductible

Optional Coverages (Coverage is included ONLY IF a limit is indicated)

HANGARKEEPERS LEGAL LIABILITY	For those who lease hangars or portions of hangars to others. Protects hangar owner from subrogation for damage to tenant's aircraft or other property	LIMIT	Not Covered
LOSS OF USE OR RENTS	Actual Loss of Rents or Use up to \$2,000. For those who want their rents to continue if insured hangar is destroyed	LIMIT	Not Covered
PERSONAL PROPERTY	All Risk. Covers Personal Property in your hangar if signs of FORCIBLE ENTRY. Mysterious disappearance IS NOT COVERED	LIMIT	Not Covered

Additional Insured (The party or parties shown, if any, are listed on the Master Policies as Additional Insureds)

Lancair, its elected officials, officers, representatives, agents & employees & the City of San Diego, its elected officials, officers, representatives, agents & employees are Additional Insureds as respects this hangar

Certificate Holders (Copies of this certificate have been provided to all listed holders, if any)

Lancair Corporation
Attn: Ellen Riccotta - Office Mgr
1424 Continental St
San Diego, CA 92154- 5717

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER(S) NAMED ABOVE

AGENT
LOCKTON COMPANIES, LLC
8110 East Union Avenue, Suite 700
Denver, CO 80237
303-414-6050
CA Lic #0F15767

AUTHORIZED REPRESENTATIVE

Mary E. Bode

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 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 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 statutes now in force or which may hereinafter be in force. In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner which is detrimental to the businesses of the SUBLESSOR.

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

18 Assignment or Subletting. SUBLESSOR 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 its own expense, except as agreed to in the Summary Section, be required to relocate to another location provided by the SUBLESSOR at any time required by the SUBLESSOR.
(ii) Security Agreement/UCC1: SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing, listing their hangar(s), as collateral for the lease except as otherwise agreed to in the Summary Section. Even if a security agreement or UCC1 is not filed, the assets will be considered collateral for the lease unless otherwise agreed to in the summary section.

24 Miscellaneous Terms

(i) Notices Any notice, statement, demand or other communication by one party to the other, shall be given by personal delivery or by mailing the same, postage prepaid, addressed to the 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 times 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 [Signature] 4/23/97
SUBLESSOR DATE

By [Signature] 4/23/97 assigned, BB
SUBLESSEE DATE

By [Signature] 4/23/97 New Guarantor BB
GUARANTOR DATE

Assignment Authorized by:

Sublessor [Signature] 7-600

Sublessee [Signature]

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

Certificate of Coverage and Participation

Cert ID 30-4664

C/O Barry Brocato
Scott Achelis

257 Castle Hill Ranch Rd
Walnut Creek CA 94595-2738

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

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

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

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

Space # 4/8

Change Notes to Cert

Airport Name. Brown Field

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

Basic Coverage:

Airports Premises Liability. Covers Owners, Landlords and Tenants

Limit \$1,000,000 each occurrence

Medical Expense (any one person)

Limit \$2,000

Optional Coverages:

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

Option taken N

Building (\$1,000 deductible)

Limit \$0

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

Limit \$0

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

Limit \$0

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

AGENT:

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

AUTHORIZED REPRESENTATIVE:

Kerry Hinn

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

Lancair Corp

1424 Continental Street

San Diego CA 92154

Dodds, Kimball
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on July 25 2001 between Lancal Corp hereinafter called "SUBLESSOR", and Kimball Dodds, 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 Premises:** 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 statutes now in force or which may hereinafter be in force. In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner which is detrimental to the businesses of the SUBLESSOR. SUBLESSEE agrees to abide by all rules and regulations as established by Brown Field Airport Management and/or the SUBLESSOR. Failure to comply shall be deemed as a basis for breach by the SUBLESSEE.

- 18 **Assignment or Subletting:** SUBLESSEE shall not assign this sublease or any interest therein and shall not sublet the premises or any part thereof or any right or privilege pertinent thereto or suffer any other person, agents and servants of SUBLESSEE excepted, to occupy or use the premises or

any portion thereof without first obtaining the written consent of the SUBLESSOR and the City of San Diego. A consent to one entity or person shall not infer consent to any other person or entity. This sublease shall not, nor shall any interest therein, be assignable as to the interest of SUBLESSEE by operation of law without the written consent of SUBLESSOR and the City of San Diego.

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

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

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

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

23. **Additional Provisions:**

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

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

24. **Miscellaneous Terms:**

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

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

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

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

SUMMARY SECTION

A. Description of Premises: An Open area to house a hangar known as #C5 in a location or locations to be determined by Lancair Corp.

B. Term: This lease shall commence on July 25, 2001 and continue month to month.

C. Security Deposit: First, last and a one month security deposit.

D. Rent: \$256.68 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 SUBLESSEE.

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 another site on Brown Field as many times as required by the SUBLESSOR.

J. Notices:

To SUBLESSOR
Lancair Corp
1424 Continental St.
San Diego CA 92154

To SUBLESSEE
Kimball Dodds
153 Calle Avenue
Imperial Beach, Ca. 91932

To GUARANTOR
Kimball Dodds
(same address as noted above)

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

By

SUBLESSEE

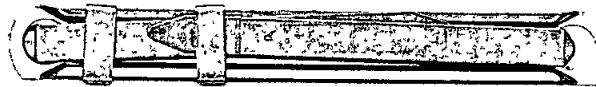
By

GUARANTOR

By

SUBLESSOR

OCT. 05, 2010



AIG AVIATION

CERTIFICATE OF INSURANCE

THIS IS TO CERTIFY TO: LANCAIR IT ELECTED OFCLS, OFCRS REP
AGTS & EMPL, CITY OF SAN DIEGO, 1424 CONTINENTAL STREET
SAN DIEGO, CA 92154

THAT THE FOLLOWING POLICY/IES OF INSURANCE HAVE BEEN ISSUED TO:

KIMBALL DODDS
153 CALLA AVE *Brown*
IMPERIAL BEACH, CA 91932, USA

POLICY NO. LA 0239268-04

POLICY PERIOD From January 1, 2010

to January 1, 2011

INSURANCE COMPANY NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

Coverage only applies as indicated by a specific limit and deductible.

Limits of Liability

- A **Aircraft Liability** Single Limit for **Bodily Injury** and **Property Damage** In cluding **Passengers**, but **Passenger Bodily Injury** Limited within the Single Limit to \$ 1,000,000 each **occurrence**
- B. **Medical Expense** In cluding crew \$ 100,000 each **passenger**
- C **Physical Damage to Your Aircraft** \$ 3,000 each **passenger**

ID Number	Year	Make and Model	Agreed Value	Deductibles		
				Not-in-Motion	Not-in-Flight	Flight
N261BG	1987	STODDARD GLASAIR I/II RG	\$ 50,000.	\$ 100	\$ 100	\$ 100
			\$	\$	\$	\$
			\$	\$	\$	\$
			\$	\$	\$	\$
			\$	\$	\$	\$
			\$	\$	\$	\$
			\$	\$	\$	\$

THIS CERTIFICATE HOLDER IS:

1. included as additional insured as respects liability coverage but coverage only applies after all other coverage available to the additional insured has been exhausted,
2. included as additional insured as respects liability coverage but coverage only applies with respect to the vicarious responsibility of the additional insured for the operation of the aircraft by the Named Insured, including any interest in the aircraft as owner/lessor,
3. included as additional insured as respects liability coverage but coverage does not apply to any occurrence arising from the design, manufacture, modification, repair, sale, or servicing of insured aircraft other than ground handling.

30 days notice of cancellation

Coverage is subject to Aviation Date Recognition Endorsement Form No. 71223.

The **Aviation Managers** have made provision to give the certificate holder prompt notice of cancellation of any policy above. But, the **Aviation Managers** assume no responsibility for failure to provide such notice. This certificate does not change in any way the actual coverages provided by the policy/ies specified above.

Certificate No. 11148134-11

Date of Issue January 7, 2010

By

[Signature]
(Authorized Representative)

LAD30B (3/00)

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 1962-84 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 shall hold SUBLESSOR harmless and indemnify the SUBLESSOR from all liability, loss, cost

20. **Insolvency.** Either (a) the appointment of a receiver to take possession of all or substantially all of the assets of the 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 times 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

expired 6/5/2011

ADDITIONAL INSURED ENDORSEMENT

In consideration of an additional premium of \$ _____ (Included) , the following are included as additional insured in this policy with respect to the liability coverage afforded by this policy and is subject to the following:

As respects N195WB

(Only the clause(s) indicated by an "X" shall apply.)

- ☒ Excess Liability - Coverage only applies after all other coverage available to the additional insured has been exhausted
- ☒ Non-operational - Coverage only applies with respect to the vicarious responsibility of the additional insured for operation of the **aircraft** by the Named **Insured**, including any interest in the **aircraft** as owner/lessor.
- ☐ Flight Instruction - Coverage only applies while instructing, supervising, evaluating or examining the following pilot who must also meet the requirements of the Pilots Endorsement:

- ☐ Hangarkeepers - Coverage only applies with respect to the storage of **your aircraft**.
- ☒ Workmanship Exclusion - Coverage does not apply to any **occurrence** arising from the design, manufacture, modification, repair, sale, or servicing of **your aircraft** other than ground handling.

Additional Insured:

LANCAIR, ITS ELECTED OFFICIALS,
OFFICERS, REPS, AGENTS, EMPLOYEES, 6851 CURRANT STREET
SAN DIEGO, CA 92154

All other provisions of this policy remain the same.

This endorsement becomes effective June 5, 2010 to be attached to and hereby made a part of
Policy No. LA 000235581-05 issued to JOHN NANCE

By NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

Endorsement No. 10

Date of Issue June 10, 2010

LAD26 (9/99)

By


(Authorized Representative)

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 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 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 additional insured. Said policy shall specify that the policy may not be terminated, altered or canceled without prior written notice to the SUBLESSOR and the City of San Diego by the insurance company.

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

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

18 **Assignment or Subletting:** ESSEE shall not assign this sublease or any interest therein a. All 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 times 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

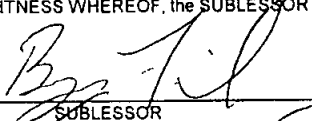
H. Security Agreement/UCC1: No changes.

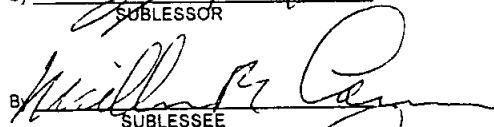
I. Personal Guarantee: A personal guarantee is required under this lease

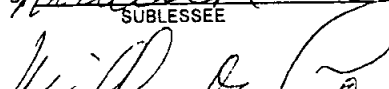
J. Notices:

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



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

Certificate of Coverage and Participation

Cert ID 30-4627

William B Cannon

9500 Harritt Road #157

Lakeside CA 92040

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

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

Policy No AP00829110 Liability Coverages written by Old Republic Ins Co

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

Space # C-1

Change Notes to Cert

Airport Name Brownfield

Master Policy coverage is effective from January 1, 2010 12.01 a.m. through January 1, 2011 12.01 a.m.

Basic Coverage:

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

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

Optional Coverages:

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

Option taken N

Building (\$1,000 deductible)

Limit \$0

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

Limit \$0

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

Limit \$0

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

AGENT

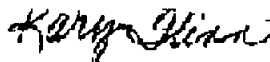
Brown and Brown of Colorado, Inc

1660 S Albron Street Suite 525

Denver, CO 80222

Phone 303-980-6265

AUTHORIZED REPRESENTATIVE:



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

City of San Diego

Lancair Corp

202 C Street

1424 Continental St

San Diego CA 92101

San Diego CA 92154

Gaughan Flying, LLC
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on December 20, 2004 between Lancar Corp. hereinafter called "SUBLESSOR", and Gaughan Flying, LLC, 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 months rent and a security deposit one 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 Premises: 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 Damages: 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 statutes now in force or which may hereafter 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 breach 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

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: Hangar known as B30-B Brown Field Airport, San Diego, CA 92154

B. Term: Month to Month

C. Security Deposit: one months rent

D. Rent: Payments may be mailed 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: Tenant must get approval for the addition of window covering, security bars, etc.

J. Notices:

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

To SUBLESSEE: Gaughan Flying, LLC
8005 Las Vegas Blvd South
Las Vegas, NV 89119

To GUARANTOR: Gaughan Flying, LLC
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 [Signature] for Lancair Corp. By [Signature]
SUBLESSOR SUBLESSEE

By [Signature]
GUARANTOR

USAIG Certificate of Insurance

This is to certify to: San Diego Jet Center
whose address is: 1424 Continental Street
San Diego, California 92154
that: Gaughan Flying, LLC, Gaughan South, LLC dba: South Point Hotel Casino & Spa
whose address is: c/o Conway, Stuart & Woodbury
4021 Meadows Lane
Las Vegas, Nevada 89107

is at this date insured with the Several Participating Companies of the United States Aircraft Insurance Group, for the Limits of Coverage stated below, at the following locations: Worldwide

Descriptive Schedule of Coverages		1996 Canadair Challenger CL-600-2B19, N711WM		
Kind of Insurance	Policy Number	Policy Term	Limits of Coverage	
AIRCRAFT LIABILITY Combined Liability Coverage for bodily injury and property damage	SIHL 1-5280	06/30/2010 - 06/30/2011	Each Person	Each Occurrence \$ 100,000,000
Coverage includes "War, Hi-jacking and Other Perils Exclusion Clause Limited Write-Back Provisions Aggregate Endorsement (Applicable to Your Liability Coverage and Your Medical Coverage)"			\$ 50,000,000 Aggregate	

AIRCRAFT PHYSICAL DAMAGE - ALL RISKS

	Not In-Motion Deductible	In-Motion Deductible	Amount of Insurance
	\$	\$	\$
AIRPORT LIABILITY Combined Liability Coverage for bodily injury and property damage		Each Aircraft	Each Occurrence \$
Hangarkeeper's Liability		\$	\$
Property Damage Deductible			\$

1. The "Who's covered" section of your policy, under "Your Liability Coverage," shall include San Diego Jet Center, but only for claims of bodily injury, mental anguish or property damage while the insured aircraft is being operated by, for, or with the permission of the "Policyholder."
2. We won't cover San Diego Jet Center, for claims arising out of their liability as a manufacturer, seller, handler, distributor or service facility of any product or service sold, handled, distributed or provided.

This certificate or verification of insurance is not an insurance policy and does not amend, extend or alter the coverage afforded by the policies listed herein. Notwithstanding any requirement, term or condition of any contract or other document, with respect to which this certificate or verification of insurance may be issued or may pertain, the insurance afforded by the policies described herein is subject to all terms, exclusions and conditions of such policies.

The *Aviation Managers* of the USAIG (United States Aircraft Insurance Group) agree that in the event of cancellation of the policy(ies), they will endeavor to give the party to whom this certificate is issued 30 days advance notice of such cancellation, but the *Aviation Managers* shall not be liable in any way for failure to give such notice.

UNITED STATES AVIATION UNDERWRITERS, INC., *Aviation Managers*

Address: 550 South Hope Street, Suite 710, Los Angeles, California 90071

By


David L. McKay, President

date: June 22, 2010
Cert No. 6

Edward Szostek
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on December 1, 2006 between Lancair Corp. hereinafter called "SUBLESSOR", and Edward Szostek, hereinafter called "SUBLESSEE". It is agreed between the parties hereto as follows.

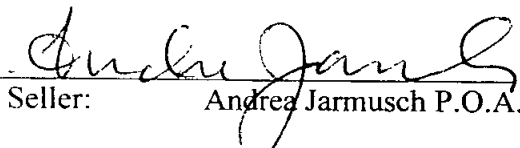
1. **Description of Premises:** SUBLESSOR leases to SUBLESSEE, on the terms and conditions hereinafter set forth those certain premises, hereinafter referred to as the "premises, as described in the Summary Section
2. **Term:** The term of this Sublease shall be as set forth in the Summary Section until 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 statutes now in force or which may hereinafter be in force. In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner 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 breach 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

*****Bill Of Sale*****

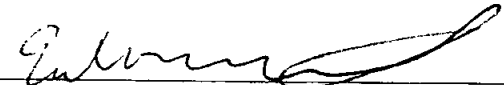
November 12, 2006

I, Andrea Jarmusch, power of attorney for William "Bill" J. De Graffenreid do hereby agree to sell hangar #30, at Brown Field "AS IS" to _____ for \$15,000.00. With a \$1,000.00 down payment received on November 12, 2006. The remaining balance of \$14,000.00 as a final payment is due November 30, 2006. Ground rental will be the buyer's responsibility beginning December 1, 2006.

It is further understood that the additional 20'x30' section on the south end of the hangar #30 is not part of this sale. It is owned by Barbary Coast Enterprises.


Seller: Andrea Jarmusch P.O.A.

Dated 11/12/06


Buyer:

Dated 11/12/06

Dean
(949) 701 0449

Certificate Holder's Copy

Todd Morgan

SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California, between Bearden Aviation, Inc., hereinafter called "SUBLESSOR", Todd Morgan, 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 lease 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 replacement 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, Brown Field Aviation Ventures, and the City of San Diego as an additional insured. Said policy shall specify that the policy may not be terminated, altered or canceled without prior written notice to the SUBLESSOR and the City of San Diego by the insurance company.

17 Compliance with Law and High Business Standards: SUBLESSEE shall, at its sole cost and expense, comply with all of the requirements of all municipal, state and federal authorities now in force or which may hereafter be in force, pertaining to the demised premises and shall faithfully observe in the use of the premises all municipal ordinances and state and federal statutes now in force or which may hereafter 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 with

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 its own expense, except as agreed to in the Summary Section, be required to relocate to another location provided by the SUBLESSOR at any time required by the SUBLESSOR. In the event the relocation is to another ramp area other than the Bearden ramp area, then the SUBLESSEE shall pay the prevailing rental rate on that ramp area at the time of the relocation. It is understood that the current rental rate includes a discount since the SUBLESSEE uses the services provided by Bearden Aviation.

(ii) Security Agreement/UCC1. SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing, listing the 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 1500 square feet to house a hangar, Hangar A, in a location or locations to be determined by Bearden Aviation, Inc.

B. Term: This agreement shall become effective on May 1, 1997 and continue for 60 months.

C. Security Deposit: None.

D. Rent: \$127.50 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 Bearden Aviation, Inc., 1424 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 times 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	Bearden Aviation, Inc. 1424 Continental Street San Diego, CA 92173
To SUBLESSEE	Todd Morgan PO Box 262 Bonita, CA 91902
To GUARANTOR	Todd Morgan PO Box 262 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 Todd Morgan 8-25-97
SUBLESSOR DATE

By Todd Morgan 8-23-97
SUBLESSEE DATE

By Todd Morgan 8-23-97
GUARANTOR DATE

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

Certificate of Coverage and Participation

Cert ID. 30-5312

Todd Morgan

PO Box 262

Bonita CA 91908

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

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

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

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

Space # B29

Change Notes to Cert

Airport Name: Brown Field

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

Your payment was received after January, 2010, therefore the effective date for your policy begins:: 10/12/2010

Basic Coverage:

Airports Premises Liability Covers Owners, Landlords and Tenants

Limit \$1,000,000 each occurrence

Medical Expense (any one person)

Limit \$2,000

Optional Coverages:

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

Option taken N

Building (\$1,000 deductible)

Limit \$0

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

Limit \$0

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

Limit \$0

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

AGENT:

Brown and Brown of Colorado, Inc.

1660 S Albion Street Suite 525

Denver, CO 80222

Phone: 303-980-6265

AUTHORIZED REPRESENTATIVE:



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

Lancair, Its Officers, Rep Agents

& City of San Diego

1424 Continental Street

San Diego CA 92154

Hitchcock Family Trust

SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on April 11, 1997 between Bearden Aviation, Inc., hereinafter called "SUBLESSOR", and the Hitchcock Family Trust, 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 lease 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 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 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. It is understood that SUBLESSEE has made alterations to his leased premises by pouring a cement pad on top of the ramp without first obtaining written authorization as required by his lease. Sublessor hereby approves said alteration and the Sublessee agrees, upon expiration of this lease, to restore the leased area to its original condition, the condition it was in before the alteration.

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.

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 provision of this sublease, SUBLESSEE agrees to pay all 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. In the event the relocation is to another ramp area other than the Bearden ramp area, then the SUBLESSEE shall pay the prevailing rental rate on that ramp area at the time of the relocation. It is understood that the current rental rate includes a discount since the SUBLESSEE uses the services provided by Bearden Aviation.

(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 50 feet by 40 feet to house a hangar in a location or locations to be determined by Bearden Aviation, Inc

B. Term: This lease shall commence on May 1, 1997 and continues for a period of 60 months. Sublessee shall have the option to extend this lease for an additional 60 months if requested in writing at least 30 days prior to the expiration of this lease agreement.

C. Security Deposit: None

D. Rent: \$170 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 Bearden Aviation, Inc., 1424 Continental Street, San Diego, CA 92173.

E. Use: For aircraft storage and non commercial maintenance of aircraft that is in conformance with Brown Field rules and regulations.

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: Bearden Aviation, Inc
1424 Continental Street
San Diego, CA 92173

To: SUBLESSEE: The Hitchcock Family Trust
306 Spruce Street
Chula Vista, CA 91911-5525

To: GUARANTOR: Bob Hitchcock
306 Spruce Street
Chula Vista, CA 91911-5525

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

By Neil Henry
SUBLESSOR

By Bob Hitchcock
SUBLESSEE

By Bob Hitchcock
GUARANTOR

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

Certificate of Coverage and Participation

Cert ID: 30-4458

Robert C Hitchcock

306 Spruce St

Chula Vista

CA

91911-5525

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

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

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

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

Space # 27

Airport Name:

Brownfield Airport

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

Basic Coverage:

Airports Premises Liability Covers Owners, Landlords and Tenants

Limit \$1,000,000 each occurrence

Medical Expense (any one person)

Limit \$2,000

Optional Coverages:

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

Option taken N

Building (\$1,000 deductible)

Limit \$0

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

Limit \$0

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

Limit \$0

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

AGENT:

Brown and Brown of Colorado, Inc

1660 S Albion Street Suite 525

Denver, CO 80222

Phone 303-980-6265

AUTHORIZED REPRESENTATIVE:

Karyn Ginn

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

Lancair Corp

1424 Continental St

San Diego

CA

92154

SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on March 25, 1997 between Bearden Aviation, Inc., hereinafter called "SUBLESSOR" and AGENCIA ADVANAL OBERGON S. C., 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 lease 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 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 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, Brown Field Aviation Ventures, and the City of San Diego as an additional insured. Said policy shall specify that the policy may not be terminated, altered or canceled without prior written notice to the SUBLESSOR and the City of San Diego by the insurance company.

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

SUBLESSEE agrees to abide by all rules and regulations as established by Brown Field Airport Management and/or the SUBLESSOR. Failure to comply shall

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 its own expense, except as agreed to in the Summary Section, be required to relocate to another location provided by the SUBLESSOR at any time required by the SUBLESSOR. In the event the relocation is to another ramp area other than the Bearden ramp area, then the SUBLESSEE shall pay the prevailing rental rate on that ramp area at the time of the relocation. It is understood that the current rental rate includes a discount since the SUBLESSEE uses the services provided by Bearden Aviation.

(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 40 feet by 40 feet to house a hangar in a location or locations to be determined by Bearden Aviation, Inc.

B. Term: This agreement shall commence on May 1, 1997 and continue for 60 months. *Sublease shall have the option to extend this lease for an additional 60 months if required by the City of San Diego.*

C. Security Deposit None

D. Rent: \$160 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 Bearden Aviation, Inc., 1424 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 times 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	Bearden Aviation, Inc. 1424 Continental Street San Diego, CA 92173
To SUBLESSEE	Agencia Advanal Obergon S C Blvd. 3 A Oeste #17522 Garcia De Olay, Tijuana, B.C.
To GUARANTOR	Mayo Obergon Blvd. 3 A Oeste #17522 Garcia De Olay, Tijuana, B.C.

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

By [Signature]
SUBLESSOR

By [Signature]
SUBLESSEE

By [Signature]
GUARANTOR

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

Certificate of Coverage and Participation

Cert ID: 30-5313

Agencia Aduanal Obregon, S C

PO Box BE

Chula Vista CA 91912-3028

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

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

Policy No AP00829110 Liability Coverages written by Old Republic Ins Co

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

Space # B-25

Change Notes to Cert:

Airport Name Brown Field

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

Your payment was received after January, 2010, therefore the effective date for your policy begins:: 10/13/2010

Basic Coverage:

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

Optional Coverages:

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

	Option taken	N
Building (\$1,000 deductible)	Limit	\$0
Personal Property All Risk Covers Personal Property in your hangar if signs of FORCIBLE ENTRY, Mysterious disappearance IS NOT COVERED	Limit	\$0
Loss of Use or Rents Actual Loss of Rent or Use up to	Limit	\$0

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

AGENT:

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

AUTHORIZED REPRESENTATIVE:



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

Lancair, Its Officers, Rep Agents

& The City of San Diego

1424 Continental Street

San Diego CA 92154

Hovey, Gregg SUBLEASE AGREEMENT

This Sublease Agreement hereinafter referred to as "agreement", is executed in duplicate at San Diego California on October 1 2008 between Lancair Corp hereinafter called "SUBLESSOR", and Gregg Hovey 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. 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 statutes now in force or which may hereafter 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

omply shall be deemed as a basis for breach by the SUBLESSEE

1. Assignment or Subletting SUBLESSEE shall not assign this sublease or any interest therein and shall not sublet the premises or any part thereof 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 extend 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.

2. 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.

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

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

5. Legal Proceedings Should it become necessary for the SUBLESSOR, or the City of San Diego to commence legal proceedings to collect rent to cover 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.

6. Additional Provisions

1) Relocation The SUBLESSEE shall at its own expense, except as agreed to in the Summary Section, be required to relocate to another location provided

by the SUBLESSOR at any time required by the SUBLESSOR.

2) Security Agreement/UCC1 SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing stating 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.

7. 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.

Akn: 824

SUMMARY SECTION

Description of Premises An Open area approximately 1600 square feet to house a hangar in a location or locations to be determined by Lancair Corp.

Term This lease shall commence on October 1, 2008 and continue month to month.

Security Deposit First months rent, last months rent and security deposit.

Rent \$700.00 per month payable in advance and must be received by the first of each month. Payments may be mailed or delivered to Lancair Corp, 1424 Continental St., San Diego, CA 92154.

Use For aircraft storage.

Utilities Paid by SUBLESSEE.

Security Agreement/UCC1 No changes.

Personal Guarantee A personal guarantee is required under this lease.

Relocation The SUBLESSEE agrees to move the hangar to another site on Brown Field as many times as required by the SUBLESSOR.

Notices

1) SUBLESSOR Lancair Corp
1424 Continental St
San Diego, CA 92154
2) SUBLESSEE Hovey, Gregg 619-546-4901 619-733-1111
877 Island Ave #907
San Diego, Ca 92101
3) GUARANTOR Hovey, Gregg
(same address as noted above)

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

SUBLESSOR

GUARANTOR

By

SUBLESSEE

USAIG Certificate of Insurance

This is to certify to: Lancair, Its Officers, Representatives, Agents, and Employees and the City of San Diego, Its Elected Officials, Officers, Representatives, Agents, and Employees

whose address is: Lancair
1424 Continental Street
San Diego, CA 92154

that: Surfwest Aviation LLC / Gregg Harvey

whose address is: 877 Island Avenue
Suite 907
San Diego, CA 92101

is at this date insured with the Several Participating Companies of the United States Aircraft Insurance Group, for the Limits of Coverage stated below, at the following locations: the United States of America, its territories and possessions, Canada, Mexico, the Bahamas and the islands of the West Indies or while enroute between these places.

Descriptive Schedule of Coverages		2004 Mooney M20R Ovation GX, N142GX		
Kind of Insurance	Policy Number	Policy Term	Limits of Coverage	
AIRCRAFT LIABILITY Combined Liability Coverage for bodily injury and property damage	360AC-715644	October 7, 2010 - December 6, 2010	Each Person	Each Occurrence \$ 1,000,000
Medical Coverage			\$ 5,000	

Only with respect to operations by, for or on behalf of the "Policyholder":

The "Who's covered" section of your policy, under "Your Liability Coverage," shall include Lancair, Its Officers, Representatives, Agents, and Employees and the City of San Diego, Its Elected Officials, Officers, Representatives, Agents, and Employees, but only for claims of bodily injury, mental anguish or property damage and specifically excluding claims for personal injury that result from your ownership, maintenance or use of airport premises.

We won't cover Lancair, Its Officers, Representatives, Agents, and Employees and the City of San Diego, Its Elected Officials, Officers, Representatives, Agents, and Employees for claims arising out of any "aircraft goods or products" that Lancair, Its Officers, Representatives, Agents, and Employees and the City of San Diego, Its Elected Officials, Officers, Representatives, Agents, and Employees manufacture(s), sell(s), handle(s), distribute(s) or service(s).

"Aircraft goods or products" means an aircraft or goods or products, including services provided for an aircraft or its parts, which are part of an aircraft or furnished for an aircraft.

This certificate or verification of insurance is not an insurance policy and does not amend, extend or alter the coverage afforded by the policies listed herein. Notwithstanding any requirement, term or condition of any contract or other document, with respect to which this certificate or verification of insurance may be issued or may pertain, the insurance afforded by the policies described herein is subject to all terms, exclusions and conditions of such policies.

The **Aviation Managers** of the USAIG (United States Aircraft Insurance Group) agree that in the event of cancellation of the policy(ies), they will endeavor to give the party to whom this certificate is issued 30 days advance notice of such cancellation, but the **Aviation Managers** shall not be liable in any way for failure to give such notice.

UNITED STATES AVIATION UNDERWRITERS, INC., Aviation Managers

Address: Address: 301 North Main, Suite 1450, Wichita, KS 67202

By

David L McKay, President

date: October 7, 2010

SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement," is executed in duplicate at San Diego, California, between **Bearden Aviation, Inc.**, hereinafter called "SUBLESSOR", and Robert Nordgrei, 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 lease 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 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 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, Brown Field Aviation Ventures, and the City of San Diego as an additional insured. Said policy shall specify that the policy may not be terminated, altered or canceled without prior written notice to the SUBLESSOR and the City of San Diego by the Insurance company.

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

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

18. Assignment or Subletting SUBLESSEE shall not assign, sublease or any interest therein and shall not sublet the premises or any part thereof or any right or privilege hereunder to or suffer any other person or persons or servants of SUBLESSEE excepted to occupy or use the premises or any portion thereof without first obtaining the written consent of the LESSOR and the City of San Diego. A consent from any entity or person shall not in any way constitute an assignment or subletting of the premises or any interest therein, be assignable as to the interest of SUBLESSEE by operation of law without the written consent of LESSOR and the City of San Diego.

19. Remedies of LESSOR In the event of any breach of this sublease by SUBLESSEE, including the violation of any term or condition of the agreement then LESSOR, 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. LESSOR 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 LESSOR 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 LESSOR, 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 LESSOR, 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 LESSOR 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 LESSOR or the City of San Diego to commence legal proceedings to collect rent or 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 its own expense except as agreed to in the Summary Section, be required to relocate to another location provided by the LESSOR at any time required by the LESSOR. In the event the relocation is to another ramp area other than the Bearden ramp area, then the SUBLESSEE shall pay the prevailing rental rate on that ramp area at the time of the relocation. It is understood that the current rental rate includes a discount since the SUBLESSEE uses the services provided by Bearden Aviation.

(ii) Security Agreement/UCC1 SUBLESSEE agrees to provide information and signature as required by any security agreement including UCC1 filing 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 1,032 square feet to house a hangar in a location or locations to be determined by Bearden Aviation, Inc.

B. Term This lease shall commence on May 1, 1997 and continue for a period of 60 months.

C. Security Deposit None.

D. Rent \$87.72 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 Bearden Aviation, Inc. 1424 Continental Street, San Diego, CA 92173. It is understood and agreed by both parties that the Sublessee has already paid rent through July 1, 1997.

E. Use For aircraft storage.

F. Utilities Paid by SUBLESSEE.

G. Relocation The SUBLESSEE agrees to move the hangar as many times as required by the LESSOR, 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 LESSOR shall be at the sole expense of the SUBLESSEE except, LESSOR 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 LESSOR: Bearden Aviation, Inc.
1424 Continental Street
San Diego, CA 92173
To SUBLESSEE: Robert Nordgren
1133 Star Park
Coronado, CA 92118
To GUARANTOR: Robert Nordgren
1133 Star Park
Coronado, CA 92118

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

By Robert Nordgren 5-5-97
LESSOR DATE

By Robert Nordgren 5 AUG 1997
SUBLESSEE DATE

By _____
GUARANTOR DATE



PORT-A-PORT HANGAR OWNER'S INSURANCE PROGRAM

Certificate of Coverage and Participation

Insured's Name and Address

Robert C. Nordgren
1133 Star Park Cir
Coronado, CA 92118-2843

The coverages described below are included as part of the following master policies covering the Port-a-Port Hangar Owner's Association

PROPERTY COVERAGES:

Policy No. MXI-98473397 written by Fireman's Fund Ins. Co

LIABILITY COVERAGES:

Policy No. AP00432322 written by Old Republic Ins. Co.

Coverage is afforded on behalf of the Port-a-Port Hangar Owner's Association and the above named individual insured as part of the above listed master policies. Coverage is in place on the specified Port-a-Port hangar for the policy period, coverages and limits as described below. Such insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies.

Serial No/Space	Hangar Value	Located at	State
Sp. #B-23	\$15,000	Brown Field Municipal Airport (SDM), San Diego	CA

Coverage is effective from February 1, 2010 12:01a m. through February 1, 2011 12:01a.m.

Basic Coverages

LIABILITY Covers Owners, Landlords and Tenants Liability	LIMIT	\$1,000,000 each occurrence
PHYSICAL DAMAGE ALL RISKS including limited flood coverage in the amount of \$10,000 per hangar with a \$1,000 deductible. Subject to exclusions which include but are not limited to Earthquake, War, Government Confiscations, Wear and Tear	LIMIT	\$15,000 Subject to \$500 deductible

Optional Coverages (Coverage is included ONLY IF a limit is indicated)

HANGARKEEPERS LEGAL LIABILITY For those who lease hangars or portions of hangars to others. Protects hangar owner from subrogation for damage to tenant's aircraft or other property	LIMIT	Not Covered
LOSS OF USE OR RENTS Actual Loss of Rents or Use up to \$2,000. For those who want their rents to continue if insured hangar is destroyed	LIMIT	Not Covered
PERSONAL PROPERTY All Risk. Covers Personal Property in your hangar if signs of FORCIBLE ENTRY. Mysterious disappearance IS NOT COVERED	LIMIT	Not Covered

Additional Insured (The party or parties shown, if any, are listed on the Master Policies as Additional Insureds)

Lancair, its elected officials, officers, representatives, agents & employees & the City of San Diego, its elected officials, officers, representatives, agents & employees are Additional Insureds as respects this hangar

Certificate Holders (Copies of this certificate have been provided to all listed holders, if any)

Lancair Corporation
Attn: Ellen Riccotta - Office Mgr
1424 Continental St
San Diego, CA 92154-5717

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER(S) NAMED ABOVE, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES

AGENT
LOCKTON COMPANIES, LLC
8110 East Union Avenue, Suite 700
Denver, CO 80237
303-414-6050
CA Lic #0F15767

AUTHORIZED REPRESENTATIVE

Mary E. Bode

SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on May 5, 1997 between Rearden Aviation, Inc., hereinafter called "SUBLESSOR", and Bill Lund, 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 lease 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, Brown Field Aviation Ventures and the City of San Diego as an additional insured. Said policy shall specify that the policy may not be terminated, altered or canceled without prior written notice to the SUBLESSOR and the City of San Diego by the insurance company

17 **Compliance with Law and High Business Standards.** SUBLESSEE shall, at its sole cost and expense, comply with all of the requirements of all municipal, state and federal authorities now in force or which may hereafter be in force, pertaining to the demised premises and shall faithfully observe in the use of the premises all municipal ordinances and state and federal statutes now in force or which may hereafter 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

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 its own expense, except as agreed to in the Summary Section, be required to relocate to another location provided by the SUBLESSOR at any time required by the SUBLESSOR. In the event the relocation is to another ramp area other than the Bearden ramp area, then the SUBLESSEE shall pay the prevailing rental rate on that ramp area at the time of the relocation. It is understood that the current rental rate includes a discount since the SUBLESSEE uses the services provided by Bearden Aviation.

(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 2,500 square feet to house a hangar in a location or locations to be determined by Bearden Aviation, Inc.

B. Term: This lease shall commence on May 1, 1997 and continue for a period of 60 months.

C. Security Deposit: None.

D. Rent: \$212.50 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 Bearden Aviation, Inc., 1424 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 times 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	Bearden Aviation, Inc. 1424 Continental Street San Diego, CA 92173
To SUBLESSEE	Bill Lund 5520 Horse Ridge Way Bonita, CA 91902
To GUARANTOR	Bill Lund 5520 Horse Ridge Way 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 [Signature]
SUBLESSOR

By [Signature]
SUBLESSEE

By [Signature]
GUARANTOR



PORT-A-PORT HANGAR OWNER'S INSURANCE PROGRAM

Certificate of Coverage and Participation

Insured's Name and Address

William R. Lund
3321 Via Loma Vista
Escondido, CA 92029-7720

The coverages described below are included as part of the following master policies covering the Port-a-Port Hangar Owner's Association

PROPERTY COVERAGES:

Policy No MXI-98473397 written by Fireman's Fund Ins Co

LIABILITY COVERAGES:

Policy No AP00432322 written by Old Republic Ins Co.

Coverage is afforded on behalf of the Port-a-Port Hangar Owner's Association and the above named individual insured as part of the above listed master policies. Coverage is in place on the specified Port-a-Port hangar for the policy period, coverages and limits as described below. Such insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies.

Serial No/Space	Hangar Value	Located at	State
Sp #B21	\$30,000	Brown Field Municipal Airport (SDM), San Diego	CA

Coverage is effective from February 1, 2010 12 01a.m through February 1, 2011 12 01a m

Basic Coverages

LIABILITY Covers Owners, Landlords and Tenants Liability	LIMIT	\$1,000,000 each occurrence
PHYSICAL DAMAGE ALL RISKS including limited flood coverage in the amount of \$10,000 per hangar with a \$1,000 deductible Subject to exclusions which include but are not limited to Earthquake, War, Government Confiscations, Wear and Tear	LIMIT	\$30,000 Subject to \$500 deductible

Optional Coverages (Coverage is included ONLY IF a limit is indicated.)

HANGARKEEPERS LEGAL LIABILITY For those who lease hangars or portions of hangars to others Protects hangar owner from subrogation for damage to tenant's aircraft or other property	LIMIT	\$75,000 per occurrence Subject to \$500 deductible
LOSS OF USE OR RENTS Actual Loss of Rents or Use up to \$2,000 For those who want their rents to continue if insured hangar is destroyed	LIMIT	Not Covered
PERSONAL PROPERTY All Risk Covers Personal Property in your hangar if signs of FORCIBLE ENTRY Mysterious disappearance IS NOT COVERED	LIMIT	Not Covered

Additional Insured (The party or parties shown, if any, are listed on the Master Policies as Additional Insureds)

Lancair, its elected officials, officers, representatives, agents & employees & the The City of San Diego, its elected officials, officers, representatives, agents & employees are Additional Insureds as respects this hangar

Certificate Holders (Copies of this certificate have been provided to all listed holders, if any)

Lancair Corporation
Attn: Ellen Riccotta - Office Mgr
1424 Continental St
San Diego, CA 92154-5717

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER(S) NAMED ABOVE, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES

AGENT LOCKTON COMPANIES, LLC
8110 East Union Avenue, Suite 700
Denver, CO 80237
303-414-6050
CA Lic #0F15767

AUTHORIZED REPRESENTATIVE

Mary E. Bode

Ralph Pierson
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on Date July 1, 2010 between Lancair Corp DBA San Diego Jet Center hereinafter called "SUBLESSOR", and Ralph Pierson, 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 statutes now in force or which may hereafter 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 breach 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. Hangar B28, Brown Field Airport-San Diego, Ca 92154

B. Term: This lease shall commence on July 1, 2010 and continue month to month

C. Security Deposit Last Month's Rent and Security Deposit (Each in the amount of the Month Rent)

D. Rent \$198.64 per month payable in advance and must be received by the first of each month. Payments may be mailed or delivered to Lancair Corp at 1424 Continental St., San Diego, CA 92154

E. Use Aircraft Storage

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:

J. Notices.

To SUBLESSOR Lancair Corp
1424 Continental Street
San Diego, CA 92154 Phone 619-671-9222

To SUBLESSEE Ralph Pierson
1424 Continental Street #20
San Diego, Ca 92154

To GUARANTOR Ralph Pierson
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 Ralph Pierson
SUBLESSEE

By [Signature] for Lancair Corp.
SUBLESSOR

By Ralph Pierson
GUARANTOR

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

Certificate of Coverage and Participation

Cert ID 30-4432

Ralph Pierson

1424 Continental Street

San Diego CA 92154

Brown Field

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

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

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

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

Space # 20

Airport Name Brown Field

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

Basic Coverage:

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

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

Optional Coverages:

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

Option taken N

Building (\$1,000 deductible)

Limit \$0

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

Limit \$0

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

Limit \$0

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

AGENT:

Brown and Brown of Colorado, Inc

1660 S Albion Street Suite 525

Denver, CO 80222

Phone 303-980-6265

AUTHORIZED REPRESENTATIVE:

Karyn Hinn

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

Lancair & City of San Diego

1424 Continental Street

San Diego CA 92154

Baja Airventures SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on December 20, 2004 between Lansell Corp. hereinafter called "SUBLESSOR", and Baja Airventures and Kevin Warren, 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 month's rent and a security deposit (one 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 Premises: 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 Damages: 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 to 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 statutes now in force or which may hereinafter be in force. In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner 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 breach 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 pertaining 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 sublessee 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: Hangar known as B18 Brown Field Airport, San Diego, CA 92154

B. Term: Month to Month

C. Security Deposit: one months rent

D. Rent: Payments may be mailed 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: Tenant must get approval for the addition of window covering, security bars, etc.

J. Notices:

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

To: SUBLESSEE: Baja Adventures
374 E. H Street Ste A221
Chula Vista, Ca. 91910

To: GUARANTOR: Kevin Warren
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 [Signature]
SUBLESSOR

By [Signature]
SUBLESSEE

By [Signature]
GUARANTOR

CHARTIS AEROSPACE INSURANCE SERVICES, INC.

CERTIFICATE OF INSURANCE

THIS IS TO CERTIFY TO: LANCAIR, ITS OFFICERS, REPRESENTATIVES, AGENTS AND EMPLOYEES AND
THE CITY OF SAN DIEGO, ITS ELECTED OFFICIALS, OFFICERS,
REPRESENTATIVES, AGENTS AND EMPLOYEES - *CONTINUED BELOW

THAT THE FOLLOWING POLICY/IES OF INSURANCE HAS/HAVE BEEN ISSUED TO:

K.P.W. ENTERPRISES, INC.

3511 SILVERSIDE ROAD #105

WILMINGTON, DE 19810 4902

AIRCRAFT POLICY NO AV 001856910-05

POLICY PERIOD: From JANUARY 27, 2010 to JANUARY 27, 2011

INSURANCE COMPANY NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

LIABILITY COVERAGES

LIMITS OF LIABILITY

	EACH PERSON	EACH OCCURRENCE
Bodily Injury Excluding Passengers	\$	\$
Property Damage	\$ XXXX	\$
Passenger Bodily Injury	\$	\$
Single Limit IN cluding Passengers.	\$ XXXX	\$ 1,000,000
With Passenger Liability Limited To	\$ 100,000	\$ XXXX

PHYSICAL DAMAGE COVERAGE: GROUND & IN-FLIGHT

DEDUCTIBLES: IN-MOTION

REGISTRATION NUMBER	MAKE & MODEL	YEAR	INSURED VALUE	NOT IN-MOTION	INGESTION MOORING	LIEN AMOUNT
N3067Q	PIPER PA32R-300	1977	\$ 140,000	\$ 100	\$ 100	\$
N4144R	PIPER PA32	1968	\$ 100,000	\$ 100	\$ 100	\$
N261RS	PIPER PA32	1973	\$ 100,000	\$ 100	\$ 100	\$
N4947F	PIPER PA32R-300	1976	\$ 140,000	\$ 100	\$ 100	\$

OTHER COVERAGES/CONDITIONS/REMARKS

*CONTINUED - 1424 CONTINENTAL STREET, SAN DIEGO, CA 92154

THE CERTIFICATE HOLDER IS INCLUDED AS AN ADDITIONAL INSURED ON AIRCRAFT LIABILITY COVERAGE, BUT ONLY WITH RESPECT TO OPERATIONS OF THE NAMED INSURED

The Aviation Managers have made provision to give the certificate holder prompt notice of cancellation of any policy above. But, the Aviation Managers assume no responsibility for failure to provide such notice. This certificate does not change in any way the actual coverages provided by the policy/ies specified above.

Certificate No 1

Date of Issue October 12, 2010

air

By



(Authorized Representative)

CAV30 (1/05)

JOE SUSFOLK INSURANCE AGENCY

Aviation Insurance

16425 HART ST., SUITE 202

VAN NUYS, CA 91406-4640

(818) 989-1112 (800) 43-PLANE

FAX (818) 989-5267

CMB Maquila Services

SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on March 28, 1997 between Bearden Aviation, Inc., hereinafter called "SUBLESSOR", and CMB Maquila 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. 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 lease 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, Brown Field Aviation Ventures, and the City of San Diego as an additional insured. Said policy shall specify that the policy may not be terminated, altered or canceled without prior written notice to the SUBLESSOR and the City of San Diego by the insurance company.

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

SUBLESSEE agrees to abide by all rules and regulations as established by Brown Field Aviation Management, Inc. (the SUBLESSOR) and the City of San Diego.

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 its own expense, except as agreed to in the Summary Section, be required to relocate to another location provided by the SUBLESSOR at any time required by the SUBLESSOR. In the event the relocation is to another ramp area other than the Bearden ramp area, then the SUBLESSEE shall pay the prevailing rental rate on that ramp area at the time of the relocation. It is understood that the current rental rate includes a discount since the SUBLESSEE uses the services provided by Bearden Aviation.

(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 1200 square feet to house a hangar in a location or locations to be determined by Bearden Aviation, Inc.

B. Term: This lease shall commence on May 1, 1997 and continue for 60 months. Sublessee shall have the option to extend this lease for an additional 60 months if requested in writing at least 30 days prior to the expiration of this lease agreement.

C. Security Deposit: None

D. Rent: \$102.00 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 Bearden Aviation, Inc., 1424 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 times 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	Bearden Aviation, Inc. 1424 Continental Street San Diego, CA 92173
To SUBLESSEE	CMB Maquila Services 2475 Paseo De Las Americas Suite "C" San Diego, CA 92173
To GUARANTOR	Trinidad Lopez 2475 Paseo De Las Americas Suite "C" 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 [Signature]
SUBLESSOR

By [Signature] Trinidad Lopez
SUBLESSEE President

By [Signature] Trinidad Lopez

AIG AVIATION**CERTIFICATE OF INSURANCE**

THIS IS TO CERTIFY TO: LANCAIR, IT'S OFFICERS, REPRESENTATIVES, AGENTS AND EMPLOYEES, AND THE CITY OF SAN DIEGO, IT'S ELECTED OFFICIALS, OFFICERS, REPRESENTATIVE, AGENTS AND EMPLOYEES. 1424 CONTINENTAL ST SAN DIEGO, CA 92154

THAT THE FOLLOWING POLICY/IES OF INSURANCE HAVE BEEN ISSUED TO:

CMB MAQUILA SERVICES
8580 MAQUILA SERVICES, 8580 AVENIDA DE LA FUENTE, SUITE J
SAN DIEGO, CA 92154, USA

POLICY NO. LA 000259077-01

POLICY PERIOD: From OCTOBER 11, 2010

to OCTOBER 11, 2011

INSURANCE COMPANY NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

Coverage only applies as indicated by a specific limit and deductible.

Limits of Liability

- A. Aircraft Liability Single Limit for Bodily Injury and Property Damage IN cluding Passengers, but Passenger Bodily Injury Limited within the Single Limit to
- B. Medical Expense IN cluding crew
- C. Physical Damage to Your Aircraft

\$ 1,000,000 each occurrence

\$ 100,000 each passenger

\$ 1,000 each passenger

ID Number	Year	Make and Model	Agreed Value	Physical Damage	Deductibles		Flight
					Not-in-Motion	Not-in-Flight	
N8427R	1967	PIPER PA 28-140	\$ 30,000	\$	100	\$ 100	\$ N/A
			\$	\$		\$	\$
			\$	\$		\$	\$
			\$	\$		\$	\$
			\$	\$		\$	\$
			\$	\$		\$	\$

PHYSICAL DAMAGE Coverage Identified
F. Ground and Flight

G. Not-In-Flight
H. Not-In-Motion

THIS CERTIFICATE HOLDER IS:

1. included as additional insured as respects liability coverage but coverage only applies after all other coverage available to the additional insured has been exhausted;
 2. included as additional insured as respects liability coverage but coverage only applies with respect to the vicarious responsibility of the additional insured for the operation of the aircraft by the Named Insured, including any interest in the aircraft as owner/lessor;
 3. included as additional insured as respects liability coverage but coverage does not apply to any occurrence arising from the design, manufacture, modification, repair, sale, or servicing of insured aircraft other than ground handling.
- 30 days notice of cancellation

The Aviation Managers have made provision to give the certificate holder prompt notice of cancellation of any policy above. But, the Aviation Managers assume no responsibility for failure to provide such notice. This certificate does not change in any way the actual coverages provided by the policy/ies specified above.

Certificate No. 11298788-10

Date of Issue OCTOBER 11, 2010

By


(Authorized Representative)

LAD30 (1/05)

Roger Crenshaw
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on December 20, 2004 between Lancar Corp hereinafter called "SUBLESSOR", and Roger Crenshaw, 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 months rent and a security deposit one 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 Premises: 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 statutes now in force or which may hereinafter be in force. In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner 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 breach 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: Hangar known as B16 Brown Field Airport, San Diego, CA 92154

B. Term: Month to Month

C. Security Deposit: one months rent

D. Rent: Payments may be mailed 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: Tenant must get approval for the addition of window covering, security bars, etc.

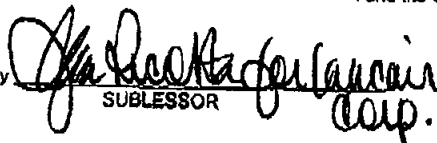
J. Notices:

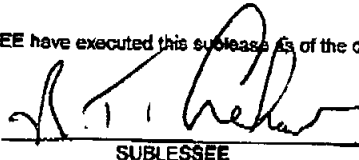
To: SUBLESSOR: Lancair Corp
1424 Continental Street
San Diego, CA 92154

To SUBLESSEE: Roger Crenshaw
2457 Steamboat Springs Ct.
Chula Vista, Ca. 91915

To GUARANTOR: Roger Crenshaw
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

By 
SUBLESSEE

By _____
GUARANTOR

AIG AVIATION

CERTIFICATE OF INSURANCE

THIS IS TO CERTIFY TO: LANCAIR
1424 CONTINENTAL ST.
SAN DIEGO, CA 92154

THAT THE FOLLOWING POLICY/IES OF INSURANCE HAVE BEEN ISSUED TO:
RICK ZITREN and ROGER CRENSHAW — *BIG*
7825 NORTH AVENUE
LEMON GROVE, CA 91945, USA *Brown Field*

POLICY NO. LA 000246764-03

POLICY PERIOD: From March 24, 2010

to March 24, 2011

INSURANCE COMPANY NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

Coverage only applies as indicated by a specific limit and deductible.

Limits of Liability

- A. **Aircraft Liability** Single Limit for **Bodily Injury** and **Property Damage** In cluding **Passengers**, but **Passenger Bodily Injury** Limited within the Single Limit to
- B. **Medical Expense** In cluding crew
- C. **Physical Damage to Your Aircraft**

\$ 1,000,000. each occurrence

\$ 100,000. each passenger

\$ 5,000. each passenger

ID Number Year Make and Model

Agreed Value

Deductibles

Not-in-Motion

Not-in-Flight

Flight

N210HA	1972	CESSNA 210	\$ 70,000.	\$ 100.	\$ 100.	\$ 100.
			\$	\$	\$	\$
			\$	\$	\$	\$
			\$	\$	\$	\$
			\$	\$	\$	\$
			\$	\$	\$	\$

THIS CERTIFICATE HOLDER IS:

1. included as additional insured as respects liability coverage but coverage only applies after all other coverage available to the additional insured has been exhausted;
2. included as additional insured as respects liability coverage but coverage only applies with respect to the vicarious responsibility of the additional insured for the operation of the aircraft by the Named Insured, including any interest in the aircraft as owner/lessor;
3. included as additional insured as respects liability coverage but coverage does not apply to any occurrence arising from the design, manufacture, modification, repair, sale, or servicing of insured aircraft other than ground handling.

Coverage is subject to Aviation Date Recognition Endorsement Form No. 71223.

The **Aviation Managers** have made provision to give the certificate holder prompt notice of cancellation of any policy above. But, the **Aviation Managers** assume no responsibility for failure to provide such notice. This certificate does not change in any way the actual coverages provided by the policy/ies specified above.

Certificate No. 11178170-11

Date of Issue March 24, 2010

By

[Signature]
(Authorized Representative)

LAD30B (3/00)

Robert Chalfa

SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on April 17, 1997 between Brown Field Aviation, Inc., hereinafter called "SUBLESSOR", and Robert Chalfa, 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 lease 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 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 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, Brown Field Aviation Ventures, and the City of San Diego as an additional insured. Said policy shall specify that the policy may not be terminated, altered or canceled without prior written notice to the SUBLESSOR and the City of San Diego by the insurance company.

17 Compliance with Law and High Business Standards: SUBLESSEE shall, at its sole cost and expense, comply with all of the requirements of all municipal, state and federal authorities now in force or which may hereafter be in force, pertaining to the demised premises and shall faithfully observe in the use of the premises all municipal ordinances and state and federal statutes now in force or which may hereafter 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.

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 its own expense, except as agreed to in the Summary Section, be required to relocate to another location provided by the SUBLESSOR at any time required by the SUBLESSOR. In the event the relocation is to another ramp area other than the Bearden ramp area, then the SUBLESSEE shall pay the prevailing rental rate on that ramp area at the time of the relocation. It is understood that the current rental rate includes a discount since the SUBLESSEE uses the services provided by Bearden Aviation.

(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 Bearden Aviation, Inc.

B. Term: This agreement shall become effective on May 1, 1997 and continue for 60 months.

C. Security Deposit: None.

D. Rent: \$90.50 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 Bearden Aviation, Inc., 1424 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 times 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.

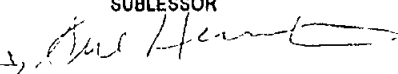
I. Personal Guarantee: A personal guarantee is required under this lease.

J. Notices:

To SUBLESSOR	Bearden Aviation, Inc. 1424 Continental Street San Diego, CA 92173
To SUBLESSEE	Robert Chaffa 5261 Central Avenue Bonita, CA 91902
To GUARANTOR	Robert Chaffa 5261 Central Avenue 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 
SUBLESSOR

By 
SUBLESSEE



AOPA Insurance Agency, Inc.

P.O. Box 9170

Wichita, KS 67277

(800) 622-AOPA (2672)

KS (316) 942-2223

Fax (316) 942-0091

AIRCRAFT CERTIFICATE OF INSURANCE

Date: 01/08/2010

This certificate is issued to

The City of San Diego

6851 Curran St.

San Diego, CA 92154

Descriptive Schedule

Named Insured and Address:

Robert L Chalfa

PO BOX 606

BONITA, CA 91908-0606

Brown

Company Chartis Acrospace Insurance Services, Inc.
Policy Number LP6346521
Effective Date 01/14/2010
Expiration Date 01/14/2011
Aircraft Covered N2614S 1976 CESSNA T210L

COVERAGES	LIMITS OF LIABILITY	
Single Limit Bodily Injury & Property Damage Liability	Each Occurrence	\$1,000,000
	Including Passenger Sub-Limit each passenger	\$100,000
Aircraft Physical Damage	Agreed Value	\$100,000
	Full Ground & Flight	
Deductible	In Motion	\$100
Deductible	Not In Motion	\$100

The entity shown above is included under Aircraft Liability Coverage as an Additional Insured but only to the extent of liability arising out of the Named Insured's ownership, maintenance or use of the Covered Aircraft. If the company cancels, the company will send 30 day prior written notice to the above. The company shall not be held liable for failure to give such notice.

Notice is hereby given that AOPA Insurance Agency is not the insurer hereunder and shall not be held liable for any loss or damage nor for failure to provide Notice of Coverage Cancellation.

The above coverages are subject to all policy terms, conditions and exclusions.

Approved By.

Blanca J. Jennings

California License # 0B18071

CERTINS CERTIFICATE NGILLS

This fax was sent by AOPA Insurance Agency

SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on March 25 1997 between Bearden Aviation, Inc., hereinafter called "SUBLESSOR" and CLARK & DIANA CRABBE, 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 lease 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, Brown Field Aviation Ventures, and the City of San Diego as an additional insured. Said policy shall specify that the policy may not be terminated, altered or canceled without prior written notice to the SUBLESSOR and the City of San Diego by the insurance company.

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

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

18. Assignment or Subletting SUBLESSEE shall not assign the 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 part 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 such 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 its own expense except as agreed to in the Summary Section, be required to relocate to another location provided by the SUBLESSOR at any time required by the SUBLESSOR. In the event the relocation is to another ramp area other than the Bearden ramp area, then the SUBLESSEE shall pay the prevailing rental rate on that ramp area at the time of the relocation. It is understood that the current rental rate includes a discount since the SUBLESSEE uses the services provided by Bearden Aviation.

(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

1. Description of Premises An open area 1100 square feet to house a hangar, # 13, in a location or locations to be determined by Bearden Aviation, Inc.

2. Term This agreement shall commence on May 1, 1997 and continue for a period of 60 months.

3. Security Deposit None

4. Rent \$11,220.00 per year, payable in advance. No invoice will be sent. Payments may be mailed or delivered to Bearden Aviation, Inc., 1424 Continental Street, San Diego, CA 92173.

5. Use For aircraft storage.

6. Utilities Paid by SUBLESSEE.

7. Relocation The SUBLESSEE agrees to move the hangar as many times 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 relocations required by the SUBLESSOR shall be the sole expense of the SUBLESSEE except SUBLESSOR shall waive three months rental payments for said move.

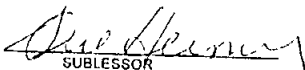
8. Security Agreement/UCC1 No changes.

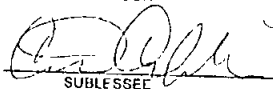
9. Personal Guarantee A personal guarantee is required under this lease.

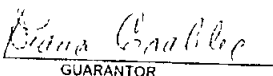
10. Notices

SUBLESSOR	Bearden Aviation, Inc. 1424 Continental Street San Diego, CA 92173
SUBLESSEE	Clarke & Diana Crabbe 5325 Dressage Drive Bonita, CA 91902
GUARANTOR	Clarke & Diana Crabbe 5325 Dressage Drive Bonita, CA 91902

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


SUBLESSOR


SUBLESSEE


GUARANTOR



GLOBAL AEROSPACE, INC.

C E R T I F I C A T E O F I N S U R A N C E

THIS CERTIFICATE IS GIVEN AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE ADDRESSEE

Date October 2, 2010

This is to certify to:

that the policies listed below have been issued to the following for the period indicated by One or More Member Companies of Global Aerospace Pool through Global Aerospace, Inc

Lancair
1424 Continental Street
San Diego, CA 92154

Clark Crabbe
PO Box 147
Menlo, WA 98561

Policy No 10080049

Policy Period: from October 2, 2010 to October 2, 2011

COVERAGE

Aircraft Liability

Single Limit Bodily Injury and Property Damage
Liability Including Passengers

Limits of Liability

\$1,000,000	\$100,000
Each Occurrence	Each Passenger

Year, Make and Model of Aircraft

1960 PIPER PA-24-250

Identification No.

N671A

It is agreed that

- 1 As respects Liability Coverage D - Single Limit Bodily Injury and Property Damage Liability, the definition of Insured includes the certificate addressee, but only with respect to his, her, or its liability because of acts or omissions of the Named Insured
- 2 Unless otherwise indicated in the policy, the policy shall not apply to any assumption of the liability of the certificate addressee by the Named Insured for bodily injury or property damage caused by an occurrence arising out of any service performed by or on behalf of the certificate addressee

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. This certificate does not amend, extend or otherwise alter the coverages afforded by the policies described herein. Limits may have been reduced by paid claims.

Global Aerospace, Inc. has made provision for prompt notice to the certificate addressee in the event of cancellation of the policies described herein, but except as otherwise stated in this certificate, Global Aerospace, Inc. assumes no legal responsibility for any failure to do so.

GLOBAL AEROSPACE, INC.

BY: Lewis K. Paine

Urho Makela
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on December 20, 2004 between Lancar Corp hereinafter called "SUBLESSOR", and Urho Makela, 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 months rent and a security deposit one 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 statutes now in force or which may hereinafter be in force In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner 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 breach 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: Hangar known as B11 Brown Field Airport, San Diego, CA 92154

B. Term: Month to Month

C. Security Deposit one months rent

D. Rent Payments may be mailed or delivered to Lancar 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. Tenant must get approval for the addition of window covering, security bars, etc

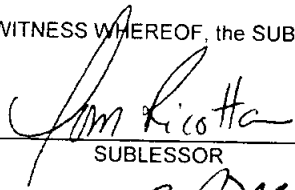
J. Notices:

To SUBLESSOR
Lancar Corp
1424 Continental Street
San Diego, CA 92154

To SUBLESSEE
Urho Makela
589 Guava Avenue
Chula Vista, Ca 91910

To GUARANTOR
Urho Makela
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

By 
SUBLESSEE

By 
GUARANTOR

CERTIFICATE OF INSURANCE

THIS CERTIFICATE IS ISSUED TO

Date 03/31/2010

Lancair Corp
and the County, their elected
officials, representatives,
agents and employees
1424 Continental St
San Diego, CA 92154

POLICYHOLDER:

Urho J. Makela
589 Guava Ave
Chula Vista, CA 91910-5424

--DESCRIPTIVE SCHEDULE--

Brown Hanger

POLICY NUMBER 990102241221

POLICY
PERIOD

From: 04/29/2010

To: 04/28/2011

12:00:01 A.M.

11:59 59 P.M.

(local time at policyholder's address)

INSURED AIRCRAFT: 2626M

0 Homebuilt-Low Wing RV-4

COVERAGES AND LIMITS OF LIABILITY WITH RESPECT
TO PREMISES LIABILITY PROVIDED BY THIS POLICY:
(127301)

LIABILITY – **Bodily Injury**
and **Property Damage**

\$ 50,000 each person

\$ 300,000 **property damage**

\$ 300,000 each accident

The most current date shown in the top right corner is the most current certificate for this Policy and replaces all certificates, if any, previously issued under this Policy number or any other Policy number with respect to premises liability under Endorsement 127301.

This Certificate of Insurance neither affirmatively nor negatively amends, extends or alters the coverage afforded by the Policy. It is issued as a matter of information only and confers no rights upon the certificate holder.

DISTRIBUTION:

Certificate Holder
Policyholder
NC-F1-1273

Avemco Insurance Company

James A. Lawrence

Authorized Representative

Certificate Holder's Copy

Vince Flynn
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on June 25, 2009 between Lancair Corp hereinafter called "SUBLESSOR", and Vince Flynn, 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 months rent and a security deposit one 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 statutes now in force or which may hereinafter be in force In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner 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 breach 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 lease for the period of such reletting, up to but not exceeding 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: Hangar known as B10 Brown Field Airport, San Diego, CA 92154

B. Term: Month to Month

C. Security Deposit one months rent

D. Rent Payments may be mailed or delivered to Lancar 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: Tenant must get approval for the addition of window covering, security bars, etc

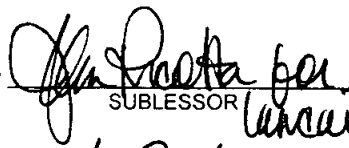
J. Notices.

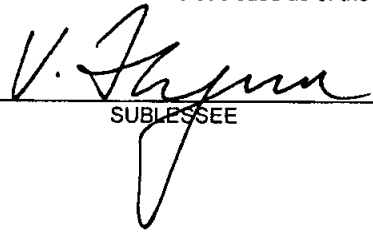
To SUBLESSOR
Lancar Corp
1424 Continental Street
San Diego, CA 92154

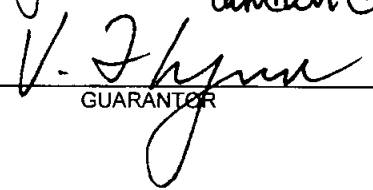
To SUBLESSEE
Vince Flynn (619) 435-3890
1021 Adela Avenue
Coronado, Ca 92118

To GUARANTOR.
Vince Flynn
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
Lancar Corp.

By 
SUBLESSEE

By 
GUARANTOR

AIRCRAFT INSURANCE POLICY COVERAGE SUMMARY PAGE

This page, the policy provisions, and the endorsements attached, completes this policy at its inception.

Policy number LA 000252918-02 Issued by: NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH,
PA

175 WATER STREET, 18TH FLOOR, NEW YORK, NY 10038

Item 1. Your Name and Address: VINCENT FLYNN
1021 ADELLA AVENUE
CORONADO, CA 92118, USA

HIGHER LIMITS AND
A HIGHER INSURED VALUE
CAN BE QUOTED UPON REQUEST

Item 2. Policy Period: From May 21, 2010 to May 21, 2011
Beginning and ending at 12:01 a.m. standard time at the address shown in Item 1. above

Item 3. Coverage only applies as indicated by a specific limit, premium and deductible.

	Limits of Liability	Premiums
A. Aircraft Liability Single Limit for Bodily Injury and Property Damage In cluding Passengers, but Passenger Bodily Injury Limited within the Single Limit to	\$ 1,000,000. each occurrence	\$ 229.
B. Medical Expense In cluding crew	\$ 100,000. each passenger	
C. Physical Damage to Your Aircraft	\$ 1,000. each passenger	\$ 0

ID Number	Year	Make and Model	Agreed Value	Deductibles			
				Not-in-Motion	Not-in-Flight	Flight	
N42017	1968	CESSNA 182	\$ 70,000.	\$ 100	\$ 100	\$ 100.	\$ 728.
			\$	\$	\$	\$	\$
			\$	\$	\$	\$	\$
			\$	\$	\$	\$	\$
			\$	\$	\$	\$	\$
			\$	\$	\$	\$	\$

Endorsements: OLAD011 9/00, LAD180, LAD1541, AVN48B, UE1066, AVN38B, AV882, AVN46B, \$ 1.
LAD857, UE858, 71223, LAD846, SE52133

State and Local Premium Taxes: \$ 0 00
Total Premium \$ 958 00

Item 4 The aircraft will be used only for non-commercial use.

Item 5 While the aircraft is in flight it will be piloted only by the person(s) meeting the provisions of the "Pilots Endorsement".

Producer CHAPARRAL INSURANCE SERVICES
C00124 79-301 COUNTRY CLUB DRIVE, SUITE 20, , BERMUDA DUNES, CA 92201

Countersigned _____

At _____

By _____
(Authorized Representative)

Approved By 
(Authorized Representative)

Ron Schuler
SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on December 20, 2004 between Lancair Corp. hereinafter called "SUBLESSOR", and Ron Schuler, 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 months rent and a security deposit one 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 statutes now in force or which may hereinafter be in force In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner 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 breach 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: Hangar known as B9 Brown Field Airport, San Diego, CA 92154

B. Term Month to Month

C. Security Deposit one months rent

D. Rent Payments may be mailed or delivered to Lancar 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: Tenant must get approval for the addition of window covering, security bars, etc

J. Notices

To SUBLESSOR
Lancar Corp
1424 Continental Street
San Diego, CA 92154

To SUBLESSEE
Ron Schuler
1424 Continental Street #B9
San Diego, Ca 92154

To GUARANTOR
Ron Schuler
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 *Lancar Corp.*

By 
SUBLESSEE

By 
GUARANTOR

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

Certificate of Coverage and Participation

Cert ID 30-5202

Ron Schuler

1424 Continental St, #9

San Diego CA 92154

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

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

Policy No AP00829110 Liability Coverages written by Old Republic Ins Co

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

Space # B-9

Change Notes to Cert

Airport Name Brown Field

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

Your payment was received after January, 2010, therefore the effective date for your policy begins: 10/11/2010

Basic Coverage:

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

Optional Coverages:

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

Option taken N

Building (\$1,000 deductible)

Limit \$0

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

Limit \$0

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

Limit \$0

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

AGENT:

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

AUTHORIZED REPRESENTATIVE:



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

Lancair, Its Officers, Representa

Employees, & The City of San Die

1424 Continental Street

San Diego CA 92154

FINCH AEROSPACE INC.

SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California, between Bearden Aviation Inc., hereinafter called "SUBLESSOR", and FINCH AEROSPACE, 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 lease 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 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 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 shall be held harmless from all liability here and

21. Binding on Successors: The obligations and covenants of this lease shall bind the SUBLESSOR, the City of San Diego, and its successors, assigns, and heirs. The 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 its own expense, except as agreed to in the Summary Section, be required to relocate to another location provided by the SUBLESSOR at any time required by the SUBLESSOR. In the event the relocation is to another ramp area other than the Bearden ramp area, then the SUBLESSEE shall pay the prevailing rental rate on that ramp area at the time of the relocation. It is understood that the current rental rate includes a discount since the SUBLESSEE uses the services provided by Bearden Aviation.

(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 6,000 square feet to house two 50 foot by 60 foot hangar, in a location or locations to be determined by Bearden Aviation, Inc.

B. Term: This agreement shall become effective on August 1, 1998 and continue for 60 months. The SUBLESSEE shall have the right to extend this lease for an additional 60 months if requested in writing within 12 months of the expiration of the lease.

C. Security Deposit: None

D. Rent: \$510.00 per month payable in advance and must be received by the first of each month.

E. Use: For aircraft storage

F. Utilities: Paid by SUBLESSEE

G. Relocation: The SUBLESSEE agrees to move the hangar as many times 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
Bearden Aviation, Inc.
1424 Continental Street
San Diego, CA 92173

To: SUBLESSEE
Finch Aerospace, Inc.
P.O. Box 181140
Coronado, CA 92118-1140

To: GUARANTOR
Reggie Finch
P.O. Box 181140
Coronado, CA 92118-1140

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

By [Signature] 8-1-98
SUBLESSOR DATE

By [Signature] 8-1-98
SUBLESSEE DATE

By [Signature] 8-1-98
GUARANTOR DATE

CERTIFICATE OF INSURANCE

DATE: September 1, 2009

PRODUCER

Falcon Insurance Agency of CA, Inc.
California License #OB10746
P.O. Box 1000
Upland, CA 91785-1000

Larry C. Gregg
Phone No. 800-624-8856 Fax No 909-949-2088

INSURED

San Diego Flight Museum
PO Box 181140
Coronado, CA 92178

*Reg Finch
Hangars
Brown*

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 **U.S. Specialty Insurance Company**

COMPANY B

COMPANY C

COMPANY D

CO LTR	Type Of Insurance	Policy Number	Policy Effective	Policy Expiration	Limits
A	AIRCRAFT LIABILITY Combined Single Limit Liability Coverage For Bodily Injury and Property Damage including Passengers Combined Single Limit Liability Coverage For Bodily Injury and Property Damage Including Passengers With Passenger Liability Limited Internally to \$ 100,000 Medical Coverage	SA00150822-04	10/12/09	10/12/10	Each Occurrence Each Passenger \$100,000. Each Occurrence \$1,000,000. Each Person Each Occurrence
	AIRCRAFT PHYSICAL DAMAGE All Risks				Amount of Insurance In Motion Deductible Not In Motion Deductible
	AIRPORT LIABILITY Combined Liability Coverage for Bodily Injury and Property Damage including Products and Completed Operations Hangarkeepers Liability				Each Occurrence Aggregate Limit Deductible Each Aircraft Each Occurrence
	WORKERS' COMP. Employers' Liability				Each Occurrence

DESCRIPTION OF OPERATIONS/LOCATIONS/AIRCRAFT/SPECIAL ITEMS

1984 Homebuilt Rutan, N747SP and 1942 Fairchild M62, N1110R

Falcon Insurance Agency of California, Inc. has made provision for 10 Day notice (10 Day Notice if for Non-Payment of Premium) to you in the event of cancellation of the above described policies but, except as otherwise stated in this certificate Falcon Insurance Agency of California, Inc. assumes no legal responsibility for any failure to do so. Falcon Insurance Agency of California, Inc. are not insurers hereunder and they shall not be held liable for any loss or damage. For particulars concerning the limitations conditions and terms of the coverage you are referred to the original Policy or Policies in the possession of the Assured.

NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THE CERTIFICATE IS ISSUED THE INSURANCE AFFORDED BY THE POLICIES LISTED ON THE CERTIFICATE IS SUBJECT TO ALL THE TERMS OF SUCH POLICIES.

**Certificate Holder is included as Additional Insured as respects
the operations of the Named Insured.**

CERTIFICATE HOLDER

Lancair, Inc.
It's elected officials, officers, representatives, agents & employees
6851 Curran Street
San Diego, CA 92154

AUTHORIZED REPRESENTATIVE

Diane R. Court

Diane Court

AARON HOGUE SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "agreement", is executed in duplicate at San Diego California on December 1, 2006, between Lancair Corp, hereinafter called "SUBLESSOR", and Aaron Hogue, 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 statutes now in force or which may hereafter be in force. In addition, the SUBLESSEE shall observe high moral and ethical standards in the use of the premises and shall not conduct a business in any manner which is detrimental to the businesses of the SUBLESSOR.
- SUBLESSEE agrees to abide by all rules and regulations as established by Brown Field Airport Management and/or the SUBLESSOR. Failure to

comply shall be deemed as a basis for breach by the SUBLESSEE

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

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

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

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

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

23. **Additional Provisions:**

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

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

24. **Miscellaneous Terms.**

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

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

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

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

SUMMARY SECTION

A. **Description of Premises:** An Open area approximately 1000 square feet to house a hangar in a location or locations to be determined by Lancair Corp

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

C. **Security Deposit:** First, last and 1 month Security Deposit

D. **Rent:** \$182.90 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 SUBLESSEE

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 another site on Brown Field as many times as required by the SUBLESSOR/

J. **Notices:**

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

To: SUBLESSEE.
Aaron Hogue 805-610-4429
P.O. Box 1138
Paseo Robles, CA 93447

To: GUARANTOR
Aaron Hogue

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

By *Tom Richey, its President*

SUBLESSOR

By *[Signature]*
GUARANTOR

By *[Signature]*
SUBLESSEE



GLOBAL AEROSPACE, INC.

C E R T I F I C A T E O F I N S U R A N C E

THIS CERTIFICATE IS GIVEN AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE ADDRESSEE

Date: February 9, 2010

This is to certify to

that the policies listed below have been issued to the following for the period indicated by One or More Member Companies of Global Aerospace Pool through Global Aerospace, Inc:

Lancair, Its elected officials, officers, representatives, agents and employees
1424 Continental Street
San Diego, CA 92154

Hogue Tool and Machine Inc, et al

550 Linne Road
Paso Robles, CA 93446

Brown Field

*- 917
- 814*

Policy No: 10126945

Policy Period: from February 9, 2010 to February 9, 2011

COVERAGE

Aircraft Liability

Single Limit Bodily Injury and Property Damage
Liability Including Passengers

Limits of Liability

\$1,000,000
Each Occurrence

\$100,000
Each Passenger

Year, Make and Model of Aircraft

1973 CESSNA T210L

Identification No.

N210WZ

It is agreed that

- 1 As respects Liability Coverage D - Single Limit Bodily Injury and Property Damage Liability, the definition of Insured includes the certificate addressee, but only with respect to his, her, or its liability because of acts or omissions of the Named Insured
- 2 Unless otherwise indicated in the policy, the policy shall not apply to any assumption of the liability of the certificate addressee by the Named Insured for bodily injury or property damage caused by an occurrence arising out of any service performed by or on behalf of the certificate addressee

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. This certificate does not amend, extend or otherwise alter the coverages afforded by the policies described herein. Limits may have been reduced by paid claims.

Global Aerospace, Inc. has made provision for prompt notice to the certificate addressee in the event of cancellation of the policies described herein, but except as otherwise stated in this certificate, Global Aerospace, Inc. assumes no legal responsibility for any failure to do so.

GLOBAL AEROSPACE, INC.

BY: *[Signature]*

John Nielsen

SUBLEASE AGREEMENT

This Sublease Agreement hereinafter referred to as "agreement", is executed in duplicate at San Diego California on April 24, 1997 between Bearden Aviation, Inc., hereinafter called "SUBLESSOR", John Nielsen, 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 lease 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 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 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, Brown Field Aviation Ventures, and the City of San Diego as an additional insured. Said policy shall specify that the policy may not be terminated, altered or canceled without prior written notice to the SUBLESSOR and the City of San Diego by the insurance company.

17 Compliance with Law and High Business Standards. SUBLESSEE shall, at its sole cost and expense, comply with all of the requirements of all municipal, state and federal authorities now in force or which may hereafter be in force, pertaining to the demised premises and shall faithfully observe in the use of the premises all municipal ordinances and state and federal statutes now in force or which may hereafter 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.

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 its own expense, except as agreed to in the Summary Section, be required to relocate to another location provided by the SUBLESSOR at any time required by the SUBLESSOR. In the event the relocation is to another ramp area other than the Bearden ramp area, then the SUBLESSEE shall pay the prevailing rental rate on that ramp area at the time of the relocation. It is understood that the current rental rate includes a discount since the SUBLESSEE uses the services provided by Bearden Aviation.

(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, Hangar B, in a location or locations to be determined by Bearden Aviation, Inc. 16

B. Term: This agreement shall become effective on May 1, 1997 and continue for 60 months.

C. Security Deposit: None.

D. Rent: \$93.50 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 Bearden Aviation, Inc., 1424 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 times 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.

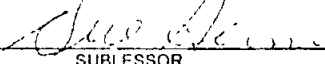
H. Security Agreement/UCC1: No changes.

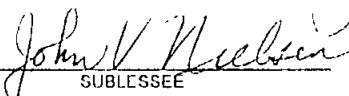
I. Personal Guarantee: A personal guarantee is required under this lease.

J. Notices:

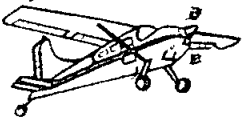
To SUBLESSOR	Bearden Aviation, Inc. 1424 Continental Street San Diego, CA 92173
To SUBLESSEE	John Nielsen 767 Willow Glen Escondido, CA 92025
To GUARANTOR	John Nielsen 767 Willow Glen Escondido, CA 92025

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



Bill White Insurance Agency

1307A WEST 6TH STREET #201 CORONA CA 92882-3173

(800) 666-4359 • (951) 734-1180 • FAX (951) 735-9301 • www.bwhiteinsurance.com

AVIATION INSURANCE

CERTIFICATE OF AIRCRAFT INSURANCE

THIS IS TO CERTIFY TO:
LANCAIR, ITS ELECTED OFFICIALS, OFFICERS, REPS AGENTS & EMPLOYEES
THE CITY OF SAN DIEGO, ITS ELECTED OFFICIALS, OFFICERS, REPS AGENT AND
EMPLOYEES
1424 CONTINENTAL STREET
SAN DIEGO CA 92154

Certificate

Date: 1/6/2010

Coverage Effective

Date: 1/6/2010

Coverage Expiration

Date: 1/6/2011

THAT THE FOLLOWING INSURANCE COVERAGE IS IN EFFECT
AS OF THE DATE ON THIS CERTIFICATE FOR:

INSURED:

INTEGRAL RESEARCH, INC.
249 SOUTH HIGHWAY 101, S-270
SOLANA BEACH CA 92075

*Mattison Radio Flyer
Brown*

INS. CO.: GLOBAL AEROSPACE

Policy Number:

AIRCRAFT: #1 N 40348 1972 MAULE M4

#2 N N/A

Used for: PLEASURE AND BUSINESS

LIABILITY COVERAGE.

\$ 1,000,000 TOTAL LIABILITY BODILY INJURY AND PROPERTY DAMAGE

including, but not increasing, total liability

\$ INCLUDING each person not a passenger and \$ EXCLUDING each passenger

ADDITIONAL INSURED:

CERTIFICATE HOLDER TO BE INCLUDED AS ADDITIONAL INSURED AND WILL BE GIVEN A 30 DAY NOTICE
OF CANCELLATION

By: *[Signature]*

John Blackstone

SUBLEASE AGREEMENT

This Sublease Agreement, hereinafter referred to as "Agreement", is executed in duplicate at San Diego California on April 3, 1997 between Bearden Aviation, Inc., hereinafter called "SUBLESSOR", and John Blackstone, 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 lease 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, Brown Field Aviation Ventures, and the City of San Diego as an additional insured. Said policy shall specify that the policy may not be terminated, altered or canceled without prior written notice to the SUBLESSOR and the City of San Diego by the Insurance company.

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

SUBLESSEE agrees to abide by all rules and regulations as established by Brown Field Airport Management and/or the SUBLESSOR. Failure to comply shall

19. **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 except as provided herein, to occupy or use the premises or any portion thereof without first obtaining the written consent of the LESSOR and the City of San Diego. A consent to one entity or person shall not infer or 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 LESSOR and the City of San Diego.

19. **Remedies of LESSOR.** In the event of any breach of this sublease by SUBLESSEE, including the violation of any term or condition of the agreement, then LESSOR, 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. LESSOR 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 LESSOR 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 LESSOR, 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 LESSOR, 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 LESSOR 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 LESSOR, 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 its own expense, except as agreed to in the Summary Section, be required to relocate to another location provided by the LESSOR at any time required by the LESSOR. In the event the relocation is to another ramp area other than the Bearden ramp area, then the SUBLESSEE shall pay the prevailing rental rate on that ramp area at the time of the relocation. It is understood that the current rental rate includes a discount since the SUBLESSEE uses the services provided by Bearden Aviation.

(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 Bearden Aviation, Inc.

B. Term: This lease shall commence on May 1, 1997 and continue for a period of 60 months.

C. Security Deposit: None.

D. Rent: \$93.50 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 Bearden Aviation, Inc., 1424 Continental Street, San Diego, CA 92173. It is acknowledged by both parties that sublessee has already paid rent through September 1, 1997.

E. Use: For aircraft storage.

F. Utilities: Paid by SUBLESSEE.

G. Relocation: The SUBLESSEE agrees to move the hangar as many times as required by the LESSOR, and at the sole expense of the SUBLESSEE. First required relocation shall be at the sole expense of the SUBLESSEE. Any additional relocations required by the LESSOR shall be at the sole expense of the SUBLESSEE except, LESSOR shall waive three months rental payments for said move.

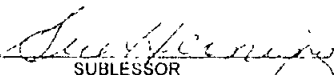
H. Security Agreement/UCC1: No changes.

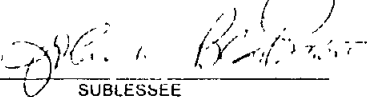
I. Personal Guarantee: A personal guarantee is required under this lease.

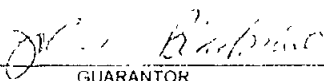
J. Notices:

To: LESSOR	Bearden Aviation, Inc. 1424 Continental Street San Diego, CA 92173
To: SUBLESSEE	John Blackstone 1105 San Juan Court Arlington, Texas 76012
To: GUARANTOR	John Blackstone 1105 San Juan Court Arlington, Texas 76012

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

By 
SUBLESSOR

By 
SUBLESSEE

By 
GUARANTOR



Bill White Insurance Agency

1307A WEST 6TH STREET #201 CORONA CA 92882-3173

(800) 666-4359 • (951) 734-1180 • FAX (951) 735-9301 • www.hwhiteinsurance.com

CERTIFICATE
OF AIRCRAFT
INSURANCE

AVIATION INSURANCE

Certificate
Date 10/8/2010

THIS IS TO CERTIFY TO:
LANCAIR, ITS ELECTED OFFICIALS, OFFICERS, REPS AGENTS &
EMPLOYEES AND
THE CITY OF SAN DIEGO, ITS ELECTED OFFICIALS, OFFICERS,
REPS AGENT AND EMPLOYEES
1424 CONTINENTAL STREET
SAN DIEGO CA 92154

Coverage Effective
Date 1/6/2010
Coverage Expiration
Date: 1/6/2011

THAT THE FOLLOWING INSURANCE COVERAGE IS IN EFFECT
AS OF THE DATE ON THIS CERTIFICATE FOR:

INSURED:

INTEGRAL RESEARCH, INC.

249 SOUTH HIGHWAY 101, S-270

SOLANA BEACH CA

92075

** C/O John Blackstone*

INS. CO.: GLOBAL AEROSPACE

Policy Number: 10126388

AIRCRAFT: #1 N 40348 1972 MAULE M4
#2 N

Used for: PLEASURE AND BUSINESS
LIABILITY COVERAGE,

\$ 1,000,000 TOTAL LIABILITY BODILY INJURY AND PROPERTY DAMAGE
including, but not increasing, total liability
\$ INCLUDING each person not a passenger and \$ 100,000 each passenger

ADDITIONAL INSURED:

CERTIFICATE HOLDER TO BE INCLUDED AS ADDITIONAL INSURED AND WILL BE GIVEN A 30 DAY
NOTICE OF CANCELLATION.

By: *Kimberly Kresch*