

TENANT SUB-SUBLEASE AGREEMENT

This Tenant Sub-Sublease Agreement ("**Sub-Sublease**"), is executed in San Diego, California and effective on February 1, 2020 (the "**Effective Date**") between Lancair Corp., a Nevada corporation ("**Landlord**"), and John Nance ("**Tenant**"). Landlord and Tenant may collectively be referred to herein as "**parties**" and individually as a "**party**." It is agreed between the parties hereto as follows:

1. **Lease of Premises.** In consideration of the Rent (as defined below) and on the terms and conditions hereinafter set forth, Landlord leases to Tenant and Tenant leases from Landlord the "**Premises**," as described in more detail in **Exhibit A** attached hereto and by this reference made a part hereof. Tenant and Landlord acknowledge that the Hangar is an improvement to the Premises. The Premises is part of Landlord's Fixed Base Operation at Brown Field ("FBO").

2. **Term.** The initial term of this Sublease (the "**Initial Term**") will commence on February 1, 2020 (the "**Commencement Date**") and expire on August 31, 2031 (the "**Expiration Date**"). The Initial Term, Second Sublease Term and Third Sublease Term (as defined below) shall sometimes collectively be referred to as the "Term."

3. **Rent.** Tenant shall pay to Landlord, on or before the first day of each calendar month during the Term, rent in the amount of \$518.32 per square foot based on the Hangar size ("**Rent**") at Landlord's address set forth below or at such other place designated by Landlord, without deduction, offset or prior demand. The initial monthly rent is \$518.32 (\$0.35 x 1681 square feet PLUS CPI). If the Commencement Date is not the first day of a calendar month, Rent for the partial month at the beginning of the Term shall be prorated on a per diem basis and shall be due on the first day of the Term during such partial month. Notwithstanding the above, if and when the City reappraises Landlord's FBO per the Master Lease, Tenants' rent will increase in proportion to City's increase, upon 30 days' notice from Landlord, in addition to any annual CPI adjustments. (E.g. if City increases Landlord's rent by 10%, then the Landlord may increase Tenants' rent by 10%). Rent shall increase effective as of January 1st of each calendar year by the amount of CPI (as defined below) increase from January 1st of the previous calendar year to January 1st of the current calendar year. "**CPI**" means The All Urban Consumers Index, for the cities of Los Angeles – Anaheim – Riverside, All Items. If at any time there shall not exist the CPI in this format, Landlord shall substitute any official index published by the Bureau of Labor Statistics, its successor, or a similar governmental agency. If Landlord extends the Master Lease from November 2031 to November 2041, then Tenants will have the option to extend the Sublease until August 31, 2041 ("Second Sublease Term"), subject to renegotiating the rental rate. The new rental rate cannot exceed 25% of the last year's rental rate. If Landlord and Tenant cannot agree on a new rental rate, then at Landlord's sole option, the Hangar shall be promptly removed from the FBO at Tenant's sole expense, or the Hangar shall remain on the FBO and be deemed part of the FBO. If the Master Lease is extended from November 2041 to November 2051, Tenant will have the option to extend the Sublease until August 31, 2051 ("Third Sublease Term"), subject to renegotiating the rental rate. The new rental rate cannot exceed 25% of the last year's rental rate. If the Landlord and Tenant cannot agree on a new rental rate, then at Landlord's sole option, the Hangar shall be promptly removed from the FBO at Tenant's sole expense, or the Hangar shall remain on the FBO and be deemed part of the FBO.

4. **Security Deposit.** Tenant is not required to pay a security deposit. However, if Tenant is late on monthly rent two (2) or more times, then Landlord has the right to demand Tenant pay a security deposit equal to the then current monthly rent ("**Security Deposit**"), to be held by Landlord, without liability for interest, as security for Tenant's performance of its obligations under this Sublease. Upon assignment or transfer of this Sublease or entry into a new sub-sublease, new Tenant shall pay to Landlord a sum equal to the then current first month's rent, or entry into a new sub-sublease and a security deposit equal to one month of the then current monthly rent (collectively "**New Tenant Security Deposit**"). Landlord shall not be required to keep the Security Deposit, New Tenant Security Deposit or prepaid Rent, if any, separate from its other accounts. Landlord may apply all or a part of the Security Deposit, or New Tenant Security Deposit to any unpaid Rent or other monetary payments due from Tenant hereunder or to cure any other default of Tenant hereunder or to compensate Landlord for all damage and expense sustained as a result of such default. If all or any portion of the Security Deposit or New Tenant Security Deposit is so applied, Tenant shall deposit cash sufficient to restore the Security Deposit or New Tenant Security Deposit to its original amount within five (5) days after receipt of Landlord's written demand. Landlord shall be entitled to retain Tenant's Security Deposit or New Tenant Security Deposit during the entire Term.

5. **Late Fees.** If any installment of Rent is not received by Landlord from Tenant within five (5) days after the date when due, Tenant will immediately pay to Landlord a late charge equal to ten percent (10%) of the delinquent amount. Landlord and Tenant agree this late charge represents a reasonable estimate of the costs and expenses Landlord will incur and is fair compensation to Landlord for its loss suffered by reason of the Rent payment not being paid by Tenant when due. If Tenant is late in paying Rent more than three (3) times during any twenty-four (24) month period during the Term, Landlord

shall have the right, upon notice to Tenant, to require that all Rent be paid three (3) months in advance. Additionally, if any of Tenant's checks are returned for nonsufficient funds, Landlord may, at its option, charge tenant a reasonable returned check charge and require that all future Rent be paid exclusively by money order or cashier's check.

6. **Master Lease.** Landlord's interest in the Premises is held under a sublease of the Third Amended Flat Rate Lease between the City of San Diego ("City") ("**Master Lessor**") and Brown Field Aviation Ventures (the "**Master Lease**"), a copy of which is referenced on **Exhibit B** attached hereto and by this reference made a part hereof. This Sublease is a sublease under and subject and subordinate to the terms and conditions of the Master Lease. Tenant may not engage in any conduct that would violate any provision of the Master Lease and hereby acknowledges being subordinate to and bound by all the applicable provisions of the Master Lease relating to the use and occupancy of the Premises. If the Master Lease is terminated, then this Sublease is automatically terminated on the same date of such termination and Landlord has no further obligations under this Sublease other than to return to Tenant any unearned pre-paid Rent and any portion of the Security Deposit that has not been applied in accordance with Section 3 above. Tenant acknowledges that, notwithstanding anything to the contrary, Landlord's obligation to lease the Premises to Tenant is conditioned upon the City of San Diego's prior approval of this Sublease, with any fees for such approval being paid solely by Tenant.

7. **Use.** The Premises are subleased to Tenant for personal (i.e., non-business) aircraft storage (the "**Permitted Use**"). Tenant shall not use or permit the Premises or any part thereof to be used for any purpose or purposes other than the Permitted Use, including, without limitation, for the purpose of carrying on a trade or business, without the prior written approval of the City and Landlord.

8. **Delivery of Possession.** If for any reason Landlord cannot deliver possession of the Premises to Tenant on the Commencement Date, this Sublease shall not be void or voidable, nor shall Landlord be liable to Tenant for any loss or damage resulting therefrom. However, there shall be an abatement of Rent for the period between the Commencement Date and the time when Landlord delivers possession.

9. **Termination of Master Lease.** Upon termination of the Master Lease, the issue of whether the Hangar remains as part of the FBO or is removed by Tenants shall be governed by sections 6.4 and/or 6.9 of the Master Lease, and any other applicable provisions of the Master Lease. Notwithstanding the foregoing, nothing in this Sublease waives Tenant's rights upon termination of the Master Lease to contend that the Hangar is a removable trade/domestic fixture.

10. **No Removal of Hangar.** During the Sublease Term, no Tenant shall remove the Hangar from the FBO, or relocate the Hangar on-site, without the City's and Landlord's prior written consent. Tenant may seek injunctive relief, as a non-exclusive legal remedy, if Tenant violates this provision.

11. **Transfer of Sublease.** During the Sublease Term, the Tenant may sell, assign, transfer, rent, or sublet the Sublease with the prior written consent of the City and Landlord. Landlord shall not unreasonably withhold consent. Tenant will be solely responsible for any City fees related to the Sublease or any sale, assignment or transfer of the Sublease.

12. **Death of Tenant.** If Tenant dies during the Sublease Term, this Sublease shall become part of Tenant's Estate, and may be sold, assigned, transferred, rented, or sublet pursuant to the provisions herein.

13. **Relocation of Hangar.** During the Sublease Term, Landlord may require, in its sole discretion and for a reasonable business purpose, that the Hangar be relocated to a different locale on the FBO. Tenant shall pay 70% and Landlord 30% of the actual costs to disassemble, transport and reassemble the Hangar.

14. **FBO Redevelopment.** Upon redevelopment of the FBO, Landlord may require "B" Hangar Tenants to relocate elsewhere on Landlord's leasehold. Landlord will use best efforts to accommodate all Area B Tenants in good faith. However, if Landlord has a redevelopment plan approved by the City, and Landlord determines that a Hangar on Area B cannot be relocated pursuant to that plan, then Tenant shall have the option to either:

(1) terminate the Sublease and remove the Hangar, with Landlord contributing up to \$4,000 towards the actual removal costs (including disassembly) for a "box" hangar and up to \$500 for a T-Hangar; or

(2) remove the Hangar and build a new Hangar elsewhere on Landlord's leasehold at Tenant's sole expense (the specific location of which shall be determined by Landlord), subject to the following: once Tenant has removed the existing Hangar from the FBO, has constructed the new Hangar, both at Tenant's sole expense, and is paying rent for

the new Hangar, then Landlord shall provide Tenant a rent credit of \$4,000 for a "box" hangar and \$500 for a T-Hangar (toward future rent payments).

15. **Utilities.** Tenant agrees to pay directly to the appropriate utility company all charges for utility services supplied to Tenant for which there is a separate meter and/or submeter to the Premises. Tenant agrees to pay to Landlord its share of all charges for utility services supplied to the Premises for which there is no separate meter or submeter on billing based upon Landlord's reasonable estimate of Tenant's share of all such charges for utility services. Tenant will pay Landlord's cost for installing separate meters and/or submeters at the Premises and will thereafter pay all charges directly to the appropriate utility company for future utility services supplied to Tenant based on such meters or submeters.

16. **Parking.** Tenant and its invitees will park their vehicles only in the parking areas from time to time designated for that purpose by Landlord. Tenant authorizes Landlord to tow, at Tenant's expense, any vehicle belonging to Tenant or Tenant's invitees parked, in its sole discretion, in violation of these provisions and/or to attach violation stickers or notices to any such vehicle. Tenant assumes responsibility for compliance by its invitees with these parking provisions and all parking policies, rules and regulations in effect from time to time and will indemnify, defend and hold harmless Landlord and its owners and agents from and against all cost, expense, and liability arising from any violation of the foregoing by Tenant or Tenant's invitees.

17. **Condition of Leased Premise.** Tenant acknowledges the Premises are in good order and repair, and accepts the Premises in its current "as-is" condition. Neither Landlord nor Landlord's agents make any warranty or representation with respect to the suitability of the Premises for any purpose or its compliance with applicable laws and regulations. Tenant hereby acknowledges and agrees that it is not relying and has not relied on any representations in entering into this Sublease. By taking possession hereunder, Tenant acknowledges it has examined the Premises and accepts the condition thereof.

18. **Maintenance and Repair and Other Expenses.** Tenant, at Tenant's expense, is fully responsible for the maintenance and upkeep of the Hangar (as defined in Exhibit A). Tenant shall regularly inspect the condition of the Premises and shall make all necessary, repairs and replacements to the Premises, including repairs to the Hangar and the repair and replacement of pipes, electrical wiring, heating and plumbing systems, fixture and all other systems and appliances and their appurtenances at the Premises. 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 due immediately.

19. **Condemnation.** If all or any part of the Premises is taken by eminent domain, this Sublease shall expire on the date of such taking, and the Rent shall be apportioned as of that date. In the event of a taking, Landlord shall not be liable to Tenant for any loss or damage resulting therefrom. No part of any award should belong to Tenant.

20. **Damage and Destruction.** Tenant is fully responsible for the maintenance of the Premises during the Term. If the Premises, including the Hangar, are partially damaged or destroyed during the Term, Landlord shall have the option of either immediately terminating this Sublease (provided the Sublease is in the last 12 months of its term) or allowing Tenant to make the necessary repairs at its sole cost and expense, provided such repairs can reasonably be completed within a reasonable period after the date of the damage or destruction in accordance with applicable laws and regulations. In the latter event, this Sublease shall continue in full force and effect. If such repairs cannot reasonably be completed by Tenant within sixty (60) days after the date of damage or destruction, then Tenant may, at its option, terminate this Sublease effective immediately upon written notice to Landlord. Landlord's decision to terminate this Sublease under this Section or allow Tenant to make repairs shall be in its sole and absolute discretion. Landlord shall not be liable for any damage or destruction to any portion of the Premises or to any alterations, trade fixtures, equipment or personal property of Tenant, including without limitation, Tenant's aircrafts stored in the Hangar, to the extent caused by Tenant, Tenant's invitees, other airport tenants, natural causes, or any third parties who use or access the airport or its facilities. Landlord does not provide security services. Tenant is fully responsible to ensure the Premises is adequately secured and safeguarded. Tenant is responsible for any damage or injury resulting from the conduct of its invitees at and around the Premises. Nothing herein shall prevent Tenant from seeking reimbursement from any responsible third party.

21. **Subordination; Attornment.** This Sublease, and Tenant's interest herein, is and shall be subordinate, subject, and inferior to any and all liens and encumbrances now and thereafter placed on the Premises by Landlord, any and all extensions of such liens and encumbrances, and all advances paid under such liens and encumbrances. If Landlord sells, transfers, or conveys its interest in the Premises or this Sublease, or if the same is foreclosed judicially or nonjudicially, or is otherwise acquired, by a mortgagee or beneficiary under a deed of trust or ground lessor, upon the request and at the sole

election of Landlord's lawful successor, Tenant shall attorn to said successor. Tenant shall execute any documents, instruments or agreements reasonably required to effectuate such subordination and attornment within ten (10) days of request therefor.

22. Alterations. Tenant shall not make or cause to be made any alterations to the Premises or any part thereof, including the Hangar, without first obtaining the written consent of Landlord, which may not be unreasonably withheld, conditioned or denied in Landlord's sole and absolute discretion, and, if required under the Master Lease, Master Lessor.

23. Entry Into Premises.

23.1 Landlord and its agents shall be entitled to enter the Premises for the purpose of inspection or any other reasonable purpose, upon 15 calendar days prior written notice to Tenant.

23.2 City or its agents shall be entitled to enter the Premises for the purpose of inspection or any other reasonable purpose, upon reasonable notice to Landlord, who will then promptly notify Tenant.

23.3 Notwithstanding sections 23.1 and 23.2 above, either the Landlord or City, and their respective agents, may immediately enter the Premises in an emergency situation (e.g., fire).

23.4 If City requires Landlord to maintain a key for access to the Hangar, then Landlord shall give Tenant 15 days written notice to provide a key, which shall only be used if Tenant fails to provide access under sections 23.1 and 23.2, or under section 23.3 if there is an emergency.

24. Non-Liability. Except to the extent caused by Landlord's gross negligence or willful misconduct, this Sublease is made upon the express condition that Landlord 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 Premises during the Term of this Sublease, to the maximum extent permitted by law, including without limitation, a loss as a result of injury to Tenant's business or loss of income therefrom, or for personal injury or property damage, including any damage to aircraft stored in the Hangar, that may be sustained by Tenant, or its employees, invitees, agents or contractors or any other person in or about the Premises, caused by any reason whatsoever, whether such damage or injury results from conditions arising upon the Premises, or from other sources, and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to Tenant. Landlord shall not be liable for any latent defect in the Premises or the Hangar located thereon.

25. Indemnity. Tenant will indemnify, defend and hold harmless Landlord, its affiliated entities, and their respective shareholders, directors, members, partners, officers, employees and agents, and the City of San Diego from all claims, demands, actions, causes of action, liabilities, losses, costs, fines, penalties and obligations relating to or arising from any act or omission of Tenant or Tenant's invitees, including without limitation Tenant's or Tenant's invitees' use of the Premises or Tenant's and Tenant's invitees' presence at or around Brown Field. Landlord will indemnify, defend and hold harmless Tenant, its affiliated entities, and their respective shareholders, directors, members, partners, officers, employees and agents from all claims, demands, actions, causes of action, liabilities, losses, costs, fines, penalties and obligations relating to or arising from any act willful or intentional or omission of Landlord.

26. Insurance. Tenant shall at all times throughout the Term maintain insurance with an insurance carrier acceptable to Landlord against loss from public liability arising from the use or condition of or operations conducted on the Premises, including the Hangar. Minimum coverage shall be \$ 1,000,000 Combined Single Limit Liability and Property Damage with an occurrence claims form. Tenant shall ensure that Landlord (and the City of San Diego) are named as additional insured. Tenant will use its best efforts to ensure that each policy shall specify that the policy may not be terminated, altered or canceled without prior written notice to the Landlord and the City of San Diego by the insurance company and will contain endorsements waiving any right of subrogation that the insurer may otherwise have against Landlord or the City of San Diego.

27. Surrender Of Premises. Subject to sections 3 and 9 above, upon the expiration or earlier termination of this Sublease, (i) Tenant shall remove the Hangar (unless Landlord and Tenant agree otherwise), surrender the Premises to Landlord, broom clean and in the same condition and state of repair as at the Commencement Date, except for ordinary wear and tear that Tenant is not otherwise obligated to remedy under the provisions of this Sublease, (ii) Tenant shall deliver all keys to the Premises to Landlord, and (iii) Tenant shall remove all portable furniture, trade fixtures, machinery, equipment,

signs and other items of personal property to the extent not existing at the Premises on the Commencement Date. Tenant shall repair all damage to the Premises caused by such removal and shall restore the Premises to its prior condition, all at Tenant's expense. Anything that is attached to the Space (as defined in the attached Exhibit A) by bolt or otherwise shall not be removed by Tenant without Landlord's prior written consent, which may be withheld, conditioned, or denied at Landlord's sole and absolute discretion. All repairs shall be performed in a manner satisfactory to Landlord and shall include, but are not limited to, the following: capping all plumbing, capping all electrical wiring, repairing all holes in the walls of the Hangar, restoring damaged floor and/or ceiling tiles in the Hangar, and thorough cleaning of the Premises. If Tenant fails to remove any items that Tenant has an obligation to remove under this Section when required by Landlord or otherwise, such items shall, at Landlord's option, become the property of Landlord and Landlord shall have the right to remove and retain or dispose of the same in any manner, without any obligation to account to Tenant for the proceeds thereof. Tenant waives all claims against Landlord for any damages to Tenant resulting from Landlord's retention or disposition of such alterations or personal property. Tenant shall be liable to Landlord for Landlord's costs of removing, storing, and disposing of such items.

28. Compliance with Law. Tenant shall, at its sole cost and expense, comply with all of the requirements of all municipal, state and federal authorities and all Brown Field and Landlord policies, rules and regulations now in force or which may hereafter be in force, pertaining to the Premises. Tenant, at its sole cost and expense, will comply with all federal, state, and local laws and regulations relating to the storage, use, handling, and disposal of hazardous, toxic, or radioactive matter (collectively, "**Hazardous Materials**"). Tenant shall not use or allow the use of any Hazardous Materials. Notwithstanding the foregoing, Tenant may use any ordinary and customary materials in reasonable amounts as are required to be used in connection with its aircraft, as long as such use is in compliance with all applicable laws, policies, rules and regulations, and the Master Lease.

29. Remedies of Landlord. The occurrence of any one or more of the following events shall constitute a material default and breach of this Sublease by Tenant: (i) a default under the Master Lease due to Tenant's acts or omissions; (ii) Tenant's failure to pay Rent or any other amount due under this Sublease when due, where such failure shall continue for a period of five (5) days after notice thereof from Landlord to Tenant, (iii) the failure by Tenant to observe or perform any of the other covenants, conditions or provisions of this Sublease, where such failure shall continue for a period of thirty (30) days after written notice from Landlord, or (iv) any other breach of this Sublease by Tenant. In the event of any breach of this Sublease by Tenant, Landlord shall be entitled to all damages hereunder and at law and may exercise all rights and remedies available under applicable law including, without limitation, a termination of Tenant's tenancy and any other remedies available to Landlord under applicable law.

30. Notice. Any and all notices to either party shall be personally delivered or sent by regular mail, postage prepaid, addressed to the party to be notified at the address specified in the signature block below, or at such other address as such party may from time to time designate in writing. Notice shall be deemed delivered on the date of personal delivery or three (3) business days after deposit in the U.S. Mail, certified, return receipt requested.

31. Aircraft Information. Tenant identifies the Aircraft that may be stored at the Premises as follows:

Aircraft Maker: Cessna

Aircraft Maker: _____

Model: 195

Model: _____

Registration Number: N195WB

Registration Number: _____

Tenant shall update this information as necessary.

32. Miscellaneous. This Sublease will be governed by and construed in accordance with the laws of the State of California. For purposes of venue and jurisdiction, this Sublease will be deemed made and to be performed in San Diego County, California. Landlord has not caused the Premises to be inspected by a Certified Access Specialist (CASp). Each party to this Sublease will execute all instruments and documents and take all actions as may be reasonably required to effectuate this Sublease. This Sublease may be modified only by a contract in writing executed by the parties. This Sublease contains the entire agreement between the parties to this Sublease with respect to the subject matter of this Sublease and is intended as a complete and exclusive statement of the terms of such agreement. Each provision of this Sublease will be valid and enforceable to the fullest extent permitted by law. If any provision of this Sublease or the application of such provision to any person or circumstance will, to any extent, be invalid or unenforceable, the remainder of this Sublease will not be

affected by such invalidity or unenforceability. Any waiver of a default under this Sublease must be in writing and will not be a waiver of any other default concerning the same or any other provision of this Sublease. This Sublease may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. A facsimile or electronic transmission of a signature to this Sublease is as effective as any original signature. Each reference to "days" shall mean calendar days. The parties acknowledge that they have caused this Sublease to be reviewed and approved by legal counsel of their own choice. This Sublease has been specifically negotiated, and any presumption that an ambiguity contained in this Sublease shall be construed against the party that caused this Sublease to be drafted shall not apply to the interpretation of this Sublease. The prevailing party in any dispute concerning the enforcement or interpretation of this Sublease, shall be entitled to recover from the other party all attorneys' fees and costs incurred in connection with such proceeding or any appeal or enforcement of any judgment obtained in any such proceeding. This Sublease shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns. All indemnity and other unsatisfied obligations of Tenant set forth in this Sublease shall survive the termination or expiration hereof. Tenant's obligations under the following Sections will survive any expiration or termination of this Sublease: Sections 3 and 5 (relating to unpaid Rent and applicable late payments), 6 (relating to performance of Tenant's obligations under the Master Lease), 15 (relating to accrued utility charges), 25 (relating to tenant's indemnification obligations), 18 (relating to unsatisfied maintenance and repair obligations), 24 (relating to the limitations of Landlord's liability), 27 (as it relates to surrender of the Premises), 28 (relating to compliance with laws), 29 (relating to Landlord's remedies), and this Section 32.

33. IN WITNESS WHEREOF, Landlord and Tenant have executed this Sublease as of the day and year first written above.

TENANT:

Sign: _____

Name: John Nance

Address: 4247 Pilon Pt., San Diego, Ca. 92130

Work Phone: 858-755-3507

Mobile Phone: 858-829-2263

E-mail Address: _____

LANDLORD:

Lancair Corp.,
a Nevada corporation

By: _____

Tom Ricotta, President

Lancair Corp.
Attn: Tom Ricotta, President
1424 Continental St.
San Diego, CA 92154

EXHIBIT A
Premises Description

“**Premises**” means the real property which is approximately 1681 square feet (the “**Space**”), which includes the improvements and the Hangar located on and attached to the Space identified as hangar A13 (the “**Hangar**”), for purposes of reference but not determination of ownership.

SY

Initials

EXHIBIT B
Master Lease

A copy of the Master Lease is on file at the Landlord's business office and is and has been available for Tenant's review. Tenant confirms having been given the opportunity to review the Master Lease.

SV

Initials

13070



LANCAIR CORP.
DBA: SAN DIEGO JET CENTER
1424 Continental Street
San Diego, CA 92154
(619) 671-9222

Wells Fargo Bank, N.A.



11-4288/1210

2/11/2020

PAY TO THE
ORDER OF

The City of San Diego

\$ **990.00

Nine Hundred Ninety and 00/100*****

DOLLARS

The City of San Diego



[Signature]
AUTHORIZED SIGNATURE

MEMO

John Nance Sub-lease/Brown Field A13

⑈013070⑈ ⑆121042882⑆ 2012107827⑈

LANCAIR CORP.

13070

The City of San Diego
6290 · Rent:6292 · Lease Payment

John Nance Sub-lease/Brown Field A13

2/11/2020

990.00

Wells Fargo Bank

John Nance Sub-lease/Brown Field A13

990.00

TENANT SUB-SUBLEASE AGREEMENT

This Tenant Sub-Sublease Agreement ("**Sub-Sublease**"), is executed in San Diego, California and effective on February 1, 2020 (the "**Effective Date**") between Lancair Corp., a Nevada corporation ("**Landlord**"), and Hogue, LLC. ("**Tenant**"). Landlord and Tenant may collectively be referred to herein as "**parties**" and individually as a "**party**." It is agreed between the parties hereto as follows:

1. **Lease of Premises.** In consideration of the Rent (as defined below) and on the terms and conditions hereinafter set forth, Landlord leases to Tenant and Tenant leases from Landlord the "**Premises**," as described in more detail in **Exhibit A** attached hereto and by this reference made a part hereof. Tenant and Landlord acknowledge that the Hangar is an improvement to the Premises. The Premises is part of Landlord's Fixed Base Operation at Brown Field ("FBO").

2. **Term.** The initial term of this Sublease (the "**Initial Term**") will commence on February 1, 2020 (the "**Commencement Date**") and expire on August 31, 2031 (the "**Expiration Date**"). The Initial Term, Second Sublease Term and Third Sublease Term (as defined below) shall sometimes collectively be referred to as the "Term."

3. **Rent.** Tenant shall pay to Landlord, on or before the first day of each calendar month during the Term, rent in the amount of \$607.18 per square foot based on the Hangar size ("**Rent**") at Landlord's address set forth below or at such other place designated by Landlord, without deduction, offset or prior demand. The initial monthly rent is \$607.18 (\$0.35 x 1681 square feet PLUS CPI). If the Commencement Date is not the first day of a calendar month, Rent for the partial month at the beginning of the Term shall be prorated on a per diem basis and shall be due on the first day of the Term during such partial month. Notwithstanding the above, if and when the City reappraises Landlord's FBO per the Master Lease, Tenants' rent will increase in proportion to City's increase, upon 30 days' notice from Landlord, in addition to any annual CPI adjustments. (E.g. if City increases Landlord's rent by 10%, then the Landlord may increase Tenants' rent by 10%). Rent shall increase effective as of January 1st of each calendar year by the amount of CPI (as defined below) increase from January 1st of the previous calendar year to January 1st of the current calendar year. "**CPI**" means The All Urban Consumers Index, for the cities of Los Angeles – Anaheim – Riverside, All Items. If at any time there shall not exist the CPI in this format, Landlord shall substitute any official index published by the Bureau of Labor Statistics, its successor, or a similar governmental agency. If Landlord extends the Master Lease from November 2031 to November 2041, then Tenants will have the option to extend the Sublease until August 31, 2041 ("Second Sublease Term"), subject to renegotiating the rental rate. The new rental rate cannot exceed 25% of the last year's rental rate. If Landlord and Tenant cannot agree on a new rental rate, then at Landlord's sole option, the Hangar shall be promptly removed from the FBO at Tenant's sole expense, or the Hangar shall remain on the FBO and be deemed part of the FBO. If the Master Lease is extended from November 2041 to November 2051, Tenant will have the option to extend the Sublease until August 31, 2051 ("Third Sublease Term"), subject to renegotiating the rental rate. The new rental rate cannot exceed 25% of the last year's rental rate. If the Landlord and Tenant cannot agree on a new rental rate, then at Landlord's sole option, the Hangar shall be promptly removed from the FBO at Tenant's sole expense, or the Hangar shall remain on the FBO and be deemed part of the FBO.

4. **Security Deposit.** Tenant is not required to pay a security deposit. However, if Tenant is late on monthly rent two (2) or more times, then Landlord has the right to demand Tenant pay a security deposit equal to the then current monthly rent ("**Security Deposit**"), to be held by Landlord, without liability for interest, as security for Tenant's performance of its obligations under this Sublease. Upon assignment or transfer of this Sublease or entry into a new sub-sublease, new Tenant shall pay to Landlord a sum equal to the then current first month's rent, or entry into a new sub-sublease and a security deposit equal to one month of the then current monthly rent (collectively "**New Tenant Security Deposit**"). Landlord shall not be required to keep the Security Deposit, New Tenant Security Deposit or prepaid Rent, if any, separate from its other accounts. Landlord may apply all or a part of the Security Deposit, or New Tenant Security Deposit to any unpaid Rent or other monetary payments due from Tenant hereunder or to cure any other default of Tenant hereunder or to compensate Landlord for all damage and expense sustained as a result of such default. If all or any portion of the Security Deposit or New Tenant Security Deposit is so applied, Tenant shall deposit cash sufficient to restore the Security Deposit or New Tenant Security Deposit to its original amount within five (5) days after receipt of Landlord's written demand. Landlord shall be entitled to retain Tenant's Security Deposit or New Tenant Security Deposit during the entire Term.

5. **Late Fees.** If any installment of Rent is not received by Landlord from Tenant within five (5) days after the date when due, Tenant will immediately pay to Landlord a late charge equal to ten percent (10%) of the delinquent amount.

Landlord and Tenant agree this late charge represents a reasonable estimate of the costs and expenses Landlord will incur and is fair compensation to Landlord for its loss suffered by reason of the Rent payment not being paid by Tenant when due. If Tenant is late in paying Rent more than three (3) times during any twenty-four (24) month period during the Term, Landlord shall have the right, upon notice to Tenant, to require that all Rent be paid three (3) months in advance. Additionally, if any of Tenant's checks are returned for nonsufficient funds, Landlord may, at its option, charge tenant a reasonable returned check charge and require that all future Rent be paid exclusively by money order or cashier's check.

6. **Master Lease.** Landlord's interest in the Premises is held under a sublease of the Third Amended Flat Rate Lease between the City of San Diego ("City") ("**Master Lessor**") and Brown Field Aviation Ventures (the "**Master Lease**"), a copy of which is referenced on **Exhibit B** attached hereto and by this reference made a part hereof. This Sublease is a sublease under and subject and subordinate to the terms and conditions of the Master Lease. Tenant may not engage in any conduct that would violate any provision of the Master Lease and hereby acknowledges being subordinate to and bound by all the applicable provisions of the Master Lease relating to the use and occupancy of the Premises. If the Master Lease is terminated, then this Sublease is automatically terminated on the same date of such termination and Landlord has no further obligations under this Sublease other than to return to Tenant any unearned pre-paid Rent and any portion of the Security Deposit that has not been applied in accordance with Section 3 above. Tenant acknowledges that, notwithstanding anything to the contrary, Landlord's obligation to lease the Premises to Tenant is conditioned upon the City of San Diego's prior approval of this Sublease, with any fees for such approval being paid solely by Tenant.

7. **Use.** The Premises are subleased to Tenant for personal (i.e., non-business) aircraft storage (the "**Permitted Use**"). Tenant shall not use or permit the Premises or any part thereof to be used for any purpose or purposes other than the Permitted Use, including, without limitation, for the purpose of carrying on a trade or business, without the prior written approval of the City and Landlord.

8. **Delivery of Possession.** If for any reason Landlord cannot deliver possession of the Premises to Tenant on the Commencement Date, this Sublease shall not be void or voidable, nor shall Landlord be liable to Tenant for any loss or damage resulting therefrom. However, there shall be an abatement of Rent for the period between the Commencement Date and the time when Landlord delivers possession.

9. **Termination of Master Lease.** Upon termination of the Master Lease, the issue of whether the Hangar remains as part of the FBO or is removed by Tenants shall be governed by sections 6.4 and/or 6.9 of the Master Lease, and any other applicable provisions of the Master Lease. Notwithstanding the foregoing, nothing in this Sublease waives Tenant's rights upon termination of the Master Lease to contend that the Hangar is a removable trade/domestic fixture.

10. **No Removal of Hangar.** During the Sublease Term, no Tenant shall remove the Hangar from the FBO, or relocate the Hangar on-site, without the City's and Landlord's prior written consent. Tenant may seek injunctive relief, as a non-exclusive legal remedy, if Tenant violates this provision.

11. **Transfer of Sublease.** During the Sublease Term, the Tenant may sell, assign, transfer, rent, or sublet the Sublease with the prior written consent of the City and Landlord. Landlord shall not unreasonably withhold consent. Tenant will be solely responsible for any City fees related to the Sublease or any sale, assignment or transfer of the Sublease.

12. **Death of Tenant.** If Tenant dies during the Sublease Term, this Sublease shall become part of Tenant's Estate, and may be sold, assigned, transferred, rented, or sublet pursuant to the provisions herein.

13. **Relocation of Hangar.** During the Sublease Term, Landlord may require, in its sole discretion and for a reasonable business purpose, that the Hangar be relocated to a different locale on the FBO. Tenant shall pay 70% and Landlord 30% of the actual costs to disassemble, transport and reassemble the Hangar.

14. **FBO Redevelopment.** Upon redevelopment of the FBO, Landlord may require "B" Hangar Tenants to relocate elsewhere on Landlord's leasehold. Landlord will use best efforts to accommodate all Area B Tenants in good faith. However, if Landlord has a redevelopment plan approved by the City, and Landlord determines that a Hangar on Area B cannot be relocated pursuant to that plan, then Tenant shall have the option to either:

- (1) terminate the Sublease and remove the Hangar, with Landlord contributing up to \$4,000 towards the actual removal costs (including disassembly) for a "box" hangar and up to \$500 for a T-Hangar; or

(2) remove the Hangar and build a new Hangar elsewhere on Lancair's leasehold at Tenant's sole expense (the specific location of which shall be determined by Landlord), subject to the following: once Tenant has removed the existing Hangar from the FBO, has constructed the new Hangar, both at Tenant's sole expense, and is paying rent for the new Hangar, then Landlord shall provide Tenant a rent credit of \$4,000 for a "box" hangar and \$500 for a T-Hangar (toward future rent payments).

15. **Utilities.** Tenant agrees to pay directly to the appropriate utility company all charges for utility services supplied to Tenant for which there is a separate meter and/or submeter to the Premises. Tenant agrees to pay to Landlord its share of all charges for utility services supplied to the Premises for which there is no separate meter or submeter on billing based upon Landlord's reasonable estimate of Tenant's share of all such charges for utility services. Tenant will pay Landlord's cost for installing separate meters and/or submeters at the Premises and will thereafter pay all charges directly to the appropriate utility company for future utility services supplied to Tenant based on such meters or submeters.

16. **Parking.** Tenant and its invitees will park their vehicles only in the parking areas from time to time designated for that purpose by Landlord. Tenant authorizes Landlord to tow, at Tenant's expense, any vehicle belonging to Tenant or Tenant's invitees parked, in its sole discretion, in violation of these provisions and/or to attach violation stickers or notices to any such vehicle. Tenant assumes responsibility for compliance by its invitees with these parking provisions and all parking policies, rules and regulations in effect from time to time and will indemnify, defend and hold harmless Landlord and its owners and agents from and against all cost, expense, and liability arising from any violation of the foregoing by Tenant or Tenant's invitees.

17. **Condition of Leased Premise.** Tenant acknowledges the Premises are in good order and repair, and accepts the Premises in its current "**as-is**" condition. Neither Landlord nor Landlord's agents make any warranty or representation with respect to the suitability of the Premises for any purpose or its compliance with applicable laws and regulations. Tenant hereby acknowledges and agrees that it is not relying and has not relied on any representations in entering into this Sublease. By taking possession hereunder, Tenant acknowledges it has examined the Premises and accepts the condition thereof.

18. **Maintenance and Repair and Other Expenses.** Tenant, at Tenant's expense, is fully responsible for the maintenance and upkeep of the Hangar (as defined in **Exhibit A**). Tenant shall regularly inspect the condition of the Premises and shall make all necessary, repairs and replacements to the Premises, including repairs to the Hangar and the repair and replacement of pipes, electrical wiring, heating and plumbing systems, fixture and all other systems and appliances and their appurtenances at the Premises. 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 due immediately.

19. **Condemnation.** If all or any part of the Premises is taken by eminent domain, this Sublease shall expire on the date of such taking, and the Rent shall be apportioned as of that date. In the event of a taking, Landlord shall not be liable to Tenant for any loss or damage resulting therefrom. No part of any award should belong to Tenant.

20. **Damage and Destruction.** Tenant is fully responsible for the maintenance of the Premises during the Term. If the Premises, including the Hangar, are partially damaged or destroyed during the Term, Landlord shall have the option of either immediately terminating this Sublease (provided the Sublease is in the last 12 months of its term) or allowing Tenant to make the necessary repairs at its sole cost and expense, provided such repairs can reasonably be completed within a reasonable period after the date of the damage or destruction in accordance with applicable laws and regulations. In the latter event, this Sublease shall continue in full force and effect. If such repairs cannot reasonably be completed by Tenant within sixty (60) days after the date of damage or destruction, then Tenant may, at its option, terminate this Sublease effective immediately upon written notice to Landlord. Landlord's decision to terminate this Sublease under this Section or allow Tenant to make repairs shall be in its sole and absolute discretion. Landlord shall not be liable for any damage or destruction to any portion of the Premises or to any alterations, trade fixtures, equipment or personal property of Tenant, including without limitation, Tenant's aircrafts stored in the Hangar, to the extent caused by Tenant, Tenant's invitees, other airport tenants, natural causes, or any third parties who use or access the airport or its facilities. Landlord does not provide security services. Tenant is fully responsible to ensure the Premises is adequately secured and safeguarded. Tenant is responsible for any damage or injury resulting from the conduct of its invitees at and around the Premises. Nothing herein shall prevent Tenant from seeking reimbursement from any responsible third party.

21. **Subordination; Attornment.** This Sublease, and Tenant's interest herein, is and shall be subordinate, subject, and inferior to any and all liens and encumbrances now and thereafter placed on the Premises by Landlord, any and all extensions of such liens and encumbrances, and all advances paid under such liens and encumbrances. If Landlord sells, transfers, or conveys its interest in the Premises or this Sublease, or if the same is foreclosed judicially or nonjudicially, or is otherwise acquired, by a mortgagee or beneficiary under a deed of trust or ground lessor, upon the request and at the sole election of Landlord's lawful successor, Tenant shall attorn to said successor. Tenant shall execute any documents, instruments or agreements reasonably required to effectuate such subordination and attornment within ten (10) days of request therefor.

22. **Alterations.** Tenant shall not make or cause to be made any alterations to the Premises or any part thereof, including the Hangar, without first obtaining the written consent of Landlord, which may not be unreasonably be withheld, conditioned or denied in Landlord's sole and absolute discretion, and, if required under the Master Lease, Master Lessor.

23. **Entry Into Premises.**

23.1 Landlord and its agents shall be entitled to enter the Premises for the purpose of inspection or any other reasonable purpose, upon 15 calendar days prior written notice to Tenant.

23.2 City or its agents shall be entitled to enter the Premises for the purpose of inspection or any other reasonable purpose, upon reasonable notice to Landlord, who will then promptly notify Tenant.

23.3 Notwithstanding sections 23.1 and 23.2 above, either the Landlord or City, and their respective agents, may immediately enter the Premises in an emergency situation (e.g., fire).

23.4 If City requires Landlord to maintain a key for access to the Hangar, then Landlord shall give Tenant 15 days written notice to provide a key, which shall only be used if Tenant fails to provide access under sections 23.1 and 23.2, or under section 23.3 if there is an emergency.

24. **Non-Liability.** Except to the extent caused by Landlord's gross negligence or willful misconduct, this Sublease is made upon the express condition that Landlord 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 Premises during the Term of this Sublease, to the maximum extent permitted by law, including without limitation, a loss as a result of injury to Tenant's business or loss of income therefrom, or for personal injury or property damage, including any damage to aircraft stored in the Hangar, that may be sustained by Tenant, or its employees, invitees, agents or contractors or any other person in or about the Premises, caused by any reason whatsoever, whether such damage or injury results from conditions arising upon the Premises, or from other sources, and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to Tenant. Landlord shall not be liable for any latent defect in the Premises or the Hangar located thereon.

25. **Indemnity.** Tenant will indemnify, defend and hold harmless Landlord, its affiliated entities, and their respective shareholders, directors, members, partners, officers, employees and agents, and the City of San Diego from all claims, demands, actions, causes of action, liabilities, losses, costs, fines, penalties and obligations relating to or arising from any act or omission of Tenant or Tenant's invitees, including without limitation Tenant's or Tenant's invitees' use of the Premises or Tenant's and Tenant's invitees' presence at or around Brown Field. Landlord will indemnify, defend and hold harmless Tenant, its affiliated entities, and their respective shareholders, directors, members, partners, officers, employees and agents from all claims, demands, actions, causes of action, liabilities, losses, costs, fines, penalties and obligations relating to or arising from any act willful or intentional or omission of Landlord.

26. **Insurance.** Tenant shall at all times throughout the Term maintain insurance with an insurance carrier acceptable to Landlord against loss from public liability arising from the use or condition of or operations conducted on the Premises, including the Hangar. Minimum coverage shall be \$ 1,000,000 Combined Single Limit Liability and Property Damage with an occurrence claims form. Tenant shall ensure that Landlord (and the City of San Diego) are named as additional insured. Tenant will use its best efforts to ensure that each policy shall specify that the policy may not be terminated, altered or canceled without prior written notice to the Landlord and the City of San Diego by the insurance company and will contain endorsements waiving any right of subrogation that the insurer may otherwise have against Landlord or the City of San Diego.

27. **Surrender Of Premises.** Subject to sections 3 and 9 above, upon the expiration or earlier termination of this Sublease, (i) Tenant shall remove the Hangar (unless Landlord and Tenant agree otherwise), surrender the Premises to Landlord, broom clean and in the same condition and state of repair as at the Commencement Date, except for ordinary wear and tear that Tenant is not otherwise obligated to remedy under the provisions of this Sublease, (ii) Tenant shall deliver all keys to the Premises to Landlord, and (iii) Tenant shall remove all portable furniture, trade fixtures, machinery, equipment, signs and other items of personal property to the extent not existing at the Premises on the Commencement Date. Tenant shall repair all damage to the Premises caused by such removal and shall restore the Premises to its prior condition, all at Tenant's expense. Anything that is attached to the Space (as defined in the attached Exhibit A) by bolt or otherwise shall not be removed by Tenant without Landlord's prior written consent, which may be withheld, conditioned, or denied at Landlord's sole and absolute discretion. All repairs shall be performed in a manner satisfactory to Landlord and shall include, but are not limited to, the following: capping all plumbing, capping all electrical wiring, repairing all holes in the walls of the Hangar, restoring damaged floor and/or ceiling tiles in the Hangar, and thorough cleaning of the Premises. If Tenant fails to remove any items that Tenant has an obligation to remove under this Section when required by Landlord or otherwise, such items shall, at Landlord's option, become the property of Landlord and Landlord shall have the right to remove and retain or dispose of the same in any manner, without any obligation to account to Tenant for the proceeds thereof. Tenant waives all claims against Landlord for any damages to Tenant resulting from Landlord's retention or disposition of such alterations or personal property. Tenant shall be liable to Landlord for Landlord's costs of removing, storing, and disposing of such items.

28. **Compliance with Law.** Tenant shall, at its sole cost and expense, comply with all of the requirements of all municipal, state and federal authorities and all Brown Field and Landlord policies, rules and regulations now in force or which may hereafter be in force, pertaining to the Premises. Tenant, at its sole cost and expense, will comply with all federal, state, and local laws and regulations relating to the storage, use, handling, and disposal of hazardous, toxic, or radioactive matter (collectively, "**Hazardous Materials**"). Tenant shall not use or allow the use of any Hazardous Materials. Notwithstanding the foregoing, Tenant may use any ordinary and customary materials in reasonable amounts as are required to be used in connection with its aircraft, as long as such use is in compliance with all applicable laws, policies, rules and regulations, and the Master Lease.

29. **Remedies of Landlord.** The occurrence of any one or more of the following events shall constitute a material default and breach of this Sublease by Tenant: (i) a default under the Master Lease due to Tenant's acts or omissions; (ii) Tenant's failure to pay Rent or any other amount due under this Sublease when due, where such failure shall continue for a period of five (5) days after notice thereof from Landlord to Tenant, (iii) the failure by Tenant to observe or perform any of the other covenants, conditions or provisions of this Sublease, where such failure shall continue for a period of thirty (30) days after written notice from Landlord, or (iv) any other breach of this Sublease by Tenant. In the event of any breach of this Sublease by Tenant, Landlord shall be entitled to all damages hereunder and at law and may exercise all rights and remedies available under applicable law including, without limitation, a termination of Tenant's tenancy and any other remedies available to Landlord under applicable law.

30. **Notice.** Any and all notices to either party shall be personally delivered or sent by regular mail, postage prepaid, addressed to the party to be notified at the address specified in the signature block below, or at such other address as such party may from time to time designate in writing. Notice shall be deemed delivered on the date of personal delivery or three (3) business days after deposit in the U.S. Mail, certified, return receipt requested.

31. **Aircraft Information.** Tenant identifies the Aircraft that may be stored at the Premises as follows:

Aircraft Maker: COLUMBIA

Aircraft Maker: Cessna

Model: 400

Model: 210

Registration Number: 25281

Registration Number: 210WZ

Tenant shall update this information as necessary.

32. **Miscellaneous.** This Sublease will be governed by and construed in accordance with the laws of the State of California. For purposes of venue and jurisdiction, this Sublease will be deemed made and to be performed in San Diego County, California. Landlord has not caused the Premises to be inspected by a Certified Access Specialist (CASp). Each

party to this Sublease will execute all instruments and documents and take all actions as may be reasonably required to effectuate this Sublease. This Sublease may be modified only by a contract in writing executed by the parties. This Sublease contains the entire agreement between the parties to this Sublease with respect to the subject matter of this Sublease and is intended as a complete and exclusive statement of the terms of such agreement. Each provision of this Sublease will be valid and enforceable to the fullest extent permitted by law. If any provision of this Sublease or the application of such provision to any person or circumstance will, to any extent, be invalid or unenforceable, the remainder of this Sublease will not be affected by such invalidity or unenforceability. Any waiver of a default under this Sublease must be in writing and will not be a waiver of any other default concerning the same or any other provision of this Sublease. This Sublease may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. A facsimile or electronic transmission of a signature to this Sublease is as effective as any original signature. Each reference to "days" shall mean calendar days. The parties acknowledge that they have caused this Sublease to be reviewed and approved by legal counsel of their own choice. This Sublease has been specifically negotiated, and any presumption that an ambiguity contained in this Sublease shall be construed against the party that caused this Sublease to be drafted shall not apply to the interpretation of this Sublease. The prevailing party in any dispute concerning the enforcement or interpretation of this Sublease, shall be entitled to recover from the other party all attorneys' fees and costs incurred in connection with such proceeding or any appeal or enforcement of any judgment obtained in any such proceeding. This Sublease shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns. All indemnity and other unsatisfied obligations of Tenant set forth in this Sublease shall survive the termination or expiration hereof. Tenant's obligations under the following Sections will survive any expiration or termination of this Sublease: Sections 3 and 5 (relating to unpaid Rent and applicable late payments), 6 (relating to performance of Tenant's obligations under the Master Lease), 15 (relating to accrued utility charges), 25 (relating to tenant's indemnification obligations), 18 (relating to unsatisfied maintenance and repair obligations), 24 (relating to the limitations of Landlord's liability), 27 (as it relates to surrender of the Premises), 28 (relating to compliance with laws), 29 (relating to Landlord's remedies), and this Section 32.

33. IN WITNESS WHEREOF, Landlord and Tenant have executed this Sublease as of the day and year first written above.

TENANT:

Sign: _____

Name: Aaron Hogue *MANAGING MEMBER*

HOGUE, LLC

Address: PO Box 1138 Paseo Robles, Ca. 93447

Work Phone: 805-239-1440

Mobile Phone: 805 610 4429

E-mail Address: aaron@hogueinc.com

LANDLORD:

Lancair Corp.,
a Nevada corporation

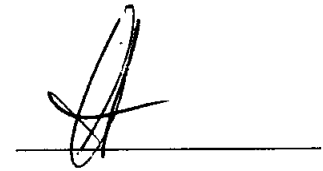
By _____

Tom Ricotta, President

Lancair Corp.
Attn: Tom Ricotta, President
1424 Continental St.
San Diego, CA 92154

EXHIBIT A
Premises Description

"Premises" means the real property which is approximately 1681 square feet (the **"Space"**), which includes the improvements and the Hangar located on and attached to the Space identified as hangar A15 (the **"Hangar"**), for purposes of reference but not determination of ownership.

A handwritten signature, appearing to be the letter 'A', is written over a horizontal line.

Initials

EXHIBIT B
Master Lease

A copy of the Master Lease is on file at the Landlord's business office and is and has been available for Tenant's review. Tenant confirms having been given the opportunity to review the Master Lease.

A handwritten signature, possibly reading 'A', is written over a horizontal line.

Initials