

GROUND SUBLEASE

This Ground Sublease ("Sublease") is entered into by and between Hawthorne Airport, LLC, a Delaware limited liability company ("Sublandlord"), and Michael K. Osborn and Kalpana P. Osborn Revocable Living Trust ("Subtenant") as of September 11, 2024 (the "Effective Date"), with regard to the following facts:

RECITALS:

A. Sublandlord is currently leasing from the City of Hawthorne, a California Municipal Corporation ("Master Landlord"), certain portions of the "Hawthorne Municipal Airport - Jack Northrop Field" (the "Airport") pursuant to: (i) that certain Ground Lease dated as of January 3, 2005; (ii) that certain First Amendment to Ground Lease dated as of November 22, 2005; (iii) that certain Second Amendment to Ground Lease dated as of June 13, 2006; (iv) that certain Third Amendment to Ground Lease dated as of June 28, 2017; and (v) that certain Fourth Amendment to Ground Lease dated as of January 24, 2024 (collectively the "Master Ground Lease" or "MGL").

B. In connection with that certain Hangar 8 Purchase And Sale Agreement between Sublandlord and Subtenant (the "Purchase Agreement") dated September 11, 2024, Subtenant desires to sublease from Sublandlord a portion of the Airport, commonly known as the ground under Hangar 8, (hereinafter the "Subleased Premises") as depicted on Exhibit "B" attached hereto and Sublandlord has agreed to sublease the Subleased Premises to Subtenant upon the terms, covenants and conditions herein set forth.

SUBLEASE:

In consideration of the mutual covenants contained herein, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows.

1. Sublease. Sublandlord hereby subleases and demises to Subtenant and Subtenant hereby hires and takes from Sublandlord the Subleased Premises for the uses and upon the terms and conditions set forth in this Sublease. In addition to the foregoing, Sublandlord grants to Subtenant the following rights to use other portions of the Airport during the term of this Sublease: (1) a non-exclusive right to use the common areas (as defined in Section 1.1) as reasonably necessary for the continued use of the Subleased Premises as permitted hereunder.

1.1 Use of Common Areas. Appurtenant to the Subleased Premises shall also be a nonexclusive right to use (1) the common areas and (2) all easements, licenses, and other rights of access over, upon and across all common areas of the Airport to which Sublandlord has access pursuant to the Master Ground Lease. As used herein, the term "Common Areas" shall mean all areas and facilities within the Airport which are provided and designated from time to time by Sublandlord and/or the Master Landlord for the general use and convenience of Subtenant and other tenants of the Airport and their respective employees, agents, and invitees. Notwithstanding the foregoing, Sublandlord shall, to the extent within Sublandlord's control, at all times allow Subtenant reasonable ingress and egress to the Subleased Premises across the common areas from a public street adjacent to the Airport and to the Airport runways and taxiways; provided, however, in no event shall the common areas be used for vehicular parking or any other non-aviation related purpose except to the extent designated for such uses.

1.2 Sublandlord's Reserved Rights. Sublandlord reserves the right to, from time to time, take the following actions, so long as such actions are taken in a manner to minimize any disruptions to the business and activities of Subtenant and Subtenant's tenants, guests, and invitees and do not materially impair the ability of Subtenant or Subtenant's tenants, guests, and invitees to conduct their activities in the normal course of their respective businesses: (i) install, use, maintain, repair and replace pipes, ducts, conduits, wires and appurtenant meters and equipment for service to other parts of the Airport leading through the Subleased Premises in locations which will not materially interfere with Subtenant's use thereof, (ii) relocate any pipes, ducts, conduits, wires and appurtenant meters and equipment included in the Subleased Premises which are so located or located elsewhere outside the Subleased Premises, (iii) construct other buildings or improvements on the Airport (other than the Subleased Premises), (iv) build additional stories on any building or buildings on the Airport (other than the Subleased Premises), (v) lease any portion of the Airport (other than the Subleased Premises) for the construction of improvements or buildings, (vi) reconfigure and/or restripe driveways, walkways, and taxiways, and (viii) modify or enlarge the common areas, alter or relocate accesses to the Subleased Premises and the Airport, including both separate and common accesses and provisions of a separate access, or alter or relocate any common facility. Sublandlord further reserves to itself the right, from time to time, to grant such non-exclusive easements, rights, and dedications that Sublandlord reasonably deems necessary or desirable, and to cause the recordation of restrictions, so long as such easements, rights, dedications, and restrictions do not materially interfere with the use of the Subleased Premises by Subtenant or by Subtenant's tenants, guests, and invitees. Subtenant shall promptly sign any documents reasonably necessary to effect the aforementioned rights, upon request of Sublandlord.

1.3 Tender of Possession. Subject to the terms and provisions of the Purchase Agreement and the terms and provisions of this Sublease, possession of the Subleased Premises pursuant to this Sublease shall be tendered and delivered by Sublandlord, and accepted by Subtenant, in its "As Is, Where Is" condition.

2. Term. The "Term" of this Sublease shall commence on the Effective Date and shall end, unless sooner terminated, at 11:59 PM on December 31, 2055.

3. Rent.

3.1 Rent -- Subtenant's Share. Subtenant shall pay to Sublandlord "Sublease Rent" during the Term of this Sublease in an amount equal to Subtenant's Share (as defined below) of (a) the "Base Rent" (as defined in the Master Ground Lease) payable by Sublandlord to Master Landlord pursuant to the Master Ground Lease, as such amount may be adjusted from time to time pursuant to the terms and provisions of the Master Ground Lease, and (b) all "Operating Expenses" (defined below). Subtenant hereby acknowledges and agrees that Subtenant has been provided with and reviewed the Master Ground Lease and is familiar with the "Base Rent" required to be paid by Sublandlord to Master Landlord thereunder. The term Subtenant's Share was determined by Sublandlord based on a percentage using (i) the square footage of the Subleased Premises (which for purposes of this Sublease the parties agree is 1,800 square feet) as the numerator and (ii) the aggregate square footage of the Airport which Sublandlord reasonably anticipates will be developed by Sublandlord for commercial purposes and the existing commercial facilities which will remain after Sublandlord's development of the Airport (which for purposes of this Sublease the parties agree is 227,711 square feet as the denominator. Based on the foregoing, Sublandlord and Subtenant hereby acknowledge and agree that "Subtenant's Share" shall mean 0.79%.

3.1.1. Initial Sublease Rent Payments. Subtenant and Sublandlord hereby agree that the initial monthly installment of Sublease Rent (i.e., Subtenant's Share of Base Rent and Operating Expenses, as defined herein), shall be \$630.00 per month, payable on the first day of each month.

3.1.2. Annual Increases in Sublease Rent. Commencing on the first anniversary ("Sublease Rent Increase Date") of the first actual payment by Subtenant of Sublease Rent, Subtenant's Share of Base Rent shall increase by the greater of 3% or the then applicable rise, if any, in the Consumer Price Index ("CPI") for the region and period covered by the prior 12 months immediately preceding the increase. To the extent that the CPI figures are published subsequent to the Sublease Rent Increase Date referenced herein, said increase shall be retroactively applied as promptly as possible as CPI figures are published, and Subtenant hereby agrees to pay all retroactively due charges from any increases in its next installment of Subtenant's Share of Base Rent. Notwithstanding the foregoing, (a) Sublandlord shall bill Subtenant in writing of the increase as soon as reasonably practicable after CPI figures are published; provided that Subtenant shall not be responsible for any unbilled increases in Subtenant's Share of Base Rent first billed to Subtenant more than ninety (90) days after the applicable CPI figures are published and readily available to Sublandlord, and (b) Subtenant shall not be responsible for any other increases in Base Rent under the Master Ground Lease (if any).

3.2 Late Charges; Interest on Past Due Obligations. If Subtenant fails to make any payment of Sublease Rent or other sum which, from time to time, becomes due and payable by Subtenant to Sublandlord hereunder, within five (5) business days after the date on which such payment is due, Subtenant shall be required to pay Sublandlord a late charge equal to three percent (3%) of the delinquent payment. Further, except as expressly herein provided, any amount which is payable by Subtenant to Sublandlord which is not paid when due shall bear interest from the date due at a rate equal to ten percent (10%) per annum. Payment of such interest shall not excuse or cure any default by Subtenant under this Sublease.

3.3 Taxes. Subtenant shall be responsible for and shall pay prior to delinquency all taxes and assessments, if any, levied against or by reason of all alterations and additions and all other items installed or paid for by Subtenant under this Sublease, and the personal property, trade fixtures and all of the property placed by Subtenant (or its tenants) in or about the Subleased Premises (collectively, the "Subtenant Installed Property"). Upon demand by Sublandlord, Subtenant shall furnish Sublandlord with satisfactory evidence of payment thereof. If at any time during the Term any of the Subtenant Installed Property shall be taxed or assessed as part of the Subleased Premises, then such tax or assessment shall be paid by Subtenant to Sublandlord immediately upon presentation by Sublandlord of copies of the tax bills in which such taxes and assessments are included and shall for the purposes of this Sublease be deemed to be personal property taxes or assessments under this Section 3.3. Subtenant shall pay all taxes assessed against the Subleased Premises as set forth more fully in 3.4 & 3.4.4, below.

3.4 Operating Expenses. In addition to payment of Subtenant's Share of Base Rent described in Section 3.1 above, Sublease Rent shall include Subtenant's Share of Operating Expenses.

3.4.1. As used in this Sublease, "Operating Expenses" shall refer to the Subtenant's share of all (i) all costs identified as "Operating Expenses" in Paragraph 3.2.1(b) of the Master Ground Lease, and (ii) Real Property Taxes (defined below).

3.4.2. The amount of the Operating Expenses may be estimated by Sublandlord and the reasonably estimated amount of Subtenant's Share shall be payable monthly during each calendar year of the Term on the first (1st) day of each month together with Subtenant's Share of Base Rent. If Sublandlord requires payment of Operating Expenses on an estimated basis, the estimate shall be a reasonable estimate supported by written documents evidencing the total amount of Operating Expenses, which shall be delivered to Subtenant not later than November 15 of the calendar year immediately prior to the calendar year for which such estimate applies. In the event that Subtenant pays to Sublandlord the Operating Expenses on an estimated basis for any such calendar year, then by no later than March 1 of the following calendar year, Sublandlord shall deliver to Subtenant a reasonably detailed statement showing the actual amount of Operating Expenses incurred during such calendar year; provided, however, that the foregoing shall not preclude Master Landlord from modifying any such statement once such statement is timely delivered to correct any errors or reflect any new information received by Sublandlord with respect to the Operating Expenses and Real Property Taxes shown on such statement (including, without limitation, as a result of any new or supplemental tax bills issued by the applicable taxing authority and received by Sublandlord following delivery of the applicable statement to Subtenant or as the result of any audit conducted by Subtenant). If the amount of Subtenant's payments of estimated Operating Expenses made during a calendar year exceeds Subtenant's Share of the actual amount of the Operating Expenses for such calendar year, then the amount of such overpayment shall be credited against the next following payment of estimated Operating Expenses (or, if the Term will expire prior to Subtenant applying such credit, Sublandlord shall pay the amount of such credit to Subtenant within thirty (30) days after the end of such Term). If the amount of Subtenant's payments of estimated Operating Expenses paid during a calendar year was less than Subtenant's Share of the actual

amount of Operating Expenses for such calendar year, then Subtenant shall pay to Sublandlord the amount of such deficiency within thirty (30) days after delivery by Sublandlord to Subtenant of the detailed statement. Notwithstanding the foregoing, Subtenant shall not be responsible for any increases in actual Operating Expenses reconciled and billed to Subtenant more than two (2) years after the end of the calendar year in question. The provisions of this Section 3.4.2 shall survive the expiration or earlier termination of this Sublease.

3.4.3. Adjustment to Subtenant's Obligation to Reimburse Operating Expenses. Upon completion of installation of separate metering for the Subleased Premises, thereby enabling the Subleased Premises to receive direct invoicing and to pay utilities and related charges directly to its vendors and service providers, Subtenant and Sublandlord will adjust the provisions of the foregoing Section to ensure that Sublandlord is only billing for and receiving reimbursement for Operating Expenses actually incurred. Nothing in this Section shall require Sublandlord to install such separate metering.

3.4.4. Real Property Taxes. As used herein, the term "Real Property Taxes" shall include any form of real estate or possessory interest tax or assessment, general, special, ordinary or extraordinary, and any license fee, commercial rental tax, improvement bond or bonds, levy or tax (other than inheritance, income or estate taxes) imposed on the Airport and/or the Subleased Premises by any authority having the direct or indirect power to tax, including any city, state or federal government, or any school, agricultural, sanitary, fire, street, drainage, or other improvement district thereof, as against any legal or equitable interest of Sublandlord in the Subleased Premises and/or the Airport. The term "Real Property Taxes" shall also include any tax, fee, levy, assessment, or charge in substitution of, partially or totally, any tax, fee, levy, assessment, or charge hereinabove included within the definition of "Real Property Tax". Notwithstanding the foregoing to the contrary, Real Property Taxes shall not include (a) any tax, fee or assessment which is based upon any commercial enterprise operated by Sublandlord or any third-party tenant or licensee at the Property, (b) penalties or interest incurred as a result of the failure by Sublandlord or Landlord to pay any tax, fee or assessment when due, or (c) increases in Real Property Taxes resulting from any reassessment arising from any transfer of ownership of all or any part of the Property other than the Subleased Premises and/or the common areas.

3.4.5. Audit Rights. In the event Subtenant disputes the amount of the Operating Expenses for any particular year delivered, Subtenant shall have the right, at Subtenant's cost, upon ten (10) days prior notice to Sublandlord, to have Subtenant's authorized employees (which may include Subtenant's own staff auditors) or its agents or representatives inspect and photocopy, at Sublandlord's offices during normal business hours, Sublandlord's books, records and supporting documents concerning the Operating Expenses; provided, however, Subtenant shall have no right to conduct such inspection, have an audit performed by the "Accountant" as described below, or object to or otherwise dispute the amount of the Operating Expenses unless Subtenant notifies Sublandlord of such objection and dispute and completes such inspection, and has the Accountant commence such audit within one (1) year immediately following Sublandlord's delivery of the particular statement of Operating Expenses in question (the "Review Period"); provided, further, that notwithstanding any such timely objection, dispute, inspection, and/or audit, and as a condition

precedent to Subtenant's exercise of its right of objection, dispute, inspection and/or audit as set forth in this Section 3.4.5, Subtenant shall not be permitted to withhold payment of, and Subtenant shall timely pay to Sublandlord, the full amounts as required by the provisions of this Article 3 in accordance with such statement (however, such payment shall be deemed made under protest pending the outcome of any audit which may be performed by the Accountant as described below). In connection with any such inspection by Subtenant, Sublandlord and Subtenant shall reasonably cooperate with each other so that such inspection can be performed pursuant to a mutually acceptable schedule, in an expeditious manner and without undue interference with Sublandlord's operation and management of the Property. If after such inspection and/or request for documentation, Subtenant still disputes the amount of the Operating Expenses set forth in the statement, Subtenant shall have the right, within the Review Period, to cause an independent certified public accountant (which is not paid on a commission or contingency basis) mutually approved by Sublandlord and Subtenant, which approval shall not be unreasonably withheld or delayed (the "Accountant"), to complete an audit of Sublandlord's books and records to determine the proper amount of the Operating Expenses incurred and amounts payable by Subtenant for the year which is the subject of such statement. Such audit by the Accountant shall be final and binding upon Sublandlord and Subtenant. If Sublandlord and Subtenant cannot mutually agree as to the identity of the Accountant within thirty (30) days after Subtenant notifies Sublandlord that Subtenant desires an audit to be performed, then the Accountant shall be one (1) of the nation's recognized top 10 accounting firms (which is not paid on a commission or contingency basis and is not one of Subtenant's principal accounting firms), as selected by Subtenant. If such audit reveals that Sublandlord has over-charged Subtenant, then within thirty (30) days after the results of such audit are made available to Sublandlord, Sublandlord shall reimburse to Subtenant the amount of such over-charge, together with interest on the amount of the over-charge at the rate of ten percent (10%) per annum (the "Interest Rate"). If the audit reveals that the Subtenant was under-charged, then within thirty (30) days after the results of such audit are made available to Subtenant, Subtenant shall reimburse to Sublandlord the amount of such under-charge. Subtenant agrees to pay the cost of such audit unless it is subsequently determined that Sublandlord's original statement which was the subject of such audit overstated Operating Expenses by three percent (3%) or more of the actual Operating Expenses which was the subject of such audit (in which event Sublandlord shall pay the cost of such audit, and such costs shall not be included as an Operating Expense). The payment by Subtenant of any amounts pursuant to this Article 3 shall not preclude Subtenant from questioning, during the Review Period, the correctness of the particular statement in question provided by Sublandlord, but the failure of Subtenant to object thereto, conduct and complete its inspection and have the Accountant commence to conduct the audit as described above prior to the expiration of the Review Period for such statement shall be conclusively deemed Subtenant's approval of the statement in question and the amount of Operating Expenses shown thereon. In connection with any inspection and/or audit conducted by Subtenant pursuant to this Section 3.4.5, Subtenant agrees to keep, and to cause all of Subtenant's employees and consultants and the Accountant to keep, all of Sublandlord's books and records and the audit, and all information pertaining thereto and the results thereof, strictly confidential, and in connection therewith, Subtenant shall cause such employees, consultants and the Accountant to execute such

reasonable confidentiality agreements as Sublandlord reasonably may require prior to conducting any such inspections and/or audits.

4. Use of the Subleased Premises. Subtenant shall use the Subleased Premises only as an aircraft hangar for the purpose of storing and maintaining aircraft utilizing the Airport, and other aircraft or aviation uses subject, to the extent required under the Master Ground Lease, to Master Landlord's prior written consent (collectively, the "Permitted Use"). Subtenant acknowledges that Master Landlord's express written consent is required for any use of the Subleased Premises as (A) a fixed base operation, or (B) a fuel distribution facility or (C) a flight school. Subtenant acknowledges that, as a condition to providing consent to use of the Subleased Premises for purposes other than the Permitted Use, Master Landlord may impose various fees and charges, all of which shall be timely and fully paid by Subtenant. Sublandlord will reasonably cooperate, at no cost or expense to Sublandlord, with Subtenant in order for Subtenant to obtain any consent of Master Landlord required hereunder or under the Master Ground Lease.

4.1 Standard of Conduct; Rules and Regulations. Subtenant's (and its tenants') activities at the Subleased Premises shall be established and conducted throughout the term hereof in a first-class manner. Subtenant shall not use the Subleased Premises for or carry on or permit upon the Subleased Premises or the Property or any part thereof any offensive, noisy, or dangerous activity prohibited under the Master Ground Lease. Subtenant shall not do or permit anything to be done in or about the Subleased Premises or the Airport, nor bring nor keep anything therein which will in any way cause the Subleased Premises or the Airport to be uninsurable with respect to the insurance required by this Sublease or with respect to standard fire and extended coverage insurance with vandalism, malicious mischief and riot endorsements. Subtenant (and its tenants) shall comply with rules and regulations (together with any authorized amendment or supplement thereto) as shall be adopted by Master Landlord and/or Sublandlord in their reasonable discretion from time to time for the convenient, safe, and efficient operation of the Airport, including, without limitation, the rules attached hereto as Exhibit "C". Sublandlord agrees to enforce all rules and regulations on a uniform, non-discriminatory basis. If Subtenant habitually fails to abide by the rules attached to Exhibit "C", Subtenant shall be deemed materially in violation of the Sublease.

4.2 Compliance with Laws. Subtenant shall not use the Subleased Premises or permit the Subleased Premises to be used in whole or in part for any purpose or use that is in violation of any of the laws, ordinances, regulations or rules of any governmental agency or public authority. Subtenant shall keep the Subleased Premises equipped with all safety appliances required by law, ordinance or insurance on the Subleased Premises, or any order or regulation of any public authority because of Subtenant's use of the Subleased Premises (including, without limitation, the Federal Occupational Health and Safety Act of 1970, and the California Occupational Health and Safety Act of 1973). Subtenant (and its tenants) shall (i) use the Subleased Premises in strict accordance with all applicable ordinances, rules, laws and regulations and shall comply with all requirements of all governmental authorities now in force and which may hereafter be in force pertaining to the use of the Subleased Premises by Subtenant, including, without limitation, California Hazardous Waste Control Act (Health & Safety Code Section 25100, et seq.), California Underground Storage of Hazardous Substances Act (Health & Safety Code Section 25280, et seq.), California Hazardous Substances Account Act (Health & Safety Code Section 25300, et seq.),

California Porter-Cologne Water Quality Control Act (Water Code Section 13000, et seq.), Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601, et seq.) and Resource Conservation and Recovery Act (42 U.S.C. 6901, et. seq. and all Environmental Statutes (as defined in the Master Ground Lease) and statutes and regulations applicable to noise, and air pollution, and (ii) make such alterations and additions thereto as may be required from time to time by such laws' ordinances, rules, regulations and requirements of governmental authorities, or insurance on the Subleased Premises because of Subtenant's use of the Subleased Premises. Sublandlord shall have no responsibility whatsoever for seeking any general plan amendment, rezone, map or other discretionary or ministerial license or permit whatsoever from any governmental agency of public authority which may be necessary for Subtenant's lawful possession and/or use of the Subleased Premises (including regulations of the Federal Aviation Administration and Department of Transportation).

4.3 Protective Covenants. Subtenant will (i) comply with any covenants, conditions, restrictions and regulations affecting the Airport (including regulations of the Federal Aviation Administration and Department of Transportation), (ii) promptly give Sublandlord written notice of receipt by Subtenant of any notice of violation under any such covenants, conditions, restrictions and regulations and (iii) indemnify and hold Sublandlord harmless from any liability or costs (including reasonable attorneys' fees) indirectly or directly arising out of Subtenant's violation of any such covenants, conditions, restrictions and regulations. Sublandlord shall indemnify and hold Subtenant harmless from any liability or costs (including reasonable attorneys' fees) indirectly or directly arising out of any violation of any such covenants, conditions, restrictions and regulations which have occurred prior to the Effective Date.

5. Utilities.

5.1 Payment. Beginning on the Effective Date and continuing throughout the Term, Subtenant shall pay before delinquency all separately metered charges, if any, for water, gas, heat, electricity, power, sewer, telephone, janitorial or other services or utilities supplied to or consumed in or upon the Subleased Premises. If any of the utility services supplied to the Subleased Premises are not separately metered, then the amount thereof shall be an item of Operating Expenses. All utilities furnished to the common areas shall be included in Operating Expenses.

5.2 Interruption. There shall be no abatement of Sublease Rent or other charges required to be paid hereunder and Sublandlord shall not be liable in damages or otherwise for interruption or failure of any service or utility furnished to or used in the Subleased Premises because of accident, making of repairs, alterations or improvement, severe weather, difficulty or inability in obtaining services or supplies, labor difficulties or any other cause, except to the extent (a) provided in the Master Ground Lease, or (b) caused by the gross negligence or willful misconduct of Sublandlord, or a breach of any of Sublandlord's duties or obligations under this Sublease.

6. Intentionally deleted.

7. Maintenance and Repairs. The parties hereto acknowledge that insurance and maintenance costs in connection with the Subleased Premises and/or any improvements located thereon, including

without limitation the hangar, are entirely Subtenant's obligation. Sublandlord shall not be required to furnish any services or facilities or to make any repairs or alterations to the Subleased Premises or improvements and Subtenant hereby assumes the full and sole responsibility for the condition, operation, repair, replacement, maintenance and management of the Subleased Premises, improvements and any personal property located thereon.

8. Insurance.

8.1 Subtenant's Insurance. Subtenant shall procure and maintain in full force and effect during the term of this Sublease and for such other period as may be required herein, insurance in the amounts and form specified in this Article 8 and in Exhibit "D" attached hereto and incorporated herein by reference. Failure to procure and maintain such insurance shall be deemed a material breach of the Sublease.

8.2 Waiver of Subrogation. Sublandlord and Subtenant agree to have their respective insurance companies issuing property damage, worker's compensation insurance and loss of income and extra expense insurance waive any rights of subrogation that such companies may have against Sublandlord or Subtenant, as the case may be. Notwithstanding anything in this Sublease to the contrary, Sublandlord and Subtenant hereby waive any right that either may have against the other on account of any loss or damage if such loss or damage is insurable under the property damage or loss of income and extra expense insurance required to be maintained hereunder (this waiver extends to deductibles under such insurance).

8.3 Increase in Premiums. Subtenant shall do all acts and pay all expenses necessary to insure that the Subleased Premises are not used for purposes prohibited by any applicable insurance, and that Subtenant's use of the Subleased Premises complies with all requirements necessary to obtain any such insurance. In the event Subtenant uses or permits the Subleased Premises to be used in a manner which increases the existing rate of any insurance carried by Sublandlord, Subtenant shall pay the amount of the increase in premium caused thereby, and Sublandlord's costs of obtaining other replacement insurance policies, including any increase in premium, within ten (10) days after demand therefor by Sublandlord.

9. Right of Entry. Sublandlord and its authorized representatives may enter the Subleased Premises at any time(s) during the term of this Sublease during normal business hours and upon not less than five (5) business days prior notice, except in the case of an emergency, for the purpose of inspecting and determining the condition of the Subleased Premises or for any other proper purpose including, without limitation, to make repairs, replacements or improvements to the extent required pursuant to this Sublease, the Master Ground Lease, or any other agreement which is binding upon Sublandlord relating to the Airport, post notices of non-responsibility and any other purpose permitted by law. Sublandlord shall not be liable for inconvenience, annoyance, disturbance, loss of business, quiet enjoyment or other damage or loss to Subtenant by reason of making any repairs or performing any work upon the Subleased Premises to the extent that such work is required to be performed pursuant to this Sublease, the Master Ground Lease, or any other agreement which is binding upon Sublandlord relating to the Airport; provided, however, Sublandlord shall use commercially reasonable efforts to minimize any inconveniences to Subtenant's normal operations caused thereby.

10. Quiet Enjoyment. Sublandlord covenants that Subtenant, upon paying the rent and other amounts required to be paid hereunder and performing its obligations hereunder and subject to all the terms and conditions of this Sublease, shall peacefully and quietly have, hold and enjoy the Subleased Premises, as against all persons claiming by, through or under Sublandlord, throughout the term of this Sublease, or until this Sublease is earlier terminated as provided by this Sublease and/or the Master Ground Lease.

11. Casualty and Taking by Eminent Domain. If during the term of this Sublease, the Subleased Premises or any portion thereof is taken by eminent domain or by action in lieu thereof, Subtenant's rights and obligations with respect to repair, reconstruction, termination, abatement and use of insurance proceeds shall be subject to the rights and obligations under the Master Ground Lease. To the extent the provisions of the Master Ground Lease pertaining to casualty or eminent domain do not conflict with the provisions below, then the following provisions shall, as between Sublandlord and Subtenant, apply:

11.1 Casualty; Repair of Damage by Sublandlord. Subtenant shall promptly notify Sublandlord of any damage to the Subleased Premises resulting from fire or any other casualty. If the Subleased Premises shall be damaged by fire or other casualty, Subtenant shall, subject to Article 7 above, promptly and diligently restore all leasehold improvements in the Subleased Premises substantially to their condition prior to such fire or other casualty. Subtenant shall have no more than five (5) years to restore and rebuild the Subleased Premises. Notwithstanding anything contained in this Sublease to the contrary, Sublandlord shall not be liable for any inconvenience or annoyance to Subtenant, or injury to Subtenant's business resulting in any way from such damage or the repair thereof; provided however, that if such fire or other casualty shall have damaged the Subleased Premises or common areas necessary to Subtenant's occupancy, and if such damage is not the result of the gross negligence or willful misconduct of Subtenant or Subtenant's agents, employees, contractors, licensees or invitees, Sublandlord shall allow Subtenant a proportionate abatement of Base Rent, and Operating Expenses during the time and to the extent the Subleased Premises are unfit for occupancy for the purposes permitted under this Sublease, and not occupied by Subtenant as a result thereof. The provisions of this Section constitute an express agreement between Sublandlord and Subtenant with respect to any and all damage to, or destruction of, all or any part of the Subleased Premises or the Property, and any statute, regulation or case law of the State of California, including without limitation, Sections 1932(2) and 1933(4) of the California Civil Code, with respect to termination rights arising from damage or destruction shall have no application to this Sublease or any damage or destruction to all or any part of the Subleased Premises or Airport.

11.2 Subtenant's and Sublandlord's Rights Upon Condemnation. If, during the term of this Sublease, the Subleased Premises and/or the Airport, or any substantial part thereof, are taken by eminent domain or by reason of any public improvement or condemnation proceeding, or in any manner by exercise of the right of eminent domain including any transfer in avoidance of an exercise of the power of eminent domain, this Sublease shall terminate as to the entire Subleased Premises at Subtenant's sole election by written notice given within sixty (60) days after the taking has occurred. If Subtenant does not elect to terminate this Sublease as hereinabove provided,

Subtenant shall repair and restore the Subleased Premises as nearly as reasonably possible to the condition existing before the taking to the extent of condemnation proceeds received by Subtenant. If Subtenant does not elect to terminate this Sublease as hereinabove provided, this Sublease shall continue in full force and effect, except that Subtenant's Share of Base Rent and Operating Expenses shall be apportioned according to the ratio that the square footage of the Subleased Premises remaining following such taking bears to the square footage of the Subleased Premises prior to the taking. If Subtenant does not elect to terminate this Sublease as herein provided, Subtenant shall have, proportionate to its subleasehold interest in the subject premises, the same rights as the Sublandlord as provided in Section 14 of the Master Ground Lease. Each party waives the provisions of Code of Civil Procedure Section 1265.130 allowing either part to petition the Superior Court to terminate this Sublease in the event of a partial condemnation of the Subleased Premises.

11.3 Reservation of Compensation. Subtenant reserves, and Sublandlord waives and assigns to Subtenant, all rights to any award or compensation for damage to the Subleased Premises, and the leasehold estate created hereby, occurring by reason of any taking in any condemnation or eminent domain proceeding or anything lawfully done by public authority; however, Sublandlord shall be entitled to any compensation or damages paid for any residual value with respect to Sublandlord's interest in the Subleased Premises after expiration of the Term (if any). Sublandlord will deliver such further assignments of the foregoing as Subtenant may from time to time request.

12. Default; Remedies.

12.1 Events of Default. The occurrence of any of the following shall constitute an event of default on the part of Subtenant:

(i) Nonpayment. Failure to pay any amount payable to Sublandlord hereunder when due and such failure continues for five (5) business days after receipt of written notice of such failure from Sublandlord; provided, however, that if Sublandlord has given Subtenant two (2) such delinquency notices in the preceding twelve (12) month period, then Tenant's subsequent failure to pay any Base Rent or other charge when due shall constitute a default under this Sublease without requirement of any notice or cure period; provided further, that any such notice given pursuant to this Section 12.1.1 shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure Section 1161 or any similar or successor law.

(ii) Other Obligations. Failure to perform any other obligation, agreement, or covenant of Subtenant under this Sublease, and such failure continues for thirty (30) days after written notice of such failure, provided if it is not reasonably possible to cure such default within thirty (30) days, no event of default shall be deemed to occur if Subtenant shall commence cure within said thirty (30) day period and shall proceed diligently to complete cure. The thirty (30) day written notice described above shall be served in accordance with California Code of Civil Procedure Section 1162 and shall be the same

notice and in lieu of any other required by California Code of Civil Procedure Section 1161;

(iii) General Assignment. A general assignment by Subtenant for the benefit of creditors;

(iv) Bankruptcy. The filing of any voluntary petition in bankruptcy by Subtenant, or the filing of an involuntary petition by Subtenant's creditors, which involuntary petition remains undischarged for a period of ninety (90) days. If under applicable law the trustee in bankruptcy or Subtenant has the right and elects to affirm this Sublease and continue to perform the obligations of Subtenant hereunder, such trustee or Subtenant shall, as and to the extent required under applicable bankruptcy law, cure all defaults of Subtenant hereunder outstanding as of the date of the affirmance of this Sublease and provide to Sublandlord such adequate assurances as may be necessary to ensure Sublandlord of the continued performance of Subtenant's obligations under this Sublease;

(v) Receivership. The employment of a receiver appointed by court order to take possession of substantially all of Subtenant's assets or the Subleased Premises, if such receivership remains undissolved for a period of ninety (90) days;

(vi) Attachment. The attachment, execution, or other judicial seizure of all or substantially all of Subtenant's assets at the Subleased Premises, if such attachment or other seizure remains undismissed or undischarged for a period of ninety (90) days after the levy thereof; and

(vii) Insolvency. The admission by Subtenant in writing of its inability to pay its debts as they become due, the filing by Subtenant of a petition seeking any reorganization arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, the filing by Subtenant or an answer admitting or failing timely to contest a material allegation of a petition filed against Subtenant in any such proceeding or, if within ninety (90) days after the commencement of any proceeding against Subtenant seeking any reorganization or arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such proceeding shall not have been dismissed and

12.2 Remedies. In the event of any such event of default by Subtenant, Sublandlord may at any time thereafter, with or without notice of demand and without limiting Sublandlord in the exercise of any right or remedy which Sublandlord may have by reason of such event of default, exercise any of the following remedies:

(i) Termination: Damages. Sublandlord may terminate Subtenant's right to possession of the Subleased Premises by any lawful means, in which case this Sublease shall terminate and Subtenant shall immediately surrender possession of the Subleased Premises to Sublandlord. In such event, Sublandlord shall be entitled to recover from Subtenant all damages incurred by Sublandlord by reason of Subtenant's default, including,

but not limited to: (i) the cost of recovering possession of the Subleased Premises; (ii) expenses of reletting, including necessary renovation and alteration of the Subleased Premises, reasonable attorneys' fees, and any real estate commission actually paid; (iii) the worth at the time of award by the court of the unpaid rent which has been earned at the time of termination; (iv) the worth at the time of award (by the court) of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Subtenant proves could have been reasonably avoided; (v) the worth at the time of award of the amount by which the unpaid rent for the balance of the term of this Sublease after the time of awards exceeds the amount of such rental loss that Subtenant proves could be reasonably avoided; and (vi) any other amount necessary to compensate Sublandlord for all detriment proximately caused by Subtenant's failure to perform its obligations under this Sublease or which in the ordinary course of things would be likely to result therefrom. The "worth at the time of award" of the amounts referred to in clauses (iii) and (iv) will be computed by allowing interest at the Interest Rate commencing on the first day a breach occurs. The "worth" at the time of award" of the amount referred to in clause (v) is computed by multiplying such amount by the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus 1%.

(ii) Continuation of Sublease. Sublandlord may maintain Subtenant's right to possession of the Subleased Premises, in which case this Sublease shall continue in effect whether or not Subtenant shall have abandoned the Subleased Premises. In such event, Sublandlord shall be entitled to enforce all of Sublandlord's rights and remedies under this Sublease, including the right to recover the Sublease Rent as it becomes due hereunder. Sublandlord has the remedy described in California Civil Code Section 1951.4 (Sublandlord may continue the Sublease in effect after Subtenant's breach and abandonment and recover rent as it becomes due, if Subtenant has the right to sublet or assign, subject only to reasonable limitations).

(iii) Sublandlord's Right to Perform. Except as specifically provided otherwise in this Sublease, all covenants and agreements by Subtenant under this Sublease shall be performed by Subtenant at Subtenant's sole cost and expense and without any abatement or offset of rent. If Subtenant shall fail to pay any sum of money (other than Sublease Rent) or perform any other act on its part to be paid or performed hereunder and such failure shall continue for five (5) business days with respect to monetary obligations (or thirty (30) days with respect to non-monetary obligations) after Subtenant's receipt of written notice thereof from Sublandlord, Sublandlord may, without waiving or releasing Subtenant from any of Subtenant's obligations, make such payment or perform such other act on behalf of Subtenant. All sums so paid by Sublandlord and all necessary incidental costs incurred by Sublandlord in performing such other acts shall be payable by Subtenant to Sublandlord within five (5) business days after demand therefor as additional rental.

(iv) Other Remedies. Pursue any other legal or equitable rights or remedies Sublandlord may have for Subtenant's breach of this Sublease; the remedies provided in

this Section are not exclusive but supplemental to any such other legal or equitable rights and remedies.

12.3 Sublandlord's Right to Repurchase. In the event that Sublandlord obtains a final judgment of possession an unlawful detainer action brought pursuant to California Code of Civil Procedure Section 1161, et seq., Sublandlord shall have the option to repurchase the Hangar for number of full years remaining until December 31, 2055 multiplied by Ten Thousand Dollars (\$10,000).

12.4 Sublandlord Default. Sublandlord shall not be in default in the performance of any obligation required to be performed by Sublandlord under this Sublease unless Sublandlord has failed to perform such obligation within twenty (20) days after the written notice from Subtenant specifying in reasonable detail Sublandlord's failure to perform; provided however, that if the nature of Sublandlord's obligation is such that more than twenty (20) days are required for its performance, then Sublandlord shall not be deemed in default if it commences such performance within such twenty (20) day period and thereafter diligently pursues the same to completion. Upon any such uncured default by Sublandlord, Subtenant may exercise any of its rights provided in law or at equity; provided, however: (i) Subtenant shall have no right to offset or abate rent in the event of any default by Sublandlord under this Sublease, except to the extent offset rights are specifically provided to Subtenant in this Sublease; and (ii) Subtenant's rights and remedies hereunder shall be limited to the extent (a) Subtenant has expressly waived in this Sublease any of such rights or remedies and/or (b) this Sublease otherwise expressly limits Subtenant's rights or remedies. In the event of any default hereunder by Sublandlord, Subtenant shall (A) give notice thereof, in the manner set forth in Section 22 below, to Landlord, or to any mortgagee or assignee of Landlord whose address shall have been furnished to Subtenant, (B) shall offer Landlord or such mortgagee or assignee a reasonable opportunity to cure the default prior to commencing any remedies against Sublandlord, and (C) shall make all payments of rent due hereunder directly to Landlord until such time as Subtenant is notified by Landlord that Sublandlord has cured such default.

13. Hazardous Materials. The definition of Hazardous Materials shall be as set forth in Section 25.1 of the Master Ground Lease. Subtenant shall not cause or allow any of its tenants, guests, or invitees to release onto the Subleased Premises any Hazardous Materials, except that Subtenant and its tenants, guests, and invitees may bring onto the Subleased Premises any Hazardous Materials in compliance with Environmental Statutes and as otherwise expressly permitted to be brought onto the Airport under the Master Ground Lease. Furthermore, Subtenant shall abide by all of the obligations of Sublandlord, as tenant under the Master Ground Lease, as set forth in Section 25 of the Master Ground Lease, with respect to Hazardous Materials, and Sublandlord shall abide by all the obligations of Master Landlord, as landlord as set forth in Section 25 of the Master Ground Lease, including without limitation, the indemnity, defense and hold harmless obligations under Section 25.3.3 of the Master Ground Lease as if Sublandlord was the Master Landlord and Subtenant was the Tenant. Sublandlord and Master Landlord have made no representation as to the presence or absence of Hazardous Materials in or upon the Subleased Premises or the Airport, except as expressly set forth in the Master Ground Lease and the Purchase Agreement.

14. Master Ground Lease. Except as otherwise expressly provided herein, Subtenant and this Sublease shall be subject in all respects to the terms of, and the rights of the Master Landlord under the

Master Ground Lease and to the lien of any mortgages or trust deeds, now or hereafter in force against the Airport, if any, and to all renewals, extensions, modifications, consolidations and replacements thereof, and to all advances made or hereafter to be made upon the security of such mortgages or trust deeds, unless the holders of such mortgages or trust deeds, or the lessors under such ground lease or underlying leases, require in writing that this Sublease be superior thereto. Except as otherwise expressly provided below, the covenants, agreements, terms, provisions and conditions of the Master Ground Lease insofar as they relate to the Subleased Premises and insofar as they are not inconsistent with the terms of this Sublease are made a part of and incorporated into this Sublease as if recited herein in full; provided, however, that in no event shall Subtenant be bound by or deemed to have any obligations with respect to the following provisions of the Master Ground Lease: 3.2, 3.5, 10.3, 12.4, 13, 14, 21.2, 27, 29 and 30. In the event of a conflict between the terms of the Master Ground Lease and the terms of this Sublease (other than terms respecting payment of rent or respecting Sublandlord's obligations to Subtenant), the terms of the Master Ground Lease shall control. Subtenant shall, within five (5) business days of request by Sublandlord, execute such further instruments or assurances as Sublandlord may reasonably deem necessary to evidence or confirm the subordination or superiority of this Sublease to any such mortgages, trust deeds, ground leases or underlying leases. Subtenant waives the provisions of any current or future statute, rule or law which may give or purport to give Subtenant any right or election to terminate or otherwise adversely affect this Sublease and the obligations of the Subtenant hereunder in the event of any foreclosure proceeding or sale.

15. Master Ground Lease Obligations. If Master Landlord defaults in any of its obligations under the Master Lease, which is not feasible for Sublandlord to cure and which materially impacts Subtenant's use and quiet enjoyment of the Subleased Premises, Subtenant may notify Sublandlord of such default and Sublandlord shall deliver to Master Landlord notice of such default and a demand that Master Landlord comply with the terms of the Master Lease (a "Master Landlord Default Notice"). Sublandlord agrees to so notify Master Landlord within a commercially reasonable period of time (not to exceed five (5) business days) after the date on which such notice is delivered by Subtenant to Sublandlord and to take commercially reasonable efforts to enforce Master Landlord's obligations under the Lease. Notwithstanding the foregoing, provided Master Landlord allows, Subtenant shall have the right to contact Master Landlord and/or its property manager in connection with any maintenance, repair or other similar issues, otherwise, and Sublandlord shall, upon the request of Subtenant, contact Master Landlord and/or its property manager in connection with any maintenance, repair or other similar issues. In addition, Sublandlord agrees to reasonably cooperate with Subtenant, to pursue the enforcement of Master Landlord's obligations as the "Landlord" under the Master Lease, including executing any notices or other documents reasonably necessary in connection with such enforcement efforts in order to ensure Subtenant's quiet enjoyment of the Sublease Premises.

16. Indemnity. Subtenant hereby agrees to indemnify and hold Sublandlord harmless from and against any and all claims, losses and damages, including, without limitation, reasonable attorneys' fees and disbursements, which may at any time be asserted against Sublandlord by (a) the Master Landlord for failure of Subtenant to perform any of the covenants, agreements, terms, provisions or conditions contained in the Master Ground Lease which, by reason of the provisions of this Sublease, Subtenant is obligated to perform; and/or (b) any person by reason of Subtenant's use and/or occupancy of the Subleased Premises, except to the extent any of the foregoing is caused by the negligence or willful

misconduct of Sublandlord, or a breach of any of Sublandlord's duties or obligations under this Sublease; and (c) any person or entity stemming from Subtenant's construction and operation of the hangar, its use thereof, or use of the ramp area as described herein. The provisions of this Article 16 shall survive the expiration or earlier termination of the Master Ground Lease and/or this Sublease.

Sublandlord hereby agrees to indemnify and hold Subtenant harmless from and against any and all claims, losses and damages, including, without limitation, reasonable attorneys' fees and disbursements, (a) for Sublandlord's failure to perform any of the covenants, agreements, terms, provisions or conditions contained in the Master Ground Lease which, by reason of the provisions of this Sublease, Sublandlord is obligated to perform; and/or (b) any person by reason of Sublandlord's negligence or willful misconduct or breach of Sublandlord's duties or obligations under this Sublease, except to the extent any of the foregoing is caused by the negligence or willful misconduct of Subtenant, or a breach of any of Subtenant's duties or obligations under this Sublease.

17. Intentionally Deleted.

18. Estoppel Certificates. Subtenant shall at any time and from time to time as requested by Sublandlord or Master Landlord, upon not less than ten (10) business days prior written notice, execute, acknowledge and deliver to Sublandlord or Master Landlord, a statement in writing certifying (a) that this Sublease is unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified and stating the modifications, if any), (b) the dates to which rent and any other charges have been paid, (c) whether or not, to the knowledge of the person signing the certificate, that the other party is not in default beyond any applicable grace period provided herein in performance of any of its obligations under this Sublease, and if so, specifying each such default of which the signer may have knowledge, and (d) such other matters as may reasonably be requested by Sublandlord or Master Landlord, it being intended that any such statement delivered pursuant hereto may be relied upon by others with whom Sublandlord or Master Landlord may be dealing. Sublandlord shall at any time and from time to time as requested by Subtenant, upon not less than ten (10) business days prior written notice, execute, acknowledge and deliver to Subtenant, a statement in writing certifying (i) that this Sublease is unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified and stating the modifications, if any), (ii) the dates to which rent and any other charges have been paid, (iii) whether or not, to the knowledge of the person signing the certificate, that Subtenant is not in default beyond any applicable grace period provided herein in performance of any of its obligations under this Sublease, and if so, specifying each such default of which the signer may have knowledge, and (iv) such other matters as may reasonably be requested by Subtenant, it being intended that any such statement delivered pursuant hereto may be relied upon by others with whom Subtenant may be dealing.

19. Intentionally Deleted.

20. Assignment. Subject further to all of the rights of the Master Landlord under the Master Ground Lease and the restrictions contained in the Master Ground Lease, Subtenant shall not be entitled to assign this Sublease without the prior written consent of Sublandlord, which consent shall not be unreasonably withheld. Subtenant shall have the right to sublet all or a portion of the Subleased Premises subject only to any applicable restrictions on subletting set forth in the Master Ground Lease, and otherwise shall not be required to obtain any consent of Sublandlord with respect to any such subleases.

Sublandlord will reasonably cooperate, at no material expense to Sublandlord, with Subtenant in order for Subtenant to obtain any consent of Landlord required hereunder or under the Master Ground Lease.

21. Notices. All notices, consents, waivers, payments or other communications which this Sublease requires or permits either party to give to the other shall be in writing and shall be deemed given (a) when actually received or refused by the party to whom sent if delivered personally or on the day of actual delivery or refusal as shown on the addressee's registered or certified mail receipt if forwarded by registered or certified mail, postage prepaid, to the parties at their respective addresses as follows or (b) by facsimile, provided that the sender's facsimile machine produces an accurate report of the date and time of transmission and a hard copy of the transmittal is also delivered to the addressee via one of the methods set forth in clause (a) above:

To Sublandlord: Hawthorne Airport, LLC
12101 Crenshaw Blvd., Suite 100
Hawthorne, CA 90250
Attn: Levi Stockton
Fax: (310) 644-9344

To Subtenant: Michael K. Osborn and Kalpana P. Osborn Revocable Living Trust
6313 Riggs Pl.
Los Angeles, CA 90045
Email: mosborn9981@gmail.com

To Landlord:
The City of Hawthorne
4455 West 26th Street
Hawthorne, CA 90250
Attn: City Manager and City Attorney
Fax: (310) 970-7058

or to such other address as may be contained in a notice from either party to the other given pursuant to this Section 21. Rental payments and other sums required by this Sublease to be paid by Subtenant shall be delivered to Sublandlord at Sublandlord's address provided in this Section 21, or to such other address as Sublandlord may from time to time specify in writing to Subtenant.

22. Severability. If any term or provision of this Sublease or the application thereof to any person or circumstances shall, to any extent, be invalid and unenforceable, the remainder of this Sublease or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term or provision of this Sublease shall be valid and be enforced to the fullest extent permitted by law.

23. Entire Agreement; No Waiver. This Sublease, together with all exhibits thereto, and the Purchase Agreement contain the entire agreement between the parties hereto as to the subject matter and shall be binding upon and inure to the benefit of their respective heirs, representatives, successors and permitted assigns. Any agreement hereinafter made shall be ineffective to change, modify, waive, release, discharge, terminate or effect an abandonment hereof, in whole or in part, unless such agreement is in writing and signed by the parties hereto. The failure of Sublandlord to seek redress for violation, or to insist upon the strict performance of any covenant or condition of this Sublease shall not be deemed a waiver of such violation or prevent a subsequent act which would originally have constituted a violation from having all the force and effect of an original violation. The receipt by Sublandlord of rent or any other payment from Subtenant with knowledge of the breach of any term, covenant, condition, or other provision of this Sublease shall not be deemed to be a waiver of such breach.

24. Dispute Resolution; Attorney's Fees.

24.1. Sublandlord and Subtenant agree that, excluding any action solely for possession arising out of California Code of Civil Procedure Section 1161 et seq., any dispute or claiming arising between them out of this Sublease, which does not settle at mediation, shall be submitted to binding arbitration. The arbitrator shall be a retired judge or an attorney with at least 10 years of relevant legal experience unless the parties mutually agree to an arbitrator.

24.2. The Sublandlord and Subtenant agree that, prior to commencing arbitration as set forth in Section 24.1, above, the party seeking specific performance or damages must first demand that the parties submit their dispute to private mediation.

24.3. If either party commences litigation or arbitration against the other for the specific performance of this Sublease, for damages for the breach hereof or otherwise for enforcement of any remedy hereunder, then the prevailing party shall be entitled to recover from the other party such costs and reasonable attorneys' fees as may have been incurred, including any and all costs incurred in enforcing, perfecting and executing such judgment, including, without limitation, the right of Sublandlord to recover all attorneys' fees incurred in connection with any hearing or motion for assumption or rejection of this Sublease under Title 11 of United States Code.

24.3.1 Notwithstanding any other provision of 24.3, and excluding any action solely for possession arising out of California Code of Civil Procedure Section 1161, et seq., if Sublandlord or Subtenant fail to demand mediation, or refuse to mediate within a reasonable period of time after receiving such a demand, then that party shall not be entitled to recover their attorney fees, even if they would otherwise be entitled as the prevailing party.

25. Costs; Cooperation. In the event Subtenant shall request the consent of Sublandlord under any provision of this Sublease for any act that Subtenant proposes to do hereunder, including, without limitation, assignment or subletting of Subleased Premises, Subtenant shall, as a condition to doing any such act and the receipt of such consent, reimburse Sublandlord promptly for any and all reasonable costs and expenses incurred by Sublandlord in connection therewith, including, without limitation, reasonable attorneys' fees. Sublandlord will reasonably cooperate, at no material cost or expense to Sublandlord, with

Subtenant in order for Subtenant to obtain any consent of Landlord required hereunder or under the Master Ground Lease.

26. Force Majeure. If either party is delayed or hindered in or prevented from the performance of any act required hereunder because of strikes, lockouts, inability to procure labor or materials, failure of power, restrictive laws, riots, insurrection, war, acts of terrorism, fire, severe inclement weather such as snow or ice or other casualty or other reason of a similar or dissimilar nature beyond the reasonable control of the party delayed, financial inability excepted (any "Force Majeure Event"), performance of such act shall be excused for the period of the Force Majeure Event, and the period for the performance of such act shall be extended for an equivalent period. Delays or failures to perform resulting from lack of funds or which are monetary obligations under this Sublease shall not be Force Majeure Events.

27. Brokers. Each party (i) warrants to the other that the warranting party has incurred no brokerage or other commission, by reason of entering into this Sublease or otherwise, for which the other party would be responsible and (ii) agrees to indemnify and hold harmless the other party against any liability or cost (including attorneys' fees) arising out of any claim for brokerage commission in connection with prior negotiations or other dealings by such warranting party with any broker or broker's agent.

28. Joint and Several Liability. If more than one person or entity executes this Sublease as Subtenant: then (i) each of them is and shall be jointly and severally liable for the covenants, conditions, provisions and agreements of this Sublease to be kept, observed and performed by Subtenant; and (ii) the act or signature of, or notice from or to, any one or more of them with respect to this Sublease shall be binding upon each and all of the persons and entities executing this Sublease as Subtenant with the same force and effect as if each and all of them had so acted or signed, or given or received such notice.

29. Authority. If Subtenant is a corporation, trust, limited liability company, or general or limited partnership, each individual executing this Sublease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Sublease on behalf of said entity. If Subtenant is a corporation, trust, limited liability company or partnership, Subtenant shall, concurrently with its execution of this Sublease, deliver to Sublandlord evidence of such authority satisfactory to Sublandlord.

30. Intentionally deleted.

31. Sublandlord Exculpation. It is expressly understood and agreed that notwithstanding anything in this Sublease to the contrary, and notwithstanding any applicable law to the contrary, the liability of Sublandlord hereunder (including any successor Sublandlord) and any recourse by Subtenant against Sublandlord shall be limited solely and exclusively to an amount which is equal to the interest of Sublandlord in the Airport, and neither Sublandlord, nor any of its constituent partners, members, shareholders, officers, directors or employees shall have any personal liability therefor, and Subtenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Subtenant.

32. Modifications of Master Ground Lease and Sublease. Should any current or prospective mortgagee or ground lessor for the Subleased Premises or the Property (including Landlord) require a modification of this Sublease, which modification will not materially and adversely change the rights and

obligations of any party hereunder, then and in such event, each party agrees that this Sublease may be so modified and agrees to execute whatever documents are required therefor and deliver the same to the party requesting same within ten (10) business days following the request therefor. Sublandlord agrees that it will not enter into any agreement with Master Landlord modifying or amending any provision of the Master Ground Lease which will have a material adverse effect on Subtenant's rights and obligations under this Sublease without the prior written consent of Subtenant, and any such agreement entered into by Sublandlord without Subtenant's prior written consent shall be of no force or effect with respect to Subtenant and this Sublease.

33. Captions and Definitions. Captions to the Sections in this Sublease are included for convenience only and are not intended and shall not be deemed to modify or explain any of the terms of this Sublease.

34. Further Assurances. The parties hereto agree that each of them, upon the request of the other party, shall execute and deliver, in recordable form if necessary, such further documents, instruments or agreements and shall take such further action that may be necessary or appropriate to effectuate the purposes of this Sublease.

35. Governing Law. This Sublease shall be governed by and in all respects construed in accordance with the internal laws of the State of California.

36. Intentionally Deleted.

IN WITNESS WHEREOF, the parties hereto have caused this Sublease to be executed as of the day and year first above written.

[SIGNATURE BLOCKS ON NEXT PAGE]

The parties have agreed as set forth above as of the date indicated next to their signature.

Sublandlord:

HAWTHORNE AIRPORT, LLC, a California limited liability company

Date: 9/11/24


By: 

Printed Name: Levi Stockton

Subtenant:

MICHAEL OSBORN, Trustee

Date: 9/11/24



KALPANA OSBORN, Trustee

Date: 9/11/2024



Acknowledged by the City of Hawthorne

Master Landlord

CITY OF HAWTHORNE, a municipal corporation

Date:

By: _____

Printed Name: _____

Title: _____

EXHIBIT "A"

MASTER GROUND LEASE

[Attached as the immediately following pages.]

EXHIBIT "B"

THE SUBLEASED PREMISES

EXHIBIT "C"

HAWTHORNE MUNICIPAL AIRPORT RULES AND REGULATIONS

The primary purpose of these rules is to maintain an aesthetically pleasing and uniformly appearing complex for the quiet enjoyment of the tenants and occupants. The secondary purpose is to provide all desired services to the complex while keeping common costs to a minimum. These rules can be added to, deleted, or amended at any time by Sublandlord subject to written notice of any changes. All rules must be reasonable and in the best interest of a majority of the Subtenants in the complex. Violation of any rule, which remains uncorrected for thirty (30) days after written notice, constitutes a default in the Sublease.

GENERAL RULES

1. Sublandlord reserves the right to refuse access to any persons Sublandlord in good faith judges to be a threat to the safety, reputation, or property of the Airport.
2. Subtenant (and its tenants) shall not suffer or permit the obstruction of any common areas, including driveways, walkways, and stairways.
3. Subtenant (and its tenants) shall not make or permit any noise or odors that annoy or interfere with other Tenants or persons having business within the Airport.
4. Subtenant (and its tenants) shall not keep animals or birds within the Subleased Premises and shall not bring bicycles, motorcycles or other vehicles into areas not designated as authorized for same.
5. Subtenant (and its tenants) shall not make, suffer, or permit litter, waste, or garbage, except in appropriate receptacles for that purpose.
6. Subtenant (and its tenants) shall not alter any lock or install new or additional locks or bolts (other than the Subleased Premises).
7. Subtenant (and its tenants) shall be responsible for the inappropriate use of any toilet rooms, plumbing or other utilities. No foreign substances of any kind are to be inserted therein.
8. Subtenant (and its tenants) shall not deface the walls or other surfaces of the Airport or the Subleased Premises.
9. Subtenant (and its tenants) shall not suffer or permit anything in or around the Subleased Premises that causes excessive vibration or floor loading in any part of the facility.
10. Intentionally deleted.
11. Intentionally deleted.
12. No Subtenant, employee or invitee shall go upon the roof of any building in the Airport.

13. Subtenant (and its tenants) shall not suffer or permit smoking or carrying of lighted cigars or cigarettes in the Subleased Premises or in any other indoor or outdoor portions of the Airport.

14. Subtenant shall not install, maintain, or operate any vending machines upon the Airport.

15. Subtenant (and its tenants) shall comply with all safety, fire protection and evacuation regulations established by Sublandlord or any applicable governmental agency.

16. Intentionally deleted.

17. Subtenant assumes all risks from theft or vandalism and agrees to keep the Subleased Premises locked as may be required.

18. Sublandlord reserves the right to make such other reasonable rules and regulations as it may from time to time deem necessary for the appropriate operation and safety of Sublandlord and its occupants. Subtenant agrees to abide by these and such rules and regulations.

VEHICLE PARKING RULES

1. Parking areas shall be used only for parking by vehicles no longer than full size, passenger automobiles herein called "Permitted Size Vehicles". Vehicles other than Permitted Size Vehicles are herein referred to as "Oversized Vehicles".

2. Subtenant shall not permit or allow any vehicles that belong to or are controlled by Subtenant or Subtenant's tenants, employees, suppliers, shippers, customers or invitees to be loaded, unloaded, or parked in areas other than those designated by Sublandlord for such activities.

3. Sublandlord reserves the right to relocate all or part of parking spaces and to reasonably allocate them between compact and standard size spaces, as long as the same complies with applicable laws, ordinances and regulations.

4. Users of the parking area will obey all posted signs and park only in the areas designated for vehicle parking.

5. Unless otherwise instructed, every person using the parking area is required to park and lock his own vehicle. Sublandlord will not be responsible for any damage to vehicles, injury to persons or loss of property, all of which risks are assumed by the party using the parking area.

6. The maintenance, washing, waxing, or cleaning of vehicles in the parking areas is prohibited.

7. Sublandlord shall be responsible for seeing that all of Subtenants employees, agents and invitees comply with the applicable parking rules, regulations, laws and agreements; however, Sublandlord is not responsible for the acts or omissions of other tenants and their employees, agents and invitees.

8. Subtenant shall be responsible for seeing that all of its tenants, employees, agents and invitees comply with the applicable parking rules, regulations, laws and agreements.

9. Sublandlord reserves the right to modify these rules and/or adopt such other reasonable and non-discriminatory rules and regulations as it may deem necessary for the proper operation of the parking area.

10. Such parking use as herein provided is intended merely as a license only and no bailment is intended or shall be created hereby.

AIRCRAFT RULES

1. The aircrafts to be hangared at the Subleased Premises must fit within the assigned hangared areas. The aircraft must not be allowed to protrude or infringe into an adjacent area so as to constitute a safety hazard, intrude into entryways or taxiways or otherwise block the public right of way.

2. Aircraft maintenance is prohibited in the aircraft hangars where aircraft are stored in common. Maintenance may be performed in the individual aircraft hangars so long as such maintenance does not interfere with the use and enjoyment of the facilities by the other tenants and does not constitute a hazard, threat or liability to the facilities or its occupants. Spray painting, the use of open flames or welding and storage of flammables, caustics, oxidizers, reactants or any hazardous substances or materials are prohibited.

3. Fueling of an aircraft while in a hangar is prohibited.

4. Only Tenants of Sublandlord and their invited guests are authorized access to the Airport operations area.

5. Subtenant (and its tenants) shall operate their aircraft in a safe, courteous manner and faithfully observe all applicable federal, state, and local laws, including all Federal Aviation Administration and County of Los Angeles rules and regulations. In addition, Subtenant shall faithfully comply with all rules and regulations adopted from time to time by Sublandlord.

EXHIBIT "D"

SUBTENANT'S INSURANCE REQUIREMENTS

1.1 Insurance. At all times during the Term, Subtenant shall keep the Subleased Premises and any improvements installed therein insured for the mutual benefit of Sublandlord and Subtenant, under policies naming Sublandlord as an additional insured, as follows:

1.1.1. A Special Form coverage "open peril" casualty insurance policy ("Casualty Insurance"), in an amount not less than one hundred percent (100%) of the then actual replacement costs of the improvements located in the Subleased Premises and any of Subtenant's personal property located therein;

1.1.2 A policy of commercial general liability insurance (occurrence form) ("Liability Insurance"), having a combined single limit of not less than One Million Dollars (\$1,000,000.00) per occurrence and One Million Dollars (\$1,000,000.00) aggregate, providing coverage for, among other things, blanket contractual liability, premises, products/completed operations and personal and advertising injury coverage; and

1.1.3 Before commencement of any alterations to the Subleased Premises, Subtenant shall procure a policy of builder's "all risk" insurance including vandalism and malicious mischief coverage, in form and with a company reasonably acceptable to Sublandlord, covering improvements in place and all material and equipment at the job site furnished under contract, but excluding contractor's, subcontractor's, and construction manager's tools and equipment and property owned by contractor's or subcontractor's employees ("Builder's Risk Insurance"), said insurance to be maintained in force until completion and acceptance of the work.

The amount of the Liability Insurance which is to be maintained pursuant to this Paragraph 1.1.1 shall be reviewed by Sublandlord and Subtenant every five (5) years to consider whether the amount of the coverage shall be increased.

1.2 Policy Provisions.

1.2.1 All insurance required under this Sublease shall be effected under valid enforceable policies issued by insurers of recognized responsibility and licensed to do business in the State of California. Such insurance shall be provided by a company (or companies) having a general policy holder's rating in Best's Rating Guide of A- or better (or as acceptable to any leasehold mortgagee of the Subleased Premises, Premises or Airport). Certificates evidencing all such policies shall be delivered to Sublandlord upon execution of this Sublease. At least thirty (30) days prior to the expiration date of any such policy the original renewal policy for such insurance shall be delivered by Subtenant to the holder of the expiring original policy, and certificates thereof shall be delivered to Sublandlord. All such policies shall contain a non-cancellation clause except upon thirty (30) days' prior written notice to each named insured and loss payee. All such policies shall contain language to the effect that (i) the insurer waives the right of subrogation against Sublandlord and

Landlord and (ii) the policies are primary and noncontributing with any insurance that may be carried by Sublandlord and Landlord.

1.2.2 All policies of insurance required herein shall name Sublandlord, Master Landlord and Subtenant as the insureds as their respective interests may appear. Subject to the provisions and limitations herein set forth, all Casualty Insurance and Builder's Risk Insurance policies shall also provide, if required by either party hereto, for any loss thereunder to be payable to any leasehold mortgagees of the Subleased Premises or the Airport as their respective interests may appear, pursuant to a standard mortgagee clause or endorsement. The loss, if any, under said Casualty Insurance and Builder's Risk Insurance policies shall be adjusted by Subtenant with the insurance companies.

1.2.3 Nothing in this Paragraph 1.2 shall prevent Subtenant from taking out any of the insurance required hereunder under a blanket policy or policies of insurance which covers other properties owned by Subtenant or affiliates of Subtenant as well as the Subleased Premises, provided that no insurance required hereunder is limited, decreased or modified as a result thereof (whether as the result of any co-insurance, excess coverage or other term or provisions of such blanket policy).