

## SUBLEASE

This Sublease is made effective November 17, 2003 ("Commencement Date"), by and between La Quinta FBO Two, LLC, a Delaware limited liability company, ("FBO") DBA: Million Air La Quinta or ("Sublessor"), and Hangar 1, LLC, ("Sublessee").

## RECITALS

1. Sublessor is the tenant under a Lease effective December of 2003 (the "Lease" or "Master Lease"), by and between La Quinta FBO Two, LLC, a Delaware limited liability company DBA: Million Air La Quinta as Lessee and the County of Riverside ("County"), as Lessor covering an approximate 18.44 acre portion of the Jacqueline Cochrane Regional Airport. A copy of the Master Lease is attached hereto as **Exhibit "A"** and made a part hereof. (The Master Lease covers an area larger than 18.44 acres. The percentage of the rent due under the Master Lease relating to the 7.96 acre project is equal to 43.2 % of total rent under the Master Lease.)

2. Sublessor intends to sublease to Sublessee a portion of the premises covered by the Master Lease and has obtained or will obtain permission from the County to sublease to Sublessee. The hangar number applicable to such portion is C-22 (the "Premises"). Sublessee intends to sublease such portion from Sublessor.

## AGREEMENT

**1.0 Premises.** Sublessor hereby subleases to Sublessee, and Sublessee hereby subleases from Sublessor, upon the terms and conditions hereinafter set forth, the Premises, identified by the hangar number above, located at the Airport, including the real property described in **Exhibit "B"** said Premises being a portion of the premises currently leased to Sublessor under the Master Lease, to include the right to use certain portions of the Common Area as identified on **Exhibit "B"** as hereinafter further provided. "Common Area" is defined as any portion of the property referred to in Paragraph 3.2.

**2.0 Term.** This Sublease shall commence on the first day of the month following execution by all parties thereto, and shall terminate in accordance with the Master Lease. If the Sublessor exercises the option to extend the Master Lease as provided in Paragraph 3 of the Master Lease, then the Sublessee shall have the option to extend this sublease for a period of 10 years to coincide with the term of the Master Lease.

**3.0 Use.** The principal authorized use of the Premises is private, personal hangar facility and office use, and uses related thereto or associated with such private, personal occasional non-aviation related uses as may be approved by Sublessor in its sole and absolute discretion and by the County, all as set forth in Paragraph 4 of the Master Lease; as may be further restricted elsewhere in this Sublease and by the Rules and Regulations incorporated

**3.1 Authorized Use.** Sublessee is authorized to use the Premises for activities attendant to its private and personal hanger operation as may be approved by Sublessor and by the County, and in accordance with the provisions of the Master Lease and this Sublease, and not in conflict with the Sublease.

**3.2 Non-Exclusive Use.** Sublessor grants to Sublessee, its employees, officers, patrons, and guests jointly in common with others entitled to the use thereof including Sublessor, a non-exclusive license to use the roadways and other Common Areas on the Airport, including use of the landing area and the right of aircraft ingress and egress between the Premises and landing area, to include those areas immediately contiguous to the Premises, as further depicted on **Exhibit "B"**.

**4.0 Rent and Charges.**

**4.01 Initial Rent.** Beginning on the Commencement Date, Sublessee shall pay initial rent of Ninety Eight (\$98.00 Dollars) per month to be paid monthly to the Sublessor at the office of Sublessor without reduction, abatement, deduction, offset or any prior demand therefor in advance of the first day of each month of the term hereof and subject to adjustment, which shall equal one twenty seventh (1/27) of the amount due from Sublessor to County under the Master Lease relating to the 6 acre project area only. Payments will be made to the office of the Sublessor at 145 S. Gene Autry Trail, Palm Springs, CA 92262.

**4.02. Non-Aviation Related Use License.** If Sublessee desires or, wishes to obtain a license from the County authorizing a non-aviation related use. Any such non-aviation use must first be approved by Sublessor prior to Sublessee making application to the County for such non-aviation related use.

**4.03. Annual Adjustment.** The rent shall be adjusted commencing on the July 1<sup>st</sup> following the Commencement Date, and each year thereafter during the term, including any extension thereof, as provided in Section 5 of the Master Lease.

**5.0 Utilities.** Sublessee shall pay all charges for all electricity, gas, water, sewer, trash disposal and other utility services used on or for the subleased Premises, including a pro rata share of the Common Area utilities, if any.

**5.01 Common Area Payments.** Sublessee shall pay on a one twenty-seventh (1/27) pro rata basis, all charges for all maintenance, landscaping, sweeping, to include security, common area insurance, management, and other Common Area costs to keep the Common Area in pristine condition on/or for the subleased Premises, including around the exterior of the Premises Sublessee's estimated portion of all utilities, common area sweeping, landscaping charges and other common area charges billed by Sublessor to maintain the Common Area ("Common Area Charges") are One hundred (\$100.00). Said amount shall be subject to annual adjustment on January 1<sup>st</sup> of each year following the Commencement Date.

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Per month (P)

**6.0 Late Payments.** If Sublessee shall fail to pay when due, any rent, amounts or charges payable by Sublessee under this Sublease or the Master Lease, then:

**6.01 Interest on Past Due Obligations..** Such unpaid amount shall bear interest, including common area payments, from the due date to the date of payment at the lesser of one percent (1%) per month or the maximum rate allowed under the applicable usury law.

**6.02 Late Charges.** Sublessee shall pay to Sublessor an additional sum of ten percent (10%) of any amount which remains due and unpaid 20 days after the due date. Sublessee acknowledges that late payment by Sublessee to Sublessor will cause Sublessor to incur costs not contemplated by this Sublease, including but not limited to, processing and accounting charges, and late charges which may be imposed upon Sublessor, and that the exact amount of such costs is extremely difficult and impracticable to fix. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Sublessor will incur by reason of late payment by Sublessee.

**7.0 Use Conditions.**

**7.01 Non-Exclusive Use..** To the extent granted to Sublessor in the Master Lease, Sublessor grants to Sublessee, its employees, officers, patrons and guests jointly and in common with others entitled to the use thereof, a non-exclusive license to use the roadways, and other common areas of the Airport, including the use of the landing area.

**7.02 Compliance with Rules, Regulations, Ordinance, Codes and Law.** Sublessee shall at Sublessee's sole cost and expense at all times during the term of this Sublease or any renewal or extension thereof comply with and observe all rules, regulations, ordinances, codes and laws which have been or may be promulgated by Sublessor, the County, and the Rules and Regulations attached hereto, or other jurisdictions that relate to the Premises and the use of the facilities of the Airport including, all fire regulations, safety regulations, noise control regulations and security regulations. Such rules, regulations, ordinances, codes, Rules and Regulations and laws are hereby made a part of this Sublease and Sublessee's failure to keep and observe the rules and regulations shall constitute a breach of the terms of this Sublease in like manner as if the same were contained herein. Sublessor and the County reserve the right to amend or supplement the rules, regulations, ordinances, codes and laws and to adopt additional rules, regulations, ordinances, codes and laws applicable to the Premises, to Sublessee's use of the Premises, and the use of the facilities of the Airport. Sublessor shall have no obligation to Sublessee as a result of the violation of any such rules by any other person. Sublessee shall at all times obey the statutes, codes, ordinances, laws and regulations of the United States of America, the State of California, the County and any other governmental entity having jurisdiction, as the same may from time to time be amended during the term of this Sublease.

**7.03 Security.** Sublessee will acquaint itself with the County's security plan and all Federal Aviation Administration and other security requirements and shall at all times fully abide by the same. If Sublessor or the County is fined for any breach of security as a result of Sublessee's negligence or failure to abide by applicable security requirements, Sublessee shall reimburse Sublessor or the County, as appropriate, for such fine immediately upon demand. Sublessee shall similarly be responsible for the negligence or non-compliance of any of its assignees, subtenants or their licensees, invitees or guests.

**7.04 Other Use Restrictions.** Sublessee shall not commit or suffer to be committed any waste or any public or private nuisance or any other act or thing which may disturb the quiet enjoyment of any other person or organization at the Airport or upon the Premises or Common Area. Sublessee's method of lighting the Premises and its installation of all exterior light fixtures shall be subject to Sublessor's sole and absolute discretion. Sublessee shall maintain access control to the Premises in conformance with Federal Airport Security regulations, the security plan of the County and other federal and County directives and regulations that may be issued. All motor vehicles parked or operated upon the Premises or Common Area by Sublessee, its officers, employees, guests, patrons, and invitees shall be parked or operated in accordance with the County's and Sublessor's traffic and parking regulations, ordinances and other directives. Sublessee shall at all times maintain the Premises of Sublessee, as well as Common Areas used by Sublessee, in a clean condition, free from any garbage, trash, litter, oil, grease, or any other solvents or any debris not related to the use of the Premises. Any items applicable to the maintenance and support of aircraft, automobiles or related uses to Sublessee's business or office shall not be stored on the exterior of said Premises and shall not be visible from the exterior of the Premises. All maintenance of aircraft shall be at all times for the private, personal use of Sublessee and shall not be for profit, or public use, or sale.

## **8.0 Maintenance of Premises.**

**8.01 Delivery.** Sublessor agrees to deliver the Premises in working order and Sublessee agrees to accept the Premises in the delivered condition without further additions, modifications or improvements by the Sublessor. Sublessee agrees that Sublessor has made no warranties or representations of any kind respecting the condition of the Premises or utilities located thereon or the use to which the Premises may be put.

**8.02 Maintenance Costs.** Sublessee at its sole cost and expense shall at all times maintain the Premises and all buildings, structures and improvements thereon in a good state of repair and in a safe, clean, neat and sanitary condition. In the event Sublessee fails to make any repairs required to be made by Sublessee in accordance with the terms of this Sublease, Sublessor shall notify Sublessee of such failure, if within thirty (30) days of such notice, Sublessee has failed to make such repairs, Sublessor shall have the option but not the obligation to make such repairs at the expense of Sublessee. Sublessor shall have the option but not the obligation to make such repairs at the expense of Sublessee. Should Sublessor opt to make said repairs, Sublessor shall have the right to charge Sublessee, as additional rent due hereunder upon

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demand, all costs of Sublessor for making such repairs on a pro rata basis. If Sublessee fails to pay all costs to Sublessor for making repairs, Sublessor shall have the right to lien the property for said costs, to include costs of any suit together with reasonable attorneys fees. Sublessor shall have no liability to Sublessee for any damage, inconvenience or interference with the use of the Premises by Sublessee as a result of the making of any repairs made by Sublessor and the rent shall not be abated by reason thereof.

**9.0 Delivery of Possession And Completion of Sublessor's Work.** Sublessor shall use its good faith efforts to substantially complete the work required to be completed by Sublessor for delivery of the Premises to Sublessee, as described in **Exhibit "C"** to this Sublease (the "Sublessor's Work"). If possession of the Premises (including, without limitation, substantial completion of the Sublessor's Work) is not delivered to Sublessee on or before MAY 1, 2004 (the "Commencement Date"), either party may thereafter terminate this Sublease by giving written notice to the other party before such possession is delivered (except that such date shall be extended to the extent the delay in possession is caused or contributed by Sublessee, or by force majeure or "Act of God" as set forth in **Exhibit "C"**). Sublessor shall not be liable for any damage caused by any delay in delivery of possession, and, except to the extent this Sublease is terminated in accordance with the preceding sentence, the delay will not affect the validity of this Sublease. Except for any items set forth on a "punch-list" of excepted items delivered to Sublessor on or before the Rent Start Date, Sublessee shall be deemed to have (i) acknowledged that Sublessor's Work has been substantially completed, (ii) accepted the Premises in its then as-is condition with no right to require Sublessor to perform any additional work therein, except for latent defects as to which Sublessor is given written notice within 90 days after Sublessee's knowledge of their existence and except as set forth on the punch list, and (iii) waived any express or implied warranties regarding the condition of the Premises, including any implied warranties of fitness for a particular purpose or merchantability. Following the Rent Start Date, Sublessor and Sublessee shall execute a letter agreement confirming the Rent Start Date and Sublessee's acceptance of the Premises.

**10.0 Alterations and Improvements.** Sublessee shall not install, make, or suffer to be made, any alterations or improvements to the interior or exterior of the Premises or any part thereof without the prior written consent of Sublessor, such consent shall not be unreasonably withheld or delayed. If in accordance with good construction practices, applicable governmental requirements, the special conditions, plans and specifications approved by Sublessor. Sublessee shall comply with all construction, and labor regulations of Sublessor, and the County and shall provide reasonable insurance coverage required by Sublessor and the County, or other means of surety, to the reasonable satisfaction of Sublessor and the County shall be provided to ensure that, in the event that the Sublessee defaults and is unable to complete construction, there will be funds provided to return the Premises to the original condition and to satisfy any liens for labor and materials that may be brought for work on the Premises. All alterations or improvements performed by Sublessee shall be carried out by licensed contractors and said alterations and improvements shall be carried out in accordance with all applicable laws and regulations. Sublessee shall at Sublessee's sole cost and expense obtain all necessary permits, licenses and

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authorizations in connection with the construction. Sublessee's work shall be subject to the general inspection of Sublessor and the County. Sublessee shall provide proof satisfactory to Sublessor and the County that Sublessee's contractor will (a) provide warranties for not less than one year against defects in workmanship, materials, and equipment; (b) carry or cause to be carried worker's compensation insurance covering all of the contractor's and its subcontractor's employees; and (c) carry public liability and property damage insurance which names Sublessor as an additional insured and required thirty (30) days prior written notice to Sublessor before any change in or cancellation of coverage becomes effective. The policy or policies shall contain liability limits of not less than One Million Dollars (\$1,000,000) single limit coverage. All improvements, additions to or alterations of the Premises except movable furniture and trade fixtures shall at the termination of this Sublease remain attached to and become part of the Premises and be surrendered to Sublessor, in good condition, reasonable use and wear excepted, or at the option of Sublessor shall be removed by Sublessee and the Premises restored to the same condition which existed prior to the installation of any alterations, additions or improvements. Sublessor shall have the right to post a notice of non-responsibility for liens arising out of any work performed, materials furnished and obligations incurred by Sublessee. Sublessee agrees to advise Sublessor and the County in writing at least ten (10) business days in advance of the date upon which alterations will commence in order to permit Sublessor or County to post such a notice. Sublessee shall keep the Premises free from any and all liens arising out of any work performed, materials furnished or obligations incurred by Sublessee. Sublessee shall indemnify, defend and hold Sublessor and County harmless against any claim, demand, liability or expense on account of claims for work done or materials supplied for Sublessee or person claiming under it.

**11.0 Damage or Destruction.** If the improvements to the Premises are damaged or destroyed during the term hereof, Sublessee may repair or rebuild said improvements to the condition immediately prior to the date of damage or destruction, within sixty (60) days after the occurrence of the event causing the damage or destruction. This Sublease shall continue and Sublessee shall diligently complete the repair or rebuilding of said improvements. Sublessee shall apply any insurance proceeds received as a result of damage to the improvements to the repair or replacement of said improvements.

**12.0 Condemnation.**

**12.01 Total Taking.** If all the Premises are taken or condemned for a public or quasi-public use, this Sublease shall terminate as of the date of condemnation and Sublessee shall thereupon be released from any liability thereafter occurring hereunder.

**12.02 Partial Taking.** If any part of the Premises are taken or condemned for a public or a quasi-public use by an entity and there is such a major change in the character of the property as to prevent Sublessee from using the Premises in substantially the same manner as theretofore used then in such event Sublessee may terminate this Sublease as of the date of condemnation by giving written notice to Sublessor within fifteen (15) days after the date of condemnation. If any

part of the Premises are taken or condemned for a public or quasi-public use and either party does not have the power to terminate this Sublease as hereinabove set forth, then this Sublease shall continue in full force and effect except that as to the part so taken this Sublease shall terminate as of the date of condemnation and the annual rent payable hereunder shall be adjusted so that Sublessee shall be required to pay for the remainder of the term only such portion of such rent as the value of the remaining part after condemnation bears to the value of the Premises at the date of condemnation. In the event that the parties are unable to agree upon an appropriate rate of rent, the rent shall be established by such arbitrators as may be agreed upon by the parties, or if there is no such agreement then by arbitration conducted pursuant to the then existing rules of the American Arbitration Association.

### **13.0 Assignments and Subleases.**

**13.01 Generally.** No portion of the Premises or of Sublessee's interest in this Sublease may be acquired by any other person or entity, whether by sale, assignment, mortgage, sublease, transfer, without the express written approval of the Sublessor. Sublessor has the right to grant or withhold its consent as provided in Section 13.05 below. Any attempted transfer without consent shall be void and shall constitute a non-curable breach of this Sublease. If Sublessee is a partnership or limited liability company any cumulative transfer of more than twenty percent (20%) of the partnership or limited liability company interests shall require Sublessor's consent. If Sublessee is a corporation, any change in the ownership of a controlling interest of the voting stock of the corporation shall require Sublessor's consent.

**13.02 Sublessee Affiliate.** Sublessee may assign this Sublease or sublease the Premises without Sublessor's consent, to any corporation which controls, is controlled by or is under common control with Sublessee, or to any corporation resulting from the merger of or consolidation with Sublessee ("Sublessee's Affiliate"). In such case, any Sublessee's Affiliate shall assume in writing all of Sublessee's obligations under this Sublease.

**13.03 No Release of Sublessee.** No transfer permitted by this Article Thirteen, whether with or without Sublessor's consent, shall release Sublessee or change Sublessee's primary liability to pay the rent and to perform all other obligations of Sublessee under this Sublease. Sublessor's acceptance of rent from any other person is not a waiver of any provision of this Article Thirteen. Consent to one transfer is not a consent to any subsequent transfer. If Sublessee's transferee defaults under this Sublease, Sublessor may proceed directly against Sublessee without pursuing remedies against the transferee. Sublessor may consent to subsequent assignments or modifications of this Sublease by Sublessee's transferee, without notifying Sublessee or obtaining its consent. Such action shall not relieve Sublessee's liability under this Sublease.

**13.04 First Offer to Sublessor.** At all times during the term of this Sublease, prior to making any transfer of Sublessee's interest other than as provided in Paragraph 13.01 or 13.02, any proposed transfer of the Sublease and the Premises shall first be offered to Sublessor, who

shall have three (3) days to accept or reject any offer to sublease or purchase the Sublease and/or Premises. Sublessee shall provide a copy of any offer to purchase the Sublease or Premises immediately upon receipt by Sublessee.

**13.05 Sublessor's Consent.** Sublessee's request for consent to any transfer described in Section 13.01 shall set forth in writing the details of the proposed transfer, including the name, business of the prospective transferee, financial details of the proposed transfer (e.g., the term of and the rent and security deposit payable under any proposed assignment or sublease), and any other information Sublessor deems relevant. Sublessor shall have the right to withhold consent, or to grant consent, in its sole and absolute discretion based on the following factors: (i) the business of the proposed assignee or Sublessee (ii) and the proposed use of the Premises; and (ii) Sublessee's compliance with all of its obligations under the Sublease. Sublessor's consent to any such transfer shall not be unreasonably withheld.

**13.06 No Merger.** No merger shall result from Sublessee's sublease of the Premises under this Article Thirteen, Sublessee's surrender of this Sublease or the termination of this Sublease in any other manner. In any such event, Sublessor may terminate any or all subleases or succeed to the interest of Sublessee as Sublessor under any or all subleases.

#### **14.0 Default.**

**14.01 Event of Default.** Each of the following events shall be an event of default hereunder by Sublessee and a breach of this Sublease: (a) the failure by Sublessee to pay Sublessor any rent or other charges due under this Sublease as and when the same become due; (b) the failure by Sublessee to perform or observe any other agreements, terms, covenants or conditions, or Rules and Regulations attached hereto and made a part hereof, as such Rules and Regulations may be amended from time to time by Sublessor; (c) the filing by or against Sublessee in any court pursuant to any statute of the United States or of any state of a petition in bankruptcy or insolvency or for reorganization or arrangement or for the appointment of a receiver or trustee of all or any portion of Sublessee's property if within thirty (30) days after the commencement of any such proceedings against Sublessee or after such assignment for the benefit of creditors such petition shall not have been dismissed or such assignment shall not have been revoked; (d) the transfer of Sublessee's interest in this Sublease to any person, firm or corporation whether voluntarily or by operation of law except in the manner expressly permitted in this Sublease; or (e) vacating or abandoning the Premises by Sublessee at any time during the term hereof.

**14.02 Sublessor's Remedies.** In the event of default as described in section 14.01, Sublessor shall notify Sublessee in writing that Sublessee is in default, and Sublessee will then have a cure period of thirty (30) days from date of notice from Sublessor to cure such an event. Sublessor shall have the following remedies if Sublessee fails to correct default. The remedies are not exclusive; they are cumulative and in addition to any remedies now or later allowed by law. Sublessor can continue this Sublease in full force and effect. Sublessor can enter the



Premises and relet them or any part of them to third parties for Sublessee's account. No act by Sublessor in reletting the Premises allowed by this section shall terminate this Sublease. In the event of Sublessee's default and Sublessor's reentering of the Premises Sublessee agrees to pay Sublessor as an additional item of damages, the cost of repairs, alterations, redecorating, Sublease commissions and Sublessor's other expenses incurred in reletting the Premises to a new tenant.

**14.03 Sublessor's Default.** In the event Sublessor fails to keep its Master Lease current with the County, to include failure to make any payments of rent to County as and when due, and Sublessee has been making payments directly to Sublessor, Sublessee shall have the right, after giving Sublessor thirty (30) days notice to cure, to make the payments, directly to County. If Sublessor does not cure within the applicable time period, Sublessee shall have the right to enter into a direct Lease with County.

**14.04 Attorneys Fees.** In the event of any action at law or in equity between Sublessor and Sublessee arising out of or concerning this Sublease or any right or obligation derived therefrom, then in addition to all other relief at law or in equity, the prevailing party shall be entitled to recover from the unsuccessful party reasonable attorneys fees and costs incurred therein by the prevailing party.

## **15.0 Indemnity and Insurance**

**15.01 Waiver.** This Sublease is made upon the express condition that Sublessee hereby waives all claims against Sublessor for damages to property or for injuries or death to any person or persons from any cause.

**15.02 Indemnity.** Sublessee hereby agrees to and shall indemnify and defend Sublessor against and hold Sublessor harmless from any and all claims, demands, actions, damages, liability and expense in connection with or for loss of or damage to property or injury or death to any person from any cause whatsoever while in, upon, or about the Premises or any such claims, demands or the like, arising from or out of any occurrence in, upon or at the Premises from or in connection with the occupancy or use by Sublessee of the Premises or any part thereof or from or in connection with the business conducted by Sublessee in the Premises or occasioned wholly or in part by any act or omission of Sublessee, its agents, contractors, employees, licensees or concessionaires.

**15.03 Insurance Coverage.** During the term of this Sublease including any extension or renewal thereof, Sublessee at its cost shall at all times maintain in full force and effect comprehensive public liability insurance and property damage insurance (each more particularly described below) upon the Premises and upon all aircraft, and automobiles operated by Sublessee at the Airport.

**15.03. Hangar keeper's Liability (Ground Coverage).** Should Sublessee's operations

include care or custody of aircraft stored on the Premises, Sublessee shall maintain Hangar keeper's legal liability insurance in an amount sufficient to fully cover the replacement value of all aircraft for which said custody is assumed while on the ground.

**15.03.02 Hangar keeper's Liability (Flight Coverage).** Should Sublessee's operations include care, custody or custody of aircraft stored on the Premises that will be flight tested or used in commercial flight operations, Sublessee shall maintain Hangar keeper's legal liability insurance in an amount sufficient to fully cover the replacement value of all aircraft for which said custody is assumed while on the ground.

**15.03.03 Aircraft Liability.** Sublessee, and Sublessee's affiliates, sublessees, and licensees, shall maintain aircraft liability insurance which shall provide combined single limit for bodily injury and property damage for all aircraft owned, leased or operated by any of them from the Premises with minimum limits of One Million Dollars (\$1,000,000). Proof of insurance will be required to show Sublessor to be named as an additional insured.

**15.03.04 Fire Insurance.** Sublessee shall maintain fire insurance covering the Premises and all improvements, including protection against perils included within the classification standard fire and extended coverage together with insurance against vandalism and malicious mischief; in an amount sufficient to fully cover the replacement cost of all improvements.

**15.04 Other Insurance Requirements.** All policies shall name Sublessor, and the County as an additional insured. Insurance shall be with a company or companies satisfactory to Sublessor and the County in the amounts of not less than that specified herein or in minimum amounts as may be subsequently adjusted by Sublessor or the County in the exercise of their commercial business judgment and consistent with airport industry practice for similar kinds of activities. Sublessee shall at all times during the term of this Sublease, including any extension or renewal hereof, provide Sublessor and the County with a certificate from the insurance carrier or carriers insuring Sublessee as set forth therein. Insurance policies shall not be subject to cancellation except after notice to Sublessor and the County by registered mail at least thirty (30) days prior to such cancellation. Where policies have normal expirations during the term of this Sublease or any extension thereof written evidence of renewal shall be furnished to Sublessor and the County thirty (30) days prior to such expiration.

**15.05 Waiver of Subrogation.** The parties release each other and their respective authorized representatives from any claims for damage to any person or to the Premises and to the fixtures, personal property, Sublessee improvements and alterations by Sublessor or Sublessee in or on the Premises that are caused by or result from risks insured against under any insurance policy carried by either party and in force at the time of any such damage to the extent of the insurance proceeds received from such policy. Each party shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against either party in connection with any damage covered by any policy. If the insurance cannot be obtained or the party in whose favor a waiver of subrogation is desired

refuses to pay the additional premium charged the other party is relieved of the obligation to obtain a waiver of subrogation right with respect to the particular insurance involved.

**16.0 Hazardous Substances.** The provisions of this section, which govern Sublessee's, obligations with regard to hazardous substances, as defined below, shall survive termination of this Sublease.

**16.01 Responsibility for and Definition of Hazardous Substances.** Sublessee agrees to indemnify, defend, protect and hold Sublessor free and harmless from and against any and all claims, liability, loss, damage, actions or causes of action, costs and expenses (including attorney's fees) arising from or in connection with the presence of any Hazardous Substances other than those which can be shown to have been present in, on or under the Premises prior to the Commencement Date. Furthermore, Sublessee shall, at Sublessee's sole cost and expense, be responsible for the receiving, use, storage, handling, transportation, generation, spillage, migration, discharge, release, and disposition of all hazardous waste, toxic substances, or related materials including, without limitation, gasoline, oil, grease, battery acid, diesel fuel, flammable, combustible, explosive, corrosive, caustic, carcinogenic or radioactive matter, or any other Hazardous Substances to the extent any such are used, stored, brought onto, located on or shipped from within the Premises in connection with Sublessee's occupancy and use thereof, in accordance with all applicable rules, regulations, orders, ordinances, statutes, codes and laws. For purposes of this Sublease, "Hazardous Substances" shall include, but not be limited to petroleum or petroleum related materials and/or substances defined as "hazardous substances", hazardous materials", "hazardous waste" or "toxic substances" in any federal, state or local laws or regulations adopted or publications promulgated pursuant to said laws (hereinafter collectively referred to as the "Laws"). Sublessee shall at Sublessee's sole cost and expense, comply fully with all requirements of the Laws applicable to Sublessee's use of the Premises and obligations contained herein.

**16.02 Cleanup of Hazardous Substances.** In the event of a release, leak, spill, or threatened or actual contamination or deterioration of the Premises or groundwater by a Hazardous Substance, other than those which can be shown to have been present in, on or under the Premises prior to the Commencement Date, whether the result of an act or omission of Sublessee or its agents, employees, contractors, licensees, or invitees or any other third parties, Sublessee shall, immediately notify Sublessor, the County, and all appropriate health, safety and environmental regulatory agencies. Sublessee hereby covenants and agrees to implement and complete, at its sole cost and expense, and to the satisfaction of Sublessor and the County, all investigation and remediation measures required by such agency or agencies. If Sublessee fails to take such action, Sublessor may, but shall not be obligated, to, take such action. In such event, all costs incurred by Sublessor or the County with respect to such cleanup activities shall be for the account of Sublessee and Sublessee shall promptly make reimbursement therefore. Sublessee shall not take any remedial action in response to the presence of any Hazardous Substances in any way connected with the Premises, nor enter into any settlement agreement, consent decree or

other compromise in respect to any claims relating to any Hazardous Substances in any way connected with the Premises without first notifying the Sublessor and the County of Sublessee's intention to do so and affording Sublessor and the County ample opportunity to appear, intervene or otherwise appropriately assess and protect its interest and respect thereto.

**16.03 Hazardous Substances from Subtenants or Assignees.** As between Sublessor and Sublessee, Sublessee shall bear responsibility for the presence of any Hazardous Substances as a result of a subtenant's or assignee's activities, whether before, during or after construction, in or around any part of the Premises or the soil, groundwater or soil vapor on or under the Premises. Upon demand by Sublessor, Sublessee shall defend any investigation, action or proceeding alleging the presence of any Hazardous Substances in any such location, which affects the Premises or which is brought or commenced against Sublessor or the County, whether alone or together with Sublessee or any other person, all at Sublessee's own cost and by counsel to be approved by Sublessor. In the alternative, Sublessor or the County may elect to conduct its own defense at the expense of Sublessee.

**16.04 Compliance Regarding Hazardous Substances.** Sublessee shall comply and cause all occupants of the Premises to comply with all statutes, codes, regulations, rules, ordinances, orders and other laws governing or applicable to Hazardous Substances as well as the recommendations of any qualified environmental engineer or other expert which apply or pertain to the Premises, Sublessee's use of the Premises or of the facilities of the Airport. Sublessee acknowledges that the presence of Hazardous Substances may permanently and materially impair the value and use of the Premises.

**16.05 Notice Regarding Hazardous Substances.** Sublessee shall promptly notify Sublessor and the County if Sublessee knows, suspects or believes that there may be any Hazardous Substances in or around the Premises, or in the soil, groundwater or soil vapor on or under the Premises, or that Sublessee or the Premises may be subject to any threatened or pending investigation by any governmental agency under any statute, code, regulation, rule, ordinance, order or other law pertaining to any Hazardous Substance.

**16.06 Site Visits, Observations and Testing.** Sublessor, the County, and their agents and representatives shall have the right from time to time to enter and visit the Premises to make observations of the Premises, take and remove soil or groundwater samples, and conduct tests. Sublessor is under no duty, however, to visit or observe the Premises or to conduct tests. No site visit, observation or testing by Sublessor shall result in a waiver of any default of Sublessee or impose any liability on Sublessor. In no event shall any site visit, observation or testing by Sublessor be a representation that Hazardous Substances are or are not present in, on or under the Premises or that there has been compliance with any statute, code, regulation, rule, ordinance, order or other law pertaining to Hazardous Substances. Neither Sublessee nor any other party is entitled to rely on any site visit, observation or testing by Sublessor. Sublessor shall not be obligated to disclose to Sublessee or any other party any report or finding made as a result, or in connection with, any site visit, observation or testing by Sublessor. Sublessor shall not be

obligated to disclose to Sublessee or any other party any report or finding made as a result, or in connection with, any site visit, observation or testing by Sublessor. In each instance, Sublessor shall give Sublessee reasonable notice before entering the Premises.

**17.0 Sublessee Rights and Obligations.** Sublessor grants to Sublessee all rights and benefits with respect to the Premises that are granted to Sublessor under the terms of the Master Lease. Sublessee assumes and agrees to perform all obligations and duties with respect to the Premises that have been assumed by Sublessor in the Master Lease. Sublessee shall have the right at any time to take any action required to be taken, but not timely taken, by Sublessor, which may be necessary to prevent or cure a default under the terms of the Master Lease. To the extent that the County fails or refuses to perform its obligations under the Master Lease with respect to the leased Premises, Sublessor shall perform such obligations. Further, Sublessor agrees not to modify or surrender the Master Lease as it relates to this Sublease and the Premises, without the prior consent of Sublessee, and any modification or surrender made without such consent shall be null and void and shall have no effect on the rights of Sublessee under this Sublease.

**18.0 Notices.** Any notice required or desired to be served by either party upon the other shall be addressed to the respective parties as set forth below:

Sublessor

Million Air La Quinta  
c/o Million Air Palm Springs  
145 S. Gene Autry Trail  
Palm Springs, CA 92262

Sublessee

Hanger<sup>1</sup> LLC  
14410 Bel-Red Road  
Bellevue WA 98007



**19.0 Taxes.** In the event a possessory interest tax or property tax is levied by the appropriate County or State taxing authority, Sublessee shall be solely responsible for payment of Sublessee's pro rata share of such tax.

**20.0 Protection of Lenders.**

**20.01 Subordination.** Sublessor shall have the right to subordinate this Sublease to any deed of trust or mortgage encumbering the Premises, any advances made on the security thereof and any renewals, modifications, consolidations, replacements or extensions thereof, whenever made or recorded. Sublessee shall cooperate with Sublessor and any lender which is acquiring a security interest in the Premises or the Sublease. Sublessee shall execute such further documents and assurances as such lender may require, provided that Sublessee's obligations under this Sublease shall not be increased in any material way (the performance of ministerial acts shall not be deemed material), and Sublessee shall not be deprived of its rights under this Sublease. Sublessee's right to quiet possession of the Premises during the Sublease Term shall not be disturbed if Sublessee pays the rent and performs all of Sublessee's obligations under this

Sublease and is not otherwise in default. If any beneficiary or mortgagee elects to have this Sublease prior to the lien of its deed of trust or mortgage and gives written notice thereof to Sublessee, this Sublease shall be deemed prior to such deed of trust or mortgage whether this Sublease is dated prior or subsequent to the date of said deed of trust or mortgage or the date of recording itself.

**20.02 Attornment.** If Sublessor's interest in the Premises is acquired by any beneficiary under a deed of trust, mortgagee, or purchaser at a foreclosure sale, Sublessee shall attorn to the transferee of or successor to Sublessor's interest in the Premises and recognize such transferee or successor as Sublessor under this Sublease. Sublessee waives the protection of any statute or rule of law which gives or purports to give Sublessee any right to terminate this Sublease or surrender possession of the Premises upon the transfer of Sublessor's interest.

**20.03 Signing of Documents.** Sublessee shall sign and deliver any instrument or documents necessary or appropriate to evidence any such attornment or subordination or agreement to do so. Sublessee has ten (10) days to do so after written request.

**20.04 Estoppel Certificates.**

**20.04.01** Unless Sublessee has entered into a direct lease with the County, upon Sublessor's written request, Sublessee shall execute, acknowledge and deliver to Sublessor a written statement certifying: (i) that none of the terms or provisions of this Sublease have been changed (or if they have been changed, stating how they have been changed); (ii) that this Sublease has not been canceled or terminated; (iii) the last date of payment of the Base Rent and other charges and the time period covered by such payment; (iv) that Sublessor is not in default under this Sublease (or, if Sublessor is claimed to be in default, stating why); and (v) such other representations or information with respect to Sublessee.

**20.04.02** If Sublessee does not deliver such statement to Sublessor within ten (10) days, Sublessor, and any prospective purchaser or encumbrancer, may conclusively presume and rely upon the following facts: (i) that the terms and provisions of this Sublease have not been changed except as otherwise represented by Sublessor, (ii) that this Sublease has not been canceled or terminated except as otherwise represented by Sublessor; (iii) that not more than one year's Base Rent or other charges have been paid in advance, and (iv) that Sublessor is not in default under the Sublease. In such event, Sublessee shall be estopped from denying the truth of such facts.

**21.0 Time.** Time is of the essence.

**22.0 Entire Agreement.** This Sublease contains all agreements between Sublessor and Sublessee with respect to any matter mentioned herein. This Sublease may be modified only by a writing signed by the parties in interest at the time of the modification.

**23.0 Applicable Law.** This Sublease shall be governed by the laws of the State of California.

**24.0 No Waiver.** Sublessor's waiver of any provision of this Sublease shall not be deemed a waiver of any other provision hereof, or of any subsequent breach by Sublessee of the same or any other provision. Sublessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Sublessor's consent to, or approval of, any subsequent act by Sublessee.

**25.0 Partial Invalidity.** The invalidity or unenforceability of any provision of this Sublease or the application thereof to any person or circumstances shall in no way affect the validity of any other provision or its application to any other person or circumstances.

**26.0 Interpretation.** The captions of the Sections of this Sublease are to assist the parties in reading this Sublease and are not a part of the terms or provisions of this Sublease. Whenever required by the context of this Sublease, the singular shall include the plural and the plural shall include the singular. The masculine, feminine and neuter genders shall each include the other. In any provision relating to the conduct, acts or omissions of Sublessee, the term "Sublessee" shall include Sublessee's agents, employees, contractors, invitees, successors or others using the Premises with Sublessee's expressed or implied permission.

**27.0 Corporate Authority; Partnership Authority.** If Sublessee is a corporation, each person signing this Sublease on behalf of Sublessee represents and warrants that he or she has full authority to do so and that this Sublease binds the corporation. Within thirty (30) days after this Sublease is signed, Sublessee shall deliver to Sublessor a certified copy of a resolution of Sublessee's Board of Directors authorizing the execution of this Sublease or other evidence of such authority reasonably acceptable to Sublessor. If Sublessee is a partnership or limited liability company, each person or entity signing this Sublease for Sublessee represents and warrants that he or it is a general partner of the partnership or Manager of the limited liability company, that he or she has full authority to sign for the partnership and that this Sublease binds the partnership and all general partners of the partnership. Sublessee shall give written notice to Sublessor of any general partner's or manager's withdrawal or addition. Within thirty (30) days after this Sublease is signed, Sublessee shall deliver to Sublessor a copy of Sublessee's recorded statement of partnership, certificate of limited partnership or Articles of Organization.

**28.0 Joint and Several Liability.** All parties signing this Lease as Sublessee shall be jointly and severally liable for all obligations of Sublessee.

**29.0 Force Majeure.** If Sublessor cannot perform any of its obligations due to events beyond Sublessor's control, the time provided for performing such obligations shall be extended by a period of time equal to the duration of such events. Events beyond Sublessor's control include, but are not limited to, acts of God, war, terrorism, civil commotion, labor disputes, strikes, fire, flood or other casualty, shortages of labor or material, government regulation or

restriction and weather conditions.

**30.0 Execution of Lease.** This Lease may be executed in counterparts and, when all counterpart documents are executed, the counterparts shall constitute a single binding instrument.

**31.0 Negotiated Agreement.** The parties hereby acknowledge, agree and understand that this Sublease and its wording have been arrived at through a process of negotiation between the parties in which each party participated to the fullest extent desired by that party and that neither party is to be deemed the party who prepared this Lease or the party who caused any uncertainty to exist within the meaning of California Civil Code Section 1654.

In witness whereof, the parties hereto have executed this Sublease as of the day and year first above written.

SUBLESSOR:

La Quinta FBO Two, LLC,  
a Delaware limited liability company

By  11/15/03

LESSEE

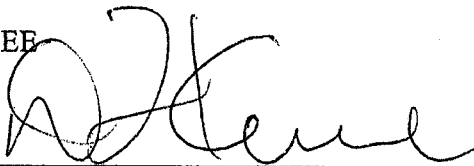
By 



EXHIBIT B

(Attach Site Plan depicting Premises and Common Area)

Exh. 6.4 D

# MILLION AIR LA QUINTA LA QUINTA JET CENTER

### Features.....

- Steel Doors
- Fully Insulated
- All White Interiors
- Metal Liner Panel (No Drywall)
- Fire Sprinklers
- Private Gated Entrance
- 200 Amp Electrical Panels
- Plumbed For Water, Sewer, Phone
- Up To 7000 Sq. Ft.
- Door Sizes up to 70' x 25'
- Adjacent To The New Million Air Terminal Facility
- Accommodates Up To Gulfstream IV
- 40 Year Ground Lease

### Options.....

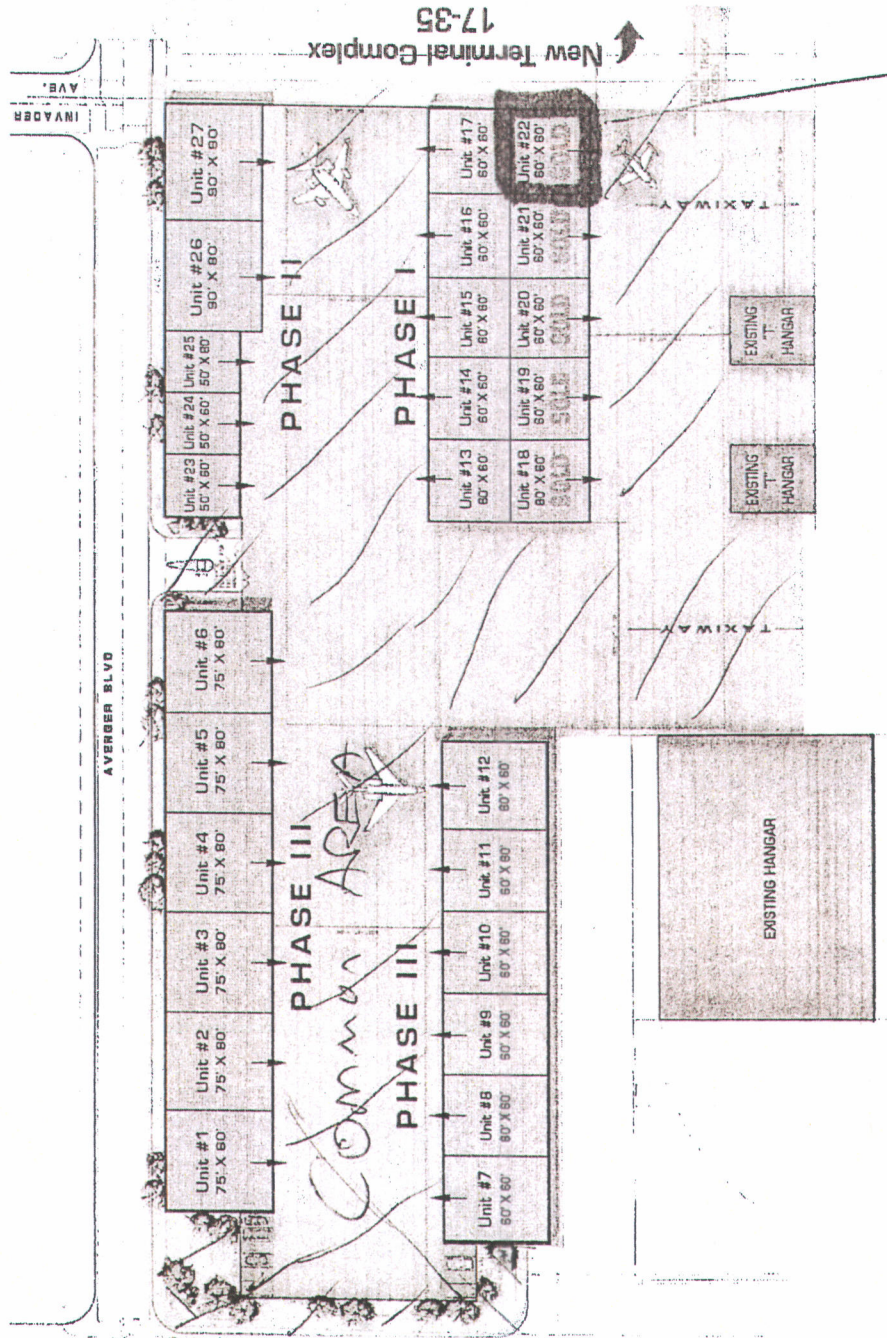
- Epoxy Floors
- Tenant Improvements May Include Offices, Crew Quarters, Restrooms

### Programs Available.....

- Purchase
- Lease
- Management

For Information Call

Eric Affeldt  
 (760) 399-1855  
 (760) 320-7704



## DESERT RESORTS REGIONAL AIRPORT

Custom Hangar Sites For  
 Larger Aircraft Also Available

KLMR  
 JAS PER  
 # 22  
 UNIT # 23

## EXHIBIT C

### DESCRIPTION OF SUBLESSOR'S WORK, AND SUBLESSEE'S PAYMENT THEREFOR

#### I. SUBLESSOR'S WORK.

Sublessor agrees to construct for Sublessee the Premises as set forth herein ("Sublessor's Work"). Sublessor has had prepared, at its sole cost and expense, plans and specifications, structural, energy, accessibility, fire and life safety calculations (if required) and Title 245 calculations (the "Plans") for the site work and improvements comprising the Premises. Sublessor's Work shall be completed in accordance with the Plans and Specifications already approved by Sublessee dated [insert date], prepared by Pacific Commercial Construction. Sublessor's Work shall be completed in accordance with all applicable governing codes, in a good and workmanlike manner, utilizing first quality new materials.

Sublessor's Work shall include, but not be limited to, the following:

- A. Building slab with one 4" sewer line stubbed into the hangar and one sewer clean-out on the outside of hangar;
  - B. One concrete apron;
  - C. Stubbed utilities to the building including 3 phase electric (Sublessor will provide the disconnect), gas, water, phone and cable lines pulled to the exterior of the Building;
  - D. A basic hangar building with either one roll door or one electric bi-fold door;
  - E. Each hangar will be insulated with builder-approved, quarter-inch low E insulation with foil/white backing. White side will be exposed;
  - F. Windows will be from Window Master and will conform to the same criteria of material and color as selected for each hangar by Sublessor. Refer to specific window and door schedule for each basic hangar; and
  - G. One pergola including a small patio slab (size specific per base plan).
- In the event of a conflict between the above-referenced items and the Plans and Specification, provisions of this **Exhibit "C"** shall control.

In addition to the Sublessor's Work performed pursuant to the Plans, Sublessor will install

and/or construct various improvements and/or upgrade ("Add-on") as may be requested by Sublessee and approved by Sublessor. Add-ons selected by Sublessee include those items set forth in **Exhibit C-1** attached hereto, for which Sublessee agrees to pay Sublessor the referenced expense therefor in advance of Sublessor beginning construction.

**II. SUBLESSEE'S PAYMENT FOR CONSTRUCTION OF IMPROVEMENTS.**

In consideration for Sublessor undertaking to construct the hangar building pursuant to the Plans, Sublessee agrees to pay to Sublessor, in addition to any rent or additional rent due under the Sublease between them, the following:

Initial Deposit (includes 10% deposit given with Letter of Reservation)	\$ 57,500	(25%)
Interim Deposit at 50% Completion:	\$ 51,500	(25%)
Interim at Substantial Completion	\$ 51,500	(25%)
Balance On Issuance of Certificate of Occupancy:	\$ 51,500	(25%)
Total Price:	\$ 206,000	(100%)

                     Sublessee's Initials  
                     Sublessor's Initials

The initial deposit is due upon execution of the Sublease by the parties and will be credited toward the Price to be paid by Sublessee as set forth above. The interim deposits shall be paid by Sublessee to Sublessor when Sublessor notifies Sublessee the Premises are 50% competed and upon Substantial Completion. The closing balance shall be due upon issuance of the Certificate of Occupancy. Upon the making of the final payment for construction of improvements, Sublessor will deliver the premises to Sublessee.

EACH DEPOSIT SHALL BE NONREFUNDABLE TO SUBLESSEE WHEN PAID TO SUBLESSOR, IN CONSIDERATION FOR SUBLESSOR INCURRING EXPENSE OF CONSTRUCTION OF THE RESPECTIVE IMPROVEMENT, EXCEPT UPON A BREACH BY SUBLESSOR OF THIS SUBLEASE WHICH RESULTS IN AN EARLY TERMINATION OF THIS SUBLEASE. IN THIS LATER EVENT, A PRORATED AMOUNT OF THESE DEPOSITS WOULD BE REFUNDABLE TO SUBLESSEE (SUBJECT TO WHATEVER OTHER OFFSETS MAY EXIST), BASED UPON A FRACTION, THE NUMERATOR OF WHICH SHALL BE THE AMOUNT OF TIME ELAPSED UNDER THE TERM OF THE SUBLEASE AT THE TIME OF TERMINATION, AND THE DENOMINATOR OF WHICH

SHALL BE THE TERM OF THE SUBLEASE PURSUANT TO SECTION 3.1 THEREOF. NOTHING HEREIN SHALL LIMIT THE DAMAGES SUBLESSOR MAY SEEK FROM SUBLESSEE IN THE EVENT SUBLESSEE SHOULD DEFAULT ON ITS OBLIGATIONS UNDER THE SUBLEASE.

\_\_\_\_\_  
Sublessee's Initials  
\_\_\_\_\_  
Sublessor's Initials

Not inclusive ARE  
ALL E EPOXY FLOOR  
(K)

"Substantial Completion" is defined as that phase in the progress of the construction of the hangar building pursuant to the Plans when such construction is sufficiently complete so that the Sublessee may begin all of its work pursuant to Section III, completion of which would allow Sublessee to occupy and utilize the hangar building for its intended use. The "total price" of \$ 206,000 referenced above is ~~inclusive~~ of the Add-on expenses, which shall be paid by Sublessee to Sublessor separately, and in advance of any construction or installation related thereto. All sums due from Sublessee to Sublessor pursuant to this **Exhibit "C"** shall be considered "Additional Rent" under the Sublease.

### III. SUBLESSEE'S WORK.

Sublessee shall construct such improvements to the interior of the hangar building, and connect to stubbed utilities, as Sublessee shall require, subject to Section 10 of the Sublease. Sublessee shall be responsible for the costs of all of Sublessee's work, including sales taxes and permit fees associated therewith. Sublessee may not begin work until Sublessee has paid all money due to Sublessor under Section II above.

Sublessee shall pay all sewer hookup fees due the Coachella Valley Water District respective to the hangar building. Sublessor cannot provide a certificate of occupancy to Sublessee until Sublessee pays these fees.

The Sublessee shall provide Sublessor proof of insurance required under the Sublease for liability, and damage to person and property, before commencing any construction and/or alteration on the Premises.

### IV. SUBLESSOR'S CONSTRUCTION OF COMMON AREA IMPROVEMENTS.

Sublessor, at Sublessor's expense, will cause to have constructed the common area improvements as reflected on the Site Plan attached to the Sublease as **Exhibit "A"**. Such improvements will include walkways, parking spaces, and ramp space.

### V. FORCE MAJEURE.

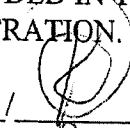

In the event Sublessor is prevented, delayed, or stopped from performing any act, undertaking, or obligation by reason of an "event of force majeure," including excessive adverse

weather, strikes, lockouts, labor disputes, failure of power, acts of public enemies of this state or the United States of America, riots, insurrection, war, civil commotion, inability to obtain labor or materials, or the discovery of hazardous substances in the underlying ground requiring remediation that would interfere with construction of the improvements pursuant to the Plans, and/or any other cause (except financial) beyond its reasonable control, then the time for Sublessor's performance hereunder, and under Paragraph 9 of the Sublease, shall be extended one day for each day's prevention, delay, or stoppage by reason of such event of force majeure.

**VI. ARBITRATION OF DISPUTES.**

Sublessee and Sublessor agree that any dispute or claim in law or equity between them arising out of Sublessor's construction of improvements pursuant to this **Exhibit "C"** shall be decided by neutral, binding arbitration and not by court action, except as provided by California law for judicial review of arbitration proceedings. The arbitration shall be conducted in accordance with the rules of the American Arbitration Association ("AAA"). The parties to an arbitration may agree in writing to use different rules and/or arbitrator(s). In all other respects, the arbitration shall be conducted in accordance with Part III, Title 9 of the California Code of Civil Procedure. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THIS 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THIS "ARBITRATION OF DISPUTES" OR THE RULES AND PROCEDURES ANNOUNCED BY AAA. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE, YOUR AGREEMENT TO THIS ARBITRATION PROVISIONS IS VOLUNTARY. WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION.

\_\_\_\_\_/  Sublessee's Initials  
\_\_\_\_\_/  Sublessor's Initials

**VII. INTERPRETATION.**

This **Exhibit "C"** is made a part of the Sublease to which it is attached, and the rights of Sublessor and Sublessee hereunder shall be determined in accordance with and pursuant to the terms of the Sublease, which are incorporated herein. Notwithstanding the preceding sentence, in the event any term or terms of this **Exhibit "C"** are contrary to any provision of the Sublease, the provisions of this **Exhibit "C"** will control.

DATED: 11/15/2003

**SUBLESSOR:**


LA QUINTA FBO TWO, LLC,  
a Delaware limited liability company

By: 

Printed Name Eric Affeldt  
Its: President

DATED: \_\_\_\_\_

**SUBLESEE:**

By: 

Printed Name  
Its:

# MILLION AIR LA QUINTA LA QUINTA JET CENTER (TRM)

## Features.....

- Steel Doors
- Fully Insulated
- All White Interiors
- Metal Liner Panel (No Drywall)
- Fire Sprinklers
- Private Gated Entrance
- 200 Amp Electrical Panels
- Plumbed For Water, Sewer, Phone
- Door Height up to 28'
- Adjacent To The New Million Air Terminal Facility
- Accommodates Up To Gulfstream IV
- 40 Year Ground Lease

## Options.....

- Epoxy Floors
- Offices, Crew Quarters, Restrooms
- Custom Size Available to 20,000 Sq. Ft.

## Programs Available.....

- Purchase
- Lease
- Management

For Information Call  
Eric Affeldt or Sheryl Evans  
(760) 399-1855

# JACQUELINE COCHRAN REGIONAL AIRPORT

Custom Hangar Sites For  
Larger Aircraft Also Available

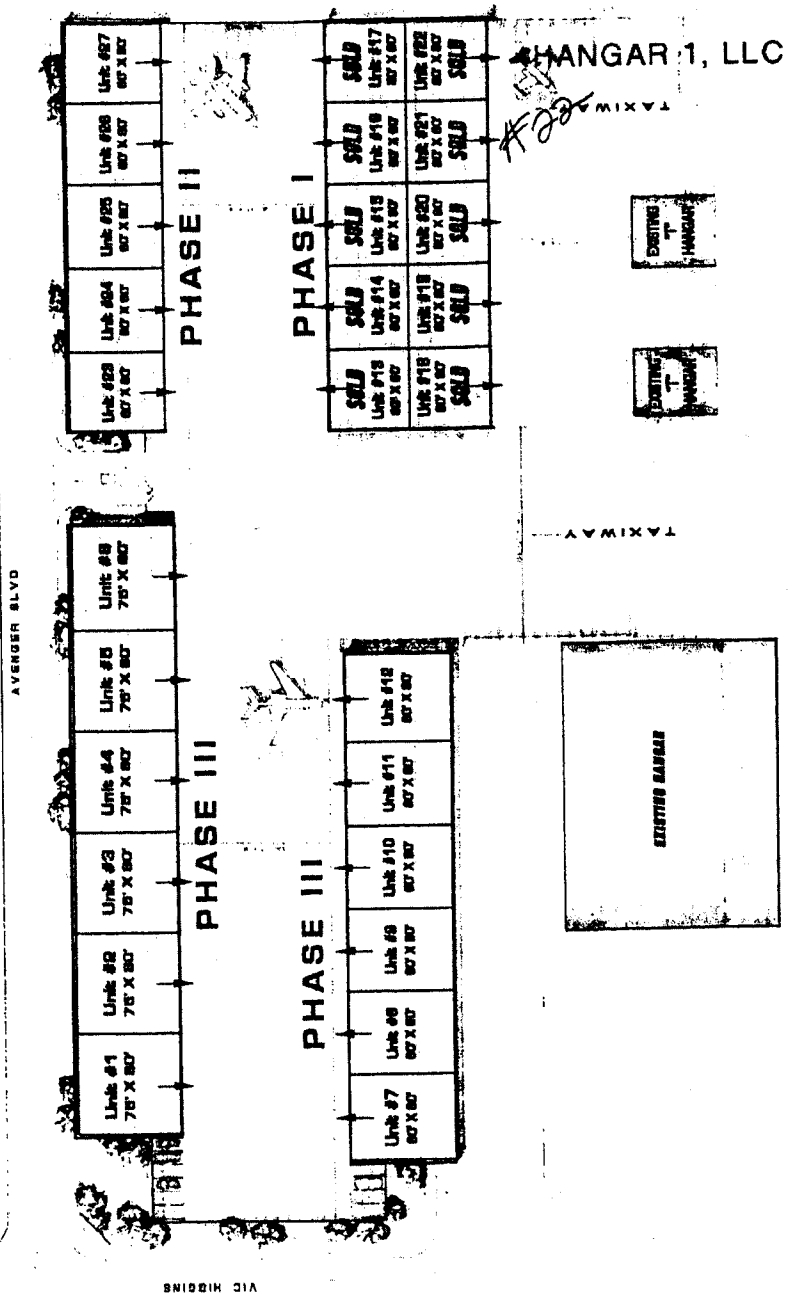


EXHIBIT B