

**CONSENT TO
ASSIGNMENT AND ASSUMPTION OF
LEASE NO. VNA-8327**

This **CONSENT TO ASSIGNMENT AND ASSUMPTION OF LEASE NO. VNA-8327** (this "**Consent**") dated as of _____, 2009 (the "**Effective Date**"), is entered into by and among City of Los Angeles, a municipal corporation, acting by order of and through the Board of Airport Commissioners (the "**Board**") of the Department of Airports (hereinafter referred to as "**City**"), Thornton Aviation, LLC, a California limited liability company ("**Assignor**"), and Castle & Cooke Aviation Services, Inc., a California corporation ("**Assignee**"), with reference to the following Recitals:

A. City has previously entered into that certain Lease No. VNA-8327 dated April 4, 2006, with Thornton Corporation, a California corporation ("**Thornton**"), which has been assigned by that certain Assignment of Lease dated June 18, 2007 (the "**Prior Assignment**"), by and between Thornton, as assignor and Assignor, as assignee, and that certain Consent to Assignment of Lease No. VNA-8327 dated October 2, 2007 (the "**Prior Consent**"), by and among City, as lessor, Thornton, as assignor, and Assignor, as assignee (such Lease, as amended by the Prior Assignment and the Prior Consent, is hereinafter referred to as the "**Original Lease**"), with respect to certain premises and facilities located at Van Nuys Airport, comprised of approximately 1.4896 acres and improvements thereon (comprised of 10,707 square foot hangar and 5,010 office space located at 7520 Hayvenhurst Avenue and the 15,148 square foot hangar and 5,976 square foot office space located at 7530 Havenhurst Avenue and a fuel farm) referenced as being located at 7520 and 7530 Hayvenhurst Avenue, Van Nuys, California, as more particularly described in the Lease (the "**Demised Premises**").

B. Assignor desires to assign its interest in, to and under the Original Lease to Assignee, and Assignee desires to accept such assignment and assume all of Assignor's rights and obligations under the Original Lease and are proposing to enter into that certain Assignment and Assumption of Lease dated as of September 10, 2009 (the "**Assignment Agreement**"), by and between Assignor, Assignee and Thornton Aircraft Company, LLC, a California limited liability company, in the form attached hereto as Exhibit A.

C. Pursuant to Article 2, Section 18 of the Original Lease, the prior written consent of City is required in connection with any assignment of the Lease.

D. Assignor and Assignee have requested the consent of City to the Assignment and City is willing to grant such consent on the terms and conditions contained in this Consent.

NOW, THEREFORE, in consideration of the foregoing Recitals (which are incorporated herein by this reference), the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Definitions.** All initially capitalized terms not otherwise defined in this Consent shall have the meanings set forth in the Original Lease unless the context clearly indicates otherwise.

All references in this Consent or in the Original Lease to "**the Lease**" or "**this Lease**" shall be deemed to refer to the Original Lease, as modified by this Consent.

2. **Effective Date.** Notwithstanding anything to the contrary contained in this Consent, this Consent shall not be effective and the assignment effected by the Assignment Agreement shall not be valid or binding on City unless and until (a) an original of this Consent executed by Assignor and Assignee is delivered to City for execution by the Executive Director of City's Department of Airports (and the Executive Director executes and delivers the same) and (b) a fully-executed original of the Assignment Agreement in the form attached hereto as Exhibit A is delivered to City.

3. **No Changes to Assignment Agreement.** Neither Assignor nor Assignee shall, by amendment or otherwise, alter the rights and obligations of Assignor and Assignee contained in the Assignment Agreement approved by this Consent without the prior written consent of the City, and a consent to one such change shall not be deemed to be a consent to any subsequent change.

4. **Complete Assumption; Compliance with Lease.** Notwithstanding any provisions to the contrary found in the Assignment Agreement, with respect to City, Assignee assumes all of Assignor's obligations and liabilities under the Original Lease arising on and after the Effective Date. Assignee shall strictly comply with all of the applicable terms, covenants and conditions of the Lease, as hereafter amended. Without limiting the generality of the foregoing, Assignee agrees to observe, obey and abide by all terms and conditions, ordinances, field rules and other regulations of City applicable to the Demised Premises and the common and joint use of Airport facilities and in the maintenance and conduct of all operations thereon pursuant to the Lease, as hereafter amended.

5. **No Consent to Future Transfers.** This Consent relates solely to the assignment effected by the Assignment Agreement and shall not constitute a consent to any subsequent assignment, sublease or any other transfer or matter requiring City's consent or approval, and shall not relieve Assignor, Assignee or any party claiming under or through Assignor or Assignee of the obligation, in connection with any subsequent assignment, sublease or other transfer, to obtain the consent of City in accordance with the terms of the Lease. City may consent to subsequent assignments, subleases and other transfers of the Lease and to any amendments and other modifications of the Lease without notifying Assignor, or any guarantor liable under the Lease and without obtaining any of their consent, and any such action shall not relieve any such party from liability. Assignee shall not assign, sell, or otherwise transfer its interest without the prior written consent of City, and any such consent shall not be deemed to be a consent to any other subsequent transfer of any nature to any other entity. Any transfer without such consent shall be voidable at City's option. The Original Lease, as hereafter amended, shall not, nor shall any interest therein, be assignable as to the interest of Assignee by operation of law (nor shall any transfer in control of Assignee be effected) without the prior written consent of the Board. Assignee shall provide City not less than sixty (60) days' prior written notice of any merger of Assignee with or into any other entity or of any dissolution, whether voluntary or involuntary, of Assignee.

6. **Reversion of Improvements to City.** As of the Effective Date, title to the existing improvements at the Demised Premises, title to the 10,707 square foot hangar and 5,010 office space located at 7520 Hayvenhurst Avenue and the 15,148 square foot hangar and 5,976 square foot office space located at 7530 Hayvenhurst Avenue shall be deemed conveyed to City.

7. **Cross-Default.** A default or breach of the terms of any other lease, permit, or contract held by Assignee with City shall constitute a material breach of the terms of the Lease and, at the election of City, shall be grounds for the termination of the Lease.

8. **No Release of Assignor.** Notwithstanding the assignment effected by the Assignment Agreement, this Consent or anything to the contrary contained therein or herein, Assignor shall remain liable in all respects for the performance of each of the terms, covenants, provisions, conditions and obligations of the Lease and this Consent.

9. **Notices.** All notices shall be in writing and addressed as follows:

(a) Written notices to City, and to the City Attorney of the City of Los Angeles shall, until receipt by Assignor or Assignee of written notice otherwise from City, be addressed to the Executive Director and to the City Attorney, Airport Division,

c/o Department of Airports
1 World Way
P.O. Box 92216
Los Angeles, CA 90009-2216
Attention: Executive Director

provided, however, with respect to any notice to City of default by City under the Lease, such notice shall be copied to:

Los Angeles City Attorney's Office
Department of Airports
1 World Way
P.O. Box 92216
Los Angeles, CA 90009-2216
Attention: General Counsel

Re: NOTICE OF DEFAULT UNDER LEASE NO. VNA-8327

(b) Written notices to Assignor shall, until City's receipt of written notice otherwise from Assignor, be addressed to

Thornton Aviation, LLC
1220 Virginia Road
San Marino, CA 91108
Attention: C.B. Thornton, Jr.

(c) Written notices to Assignee shall, until City's receipt of written notice otherwise from Assignee, be addressed to

Castle & Cooke Aviation Services, Inc.
7415 Hayvenhurst Place
Van Nuys, California 91406
Attention: Steven C. Friedmann

All such notices may either be delivered personally to Executive Director, or to the Office of the City Attorney, Airport Division, in the one case, or to Assignee and/or Assignor in the other case, or such may be deposited in the United States mail, properly addressed as aforesaid with postage fully prepaid, by certified or registered mail, and shall be effective upon receipt. The execution of any such notice by Executive Director shall be as effective as to Assignee and Assignor as if it were executed by Board, or by Resolution or Order of said Board, and neither Assignee nor Assignor shall not question the authority of Executive Director to execute any such notice.

10. **No Commissions.** Assignor and Assignee hereby represent and warrant to City that neither Assignor nor Assignee has entered into any agreement or taken any other action that might result in any obligation on the part of City to pay any brokerage commission, finder's fee or other compensation with respect to the assignment effected by the Assignment Agreement or this Consent, and Assignor and Assignee jointly and severally agree to protect, defend, indemnify and hold City harmless from and against any and all actions, adjudications, awards, causes of action, claims, costs, damages, demands, expenses (including, without limitation, attorneys' fees and costs and court costs), fees, fines, forfeitures, injuries, judgments, liabilities, liens, losses, obligations, orders, proceedings, penalties, stop notices and suits (collectively, "**Claims**") in any way arising or resulting from or in connection with or related to any breach or inaccuracy of such representation and warranty.

11. **No Waiver.** No delay or failure by any party to exercise any right under this Consent and no partial or single exercise of such a right shall constitute a waiver of that or any other right. The waiver by City of any term, covenant, or condition herein contained shall not be deemed to be a waiver by City of any subsequent breach of the same or of any other term, covenant, or condition herein contained. The subsequent acceptance of monies hereunder by City shall not be deemed to be a waiver of any preceding breach by Assignee of any term, covenant or condition of the Lease, other than the failure of Assignee to pay the particular monies so accepted, regardless of any preceding breach at the time of acceptance of such monies.

12. **Entire Agreement; Amendment.** This Consent supersedes any and all agreements and understandings previously made between any of the parties hereto relating to the subject matter of this Consent. This Consent may only be modified, amended or altered in writing signed by all of the parties hereto.

13. **Successors and Assigns.** This Consent shall be binding upon and inure to the benefit or detriment of City, Assignor and Assignee, and, subject to the restrictions on transfer contained in the Lease, their respective successors, assigns and legal representatives.

14. **Ratification.** Except as conditioned by this Consent, the Original Lease is hereby ratified and confirmed and all other terms of the Original Lease are and shall remain in full force and effect, unaltered and unchanged by this Consent and nothing contained herein shall be

deemed or construed (a) to waive any breach or default by Assignor in the due keeping, performance and observance thereof or any rights of City thereunder or (b) to increase City's obligations under the Original Lease. In the event of any conflict between the provisions of this Consent and the provisions of the Original Lease, the provisions of this Consent shall control.

15. **Governing Law.** This Consent shall be governed by and construed in accordance with the laws of the State of California, without regard to the principles of conflict of law. Any legal action or proceeding with respect to this Consent to Assignment shall be brought only in a federal or state court of competent jurisdiction in California. Venue shall be in the County of Los Angeles.

16. **Counterparts.** This Consent may be executed in counterparts, each of which shall be deemed to constitute an original, but all of which, when taken together, shall constitute one instrument.

[Signatures on next page]

IN WITNESS WHEREOF, City has caused this Consent to Assignment and Assumption of Lease No. VNA-8327 to be executed by the Executive Director of its Department of Airports.

DATED: _____, 2009.

CITY OF LOS ANGELES

By:

Executive Director
Department of Airports

By:

~~_____
Deputy Executive Director- Administration
Department of Airports~~

APPROVED AS TO FORM:

Carmen A. Trutanich, City Attorney

Date: _____, 2009

By:

Deputy/Assistant City Attorney

ACCEPTANCE

The foregoing Consent to Assignment and Assumption of Lease No. VNA-8327 is hereby accepted and the undersigned hereby agree to be bound by the conditions herein stated.

ASSIGNOR:

THORNTON AVIATION, LLC,
a California limited liability company

ATTEST:

By: THORNTON CORPORATION,
a California corporation,
Its Sole Member

By:

T.D. Chapin
Secretary (Signature)
Name: T.D. Chapin

By:

CB Thornton, Jr.
CB Thornton, Jr.,
President

Dated: 9-18, 2009

[SEAL]
~~ASSIGNEE~~
ASSIGNOR:

CASTLE & COOKE AVIATION SERVICES, INC.,
a California corporation

ATTEST:

By:

STEVE FRIEDMANN
Name: STEVE FRIEDMANN
Its: E.V.P.

By:

CRAN-William
Secretary (Signature)
Name: CRAN-William

By:

Rick H. Kline
Name: Rick H. Kline
Its: V.P. & C.F.O.

Dated: 9-18, 2009

[SEAL]

EXHIBIT A

Form of Assignment Agreement

ASSIGNMENT AND ASSUMPTION OF LEASE

THIS ASSIGNMENT AND ASSUMPTION OF LEASE (this "Assignment") dated as of September 18 2009 (the "Effective Date") is between THORNTON AVIATION, LLC, a California limited liability company ("Assignor"), CASTLE & COOKE AVIATION SERVICES, INC., a California corporation ("Assignee"), and THORNTON AIRCRAFT COMPANY, LLC, a California limited liability company ("TAC").

A. The City of Los Angeles ("Landlord"), as lessor, and Thornton Corporation, a California corporation ("Thornton"), as lessee, entered into a Lease Agreement dated as of April 4, 2006, Number VNA-8327 (as modified, supplemented or amended, the "Current Lease"), for approximately 1.4896 acres at the Van Nuys Airport (the "Premises"). Pursuant to that certain Assignment and Assumption of Lease Agreement dated as of June 18, 2007 between Thornton and Assignor, Assignor succeeded to Thornton's interests under the Current Lease.

B. Assignor desires to assign its interest in the Current Lease to Assignee, and Assignee desires to accept the assignment thereof, on the terms and conditions below.

ACCORDINGLY, the parties hereby agree as follows:

1. Assignment and Assumption. Subject to the terms hereof, Assignor hereby assigns to Assignee all of its right, title, and interest in and to the Current Lease, and Assignee hereby accepts such assignment and assumes all of the lessor's obligations, of every kind and nature, enumerated under the Current Lease, arising from and after the date such assignment is effective, including, without limitation, all existing or future payment obligations of lessor set forth in the Current Lease.

2. Conditions Precedent. Before the assignment contemplated in Section 1 hereof becomes effective and any party becomes obligated under it, all of the following conditions shall have been satisfied:

(a) Landlord and the original Assignee executing this Assignment shall have agreed upon and entered into a new thirty (30) year lease agreement ("New Lease") for the Premises, which, once signed and approved, will replace the Current Lease.

(b) The Executive Director of Los Angeles World Airports, the Board of Airport Commissioners and the Los Angeles City Council shall have provided their written approval of this Assignment, the New Lease and a sublease between the original Assignee executing this Assignment, as sublandlord, and TAC, as subtenant, which shall be in the form attached hereto as Exhibit A (the "Sublease"), pursuant to which TAC will sublease a portion of the Premises (herein, the "Subleased Premises"), in accordance with the terms of the Sublease and the New Lease.

(c) The Executive Director of Los Angeles World Airports, the Board of Airport Commissioners and the Los Angeles City Council shall have provided their written approval of the concept site plan for the Subleased Premises which is attached to the Sublease as Addendum II (collectively, the "Sublease Work").

(d) Landlord shall have executed and delivered to Assignor and Assignee a written consent approving the terms of this Assignment.

3. Indemnification.

a. Assignor and TAC, jointly and severally, agree to indemnify, defend and hold harmless Assignee from and against any and all loss, liability, claim, obligation, damage, deficiency, penalty, fine, cost or expense (including reasonable attorneys' fees) suffered or incurred by Assignee to the extent resulting from or arising out of Assignor's, TAC's and/or Thornton's occupancy of the Premises (unrelated to Assignee's occupancy of any portion of the Premises) prior to the Effective Date.

b. Except as may be limited by the Sublease, Assignee agrees to indemnify, defend and hold harmless Assignor, TAC and Thornton from and against any and all loss, liability, claim, obligation, damage, deficiency, penalty, fine, cost or expense (including reasonable attorneys' fees) suffered or incurred by Assignor to the extent resulting from or arising out of the New Lease and/or of Assignee's occupancy of the Premises (unrelated to TAC's occupancy of a portion of the Premises in accordance with the Sublease) on or after the Effective Date.

4. Disputes. In the event of any dispute between the parties to this Assignment, arising out of the obligations of the parties under this Assignment or concerning the meaning or interpretation of any provision contained herein, the losing party shall pay the sole prevailing party's costs and expenses of such dispute, including, without limitation, reasonable attorneys' fees and costs.

5. Environmental Indemnity. Except for any Hazardous & Toxic Substances (as defined hereinbelow) located in, on or under the Premises which were introduced by Assignee or Assignee's agents, contractors or employees, Assignor agrees to be solely responsible for, and shall indemnify and hold Assignee harmless from, any and all loss, liability, claim, obligation, damage, deficiency, penalty, fine, cost or expense (including reasonable attorneys' fees, but specifically excluding any lost profits, loss of business or other consequential damages) suffered or incurred by Assignee as a result of the presence, release or continuing release of any Hazardous & Toxic Substances in, on, or under the Premises in violation of Environmental Laws in effect as of the Effective Date (but only to the extent that such Hazardous & Toxic Substances were initially present prior to the Effective Date and introduced and/or released during TAC's, Thornton's and/or Assignor's occupancy of the Premises). The foregoing indemnification obligation shall include, without limitation, performing and/or making payment for the handling, treatment, removal, remediation, encapsulation, enclosure, clean-up, transport or disposal of any Hazardous & Toxic Substances required under applicable Environmental Law. As used herein, (i) the term "**Hazardous & Toxic Substances**" shall mean any substance, material, waste, contaminant or pollutant determined by any federal, state, county, or local governmental agency, body, or entity pursuant to any of the Environmental Requirements to be hazardous, toxic, infectious, radioactive, ignitable or flammable, corrosive, persistent or bioaccumulative, explosive, reactive or otherwise dangerous, and (ii) the term "**Environmental Laws**" shall mean any federal, state or local law, rule, regulation or ordinance relating to pollution or the protection or regulation of human health, natural resources or the environment.

6. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

7. Applicable Law. This Assignment shall be governed and construed in accordance with the laws of the State of California.

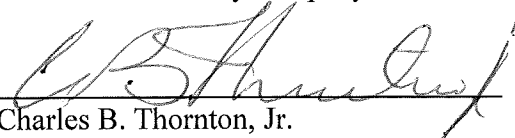
8. Counterparts. This Assignment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

[SIGNATURES APPEAR ON NEXT PAGE]

IN WITNESS WHEREOF, Assignor, TAC and Assignee have executed this Assignment the day and year first above written.

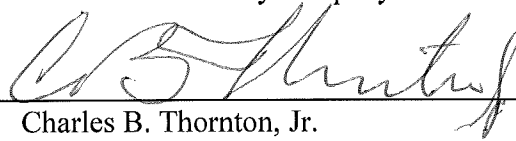
ASSIGNOR:

THORNTON AVIATION, LLC,
a California limited liability company

By: 
Charles B. Thornton, Jr.
President

TAC:

THORNTON AIRCRAFT COMPANY, LLC,
a California limited liability company

By: 
Charles B. Thornton, Jr.
President

ASSIGNEE:

CASTLE & COOKE AVIATION SERVICES,
INC., a California corporation

By: 
Name: STEVE FRIEDMANN
Its: E.V.P.

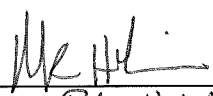
By: 
Name: Rick H. Kline
Its: V.P. + C.F.O.

EXHIBIT A
FORM OF SUBLEASE
(See attached)

SUBLEASE

THIS SUBLEASE ("Sublease") is made and entered into effective the ____ day of _____, 2009, by and between CASTLE & COOKE AVIATION SERVICES INC., a California corporation ("Sublandlord"), and THORNTON AIRCRAFT COMPANY, LLC, a California limited liability company ("Subtenant").

RECITALS

A. The City of Los Angeles ("**Landlord**"), as lessor, and Sublandlord, as lessee, have entered into that certain Lease dated as of _____, Number _____ (as modified, supplemented or amended, the "**Lease**"), which covers certain property as more particularly described therein (collectively, the "**Leased Premises**"), which Leased Premises includes two (2) aircraft hangar facilities located at 7520 & 7530 Hayvenhurst Avenue, Van Nuys, California (collectively, the "**Existing Buildings**").

B. Subtenant desires to sublet a portion of the Leased Premises from Sublandlord on the terms and conditions contained in this Sublease.

NOW, THEREFORE, in consideration of the premises subleased to Subtenant hereunder and the mutual covenants and conditions herein contained, Sublandlord and Subtenant agree as follows:

1. Basic Sublease Provisions.

1.1 Subleased Premises. The subleased premises ("**Subleased Premises**") shall consist of (a) the exclusive use of a portion of the Leased Premises containing approximately 5,000 square feet of office/shop space and the non-exclusive use of approximately 10,000 square feet of aircraft hangar space, plus (b) the non-exclusive use of any common areas, including but not limited to vehicle parking areas, driveways, tarmac areas and walkways located on the Leased Premises (collectively, the "**Common Areas**"). The office/shop space and hangar facilities of the Subleased Premises are currently located at 7520 Hayvenhurst Avenue. Notwithstanding the foregoing, the parties hereby acknowledge and agree that Sublandlord and Landlord are contemplating a redevelopment of the Leased Premises (the "**Redevelopment**"), which Redevelopment may involve the demolition of the Existing Buildings and the construction of new buildings and improvements thereon. During the Redevelopment, if the current location of the Subleased Premises is not available for occupancy by Subtenant, then prior to the time that the current location of the Subleased Premises becomes unavailable for occupancy by Subtenant, the Subleased Premises shall be temporarily relocated (for a period not to exceed twenty-four (24) months) to such comparable facilities at the Van Nuys Airport to which the parties may mutually agree in their reasonable, good-faith discretion. Following completion of the Redevelopment, the Subleased Premises shall be revised to consist of the following: (i) the exclusive use of a portion of the Leased Premises containing approximately 5,000 square feet of office/shop space and the non-exclusive use of approximately 10,000 square feet of hangar space, plus (ii) the non-exclusive use of the Common Areas, which shall be revised to include the non-exclusive use of any reception areas, conference rooms (subject to availability) and washrooms located on the Leased Premises after Redevelopment, all as more specifically identified on the proposed site plan attached hereto as **Addendum II**. Unless otherwise provided herein, any statement of the size of the Subleased Premises set forth in this Sublease, or that may have been used in calculating the Basic Monthly Rent described in Paragraph 1.3 below, is an approximation which the parties agree is reasonable and the rental based thereon is not subject to revision whether or not the actual size is more or less.

1.2 Sublease Term. The "**Sublease Term**" shall commence on _____ (the "**Commencement Date**"), and shall expire coterminously with the term of the Lease (which is currently set to expire on _____), unless sooner terminated in accordance with the terms of the Lease or this Sublease.

1.3 Basic Monthly Rent. The "**Basic Monthly Rent**" for the Subleased Premises shall be payable in equal monthly installments of Eight Thousand Three Hundred Thirty-Three and 33/100 Dollars (\$8,333.33). Beginning on the date that is one (1) year after the date of completion of the Redevelopment of the Subleased Premises in accordance with Addendum II attached hereto and upon each one (1) year anniversary thereafter (each, an "**Adjustment Date**"), Basic Monthly Rent shall be increased (but not decreased) to reflect any increases in the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index, All Urban Consumers, All Items (1982-84 = 100) Los Angeles-Riverside-Orange County Area (the "**Index**"). The increased amount of Basic Monthly Rent, if any, to become payable effective as of each such Adjustment Date will be determined by multiplying the Basic Monthly Rent in effect immediately prior to the then-current Adjustment Date by a fraction, the numerator of which shall be the most recently published Index prior to the then-current Adjustment Date (the "**Adjustment Index**") and the denominator of which shall be the Index published for the month which is twelve (12) months prior to the month of the then-current Adjustment Index. All payments of Basic Monthly Rent shall be made without demand, deduction, set-off or counter claim, in advance, on the first (1st) day of each calendar month during the Sublease Term, and in the event of a partial rental month, rent will be prorated on the basis of a thirty (30) day month.

1.4 Permitted Use. Subtenant may use the hangar space within the Subleased Premises for aircraft and component storage, maintenance, overhaul, restoration and repair operations and the office/shop space within the Subleased Premises for general office, workshop and storage purposes, and for no other purposes (collectively, the "**Permitted Use**"). Subtenant shall have the right of access to the Subleased Premises twenty-four (24) hours per day, seven (7) days per week, every week of the year.

1.5 Fueling Costs. During the Sublease Term, to the extent Subtenant makes fuel purchases on the Leased Premises, Subtenant shall purchase such fuel from Sublandlord and Sublandlord shall use commercially reasonable efforts to provide sufficient fuel to Subtenant to meet Subtenant's fueling needs. Sublandlord shall make such fueling service available to Subtenant for a fee equal to Sublandlord's tank-load cost of such fuel, plus an additional twenty-five cents (\$0.25) per gallon as a handling charge (collectively, the "**Fueling Costs**"). Such Fueling Costs will be invoiced on a monthly basis with payment due, without setoff of deduction, within ten (10) days of Subtenant's receipt of such invoice.

1.6 Late Charges. In the event of any delinquent payment by Subtenant under this Sublease, interest on any such amounts shall accrue at the lesser of ten percent (10%) or the maximum interest allowed under applicable law per annum from the date delinquent until paid in full, it being the intention of the parties hereto to conform strictly to applicable usury laws now or hereafter in effect.

1.7 Acceptance of Subleased Premises. Subtenant currently occupies the Subleased Premises and agrees to accept the Subleased Premises in their "as is" condition as of the Commencement Date; provided, however, that following any Redevelopment of the Leased Premises, Sublandlord shall deliver the office and shop areas of the Subleased Premises in accordance in all material respects with the proposed plans and specifications set forth in **Addendum II** attached hereto subject only to commercially reasonable punchlist items. Without limiting the foregoing, Subtenant's use of the Subleased Premises shall be subject to all local, state and federal laws, regulations and ordinances governing and regulating the use and occupancy of the Subleased Premises and to all matters now or hereafter of record.

Subtenant acknowledges and agrees that (i) prior to the commencement of this Sublease, Subtenant and/or its affiliate occupied the Subleased Premises pursuant to that certain Lease Agreement dated April 4, 2006, by and between Landlord and Thornton Corporation, a California corporation, and (ii) the Subleased Premises are in good and satisfactory condition as of the Commencement Date. Subtenant specifically agrees that, except as specifically provided by laws in force as of the date hereof, Sublandlord has no duty to make any disclosures concerning the condition of the Existing Buildings and the Subleased Premises and/or the fitness of the Existing Buildings and the Subleased Premises for Subtenant's intended use and Subtenant expressly waives any duty which Sublandlord might have to make any such disclosures. Subtenant shall not use or occupancy of the Subleased Premises or the Common Areas in violation of applicable laws and regulations. Subtenant further agrees that all telephone and other communication installation and use requirements must be compatible with the Existing Buildings and that Subtenant will be solely responsible for all of its telephone and communication installation and usage costs.

1.8 Addresses for Payment of Rent and Notices.

To Sublandlord:

Castle & Cooke Aviation Services Inc.
7415 Hayvenhurst Place
Van Nuys, California 91406
Attn: Steven Friedmann
Tel: (818) 742-3401

with a copy to:

Castle & Cooke Aviation Services Inc.
10900 Wilshire Blvd, Suite 1600
Los Angeles, California 90024
Attn: General Counsel

To Subtenant:

Thornton Aircraft Company, LLC
1220 Virginia Road
San Marino, California 91108-1054
Attn: C. B. Thornton, Jr.

1.9 Affect of Lease. Subtenant and this Sublease shall be subject in all respects to the terms of, and the rights of Landlord under, the Lease.

(a) Subtenant and Sublandlord covenant not to take any action or do or perform any act or fail to perform any act which would result in the failure or breach of any of the covenants, agreements, terms, provisions or conditions of the Lease on the part of the Lessee thereunder.

(b) Whenever the consent of Landlord shall be required by, or Landlord shall fail to perform its obligations under, the Lease, Sublandlord agrees to use its commercially reasonable efforts to obtain such consent and/or performance on behalf of Subtenant.

(c) Sublandlord represents and warrants to Subtenant that the Lease is in full force and effect, all obligations of both Landlord and Sublandlord thereunder have been satisfied and Sublandlord has neither given nor received a notice of default pursuant to the Lease.

(d) Sublandlord covenants as follows: (i) not to voluntarily terminate the Lease, (ii) not to modify the Lease so as to materially adversely affect Subtenant's rights hereunder, and (iii) to take all actions reasonably necessary to preserve the Lease, other than the institution of legal proceedings.

1.10 Compliance with Laws, Rules and Regulations.

(a) Subtenant shall, at Subtenant's sole expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements, including, without limitation, the Lease, any statutes, ordinances, rules regulations, orders and requirements promulgated under the authority of the Van Nuys Airport, Landlord, the Federal Aviation Administration, and the Department of Homeland Security, and any noise restrictions and rules in effect during the Sublease Term or any part thereof regulating the use and occupancy of the Subleased Premises and the use and operation of any aircraft by Subtenant. Subtenant shall not use or permit the use of the Subleased Premises in any manner that will tend to create waste or a nuisance or in any manner which shall unreasonably disturb other tenants of the Leased Premises; provided, however, that no use of the Subleased Premises for the Permitted Use shall be deemed to be a violation of this sentence. To the extent that Subtenant, as a result of (i) any Hazardous & Toxic Substances (as defined in Section 5.1 below) brought onto the Leased Premises by Subtenant in violation of applicable Environmental Requirements (as defined in Section 5.1 below), or (ii) Subtenant's particular use of the Subleased Premises (as distinguished from the aviation uses generally made in airport hangars comparable to the Subleased Premises at the Van Nuys Airport), causes an increase in any insurance premiums carried by Sublandlord with respect to the Leased Premises, Subtenant shall pay to Sublandlord the amount by which such insurance premiums have increased. Except as otherwise expressly provided in this Sublease, Subtenant shall not cause, maintain or permit any storage on or about the Common Areas of the Subleased Premises.

(b) Subtenant must abide by the "Rules and Regulations," attached to this Sublease as **Addendum I** and incorporated herein by this reference, at all times. Subtenant acknowledges that Sublandlord may make reasonable changes and/or modifications to such Rules and Regulations, and such changes and/or modifications shall be binding upon Subtenant, provided Sublandlord has given Subtenant notice of any such changes and/or modifications.

(c) Any aircraft stored in the Subleased Premises shall be towed into and out of the hangar space.

(d) Any aircraft maintenance performed by Subtenant on the Subleased Premises must be done by Subtenant's own employees or by a contractor being utilized by Subtenant.

1.11 Parking. At all times during the Sublease Term, Sublandlord shall provide Subtenant no less than the minimum number of vehicle parking spaces required by applicable law in connection with the Subleased Premises for use by Subtenant and its employees and customers. Such parking spaces shall be located adjacent to the office areas of the Subleased Premises on a non-reserved basis and shall be at no additional cost to Subtenant.

1.12 Common Area Charges. The rental payments due hereunder are all-inclusive and include any charges that Subtenant would otherwise be required to pay to Sublandlord or Landlord for all common area costs incurred by Sublandlord or Landlord in connection with the Subleased Premises, including, but not limited to, utilities, custodial services and real estate taxes; provided, however, that Sublandlord shall only be responsible to provide utilities to the Subleased Premises during normal business hours (as defined below). Sublandlord shall supply

the following equipment, utilities and/or services between the hours of 6:30 a.m. and 8:30 p.m., Monday through Friday, and from 6:30 a.m. to 5:00 p.m. Saturday and Sunday (collectively, "**normal business hours**"): (i) fueling and aircraft positioning including tug for aircraft movement, not for ground transportation; (ii) all utilities, including, without limitation, sewage, gas, water, HVAC and 110 & 220-volt single phase and 208 three phase electricity; and (iii) compressed air. In addition, electricity and compressed air outlets shall be provided by Sublandlord throughout the shop and hangar areas of the Subleased Premises after the Redevelopment. If Subtenant desires to use utilities during hours other than normal business hours, Sublandlord shall supply such after-hours utilities to Subtenant at such hourly rate which is equal to Sublandlord's "actual cost" to supply such additional utilities (which "actual cost" shall not include any profit to Sublandlord but may include actual overhead and administration charges), and Subtenant shall reimburse Sublandlord for such costs within fifteen (15) days following Subtenant's receipt of written invoice from Sublandlord. In addition to the foregoing, if at any time during the Sublease Term, Landlord commences to assess any new type or category of charge or fee to all tenants at the Van Nuys Airport, then to the extent such charges or fees are applicable to the Subleased Premises, Subtenant shall reimburse Sublandlord for such applicable fees and charges, within fifteen (15) days following Subtenant's receipt of an invoice from Sublandlord.

2. Demised Premises: Landlord Consent; Authority.

2.1 Demised Premises. Sublandlord hereby subleases to Subtenant and Subtenant hereby hires from Sublandlord the Subleased Premises for the Sublease Term, subject to the terms, covenants and conditions set forth herein. Subtenant covenants that, as a material part of the consideration for this Sublease, Subtenant shall keep and perform each and all of such terms, covenants and conditions by it to be kept and performed, and that this Sublease is made upon the condition of such performance.

2.2 Landlord, Board and Executive Director Consent. Sublandlord has requested, or concurrently with the execution of this Sublease will request, the consent of Landlord, the Board of Airport Commissioners (the "**Board**"), and/or the Executive Director of Los Angeles World Airports (the "**Executive Director**") to this Sublease; provided, however, notwithstanding any such pending request for consent, this Sublease shall at all times be deemed effective and binding on the parties in accordance with its terms. The parties to this Sublease understand, agree and acknowledge that Landlord, the Board, and/or the Executive Director have conditioned their consent to this Sublease on the parties meeting certain requirements, including without limitation, (i) the requirement that Subtenant and Sublandlord execute and deliver to Landlord the consent to sublease agreement attached hereto as **Addendum III** (the "**Consent to Sublease**"), and (ii) the requirement that Sublandlord and Subtenant comply with the terms and conditions of such Consent to Sublease. Subtenant agrees to promptly satisfy and comply with the conditions imposed by the Consent to Sublease, including executing and delivering the Consent to Sublease to Landlord, the Board, and/or the Executive Director. Upon the mutual execution and delivery of the Consent to Sublease by Subtenant and Sublandlord, the terms of such Consent to Sublease shall automatically be incorporated herein and become a part of this Sublease.

2.3 Authority. Within ten (10) business days after request by Sublandlord (but not more often than once (1) per year, and only in connection with (i) the placement of proposed financing on the Leased Premises, (ii) a proposed transfer of Sublandlord's interest in the Leased Premises, (iii) the proposed sale of any ownership interests in Sublandlord, and/or (iv) a Subtenant Event of Default), Subtenant shall deliver to Sublandlord: (A) if Subtenant is a corporation, certified copies of Subtenant's Articles of Incorporation, Certificate of Good Standing and a resolution of Subtenant's Board of Directors, certified by the corporate secretary of Subtenant, authorizing or ratifying the execution of this Sublease by Subtenant, or (B) if

Subtenant is a partnership, such partnership documents as Sublandlord may reasonably request to review, including, but not limited to, Subtenant's partnership agreement and any state filings establishing the identity and qualification of the partnership to transact business in the location in which the Subleased Premises are located, and the identity and authority of the partners of the partnership, and Sublandlord's approval of such organizational documents, or (C) if Subtenant is a limited liability company ("LLC"), such LLC documents as Sublandlord may reasonably request to review, including, but not limited to, Subtenant's operating agreement and any state filings establishing the identity and qualification of the LLC to transact business in the location in which the Subleased Premises are located, and the identity and authority of the members of the LLC.

3. Lease.

3.1 Incorporation By Reference. The terms and conditions of this Sublease shall include the terms and conditions of the Lease which are incorporated into this Sublease as if fully set forth hereinbelow, except that: (a) each reference therein to "the Lease" shall be deemed a reference to this Sublease; (b) each reference to the "Demised Premises" shall be deemed a reference to these Subleased Premises; (c) each reference to "City" and "Lessee" shall be deemed a reference to this Sublandlord and Subtenant, respectively; (d) with respect to any work, services, repairs, restoration, insurance or the performance of any other obligations (if any) of Landlord under the Lease, Sublandlord shall have no liability to Subtenant with respect to any such obligations except to the extent set forth herein; (e) with respect to any obligation of Subtenant to be performed under this Sublease, if the time period for Subtenant's performance of any such obligation is the same length as the time period for Sublandlord's performance of such obligation under the Lease, Subtenant shall have two (2) fewer days to perform such obligation; (f) the following provisions of the Lease shall not be deemed incorporated into the terms of this Sublease, although the Sublease shall remain subject to their terms, and neither Sublandlord nor Subtenant shall take any action which would result in a violation of the following provisions: Article 1: Sections 2, 4, 5, 6, 7, 8, 9.3, 10 and 12; and Article 2: Sections 2, 3, 4, 5, 6, 9, 10, 15, 19, 20 and 32; and (g) with respect to any actions where Landlord's approval or consent is required to be obtained under the Lease, Sublessee must obtain the approval or consent of both Landlord and Sublandlord prior to taking any such actions, and shall comply with the requirements of Landlord set forth in the Lease with respect to obtaining Landlord's approval. As between the parties hereto only, in the event of a conflict between the terms of the Lease and the terms of this Sublease, the terms of this Sublease shall control. Notwithstanding any provision of this Sublease to the contrary, Sublandlord will not be liable or responsible in any way for any loss, damage, cost, expense, obligation or liability suffered by Subtenant by reason or as a result of any breach, default or failure to perform by Landlord under the Lease.

3.2 Mutual Indemnity. Subtenant hereby expressly agrees to indemnify and hold Sublandlord free and harmless of and from all liability, judgments, costs, damages, claims, demands, and expenses (including reasonable attorneys' and experts' fees) (collectively, "Claims") incurred in connection with or arising from any cause (including, without limitation, Subtenant's breach of its obligations under this Sublease and/or any acts, omissions or negligence of Subtenant or of the contractors, agents, employees, licensees or invitees of Subtenant) in, on or about the Subleased Premises. Notwithstanding the foregoing provisions of this Paragraph 3.2, Subtenant's indemnification of Sublandlord provided hereinabove shall not apply to: (a) any Claims to the extent resulting from (i) Sublandlord's breach of its obligations under this Sublease, and (ii) the negligence or willful misconduct of Sublandlord or its agents, property managers, employees and contractors (collectively, the "Excluded Claims"); or (b) any loss of or damage to Sublandlord's property to the extent Sublandlord has waived such loss or damage pursuant to Paragraph 16.3 below. In addition, Sublandlord hereby expressly agrees to indemnify and hold Subtenant free and harmless of and from all such Excluded Claims, except

for any loss or damage to Subtenant's property to the extent Subtenant has waived such loss or damage pursuant to Paragraph 16.3 below.

3.3 Termination of Lease. In the event of the cancellation or termination of the Lease for any reason whatsoever or of the involuntary surrender of the Lease by operation of law prior to the expiration of the Sublease Term, Subtenant may elect, subject to the approval of Landlord, not to terminate this Sublease and to make full and complete attornment to Landlord for the balance of the Sublease Term upon the then executory terms of this Sublease, which attornment shall be evidenced by an agreement in form and substance reasonably satisfactory to Landlord and Subtenant; provided, however, that if Landlord does not approve of Subtenant's attornment or if Subtenant and Landlord fail to agree on the form and substance of the attornment agreement, then this Sublease shall terminate as of the date on which the Lease is terminated and, except as provided in Paragraph 3.4 below, the parties will be relieved from all liabilities and obligations under this Sublease excepting obligations which have accrued as of the date of termination.

3.4 Termination of Sublease. Notwithstanding anything to the contrary contained in this Sublease, (a) if this Sublease is terminated by Landlord or Sublandlord for any reason (other than a termination resulting from (i) a Subtenant Event of Default under Paragraph 17 below, or (ii) casualty damage caused by Subtenant's negligence or willful misconduct), or (b) if Subtenant shall have the right to terminate this Sublease pursuant to Paragraph 19(b)(2) below, and exercises such right, then on or before the date (the "**Termination Date**") on which this Sublease is terminated, Sublandlord shall deliver to Subtenant cash equal to the Termination Fee (as defined hereinbelow). As used in this Sublease, the "**Termination Fee**" shall mean the unamortized portion of One Million Five Hundred Thousand Dollars as of the Termination Date, determined as follows: (A) such \$1,500,000.00 amount shall be amortized on a straight-line basis over the three hundred sixty (360) month Sublease Term; and (B) the unamortized portion thereof shall be determined based upon the number of months remaining in the unexpired portion of such three hundred sixty (360) month amortization period as of the Termination Date. The parties hereto hereby agree that the Termination Fee represents a reasonable estimation of the costs that would be incurred by Subtenant with respect to any such termination of this Sublease in permanently relocating its business operations from the Subleased Premises and the economic losses resulting therefrom, including the risk of Subtenant's inability to obtain a comparable long term lease at a comparable location on equivalent terms.

4. Covenant Of Quiet Enjoyment: Access to Subleased Premises.

(a) If Subtenant performs all the provisions in this Sublease to be performed by Subtenant, Subtenant will have and enjoy throughout the Sublease Term (unless earlier terminated in accordance with the terms of the Lease or this Sublease) the quiet and undisturbed possession of the Subleased Premises.

(b) Sublandlord and Sublandlord's agents shall have the right to enter the Subleased Premises at reasonable times, and upon reasonable prior notice (except in emergencies, when no notice shall be required), for the purpose of inspecting the Subleased Premises, showing the Subleased Premises to prospective purchasers or lenders, and making such alterations, repairs, improvements or additions to the Subleased Premises which are required of Sublandlord by this Sublease or the Lease. Notwithstanding anything to the contrary contained in this Paragraph 4(b), (i) Sublandlord may enter the Subleased Premises at any time, without notice to Subtenant, to perform any regularly scheduled services required of Sublandlord under this Sublease, including, without limitation, janitorial services, and (ii) there shall be no restrictions on Sublandlord's entry into, or non-exclusive use of, the hangar areas of the Subleased Premises. Sublandlord may at any time place on or about the Subleased Premises any ordinary "for sale" signs and Sublandlord may at any time during the last two hundred seventy

(270) days of the term hereof place on or about the Subleased Premises any ordinary "for lease" signs, all without rebate of rent or liability to Sublandlord. Sublandlord shall retain a key to all locked portions of the Subleased Premises (except vaults and locked file or storage cabinets) at all times. Subtenant shall provide Sublandlord with prior written notice of any change in the locks at the Subleased Premises.

5. Hazardous Substances.

5.1 Prohibitions on Use. Without limiting any of the other provisions of this Sublease or the Lease, and subject to the terms of Paragraph 5.2 below, Subtenant shall at all times, at its own cost and expense, keep and maintain the portions of the Subleased Premises which are designated for Subtenant's exclusive use in compliance with, and shall not use the Subleased Premises or any portion thereof in violation of, all applicable laws, ordinances, or regulations of, or precautions mandated or advised by, any federal, state, county, or local governmental agency, body, or entity now or hereinafter in effect, with respect to the use, handling, treatment, storage, transportation, disposal, emissions, discharges or releases of "Hazardous & Toxic Substances" (as defined herein) or otherwise relating to the protection of the environment or industrial hygiene (including, without limitation, ambient air, surface water, ground water, land surface or subsurface strata) (all such requirements being hereinafter referred to as the "Environmental Requirements"). As used herein, the term "Hazardous & Toxic Substances" shall mean any substance, material, waste, contaminant or pollutant determined by any federal, state, county, or local governmental agency, body, or entity pursuant to any of the Environmental Requirements to be hazardous, toxic, infectious, radioactive, ignitable or flammable, corrosive, persistent or bioaccumulative, explosive, reactive or otherwise dangerous. Subtenant shall immediately notify Sublandlord of its discovery of the presence or release of any Hazardous & Toxic Substances on or about the Subleased Premises which is in violation of any of the Environmental Requirements. Following such discovery, if such Hazardous & Toxic Substances contamination was caused by Subtenant or an affiliate of Subtenant, Subtenant shall promptly take all actions necessary to return the Subleased Premises to the condition existing prior to such contamination, including the preparation of any closure, remedial, monitoring or other required plans ("Restoration"); provided that Subtenant shall not undertake any Restoration without first providing Sublandlord and Landlord with notice thereof and obtaining Sublandlord's and Landlord's approval therefor. Subtenant shall deliver to Sublandlord and Landlord copies of any and all manifests and other documentation related to the removal, storage, treatment, transportation and/or disposal of any Hazardous & Toxic Substances.

5.2 Storage of Hazardous & Toxic Substances. Sublandlord shall, at all times during the Sublease Term, provide Subtenant with the exclusive use of a reasonable amount of space in the Common Areas of the Leased Premises (or reasonably near to the temporary subleased premises during Redevelopment, as applicable), at no charge, for the storage of Hazardous & Toxic Substances generated by Subtenant's use of the Subleased Premises (or temporary subleased premises, as applicable). At all times after the commencement of the Sublease Term (and prior to the date Subtenant reoccupies the Subleased Premises following the Redevelopment), Sublandlord shall ensure that such storage space complies in all material respects with all applicable Environmental Requirements concerning the storage of any such Hazardous & Toxic Substances; provided, however, that during the Sublease Term, Subtenant shall otherwise be responsible for the use and maintenance of the storage space in compliance with all of the terms of this Sublease, as though such storage space was a part of the Subleased Premises.

6. Taxes. Sublandlord shall pay all real estate taxes and/or possessory interest taxes as presently assessed against the Leased Premises and the Subleased Premises. Subtenant shall pay prior to delinquency, all assessments, license fees and other charges assessed against and levied upon trade fixtures, furnishings, equipment and all other personal property of Subtenant

contained in the Subleased Premises or elsewhere on the Leased Premises. When possible, Subtenant shall cause its trade fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Sublandlord and will furnish Sublandlord with evidence satisfactory to Sublandlord of payment of personal property taxes. If any of Subtenant's personal property shall be assessed with the Sublandlord's real property, Subtenant shall pay Sublandlord such taxes attributable to Subtenant within ten (10) days after receipt from Sublandlord of a written statement setting forth a determination of the taxes applicable to Subtenant's property.

7. Assumption of Risk. Subtenant, as a material part of the consideration to Sublandlord, hereby assumes all risk of damage to property or injury to persons, in, upon or about the Subleased Premises arising from the actions of Subtenant, or any of Subtenant's agents, contractors, employees or invitees.

8. Attorneys' Fees. If there is any legal action or proceeding between Sublandlord and Subtenant to enforce any provision of this Sublease or to protect or establish any right or remedy of either Sublandlord or Subtenant hereunder, the non-prevailing party to such action or proceeding will pay to the prevailing party all costs and expenses, including reasonable attorneys' fees incurred by such prevailing party in such action or proceeding and in any appearance in connection therewith, and if the prevailing party recovers a judgment in any such action, proceeding or appeal, such costs, expenses and attorney's fees will be determined by the court or arbitration panel handling the proceeding and will be included in and as a part of the judgment.

9. No Encumbrance. Subtenant will not voluntarily, involuntarily or by operation of law mortgage or otherwise encumber all or any part of Subtenant's interest in the Sublease or the Subleased Premises, other than an assignment or sublease of the Subleased Premises pursuant to Paragraph 10 below.

10. Assignment and Subletting.

10.1 Restriction on Assignment and Subletting. Except with respect to Transfers to Affiliates (as such terms are defined below), which Transfers to Affiliates shall not require Sublandlord's consent, Subtenant will not voluntarily, involuntarily or by operation of law, assign this Sublease or any interest therein and will not sublet the Subleased Premises or any part thereof, or any right or privilege appurtenant thereto (each such action, a "Transfer"), without first obtaining the written consent of Sublandlord, which consent will not be unreasonably withheld, conditioned or delayed. If Subtenant shall desire Sublandlord's consent to any Transfer, Subtenant shall notify Sublandlord in writing, which notice (the "Transfer Notice") shall, in addition to satisfying the requirements contained in this Section 10, include the proposed effective date of the Transfer.

10.2 Determining Factors. The parties hereby agree that it shall be deemed to be reasonable under this Sublease for Sublandlord to withhold consent to any proposed Transfer where one or more of the following apply:

(a) the proposed assignee or sublessee is not a party of reasonable financial worth and/or financial stability in light of the responsibilities involved under the Sublease on the date consent is requested;

(b) the intended use of the Subleased Premises by the proposed sublessee or assignee is not permitted under this Sublease;

(c) the proposed assignee or sublessee is of a character or reputation or engaged in a business which is not consistent with the quality of the character or reputation or business engaged in by Subtenant;

(d) Sublandlord's consent to the Transfer would result in a breach of the Lease or any other lease or agreement to which Sublandlord is a party affecting the Leased Premises or Subleased Premises; and

(e) Either Landlord, the Board or the Executive Director has indicated that it will not consent to such Transfer to such proposed assignee or sublessee.

10.3 Consents. Any attempted assignment or subletting without Sublandlord's consent will be null and void and of no effect. No permitted assignment or subletting of Subtenant's interest in this Sublease will relieve Subtenant of its obligations to pay the rent or other sum or charge due hereunder and to perform all the other obligations to be performed by Subtenant hereunder. The acceptance of rent by Sublandlord from any other person will not be deemed to be a waiver by Sublandlord of any provision of this Sublease or to be a consent to any subletting or assignment. Consent to one sublease or assignment will not be deemed to constitute consent to any subsequent attempted subletting or assignment.

10.4 Fees. Sublandlord shall be solely responsible for any fees (including reasonable attorneys' fees) incurred by Sublandlord in connection with granting its consent to a sublease or assignment (which consent will not be unreasonably withheld).

10.5 Recapture. Notwithstanding anything to the contrary contained in this Paragraph 10, upon any assignment of this Sublease requiring Sublandlord's consent, Sublandlord shall have the option to recapture the Subleased Premises by delivering to Subtenant: (i) written notice of such election to recapture within fifteen (15) days after receipt of any Transfer Notice from Subtenant; and (ii) cash equal to the Termination Fee concurrently with such recapture notice. Such recapture notice shall cancel and terminate this Sublease with respect to the Subleased Premises as of the date stated in the Transfer Notice as the effective date of the proposed assignment. If Sublandlord declines, or fails to elect in a timely manner to recapture the Subleased Premises under this Paragraph 10.5, then, provided Sublandlord and Landlord have consented to the proposed assignment, Subtenant shall be entitled to proceed to transfer the Subleased Premises to the proposed assignee.

11. Alterations, Signs and Actions.

11.1 Alterations and Improvements By Subtenant. Subtenant will not make any alterations, additions or improvements to the Subleased Premises ("Alterations") without obtaining the prior written consent of Sublandlord thereto, which consent shall not be unreasonably withheld, conditioned or delayed. All Alterations must be constructed (a) in a good and workmanlike manner using materials of a quality comparable to those on the Leased Premises, (b) in conformance with all relevant codes, regulations and ordinances, (c) only after necessary permits, licenses and approvals have been obtained by Subtenant from appropriate governmental agencies and (d) in compliance with the terms of the Lease. All Alterations will be made at Subtenant's sole cost (including all costs relating to the removal of asbestos, if any, in connection with the Alterations) and diligently prosecuted to completion. Any contractor or other person making any Alterations must first be approved in writing by Sublandlord, and Sublandlord may require that all work be performed under Sublandlord's supervision.

11.2 Signs and Auctions. Subject to the approval of Landlord (if required under the Lease), Subtenant, at its sole cost and expense, shall have the right to place its corporate signage on the monument sign of the building in which the Subleased Premises are located and Subtenant

shall be entitled to directory signage space in the lobby area of such building. Except as provided herein, Subtenant shall not place on any portion of the Subleased Premises any sign, placard, lettering in or on windows, banners, displays or other advertising or communicative material or conduct any auction on the Subleased Premises, or permit or consent to the conduct of any execution sale thereof, without the prior written consent of Sublandlord, which consent may not be unreasonably withheld, conditioned or delayed. The parties hereby agree that it shall be deemed reasonable for Sublandlord to withhold its consent to any such proposed signage if Landlord's consent is required for such proposed signage, and Landlord has refused to grant its consent in accordance with the terms of the Lease.

11.3 Disposition on Termination. Upon the expiration of the Sublease Term or earlier termination of this Sublease, Sublandlord may elect to have Subtenant either (a) surrender the Subleased Premises and any or all of the Alterations as Sublandlord may determine (except personal property as provided in Paragraph 12 below), which Alterations will become the property of Sublandlord, or (b) promptly remove any or all of the Alterations designated by Sublandlord to be removed, in which case Subtenant must, at Subtenant's sole cost, repair and restore the Subleased Premises to their condition as of the Commencement Date, reasonable wear and tear excepted.

12. Removal of Personal Property. All articles of personal property, and all business and trade fixtures, machinery and equipment, cabinet work, furniture and movable partitions, if any, owned or installed by Subtenant at its expense in the Subleased Premises will be and remain the property of Subtenant and may be removed by Subtenant at any time, provided that Subtenant, at its sole cost and expense, must repair any damage to the Subleased Premises caused by such removal or by the original installation. Sublandlord may elect to require Subtenant to remove all or any part of Subtenant's personal property at the expiration of the Sublease Term or sooner termination of this Sublease, in which event the removal will be done at Subtenant's sole cost and expense and Subtenant, prior to the end of the Sublease Term or upon sooner termination of this Sublease, will repair any damage to the Subleased Premises caused by its removal.

13. Holding Over. If Subtenant holds over after the expiration of the Sublease Term or earlier termination of this Sublease, with or without the express or implied consent of Sublandlord, then at the option of Sublandlord, Subtenant will become and be only a month-to-month tenant at a rent equal to one hundred and fifty percent (150%) of the rent payable by Subtenant immediately prior to such expiration or termination, and otherwise upon the terms, covenants and conditions herein specified. Notwithstanding any provision to the contrary contained herein, (a) Sublandlord expressly reserves the right to require Subtenant to surrender possession of the Subleased Premises upon the expiration of Sublease Term or upon the earlier termination of this Sublease and the right to assert any remedy at law or in equity to evict Subtenant and/or collect damages in connection with any holding over, and (b) Subtenant will indemnify, defend and hold Sublandlord harmless from and against any and all liabilities, claims, demands, actions, losses, damages, obligations, costs and expenses, including, without limitation, reasonable attorneys' fees (including the allocated costs of Sublandlord's in-house attorneys) incurred or suffered by Sublandlord by reason of Subtenant's failure to surrender the Subleased Premises on the expiration of the Sublease Term or earlier termination of this Sublease.

14. Liens. Subtenant will keep the Subleased Premises free from any liens arising out of any work performed, materials furnished, or obligations incurred by Subtenant. If a lien is filed, Subtenant will discharge the lien or post a bond within ten (10) days after receiving a request from Sublandlord or Landlord to do so. Sublandlord has the right to post and keep posted on the Subleased Premises any notices that may be provided by law or which Sublandlord may deem to be proper for the protection of Sublandlord and the Subleased Premises from such liens.

15. Maintenance and Repairs.

(a) At all times during the Sublease Term, Subtenant will, at its sole cost, (i) maintain the portions of the Subleased Premises which are designated for Subtenant's exclusive use and all equipment, fixtures and Alterations therein in good condition and repair and (ii) keep (A) the portions of the Subleased Premises which are designated for Subtenant's exclusive use, including the office and maintenance shop, in a clean and orderly condition, and (B) to the extent Subtenant dirties them or causes disorder therein, any Common Areas or non-exclusive portions of the Subleased Premises clean and orderly. At the end of the Sublease Term, Subtenant will surrender the portions of the Subleased Premises which are designated for Subtenant's exclusive use in as good condition as when received, reasonable wear and tear excepted. Subtenant will be responsible for all repairs required to be performed by Sublandlord under the Lease with respect to the areas of the Subleased Premises designated for Subtenant's exclusive use.

(b) Subject to the provisions of Paragraph 20 herein, and except for damage caused by a negligent or intentional act or omission by Subtenant and/or Subtenant's agents, employees, contractors, licensees or invitees, Sublandlord, at Sublandlord's expense, shall keep in good order, condition and repair (reasonable wear and tear excepted) (i) the structural components of the foundations, exterior walls and the exterior roof of the Subleased Premises, and (ii) all portions of the Subleased Premises which are not designated for Subtenant's exclusive use; provided, however, to the extent any repairs are required to be performed by Sublandlord as a result of the acts or omissions of Subtenant or Subtenant's agents, employees, contractors, licensees or invitees, Subtenant shall reimburse Sublandlord for the reasonable costs of such repairs within thirty (30) days after Subtenant's receipt of invoices therefor. Subtenant expressly waives the benefits of California Civil Code Sections 1941 and 1942 and any other statutes now or hereafter in effect which could otherwise afford Subtenant the right to make repairs at Sublandlord's expense. Notwithstanding the foregoing to the contrary, if Subtenant is prevented from using, and does not use, the Subleased Premises or any portion thereof for more than five (5) business days (the "**Maximum Repair Period**") as a result of the performance of, or the failure to perform, any repairs required to be performed (A) by Sublandlord under this Sublease or the Lease, or (B) by Landlord under the Lease, then Sublandlord shall temporarily relocate the Subleased Premises (for a period not to exceed six (6) months), at Sublandlord's sole cost, to such comparable facilities at the Van Nuys Airport to which the parties may mutually agree in their reasonable, good-faith discretion, and such relocation shall be accomplished by Sublandlord within twenty (20) business days after the expiration of the Maximum Repair Period; provided, however, that the foregoing shall not apply (1) to the relocation of the Subleased Premises during the Redevelopment, or (2) to repairs required to be made by Sublandlord pursuant to Paragraph 20 below. The provisions of this Paragraph 15 shall at all times be subject to the delay provisions of Paragraph 17.3 below.

(c) The offices within the Subleased Premises and Common Areas shall be cleaned by Sublandlord's employees after 5:00 p.m. Monday through Friday. Sublandlord shall maintain its standard security alarm and camera system in an operable condition; provided, however, Sublandlord shall not be responsible for any loss, damage or injury due to the failure of the security alarm or camera system unless such failure is caused by Sublandlord's gross negligence. Should the alarm system fail, a security guard will be hired as soon as reasonably practicable following discovery by Sublandlord of such alarm failure, at Sublandlord's sole cost, to provide security during the evening hours when no employee of Sublandlord is on duty and until the security alarm and camera system are again operational.

16. Insurance.

16.1 Coverage. At all times during the Sublease Term, Subtenant will, at its sole cost, procure and maintain the following types and amounts of insurance coverage:

(a) comprehensive general liability insurance (including Airport Premises/Operations, Aircraft Products/Completed Operations Liability, Personal Injury Liability, Contractual Liability and Ground Hangar-keepers Liability) against any and all damages and liability, including reasonable attorneys' fees on account or arising out of injuries to or the death of any person or damage to property, however occasioned, in, on or about the Subleased Premises or arising from Subtenant's activities with at least a combined single limit as required by Landlord;

(b) comprehensive automobile liability insurance covering owned, non-owned and hired vehicles if Subtenant's operations require the use of licensed vehicles at the Airport with at least a single combined liability and property damage limit as required by Landlord,

(c) aircraft liability insurance (including coverage for owned and non-owned aircraft) with a minimum single combined liability and property damage limits not less than \$2,000,000 (sub-limited to \$100,000 per seat);

(d) insurance covering "all risks" of physical loss or damage to (i) all furniture, trade fixtures, equipment, goods, inventory and all other items of Subtenant's property on the Subleased Premises installed by, for, or at the expense of Subtenant, in such amounts as Subtenant shall reasonably determine (but in no event less than the minimum required by Landlord), and (ii) all tenant improvements, Alterations and other leasehold improvements and additions in and to the Subleased Premises, in such amounts as Subtenant shall reasonably determine (but in no event less than the minimum required by Landlord);

(e) employer's liability insurance and worker's compensation insurance as required by applicable law;

(f) any other insurance required by Landlord pursuant to the terms of Lease or the Consent to Sublease, to the extent not covered in subsections (a)-(e) above.

Notwithstanding the foregoing to the contrary, in the event that Subtenant assigns its entire interest in this Sublease to any person or entity which is not an Affiliate (as defined hereinbelow) of Subtenant, commencing upon the effective date of such assignment to a non-Affiliate, Sublandlord shall have the right to increase the amounts of insurance carried by such non-Affiliate assignee pursuant to Paragraphs 16.1(a) and (b) above, and/or the amount of employers liability insurance carried pursuant to Paragraph 16.1(e) above; provided, however, that in no event shall such increased amounts of insurance exceed the minimum amounts of insurance generally carried at the time of such assignment by businesses (i) which are similar in size to such assignee, and (ii) whose primary business is the maintenance, overhaul, restoration and repair of aircraft and aircraft components. As used herein, an "Affiliate" of Subtenant shall mean any of the following: (A) a parent or subsidiary of Subtenant, or (B) any person or entity which controls, is controlled by or under common control with Subtenant, (C) any person who has been an employee of Subtenant for at least one (1) year prior to the date of any proposed Transfer of this Sublease, or (D) any entity which is controlled by a majority of the employees of Subtenant as of the date Sublandlord receives Subtenant's Transfer Notice. "Control", as used in this Paragraph 16.1, shall mean the possession, direct or indirect, of the power or cause the direction of the management and policies of a person or entity, or ownership of any sort, whether through the ownership of voting securities, by contract or otherwise.

16.2 Policies. All insurance required to be carried by Subtenant must be in a form satisfactory to Sublandlord and carried with companies reasonably acceptable to Sublandlord. Sublandlord agrees that Subtenant's current insurance companies and insurance forms are acceptable, to the extent that the coverage's described above are included in the current policies. Concurrently with the execution of this Sublease, Subtenant shall provide Sublandlord and

Landlord with a certificate of insurance showing Sublandlord and Landlord and, if requested by Sublandlord, any future lender having a valid security interest in the Leased Premises, and Los Angeles World Airports as additional insureds on all policies of insurance, excluding the insurance required under Paragraphs 16.1(d) and (e). All policies shall contain a severability of interests clause, as required under the Lease, and shall stipulate that no insurance held by Landlord or Sublandlord will be called to contribute to a loss covered thereunder. The certificate must provide for a twenty (20) day written notice to Sublandlord and, by certified mail, return receipt requested, to the City Attorney of the City of Los Angeles in the event of cancellation or material change of coverage. At least ten (10) days prior to the expiration date of any of the policies required under Paragraph 16.1, Subtenant must provide Sublandlord and Landlord documentation showing that the insurance coverage has been renewed or extended or that adequate alternate insurance has been obtained.

16.3 Mutual Subrogation. Sublandlord and Subtenant agree to have their respective insurance companies issuing property damage insurance (including, without limitation, aircraft physical damage insurance) waive any rights of subrogation that such companies may have against Sublandlord or Subtenant, as the case may be. Sublandlord and Subtenant hereby waive any right that either may have against the other, on account of any loss or damage to their respective property to the extent such loss or damage is insured under property damage insurance policies carried by the waiving party under this Sublease or the Lease (or would have been covered had the waiving party maintained such insurance as so required under this Sublease or the Lease).

16.4 Primary Coverage. All insurance to be maintained by Subtenant shall be primary, without right of contribution from any insurance maintained by Sublandlord.

16.5 Exemption of Sublandlord from Liability. Except for liability caused by the intentional or negligent acts of Sublandlord, its employees or agents, Subtenant hereby agrees that Sublandlord shall not be liable for: (a) injury to Subtenant's business or any loss of income arising therefrom or for damage to the aircraft, goods, wares, merchandise or other property of Subtenant, Subtenant's employees, invitees, customers, or any other person in or about the Subleased Premises; or (b) injury to the person of Subtenant, Subtenant's employees, agents, contractors or invitees, whether such damage or injury is caused by or results from aircraft crash or collision, explosion, fire, steam, electricity, gas, water or rain, or from the breakage, leakage, or obstruction of pipes, sprinklers, wires, appliances, plumbing, air conditioning or light fixtures, or from any other causes, whether the said damage or injury results from any causes or conditions arising upon the Subleased Premises or upon the Leased Premises, or from other sources or places. Sublandlord shall not be liable for any damage arising from any act or neglect of any other subtenant of the Leased Premises. Notwithstanding any provision in the Lease to the contrary, in no event shall either party be liable to the other for special, incidental, consequential or punitive damages no matter how occurring. Nothing contained in this Sublease shall excuse Sublandlord from liability caused by the negligent or willful misconduct of Sublandlord, its agents, contractors or employees.

17. Events of Default.

17.1 Subtenant Defaults. Each of the following events (each, a "Subtenant Event of Default") shall constitute a breach of this Sublease by Subtenant:

(a) Subtenant fails to pay any installment of Basic Monthly Rent, or any other sum or charge payable by Subtenant hereunder, on the date when such payment is due and such failure continues for more than ten (10) days after Sublandlord gives written notice to Subtenant indicating that such sum was not paid when due; or

(b) Subtenant fails to perform or observe any other agreement, covenant, condition or provision of this Sublease to be performed or observed by Subtenant as and when performance or observance is due, and such failure continues for more than thirty (30) days after Sublandlord gives written notice thereof to Subtenant; provided, however that if the nature of such default is such that the same cannot reasonably be cured within a thirty (30) day period, Subtenant shall not be deemed to be in default if it diligently commences such cure within such thirty (30) day period and thereafter diligently proceeds to rectify and cure such default as soon as possible; or

(c) Subtenant (i) files or consents by answer or otherwise to the filing against it of a petition for relief or reorganization or arrangement or any other petition in bankruptcy or litigation or to take advantage of any bankruptcy or insolvency law of any jurisdiction; (ii) makes an assignment for the benefit of its creditors; (iii) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of itself or of any substantial part of its property; or (iv) takes action for the purpose of any of the foregoing; or

(d) a court or governmental authority of competent jurisdiction, without consent by Subtenant, enters an order appointing a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial portion of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding up or liquidation of Subtenant, or if any such petition is filed against Subtenant and such petition is not dismissed within ninety (90) days.

17.2 Sublandlord Default. Each of the following events (each, a "Sublandlord Event of Default") shall constitute a breach of this Sublease by Sublandlord:

(a) Sublandlord's failure to provide the Subleased Premises with the essential utilities and services required under Paragraph 1.12 above for a period of three (3) or more consecutive business days after receiving notice of the same from Subtenant, except to the extent such interruption in services occurs as a result of (1) casualty damage or destruction pursuant to Paragraph 20 below, (2) a taking pursuant to Paragraph 21 below, (3) any Force Majeure Delays, or (4) due to any act or omission of Subtenant or Subtenant's agents, employees, contractors, licensees or invitees; or

(b) Sublandlord's failure to provide reasonably comparable temporary facilities at the Van Nuys Airport within twenty (20) business days after the expiration of the Maximum Repair Period (as defined in Paragraph 15(b) above); or

(c) Sublandlord's failure to provide reasonably comparable temporary facilities at the Van Nuys Airport within twenty (20) business days after delivery of Sublandlord's Damage Notice (as defined in Paragraph 20.2 below) indicating an Estimated Repair Period of more than sixty (60) days (provided Sublandlord has not concurrently elected to terminate this Sublease pursuant to Paragraph 20.2 below); or

(d) Sublandlord's failure to provide reasonably comparable temporary facilities at the Van Nuys Airport in accordance with Paragraph 21.4 below if required in connection with a temporary taking; or

(e) Sublandlord's failure to commence the Redevelopment of the Subleased Premises on or before the last day of the twelfth (12th) month of the Sublease Term; or

(f) Sublandlord's failure to provide reasonably comparable temporary facilities at the Van Nuys Airport prior to the date that all or any portion of the Subleased Premises becomes unavailable for Subtenant's use in connection with the Redevelopment; or

(g) Sublandlord's failure to complete the Redevelopment within twenty-four (24) months after the date the Subleased Premises are temporarily relocated by Sublandlord in accordance with Paragraph 1.1; or

(h) Sublandlord's failure to perform or observe any other agreement, covenant, condition or provision of this Sublease to be performed or observed by Sublandlord as and when performance or observance is due, where such failure continues for more than thirty (30) days after Subtenant gives written notice thereof to Sublandlord; provided, however that if the nature of such default is such that the same cannot reasonably be cured within a thirty (30) day period, Sublandlord shall not be deemed to be in default if it diligently commences such cure within such thirty (30) day period and thereafter diligently proceeds to rectify and cure such default as soon as reasonably possible.

17.3 Delays in Performance. Notwithstanding the foregoing, in the event that either party shall be delayed or hindered in or prevented from the performance of their obligations under this Sublease, except for the obligations imposed with regard to Basic Monthly Rent and other charges to be paid by Subtenant pursuant to this Sublease, by reason of strikes, riots, insurrection, power failures, war, fire, earthquake, flood or other natural disaster, judicial orders, enemy or hostile governmental action, civil commotion, any delays caused by the acts or omissions of the other party hereto or other causes beyond the reasonable control of such delaying party (but excluding delays due to financial inability, inability to obtain labor or materials, governmental moratorium or other governmental action or inaction, including failure, refusal or delay in issuing permits, approvals and/or authorizations) (herein collectively, "**Force Majeure Delays**"), then the commencement, performance or completion of the such obligations shall be excused for the period of such Force Majeure Delays and the timing for the commencement, performance or completion of such obligations shall be extended for a period equivalent to the period of such Force Majeure Delays.

18. Remedies of Sublandlord Upon Subtenant Event of Default.

18.1 Termination of Sublease. Upon the occurrence of a Subtenant Event of Default, Sublandlord may, at its option, terminate the Sublease and recover from Subtenant:

(a) the worth at the time of award of the unpaid rent which had been earned at the time of termination; plus

(b) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of the award exceeds the amount of such rental loss that Subtenant proves could have been reasonably avoided; plus

(c) the worth at the time of award of the amount by which the unpaid rent for the balance of the Sublease Term after the time of award exceeds the amount of such rental loss that Subtenant proves could be reasonably avoided; plus

(d) at Sublandlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time under the laws and judicial decisions of the State of California.

The term "rent" as used in this Paragraph 18.1 will be deemed to be and to mean all sums of every nature required to be paid by Subtenant pursuant to the terms of this Sublease, whether

to Sublandlord or to others. As used in subparagraphs (a) and (b) above, the "worth at the time of the award" will be computed by allowing interest at the lesser of (i) ten percent (10%) per annum, and (ii) the maximum annual interest rate allowed by law. As used in subparagraph (c) above, the "worth at the time of the award" will be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award plus one percent (1%).

18.2 Continue Sublease in Effect. Sublandlord will have the remedy described in California Civil Code Section 1951.4 (a lessor may continue lease in effect after Subtenant's breach and abandonment and recover rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations). Accordingly, if Sublandlord does not elect to terminate this Sublease on account of any Subtenant Event of Default, Sublandlord may, from time to time, without terminating this Sublease, enforce all of its rights and remedies under this Sublease, including the right to recover all rent as it becomes due. If the Subtenant Event of Default continues uncured, Sublandlord may, at any time, elect to terminate the Sublease. Sublandlord will not be deemed to have terminated this Sublease or the liability of Subtenant to pay rent or any other amounts due hereunder by any reentry or by any action in unlawful detainer unless Sublandlord has specifically notified Subtenant in writing that Sublandlord has elected to terminate this Sublease.

18.3 Other Remedies. Sublandlord will at all times have the rights and remedies (which will be cumulative with each other and cumulative and in addition to those rights and remedies available under Paragraphs 18.1 and 18.2 above, or under any law or other provision of this Sublease), without prior demand or notice except as required by applicable law, to seek any declaratory, injunctive or other equitable relief, and specifically enforce this Sublease, or restrain or enjoin a violation of breach of any provision hereof.

19. Remedies of Subtenant Upon Sublandlord Event of Default. Upon the occurrence of a Sublandlord Event of Default described in Paragraph 17.2(h) above, Subtenant may, except as otherwise specifically provided in this Sublease to the contrary, exercise any of its rights or remedies provided at law or in equity. Notwithstanding the foregoing or anything contained in the Lease or this Sublease to the contrary, and except as provided below, upon the occurrence of any Sublandlord Event of Default described in Paragraphs 17.2(a), (b), (c), (d), (e), (f) and/or (g) above (collectively, the "**Special Sublandlord Defaults**"), Subtenant shall have only the following remedies: (a) the Basic Monthly Rent for the Subleased Premises shall be fully abated commencing upon the date of such Special Sublandlord Default, and continuing until the earlier to occur of (i) the date such Special Sublandlord Default is cured by Sublandlord, or (ii) the Default Termination Date (as defined below); and (b) if such Special Sublandlord Default is not cured by Sublandlord within thirty (30) days after receipt of written notice from Subtenant that such Special Sublandlord Default has occurred, Subtenant shall have the right to elect to do either of the following:

(1) continue this Sublease in effect, subject to the abatement of Basic Monthly Rent as provided hereinabove; provided, however, with respect to (A) the Special Sublandlord Default described in Paragraph 17.2(e) above, if such Special Sublandlord Default continues to be uncured by Sublandlord between the last day of the twelfth (12th) month of the Sublease Term and the last day of the twenty-fourth (24th) month of the Sublease Term, and provided that this Sublease and/or the Lease are not otherwise terminated by Landlord as a result of such Sublandlord Special Default, Subtenant's sole remedy for such Special Sublandlord Default during such period shall be to continue this Sublease in effect, subject to the abatement of Basic Monthly Rent as provided hereinabove; provided further, however, that (X) if such Special Sublandlord Default continues uncured beyond the twenty-fourth (24th) month of the Sublease Term, Subtenant shall no longer have the right to continue this Sublease in effect, subject to abatement, as provided in this Section 19(b)(1) and must elect the option contained in Section

19(b)(2) below; and (Y) such Special Sublandlord Default shall be deemed cured, and such rent abatement shall cease (unless Subtenant is otherwise entitled to rent abatement in connection with a separate Special Sublandlord Default), as soon as Sublandlord commences the Redevelopment of the Subleased Premises; and (B) a Special Sublandlord Default described in Paragraph 17.2(g) above, if such Special Sublandlord Default continues to be uncured by Sublandlord during the three (3) months immediately following such Special Sublandlord Default, and provided that this Sublease and/or the Lease are not otherwise terminated by Landlord as a result of such Sublandlord Special Default, Subtenant's sole remedy for such Special Sublandlord Default during such three (3) month period shall be to continue this Sublease in effect, subject to the abatement of Basic Monthly Rent as provided hereinabove; provided further, however, that (I) if such Special Sublandlord Default continues uncured for more than twelve (12) months, Subtenant shall no longer have the right to continue this Sublease in effect, subject to abatement, as provided in this Section 19(b)(1) and must elect the option contained in Section 19(b)(2) below; and (II) such Special Sublandlord Default shall be deemed cured, and such rent abatement shall cease (unless Subtenant is otherwise entitled to rent abatement in connection with a separate Special Sublandlord Default), as soon as Sublandlord completes the Redevelopment of the Subleased Premises; or

(2) terminate this Sublease by delivering written notice (the "**Termination Notice**") to Sublandlord, which termination shall be effective on the date (the "**Default Termination Date**") of Sublandlord's receipt of such Termination Notice from Subtenant; provided, however, notwithstanding anything to the contrary in this Sublease or the Lease, and notwithstanding the termination of this Sublease, upon Sublandlord's receipt of Subtenant's Termination Notice, a default fee equal to the Termination Fee shall be due and payable to Subtenant, and: (A) Subtenant shall not be obligated to vacate and surrender the Subleased Premises to Sublandlord until the date (the "**Surrender Date**") that is sixty (60) days after the Default Termination Date; provided, however, that in the event Sublandlord has not paid the entire Termination Fee to Subtenant on or prior to the Surrender Date, and only in such event, Subtenant shall be permitted to holdover and continue to occupy the Sublease Premises after the Surrender Date (any such period of occupancy occurring after the Surrender Date shall be referred to herein as the "**Permitted Holdover Period**"); and (B) Subtenant shall be permitted to continue to occupy the Subleased Premises after the Default Termination Date upon all of the terms and conditions of this Sublease, except that Basic Monthly Rent shall continue to be abated until the later of (X) the Surrender Date, or (Y) the date the Termination Fee is paid in full by Sublandlord to Subtenant. Notwithstanding the foregoing to the contrary, in the event that: (I) Sublandlord notifies Subtenant that it has filed a legal claim contesting Subtenant's right to all or any portion of the Termination Fee (the "**Termination Claim**") within ten (10) business days after Subtenant's delivery of the Termination Notice; and (II) Sublandlord is found to be the prevailing party in any legal action or proceeding between Sublandlord and Subtenant to resolve such Termination Claim, then to the extent Subtenant continued to occupy the Subleased Premises after the Surrender Date, Subtenant shall pay to Sublandlord one hundred fifty percent (150%) of the Basic Monthly Rent otherwise payable for the Subleased Premises for the Permitted Holdover Period.

20. Damage or Destruction.

20.1 Repair of Damage to Subleased Premises by Sublandlord. Subtenant shall promptly notify Sublandlord of any damage to the Subleased Premises resulting from fire or any other casualty or any condition existing in the Subleased Premises as a result of a fire or other casualty that would give rise to the terms of this Paragraph 20. If the Subleased Premises or any Common Areas serving or providing access to the Subleased Premises shall be damaged by fire or other casualty or be subject to a condition existing as a result of a fire or other casualty, Sublandlord shall promptly and diligently, subject to reasonable delays for insurance adjustment or other matters beyond Sublandlord's reasonable control, and subject to all other terms of this

Paragraph 20, restore the Subleased Premises (other than Subtenant's personal property located therein) and such Common Areas to substantially the same condition as existed immediately prior to the fire or other casualty or cause, except for modifications required by applicable laws, by the holder of a mortgage on the Leased Premises (or any portion thereof), and/or by the Executive Director, Board or Landlord. Notwithstanding any other provision of this Sublease, upon the occurrence of any such damage to the Subleased Premises, Subtenant shall assign to Sublandlord (or to any party designated by Sublandlord) all insurance proceeds payable to Subtenant under Subtenant's insurance required under Paragraph 16.1(d)(ii) above, and Sublandlord shall, at Sublandlord's cost, repair any such injury or damage to the tenant improvements and Alterations installed in the Subleased Premises and shall return such tenant improvements and Alterations to their original condition; provided that if the cost of such repair by Sublandlord exceeds the amount of insurance proceeds received by Sublandlord from Subtenant's insurance carrier, as assigned by Subtenant, the cost of such repairs shall be paid by Subtenant to Sublandlord prior to Sublandlord's repair of the damage; provided further, however, to the extent that Subtenant requests any changes to the tenant improvements and Alterations during the course of such repairs, Subtenant shall be responsible for any additional costs or delays incurred by Sublandlord in connection with Subtenant's requested changes. Except as provided in this Paragraph 20, Sublandlord shall not be liable for any inconvenience or annoyance to Subtenant or its visitors, 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 negligence or willful misconduct of Subtenant or Subtenant's agents, employees, contractors, licensees or invitees, then the Basic Monthly Rent payable under Paragraph 1.3 for the period during which such damage, repair or restoration continues shall be abated in proportion to the degree to which Subtenant's use of the Subleased Premises is impaired). Except for such abatement of Basic Monthly Rent, if any, and subject to the terms of Paragraph 20.2 below, Subtenant shall have no claim against Sublandlord for any damages suffered by reason of any casualty damage, destruction, repair or restoration.

20.2 Termination Rights. Within sixty (60) days after Sublandlord is notified of such damage, Sublandlord shall notify Subtenant in writing ("**Sublandlord's Damage Notice**") of the estimated time (the "**Estimated Repair Period**"), in Sublandlord's reasonable judgment, required to substantially complete the work Sublandlord is required to perform pursuant to Paragraph 20.1 above (collectively, "**Sublandlord's Restoration Work**"). Notwithstanding the terms of Paragraph 20.1 of this Sublease, Sublandlord may elect not to rebuild and/or restore the Subleased Premises, the Leased Premises and/or any other portion of the Common Areas and may instead terminate this Sublease by: (a) notifying Subtenant of such election in Sublandlord's Damage Notice, such notice to include a termination date giving Subtenant sixty (60) days to vacate the Subleased Premises; and (b) delivering to Subtenant (together with such Sublandlord Damage Notice) the Termination Fee required pursuant to Paragraph 3.4 above (except that no such Termination Fee shall be payable if such casualty damage was caused by the negligence or willful misconduct of Subtenant or any of Subtenant's employees, agents, contractors, licensees or invitees); provided, however, that notwithstanding the foregoing, Sublandlord may only elect such termination if the Leased Premises, or any portion thereof shall be damaged by fire or other casualty or cause or be subject to a condition existing as a result of such a fire or other casualty or cause, whether or not the Subleased Premises are affected, and one or more of the following conditions is present: (i) Sublandlord's Restoration Work cannot, in the reasonable opinion of Sublandlord as set forth in Sublandlord's Damage Notice, be substantially completed within one hundred eighty (180) days of the date of damage (when such repairs are made without the payment of overtime or other premiums); (ii) the holder of any mortgage on the Leased Premises shall require that the insurance proceeds or any portion thereof be used to retire the mortgage debt, or Landlord shall terminate the Lease as a result of such casualty, as the case may be; or (iii) the damage or condition arising as a result of such damage is not fully covered, except for deductible amounts, by the insurance policies Sublandlord is required to carry pursuant to the

Lease and this Sublease. If (A) Sublandlord does not elect to terminate this Sublease pursuant to Sublandlord's termination right as provided above, (B) the damage constitutes an Abated Damage Event (as defined below), and (C) the repair of such damage cannot, in the reasonable opinion of Sublandlord as set forth in Sublandlord's Damage Notice, be substantially completed within sixty (60) days after the date of the damage, then Sublandlord shall temporarily relocate the Subleased Premises (for a period not to exceed twelve (12) months), at Sublandlord's sole cost, to such comparable facilities at the Van Nuys Airport to which the parties may mutually agree in their reasonable, good-faith discretion, and such relocation shall be accomplished by Sublandlord within ten (10) business days after the delivery of Sublandlord's Damage Notice. As used herein, an "Abated Damage Event" shall mean damage to all or any part of the Subleased Premises, or any Common Areas providing access to the Subleased Premises, by fire or other casualty, which damage (1) is not the result of the negligence or willful misconduct of Subtenant or any of Subtenant's employees, agents, contractors, licensees or invitees, (2) substantially interferes with Subtenant's use of or access to the Subleased Premises and (3) would entitle Subtenant to an abatement of Rent pursuant to Paragraph 20.1 above. In addition, if the Subleased Premises, or the Common Areas providing access to the Subleased Premises, are destroyed or damaged to any substantial extent during the last twelve (12) months of the Sublease Term, and Sublandlord's Restoration Work is reasonably estimated by Sublandlord in Sublandlord's Damage Notice to require more than sixty (60) days to complete, then notwithstanding anything contained in this Paragraph 20, (x) Sublandlord shall have the option to terminate this Sublease without payment of the Termination Fee, and (y) to the extent that such destruction or damage constitutes an Abated Damage Event, Subtenant shall have the option to terminate this Sublease, by giving written termination notice to the other party of the exercise of such option within thirty (30) days after such damage or destruction, in which event this Sublease shall cease and terminate as of the date of such notice. The provisions of this Paragraph 20 shall at all times be subject to the delay provisions of Paragraph 17.3 above.

20.3 Termination-Advance Payments. Upon any termination of this Sublease pursuant to this Paragraph 20, an equitable adjustment shall be made concerning advance rent and any advance payments made by Subtenant to Sublandlord.

20.4 Waiver. Subtenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4) relating to termination of leases when the thing leased is destroyed and agrees that any such event shall be governed by the terms of this Sublease.

21. Condemnation.

21.1 Substantial Taking. Subject to the provisions of Paragraph 21.4 below, in case the whole of the Subleased Premises, or such part thereof as shall substantially interfere with Subtenant's use and occupancy of the Subleased Premises as reasonably determined by Sublandlord and Subtenant, shall be taken for any public or quasi-public purpose by any lawful power or authority by exercise of the right of appropriation, condemnation or eminent domain, or sold to prevent such taking (collectively, a "taking"), either party shall have the right to terminate this Sublease effective as of the date possession is required to be surrendered to said authority; provided, however, that if Sublandlord elects such termination, the termination of this Sublease shall be subject to Sublandlord's payment to Subtenant of the Termination Fee required pursuant to Paragraph 3.4 above.

21.2 Partial Taking: Abatement of Rent. In the event of a taking of a portion of the Subleased Premises which does not substantially interfere with Subtenant's access to the Subleased Premises or the conduct of Subtenant's business, then, except as otherwise provided in the immediately following sentence, neither party shall have the right to terminate this Sublease and Sublandlord shall thereafter proceed to make a functional unit of the remaining portion of the Subleased Premises (but only to the extent Sublandlord receives proceeds therefor from the

condemning authority), and rent shall be reduced in proportion to the floor area of the portion of the Subleased Premises that Subtenant is prevented from using bears to the total floor area of the Subleased Premises. Notwithstanding the immediately preceding sentence to the contrary, if Sublandlord's operation of the Leased Premises shall be substantially impaired as a result of the taking of any part of the Leased Premises (whether or not such taking substantially interferes with Subtenant's use of the Subleased Premises), Sublandlord may terminate this Sublease upon sixty (60) days' prior written notice to Subtenant; provided, however, that if Sublandlord elects such termination, the termination of this Sublease shall be subject to Sublandlord's payment to Subtenant of the Termination Fee required pursuant to Paragraph 3.4 above.

21.3 Condemnation Award. Subject to the remaining terms of this Paragraph 21.3, and the provisions of Paragraph 21.4 below, in connection with any taking of the Subleased Premises, including without limitation any improvements installed in the Subleased Premises by Subtenant, Sublandlord shall be entitled to receive any award which may be made or given in such taking or condemnation of the Subleased Premises (the "Award"), without deduction or apportionment for any estate or interest of Subtenant, it being expressly understood and agreed by Subtenant that no portion of any such award shall be allowed or paid to Subtenant for any so-called bonus or excess value of this Sublease, and such bonus or excess value shall be the sole property of Sublandlord. Subtenant shall not assert any claim against Sublandlord or the taking authority, except as set forth hereinbelow, for any compensation because of such taking (including any claim for bonus or excess value of this Lease). Notwithstanding the foregoing to the contrary: (i) if only a portion of the Subleased Premises is taken, and this Sublease is not terminated, Subtenant shall be granted the right to recover from the condemning authority (but not from Sublandlord) any compensation as may be separately awarded or recoverable by Subtenant for the taking of any improvements or alterations paid for by Subtenant and installed in the Subleased Premises by or on behalf of Subtenant, Subtenant's furniture, fixtures, equipment and other personal property within the Subleased Premises, and for any loss of goodwill or other damage to Subtenant's business by reason of such taking; and (ii) if the Sublease is terminated as a result of such taking, then unless Sublandlord has previously and properly delivered to Subtenant the Termination Fee required pursuant to Paragraph 3.4 above, subject to agreement by the condemning authority, Subtenant shall have a right to receive payment of the Termination Fee out of the Award funds received from the condemning authority prior to Sublandlord's receipt of any portion of such Award. The value of any improvements or alterations in the Subleased Premises taken by condemnation shall be based on the current depreciated value of such improvements and not on the historical cost to construct such improvements.

21.4 Temporary Taking. In the event of a taking of the Subleased Premises or any part thereof for temporary use, (a) this Sublease shall be and remain unaffected thereby and Subtenant shall receive a proportionate abatement of Basic Monthly Rent during the time and to the extent that Subtenant is prevented from using, and does not use, the Subleased Premises or any portion thereof for the purposes permitted under this Sublease, as a result of such temporary taking, and (b) Subtenant shall not be entitled to any portion of any Award made for such use with respect to the period of the taking which is within the Sublease Term. For purpose of this Paragraph 21.4, a temporary taking shall be defined as a taking for a period of one hundred eighty (180) days or less; provided, however, in the event of a temporary taking for a period of more than ten (10) business days: (i) Sublandlord shall temporarily relocate the Subleased Premises (for a period not to exceed six (6) months), to such comparable facilities at the Van Nuys Airport to which the parties may mutually agree in their reasonable, good-faith discretion; (ii) in the event Sublandlord has at least twenty-five (25) days prior knowledge of such temporary taking, such relocation shall be accomplished by Sublandlord prior to the date that the temporary taking period is scheduled to commence, otherwise, such relocation shall be accomplished within twenty-five (25) days after Sublandlord's determination that the taking is

substantially likely to be for a period of more than ten (10) business days; and (iii) the costs of such relocation shall be shared equally by Sublandlord and Subtenant.

22. Estoppel Certificates.

22.1 Obligation to Provide. Subtenant will at any time upon not less than ten (10) days' prior written notice from Sublandlord execute, acknowledge and deliver to Sublandlord a statement in writing (a) certifying that this Sublease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Sublease, as so modified, is in full force and effect), the amount of any security deposit, and the date to which the rent and other charges are paid in advance, if any, and (b) acknowledging that there are not, to Subtenant's knowledge, any uncured Sublandlord Events of Default hereunder or of Landlord under the Lease, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer to the Subleased Premises.

22.2 Failure to Provide. At Sublandlord's option, Subtenant's failure to deliver a statement within the time required by Paragraph 21.1 above, will be conclusive upon Subtenant (a) that this Sublease is in full force and effect, without modification except as may be represented by Sublandlord, (b) that there are no uncured defaults in Sublandlord's performance hereunder or in Landlord's performance under the Lease, and (c) that not more than one month's rent has been paid in advance, or such failure may be considered by Sublandlord as a material default by Subtenant under this Sublease.

23. Miscellaneous Information.

23.1 Counterparts. This Sublease may be executed in one (1) or more counterparts, and all of the counterparts shall constitute but one and the same agreement, notwithstanding that all parties hereto are not signatory to the same or original counterpart.

23.2 Construction. The parties acknowledge that each party and its counsel have reviewed and revised this Sublease and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Sublease or any amendment or exhibits hereto.

23.3 Notices. Unless five (5) days prior written notice is given in the manner set forth in this Paragraph, the address of each party for all purposes connected with this Sublease shall be the addresses set forth in Paragraph 1.8 above. All notices, demands or communications in connection with this Sublease shall be considered received when (a) personally delivered; (b) if properly addressed and deposited in the mail (registered or certified, return receipt requested, and postage prepaid), on the date shown on the return receipt for acceptance or rejection; or (c) if sent via national overnight courier service, on the next day after the notice is set. All notices to Landlord under the Lease shall be considered received only when delivered in accordance with the Lease.

23.4 Governing Law. This Sublease shall be governed by and construed in accordance with the laws of the State of California applicable to contracts entered into in California between parties residing in California. Subtenant hereby consents to the personal jurisdiction and venue of any California state court located in the County of Los Angeles and United States District Courts for the Central District of California, and any successor court, and the service of process by any means authorized by such court.

23.5 Exhibits. All exhibits and addenda attached to this Sublease are incorporated herein by this reference and made a part hereof, and any reference in the body of this Sublease or in the exhibits or addenda to this Sublease shall mean this Sublease, together with all exhibits and addenda.

23.6 Sublandlord's Liability. The term "Sublandlord" as used herein shall mean only the owner or owners at the time in question of the fee title or the lessee under the Lease, and in the event of any transfer of such title or interest, Sublandlord shall be relieved from and after the date of such transfer of all liability with respect to its obligations thereafter to be performed, provided that each successor sublandlord expressly assumes all obligations of the prior sublandlord arising under this Sublease after such transfer; provided, however, notwithstanding the foregoing, should any successor-in-interest to Sublandlord fail to pay all or any portion of any Termination Fee that becomes due and payable under this Sublease, the original Sublandlord executing this Sublease shall in all events remain liable to Subtenant for the full and timely payment of any such outstanding Termination Fee. The obligations contained in this Sublease to be performed by Sublandlord shall, subject to the foregoing, be binding on Sublandlord's successors and assigns, only during their respective periods of ownership. The liability of any sublandlord under this Sublease or any amendment to this Sublease, or any instrument or document executed in connection with this Sublease, shall be limited to and enforceable solely against the sublandlord's interest in the Leased Premises.

23.7 Severability. The invalidity of any provision of this Sublease as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision hereof.

23.8 Time of Essence. Time is of the essence.

23.9 Captions. Paragraph captions are for reference only and do not form a part hereof.

23.10 Incorporation of Prior Agreements: Amendments. This Sublease contains all agreements of the parties with respect to any matter mentioned herein. No prior agreement or understanding pertaining to any such matter shall be effective. This Sublease may be modified in writing only, signed by the parties in interest at the time of the modification.

23.11 Waivers. No waiver by Sublandlord of any provision hereof shall be deemed a waiver of any other provisions hereof or of any subsequent breach by Subtenant of the same or any other provision. Sublandlord's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Sublandlord's consent to or approval of any subsequent act by Subtenant. The acceptance of Basic Monthly Rent hereunder by Sublandlord shall not be a waiver of any preceding breach by Subtenant of any provision hereof, other than the failure of Subtenant to pay the Basic Monthly Rent so accepted, regardless of Sublandlord's knowledge of such preceding breach at the time of the acceptance of such rent.

23.12 Recording. Subtenant shall not record this Sublease without Sublandlord's prior written consent, and recordation without such consent shall, at the option of Sublandlord, constitute a non-curable default of Subtenant hereunder. Subtenant shall, upon request of Sublandlord, execute, acknowledge and deliver to Sublandlord a "short form" memorandum of this Sublease for recording purposes.

23.13 Nondiscrimination. Subtenant herein covenants by and for itself, its heirs, executors, administrators and assigns and all persons claiming under or through it, that this Sublease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons on account of race, sex, marital status, religion, color, creed, national origin or ancestry in the leasing, subleasing,

transferring, use, occupancy, tenure or enjoyment of the Subleased Premises, nor shall Subtenant, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to this selection, location, number, use or occupancy of tenants, lessees, subtenants or vendees in the Subleased Premises.

23.14 Cumulative Remedies. No remedy or election granted or provided to or provided for Sublandlord hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

23.15 Binding Effect. Subject to any provision herein restricting assignment or subletting by Subtenant and subject to the provisions of Paragraph 22.6, this Sublease shall bind the parties, their personal representatives, successors and assigns.

23.16 Subordination.

(a) This Sublease, at Sublandlord's option, shall be subordinate to any ground lease, mortgage, deed of trust, or any other hypothecation for security now or hereafter placed upon the Leased Premises, or any part thereof, and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions thereof. This Sublease shall be subject and subordinate to the Lease, and to the rights of Landlord thereunder. If any mortgagee, trustee or ground lessor shall elect to have this Sublease prior to the lien of its mortgage, deed of trust, ground lease, or other hypothecation for security, and shall give written notice thereof to Subtenant, this Sublease shall be deemed prior to such mortgage, deed of trust, ground lease, or other hypothecation, whether this Sublease is dated prior or subsequent to the date of said mortgage, deed of trust, ground lease or other hypothecation or the date of recording thereof. Notwithstanding any contrary provision in this Section 23.16, a condition precedent to the subordination of this Sublease to any future ground or underlying lease or to the lien of any future mortgage or deed of trust is that Sublandlord or Landlord shall obtain for the benefit of Subtenant a commercially reasonable subordination, non-disturbance and attornment agreement from the mortgagee, beneficiary or lessor under such future instrument to the effect that no steps or proceedings taken by reason of Sublandlord's or Landlord's default under such mortgage or encumbrance shall terminate this Sublease or the Lease, as applicable, nor shall Subtenant be named a defendant in any proceedings for foreclosure of such mortgage or be disturbed by virtue of such step or proceedings as long as there shall be no uncured default by Subtenant under the provisions of this Lease. Subtenant agrees that in the event any proceedings are brought for the foreclosure of any such mortgage or deed in lieu thereof, to attorn, without any deductions or set-offs whatsoever, to the purchaser upon any such foreclosure sale or deed in lieu thereof if so requested to do so by such purchaser or if required to do so under any subordination, non-disturbance and attornment agreement executed by Subtenant and the mortgagee under any such mortgage, and to recognize such purchaser as the sublandlord under this Sublease. In addition, Sublandlord hereby acknowledges that as of the date on which Sublandlord and Subtenant execute this Sublease there are no deeds of trust encumbering, or in force against, the Leased Premises.

(b) Subtenant agrees to execute any documents reasonably required to effectuate such subordination or to make this Sublease or other hypothecation prior to the lien of any mortgage, deed of trust, ground lease, or other hypothecation, as the case may be, within ten (10) days after written demand therefor, and if Subtenant fails to do so within five (5) days after Sublandlord's delivery of a second (2nd) demand therefor, Subtenant does hereby make, constitute and irrevocably appoint Sublandlord as Subtenant's attorney-in-fact and in Subtenant's name, place and stead to do so. In addition, if any mortgagee, trustee or ground lessor requires any modification or modifications to this Sublease, which modification or modifications shall not cause any increased cost or expense to Subtenant or in any other way materially change the rights or obligations of Subtenant hereunder, then Subtenant hereby agrees to promptly execute

whatever documents are required to complete such modification or modifications within ten (10) days after written demand therefor, and Subtenant's failure to do so within five (5) days after Sublandlord's delivery of a second (2nd) demand therefor shall constitute a Subtenant Event of Default under this Sublease.

23.17 Merger. The voluntary or other surrender of this Sublease by Subtenant, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of the Sublandlord, terminate all or any existing subtenancies or may, at the option of the Sublandlord, operate as an assignment to Sublandlord of any or all of such subtenancies.

23.18 Corporate Authority. If Subtenant is a corporation, each individual executing this Sublease on behalf of said corporation represents and warrants that he or she is duly authorized to execute and deliver this Sublease on behalf of said corporation, in accordance with a duly adopted resolution of the board of directors of said corporation, a copy of which, certified by the secretary of such corporation, shall be delivered to the other party.

23.19 [Intentionally Deleted.]


23.20 Waiver of Trial by Jury. To the extent now or hereafter permitted by law, Subtenant hereby waives any and all rights it may have under applicable law to trial by jury with respect to any dispute with Sublandlord arising directly or indirectly in connection with this Sublease, the Lease, or the Subleased Premises.


23.21 Brokers. Sublandlord and Subtenant each warrant to the other that no broker or finder can properly claim a right to a commission or a finder's fee based upon contacts between the claimant and Sublandlord or Subtenant in connection with this Sublease. Sublandlord and Subtenant each agree to indemnify and hold the other harmless from any claims or liability, including reasonable attorneys' fees, in connection with a claim by any person for a real estate broker's commission, finder's fee or other compensation based upon any statement, representation or agreement of such party.

[SIGNATURES ON FOLLOWING PAGE(S)]

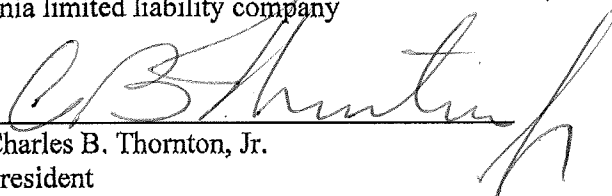
IN WITNESS WHEREOF, Sublandlord and Subtenant have executed this Sublease as of the date first above written.

CASTLE & COOKE AVIATION SERVICES, INC.,
a California corporation

By: 
Name: STEVE FRIEDMANN
Its: E.V.P.

By: 
Name: Rick H. Kline
Its: V.P. & C.F.O.

THORNTON AIRCRAFT COMPANY, LLC,
a California limited liability company

By: 
Charles B. Thornton, Jr.
President

ADDENDUM I

RULES AND REGULATIONS WHICH

CONSTITUTE A PART OF THE SUBLEASE

1. The sidewalk entrances, passages, courts, vestibules, stairways, corridors or halls shall not be obstructed or used for any purposes other than ingress and egress.
2. No awning or other projection shall be attached to the outside of the Subleased Premises without the prior written consent of Sublandlord. No curtains, blinds, shades or screens shall be attached to or hung up in, or used in connection with, any window or door of the Subleased Premises, without the prior written consent of Sublandlord. All electrical ceiling fixtures hung in offices or spaces along the perimeter of the Subleased Premises must be fluorescent, or a quality, type, design or bulb color approved by Sublandlord.
3. No signs, advertisements or notices shall be exhibited, painted, or affixed by Subtenant on any part of, or so as to be seen from the outside of, the Subleased Premises or the Leased Premises without the prior written consent of Sublandlord. In the event of the violation of the foregoing by Subtenant, Sublandlord may remove the same without any liability, and may charge the expense incurred in such removal to Subtenant. Interior signs on doors and directory tablet shall be inscribed, painted or affixed for Subtenant by Sublandlord at Subtenant's expense, and shall be of a size, color and style acceptable to Sublandlord.
4. The toilets and wash basins and other plumbing fixtures shall not be used for any purpose other than those for which they were constructed, and no sweepings, rubbish, rags or other substances shall be thrown therein. All damage resulting from any misuse of such fixtures shall be borne by the subtenant who, or whose servants, employees, agents, visitors or licensees shall have caused same.
5. Subtenant shall not mark, paint, drill into, or in any way deface any part of the Subleased Premises or the Leased Premises. No boring, cutting or stringing of wires or laying of linoleum or other similar floor coverings shall be permitted except with the prior written consent of the Sublandlord.
6. No animals of any kind except seeing eye dogs shall be brought into or kept in or about the Subleased Premises. Subtenant shall not cause or permit any unusual or objectionable odors to escape from the Subleased Premises except as required in the normal course of Subtenant's business.
7. Subtenant shall not occupy or permit any portion of the Subleased Premises to be occupied as an office for a public stenographer or a public typist, or for the manufacture of liquor, narcotics, or tobacco in any form, or as a medical office or as a barber shop or a manicure shop. Subtenant shall not engage or pay any employees on the Subleased Premises except those actually working for Subtenant on the Subleased Premises nor advertise for laborers giving an address at the Subleased Premises. The Subleased Premises shall not be used for lodging or sleeping or for any immoral or illegal purposes.
8. Subtenant shall not make, or permit to be made, any unseemly or disturbing noises or disturb or interfere with occupants of this or neighboring buildings or premises or persons having business with them whether by the use of any musical instrument, radio, phonograph, unusual noise, or in any other way, except as required in the normal course of Subtenant's business.

9. Subtenant shall not throw anything out of windows, doors or down the passageways.
10. Subtenant shall not at any time bring or keep upon the Subleased Premises any inflammable, combustible, or explosive fluid, chemical or substance which is not in conformance with all governmental regulations, except as required in the normal course of Subtenant's business.
11. No additional locks or bolts of any kind shall be placed upon any doors or windows by Subtenant, nor shall any changes be made in existing locks or the mechanism thereof without Sublandlord's prior written approval. Subtenant must, upon the termination of its tenancy, restore to Sublandlord all keys of stores, offices, and toilet rooms either furnished to, or otherwise procured by, Subtenant, and in the event of the loss of any keys so furnished, Subtenant shall pay to Sublandlord the cost of replacing the same or of changing the lock or locks opened by such lost key if Sublandlord shall deem it necessary to make such change.
12. All removals, or the carrying in or out of any safes, freight, furniture, or bulky matter of any description other than that which is a part of Subtenant's normal business must take place during the hours which the Sublandlord may determine from time to time. The moving of said safes or other fixtures or bulky matter of any kind must be made upon previous notice to Sublandlord and under its supervision, and the persons employed by Subtenant for such work must be acceptable to Sublandlord. Sublandlord reserves the right to inspect all freight or other bulky articles (but shall not have the right to inspect any safes) to be brought onto the Leased Premises and to exclude from the Leased Premises all safes, freight and other bulky articles which violate any of these Rules and Regulations or the Sublease of which these Rules and Regulations are a part.
13. Sublandlord shall have the right to prohibit any advertising by Subtenant which, in Sublandlord's opinion, tends to impair the reputation of the Leased Premises or its desirability as a building for its intended use and, upon written notice from Sublandlord, Subtenant shall refrain from or discontinue such advertising.
14. Any persons employed by Subtenant to do janitor work shall not interfere with the normal course of Sublandlord's business, and Subtenant shall be responsible for all acts of such persons.
15. All requests of Subtenant must be in writing and delivered to the manager of the Leased Premises.
16. Canvassing, soliciting and peddling within the Leased Premises are prohibited and Subtenant shall cooperate to prevent the same.
17. No air conditioning unit or other similar apparatus shall be installed or used by Subtenant without the prior written consent of Sublandlord.
18. There shall not be used in any space, nor in the public halls of the Subleased Premises, either by Subtenant or others, any hand trucks except those equipped with rubber tires and side guards.
19. Two (2) copies of all business identification sign designs shall be submitted to Sublandlord for approval prior to fabrication, in the form of an accurately scaled drawing showing location, size, letter style and color. One (1) copy will be returned to Subtenant with either comments or signed approval.

20. No signs shall be erected without the approval of both Sublandlord and any appropriate governmental agencies.

21. Subtenant shall supply any rectifiers, aircraft jacks, hydraulic "mules," air hoses, chocks, extension cords, ladders, stands, fuel additives, tow bars, etc. required for its operations.

22. All aircraft will be fueled by Sublandlord's personnel only and outside fuel vendors will not be allowed onto the Leased Premises without the permission of Sublandlord.

ADDENDUM II

SITE PLAN AND SCHEDULE OF IMPROVEMENTS TO SUBLEASED PREMISES

(Attach Site Plan here)

ADDENDUM III
CONSENT TO SUBLEASE
(See Attached)

**CONSENT TO SUBLEASE
UNDER LEASE NO. VNA-8327**

This **CONSENT TO SUBLEASE UNDER LEASE NO. VNA-8327** (the "**Consent**"), is entered by and among City of Los Angeles, a municipal corporation, acting by order of the Executive Director of the Department of Airports, also known as Los Angeles World Airports or LAWA (hereinafter referred to as "**City**"), Castle & Cooke Aviation Services, Inc., a California corporation ("**Sublessor**"), and Thornton Aircraft Company, LLC, a California limited liability company ("**Sublessee**"), with reference to the following Recitals:

A. City has previously entered into that certain Lease No. VNA-8327 dated April 4, 2006, with Thornton Corporation, a California corporation ("**Thornton**"), which lease has been assigned by that certain Assignment of Lease dated June 18, 2007 (the "**Prior Assignment**"), by and between Thornton, as assignor and Thornton Aviation, LLC ("**Thornton Aviation**"), as assignee, and that certain Consent to Assignment of Lease No. VNA-8327 dated October 2, 2007 (the "**Prior Consent**"), by and among City, as lessor, Thornton, as assignor, and Thornton Aviation, as assignee (such Lease, as amended by the Prior Assignment and the Prior Consent, is hereinafter referred to as the "**Lease**"), with respect to certain premises and facilities located at Van Nuys Airport, comprised of approximately 1.4896 acres and improvements thereon (comprised of 10,707 square foot hangar and 5,010 office space located at 7520 Hayvenhurst Avenue and the 15,148 square foot hangar and 5,976 square foot office space located at 7530 Hayvenhurst Avenue and a fuel farm) referenced as being located at 7520 and 7530 Hayvenhurst Avenue, Van Nuys, California, as more particularly described in the Lease (the "**Demised Premises**").

B. Pursuant to that certain Assignment and Assumption of Lease dated as of _____, 2009, Thornton Aviation has assigned to Sublessor, and Sublessor has assumed, all of the obligations of the tenant under the Original Lease with respect to the Demised Premises (which Original Lease was subsequently amended, restated and consolidated by City and Sublessor on or about _____, 2009 and shall be hereinafter referred to as the "**Lease**").

C. Pursuant to that certain Sublease dated as of _____, 2009, attached hereto as Exhibit A (the "**Sublease**"), by and between Sublessor and Sublessee, Sublessor proposes to sublease to Sublessee a portion of the Demised Premises (the "**Subleased Premises**").

D. Pursuant to Article 2, Section 18 of the Lease, the prior written consent of City is required in connection with any sublease of the Demised Premises.

E. Sublessor has requested the consent of City to the Sublease and City is willing to grant such consent on the terms and conditions contained in this Consent.

NOW, THEREFORE, in consideration of the foregoing Recitals (which are incorporated herein by this reference), the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Definitions.** All initially capitalized terms not otherwise defined in this Consent shall have the meanings set forth in the Lease unless the context clearly indicates otherwise. All references in this Consent or in the Lease to "**the Lease**" or "**this Lease**" shall be deemed to refer to the Lease, as modified by this Consent.

2. **Sublease Subject and Subordinate to the Lease.** The Sublease and all rights, obligations and provisions thereunder shall be subject and subordinate to, and the Sublease shall strictly comply with, and not conflict with, the applicable terms, covenants and conditions of this Consent and the Lease, as hereafter amended. Sublessee hereby agrees to be bound by, to perform and comply with, for the benefit of City, all of the terms and conditions of the Lease to the extent applicable to the Subleased Premises. Without limiting the generality of the foregoing, Sublessee agrees to observe, obey and abide fully with any and all applicable present and/or future rules, regulations, restrictions, ordinances, statutes, laws and/or orders of any federal, state, and/or local government entity and/or court and other regulations of City applicable to the Subleased Premises as described in the Lease and the common and joint use of Airport facilities and in the maintenance and conduct of all operations thereon pursuant to the Lease, as well as all applicable rules, regulations, orders and restrictions which are now in force or which may hereafter be adopted by City with respect to the operation of the Airport, and all orders, directives, conditions, rules or regulations issued, given or imposed by the Executive Director of the Department of Airports ("**Executive Director**") or the Board of Airport Commissioners (the "**Board**").

3. **Use of Subleased Premises.** Sublessee's use of the Subleased Premises shall be restricted to the areas described in the Sublease and shall be used solely for the purposes set forth therein subject to any restrictions contained in the Lease.

4. **No Amendment of Sublease.** Neither Sublessor nor Sublessee, shall, by amendment or otherwise, alter the rights and obligations contained in the Sublease, approved by this Consent without the prior written consent of City, and a consent to one such change shall not be deemed to be a consent to any subsequent change.

5. **No Consent to Future Transfers.** This Consent relates solely to the sublease effected by the Sublease and shall not constitute a consent to any subsequent assignment, sublease or any other transfer or matter requiring City's consent or approval, and shall not relieve Sublessor, Sublessee or any party claiming under or through Sublessor or Sublessee of the obligation, in connection with any subsequent assignment, sublease or other transfer, to obtain the consent of City in accordance with the terms of the Lease. City may consent to subsequent assignments, subleases and other transfers of the Lease and to any amendments and other modifications of the Lease without notifying Sublessee or any guarantor liable under the Lease and without obtaining any of their consent, and any such action shall not relieve any such party from liability. Sublessee shall not assign, sell, encumber, sublease or otherwise transfer its interest, or any portion thereof (nor shall Sublessee license or permit any third party the right to use or operate the Subleased Premises), without the prior written consent of City, and any such consent shall not be deemed to be a consent to any other subsequent transfer of any nature to any other entity. Any transfer without such consent shall be voidable at City's option. The Sublease shall not, nor shall any interest therein, be assignable as to the interest of Sublessee by operation of law (nor shall Sublessee license or permit any third party the right to use or operate the Subleased

Premises or any transfer in control of Sublessee be effected) without the prior written consent of the City. Sublessee shall provide City prior written notice of any merger of Sublessee with or into any other entity or of any dissolution, whether voluntary or involuntary, of Sublessee, and any such merger or dissolution shall require the prior written consent of City.

6. **Conflicts with the Sublease.** Notwithstanding anything in the Sublease to the contrary, Sublessor and Sublessee agree to each of the terms and conditions of this Consent, and upon any conflict between the terms of the Sublease and this Consent, the terms of this Consent shall control. To the extent the Sublease grants Sublessor and/or Sublessee greater rights vis-à-vis City than provided under the terms of the Lease, such provisions are disapproved and not consented to by the City and Sublessor and Sublessee agree that any such provisions shall be void and of no effect as to City.

7. **No Release of Sublessor.** Notwithstanding the Sublease or this Consent, Sublessor shall be and remains fully and primarily responsible in all respects for the payment obligations under the Lease and performance of each of the terms, covenants, provisions, conditions and obligations of the Lease and this Consent and for any and all Claims (hereinafter defined) City may have under the Lease. Any act or omission of Sublessee or anyone else claiming under or through Sublessee that violates any of the terms of the Lease (as may be subsequently amended or otherwise modified) shall be deemed a violation of the Lease by Sublessor.

8. **Insurance.**

(a) Sublessee shall procure at its own expense, and keep in full force and effect at all times during the term of the Sublease, the types and amounts of insurance specified on Exhibit B attached hereto and incorporated by this reference. The specified insurance shall also, either by provisions in the policies, by City's own endorsement form or by other endorsement attached to such policies, include and insure City, its Department of Airports, its Board, and all of City's officers, employees and agents, their successors and assigns, as insureds, against the areas of risk described on Exhibit B hereof as respects Sublessee's acts or omissions in its operations, use and occupancy of the Subleased Premises hereunder or other related functions performed by or on behalf of Sublessee in, on, or about the Airport.

(b) Each specified insurance policy (other than Workers' Compensation and Employers' Liability and fire and extended coverages) shall contain a Severability of Interest (Cross Liability) clause which states, "It is agreed that the insurance afforded by this policy shall apply separately to each insured against whom claim is made or suit is brought except with respect to the limits of the company's liability," and a Contractual Endorsement which shall state, "Such insurance as is afforded by this policy shall also apply to liability assumed by the insured under this Agreement with the City of Los Angeles."

(c) All such insurance shall be primary and noncontributing with any other insurance held by City's Department of Airports where liability arises out of or results from the acts or omissions of Sublessee, its agents, employees, officers, assigns or any person or entity acting for or on behalf of Sublessee. Such policies may provide for reasonable deductibles and/or retentions acceptable to the Executive Director based upon the nature of Sublessee's operations and the type of insurance involved.

(d) City shall have no liability for any premiums charged for such coverage(s). The inclusion of City, its Department of Airports, Board and all of City's officers, employees and agents, their successors and assigns, as additional insureds, is not intended to, and shall not, make them, or any of them, a partner or joint venturer with Sublessee in its operations at the Airport. In the event Sublessee fails to furnish City evidence of insurance and maintain the insurance as required, City, upon ten (10) day prior written notice to comply, may (but shall not be required to) procure the required insurance at the cost and expense of Sublessee, and Sublessee agrees to promptly reimburse City for the cost thereof plus fifteen percent (15%) for administrative overhead. Payment shall be made within thirty (30) days of invoice date.

(e) At least ten (10) days prior to the expiration date of any of the above policies, documentation showing that the insurance coverage has been renewed or extended shall be filed with City. If such coverage is canceled or reduced, Sublessee shall, within fifteen (15) days of such cancellation or reduction of coverage, file with City evidence that the required insurance has been reinstated or provided through another insurance company or companies.

(f) Sublessee shall provide proof of all specified insurance and related requirements to City either by reproduction of stamped true and certified copies of the actual insurance policy(ies), by use of City's own endorsement form(s), by broker's letter acceptable to Executive Director in both form and content in the case of foreign insurance syndicates, or by other written evidence of insurance acceptable to Executive Director. The documents evidencing all specified coverages shall be filed with City in duplicate and shall be procured and approved in strict accordance with the provisions in Sections 11.47 through 11.56 of City's Administrative Code concurrently with Sublessee's execution of this Consent. The documents shall contain the applicable policy number, the inclusive dates of policy coverages and the insurance carrier's name, shall bear an original signature of an authorized representative of said carrier, and shall provide that such insurance shall not be subject to cancellation, reduction in coverage or nonrenewal except after written notice by certified mail, return receipt requested, to the City Attorney of the City of Los Angeles at least thirty (30) days prior to the effective date thereof. City reserves the right to have submitted to it, upon request, all pertinent information about the agent and carrier providing such insurance.

(g) City and Sublessee agree that the insurance policy limits specified in this Section 8 shall be reviewed for adequacy annually throughout the term of the Sublease by Executive Director, who may thereafter require Sublessee, on thirty (30) days prior written notice, to adjust the amounts of insurance coverage to whatever amount Executive Director deems to be adequate.

(h) Submission of insurance from a non-California admitted carrier is subject to the provisions of California Insurance Code Sections 1760 through 1780, and any other regulations and/or directives from the State Department of Insurance or other regulatory board or agency. Sublessee agrees, except where exempted, to provide City proof of said insurance by and through a surplus line broker licensed by the State of California.

(i) **City Held Harmless.** In addition to the insurance requirement provisions of Section 8 herein, Sublessee shall indemnify, defend, keep and hold City, including its Board and City's officers, agents, servants and employees, harmless from any and all costs, liability, damage or expenses (including costs of suit and fees and reasonable expenses of legal services)

claimed by anyone by reason of injury to or death of persons, including Sublessee, or damage to or destruction of property, including property of Sublessee, sustained in, on, or about the Subleased Premises, or arising out of, resulting from or in connection with Sublessee's use or occupancy thereof, or arising out of the acts or omissions of Sublessee, its agents, servants, employees, contractors, customers, concessionaires, vendors or invitees.

9. **Hazardous and Other Regulated Substances.**

(a) **Definition of Hazardous Substances.** For the purposes of this Consent, "Hazardous Substances" means:

(i) Any substance the presence of which requires the investigation or remediation under any federal, state or local statute, regulation, rule, ordinance, order, action, policy or common law; or

(ii) Any substance which is or becomes defined as a hazardous waste, extremely hazardous waste, hazardous material, hazardous substance, hazardous chemical, toxic chemical, toxic substance, cancer causing substance, substance that causes reproductive harm, pollutant or contaminant under any federal, state or local statute, regulation, rule or ordinance or amendments thereto, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.) and/or the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.); or

(iii) Any substance which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any governmental authority, agency, department, commission, council, board, or instrumentality of the United States, the State of California, the City of Los Angeles, or any political subdivision of any of them; or

(iv) Any substance the presence of which on the Subleased Premises causes or threatens to cause a nuisance upon the Subleased Premises or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about the Subleased Premises; or

(v) Any substance the presence of which on adjacent properties could constitute a trespass by Sublessee; or

(vi) Any substance, without limitation, which contains gasoline, aviation fuel, jet fuel, diesel fuel or other petroleum hydrocarbons, lubricating oils, solvents, polychlorinated biphenols (PCBs) asbestos, urea formaldehyde or radon gases.

(b) **Environmental Indemnity.** Except for conditions existing prior to the original occupancy of the Subleased Premises by Sublessee or by Sublessee's predecessors in interest, Sublessor agrees to accept responsibility for full compliance with any and all applicable present and future rules, regulations, restrictions, ordinances, statutes, laws, and/or other orders of any governmental entity regarding the use, storage, handling, distribution, processing, and/or disposal of Hazardous Substances (collectively, "**Environmental Laws**"), regardless of whether the obligation for such compliance or responsibility is placed on the owner of the land, on the

owner of any improvements on the Subleased Premises, on the user of the land, or on the user of the improvements. In addition, Sublessee agrees to use and occupy the Subleased Premises in compliance with all Environmental Laws. Sublessee agrees that any actions, adjudications, awards, causes of action, claims, costs, damages, demands, expenses (including, without limitation, attorneys' fees and costs and court costs), fees, fines, forfeitures, injuries, judgments, liabilities, liens, losses, obligations, orders, proceedings, penalties, and suits (collectively, "**Claims**") asserted against or levied on City and/or Sublessee as a result of Sublessee's noncompliance with any of the provisions of this Section shall be the sole responsibility of Sublessee and that Sublessee shall indemnify and hold City harmless from all such Claims. Further, City may, at its option, pay such Claims resulting from Sublessee's non-compliance with any of the terms of this Section, and Sublessee shall indemnify and reimburse City for any such payments.

(c) Except for conditions existing prior to the original occupancy of the Subleased Premises by Sublessee or Sublessee's predecessors in interest, in the case of any Hazardous Substance spill, leak, discharge, or improper storage on the Subleased Premises or contamination of the Subleased Premises during the term of the Sublease by Sublessee or Sublessee's agents, employers, servants or invitees, Sublessee agrees to make or cause to be made any necessary repairs or corrective actions as well as to clean up and remove any spill, leakage, discharge, or contamination. In the case of any Hazardous Substance spill, leak, discharge, or contamination by Sublessee or its employees, servants, agents, contractors, or subcontractors on the Subleased Premises or as may be discharged or released in, on or under adjacent property which affects other property of City or its tenants, Sublessee agrees to make or cause to be made any necessary corrective actions to clean up and remove any such spill, leakage, or contamination. If Sublessee fails to repair, clean up, properly dispose of, or take any other corrective actions as required herein, City may (but shall not be required to) take all steps it deems necessary to properly repair, clean up, or otherwise correct the conditions resulting from the spill, leak, or contamination. Any such repair, cleanup, or corrective actions taken by City shall be at Sublessee's sole cost and expense and Sublessee shall indemnify and pay for and/or reimburse City for any and all Claims (including any administrative costs) City incurs as a result of any repair, cleanup, or corrective action it takes.

(d) If Sublessee installs underground storage tanks, above-ground storage tanks, pipelines, or other improvements on the Subleased Premises during the term of the Sublease for the storage, distribution, use, treatment, or disposal of any Hazardous Substances, Sublessee agrees, upon the expiration and/or termination of the Sublease, to remove and/or clean up, at the sole option of the Executive Director, the above-referred-to improvements. Sublessor agrees to be responsible for the removal and/or clean-up, at the sole option of the Executive Director, of any underground storage tanks, above-ground storage tanks, pipelines, or other improvements existing on the Subleased Premises as of the date of the Sublease or thereafter installed by Sublessor. Said removal and/or cleanup shall be at the sole cost and expense of Sublessee or Sublessor, as applicable, and shall be undertaken and completed in full compliance with all federal, state, and local laws and regulations, as well as with the reasonable directions of the Executive Director.

(e) **Sublessee's Provision to City of Environmental Documents.** Sublessee shall promptly supply City with complete and legible copies of all notices, reports, correspondence,

and other documents sent by Sublessee to or received by Sublessee from any governmental entity regarding any Hazardous Substances. Such written materials include, without limitation, all documents relating to any threatened or actual Hazardous Substance spill, leak, or discharge, or to any investigations into or clean up or any actual or threatened Hazardous Substance spill, leak, or discharge including all test results.

(f) **Survival of Obligations.** This Section and the obligations herein shall survive the expiration or earlier termination of the Sublease and/or the Lease.

10. **Noise Abatement Procedures.**

(a) The Sublease and the uses to which Sublessee shall put the Subleased Premises and the Airport shall be expressly subject to the following access and noise restrictions:

(i) Sublessee shall comply with the terms of the Van Nuys Noise Abatement and Curfew Regulation, as amended, comprised of Van Nuys Airport Noise Ordinance Nos. 155727, 171889 and 173215 which are attached hereto collectively as Exhibit C and incorporated herein by this reference. Upon request from City with regard to its noise investigations, Sublessee agrees to cooperate with City in its efforts to identify any pilot, operator and/or aircraft owner that is the subject of City's investigations.

(ii) Sublessee fully understands City's desire and goal to eliminate both the use and hangaring of all Stage 1 and Stage 2 aircraft at the Airport in compliance with all federal laws and regulations. The restrictions contained herein are recognized by the parties hereto as steps toward accomplishing this noise mitigation goal.

(iii) Sublessee specifically agrees that City shall not be liable or responsible to Sublessee for any damage, injury, economic loss or deprivation which may develop or arise by reason of any existing noise abatement requirements or any future aircraft access, aircraft phase-out, noise abatement or noise curfew ordinances adopted by City for the Airport. Sublessee agrees not to institute any legal action or make any Claims with regard to any such City noise reduction or abatement ordinances.

11. **Disabled Access.**

(a) Except as otherwise expressly provided in the Sublease, during the term of the Sublease, Sublessor shall be solely responsible for fully complying with any and all applicable present and/or future rules, regulations, restrictions, ordinances, statutes, laws and/or orders of any federal, state, and/or local government entity and/or court regarding disabled access to improvements on the Subleased Premises including any services, programs, or activities provided by Sublessee. Except as otherwise expressly provided in the Sublease, Sublessor will be solely responsible for any damages caused and/or penalties levied as the result of its noncompliance with this Section. However, with respect to the joint-use areas, Sublessor's responsibility shall be reduced to the extent another sublessee or permittee sharing such joint-use space is legally determined to be responsible therefor. Further, Sublessee agrees to cooperate fully with City in its efforts to comply with the Americans With Disabilities Act of 1990, and any amendments thereto or successor statutes.

(b) Should Sublessee's and/or Sublessor's compliance responsibility for facilities covered by this Consent shift to City due to Sublessee's and/or Sublessor's failure to comply with this Section, then the actual cost of achieving compliance, plus a fifteen percent (15%) administrative charge, shall be recovered by City from Sublessee and/or Sublessor. Failure to make such payment as set forth in this Section shall constitute a material breach and default under the Lease and the Sublease for which City shall have the right to declare Sublessor in default, and terminate the Lease and/or Sublease.

12. **Child Support Orders.** The Sublease is and shall be subject to Section 10.10, Article I, Chapter 1, Division 10 of the Los Angeles Administrative Code related to Child Support Assignment Orders, which is incorporated herein by this reference. A copy of Section 10.10 and the Declaration Compliance Form have been attached hereto for the convenience of the parties on Exhibit D. Pursuant to this Section, Sublessee (and any subcontractor of Sublessee providing services to City under the Sublease) shall (1) fully comply with all State and Federal employment reporting requirements for Sublessee's or Sublessee's subcontractor's employees applicable to Child Support Assignments Orders; (2) certify that the principal owner(s) of Sublessee and applicable subcontractors are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code Section 5230, et seq.; and (4) maintain such compliance throughout the term of the Sublease. Pursuant to Section 10.10(b) of the Los Angeles Administrative Code, failure of Sublessee or an applicable subcontractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owner(s) of Sublessee or applicable subcontractors to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally shall constitute a default of the Sublease and the Lease subjecting the Lease and/or the Sublease to termination where such failure shall continue for more than ninety (90) days after notice of such failure to Sublessor and Sublessee by City (in lieu of any time for cure provided elsewhere in the Lease and/or the Sublease).

13. **Living Wage Ordinance and Service Contractor Worker Retention Ordinances.**

(a) **Living Wage Ordinance.**

(i) **General Provisions: Living Wage Policy.** The Sublease is and shall be subject to the Living Wage Ordinance ("LWO") (Section 10.37, et seq., of the Los Angeles Administrative Code) which is incorporated herein by this reference. A copy of Section 10.37 has been attached hereto for the convenience of the parties as Exhibit E. The LWO requires that, unless specific exemptions apply, any employees of tenants or licensees of City property who render services on the leased premises or licensed premises are covered by the LWO if any of the following applies: (1) the services are rendered on premises at least a portion which are visited by substantial numbers of the public on a frequent basis, (2) any of the services could feasibly be performed by City of Los Angeles employees if the awarding authority had the requisite financial and staffing resources, or (3) the designated administrative agency of the City of Los Angeles has determined in writing that coverage would further the proprietary interests of the City of Los Angeles. Employees covered by the LWO are required to be paid not less than a minimum initial wage rate, as adjusted each year. The LWO also requires that employees be provided with at least twelve (12) compensated days off per year for sick leave, vacation, or personal necessity at the employee's request, and at least ten (10) additional days per year of uncompensated time pursuant to Section 10.37.2(b). The LWO requires employers to inform employees making less than twelve dollars (\$12) per hour of their possible right to the federal Earned Income Tax Credit ("EITC") and to make available the forms required to secure advance EITC payments from the employer pursuant to Section 10.37.4. Sublessee shall permit access to work sites for authorized City representatives to review the operation, payroll, and related documents, and to provide certified copies of the relevant records upon request by the City. Whether or not subject to the LWO, Sublessee shall not retaliate against any employee claiming non-compliance with the provisions of the LWO, and, in addition, pursuant to Section 10.37.6(c), Sublessee agrees to comply with federal law prohibiting retaliation for union organizing.

(ii) **Living Wage Coverage Determination.** An initial determination has been made that the Lease and the Sublease are public leases under the LWO, and, that they are not exempt from coverage by the LWO. Determinations as to whether the Lease and/or the Sublease is a public lease or license covered by the LWO, or whether an employer or employee are exempt from coverage under the LWO are not final, but are subject to review and revision as additional facts are examined and/or other interpretations of the law are considered. In some circumstances, applications for exemption must be reviewed periodically. City shall notify Sublessee in writing about any re-determination by City of coverage or exemption status. To the extent Sublessee claims non-coverage or exemption from the provisions of the LWO, the burden shall be on Sublessee to prove such non-coverage or exemption.

(iii) **Compliance; Termination Provisions And Other Remedies: Living Wage Policy.** If Sublessee is not initially exempt from the LWO, Sublessee shall comply with all of the provisions of the LWO, including payment to employees at the minimum wage rates, effective on the execution date of the Sublease, and shall execute the Declaration of Compliance Form attached to this Consent as Exhibit E contemporaneously with the execution of this Consent. If Sublessee is initially exempt from the LWO, but later no longer qualifies for any

exemption, Sublessee shall, at such time as Sublessee is no longer exempt, comply with the provisions of the LWO and execute the then currently used Declaration of Compliance Form, or such form as the LWO requires. Under the provisions of Section 10.37.6(c) of the Los Angeles Administrative Code, violation of the LWO shall constitute a material breach of the Lease and the Sublease and City shall be entitled to terminate the Lease and the Sublease and otherwise pursue legal remedies that may be available, including those set forth in the LWO, if City determines that Sublessee violated the provisions of the LWO. The procedures and time periods provided in the LWO are in lieu of the procedures and time periods provided elsewhere in the Lease or the Sublease. Nothing in this Consent shall be construed to extend the time periods or limit the remedies provided in the LWO.

(iv) Subcontractor Compliance. Sublessee agrees to include, in every subcontract or sublease covering City property entered into between Sublessee and any subcontractor, a provision pursuant to which such subcontractor (A) agrees to comply with the Living Wage Ordinance and the Service Contractor Worker Retention Ordinance with respect to City's property; (B) agrees not to retaliate against any employee lawfully asserting noncompliance on the part of the Subcontractor with the provisions of either the Living Wage Ordinance or the Service Contractor Worker Retention Ordinance; and (C) agrees and acknowledges that City, as the intended third-party beneficiary of this provision may (i) enforce the Living Wage Ordinance and Service Contractor Worker Retention Ordinance directly against the subcontractor with respect to City property, and (ii) invoke, directly against the subcontractor with respect to City property, all the rights and remedies available to City under Section 10.37.5 of the Living Wage Ordinance and Section 10.36.3 of the Service Contractor Worker Retention Ordinance, as same may be amended from time to time.

(b) Service Contract Worker Retention Ordinance. The Lease and the Sublease may be subject to the Service Contract Worker Retention Ordinance ("SCWRO") (Section 10.36, et seq., of the Los Angeles Administrative Code), which is incorporated herein by this reference. A copy of Section 10.36 has been attached hereto for the convenience of the parties as Exhibit F. If applicable, Sublessee must also comply with the SCWRO which requires that, unless specific exemptions apply, all employers under contracts that are primarily for the furnishing of services to or for the City of Los Angeles and that involve an expenditure or receipt in excess of \$25,000 and a contract term of at least three (3) months shall provide retention by a successor contractor for a ninety-day (90-day) transition period of the employees who have been employed for the preceding twelve (12) months or more by the terminated contractor or subcontractor, if any, as provided for in the SCWRO. Under the provisions of Section 10.36.3(c) of the Los Angeles Administrative Code, City has the authority, under appropriate circumstances, to terminate the Lease and/or the Sublease and otherwise pursue legal remedies that may be available if City determines that the subject contractor violated the provisions of the SCWRO.

14. Equal Benefits Ordinance.

(a) Unless otherwise exempt in accordance with the provisions of the Equal Benefits Ordinance ("EBO"), Sublessee certifies and represents that Sublessee will comply with the applicable provisions of EBO Section 10.8.2.1 of the Los Angeles Administrative Code, as amended from time to time. Sublessee shall not, in any of its operations within the City of Los

Angeles or in other locations owned by the City of Los Angeles, including the Airport, discriminate in the provision of Non-ERISA Benefits (as defined below) between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration. As used above, the term "**Non-ERISA Benefits**" shall mean any and all benefits payable through benefit arrangements generally available to Sublessee's employees which are neither "employee welfare benefit plans" nor "employee pension benefit plans", as those terms are defined in Sections 3(1) and 3(2) of ERISA. Non-ERISA Benefits shall include, but not be limited to, all benefits offered currently or in the future, by Sublessee to its employees, the spouses of its employees or the domestic partners of its employees, that are not defined as "employee welfare benefit plans" or "employee pension benefit plans", and, which include any bereavement leave, family and medical leave, and travel discounts provided by Sublessee to its employees, their spouses and the domestic partners of employees.

(b) Sublessee agrees to post the following statement in conspicuous places at its place of business available to employees and applicants for employment:

"During the term of a Lease with the City of Los Angeles, the Lessee will provide equal benefits to employees with spouses and its employees with domestic partners. Additional information about the City of Los Angeles' Equal Benefits Ordinance may be obtained from the Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance at (213) 847-6480."

(c) The failure of Sublessee to comply with the EBO will be deemed by City to be a material breach of the Lease and the Sublease. If Sublessee fails to comply with the EBO within five (5) days' notice from City, City may cancel or terminate the Lease and/or the Sublease, in whole or in part, and all monies due or to become due under the Lease may be retained by City. City may also pursue any and all other remedies at law or in equity for any breach of the terms of this Section by Sublessee. Failure to comply with the EBO may be used as evidence against Sublessee in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40, et seq., Contractor Responsibility Ordinance. If City determines that Sublessee has set up or used its contracting entity for the purpose of evading the intent of the EBO, City may terminate the Lease and/or the Sublease.

15. **Contractor Responsibility Program.**

Sublessee shall comply with the provisions of the Contractor Responsibility Program adopted by the Board. The Executive Directives setting forth the rules, regulations, requirements and penalties of the Contractor Responsibility Program and the Pledge of Compliance Form, which must be signed by Sublessee and returned to City, is attached hereto as Exhibit G and incorporated herein by reference.

16. **No Waiver.** The waiver by Sublessor or City of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver by City of any subsequent breach of the same, or any other, such term, covenant or condition herein contained. The subsequent acceptance of monies hereunder by Sublessor or City shall not be deemed to be a waiver of any

preceding breach by Sublessee or Sublessor of any term, covenant or condition of this Consent or of the Lease other than the failure of Sublessor or Sublessee to pay the particular monies so accepted, regardless of any preceding breach at the time of acceptance of such monies.

17. **Attorneys' Fees.** If City shall, without any fault, be made a party to any litigation commenced by or against Sublessee arising out of Sublessee's use and occupancy of the Subleased Premises, then Sublessee shall pay all costs, expenses and reasonable attorney's fees incurred by or imposed upon City in connection with such litigation. Each party shall give prompt notice to the other of any Claim instituted against it that may affect the other party.

18. **Cross-Default.** A material default or breach of the terms of any other lease, permit or contract held by SUBLESSEE and/or SUBLESSOR with City shall constitute a material breach of the terms of the Sublease and/or Lease, and shall be grounds for the termination for cause of the Lease and/or Sublease and shall give the City the unilateral right to terminate the Lease and/or Sublease for cause.

19. **No Commissions.** Sublessor and Sublessee hereby represent and warrant to City that neither Sublessor nor Sublessee has entered into any agreement or taken any other action that might result in any obligation on the part of City to pay any brokerage commission, finder's fee or other compensation with respect to the sublease effected by the Sublease or this Consent, and Sublessor and Sublessee jointly and severally agree to protect, defend, indemnify and hold City harmless from and against any and all Claims in any way arising or resulting from or in connection with or related to any breach or inaccuracy of such representation and warranty.

20. **Entire Agreement; Amendment.** This Consent supersedes any and all agreements and understandings previously made between any of the parties hereto relating to the subject matter of this Consent. This Consent may only be modified, amended or altered in writing signed by all of the parties hereto. Except as conditioned by this Consent, the Lease is hereby ratified and confirmed and all other terms of the Lease are and shall remain in full force and effect, unaltered and unchanged by this Consent and nothing contained herein shall be deemed or construed (a) to waive any breach or default by Sublessor in the due keeping, performance and observance thereof or any rights of City thereunder or (b) to increase City's obligations under the Lease.

21. **Successors and Assigns.** This Consent shall be binding upon and inure to the benefit or detriment of City, Sublessor and Sublessee, and, subject to the restrictions on transfer contained in the Lease, their respective successors, assigns and legal representatives.

22. **Governing Law.** This Consent shall be governed by and construed in accordance with the laws of the State of California, without regard to the principles of conflict of law. Any legal action or proceeding with respect to this Consent shall be brought only in a federal or state court of competent jurisdiction in California. Venue shall be in the County of Los Angeles.

23. **Counterparts.** This Consent may be executed in counterparts, each of which shall be deemed to constitute an original, but all of which, when taken together, shall constitute one instrument.

[Signatures on next page]

IN WITNESS WHEREOF, City has caused this Consent to Sublease to be executed by Executive Director.

Dated: _____, 2009

CITY OF LOS ANGELES

By: _____
Executive Director
Department of Airports

APPROVED AS TO FORM:

Carmen A. Trutanich, City Attorney

Date: _____, 2009

By: _____
Assistant/Deputy City Attorney

The foregoing Consent to Sublease is hereby accepted and the undersigned hereby agree to be bound by the conditions herein stated.

SUBLESSOR:

CASTLE & COOKE AVIATION SERVICES, INC.,
a California corporation

Dated: _____, 2009

By: _____
Name: _____
Its: _____

[SEAL]

By: _____
Name: _____
Its: _____

SUBLESSEE:

THORNTON AIRCRAFT COMPANY, LLC
a California limited liability company

Dated: _____, 2009

By: _____
Name: _____
Its: _____

[SEAL]

By: _____
Name: _____
Its: _____

EXHIBIT A

Sublease

EXHIBIT B

Insurance Requirements

EXHIBIT C

Van Nuys Noise Abatement and Curfew Regulation

EXHIBIT D

Regarding Child Support Orders (Section 10.10 and the Declaration Compliance Form

EXHIBIT E

Living Wage Ordinance

EXHIBIT F

Service Contract Worker Retention Ordinance

EXHIBIT G

Contractor Responsibility Program and the Pledge of Compliance Form