

STERLING AIR, Ltd.
TO
Betty Creeks and Carson Aviation Services, LLC
dba CARSON AVIATION SERVICES

LEASE AGREEMENT

This lease, made and entered into this 17th day of August, 2016, between Sterling Air, Ltd. (a Nevada Corporation) and Steven W. Lewis as an individual and its owner/President, (hereby known as **Master Lessee**), whose address is 2640 College Parkway, Carson City, NV 89706 and Betty Creeks as an individual and Carson Aviation Services, LLC dba Carson Aviation Services, (a Nevada Limited Liability Company) (hereby known as **Lessee or Tenant**), and whose address is 2640 College Parkway HC3, Carson City, NV 89706.

WITNESSETH:

WHEREAS, the Master Lessee currently leases from the Carson City Airport Authority (Landlord) pursuant to a fifty (50) year lease agreement recorded in Carson City on August 6, 2004, as file #323268 ("Master Lease") and any future amendments, extensions to the Master Lease that may be entered from time to time; and

Master Lessee and Tenant now wish to enter into a sublease for a portion of the property leased by Master Lessee, hereinafter referred to as the Sterling Air, Ltd. Hangar building ("Hangar") as defined in "Exhibit A" in the Master Lease and more specifically defined hereafter.

THEREFORE, Master Lessee and Tenant agree as follows:

1. PREMISES

Master Lessee hereby subleases to Tenant and Tenant subleases from Master Lessee a portion of the Hangar (complete downstairs 'carpeted parts and mechanics offices') which is approximately 640 sq. ft., the complete oil room outside of the hangar and up to a maximum of 4,200 sq. ft. of hangar/shop space which leased space totals roughly 4,920 square feet and includes the Avionics Shop offices on the west wall of the hangar which is all located on the Master Lease at the Carson City Airport, a copy of the underlying Master Lease has

been given to Tenant, and Tenant acknowledges receipt herein. At all times, Master Lessee reserves the exclusive rights to the remaining contiguous 2,200 square feet (roughly 47 ft. x 47 ft.) sufficient to park and or store one or more aircraft (or anything else defined by the Master Lessee). Tenant may utilize any and all of this remaining contiguous 2,200 square footage when not being utilized by Master Lessee at no additional cost to Tenant. Tenant and Master Lessee are to share space under the three stairways.

Additionally, this agreement shall provide Tenant at no additional cost with up to eight (8) tie down spaces on Master Lessee's lease hold which location shall be mutually agreed to within 30 days of signing this lease agreement. Additionally spaces (if available) may be rented on a monthly basis at the reduced fee of \$40.00/month.

1A. UTILITIES & TRASH COLLECTION

Additionally, effective the date this lease is signed and dated, Tenant shall pay on a monthly basis and on the first of each month to Master Lessee a flat fee of [REDACTED], (\$ [REDACTED]) towards a pro-rated share of the electricity, natural gas, water, sewer, fire suppression and weekly trash collection for services rendered the previous month. This pro-rated monthly utility and trash collection fee is subject to a review every six (6) months and shall depend greatly upon the specific usage of the Tenant as well as the monthly fees charged to the Master Lessee by the utility & trash collection suppliers. Tenant is responsible for their own telephone, fax, cable & internet internet services.

2. TERM

The term shall commence on the 17th day of August, 2016 for a term of two (2) years ending on August 16th, 2018, with an additional one (1) year-option.

(a) OPTION. Tenant has the right to extend the lease for an additional One-year (1) period, subject to a review and mutual agreement by Master Lessee and Lessee with regard to adjusting, if necessary, the monthly rent and utility usage. In order to exercise the option, Tenant must give Master Lessee written notice by certified mail return receipt requested that it wishes to exercise its option no earlier than six (6) months and no later than three (3) months prior to the expiration date of the original lease (August 16th, 2018). Tenant shall be current on all rent and utility payments and not be in default of the lease.

(b) RENT. Tenant shall pay to Master Lessee:

Monthly rent shall be [REDACTED]

(§ [REDACTED]). Rent shall be payable monthly with payments thereafter due on the first day of each month. A \$100.00 late fee shall be assessed for any monthly payment(s) made after the 5th day of the month and shall be due no later than the 10th day of the month.

(c) CPI ADJUSTMENTS. An adjustment of the Rental and Utility Service Fees described above and in the body of this agreement shall occur on January 1st. of every odd numbered year. The first CPI adjustment shall occur on January 1, 2017, the second on January 1, 2019 and so on. Such adjustment of rental shall be based upon the percentage change reflected by the Consumer Price Index for the preceding two year period. The Consumer Price Index shall mean the average for 'all items' shown on the 'U.S. City Average for All Urban Consumers' as promulgated by the Bureau of Legal Statistics of the U.S. Department of Labor, as amended or replaced by the agency. Master Lessee shall measure each two (2) year adjustment using the most recently available report, recognizing that it may be necessary to use a two (2) year period with a final quarter ending prior to each December 31 adjustment date. This adjustment shall be the same rate for which is assessed to the Master Lessee by the Carson City Airport Authority on January 1st. on odd numbered years (every two years).

1. SECURITY: This agreement shall acknowledge that previous Tenant (Carson Aviation Services, LLC) has paid to Master Lessee a one month security payment at the time of signing the initial Sublease of 25, February 2008 in the amount of \$ [REDACTED], which shall be returned to Tenant upon expiration of the lease provided it is not in arrears and has left the premises vacant and broom clean and has not permitted the premises to suffer damages as provided in the Lease.

3. No Counterclaim or Abatement

All Rent shall be absolutely net to Master Lessee so that this Lease shall yield to Master Lessee the full amount of the installments thereof throughout the Lease Term without deduction. All Rent shall be paid to Master Lessee without notice, demand, counterclaim, setoff, deduction or defense, and nothing shall suspend, defer, diminish, abate or reduce any Rent, except as otherwise specifically provided in this Lease. Master Lessee shall be responsible to Landlord for payment of rent under Master Lease.

4. Use of Demised Premises

Tenant covenants that the Demised Premises shall be used exclusively for the operation of a general aviation aircraft maintenance facility, including avionics sales and service. A copy of said Master Lease has been given to Lessee and Lessee acknowledges receipt of same. Long term storage (more than two weeks) of automobiles, boats, trailers, recreational vehicles, (rolling stock or parts non-specific to general aviation) are not permitted anywhere on the Master Lessee's leased premises.

Master Lessee upon approval, grants to Tenant the right to erect one sign on the East side of the Hangar. Prior to any approval, Tenant is to submit a rendering of the sign and the method of construction and with specific information where the sign or signs are to be erected. Once this information is submitted to the Master Lessee and Airport Authority then the Master Lessee and Airport Authority have the right to approve or deny the rendering, method of construction and the area where the signs are to be placed. The Tenant acknowledges that it is in the interest of the Airport Authority to see that the entryway and signage are maintained in a proper setting.

Tenant shall not do or permit any act or thing which is contrary to any Legal Requirements or Insurance Requirements, or which might impair the value or usefulness of the Demised Premises or any part thereof.

Tenant shall not do or suffer any waste, damage, disfigurement or injury to the Demised Premises. Tenant shall not permit the spilling, discharge, release, deposit or placement on the Demised Premises or any part thereof, whether in containers or other impoundments, of any substance which is a hazardous or toxic substance within the meaning of any applicable environmental law except those oils, lubricants solvents and fuels which Tenant needs to provide the specifically permitted services as set forth herein.

5. Condition of Demised Premises

Tenant represents that Lessee has examined and is fully familiar with the physical condition of the Demised Premises, the Improvements thereon, the sidewalks and structures adjoining the same, subsurface conditions, and the present tenancies, and uses thereof. Tenant accepts the same, without recourse to Master Lessee, in the condition and state in which they now are, and agrees that the Demised Premises complies in all respects with all requirements of this Lease. Master Lessee makes no representation or warranty, express or implied

in fact or by law, as to the nature or condition of the Demised Premises, or its fitness or availability for any particular use, or the income from or expenses of operation of the Demised Premises. Notwithstanding, Master Lessee shall be responsible for maintenance of the interior and exterior of the building, including and the roof.

6. Maintenance and Repair

Tenant, at all times during the Lease Term and at Tenant's expense, shall keep the Demised Premises, and all Improvements now or hereafter located thereon, and all facilities and equipment thereon, and the adjoining sidewalks, curbs, vaults and vault space, if any, streets and ways, and all appurtenances to the Demised Premises, in a good and clean order and condition and in such condition as may be required by all Legal Requirements and Insurance Requirements, and promptly shall make all necessary or appropriate cleaning or repairs, replacements and renewals thereof, whether interior or exterior, ordinary or extraordinary, or foreseen or unforeseen, except structural repairs will be performed by and at the expense of Master Lessee. All repairs, replacements and renewals shall be equal in quality and class to the original work. Tenant waives any right created by any law now or hereafter in force to make repairs to the Demised Premises at Master Lessee's expense.

7. Alterations and Additions

Tenant shall not be entitled to make any alterations of or additions to the Demised Premises without the prior written consent of Master Lessee in each instance.

The title to all additions, repairs and replacements to any Improvements made during the Lease Term and any renewal thereof, forthwith shall vest in Master Lessee, and said improvements, additions, repairs and replacements shall be and become the sole and absolute property of Master Lessee, without any obligation of payment by Master Lessee.

8. Liens

Lessee shall not directly or indirectly create or permit to be created or to remain, and shall discharge, any mortgage, lien, security interest, encumbrance or charge on, pledge of or conditional sale or other retention agreement with respect to the Demised Premises or any part thereof, Lessee's interest therein, or any Fixed Rent or other Rent payable under this Lease, other than: the Occupancy Leases; liens for Impositions not yet payable, or payable without

the addition of any fine, penalty, interest or cost for nonpayment, or being contested as permitted in Article 11 hereof; the Permitted Encumbrances; and the liens of mechanics, material men, suppliers or vendors, or right thereto, incurred in the ordinary course of business for sums which under the terms of the related contract are not at the time due, provided that adequate provisions for the payment thereof shall have been made and provisions of the following paragraph are complied with.

If, in connection with any work being performed by or for Lessee or any subtenant or in connection with any materials being furnished to Lessee or any subtenant, any mechanic's lien or other lien or charge shall be filed or made against the Demised Premises or any part thereof, or if any such lien or charge shall be filed or made against Master Lessee, then Lessee, at Lessee's expense, within thirty days after such lien or charge shall have been filed or made, shall cause the same to be canceled and discharged of record by payment thereof or filing a bond or otherwise. Lessee promptly and diligently notify Master Lessee of any action relating to the Demised Premises, and shall defend any suit, action or proceeding which may be brought for the enforcement of such lien or charge; shall satisfy and discharge any judgment entered therein within thirty days from the entering of such judgment by payment thereof or filing a bond or otherwise; and on demand shall pay all damages, costs and expenses, including reasonable attorneys' fees, suffered or incurred by Master Lessee in connection therewith.

Nothing contained in this Lease shall constitute any consent or request by Master Lessee, express or implied, for the performance of any labor or services or the furnishing of any materials or other property in respect of the Demised Premises or any part thereof, nor as giving Lessee any right, power or authority to contract for or permit the performance of any labor or services or the furnishing of any materials or other property in any fashion that would permit the filing or making of any lien or claim against Master Lessee or the Demised Premises.

9. Utility Services

Lessee shall pay a prorated portion of both electric and gas for all public or private utility services billed to the Hangar as well as all fire protection services and garbage removal services at any time rendered to or in connection with the Demised Premises or any part thereof; shall comply with all contracts relating to any such services; and shall do all other things required for the maintenance and continuance of all such services. City Water and Sewer shall be paid for by Master Lessee. Any telephone, fax, e-mail or internet services required by Lessee shall be at Lessee's

expense. At the beginning of this lease, the mutually agreed Utility Services prorated monthly charge will be [REDACTED] (\$ [REDACTED]) and shall be paid monthly and included with the monthly rent. Based upon the current lease rate of \$ [REDACTED] and the prorated portion of the current Utility Services charge of \$ [REDACTED], the **total current monthly rental charge equals \$ [REDACTED] as of 9-1-16.**

Utility Services are subject to a review and possible change on a semi-annual basis of this lease based upon the then current charges for such services.

10. Compliance with Master Lease

Lessee agrees to comply with all terms of the Master Lease as regards the premises subleased herein. Master Lessee shall remain responsible to Landlord for compliance with the Master Lease.

10a. Insurance & Hangar Policy Lessee, at all times during the Lease Term and at Lessee's expense, shall provide and maintain in full force and effect with insurers approved by Master Lessee and Airport Authority: (a) insurance with respect to the Improvements against loss or damage by fire, lightning, windstorm, hail, explosion, riot, attending strike, civil commotion, aircraft, vehicles, smoke and other risks from time to time included under "extended coverage" policies, in an amount equal to at least 100% of the full replacement value of the Improvements, and in any event in an amount sufficient to prevent Master Lessee or Lessee from becoming a coinsurer of any loss under applicable policies, which shall be written on a replacement cost basis; in no event, shall the amount of insurance for fire shall not be less than \$950,000.00; (b) public liability and property damage insurance protecting Master Lessee against any and all liability occasioned by negligence, occurrence, accident or disaster in or about the Demised Premises or any part thereof, or the Improvements now or hereafter erected thereon, or adjoining sidewalks, curbs, vaults and vault space, if any, streets or ways, or any appurtenances thereto, in amounts approved from time to time by Master Lessee, which amounts at the date hereof shall be, in the case of public liability, \$2,000,000 per person and \$2,000,000 per accident, and in the case of property damage, \$2,000,000; (c) war risk insurance when and to the extent obtainable from the Federal government or any agency thereof; (d) appropriate workers' compensation or other insurance against liability arising from claims of workers in respect of and during the period of any work on or about the Demised Premises.

All insurance maintained by Lessee pursuant to this Article 11; (a) shall

name Master Lessee (including Steven W. Lewis as Master Lessee) and Carson City Airport Authority as additionally insured, as their respective interests may appear, and shall include an effective waiver by the issuer of all rights of subrogation against any named insured or such insured's interest in the Demised Premises or any income derived there from; and further shall provide, except in the case of public liability and workers' compensation insurance, that insurance proceeds shall be payable to Master Lessee for the benefit of Airport Authority, Master Lessee and Lessee, as their respective interests may appear; (d) shall provide that any losses shall be payable notwithstanding any act or failure to act or negligence of Master Lessee or Lessee or any other person; (e) shall provide that no cancellation, reduction in amount or material change in coverage thereof shall be effective until at least ten days after receipt by Airport Authority, Master Lessee and Lessee of written notice thereof; and (f) shall be satisfactory in all other respects to Master Lessee acting reasonably.

Upon the execution of this Lease and thereafter not less than fifteen days prior to the expiration date of any policy delivered pursuant to this Article 11, Lessee shall deliver to Master Lessee and Airport Authority the originals of all policies or renewal policies, as the case may be, required by this Lease, bearing notations evidencing the payment of the premiums.

If at any time Lessee shall neglect or fail to provide or maintain insurance or to deliver insurance policies in accordance with this Article 11, Master Lessee may effect such insurance as agent for Lessee, by taking out policies in companies selected by Master Lessee, and the amount of the premiums paid for such insurance shall be paid by Lessee to Master Lessee on demand as additional rent.

11. INSURANCE AND BONDING.

Notwithstanding any other provision it is hereby agreed that Tenant shall provide the following at its own cost and expense to Master Lessee and Airport Authority:

A. Coverage. As a condition precedent to this lease, Tenant shall provide, at his own cost, insurance coverage in the amount of TWO MILLION DOLLARS (\$2,000,000.00), the category to be under-written by a responsible insurance carrier, authorized by the State of Nevada to provide such coverage. The following coverage shall be included:

1. Third-party comprehensive general liability coverage for bodily injury and property damage including owned and non-owned aircraft, for any claim or liability for any injury or damage to any person or property occurring on the leased premises or

arising out of or resulting from Tenant's operations or omissions at the Carson City Airport.

2. Products liability coverage in addition to the foregoing comprehensive general liability insurance where the licensee operates general aviation maintenance & storage facility including avionics sales and service or offers goods or merchandise for sale.

3. Statutory workers' compensation and employer's liability coverage to the extent required by law.

4. Fire and extended coverage and vandalism and malicious mischief insurance, as provided by the lease Agreements, for damage or destruction of real property or leasehold improvements, where the Master Lessee has, or will have, an interest in such property by virtue of an existing lease.

B. Insured Includes. Master Lessee, (including Steven W. Lewis as Master Lessee), Carson City Airport Authority and Carson City must be named as additional insured's and require that the insurance carrier underwriting such coverage give the Master Lessee and Carson City Airport Authority thirty (30) days written notice prior to cancellation of or material alteration to the policy.

Carson City and the Carson City Airport Authority reserve the right, every five years, to review and adjust the amount of insurance coverage required. The last review was implemented in June, 2013.

Master Lessee requires that Tenant provide Master Lessee with a Certificate of Insurance evidencing the coverage in effect, including limits and expiration date. Such policy or policies shall be maintained in full force and effect during the term of the lease, and renewals or extensions of same.

11. Indemnification By Lessee

Lessee shall indemnify and hold Master Lessee, Landlord and Carson City harmless from and against all liabilities, obligations, claims, damages, fines, penalties, interest, causes of action, costs and expenses, including attorneys' fees (but excluding any income or excess profits or franchise taxes of Master Lessee determined on the basis of general income or revenue or any interest or penalties in respect thereof), imposed upon or incurred by or asserted against Master Lessee, Landlord or Carson City or the Demised Premises by reason of the occurrence or existence of any of the following, whether or not resulting from any negligent act or omission of Master Lessee: ownership of the Demised Premises or any interest therein, or receipt of any rent or other sum there from; any accident, injury to or

death of persons (including workers) or loss of or damage to property occurring, or claimed to have occurred, on or about the Demised Premises or any part thereof, or any Improvements now or hereafter erected thereon, or the adjoining sidewalks, curbs, vaults or vault spaces, if any, streets or ways, or appurtenances thereto; any use or condition of the Demised Premises or any part thereof, or any Improvements now or hereafter erect thereon, or the adjoining sidewalks, curbs, vaults and vault spaces, if any, streets or ways, or appurtenances thereto; any failure on the part of Lessee promptly and fully to comply with or perform any of the terms, covenants or conditions of this Lease; or performance of any labor or services or the furnishing of any materials or other property in respect of the Demised Premises or any part thereof. In the case any suit, action or proceeding is brought against Master Lessee, Landlord or Carson City, or filed against the Demised Premises or any part thereof by reason of any such occurrence, Lessee, upon the request of Master Lessee, Landlord or Carson City, and at Lessee's expense, shall resist and defend such suit, action or proceeding, or cause the same to be resisted and defended by counsel designated by Lessee and approved by Master Lessee. The obligations of Lessee under this Article 13 shall survive the expiration or termination of the Lease Term.

13. Damage to or Destruction of the Demised Premises

If there is any material damage to or destruction of the Demised Premises or any part thereof, Lessee promptly shall give written notice thereof to Master Lessee generally describing the nature and extent of such damage or destruction.

If there is any damage to or destruction of the Demised Premises or any part thereof, Lessee, at Lessee's expense whether or not the insurance proceeds, if any, on account of such damage or destruction shall be sufficient for the purpose, shall promptly commence and complete, subject to Unavoidable Delays, the restoration, replacement or rebuilding of the Demised Premises as nearly as possible to its value, condition and character immediately prior to such damage or destruction, with such alterations and additions as may be made at Lessee's election pursuant to and subject to the terms, covenants and conditions of Article 14. Pending the completion of such Restoration, Lessee shall perform all temporary work and take all such actions as may be necessary or desirable to protect and preserve the Demised Premises.

Insurance proceeds received by Lessee or Master Lessee on account of any damage to or destruction of the Demised Premises or any part thereof shall be applied to repairs to the Demised Premises. To the extent such proceeds are inadequate to make such repairs; nothing herein shall excuse the Lessee or

Master Lessee from responsibility to make such repairs.

Net insurance proceeds received on account of any damage to or destruction of the Demised Premises or any part thereof, unless Lessee is in default under this Lease, shall be paid to Lessee or as Lessee may direct, from time to time as Restoration progresses, to pay or to reimburse Lessee for the cost of Restoration, upon written request of Lessee accompanied by evidence, satisfactory to Master Lessee and Carson City Airport Authority that the amount requested has been paid or is then due and payable and is properly a part of such cost, that there are no mechanics' or similar liens for labor or materials theretofore supplied in connection with the Restoration, and that the balance of said proceeds after making the payment requested will be sufficient to pay the balance of the cost of Restoration. Upon receipt by Master Lessee and Carson City Airport Authority of evidence satisfactory to Master Lessee that the Restoration has been completed and the cost thereof has been paid in full, and that there are no mechanics' or similar liens for labor or materials supplied in connection therewith, the balance, if any, of such proceeds shall be paid to Master Lessee.

Any insurance proceeds held by Master Lessee on any termination of this Lease and not required to be paid to Lessee pursuant to this Article 14, shall be paid to and retained by Master Lessee.

14. Taking of the Demised Premises

If there is a Taking of the fee of the entire Demised Premises, other than for a temporary use, this Lease shall terminate as of the date of such Taking. In case of a Taking, other than for temporary use, of such perpetual easement on the entire Demised Premises, or of such a substantial part of the Demised Premises, as shall result, in the good faith judgment of Master Lessee, in the Demised Premises remaining after such Taking (even after Restoration where made) being unsuitable for the use contemplated in this Lease, Lessee may terminate this Lease by written notice to Master Lessee given within sixty days after such Taking, as of a date specified in such notice within ninety days after such Taking. Any Taking of the Demised Premises of the character referred to in this Article 14, which results in the termination of this Lease, is referred to herein as a "Total Taking".

If there is a Taking of the Demised Premises other than a Total Taking, this Lease shall remain in full force and effect as to the principal of the Demised Premises remaining immediately after such Taking, without any abatement or reduction of Rent, except as may be expressly provided in this Article 14, and

Lessee, at Lessee's expense whether or not the awards or payments, if any, on account of such Taking will be sufficient for the purpose, promptly shall commence and complete, subject to Unavoidable Delays, Restoration of the Demised Premises as nearly as possible to its value, condition and character immediately prior to such Taking, except for any reduction in area caused thereby, provided that in case of a Taking for temporary use Lessee shall not be required to effect Restoration (other than temporary work and actions necessary or desirable for the protection of the Demised Premises) until such Taking for a temporary use is terminated.

Awards and other payments on account of a Taking, less fees, costs and expenses incurred in connection therewith, shall be applied as follows:

(a) Net awards and payments received on account of a Taking, other than a Taking for temporary use or a Total Taking, shall be held and applied from time to time as Restoration progresses, to pay or to reimburse Lessee for the cost of Restoration, upon written request of Lessee accompanied by evidence, satisfactory to Master Lessee, that the amount requested has been paid or is then due and payable and is properly a part of such cost, that there are no mechanics' or similar liens for labor or materials theretofore supplied in connection with the Restoration, and that the balance of said proceeds after making the payment requested will be sufficient to pay the balance of the cost of Restoration. Upon the completion of the Restoration, the balance, if any, of such awards and payments shall be paid to and retained by Master Lessee.

(b) Net awards and payments received on account of a Taking for temporary use shall be held and applied to the payment of Rent until such Taking for temporary use is terminated and Restoration, if any, has been completed, provided that, if any portion of such award or payment is made by reason of any damage to or destruction of the Demised Premises, such portion shall be held and applied as provided in the first sentence of clause (a) of this Article 14. The balance, if any, of such awards and payments, unless Lessee is in default hereunder, shall be paid to Lessee.

(c) All awards and payments received on account of a Total Taking shall be paid to Master Lessee.

Notwithstanding the foregoing, if at the time of any Taking or at any time thereafter, Lessee shall be in default under this Lease and such default shall be continuing, Master Lessee is hereby authorized and empowered, in the name and on behalf of Lessee and otherwise, to file and prosecute Lessee's claim, if any, for an award on account of any Taking and to collect such award and apply the

same, after deducting all fees, costs and expenses incident to the collection thereof, to the curing of any then existing default under this Lease.

If any portion of an award or other payment received on account of a Taking shall be paid to Master Lessee pursuant to the second sentence of clause (a) of this Article 15, each installment of Fixed Rent hereunder shall be reduced, commencing with the first Rent Payment Date following the date of such payment, by an amount to be computed by multiplying such installment in effect prior to such date by a fraction, the numerator of which is the amount of the award or payment made to Master Lessee in connection with such Taking after deduction of Master Lessee's expenses in the collection of such awards and payments, including without limitation fees and expenses of appraisers and attorneys, and the denominator of which is the fair market value of the Demised Premises prior to such Taking as determined by Master Lessee, acting reasonably, as reduced by the amount of any other such award or payment previously made to Master Lessee pursuant to the second sentence of clause (a) of this Article 14.

Carson City Airport Authority takes no position on the arrangements as between Master Lessee and Lessee as to provisions of this lease as to taking of the premises. Carson City Airport Authority does not concede that any amounts would be due under any such taking, and reserves all rights on said issue.

15. Assignment, Subletting and Mortgages

Lessee expressly covenants that Lessee shall not voluntarily or involuntarily assign, encumber, mortgage or otherwise transfer this Lease, or sublet the Demised Premises or any part thereof, or suffer or permit the Demised Premises or any part thereof to be used or occupied by others, by operation of law or otherwise, without the prior written consent of Master Lessee in each instance. Absent such consent, any act or instrument purporting to do any of the foregoing shall be null and void.

If this Lease is assigned, whether or not in violation of the terms of this Article 15(a), Master Lessee may collect Rent from the assignee. If the Demised Premises or any part thereof is sublet or occupied by anybody other than Lessee, Master Lessee, after any default by Lessee, may collect rent from the subtenant or occupant, and apply the net amount collected to the Rent due hereunder. Such collection of rent by Master Lessee shall not be deemed a waiver of the provisions hereof, the acceptance of the assignee, subtenant or occupant as a tenant, or a release of Lessee from the further observance and performance by Lessee of the terms, covenants and conditions of this Lease.

The consent by Master Lessee and Airport Authority to an assignment, encumbrance, transfer or subletting shall not in any way be deemed consent to any further assignment, encumbrance, transfer or subletting. In no event shall any permitted sublessee assign or encumber its sublease or further sublet all or any portion of its sublet space, or otherwise suffer or permit the sublet space or any part thereof to be used or occupied by others, without the prior written consent of Master Lessee in each instance, and each permitted sublease shall so provide in its terms.

Any assignment, encumbrance, transfer or subletting shall be subject to the prior approval of the Airport Authority.

Only prior consent by the Airport Authority shall be required for the assignment by lessees to a corporation which consists of at least 75% of the named lessees herein. Such assignment shall not relieve the original lessees from their obligations herein.

If Lessee requests Master Lessee's consent to a specific assignment or subletting, Lessee shall first submit to Master Lessee in writing: the name and address of the proposed assignee or sublessee; a counterpart of the proposed agreement of assignment or sublease and all other instruments or agreements pertaining thereto; such information as to the nature and character of the business of the proposed assignee or sublessee and as to the nature of its proposed use of the space, as Master Lessee reasonably may request; banking, financial or other credit information relating to the proposed assignee or sublessee sufficient to enable Master Lessee and Airport Authority to determine the financial responsibility and character of the proposed assignee or sublessee; and a statement of all sums or other consideration paid or to be paid to Lessee by or for the account of the assignee or sublessee for or in connection with such assignment or sublease, including without limitation sums paid or to be paid for the sale or rental of Lessee's fixtures, leasehold improvements, equipment, furniture, furnishings or other personal property.

Any such consent of Master Lessee shall be subject to the terms of this Lease and conditional upon there being no default by Lessee, beyond any grace period, under any term, covenant or condition of this Lease at the time that Master Lessee's consent is requested and on the date of the commencement of the term of any such proposed sublease or the effective date of any such proposed assignment.

Upon receiving Master Lessee's and Airport Authority's written consent,

a duly executed copy of the sublease or assignment shall be delivered to Master Lessee and Airport Authority within thirty days after execution thereof. Any such sublease shall provide that the sublessee shall comply with all applicable terms, covenants and conditions of this Lease to be observed or performed by Lessee hereunder. Any such assignment shall contain an assumption by the assignee of all of the terms, covenants and conditions of this Lease to be observed or performed by Lessee.

The transfer of a majority of the issued and outstanding capital stock of any corporate tenant or subtenant of this Lease or of a majority of the total interest in any partnership tenant or subtenant, however accomplished, and whether in a single transaction or in a series of related or unrelated transactions, shall be deemed an assignment of this Lease or of such sublease. The transfer of outstanding capital stock of any corporate tenant or subtenant, for purposes of this Article 15(a), shall not include a sale of such stock by persons other than those deemed "insiders" within the meaning of the Securities Exchange Act of 1934 as amended, effected through any "over the counter" market or recognized stock exchange.

16. DEFAULT.

The occurrence of any of the following shall constitute a default by Tenant:

- A. Failure to pay rent when due, if the failure continues for ten (10) days after rent is due, but no more than five (5) days after written notice has been given to Tenant.
- B. Abandonment and vacation of the premises (failure to occupy and operate the premises for thirty (30) consecutive days shall be deemed an abandonment and vacation).
- C. Failure to perform any other provision of this lease, if the failure to perform is not cured within thirty (30) days after notice has been given to Tenant. If Tenant can demonstrate to the satisfaction of Master Lessee the default cannot reasonably be cured within thirty (30) days, Tenant shall not be in default of this lease if Tenant commences to cure the default within the thirty (30) day period and diligently and in good faith continues to cure the default.
- D. Filing a petition of voluntary or involuntary bankruptcy.
- E. The making by the tenant of any general assignment for the benefit of creditors.
- F. Violation of any of these standards, rules, and regulations, or failure to maintain current licenses required for the permitted operation.
- G. Failure to keep premises clean and in satisfactory order and condition as to the sole judgment of the Master Lessee.

Notices given under this paragraph must specify the alleged default and the applicable lease provisions, and must demand that Tenant perform the provisions of this lease or pay the rent that is in arrears, within the applicable period of time, or quit the premises. No such notice will be deemed a forfeiture or a termination of this lease unless Master Lessee so elects in the notice.

17. REMEDIES.

Master Lessee shall have the following remedies if Tenant commits a default. These remedies are not exclusive; they are cumulative to any remedies now or later allowed by law.

A. Tenant's right to possession not terminated. Master Lessee can continue this lease in full force and effect, and the lease will continue in effect as long as Master Lessee does not terminate tenant's right to possession, and Master Lessee shall have the right to collect rent when due. During the period Tenant is in default, Master Lessee can enter the premises and relet them, or any part of them, to third parties for Tenant's account. Tenant shall be liable immediately to Master Lessee for all costs Master Lessee incurs in reletting the premises. Reletting can be for a period shorter or longer than the remaining term of this lease. Tenant shall pay to Master Lessee the rent due under this lease on the dates the rent is due, less the rent Master Lessee receives from any reletting.

If Master Lessee elects to relet the premises as provided in this paragraph, rent that Master Lessee receives from reletting shall be applied to the payment of:

First, any indebtedness from Tenant to Master Lessee other than rent due from Tenant;

Second, all costs, including maintenance, incurred by Master Lessee in reletting;

Third, rent due and unpaid under this lease, after deducting the payments referred to in this paragraph, any sum remaining from the rent Master Lessee received from reletting shall be held by Master Lessee and applied in payment of future rent as rent becomes due under this lease. In no event shall Tenant be entitled to any excess rent received by Master Lessee. If, on the date rent is due under this lease, the rent received from reletting is less than the rent due on the date, Tenant shall pay to Master Lessee, in addition to the remaining rent due, all costs including for maintenance Master Lessee incurred in reletting that remain after

applying the rent received from the reletting as provided in this paragraph.

B. Termination of Tenant's right to possession. Master Lessee can terminate Tenant's right to possession of the premises at any time after default. No act by Master Lessee other than giving notice to Tenant shall terminate this lease. Acts of maintenance, efforts to relet the premises, or the appointment of a receiver on Master Lessee's initiative to protect Master Lessee's interest under this lease shall not constitute a termination of Tenant's right to possession. On termination, Master Lessee has the right to recover from Tenant the unpaid rent that had been earned at the time of termination of this lease, and any other amount, and court costs, necessary to compensate Master Lessee for all detriment proximately caused by Tenant's default.

18. Survival of Lessee's Obligations and Damages

No expiration or termination of the Lease Term pursuant to this Lease, by operation of law or otherwise (except as expressly provided herein), and no repossession of the Demised Premises or any part thereof pursuant to this Lease or otherwise, shall relieve Lessee of Lessee's obligations or liabilities hereunder, all of which shall survive such expiration, termination or repossession.

In the event of any such expiration, termination or repossession, Lessee shall pay to Master Lessee all Rent up to the time of such expiration, termination or repossession, together with all costs and expenses incurred by Master Lessee in connection with such termination or repossession including attorneys' fees, and thereafter Lessee, until the end of what would have been the Lease Term in the absence of such expiration, termination or repossession, and whether or not the Demised Premises or any part thereof shall have been relet, shall be liable to Master Lessee for, and shall pay to Master Lessee, as liquidated and agreed and current damages for Lessee's default, (a) all Rent which would be payable under this Lease by Lessee in the absence of such expiration, termination or repossession, less (b) all net rents collected by Master Lessee from the tenants or subtenants of the Demised Premises, if any, and the net proceeds, if any, of any reletting affected for the account of Lessee pursuant to Article 15 after deducting from such proceeds all Master Lessee's expenses in connection with such reletting and other sums owed Master Lessee, including without limitation all repossession costs, brokerage commissions, legal and accounting expenses, attorneys' fees, employees' expenses, promotional expenses, reasonable alteration costs, and expenses of preparation for such reletting. Lessee shall pay such current damages yearly on the Rent Payment Dates applicable in the

absence of such expiration, termination or repossession, and Master Lessee shall be entitled to recover the same from Lessee on each such date.

At any time after such expiration, termination or repossession, whether or not Master Lessee shall have collected any current damages as aforesaid, Master Lessee shall be entitled to recover from Lessee, and Lessee shall pay to Master Lessee on demand, as and for liquidated and agreed final damages for Lessee's default and in lieu of all current damages beyond the date of such demand, an amount equal to the excess, if any, of (a) all Rent which would be payable under this Lease from the date of such demand (or, if it be earlier, the date to which Lessee shall have satisfied in full Lessee's obligation under the preceding paragraph of this Article 15 to pay current damages) until what would be the then unexpired Lease Term in the absence of such expiration, termination or repossession, over (b) the then fair net rental value of the Demised Premises for the same period. Upon the payment of such final damages, this Lease, if not already terminated, shall be deemed terminated. If any statute or rule of law shall validly limit the amount of such liquidated final damages to less than the amount above agreed upon, Master Lessee shall be entitled to the maximum amount allowable under such statute or rule of law.

19. Injunction

Master Lessee, in addition to all other rights, powers and remedies and notwithstanding the concurrent pendency of summary or other dispossess proceedings, at Master Lessee's option, shall have the right at all times during the Lease Term to restrain by injunction any violation or attempted violation by Lessee of any of the terms, covenants or conditions of this Lease, and to enforce by injunction any of such terms, covenants or conditions.

20. Waivers

To the extent permitted by law, Lessee waives: any notice of reentry or of the institution of legal proceedings to that end; any right of redemption, reentry or repossession; any right to trial by jury in any action or proceeding or in any matter in any way connected with this Lease or the Demised Premises; and the benefit of any laws now or hereafter in force exempting property for rent or for debt.

No failure by Master Lessee or Lessee to insist upon the strict performance of and compliance with any term, covenant or condition hereof or to exercise or enforce any right, power or remedy consequent upon a breach thereof, and no submission by Lessee or acceptance by Master Lessee of full or partial Rent during the continuance of any such breach, shall constitute a waiver

of any such breach or of any such term, covenant or condition. No waiver of any breach of any term, covenant or condition of this Lease shall affect or alter this Lease, which shall continue in full force and effect, or the respective rights, powers or remedies of Master Lessee or Lessee with respect to any other then existing or subsequent breach.

21. Master Lessee's Remedies Cumulative

All of the rights, powers and remedies of Master Lessee provided for in this Lease or now or hereafter existing at law or in equity, or by statute or otherwise, shall be deemed to be separate, distinct, cumulative and concurrent. No one or more of such rights, powers or remedies, nor any mention of reference to any one or more of them in this Lease, shall be deemed to be in the exclusion of, or a waiver of, any other rights, powers or remedies provided for in this Lease, or now or hereafter existing at law or in equity, or by statute or otherwise. The exercise or enforcement by Master Lessee of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise or enforcement by Master Lessee of any or all of such other rights, powers or remedies.

22. Estoppel Certificates

Lessee shall execute, acknowledge and deliver to Master Lessee, promptly upon request, a certificate certifying: (a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that the Lease is in full force and effect, as modified, and identifying the modifications); (b) the dates to which Rent has been paid; (c) whether or not there is any existing default by Master Lessee or Lessee with respect to which a notice of default has been delivered, and if there is any such default, specifying the nature and extent thereof; and (d) whether or not there are any setoffs, defenses or counterclaims against the enforcement of any term, covenant or condition of this Lease. Any such certificate may be relied upon by any prospective purchaser or mortgagee of the Demised Premises or any part thereof.

Master Lessee shall execute, acknowledge and deliver to Lessee, promptly upon request, a certificate certifying: (a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that the Lease is in full force and effect, as modified, and stating the modifications); (b) the dates to which Rent has been paid; and (c) whether or not, to the knowledge of Master Lessee, there are then existing any defaults under this Lease (and if so, specifying the same; and the term of Master Lessee's lease is equal to or exceeds the term of the Master Lease and all option periods herein provided.

23. BROKERAGE

Master Lessee and Lessee each represents and warrants to the other that such party has not dealt with any broker or finder in connection with the Demised Premises or this Lease. Master Lessee and Lessee each agrees to indemnify and hold the other harmless from and against any and all commission, liability, claim, loss, damage or expense, including reasonable attorneys' fees, arising from any claims for brokerage or any other fee or commission by any person with whom such party has dealt.

24. IMPROVEMENTS.

For all new construction upon the premises, Tenant shall meet the construction requirements and standards adopted by Carson City, Master Lessee and Landlord pursuant to Title 19 of the Carson City Municipal Code.

25. APPURTENANT RIGHTS AND RESTRICTIONS.

A. Right of Entry. Master Lessee, Landlord or its designated Airport Manager or agent, reserves the right to enter upon the premises at any reasonable time for the purpose of making any inspection deemed expedient or desirable for the proper enforcement of any terms, conditions, provisions, and covenants of this Agreement.

B. Air Space and Subsurface Rights. This lease confers no rights to the subsurface of the land more than five (5) feet below the ground level of the premises or to airspace more than ten (10) feet above the top of the roof of the building or buildings that is a part of the premises. All exemptions or applications must have the prior approval of Master Lessee.

C. Federal Requirements.

1. The Tenant for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration, does covenant and agree as a covenant running with the land that tenant shall comply with all Federal Aviation Regulations (FARs) applicable to tenant's operations on the premises.

2. The Tenant for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration covenants and agrees as a covenant running with the land that: 1) no person on the grounds of race, color, or national origin shall be

excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of the facilities; 2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination.

3. Tenant shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as the Regulation may be amended.

4. Tenant shall furnish its accommodations and/or services on a fair, equal, and not unjustly discriminatory basis to all users and it must charge fair, reasonable, and not unjustly discriminatory prices for each unit or service; PROVIDED that the Tenant may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

5. Noncompliance with Provision 4 above shall constitute a material breach of this Agreement and in the event of such noncompliance, the Master Lessee shall have the right to terminate this lease Agreement without liability or at the election of the Master Lessee or the United States; either or both governments shall have the right to judicially enforce these provisions.

6. Tenant agrees that it shall insert the above five provisions in any lease agreement by which the Tenant grants a right or privilege to any person, firm, or corporation to render accommodations and/or services to the public on the leased premises.

7. The Tenant assures that it will not discriminate against any person on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Tenant assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Tenant assures that it will require that its covered sub-organization provide assurance to the Tenant that they similarly will require assurance from their sub-organizations, as required by 14 CFR 152, Subpart E, to the same effort.

8. The Master Lessee reserves the right to further develop or improve the landing area of the Carson City Airport as it sees fit, regardless of the desires or view of the Tenant and without interference or hindrance.

9. The Master Lessee reserves the right, but shall not be obligated to the Tenant, to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the Airport, together with the right to direct and control all activities of the Tenant in this regard.

10. This lease shall be subordinate to the provisions and requirements of any existing or future agreement between the Master Lessee and the United States, relative to the development, operation, or maintenance of the Airport.

11. The Master Lessee, its successors and assigns, for the use and benefit of the public, does reserve a right of flight for the passage of aircraft in the airspace above the surface of the lease premises. This public right of flight shall include the right to cause in the airspace any noise inherent in the operation of any aircraft used for navigation or flight through the airspace or landing at, taking off from, or operation of the Carson City Airport.

12. Tenant agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the leased premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the leased premises.

13. The Tenant by accepting this lease expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or object, nor permit the growth of any tree on the leased premises to a height more than ten (10) feet above the highest part of Tenant's building. In the event this covenant is breached, the Master Lessee reserves the right to enter upon the premises to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of the Tenant.

14. The Tenant, by accepting this lease, agrees for itself, its successors and assigns, that it will not make use of the leased premises in any manner which might interfere with the landing and taking off of aircraft from Carson City Airport or otherwise constitutes a hazard. In the event this covenant is breached, the Master Lessee reserves the right to enter upon the premises and to abate the interference at the expense of the Tenant.

15. It is understood and agreed that nothing contained in this lease shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958 (49 U.S.C. 1349).

(d) Tenant assures complete compliance with the Carson City Airport Rules and Regulations upon leased premises.

26. HOLD HARMLESS.

The Tenant, in consideration of the Master Lessee's agreement to lease certain real property to Tenant pursuant to this Agreement, agrees that at all times during the term of this Agreement, Tenant shall indemnify and defend, saving harmless Master Lessee, Landlord, Carson City, its officers, boards, commissions, agents, and employees from any and all claims by any person whatsoever on account of property damage, injury, or death of a person or persons acting on behalf of, or upon the request of, the Tenant during the term of this Agreement.

Master Lessee, Landlord, Carson City, its officers' boards, commissions, agents, and employees shall be held harmless in all respect for any cost, expense, or liability of any nature which may be incurred by the Tenant during the term of this Agreement.

27. MAINTENANCE.

Master Lessee is not required under this sublease to provide any maintenance, repairs, removal, and construction of buildings or facilities erected by Tenant except structural repairs. Master Lessee shall provide Tenant both natural gas and electric services on a prorated cost basis to tenant and billed to Tenant on a monthly basis as outlined in #9 above (Utility Services). Sewer and water charges used or incurred in or about the lease premises shall be included at no additional expense to Lessee and paid for by Master Lessee.

Tenant shall maintain all leased areas, salvage and rehabilitation areas, displays, storage areas, landscaping, pavement, facilities, and structures in a state of repair and good appearance acceptable to the Master Lessee. Master Lessee shall have sole discretion in interpreting and enforcing all Federal, State, and local rules, regulations, codes, and ordinances in determining what is, or is not, acceptable. Master Lessee may require Tenant to perform all necessary maintenance, repairs, removal, construction or cleaning/clearing of unsightly areas upon the leased premises. In the event such maintenance, repairs, removal, construction, or cleaning/clearing of unsightly areas is not undertaken as required, Master Lessee may perform such maintenance, repairs, removal, construction, or

cleaning/clearing of unsightly areas on behalf of Tenant and at Tenant's expense, plus ten percent (10%) for administration.

28. REMOVAL OF IMPROVEMENTS.

Tenant shall remove at its own cost all buildings and improvements made by Tenant upon termination of the Agreement and restore the premises to its original condition. Title in building and improvements shall at all times during the lease term remain in the Master Lessee. The Master Lessee shall have the option on termination of this sublease to take possession of the buildings and improvements, on the terms of the Master lease.

29 REPORTING.

Anything that affects the safe and efficient operation of the Carson City Airport shall be immediately reported to Master Lessee or the Airport Manager.

30. AMENDMENTS.

Any amendments to this lease require approval by the Master Lessee and Tenant. All proposed amendments must be submitted in writing to Master Lessee for review and possible placement before a regularly scheduled meeting of the Carson City Airport Authority for consideration.

31. GENERAL.

It is understood and agreed that each and all the terms of this Lease are subject to the regulations and provisions of law applicable to the operation of the Carson City Airport as a Federal Aid Airport Project. If any provision of this Lease is invalid, the other provisions of the Lease which are valid shall remain in effect, and the Lease will be re-negotiated to comply with the requirements of the applicable laws and regulations. In the event that negotiation attempts are unsuccessful, either party may petition the First Judicial District Court, which shall then be entitled to establish such replacement provisions or issue such rulings as are just, for the purpose of satisfying the intent of the Lease provisions.

The Tenant agrees to observe and obey during the terms of this Lease all laws, rules, and regulations promulgated and enforced by the State of Nevada, Carson City, and by any other proper authority having jurisdiction over the conduct of operations at the Carson Airport.

Master Lessee, Airport Authority and the Carson City Sheriff's Office shall have complete dominion over the premises herein during the term of this Lease for the purpose of, and to the extent necessary, to maintain law, order, and safety, and has the authority and the right to deny access to the Carson Airport by any person who fails to obey all relevant laws, rules, and regulations.

32. NOTICES.

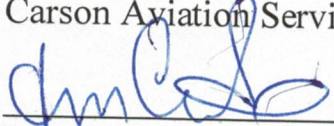
It is agreed that any notice to be given or served upon either party shall be sufficient if sent by certified mail, postage prepaid, addressed to the address of the party listed at the beginning of this Lease, or to such other address as may be designated in writing by such party.

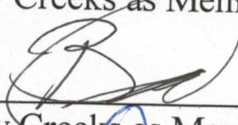
33. TAX OBLIGATION. Tenant is not responsible for payment of any property taxes on the land or the existing structures being leased.

The terms and conditions of this agreement are hereby approved and accepted by all parties listed below this 17th, day of August, 2016.

Lessee/Tenant

Troy Creeks and Betty Creeks and
Carson Aviation Services, LLC.
dba Carson Aviation Services

By: 
Troy Creeks as Member

By: 
Betty Creeks as Member

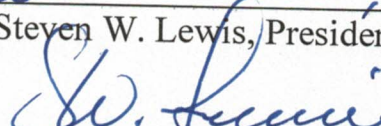
By: 
Troy Creeks

By: 
Betty Creeks

Master Lessee/Lessor

Sterling Air, Ltd.


By: Steven W. Lewis, President


By: Steven W. Lewis