CCAA BOARD MEMO

Agenda Item: H-1

BOARD MEMO 2022-28 Meeting Date: August 20, 2022

Agenda Title: FOR DISCUSSION AND POSSIBLE ACTION: APPROVE STELLAR AVIATION OF CARSON CITY AS A CLASS 2 FBO PROVIDING LINE SERVICES, AIRCRAFT STORAGE, AND OPERATIONAL MANAGEMENT OF THE CTE FBO.

Staff Summary: Steller Aviation of Carson City would like to operate an FBO based at Carson Tahoe Executive, a Class 1 FBO.

Agenda Action: Formal Action/Motion **Time Requested** 0 Minutes

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Proposed Motion

I move to approve the Class II FBO Permit Application for Stellar Aviation

CCAA'S Strategic Goal

Maintain financial stability and support economic activity in the region.

Previous Action

N/A

Executive Summary

Stellar Aviation has submitted adequate financial statements, adequate credit reports of the owners, estimated expenses for the first 6 months of operations, proof of insurance, and copies of all required certificates and business licenses. They are aware of the requirements of Title 19 and the Class II FBO fee of $1,200 per year.

Recommendation:

Review the Class II FBO permit Application for Stellar Aviation and if determined to be adequate, approve the permit application.

Financial Information

Is there a fiscal impact?
☐ No ☒ Yes

If yes, account name/number & amount: 3099 General Fund

General Fund/ Federal Share: $1,200 Annual FBO Permit Fee

Is it currently budgeted?

No

Alternatives

Do not approve the application and request changes

Approve the permit application with suggested changes

Board Action Taken:

Motion: _____ 1) _____
2) _____

Aye/Nay
_____
_____
_____
_____
_____
_____
_____

_____
(Vote Recorded By)

CARSON CITY AIRPORT
CLASS II FBO BUSINESS APPLICATION

Name of Business: Stellar Aviation of Carson City

Description of Business: FBO Services in accordance with the CXP airport minimum standards

Name of Applicant: Stellar Aviation of Carson City, LLC
Partners: Michael S. Faren, Jonathan P. Miller
Address: 2600 N Military Trl Ste 206
City: Boca Raton State: FL Zip: 33431

Location of business on Airport: 2640 College Parkway Carson City, NV 89706

Previous Location of business: N/A

Activities to be conducted (describe all aviation and non-aviation) and how space on airport will be used: Line Services - Fueling and De-Icing. Administration & Management of the CTE FBO. Aircraft Storage - Outside & Inside

Explanation of safety measures, (i.e. why is this not a hazard to the airport and affected community): See CXP Security Plan

Attached hereto is:
1- A financial statement
2- Estimated expenses for the first 6 months of operations
3- Copies of all FAA or other governmental certifications or licenses needed to undertake the business (other than Carson City business license)

M (initial) I have received and reviewed Title 19 of the Carson City Municipal Code and agree to comply with the terms thereof. (Title 19 can be obtained on the web-site www.carsoncity-airport.com)

M (initial) I am aware that there is a Class II FBO fee of $1200 per year (or a percentage of revenues, if selected) and I agree to pay the same.

M (initial) I am aware that there is an insurance requirement and I agree to maintain it in force.

M (initial) I have not been convicted of a felony.

Additional Information or Remarks from Applicant supporting the Application:

Approved: _____ Date: _____
Carson City Airport Authority

STELLAR
AVIATION GROUP

July 6, 2022

Corey Jenkins, ACE
Airport Manager
Carson City Airport
2600 College Parkway #6
Carson City, NV 89706

Dear Mr. Jenkins:

Stellar Aviation of Carson City, LLC is making this Class II FBO Permit Application in order to establish an Fixed Base Operation at the Cason City Airport. Stellar Aviation in under a long term lease with Carson Tahoe Executive, LL, under which we have the right to establish and operate a fixed base operation in accordance with Tiitle 19 – Airport Rules and Regulations, subject to the approval of the Carson City Airport Authority.

Stellar Aviation is a network of FBOs with operations in Reno, Nevada (Reno-Tahoe International Airport), Springfield, Illinois (Abraham Lincoln Capital Airport) and South Palm Beach, Florida (Palm Beach County Park Airport). Neither Stellar Aviation nor its principals have been the subject of any litigation, bankruptcy proceedings, administrative actions, FAA fines or disciplinary actions or litigation with any airport sponsor.

We look forward to establishing a Fixed Base Operation at Carson City Airport to serve the general aviation community as well become an ambassordor for those visiting Carson City for business, leisure and recreation.

Sincerely,
STELLAR AVIATION OF CARSON CITY, LLC

Jonathan Miller
Manager

Stellar Aviation Group I 2633 Lantana Road, #18 I Lake Worth, FL 33462
P: (561) 656-9815 I **F**: (561) 283-1006 I **W**: www.stellaraviationgroup.com

Carson City Business License Division

108 E. Proctor Street
Carson City, NV 89701
(775) 887-2105 - Hearing Impaired: 711
buslic@carson.org

BUSINESS LICENSE CERTIFICATE

Business Name:	Stellar Aviation of Carson City, LLC	**Business Type(s):**	488190 Other Support Activities for Air Transportation
Business Location:	2640 COLLEGE PKWY CARSON CITY, NV 89706	**Mailing Address:**	2600 N MILITARY TRAIL STE 206 BOCA RATON, FL 33431
Owner:			
License Number:	BL-007342-2022	**License Type:**	Business License
Issued Date:	5/15/2022	**Classification:**	Commerical Location
Expiration Date:	12/31/2022	**Fees Paid:**	$93.51

Thank you for choosing to operate your business in Carson City.
Please provide any changes to the business information to the Business License Division. Licenses are not transferable.
If you have any questions concerning your business license, contact the Business License Division.

TO BE POSTED IN A CONSPICUOUS PLACE

SECRETARY OF STATE

STATE OF NEVADA

CERTIFICATE OF REGISTRATION

FOREIGN LIMITED-LIABILITY COMPANY

I, BARBARA K. CEGAVSKE, the duly qualified and elected Nevada Secretary of State, do hereby certify that **Stellar Aviation of Carson City, LLC** did on 05/22/2022 file in this office its registration to do business in this state and is now on file and of record in the office of the Nevada Secretary of State, and further, that said entity is at the date of this certificate duly qualified to exercise therein all the powers recited in its Articles and to transact business in the State of Nevada in accordance with the laws of said State.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office on 05/22/2022.

Barbara K. Cegavske

BARBARA K. CEGAVSKE
Secretary of State

Certificate Number: B202205222684555
You may verify this certificate online at http://www.nvsos.gov

SECRETARY OF STATE

STATE OF NEVADA

NEVADA STATE BUSINESS LICENSE

Stellar Aviation of Carson City, LLC

Nevada Business Identification # NV20222457223
Expiration Date: 05/31/2023

In accordance with Title 7 of Nevada Revised Statutes, pursuant to proper application duly filed and payment of appropriate prescribed fees, the above named is hereby granted a Nevada State Business License for business activities conducted within the State of Nevada.
Valid until the expiration date listed unless suspended, revoked or cancelled in accordance with the provisions in Nevada Revised Statutes. License is not transferable and is not in lieu of any local business license, permit or registration.
License must be cancelled on or before its expiration date if business activity ceases. Failure to do so will result in late fees or penalties which, by law, cannot be waived.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office on 05/22/2022.

Barbara K. Cegavske

BARBARA K. CEGAVSKE
Secretary of State

Certificate Number: B202205222684556
You may verify this certificate online at http://www.nvsos.gov

Stellar Aviation of Carson City, LLC

Proposed Equipment List

Jet-A Refueler (2) 5,000 gallon

Avgas Refueler (1) 1,500 gallon

Electric GPU (1)

Aircraft Tug (2) TUG/Lektro

Lavatory Cart (1)

Stellar Aviation of Carson City
Projected Income Statement

Revenues	
Fuel Sales	654,000
Other Revenue	132,000
Total Revenues	786,000
Cost of Goods Sold	428,000
Gross Profit	358,000
Expenses	
Payroll & Benefits	86,944
Credit Card Fees	15,720
Rent & Insurance	50,000
Utilities	19,600
Repairs & Maintenance	5,000
Equipment Rental	42,000
Other Expenses	6,000
Total Expenses	225,264
Net Income	132,736

PROPOSED SECURITY PLAN

Stellar Aviation of Carson City
Carson City Airport

GENERAL:

Stellar Aviation of Carson City is a fixed base operator located on the south side of the Airport. The company provides fuel and related services to general aviation aircraft. Its hours of operation are from 7:00 A.M. to 10:00 P.M, 7 days a week. After hours service can be arranged in advance through the company. The company currently employs line service technicians and customer service representatives as well as a General Manager. This Security Plan will serve to document Stellar Aviation of Carson City's compliance with the Airport's Rules and Regulations regarding access to and accountability of the Air Operations Area (AOA).

AOA ACCESS DOORS

Description & Access Control

The access doors are under the continuous observation by Stellar Aviation employees during business hours, and any person attempting to access the AOA though these doors are challenged and denied access unless their credentials are confirmed or an escort is provided. These doors are locked after hours.

Signage

The FBO AOA access doors are marked with signs which read:

"**RESTRICTED AREA - UNAUTHORIZED PERSONS KEEP OUT**"

CHALLENGE

All Stellar Aviation employees are trained to identify people who are somewhere they are not supposed to be. If an employee sees someone in the Secured Area or AOA that is not displaying a badge, they are required to challenge them. If the person being challenged is able to produce a badge, the employee is expected to match the picture on the badge to the badge holder and verify that the badge is not expired. If the person being challenged is unable to produce a valid badge, the employee will remain with the person and call the Airport Communications Center ("Aircom"). If the employee feels unsafe about challenging someone or if the person being challenged is uncooperative, the employee will get a detailed description of the person and notify Aircom of the incident and information. By the same token, all Stellar Aviation employees must cooperate with anyone who challenges them by showing their badge.

ESCORT

Stellar Aviation employees are trained to understand that a person without an Airport Security ID Badge may enter a restricted or secured area ONLY if accompanied by a person with a valid Airport Security ID Badge with escort privileges. If the employee provides an escort, the person under escort must be within sight and hearing of the employee who is responsible for providing the escort. Non-badged persons must remain under escort the entire time they are in a restricted area. Stellar Aviation employees will escort an unbadged person into the AOA or Secured Areas only for legitimate business purposes. By doing so, the employee accepts responsibility to monitor that person's actions. The employee can only transfer escort authority to another authorized badge-holder. If the employee escorts a vehicle, they must control its movement by keeping it directly behind their vehicle. Employees are prohibited from escorting someone in possession of a revoked, suspended or expired security badge.

ID BADGING SYSTEM

Stellar Aviation does not issue badges to its employees or tenants in addition to the badges issued by the CXP Security Office.

SECURITY TRAINING PROGRAM

Stellar Aviation employees receive security training by multiple sources, including the CXP Security Office, which employee shall receive the associated training and be issued a badge prior to being authorized to begin their full duties at the Company. In addition, security training is provided to the employee in Module 5 of Stellar Aviation's 5 Star Training Program and through the NATA Safety 1st Course. All employees review this Security Plan and sign off after their review. The sign off sheet and other documentation of each employee's training are kept in the individual's training files which are secured in the Safety and Training Officer's office.

SECURITY EMERGENCY

In the event of a non-security related emergency, Stellar Aviation employee will refer to the company's Emergency Response Plan. In the event of a security breach, Stellar Employees will immediately notify Aircom and alert them that a security breach is in progress and provide the location, description of the person(s) and other information pertinent to the situation, such as if the person is armed. Other than as outlined in this Security Plan, under no circumstances should a Stellar Aviation employee attempt to confront, apprehend or detain and individual in the process of committing a crime or harmful act and hall immediately report the incident to the Aircom.

STARR

INSURANCE COMPANIES

3353 Peachtree Road NE, Suite 1000
Atlanta, GA 30326

Certificate Holder: CARSON CITY AIRPORT AUTHORITY
CARSON CITY AIRPORT
2600 E. COLLEGE PARKWAY #6
CARSON CITY, NV 89706

Named Insured: STELLAR AVIATION OF CARSON CITY LLC
2600 N. MILITARY TRAIL
BOCA RATON, FL 33431

Policy Period: From: APRIL 01, 2022 To: APRIL 01, 2023
Policy Number: 1000221151-07
Issuing Company: STARR INDEMNITY & LIABILITY COMPANY

This is to certify that the policy(ies) listed herein have been issued providing coverage for the listed insured as further described. This certificate of insurance is not an insurance policy and does not amend, extend, or alter the coverage afforded by the policy(ies) listed herein. Notwithstanding any requirement, term or condition of any contract, or other document with respect to which this certificate of insurance may be concerned or may pertain, the Insurance afforded by the policy(ies) listed on this certificate is subject to all the terms, exclusions, and conditions of such policy(ies).

Aviation Commercial General Liability	**Limits of Insurance**	
Each Occurrence Limit	$ 2,500,000.	
Damage to Premises Rented to You Limit	$ 50,000.	Any one premises
Medical Expense Limit	$ 10,000.	Any one person
Personal & Advertising Injury Aggregate Limit	$ 2,500,000.	
General Aggregate Limit	$ NOT APPLICABLE	
Products/Completed Operations Aggregate Limit	$ 2,500,000.	
Hangarkeepers Limit		
Each Aircraft Limit	$ 2,500,000.	
Each Loss Limit	$ 2,500,000.	
Hangarkeeper's Deductible	$ 15,000.	Each Aircraft

THE CERTIFICATE HOLDER IS INCLUDED AS ADDITIONAL INSURED UNDER LIABILITY COVERAGES, BUT ONLY AS RESPECTS OPERATIONS OF THE NAMED INSURED.

Certificate Number: 25.2
Issued By and Date: July 19, 2022 (DM)

By _____
(Authorized Representative)

Starr 10058 (6/06)

FBO SUBLEASE AND OPERATING AGREEMENT

THIS "AGREEMENT" made and entered into this 1st day of June, 2021, by and between the CARSON TAHOE EXECUTIVE, LLC ("Sublessor") and FBO ASSOCIATES, LLC d/b/a STELLAR AVIATION ("Sublessee") for the lease and operation of an exclusive fixed base operation on Sublessor's property at the Carson City Airport in the State of Nevada.

WHEREAS, the Carson City Airport Authority owns and operates an airport known as the Carson City Airport, and pursuant to that certain Carson City Airport Lease Amendment and Restatement between Sublessor's assignor and the Carson City Airport Authority dated July 21, 2004 (the "Lease"), Sublessor leases the real property at the Carson City Airport as set forth in Exhibit "A" and the appurtenant rights set forth in Section 8 of the Lease; and

WHEREAS, The Lease was assigned to Sublessor pursuant to that certain Assignment and Assumption of Airport Lease dated October __, 2020, and executed on October 23, 2020, and consented to by Landlord on October 22, 2020, a copy of the assignment and consent are attached hereto as Exhibit "B"; and

WHEREAS, Sublessor is desirous of subleasing to Sublessee, the office, hangar and ramp space identified on Exhibit "A" to the Lease (the "Premises") to conduct the operation of the only full-service FBO, as defined by the Airport Minimum Standards, on any real property now, or at any time in the future, controlled by Sublessor at the Carson City Airport; and

WHEREAS, Sublessee may engage in any or all permitted Fixed Base Operator activities at the Carson City Airport as permitted in Carson City Municipal Code Title 19 or as may be approved by the Carson City Airport Authority.

NOW, THEREFORE, for and in consideration of the rents and covenants of this Agreement, the Sublessee leases from Sublessor the following premises, rights and easements on and to the Carson City Airport upon the following terms and conditions:

1. **Property Description**. Sublessor sub-leases to Sublessee and Sublessee sub-leases from Sublessor the real property located at the Carson City Airport in Exhibit "A" of the Lease (the "Premises"), including the office, hangar and ramp space located thereon, and the appurtenant rights included in Paragraph 8 herein, and the use of the parking tie downs numbers 1-59 as described in Exhibit "B" to the Lease.

2. **Fuel Farm Construction**. Sublessor and Sublessee shall cooperate in the selection of a fuel provider that can also provide financing for the cost of construction for the fuel farm, in conformance with all governing construction requirements and standards adopted by the Carson City Airport Authority pursuant to Title 19 of the Carson City Municipal Code, building code requirements and other governing ordinances now or hereafter in effect, with all plans for buildings or structures to be reviewed and approved in writing by the Carson City Airport Authority prior to construction. The fuel farm shall contain storage for not less than [redacted]. During the term of the Agreement, Sublessee shall repay a portion of the cost of the financing of the fuel farm to the fuel provider on a per gallon

basis from its fuel sales at a rate sufficient to pay the cost of financing pursuant to the terms of the financing. Sublessor acknowledges that until such time as the fuel farm is operational, Sublessee will be conducting truck -to -truck fuel transfers on the Premises.

In the event that the Premises shall ever revert back to Sublessor under the Lease, either due to the natural expiration of the initial term or any renewal term of this FBO Agreement, or the early termination of this Agreement by either party, Sublessor agrees that it shall retake the Premises and its use and operation of the fuel farm subject to the financing arrangement between Sublessee and the fuel provider such that Sublessor and any subsequent sub-tenants, successors and assigns shall continue repaying the then outstanding portion of the cost of the financing of the fuel farm to the fuel provider on a per gallon basis from Sublessor's or future FBO sublessee's future fuel sales under the same terms and conditions as Sublessee was abiding by prior to the expiration or termination of the Agreement. Sublessee shall provide Sublessor with any financing terms agreed to in principal between Sublessee and the fuel provider before same may be executed and binding upon Sublessee, during which time Sublessor may object in writing provided there is a good faith and commercially reasonable basis for same. Failure by Sublessor to timely object shall be deemed and construed to be Sublessor's agreement and attornment of same. To further memorialize this subordination, Sublessor will execute and deliver such further instruments confirming such subordination of Sublessee's rights to the Premises and its use and operation of the fuel farm as may be desired by the fuel provider. Sublessor shall not unreasonably delay or condition the execution of such instruments. Sublessee shall be responsible for any delinquent payments by Sublessee to the fuel provider.

3. **Term**. The initial term of this Agreement shall be for ten (10) years, with two (2), five (5) year options to extend at Sublessee's option. The initial term shall commence on the date on which Sublessee receives approval from the Airport to conduct truck-to-truck transfers. If such approval is denied or is not granted within ninety (90) days of execution of this agreement, then either party may terminate this agreement.

4. **Rent.**

a. Sublessee agrees to pay to Sublessor for the use of the Premises, rights, and easements, a yearly rental of [redacted], payable in equal monthly installments of [redacted] per month on the 1st of every month. The Rent shall be abated during [redacted]. Sublessee shall be responsible for the payment of any fuel flowage fees payable to the Carson City Airport Authority, which are directly applicable to its FBO operation, [redacted]

b. It is expressly understood between Sublessor and Sublessee that the Rent per annum herein specified shall be subject to readjustment at the end of each two-year period of this Agreement. Any such adjustment to the annual Rent shall be based [redacted]. In no event shall the annual Rent in any two-year adjustment period be less than the annual Rent immediately preceding the rental adjustment. [redacted]

5. **Airport Closings**. During any period when the Carson City Airport shall be closed by any lawful authority restricting the use of the airport in such a manner as to interfere with the use of same by Sublessee for its business operation, the rent shall abate and the period of such closure shall be added to the term of this Agreement so as to extend and postpone the expiration thereof.

6. **Insurance**.

a. Coverage. Sublessee shall provide, at its own cost, insurance coverage as set forth below and with a responsible insurance carrier, authorized by the State of Nevada to provide such coverage with Best rating of at least A- VIII. The following coverage shall be included:

i. **Commercial General Liability/Airport Liability.** Sublessee shall maintain Commercial General Liability/Airport Liability Insurance with limits of liability not less than Four Million Dollars ($4,000,000) each occurrence, including coverage for, without limitation, Premises/Operations, Products/Completed Operations, Contractual Liability, Personal/Advertising Injury and Cross Liability.

ii. **Hangarkeeper's Legal Liability.** Sublessee shall maintain Hangarkeeper's Legal Liability Insurance providing coverage for property damage to aircraft that are the property of others while in the care, custody, or control of the Sublessee (when such aircraft are not in flight), in an amount not less than One Million Thousand Dollars ($1,000,000) each aircraft and Two Million Dollars ($2,000,000) each occurrence.

iii. **Business Auto Liability.** Sublessee shall maintain Business Automobile Liability Insurance with limits of liability not less than One Million Dollars ($1,000,000) each occurrence for owned, non-owned and hired automobiles. In the event Sublessee has no owned automobiles, Sublessee shall maintain only Hired & Non-Owned Auto Liability Insurance. This coverage may be satisfied by way of endorsement to the Commercial General Liability/Airport Liability policy, or a separate Business Auto Liability policy.

iv. **Environmental Liability.** Sublessee shall maintain Pollution Liability or other similar Environmental Impairment Liability, at a minimum limit of not less than One Million Dollars ($1,000,000) per occurrence and Two Million Dollars annual aggregate ($2,000,000) providing coverage for damages including, without limitation, third-party liability, clean up, corrective action, including assessment, remediation and defense costs. When a self-insured retention or deductible amount exceeds Ten Thousand Dollars ($10,000), Sublessor reserves the right, but not the obligation, to review and request a copy of Sublessee's most recent annual report or

audited financial statements in evaluating the acceptability of a higher self-insured retention or deductible in relationship to Sublessee's financial condition.

v. **Worker's Compensation & Employers Liability.** Sublessee shall maintain Worker's Compensation & Employers Liability in accordance applicable law.

Fire and extended coverage and vandalism and malicious mischief insurance, for damage or destruction of any tenant improvements constructed by Sublessee on the Premises at full replacement value less a reasonable deductible.

b. Insured Includes. The Carson City Airport Authority, Carson City and Sublessor must be named as additional insureds, and hereby require that the insurance carrier underwriting such coverage give the Carson City Airport Authority and Sublessor thirty (30) days written notice prior to cancellation of or material alteration to the policy. Sublessee shall provide the Carson City Airport Authority and Sublessor 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 this Agreement, and renewals or extensions of same. The Carson City Airport Authority, and Carson City and Sublessor reserve the right, every five years, to review and adjust the amount of insurance coverage required.

7. **Applicable Provisions**. Many of the terms of the Lease have been incorporated into this Agreement. The following additional terms of the Lease are incorporated by this paragraph where Landlord shall mean Sublessor and Tenant shall mean Sublessee: Sections 5, 6 after subsection F. Section 15 of the Lease is incorporated only if the term of this Agreement is either co-terminous with the Lease, or terminates within five (5) years before the end of the Lease term.

8. **Sublessee Rights**. Sublessor shall grant Sublessee the exclusive right to operate an FBO on any premises now, or at any time in the future, controlled by Sublessor at the Carson City Airport during the term of this Agreement.

Sublessee may use the Premises primarily for any or all permitted Fixed Base Operator activities at the Carson City Airport as permitted in Carson City Municipal Code Title 19 or as may be approved by the Carson City Airport Authority. Sublessee shall be required to operate at least one of the permitted FBO services set forth below as letters e. through l. For all tie down premises, the parties acknowledge that these areas are under the dominion and control of the Carson City Airport Authority, and that the Carson City Airport Authority maintains all rights appropriate to use of FAA funds on said tie down areas. Sublessee is, by this Agreement, an authorized FBO, and shall comply with the provisions of Title 19 applicable to the public provision of FBO services. Sublessee shall also have the right:

a. In common with others so authorized, to use common areas of the Carson City Airport, including runways, taxiways, aprons, roadways, floodlights, landing lights, signals and other conveniences for the take-off, flying and landing of aircraft.

b. To full and unimpaired access to the Premises at all times and a nonexclusive right to use the taxiway area between the Premises and runway, together with an easement of reasonable width and location between the Premises and the taxiway. Sublessee shall be responsible for all improvements upon such easement. Sublessee shall be responsible for, and control the access to, the Premises. Access between the leasehold and Airport shall comply with the Carson City Airport Authority's rules, regulations, or access plans.

c. To install, operate, maintain, repair and store subject to approval of the Carson City Airport Authority in the interests of safety and convenience of all concerned, all equipment necessary for the conduct of Sublessee's business.

d. Of access to and from the Premises, limited to streets, driveways or sidewalks designated for such purposes by the Carson City Airport Authority, and which right shall extend to Sublessee's employees, passengers, guests, invitees, and patrons. Access between this subleasehold and the Airport as defined in the Lease shall comply with Landlord's rules, regulations, or access plans.

e. Sell new and used aircraft, including demonstrations of aircraft for sale.

f. Sell aircraft parts, retail and wholesale, radio and electronic equipment, navigation and airman supplies and accessories.

g. To provide flight operations, rental and charter (with or without pilot), air taxi and air ambulance.

h. To provide pilots for operating planes for others, and to carry passengers and freight for hire, subject to all appropriate laws of the Federal Government, the State of Nevada, the ordinances of the Carson City Airport Authority, and the requirements of the FAA and the Nevada Department of Transportation or any other duly authorized governmental agency.

i. To provide flight training (primary and/or advanced).

j. To provide maintenance, repair and overhaul of all types of aircraft, engines, instruments, radio and electronic gear.

k. To provide line service, including fueling, lubrication and other servicing of any aircraft; towing disabled aircraft; a right to load and unload passengers and cargo and to transport passengers from transient aircraft parking areas to the terminal and other areas of the airport.

l. To provide aircraft storage and tie-down.

m. To provide sales of automotive fuel, lubricants and accessories to aircraft and ramp vehicles such as service vehicles, tugs, tractors, motorized ramps, baggage handling

equipment, ground power units, space heaters; a right to make repairs on ground service equipment.

n. To provide financing and insuring aircraft.

o. To provide transportation of persons, baggage and cargo from the airport to places beyond the Premises, and vice versa, upon approval of appropriate authorities.

p. To provide rental of vehicles.

q. To provide storage space for instruments, propellers and accessories in connection with the business.

r. To construct upon the Premises, upon the Carson City Airport Authority's approval and other applicable governmental approvals, a fuel storage facility for Sublessee's own use and sale to the public; and to the exclusive use of any fuel storage facility already constructed upon the Premises. For all fuel so stored, Sublessee shall pay the Carson City Airport Authority a fuel flowage fee to be negotiated and a fee to Sublessor as set forth in Paragraph 4 above. If Sublessee supplies fuel, Sublessee shall provide appropriate signage upon said fuel storage facility so as to notify pilots, during day and night, of its location and the availability of self -service fuel.

s. To conduct such non-aviation business upon the Premises as are otherwise permitted by law and do not otherwise interfere with the aviation uses permitted under the Lease with the Carson City Airport Authority and other leases at the Carson City Airport, with the Carson City Airport Authority's decision to be final as to claims of conflict over interfering uses.

The right to conduct these activities shall apply to aircraft of other persons as well as aircraft belonging to Sublessee. Activities other than those specifically stated in subparagraphs a. through s. inclusive, herein, will not be conducted by Sublessee without written advance approval from the Carson City Airport Authority.

In consideration of the rights granted to Sublessee above, Sublessee agrees that it shall maintain the following standards of operation throughout the Term:

1. Keep the FBO in a neat and presentable condition;
2. Provide basic amenities for customers and aircraft (newspapers, ice, coffee, water);
3. Provide and maintain sufficient ground service equipment and personnel to meet the demands of the FBO;
4. Comply with the Airport Minimum Standards for FBOs;
5. Respond to after hours call outs within 2 hours of the request; and
6. Advertise the FBO in on least three (3) flight planning websites

9. **Air Space and Subsurface Rights**. This Agreement 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 the Carson City Airport Authority.

10. **Sublessor's Rights**. Sublessee shall provide Sublessor with hangar space on the Premises at no cost for up to two (2) aircraft owned or operated by Sublessor, as well as fuel at cost (including all taxes and flowage fees) for such aircraft utilizing the Premises. Sublessee shall provide "most favored nation" status to any aircraft owned or operated by Sublessor at all other locations where Sublessee, or its affiliates, operate another FBO in the continental United States.

11. **Maintenance**. Sublessee shall be responsible for; (i) any repairs required as a result of the negligence or willful misconduct of Sublessee, its agents, invitees or subtenants; (ii) and any service and standard maintenance not of a capital expense nature, no matter the cause of such need for service and maintenance; and as to both (i) and (ii) to any buildings, structures and improvements subleased to Sublessee as part of the Premises, including, but not limited to the tie-down mechanisms (ropes and chains), including those installed by Landlord, and the easement area that is part of the Premises per the Lease that is between the Premises as defined by the Lease and the taxiway. Sublessee shall have, at its expense, a standard service and maintenance agreement for the HVAC system for the hanger building. All other repairs and maintenance of the Premises shall be the responsibility of the Sublessor. Sublessee shall provide and pay for all light, gas, electric, water, janitorial, and sewer charges used or incurred in or about the Premises. Sublessee 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 Carson City Airport Authority. The Carson City Airport Authority 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. The Carson City Airport Authority may require Sublessee to perform all necessary maintenance, repairs, removal, construction or cleaning/clearing of unsightly areas upon the Premises. In the event such maintenance, repairs, removal, construction, or cleaning/clearing of unsightly areas is not undertaken as required, the Carson City Airport Authority or Sublessor may perform such maintenance, repairs, removal, construction, or cleaning/clearing of unsightly areas on behalf of Sublessee and at Sublessee's expense, plus ten percent (10%) for administration.

12. **Right to Inspect**. The Carson City Airport Authority, 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 the Lease. Sublessor, or its designated 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.

13. **Federal Requirements**.

a. Sublessee for itself, its 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 sublessee shall comply with all Federal Aviation Regulations (FARs) applicable to Sublessee's operations on the Premises.

b. Sublessee for itself, its heirs, 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.

c. Sublessee 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.

d. Sublessee 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 Sublessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

e. Noncompliance with subparagraphs d. above shall constitute a material breach of this Agreement and in the event of such noncompliance, the Carson City Airport Authority and/or Sublessor shall have the right to terminate this Agreement without liability or at the election of the Carson City Airport Authority or the United States; either or both governments shall have the right to judicially enforce these provisions.

f. Sublessee agrees that it shall insert the above five subparagraphs in any lease Agreement by which Sublessee grants a right or privilege to any person, firm, or corporation to render accommodations and/or services to the public on the Premises.

g. Sublessee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall 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. Sublessee 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. Sublessee assures that it will require that its covered suborganization provide assurance to Sublessee that they similarly will require assurance from their suborganizations, as required by 14 CFR 152, Subpart E, to the same effort.

h. The Carson City Airport Authority 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 Sublessee and without interference or hindrance.

i. The Carson City Airport Authority reserves the right, but shall not be obligated to Sublessee, to maintain and keep in repair the landing area of the Carson City Airport and all

publicly owned facilities of the Carson City Airport, together with the right to direct and control all activities of Sublessee in this regard.

j. This Agreement shall be subordinate to the provisions and requirements of any existing or future agreement between the Carson City Airport Authority and the United States, relative to the development, operation, or maintenance of the Carson City Airport.

k. The Carson City Airport Authority, 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 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.

l. Sublessee 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 Premises, or in the event of any planned modification or alteration of any present of future building or structure situated on the Premises.

m. Sublessee by accepting this Agreement 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 Premises to a height more than ten (10) feet above the highest part of Sublessee's building. In the event this covenant is breached, the Carson City Airport Authority 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 Sublessee.

n. Sublessee, by accepting this Agreement, agrees for itself, its successors and assigns, that it will not make use of the Premises in any manner that 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 Carson City Airport Authority reserves the right to enter upon the Premises and to abate the interference at the expense of Sublessee.

o. It is understood and agreed that nothing contained in this Agreement 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).

p. Sublessee assures complete compliance with the Carson City Airport Rules and Regulations upon the Premises.

14. **Lease Transfer**. Sublessee shall have no right to assign or sublet its interest in this Agreement except upon prior consent of Sublessor and the Carson City Airport Authority, which consent by Sublessor shall not be unreasonably withheld, conditioned or delayed. Any such assignment or sublease will be binding on assignees/sublessees on all terms and conditions in this Agreement. Sublessee shall have the right to assign, pledge, or hypothecate this Agreement for the purpose of securing additional financing, upon the prior approval of Sublessor and the Carson City Airport Authority. The parties agree that a transfer of corporate interests in excess of twenty-five percent (25%) shall be deemed an assignment of this Agreement. Sublessor, upon prior

approval of the Carson City Airport Authority, reserves the right to assign, pledge, or hypothecate this Agreement upon notice to the Sublessee.

15. **Environmental**. Sublessee will conduct its business and operation in the Premises in compliance with all Environmental Laws and Permits. Sublessee will forthwith notify Sublessor and the Carson City Airport Authority of the occurrence of any of the following and will provide Sublessor and the Carson City Airport Authority with copies of all relevant documentation in connection therewith:

a. a release of a Hazardous Substance in or about the Premises except in strict compliance with Environmental Laws and any applicable Permits;

b. the receipt by Sublessee of an Environmental Notice; or

c. the receipt by Sublessee of information that indicates that Hazardous Substances are being used, dissipated, stored, disposed of or introduced into the environmental by anyone in or about the Premises in a manner other than that authorized under Environmental Laws.

Sublessee will not permit the storage, use, treatment, disposal or introduction into the environment of Hazardous Substances in or about the Premises, except in compliance with applicable Environmental Laws. If Sublessor or the Carson City Airport Authority receives information that Hazardous Substances are being dissipated, used, stored, disposed of or introduced into the environment by anyone in or about the Premises and/or Lands as defined in the Lease in a manner other than that authorized under Environmental Laws, Sublessee will conduct such investigations, searches, testing, drilling and sampling ("Investigations") as are reasonably requested from time to time by Sublessor or the Carson City Airport Authority to determine the existence of Hazardous Substances in or about the Premises and/or Lands as defined in the Lease. If Sublessee does not complete the Investigations to the satisfaction of Sublessor or the Carson City Airport Authority, Sublessor or the Carson City Airport Authority may enter on the Premises and take any actions necessary to complete the Investigations, the cost of which actions will be borne by Sublessee as additional rent. If remedial work is required due to the presence of Hazardous Substances on or in the Premises and/or Lands as defined in the Lease, Sublessee will take all necessary action, at the cost of Sublessee, to restore the Premises and/or Lands as defined in the Lease to a level acceptable to the Carson City Airport Authority and to all governmental authorities having jurisdiction. Upon the request of the Carson City Airport Authority, from time to time, Sublessee will provide to the Carson City Airport Authority satisfactory documentary evidence that all environmental permits are valid and in good standing.

Environmental Indemnity. Sublessee will indemnify and save harmless Sublessor, the Carson City Airport Authority, Carson City, their officers, directors, employees, agents and shareholders, from and against any and all losses, claims, costs, expenses, damages and liabilities, including all costs of defending or denying the same, and all costs of investigation, monitoring, remedial response, removal, restoration or permit acquisition and including all solicitor's fees (on a solicitor and own client basis) and disbursements in connection therewith which at any time may be paid or incurred by or claimed against Sublessor or the Carson City Airport Authority, its officers, directors, employees, agents and shareholders, and Carson City arising, directly or indirectly, out of:

a. a breach by Sublessee of any of the covenants contained in this Paragraph;

b. the presence of or release of any Hazardous Substance on the Premises and/or the Lands on or off-site of such;

c. any action taken by Sublessor or the Carson City Airport Authority with respect to the existence of any Hazardous Substance on the Premises and/or Lands; or

d. any action taken by Sublessor or the Carson City Airport Authority in compliance with any Environmental Notice with respect to the existence of any Hazardous Substance on the Premises and/or Lands or off-site of such; and such indemnity will survive the expiration or any termination of this Agreement notwithstanding anything in this Agreement to the contrary.

e. Sublessee shall carry environmental insurance on the Premises and Sublessee's use thereof, and Landlord and Sublessor will be additional insureds of such insurance.

16. **Hold Harmless**.

a. By Sublessee. Sublessee agrees that at all times during the term of this Agreement, Sublessee shall indemnify and defend, saving harmless Sublessor, the Carson City Airport Authority, Carson City, their 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, Sublessee during the term of this Agreement. Sublessee further agrees to indemnify Sublessor, the Carson City Airport Authority, Carson City from environmental liability for contamination or damage to the Premises and any adjacent area to the Premises related or connected with the occupation or use of the Premises by Sublessee. Sublessor, the Carson City Airport Authority, Carson City, their 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 Sublessee during the term of this Agreement.

b. By Sublessor. Sublessor agrees to indemnify Sublessee and their officers' boards, commissions, agents, and employees from environmental liability for contamination or damage to the Premises and any adjacent area to the Premises related or connected with the occupation or use of the Premises by Sublessor before the effective date of this Agreement, and Sublessee and their 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 as a result thereof.

17. **Default**. The occurrence of any of the following shall constitute a default by Sublessee:

a. Failure to pay rent when due, if the failure continues for ten (10) days after notice has been given to Sublessee.

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 Agreement which is not contained in the Lease, if the failure to perform is not cured within forty-five (45) days after notice has been given to Subleasee. If Sublesseee can demonstrate to the satisfaction of Sublessor the default cannot reasonably be cured within forty-five (45) days, Sublessee shall not be in default of this Agreement if Sublessee commences to cure the default within the forty-five (45) day period and diligently and in good faith continues to cure the default.

d. Failure to perform any provision of this Agreement which is also contained in the Lease, if the failure to perform is not cured within thirty (30) days after notice has been given to Sublessee. If Sublessee can demonstrate to the satisfaction of Sublessor and the Carson City airport Authority the default cannot reasonably to be cured within thirty (30) days, Sublessee shall not be in default of this Agreement if Sublessee commences to cure the default within the thirty (30) day period and diligently and in good faith continues to cure the default.

e. Filing a petition of voluntary or involuntary bankruptcy.

f. The making by Sublessee of any general assignment for the benefit of creditors.

g. Violation of any of these standards, rules, and regulations, or failure to maintain current licenses required for the permitted operation.

18. **Remedies**. Sublessor shall have the following remedies if Sublessee commits a default. These remedies are not exclusive; they are cumulative to any remedies now or later allowed by law.

a. Sublessee's right to possession not terminated. Sublessor can continue this Agreement in full force and effect, and the Agreement will continue in effect as long as Sublessor does not terminate Sublessee's right to possession, and Sublessor shall have the right to collect rent when due. During the period Sublessee is in default, Sublessor can enter the Premises and relet them, or any part of them, to third parties for Sublessee's account. Sublessee shall be liable immediately to Sublessor for all costs Sublessor incurs in reletting the Premises. Reletting can be for a period shorter or longer than the remaining term of this Agreement. Sublessee shall pay to Sublessor the rent due under this Agreement on the dates the rent is due, less the rent Sublessor receives from any reletting. If Sublessor elects to relet the Premises as provided in this paragraph, rent that Sublessor receives from reletting shall be applied to the payment of: First, any indebtedness from Sublessee to Sublessor other than rent due from Sublessee; Second, all costs, including maintenance, incurred by Sublessor in reletting; Third, rent due and unpaid under this Agreement, after deducting the payments referred to in this paragraph, any sum remaining from the rent Sublessor received from reletting shall be held by Sublessor and applied in payment of future rent as rent becomes due under this Agreement. In no event shall Sublessee be entitled to any excess rent received by Sublessor. If, on the date rent is due under this Agreement, the rent received from reletting is less than the rent due on the date, Sublessee shall pay to Sublessor, in addition to the remaining rent due, all costs including for maintenance Sublessor incurred in reletting that remain after applying the rent received from the reletting as provided in this paragraph.

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

19. **Termination by Sublessee**. Beginning six months after the commencement date of this Agreement, Sublessee may cancel this Agreement and terminate all or any of its obligations hereunder, upon written notice to Sublessor, at any time that Sublessee is not in default in the payment of any rentals, fees, or charges to Sublessor, by providing a [redacted] written notice to Sublessor and in the event that Sublessee fails to sell [redacted] gallons of aviation fuel per month for [redacted] consecutive months. This early termination right based on low fuel sales is conditioned upon Sublessee having charged during the period of this Agreement prior to the exercise of such option to terminate, substantially similar fuel prices for fuel sales at the Premises for existing customers of its [redacted]. [redacted]. For standard fuel sales, Sublessee shall have offered similar volume discounts off its retail price [redacted]. [redacted] In addition, Sublessee may cancel this Agreement and terminate all or any of its obligations hereunder, upon written notice to Sublessor, at any time that Sublessee is not in default in the payment of any rentals, fees, or charges to Sublessor, by giving 30 days written notice to Sublessor upon or after the happening of any of the following events and Sublessor has not cured such event:

a. The substantial restriction of, or interference with, Sublessee's use of the Carson City Airport provided that such restriction or interference is not due to any fault of Sublessee;

b. The default by Sublessor in the performance of any term or terms of this Agreement and the failure of Sublessor to remedy such default after the receipt from Sublessee of written notice to remedy the same.

c. The default by Sublessor in failing to notify the Carson City Airport Authority in writing of any default by the Carson City Airport Authority in the performance of any term or terms of the Lease.

d. The default by the Carson City Airport Authority in the performance of any term or terms of the Lease with Sublessor and the failure of the Carson City Airport Authority to remedy such default after the receipt from Sublessor of written notice to remedy the same and the right of termination of the Lease by Sublessor.

e. Significant damage to Premises, which, in Sublessee's sole reasonable judgment, is uneconomical to restore. In such case, it is conditioned on all insurance proceeds received or due Sublessee, will be given to Sublessor.

In the event Sublessee elects to cancel this Agreement in accordance with this Paragraph, Sublessor, or its designee may assume and/or enter into an agreement with sub-tenants that are in good standing that sub-sublet with Sublessee at Sublessor's sole discretion, otherwise the termination of this Agreement terminates all sub-subtenancies and their sub-sublessees and any licenses.

20. **Reporting**. Anything that affects the safe and efficient operation of the Carson City Airport shall be immediately reported to the Carson City Airport Authority or the designated Airport Manager.

21. **Representations and Warranties of Sublessor to Sublessee**. Sublessor represents and warrants to Sublessee that:

a. Sublessor has full power and authority to enter into this Agreement.

b. Sublessor has duly executed and delivered this Agreement.

c. This Agreement constitutes the legal, valid and binding obligation of Sublessor enforceable against Sublessor in accordance with its terms.

d. This Agreement is conditioned on and is the obligation of Sublessor to secure Landlord's consent to this Agreement.

e. All requisite action required to be taken by Sublessor to authorize the execution, delivery and performance of this Agreement has been taken and no other proceedings or actions on the part of Sublessor are necessary to authorize the execution, delivery and performance of this Agreement.

f. The Lease is in full force and effect as amended by the Assignment and Assumption of Airport Lease attached hereto as Exhibit "B", and neither the Carson City Airport Authority nor the Sublessor are in default under said Lease.

22. **Quiet Enjoyment**. So long as Sublessee conducts its business in a fair, reasonable and workmanlike manner, Sublessee shall peaceably have and enjoy the Premises, and all the rights and privileges granted.

23. **Amendments**. Any amendments to this Agreement require approval by the Sublessor, the Carson City Airport Authority, Carson City, and Sublessee. All proposed amendments must be submitted in writing to the Carson City Airport Authority for review and placement before a regularly scheduled meeting of the Carson City Airport Authority for consideration.

24. **General**. It is understood and agreed that each and all the terms of this Agreement 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 Agreement is invalid, the other provisions of the Agreement, which are valid, shall remain in effect, and the Agreement 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 of Nevada, 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 Agreement provisions. Sublessee agrees to observe and obey during the terms of this Agreement all laws, rules, and regulations promulgated and enforced by the State of Nevada, Carson City, and the Carson City Airport Authority and by any other proper authority having jurisdiction over the conduct of operations at the Carson Airport. The Carson City Airport Authority and the Carson City Sheriff's Office shall have complete dominion over the Premises herein during the term of this Agreement 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.

25. **Notices**. It is agreed that any notice to be given or served upon Sublessor, Sublessee and the Carson City Airport Authority shall be sufficient if sent by certified mail, postage prepaid, addressed to the address of record for said party, or to such other address as may be designated in writing by such party.

26. **Taxes**. Sublessee shall pay all taxes and assessment against any buildings or other structures and improvements used by Sublessee in its operations, and if imposed at any future date, any and all real property taxes assessed against the land leased from the Carson City Airport Authority, including any possessory interest taxes.

27. **Independent Contractor**. In conducting its business hereunder, Sublessee acts as an independent contractor and not as an agent of Sublessor or the Carson City Airport Authority. The selection, retention, assignment, direction, and responsibility, of and for employees of Sublessee shall be the sole responsibility of Sublessee and neither Sublessor nor the Carson City Airport Authority shall attempt to exercise control over the daily performance of duties by Sublessee's employees.

28. **Subordination Provision**. This Agreement shall be subordinate to the provisions of any existing or future agreement between Sublessor and the Carson City Airport Authority, the United States or the State of Nevada, relative to the operation or maintenance of the Carson City Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal or state funds for the development of the airport. Furthermore, this Agreement may be amended to include provisions required by those agreements with the United States or the State of Nevada.

29. **Entire Agreement**. This Agreement constitutes the entire understanding between the parties and supersedes all prior and independent agreements between the parties covering the subject matter hereof and the Premises. Any provisions of prior agreements which conflict in any

manner with the provisions of this Agreement are hereby specifically declared void and of no effect.

30. **Severability**. In the event any provisions hereof shall be finally declared void or illegal by any court or administrative agency having jurisdiction, the remaining provisions shall continue in full force and effect as nearly as possible in accordance with the original intent of the parties.

31. **Headings**. The headings used in this Agreement are intended for convenience of reference only and do not define, expand, or limit the scope or meaning of any provisions of this Agreement.

32. **Governing Law**. This Agreement is to be construed in accordance with the laws of the State of Nevada.

33. **Approvals; Consents**. Notwithstanding anything to the contrary contained in this Agreement, whenever the consent or approval of Sublessor is required with respect to any act or omission of Sublessee such consent or approval shall not be unreasonably withheld.

SUBLESSOR

CARSON TAHOE EXECUTIVE, LLC, a Nevada limited liability company

By: _____
Jeff Pickett, Manager

SUBLESSEE

FBO ASSOCIATES, LLC dba STELLAR AVIATION, a Florida limited liability company

By: _____
Jonathan P. Miller, Manager

EXHIBIT A

Carson City Airport Lease

APN none

APN

APN

RECORDED AT THE REQUEST OF

CARSON CITY CLERK TO THE BOARD

2004 AUG -6 PM 2:57

FILE NO. 323268

ALAN GLOVER
CARSON CITY RECORDER

FEES U/C DEP PH

FOR RECORDER'S USE ONLY

TITLE OF DOCUMENT: Carson City Airport Lease Amendment between Carson City Airport Authority & Sterling Air, Ltd.

WHEN RECORDED MAIL TO:

E. 323268

CARSON CITY AIRPORT LEASE AMENDMENT AND RESTATEMENT

This amendment and restatement of airport lease (Lease), made and entered into this 21st day of July, 2004, between the CARSON CITY AIRPORT AUTHORITY (Landlord), whose address is 2600 E. Graves Lane #6 Carson City, Nevada 89706, and STERLING AIR, LTD. (Tenant), whose address is 2101 Arrowhead Drive, Carson City, NV 89706.

WITNESSETH:

WHEREAS, the Tenant has, on April 1, 2004, taken an Assignment recorded April 6, 2004, as Document No. 316655, of those certain premises leased from Landlord pursuant to Lease Agreement recorded March 22, 1985, Book 389 Page 575, as modified by the Assignment of Leasehold Interest issued October 1, 1990 under the terms of the Order issued by the United States Bankruptcy Court in Case No. 89-765; and

WHEREAS, Landlord and Tenant desire to extend and restate the Lease consistent with the presently effective terms of the standard lease utilized by Landlord, and modifying the premises leased; and

THEREFORE, Landlord and Tenant agree as follows:

1. PREMISES. Landlord leases to Tenant and Tenant leases from Landlord the real property located at the Carson City Airport in Exhibit A (premises), and the appurtenant rights included in Paragraph 8. The parties acknowledge that this Lease supercedes and replaces the lease as between Landlord and a prior tenant contained in the Lease Agreement recorded March 22, 1985, Book 389 Page 575. To the extent that areas included in the prior assigned Lease are not included in the areas leased to Tenant shown on Exhibit A, those areas are released to Landlord.

2. TERM. The Lease shall be extended 37 years beyond its existing termination date and thus will have a term of fifty (50) years, beginning August 1, 2004 and ending on July 31, 2054,

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Exhibit A-1

and shall be effective upon approval of the Carson City Airport Authority and Carson City as set forth by the latter date of signature hereunder.

3. RENT. Tenant shall pay to Landlord:

A. An initial rate of $3,911.22 dollars per year at the rate of $325.93 per month (calculated as $0.15 per square foot per year times 43,458sqft, with a credit of $0.06 per square foot per year until January 20, 2017), and reverting to $0.15 per square foot per year, as adjusted by the CPI in paragraph 4 below, for the leased area for building described as Parcel 1 on Exhibit A, including the hangar parcel. Payments shall be made monthly, with payments due on the first day of each month. As additional compensation to Landlord, Tenant has released to Landlord:

a. the area east of Parcel 1, such area to be used as a public taxi-lane for the duration of this Lease,

b. the area previously designated as a fuel island,

c. the tie down area to the west and north of the fuel island.

d. the helipad area at the north end of the tie-down area.

e. the transient aircraft hourly parking area circles, north east of the restaurant.

f. the restaurant (terminal building).

B. $118.00 per month, calculated as $2.00 per month per tie down, for the aircraft parking tie-downs identified as tie-downs nos. 1-59 located on the Airport Tie-down area described as Exhibit B. Tenant is renting the tie-downs only. Tenant shall maintain the tie-down mechanisms (ropes and chains) installed by Landlord. Landlord continues to maintain control, possession and ownership of the taxi-lanes and pavement area on which said tie-downs are located. Rent to

323268

Exhibit A-2

Landlord shall be payable monthly with payments due on the first day of each month. Tie-down rental rate shall be increased by the CPI increase in paragraph 4 below.

C. To the extent that Tenant elects to sell fuel pursuant to Paragraph 8 of this Lease, Landlord and Tenant will negotiate a fuel flowage fee per gallon as and for the right to sell fuel on the premise, in such location as mutually agreed upon between Landlord and Tenant, such fees to be paid at the time of each delivery of fuel to Tenant's fuel storage facility.

4. CPI ADJUSTMENT. An adjustment of the rental and fees above described shall occur on two year anniversary intervals from January 1, 2005, during the term of this Lease. Such adjustment of rental shall be based upon the percentage change reflected by the Consumer Price Index (hereinafter called the Price Index) for the preceding two year period. The Price Index shall mean the average for "all items' shown on the "U.S. City Average for All Urban Consumers" as promulgated by Bureau of Legal Statistics of the U.S. Department of Labor, as amended or replaced by the agency. Landlord shall measure each two year adjustment using the most recently available report, recognizing that it may be necessary to use a 2 year period with a final quarter ending prior to each December 31 adjustment date. In no event, however, shall any decrease in the Consumer Price Index result in a decrease of the rental below the base rate. For example, if the CPI for December 2006 is 155.0 (1982-1984=100) and for December 2004 is 150.0, then the rent would be adjusted by the difference (155.0-150.0) divided by 150.0 which equals a 3.3% increase.

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

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

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Exhibit A-3

A. Failure to pay rent when due, if the failure continues for ten (10) days after 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, except during the period of initial remodeling which is expected to last approximately 150 days).

C. Failure to perform any other provision of this lease including the construction requirements, 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 Landlord 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.

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 Landlord so elects in the notice.

7. REMEDIES. Landlord 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.

F. 323268

Exhibit A-4

A. Tenant's right to possession not terminated. Landlord can continue this lease in full force and effect, and the lease will continue in effect as long as Landlord does not terminate tenant's right to possession, and Landlord shall have the right to collect rent when due. During the period Tenant is in default, Landlord 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 Landlord for all costs Landlord 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 Landlord the rent due under this lease on the dates the rent is due, less the rent Landlord receives from any reletting.

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

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

Second, all costs, including maintenance, incurred by Landlord 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 Landlord received from reletting shall be held by Landlord 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 Landlord. 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 Landlord, in addition to the remaining rent due, all costs including for maintenance Landlord incurred in reletting that remain

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Exhibit A-5

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

B. Termination of Tenant's right to possession. Landlord can terminate Tenant's right to possession of the premises at any time after default. No act by Landlord 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 Landlord's initiative to protect Landlord's interest under this lease shall not constitute a termination of Tenant's right to possession. On termination, Landlord 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 Landlord for all detriment proximately caused by Tenant's default.

8. APPURTENANT RIGHTS AND RESTRICTIONS.

A. Tenant may use the premises primarily for any or all permitted Fixed Base Operator activities at the Carson City Airport as permitted in Carson City Municipal Code Title 19 or as may be approved by Landlord. Tenant shall be required to operate at least one of the permitted FBO services set forth below as numbers 1 through 7. In addition, Tenant shall operate the UNICOM service for aircraft in accordance with FAA and FCC rules and regulations. Landlord has furnished the UNICOM equipment to Tenant without cost on a loan basis. Tenant agrees to return all loaned UNICOM equipment in good condition, considering normal wear, upon termination of this lease.

323268

Exhibit A-6

For all tie down premises, the parties acknowledge that these areas are under the dominion and control of Landlord, and that Landlord maintains all rights appropriate to use of FAA funds on said tie down areas.

Tenant is, by this lease, an authorized FBO, and shall comply with the provisions of Title 19 applicable to the public provision of FBO services. Tenant is specifically permitted but not required to offer the following services:

1. Sales of new and used aircraft, including demonstrations of aircraft for sale.
2. Sales of aircraft parts, retail and wholesale, radio and electronic equipment, navigation and airman supplies and accessories.
3. Flight operations, rental and charter (with or without pilot), air taxi and air ambulance.
4. Flight training (primary and/or advanced).
5. Maintenance, repair and overhaul of all types of aircraft, engines, instruments, radio and electronic gear.
6. Line service, including fueling, lubrication and other servicing of any aircraft; towing disabled aircraft; a right to load and unload passengers and cargo and to transport passengers from transient aircraft parking areas to the terminal and other areas of the airport.
7. Aircraft storage and tie-down.
8. Sales of automotive fuel, lubricants and accessories to aircraft and ramp vehicles such as service vehicles, tugs, tractors, motorized ramps, baggage handling equipment, ground power units, space heaters; a right to make repairs on ground service equipment.
9. Financing and insuring aircraft.

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Exhibit A-7

10. Transportation of persons, baggage and cargo from the airport to places beyond the premises, and vice versa, upon approval of appropriate authorities.

11. Rental of vehicles.

Activities other than those specifically stated in subparagraphs 1 through 11, inclusive, herein, will not be conducted by the Tenant without written advance approval from Landlord.

Tenant may conduct such non-aviation business upon the premises as are otherwise permitted by law and do not otherwise interfere with the aviation uses permitted under this Lease and other leases on this airport. Landlord's decision shall be final as to claims of conflict over interfering uses.

Tenant may construct, upon Landlord approval and other applicable governmental approvals, a fuel storage facility for Tenant's own use and sale to the public. For all fuel so stored, Tenant shall pay Landlord a fuel flowage fee to be negotiated . If Tenant supplies fuel, Tenant shall provide appropriate signage upon said fuel storage facility so as to notify pilots, during day and night, of its location and the availability of self service fuel.

B. Ingress and Egress. Tenant shall have full and unimpaired access to the premises at all times and a nonexclusive right to use the taxiway area between premises and runway, together with an easement of reasonable width and location between the premises and the taxiway. Tenant shall be responsible for all improvements upon such easement. Tenant shall be responsible for, and control the access to, the premises. Access between the leasehold and Airport shall comply with the Landlord's rules, regulations, or access plans.

F. 323268

Exhibit A-8

C. Right of Entry. 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.

D. 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 Landlord.

E. 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

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Exhibit A-9

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 Landlord shall have the right to terminate this lease Agreement without liability or at the election of the Landlord 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.

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Exhibit A-10

7. The Tenant assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall 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 suborganization provide assurance to the Tenant that they similarly will require assurance from their suborganizations, as required by 14 CFR 152, Subpart E, to the same effort.

8. The Landlord 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 Landlord 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 Landlord and the United States, relative to the development, operation, or maintenance of the Airport.

11. The Landlord, 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

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Exhibit A-11

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 of 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 Landlord 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 Landlord 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

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Exhibit A-12

the meaning of Section 308 of the Federal Aviation Act of 1958 (49 U.S.C. 1349).

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

9. ASSIGNMENT AND SUBLEASING. Tenant shall have no right to assign or sublet its interest in this lease except upon Landlord's prior consent. Any such assignment or sublease will be binding to assignees/sublessees on all terms and conditions in this lease.

Tenant shall have the right to assign, pledge, or hypothecate this lease for the purpose of securing additional financing, upon the prior approval of Landlord.

The parties agree that a transfer of corporate interests in excess of twenty-five percent (25%) shall be deemed an assignment of this lease.

The Landlord reserves the right to assign, pledge, or hypothecate this Agreement upon notice to the Tenant.

10. INSURANCE AND BONDING.

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

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Exhibit A-13

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 a food 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 Landlord has, or will have, an interest in such property by virtue of an existing lease.

B. Insured Includes. Landlord and Carson City must be named as additional insureds, and hereby require that the insurance carrier underwriting such coverage give the Landlord thirty (30) days written notice prior to cancellation of or material alteration to the policy.

Landlord requires that Tenant provide Landlord 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.

Carson City and the Carson City Airport Authority reserve the right, every five years, to review and adjust the amount of insurance coverage required.

11. HOLD HARMLESS. The Tenant, in consideration of the Landlord's agreement to lease certain real property to Tenant pursuant to this Agreement, agrees that at all times during the term of

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Exhibit A-14

this Agreement, Tenant shall indemnify and defend, saving harmless Landlord, Carson City, their 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.

The Tenant further agrees to indemnify Landlord and Carson City from environmental liability for contamination or damage to the premises and any adjacent area to the premises related or connected with the occupation or use of the leasehold property.

Landlord, Carson City, their 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.

12. ENVIRONMENTAL. The Tenant will conduct its business and operation in the Premises in compliance with all Environmental Laws and Permits. The Tenant will forthwith notify the Landlord of the occurrence of any of the following and will provide the Landlord with copies of all relevant documentation in connection therewith:

(a) a release of a Hazardous Substance in or about the Premises and/or Lands except in strict compliance with Environmental Laws and any applicable Permits;

(b) the receipt by the Tenant of an Environmental Notice; or

(c) the receipt by the Tenant of information which indicates that Hazardous Substances are being used, dissipated, stored, disposed of or introduced into the environmental by anyone in or about the Premises and/or Lands in a manner other than that authorized under Environmental Laws.

Tenant will not permit the storage, use, treatment, disposal or introduction into the environment of Hazardous Substances in or about the Premises and/or Lands, except in compliance with applicable Environmental Laws. If the Landlord receives information that Hazardous

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Substances are being dissipated, used, stored, disposed of or introduced into the environment by anyone in or about the Premises and/or Lands in a manner other than that authorized under Environmental Laws, the Tenant will conduct such investigations, searches, testing, drilling and sampling ("Investigations") as are reasonably requested from time to time by the Landlord to determine the existence of Hazardous Substances in or about the Premises and/or Lands. If the Tenant does not complete the Investigations to the satisfaction of the Landlord, the Landlord may enter on the property of the Tenant and take any actions necessary to complete the Investigations, the cost of which actions will be borne by the Tenant as additional rent. If remedial work is required due to the presence of Hazardous Substances on or in the Premises and/or the Lands, the Tenant will take all necessary action, at the cost of the Tenant, to restore the Premises and/or Lands to a level acceptable to the Landlord and to all governmental authorities having jurisdiction. Upon the request of the Landlord, from time to time, the Tenant will provide to the Landlord satisfactory documentary evidence that all environmental permits are valid and in good standing.

Environmental Indemnity. The Tenant will indemnify and save harmless the Landlord, Carson City, their officers, directors, employees, agents and shareholders, from and against any and all losses, claims, costs, expenses, damages and liabilities, including all costs of defending or denying the same, and all costs of investigation, monitoring, remedial response, removal, restoration or permit acquisition and including all solicitor's fees (on a solicitor and own client basis) and disbursements in connection therewith which at any time may be paid or incurred by or claimed against the Landlord, its officers, directors, employees, agents and shareholders, and Carson City arising, directly or indirectly, out of:

(a) a breach by the Tenant of any of the covenants contained in this Section;

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Exhibit A-16

(b) the presence of or release of any Hazardous Substance on or off-site of the Premises and/or the Lands;

(c) any action taken by the Landlord with respect to the existence of any Hazardous Substance on or off-site of the Premises and/or the Lands; or

(d) any action taken by the Landlord in compliance with any Environmental Notice with respect to the existence of any Hazardous Substance on or off-site of the Premises and/or the Lands;

and such indemnity will survive the expiration or any termination of this lease notwithstanding anything in this lease to the contrary.

13. MAINTENANCE. Landlord is not required to provide any maintenance, repairs, removal, and construction of gross area leased or of buildings or facilities erected by Tenant.

Tenant shall provide and pay for all light, gas, electric, water, janitorial, and sewer charges used or incurred in or about the lease premises.

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 Landlord. Landlord 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.

Landlord 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, Landlord 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.

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14. TAX OBLIGATION. Tenant shall pay all taxes and assessment against any buildings or other structures and improvements used by Tenant in its operations, and if imposed at any future date, any and all real property taxes assessed against the land leased from Landlord, including any possessory interest taxes.

15. REMOVAL OF BUILDINGS AND IMPROVEMENTS. Tenant shall remove at his cost all buildings and improvements 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 Tenant. The Landlord shall have the option on termination to take title of the buildings and improvements, at no cost or obligation to Landlord, in lieu of Tenant's obligation to restore the premises to its original condition.

16. REPORTING. Anything that affects the safe and efficient operation of the Carson City Airport shall be immediately reported to Landlord or the designated Airport Manager.

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

18. 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

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be entitled to establish such replacement provisions [illegible] 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.

Landlord 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.

19. 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.

Approved this 21st day of July, 2004.

TENANT

STERLING AIR LTD.
By Steven W. Lewis, President.

LANDLORD
CARSON CITY AIRPORT AUTHORITY
CARSON CITY, NEVADA

HARLOW NORVELL, CHAIRMAN

ATTEST:

GENE SHELDON, TREASURER, CCAA

323268

Exhibit A-19

CARSON CITY

Approved by the Board of Supervisors this ____ day of August, 2004.

RAY MASAYKO, Mayor

ATTEST:

ALAN GLOVER, Clerk/Recorder

CITY'S LEGAL COUNSEL
Approved as to form.

DISTRICT ATTORNEY

AIRPORT AUTHORITY COUNSEL
Approved as to form.

STEVEN E. TACKES, ESQ.

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Exhibit A-20

EXHIBIT A

Carson City Airport Area Leased /legal description for Sterling Air Lease

Parcel 1

Hangar Building Parcel

A certain parcel of land situate in the N 1/2 of the SE 1/4 of Section 4, T 15 N, R 20 E, M.D.B.&M., Carson City, Nevada. Said parcel being more particularly described as follows, to-wit:

Commencing at the S 1/16 corner common to Sections 4 and 3, thence on a Nevada State Plane Coordinate System bearing N 0°55'35" E for a distance of 80.00 feet; thence N 89°22'07" W for a distance of 1368.24 feet; thence N 17°18'35" E for a distance of 375.44 feet; thence S 72°41'25" E for a distance of 195.68 feet to the True Point of Beginning;

Thence from the True Point of Beginning located at the northwest corner of the parcel at a bearing of S 72°41'25" E a distance of 180.00 feet to the northeast corner of the parcel; thence S 17°18'35" W a distance of 218.94 feet to the southeast corner of the parcel; thence N 89°28'17" W a distance of 130.29 feet to the beginning of a tangent curve with a radial bearing of N 00°31'43" E; thence 48.23 feet along said curve having a radius of 35.00 feet and bearing to the right through a central angle of 78°57'03"; thence N 72°51'41" W a distance of 14.00 feet to the southwest corner of the parcel; thence N 17°15'44" E a distance of 239.43 feet to the True Point of Beginning. Said parcel containing approximately 43,458 square feet or approximately 0.998 acres.

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EXHIBIT B

Carson City Airport Tiedowns rented /legal description for Sterling Air Lease

Tiedown Nos. 1 through 59 located within the Airport area described as follows:

A certain parcel of land situate in the N ½ of the SE ¼ of Section 4, T 15 N, R 20 E, M.D.B & M., Carson City Nevada. Said parcel being more particularly described as follows:

Commencing at the S 1/16 corner common to Sections 4 and 3, thence N 0°55'35" E a distance of 80.00 feet; thence N 89°22'07" W a distance of 1,368.24 feet; thence N 17°18'35" E a distance of 377.51 feet; thence S 72°41'25" E a distance of 25.00 feet to the True Point of Beginning;

From the True Point of Beginning located at the southwest corner of the parcel; thence N 17°18'35" E a distance of 324.77 feet to the northwest corner of the parcel; thence S 72°41'25" E a distance of 575.00 feet to the northeast corner of the parcel; thence S 17°18'35" W a distance of 339.77 feet to the southeast corner of the parcel; thence N 72°41'25" W a distance of 542.50 feet to an angle point; thence N 17°18'35" E a distance of 15.00 feet to an angle point; thence N 72°41'25" W a distance of 32.50 feet to the True Point of Beginning, said parcel containing 194,880 square feet or 4.47 acres more or less.

Said tie-downs are numbered on the attached map.

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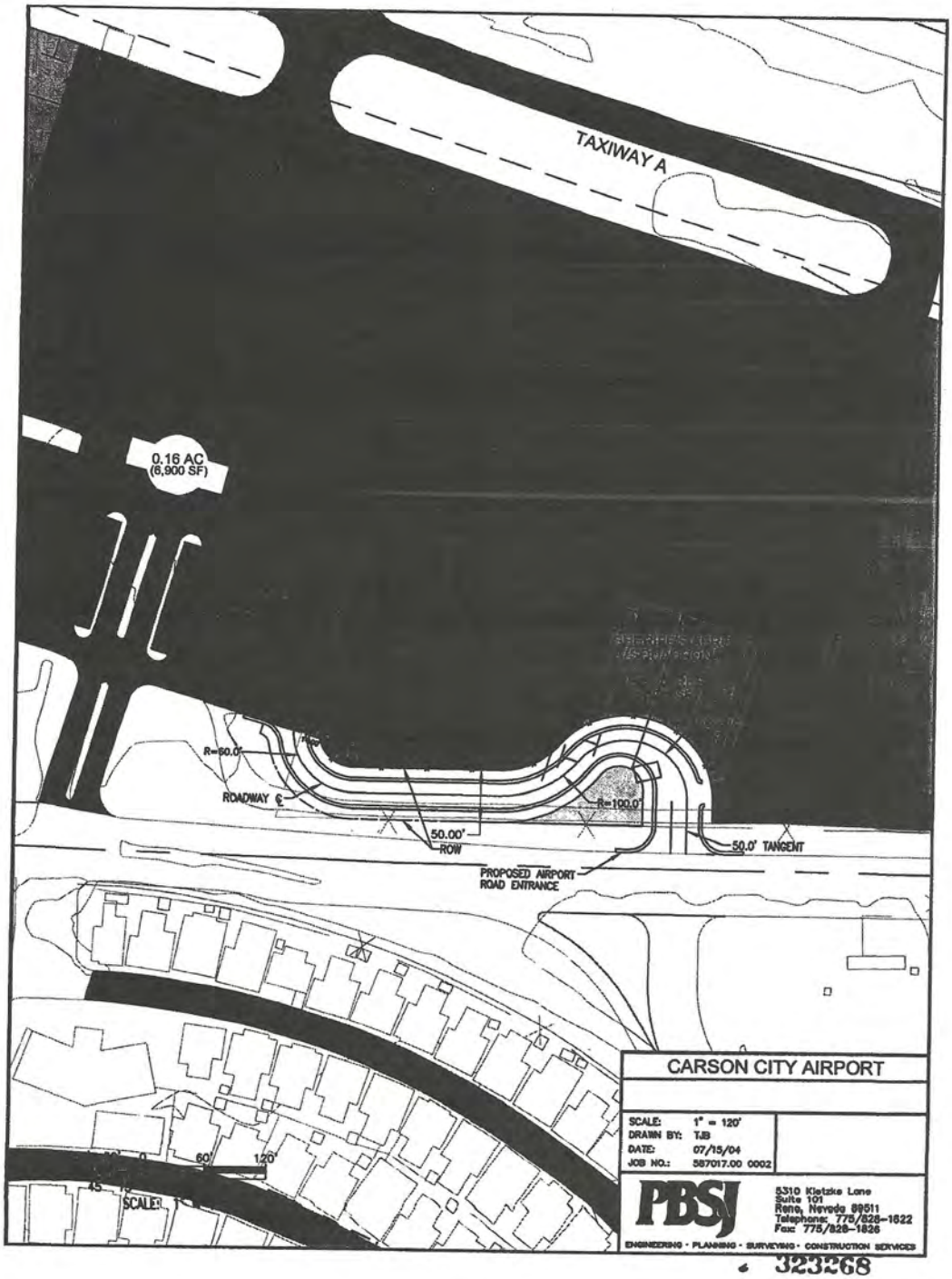

323268

Exhibit A-23

EXHIBIT B

Assignment and Assumption of Airport Lease

APN: 005-011-83

When Recorded, Return To:

Ken Moen, Airport Manager
2600 E. College Parkway #6
Carson City, NV 89706

SPACE ABOVE THIS LINE FOR
RECORDER'S USE

ASSIGNMENT AND ASSUMPTION OF AIRPORT LEASE

THIS ASSIGNMENT AND ASSUMPTION OF AIRPORT LEASE ("Assignment"), made and entered into this ____ day of October, 2020, between STERLING AIR, LTD, a Nevada corporation. ("Assignor"), whose address is 2640 College Parkway, Carson City, Nevada 89706, and CARSON TAHOE EXECUTIVE, LLC., a Nevada limited liability company ("Assignee"), whose address is 3700 Baron Way, Suite 2, Reno, NV 89511, together with the consent of the CARSON CITY AIRPORT AUTHORITY ("Landlord"), whose address is 2600 E. College Parkway #6, Carson City, Nevada 89706;.

WITNESSETH:

WHEREAS, Assignor, as tenant, holds an Airport Lease Agreement with Landlord, titled "Carson City Airport Lease Amendment and Restatement", recorded in the office of the Carson City Recorder on August 6, 2004, as Document #323268 ("Lease", aka "Airport Lease"; copy attached hereto), covering approximately 43,458 square feet, more particularly described therein ("Leasehold Property");

WHEREAS, the Lease permits assignment only upon Landlord prior consent in pertinent part as follows:

> 9. ASSIGNMENT AND SUBLEASING. Tenant shall have no right to assign or sublet its interest in this lease except upon Landlord's prior consent. Any

such assignment or sublease will be binding to assignees/sub lessees on all terms and conditions in this lease.

WHEREAS, Assignor desires to assign its leasehold interest in the Lease to Assignee, and Assignee desires to assume the same.

NOW THEREFORE, in consideration of the foregoing Recitals, the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee covenant and agree as follows:

1. Airport Lease Assignment and Assumption.

(a) Assignor hereby assigns, conveys and transfers to Assignee all of Assignor's right, title and interest under the Airport Lease, as more particularly described therein.

(b) Assignee hereby accepts the foregoing assignment and agrees to assume, perform and discharge, as and when due, all of the covenants and obligations of the Assignor under the Airport Lease which arise after the Effective Date of this Assignment, and agrees to be bound by all of the terms and conditions thereof from and after the Effective Date.

(c) The parties acknowledge that the UNICOM equipment and duties have been transferred to Landlord, and are no longer an obligation of the Tenant.

2. Indemnification

Assignee shall defend, indemnify, holed harmless and release Assignor, its successors and assigns, from and against any and all damage, loss, liability, claim, cost, expense, action and cause of action (including, without limitation, attorneys' fees and the reasonable costs of investigation) (collectively, "Claims") incurred by or asserted against Assignor, its successors and assigns, arising under the Airport Lease and accruing subsequent to the Effective Date of this Assignment.

Assignor shall defend, indemnify, hold harmless and release Assignee, its successors and assigns, from and against any and all Claims incurred by or asserted against Assignee, its successors and assigns, arising under the Airport Lease and accruing prior to the Effective Date of this Assignment.

3. Miscellaneous.

(a) Successors. This Assignment shall be binding upon the heirs, successors, assigns and personal representatives of the parties hereto.

(b) Headings. The captions to the paragraphs are intended for convenient reference only and shall not be used and are not intended to modify, aid, describe or otherwise affect the meaning of the paragraph from that which is indicated by the text of the paragraph alone.

(c) Construction. This Assignment is the product of negotiation and the parties agree that it shall not be construed against the drafter. If any part of this Assignment shall be found to be invalid or unenforceable, the remainder of the Assignment shall be enforceable in accordance with its terms, deleting such unenforceable or invalid provisions.

(d) Entire Agreement. This Assignment constitutes the entire agreement between the parties with regard to the Airport Lease and any prior negotiations, agreements or other writings pertaining to the subject matter of this Assignment are merged herein and extinguished.

(e) Governing Law. This Assignment shall be construed under the laws of Nevada.

(f) Attorney Fees. In the event of any action or proceeding brought by any party against another pertaining to or arising out of this Assignment, the prevailing party shall be entitled to recover all costs and expenses, including reasonable attorney fees.

(g) Counterparts. This Assignment may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(h) Effective date. This Assignment & Assumption of Lease shall be effective upon recording.

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

ASSIGNOR:

STERLING AIR, LTD.
A Nevada Corporation

By: _____
Steven W. Lewis
Its: President

Date: 12, ~~nov.~~ Oct. 2020

ASSIGNEE:

CARSON TAHOE EXECUTIVE, LLC,
A Nevada Limited Liability Company

By: _____
Jeff Pickett, Manager, Sole Member

By: _____
Brandon Moreno, Manager

Date: 10-23-20

Exhibit B-3

STATE OF NEVADA)
: ss
CARSON CITY)

On this 12 day of October, 2020, before me, the undersigned, a Notary Public, personally appeared STEVEN W. LEWIS, president of STERLING AIR, LTD, known, or proved to me, to be the person described herein, who executed the foregoing instrument, and he acknowledged to me, that he has the requisite authority and executed the same freely and voluntarily, and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year hereinabove written.

NOTARY PUBLIC
(Signature of Notarial Officer)

(SEAL)

LISSETTE GARCIA VELAZQUEZ
NOTARY PUBLIC
STATE OF NEVADA
No. 19-1285-3 My Appt. Exp. Jan. 29, 2023

STATE OF NEVADA)
: ss
COUNTY OF Washoe)

On this 23rd day of October, 2020, before me, the undersigned, a Notary Public, personally appeared JEFF PICKETT as Manager and Sole Member of CARSON TAHOE EXECUTIVE, LLC, and BRANDON MORENO as Manager, known, or proved to me, to be the persons described herein, who executed the foregoing instrument, and they acknowledged to me, that they have the requisite authority and executed the same freely and voluntarily, and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year hereinabove written.

NOTARY PUBLIC
(Signature of Notarial Officer)

(SEAL)

MONICA EVANS
NOTARY PUBLIC
STATE OF NEVADA
Appt. No. 02-73781-2
My Appt. Expires Feb. 08, 2022

[Landlord and Board of Supervisors approvals on following page]

Exhibit B-4

CARSON CITY AIRPORT AUTHORITY:

Approved this 22ND day of OCTOBER, 2020 pursuant to Notice, meeting and vote:

MICHAEL GOLDEN, Chairman
CARSON CITY AIRPORT AUTHORITY

ATTEST:

JON ROGERS, Secretary-Treasurer

CARSON CITY:

Approved by the Board of Supervisors this ____ day of _____, 2020.

BRAD BONKOWSKI, Mayor Pro Tempore

ATTEST:

AUBREY ROWLATT, Clerk/Recorder

CITY'S LEGAL COUNSEL
Approved as to form.

DISTRICT ATTORNEY

AIRPORT AUTHORITY COUNSEL
Approved as to form

STEVEN E. TACKES, ESQ.

Exhibit B-5

DocuSign Envelope ID: E4DFED31-AE93-4655-B80B-30889AE1456B

ASSIGNMENT OF
FBO SUBLEASE AND OPERATING AGREEMENT

THIS "ASSIGNMENT" is made and entered into this 19th day of July, 2021 by and between CARSON TAHOE EXECUTIVE, LLC ("CTE"), FBO ASSOCIATES, LLC ("FBO Associates"), and STELLAR AVAITION OF CARSON CITY, LLC ("Stellar Carson City").

WHEREAS, CTE and FBO Associates previously entered into a FBO Sublease and Operating Agreement dated June 1, 2021 (the "Agreement") for the purpose of operating and managing the Fixed Base Operator activities ("FBO Activities") of CTE pursuant to a lease agreement between CTE and the Carson City Airport Authority;

WHEREAS, Stellar Carson City is a legal entity created for the purpose of operating and managing the FBO Activities under the Agreement and desires to receive by assignment all of FBO Associate's rights and obligations under the Agreement;

WHEREAS, the parties now seek to assign the rights, interests and obligations of FBO Associates under the Agreement to Stellar Carson City.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein, it is hereby agreed as follows:

1. FBO Associate Assignment. FBO Associates hereby assigns and transfers all of its rights, interests and obligations under the Agreement to Stellar Carson City.

2. Stellar Carson City Assumption. Stellar Carson City hereby accepts and agrees to be bound by all the rights, interest, and obligations of FBO Associates under the Agreement and effectively substitute and replace FBO Associates in such Agreement. Stellar Carson City acknowledges the receipt of a copy of the Agreement and agrees to comply with all terms, conditions, covenants and obligations in the Agreement is if it were the original party therein.

3. CTE Acceptance. CTE hereby accepts and approves the assignment from FBO Associates to Stellar Carson City as the contracted party in the Agreement.

4. Binding Effect. The covenants and conditions contained in this Assignment shall apply to and bind the parties and their heirs, legal representatives, successors and permitted assigns.

5. Governing Law. This Assignment shall be governed by the laws of Nevada, without regard to any conflicts of law principles that may require the application of the laws of any jurisdiction.

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6. Further Acts, Instruments. Each party hereto agrees to execute, acknowledge and deliver such further instruments, and to do all such acts, as may be necessary or appropriate in order to carry out the purpose and intent of this Assignment.

7. Counterparts. This Assignment may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original, and when so executed and delivered shall have the same force and effect as though all signatures appeared on one document.

8. Miscellaneous. Each individual signing this document below on behalf of an entity warrants that he or she is duly authorized and fully empowered to bind such entity to the provisions of this document.

The parties are signing this Assignment on the date stated in the introductory clause.

FBO ASSOCIATES, LLC

DocuSigned by:

By: _____
5576EE2006734FD...

Jonathan Miller, Manager

STELLAR AVIATION OF CARSON CITY, LLC

DocuSigned by:

By: _____
5576EE2006734FD...

Jonathan Miller, Manager

CARSON TAHOE EXECUTIVE, LLC

DocuSigned by:

By: James Pickett
E28630DF6B7B49E...

James Pickett, Manager

THIS OPERATING AGREEMENT (this "Agreement") of STELLAR AVIATION OF CARSON CITY, LLC, a Florida limited liability company (the "Company"), is made and entered into effective the 9th day of June, 2021 (the "Effective Date") by and among the Company and Michael S. Faren and Jonathan P. Miller, as the only members of the Company (collectively, the "Members").

The Company was formed pursuant to the Articles of Organization filed with the Florida Department of State on June 9, 2021 and accepted for recording by the Florida Department of State. The Members now desire to set forth the terms and conditions by which the Company will be governed as of the Effective Date.

In consideration of the foregoing recitals which are hereby incorporated as a part of this Agreement, the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Members hereby agree as follows:

1. **Governing Law**: Michael S. Faren and Jonathan P. Miller, as the sole original Members, formed the Company as a limited liability company for the purposes and upon the terms and conditions set forth below. As of the Effective Date, the Members hereby elect to be governed by the terms and provisions of the Florida Revised Limited Liability Company Act (the "Act"), Florida Statutes, Sections 605.0101 et seq., as amended from time to time, or any subsequent Florida law concerning limited liability companies that is enacted in substitution for that law. The rights and liabilities of the Members shall be as provided in the Act, except as otherwise expressly provided herein. In the event of any inconsistency between any terms and conditions contained in this Agreement and any non-mandatory provisions of the Act, the terms and conditions contained in this Agreement shall govern.

2. **Filing of Articles of Organization:** The Articles of Organization of the LLC were executed and filed in the Office of the Florida Department of State as required by applicable law, and the Members hereby ratify same.

3. **Name:** The Company shall be known as STELLAR AVIATION OF CARSON CITY, LLC (which will be referred to in this Agreement as the "LLC"). However, the LLC shall be entitled to use any variation of this name that may be necessary to comply with the laws of other states in which the LLC may do business or make investments.

4. **Ownership of Assets**: All property of the LLC should be owned by the LLC and not by the Members individually. No Member shall have the unilateral right to sell, assign, or convey any rights or interest in any LLC property except in the conduct of the LLC business by the affirmative vote or consent of a majority of the Members. No LLC Member shall have rights

in specific LLC assets or to demand the partition of any LLC property. The rights of the Members shall be in the profits, losses, and capital of the LLC and shall be intangible personal property in accordance with the Act.

5. **Place of Business:** The mailing address, business address and street address of the principal office of the LLC is 2600 N. Military Trail, Suite 206, Florida 33431. The LLC may, from time to time, change the principal place of business to another location or add additional places of business, and all the Members shall be notified of such changes or additions.

6. **Term:** The term of this LLC shall be perpetual and the LLC shall continue until dissolution. Dissolution shall occur upon the unanimous agreement of all Members. Provisions regarding dissolution are contained in Section 19 below.

7. **Purposes**: The purpose of the LLC is to engage, whether directly or indirectly through subsidiaries, in any and all lawful business purposes for which a limited liability company may be formed under the Act. The Members acknowledge that the LLC assets are necessary to fulfill the purpose of the LLC, vital to the success of the LLC, necessary for the LLC to produce income and profit for the benefit of all Members, and may not be used to satisfy the individual debts of any Member. The purposes of the LLC include, without limitation, the following:

A. To provide fixed base operation services in the aviation industry.

B. The investment and management of the LLC property, both any initial property, as described on Exhibit A to this Agreement, and any property contributed to the LLC at a later time.

C. To consolidate LLC assets into a single entity for the independent benefit of its Members by providing ease of management and reduced management fees and other costs.

D. To protect the assets of the LLC from the creditors of an individual Member. To protect the Members from personal liability for LLC obligations not occasioned by the personal contracts or torts of said Member.

E. To provide a convenient and effective mechanism for involving relatives of the Members' family in management of the LLC's assets and business.

F. To allow for the provision of a consistent investment management policy by the Members, and to avoid investment restrictions and tax problems inherent in the use of trusts or corporations as the operating entity for the conduct of LLC business. To avoid personal liability of a Member inherent in the use of a general or limited partnership to manage assets, and to protect Members from liabilities which may be occasioned by LLC activities, to the extent the business of the LLC as it may exist from time to time produces such liabilities.

G. All such other purposes as permitted by law.

8. **Liability of Members:** Except as otherwise required by any non-waivable provision of the Act or other applicable law: (a) No Member shall be personally liable in any manner whatsoever for any debt, liability, or other obligation of the Company, whether such debt, liability, or other obligation arises in contract, tort, or otherwise; and (b) No Member shall in any event have any liability whatsoever in excess of (i) the amount of his/her Capital Contributions, (ii) his/her share of any LLC assets and undistributed profits, and (iii) the amount of any wrongful distribution to such Member, if, and only to the extent, such Member has actual knowledge (at the time of the distribution) that such distribution is made in violation of Section 605.0405 of the Act.

9. **Initial Assets:** The initial assets of the LLC are described on Exhibit A attached to this Agreement. By virtue of their signatures below, the Members do hereby sell, assign, quit-claim, transfer, and deliver to the LLC all of their right, title, and interest in and to the Exhibit A assets, and do hereby grant to the LLC powers of attorney to execute such instruments or documents of title as may be necessary to complete the conveyance of Exhibit A assets to the LLC, which power shall be durable and shall not be affected by the incapacity of a Member(s), and which power is coupled with an interest and shall not be revocable.

10. **Membership:** The name and address of the initial Members and their ownership of LLC profits, losses, and capital are as follows:

Name	Address	Units
Michael S. Faren	2600 N. Military Trail, Suite 206 Boca Raton, Florida 33431	50
Jonathan P. Miller	2600 N. Military Trail, Suite 206 Boca Raton, Florida 33431	50

For convenience in determining ownership there shall be one hundred (100) member units. Each member unit shall represent a 1% interest in the profits and losses of the LLC. Fractional units are permitted.

11. **LLC Capital Accounts:** The initial capital of the LLC shall be the assets described on Exhibit A to this Agreement. The LLC will maintain for each Member an account to be designated as the Member's capital account to which will be added the Member's capital contributions and distributive share of the profits of the LLC, and against which will be deducted the Member's distributive share of the losses of the LLC and all distributions made to the Member. The capital account of each Member will be increased by liabilities of the LLC assumed by the Member and decreased by liabilities of the Member assumed by the LLC.

A. No Member shall be required to make any additional capital contributions without his or her consent. No interest shall be paid by the LLC on any capital contribution; however, this provision shall not prevent the LLC from borrowing funds from any Member, securing same, and paying interest thereon. No Member shall be entitled to demand return of, or withdraw, all or any part of his/her capital contribution or capital account, or receive any distribution from the LLC except as expressly provided by this Agreement. No Member shall be liable for the return of the capital contributions of any other Member.

B. If the Members shall determine, by the affirmative vote or consent of a majority of the Members, there are additional monies required for any LLC purpose, including, without limitation, those purposes set forth in Section 7, then within thirty (30) days of notice of such requirement, each Member may, but shall not be obligated to, contribute to the LLC his/her proportional amount of the total amount of additional monies required as an additional capital contribution. If any Member chooses not to make an additional capital contribution to the maximum extent of their proportional amount of the total amount of additional monies required, the other Members may, but shall not be obligated to, make up any shortfall to better fund the total amount of additional monies required by making an additional capital contribution in excess of their proportional amount of the total amount of additional monies required. Upon the making of an additional capital contribution to the LLC, the number of units owned by all Members shall be adjusted equitably by the proportional percentage of all capital contributions (the aggregate total of both the initial capital contribution and all subsequent additional capital contributions.

C. The provision contained in this Section are personal and run only to the benefit of the LLC and the Members and may not be enforced by any third parties. No creditor of the LLC may rely on the foregoing provisions of this Article or any other provision of this Agreement to make any contributions or returns to the LLC, notwithstanding any agreement, representation, intention, indication or otherwise to the contrary.

12. **Limited Right of Withdrawal as to Certain Gift Additions to Capital**: If at any time the LLC receives a contribution from any person together with notice from said person that all or any portion of said contribution is intended to be added to the capital account of any Member as a gift which may be withdrawn; then, the LLC shall notify all Members whose capital accounts have been increased by the gift, that such contribution and gift has been made, and the amount of the gift addition to said Member's capital account. Commencing with the date of the addition and expiring thirty (30) days after a Member is notified of the gift addition to his or her capital account, the Member who has received the gift addition to his or her capital account shall be entitled to withdraw from his or her capital account the gift addition in whole or in part (without interest). Any such withdrawal rights shall only be exercised in writing executed by the Member having the withdrawal right or his or her legal guardian. To the extent not exercised within the time period above, said withdrawal rights shall lapse. This provision is intended to permit a gift addition to a Member's capital account to qualify for the annual exclusion from gift and estate taxes under Section 2503(b) of the Internal Revenue

Code ("IRC"), as amended from time to time; and this section does not apply to a permissible gift by a Member of units in the LLC.

13. **Allocation of Profits and Losses**: For Tax Returns and for LLC Books, the net profits and losses of the LLC shall be computed in accordance with Generally Accepted Accounting Principles consistently applied; provided, however, when making such computations with respect to Federal Income Taxes, the computations may be completed in accordance with Provisions of the IRC and Treasury Regulations promulgated under the IRC, where the IRC or such regulations request or permit calculations to be made other than in conformance with Generally Accepted Accounting Principles. In accordance with the Act, the net profits and losses of the LLC shall be allocated to the Members in proportion to their units of ownership of the LLC and not by relative capital account. However, in accounting for Federal and State income tax purposes, all income, gain, loss, and deductions with respect to property contributed to the LLC by a Member shall be shared among the Members while taking into account any variation between the basis of the properties so contributed and its fair market value at the time of contribution, said allocations to be made by LLC in good faith and in accordance with applicable Treasury Regulations. Such allocations of income, gain, loss, and deductions for tax purposes shall not affect the accounting for the allocation of profits and losses for the purposes of the LLC books in determining each Member's allocable share of the profits and losses of the LLC.

14. **Distributions:** Distributions of LLC cash flow shall be declared by the managing member(s) at least annually, if positive cash flow is available, and such distributions shall be subject to the following additional terms and provisions:

A. Distributions shall be made from the positive cash flow of the LLC. For distribution purposes, cash flow shall mean that amount not necessary for LLC purposes and shall include the taxable income of the LLC increased by any depreciation, depletion, or similar deduction taken in to account in computing the taxable income plus any non-taxable income or receipts such as tax exempt interest (but excluding capital contributions, the proceeds of life insurance, and the proceeds of any LLC borrowings); and reduced by any principal payments on LLC debts, expenditures to acquire and improve LLC assets, proceeds from the sale or exchange of LLC assets, the gain in any annuity contract taxed under Section 72(u) IRC, as amended from time to time, and the proceeds from the surrender of any life insurance or annuity contract, and any portion of the cash flow reserved by the LLC to provide a reserve for expenses, debt payment, capital improvements, and contingencies.

B. All distributions to Members shall be made in proportion to their units of ownership in the LLC. Distributions to Members shall be made, in the sole discretion of the LLC, either directly to said Member, in whole or in part, or said distribution may be added in whole or in part to the capital account of said Member. Distribution may be added to a Member's capital account in order to prevent such cash flow from falling into the hands of any person other than the Member, such as a guardian, attorney-in-fact, creditor, receiver, trustee in bankruptcy, or spouse or former spouse of a Member.

C. Except as provided above, no distribution shall be made until the dissolution of the LLC, nor shall distributions, except upon dissolution, be made in any asset other than cash. No distribution to a Member shall have the effect of increasing or decreasing any Member's units of ownership in the LLC, except as provided elsewhere in this Agreement.

15. **Management**: The following provisions shall govern the management of the LLC:

A. Management: The LLC will be a member-managed limited liability company. Except as expressly set forth in this Agreement, all Members have the right to participate in the management and conduct of the LLC's business. Subject to the limitations imposed by this Agreement or by action of the Members, each Member is an agent of the LLC and has authority to bind the LLC in the ordinary course of the LLC's business subject to any effective Statement of Authority ("SOA") setting forth what authority and limitations a Member has with respect to the LLC.

B. Actions by Members: Except as otherwise provided in this Agreement, all decisions requiring action of the Members or relating to the business or affairs of the LLC will be decided by the affirmative vote or consent of Members holding a majority of the member units. Members may act with or without a meeting, and any Member may participate in any meeting by written proxy or by any means of communication reasonable under the circumstances.

C. Limitation on Power and Authority: Without the unanimous consent of all of the Members, the LLC shall not have the authority to:

i. Take any act, or omit to act, which would make it impossible to carry on the ordinary business of the LLC.

ii. Possess any LLC property or assign any rights in specific LLC property other than for LLC purposes.

iii. Admit any new Members except as expressly provided by this Agreement.

iv. Dissolve the LLC or merge the LLC with any other entity.

v. Make a sale or exchange or other disposition of any or all of the LLC assets in excess of $10,000.00 in value.

D. Compensation and Expenses: The Member(s) who actively participate in the management of the LLC shall be entitled to reasonable compensation for services performed in the management of LLC business. All reasonable expenses incurred by the Member(s) shall be reimbursed by the LLC.

E. Duty of Good Faith and Indemnity Against Liabilities: The Members must exercise good faith judgment and shall only take management actions that they reasonably believe to be in the LLC's best interest. The Members who have acted in good faith in the course

of managing the LLC's business shall not be liable to the LLC or any other Member for ordinary negligence, or for errors in judgment, or for any acts or omissions on behalf of the LLC which do not constitute fraud, willful misconduct, or gross negligence. Any Member who has acted in good faith shall be indemnified and held harmless by the LLC against liability to the maximum extent permitted by law.

16. **General Powers**: It is intended that this LLC have the broadest powers to hold assets and conduct its operations as may be permitted under the Act. Such powers shall specifically include, but shall not be limited to, the following:

A. To engage generally in a aviation business, or acquire, own, hold, manage, develop and operate real or personal property as owner, operator, manager, or as a co-owner, partner, stockholder, syndicate members, joint venturer, or otherwise.

B. To engage generally in a real estate business, or acquire, own, hold, develop, and operate real property or real estate enterprises as owner, operator, manager, or as a co-owner, partner, stockholder, syndicate members, joint venturer, or otherwise.

C. To invest funds in and to raise funds to be invested in real property holdings; to purchase, construct, or otherwise acquire and hold, develop, operate, lease, mortgage, and sell or otherwise dispose of LLC real property or any rights or interest therein; and to do anything necessary or incident to the foregoing.

D. To manage and control investments in other business entities in the form of debt or equity, and otherwise and to hold, buy, sell, lease, encumber, and otherwise deal with and dispose of such investments.

E. To invest in stocks, bonds, partnerships, unit trusts, mutual funds, options, commodities, or other securities, domestic or foreign, including obligations of any government or state municipality, school district, or political subdivision thereof, domestic or foreign; to form, organize and capitalize an investment entity, alone or jointly with others; to sell or dispose of such investments; and to maintain securities accounts including margin accounts.

F. To form corporations, partnerships, joint ventures, limited liability companies, trusts, or other entities in order to carry out ownership, business, or investment activities of the LLC.

G. To open, deposit to, withdraw from, order electronic transfers to and from, and write checks or drafts upon any bank, brokerage, or mutual fund account; and to order exchanges of mutual fund investments.

H. To purchase such life insurance or annuity contracts as may facilitate LLC investments or business.

I. To sell real or personal property to any person giving any warranties or assurances deemed appropriate.

J. To buy, lease, or otherwise acquire real or personal property in order to carry on the conduct of the LLC business.

K. To borrow money for LLC purposes; to issue promissory notes and other debt instruments (negotiable or non-negotiable), in any amounts, unsecured or secured by any encumbrance on all or part of the LLC assets; and to engage in any other means of finance.

L. To assign any debts owing to the LLC.

M. To prosecute or litigate LLC claims or defend the LLC against prosecution or litigation. To sue and accept process in the name of the LLC, complain and defend in the LLC's name and on its behalf.

N. To execute any type of agreements or instruments in connection with the exercise of any LLC power including, but not limited to, deeds, affidavits, bills of sale, mortgages, assignments, releases, or satisfactions of mortgage, security agreements, financing statements, continuation, modification or termination of financing statement, leases, and contracts.

O. To employ all types of agents and employees including, but not limited to, lawyers, accountants, business managers, property managers, fixed base operations managers, brokers, consultants, and investment advisors as may be deemed necessary in the conduct of any LLC business. This shall include the power to delegate to an investment advisor the discretion to make investments on the behalf of the LLC.

P. To buy, lease, or otherwise obtain any type of equipment or other property that may be advisable in connection with the conduct of any LLC business.

Q. To incur any reasonable charge for travel, telephone, other telecommunications medium, insurance, taxes, or such other expenses, in carrying out the LLC business.

R. To quit-claim, release, or abandon any LLC asset with or without consideration as may be necessary or advisable to remove exposure of the LLC to any liability, or to rid the LLC of assets which are unproductive or which cause administrative expenses to the LLC disproportionate to their value.

17. **Transfer of LLC Interests:** LLC interests are non-transferable, and any attempted or purported transfer of a membership interest in the LLC shall be null, void, and of no effect except as provided below in this Section 15:

A. A transfer by any Member of the LLC into another limited liability company wherein the manager or sole member of the transferee limited liability company is the transferor Member.

B. A transfer to a Member of the LLC, which may include the transferor Member, or to an individual of any Member's family (as defined in Section 30 below) may be made during the lifetime of any Member who is not incapacitated if made into trust for the benefit of said Member or Members, when either:

i. The trust is a revocable trust created by a Member for asset management and estate planning purposes, provided that the right to revoke or amend the trust is held exclusively by the transferor Member, and that the transferor Member, either alone or by majority vote together with other individuals of the Member's family who are 25 years of age or older, exercises control of all rights in and powers over the membership interest in the LLC which is held by the revocable trust; or

ii. The trust is irrevocable and is for the benefit of any Member of the LLC or of a Member's family, provided that substantially all of the beneficial interest in said trust is for the benefit of said Member or other Members of the LLC or the Member's family, and that the Trustee, or each Trustee, is either a Member of the LLC, a member of the Member's family (age twenty-five (25) or older), or a corporate trustee qualified to exercise fiduciary powers in the state within the United States in which the Trust is to be administered.

C. A Member may freely transfer his or her units by testamentary instrument upon death or incapacity. However, any transfer of units by testamentary instrument shall not convey any of the transferable interest or rights to participate in the management and conduct of the LLC's business, nor convey any authority to bind the LLC in the ordinary course of the LLC's business.

D. In the event a Member receives a *bona fide* offer for the purchase of all or a part of his or her interest in the LLC, the Member shall either refuse the offer or give the LLC written notice setting out full details of the offer. The notice, among other things, shall specify the name of the offeror, the percentage of interest in the LLC covered by the offer, the terms of payment, whether for cash or credit, and, if on credit, the time and interest rate, as well as any and all other consideration being received or paid in connection with the proposed transaction, and any and all other terms, conditions, and details of the offer. Upon receipt of the notice with respect to an offer, the other Members shall have the exclusive right and option, exercisable at any time during a period of thirty (30) days from the date of the notice, and in any proportions agreed upon between themselves by majority vote, to purchase the interest in the LLC covered by the offer in question at the same price and on the same terms and conditions of the offer as set out in the notice. If the other Members decide to exercise the option, they shall give written notice to that effect to the Member desiring to sell. The sale and purchase shall be consummated within thirty (30) days after the date of the written notice, or within such timeframe as otherwise set for in the offer as set out

in the notice. If another Member does not elect to exercise this option or waives these rights in writing, the selling Member shall be so notified in writing. Subject to any prohibitions or restrictions on transfer imposed by the LLC for purposes of compliance with applicable securities law, the Member shall then be free to sell the interest in the LLC covered by the offer. The sale must be consummated within ninety (90) days thereafter, or the interest shall once again become subject to the restrictions of this Section. The sale, if permitted, shall be made strictly on the terms and conditions and to the person described in the required notice. No Member shall have the power to force the LLC or any of the other Members to purchase all or any portion of said Member's interest in the LLC.

E. A transfer not otherwise permitted by this Agreement may be permitted by a unanimous vote of all Members, including without limitation transfer by a Member to any other Member of the LLC or to any member of any Member's family.

F. Any assignment of a membership interest to a Member permitted by this Section shall constitute the assignee as a Member who does not possess any transferable interest or the rights to participate in the management and conduct of the LLC's business, nor convey any authority to bind the LLC in the ordinary course of the LLC's business.

G. Except as otherwise provided in this Section, any assignment made to anyone not already a Member shall be effective only to give the assignee the right to receive the share of profits to which the assignor would otherwise be entitled but no transferable interest. Such assignee shall not have the right to become a substituted Member and the assignor shall not be relieved from liability under any agreement to make additional contributions to capital or from liability under the provisions of this Agreement or applicable law.

H. The LLC shall not be required to determine the tax consequences to the assignor or the assignee arising from the assignment of an LLC interest. The LLC shall continue with the same basis and capital account for the assignee as was attributable to the former owner who assigned the membership interest.

I. Except as otherwise provided herein, additional Members shall be admitted to the LLC only with the unanimous consent of the Members who possess the rights to participate in the management and conduct of the LLC's business, and have any authority to bind the LLC in the ordinary course of the LLC's business, as well as a majority in interest of the Members who do not possess any of the rights to participate in the management and conduct of the LLC's business, nor any authority to bind the LLC in the ordinary course of the LLC's business. Any such new Member shall execute and acknowledge such instruments as the LLC may deem necessary or desirable to effect such admission, including the written acceptance and adoption of the provisions of this Agreement, and shall receive a capital account and a percentage interest in the profits and losses of the LLC as shall be provided in an amendment to this Agreement. In addition, any assignee permitted by this Section shall not become a substituted Member until said assignee executes a document accepting this Agreement, and upon such execution such assignee shall receive the capital account and percentage interest in the profits and losses of the LLC as the assignee's assignor had.

18. **Transfers in Violation of Operating Agreement:** Any attempt to transfer, or any purported transfer of, membership interests which is not expressly permitted by Section 17 above will be treated by the LLC in one or more of the following manners:

A. The transfer may be treated as null and void, and the LLC may continue to recognize the transferor Member as the owner of the membership interest.

B. The LLC may acquire the membership interest by payment to the Member, or to the purported or attempted transferee, in the sole and absolute discretion of the LLC, of the fair market value of the interest determined by an appraiser selected by the LLC.

C. The LLC may acquire the membership interest by payment to the Member, or to the attempted or purported transferee, an amount equal to the undistributed capital account of the Member determined as of January 1st in the year in which the purported or attempted transfer occurs.

D. The LLC may acquire the membership interest by the payment of the lien, encumbrance, or other liability to which said Member may be subject as a result of an assignment for the benefit of creditors, bankruptcy, state receivership, attachment, garnishment, or service of other legal process against said member, or incident to the divorce, dissolution of marriage or legal separation of said Member.

The rights accorded by this Section shall be exercised by the unanimous consent of the Members who possess the rights to participate in the management and conduct of the LLC's business, and have any authority to bind the LLC in the ordinary course of the LLC's business, as well as a majority in interest of the Members who do not possess any of the rights to participate in the management and conduct of the LLC's business, nor any authority to bind the LLC in the ordinary course of the LLC's business. These rights may be exercised by the LLC at any time and from time to time. The election by the LLC of any method pursuant to this Section shall not preclude a later election by the LLC of another method. In the event the LLC elects to acquire the interests subject to the attempted or purported transfer, then the LLC may pay any purchase price by delivering a promissory note payable over a period of years with such terms as may be decided upon by the LLC. Said promissory note need not be negotiable, may be made non-assignable, need not provide for acceleration of payments in the event of default, need not be secured, and need not provide for the cost of collection or attorneys fees in the event of default. The provisions of this Section of the Agreement shall be liberally construed in favor of the LLC; and no Member whose interests are subject to an attempted or purported transfer, or any person acting on behalf of or through said Member, shall have the power to force or contest the exercise of discretion by the LLC pursuant to this Section.

19. **Dissociation:** Nothing in this Agreement will be construed as granting a Member the right to dissociate or otherwise withdraw from the Company, except as expressly required by the Act. If any Member dissociates from the LLC as permitted by the Act, then such Member will be acting in direct contravention to its obligations under this Agreement and therefore liable to the LLC and to the other Members, to the fullest extent permitted by the Act, for all damages

caused by such dissociation. Such liability will be in addition to all debts, obligations, or other liabilities owed by such Member to the LLC or the other Members.

In the event that a Member withdraws pursuant to Section 605.0602(1), Florida Statutes, as amended from time to time, the LLC will have the right, at its sole option and election, to purchase the membership interests of the withdrawing Member. The rights accorded by this Section shall be exercised by the unanimous consent of the other Members who possess the rights to participate in the management and conduct of the LLC's business, and have any authority to bind the LLC in the ordinary course of the LLC's business, as well as a majority in interest of the other Members who do not possess any of the rights to participate in the management and conduct of the LLC's business, nor any authority to bind the LLC in the ordinary course of the LLC's business. These rights may be exercised by the LLC at any time and from time to time. The election by the LLC of any method pursuant to this Section shall not preclude a later election by the LLC of another method. In the event the LLC elects to acquire the interests subject to the attempted or purported transfer, then the LLC may pay any purchase price by delivering a promissory note payable over a period of years with such terms as may be decided upon by the LLC. Said promissory note need not be negotiable, may be made non-assignable, need not provide for acceleration of payments in the event of default, need not be secured, and need not provide for the cost of collection or attorneys fees in the event of default. The provisions of this Section of the Agreement shall be liberally construed in favor of the LLC; and no Member whose interests are subject to an attempted or purported transfer, or any person acting on behalf of or through said Member, shall have the power to force or contest the exercise of discretion by the LLC pursuant to this Section.

20. **Resignation and Incapacity or Death of a Member:** Members may not voluntarily dissociate from the LLC regardless of the dissociation events listed in Section 605.0602 of the Act. A Member's death or incapacity shall constitute a transfer under Sections 17 above, and if such transfer constitutes a transfer of a membership interest in the LLC under 18 above, or if prior to his or her death or incapacity the Member had made a permissible transfer pursuant to Paragraph A. or B. of Section 17 above, then the LLC shall have the option to:

A. Treat the transfer as an impermissible transfer pursuant to the provisions of Section 18 above; or

B. Allow the personal representative of the estate of a deceased Member, an incapacitated Member's guardian, attorney-in-fact, or successor trustee, or the beneficiary of the estate or trust of a deceased Member, to continue to hold the membership interest as a Member who is entitled to receive the share of profits associated with the membership interest but who does not possess any of the rights to participate in the management and conduct of the LLC's business, nor any authority to bind the LLC in the ordinary course of the LLC's business; or

C. Allow the guardian, estate or trust of an incapacitated or deceased Member to transfer the membership interest to a permissible transferee under Section 17 above to hold the membership interest as a Member who is entitled to receive the share of profits associated with

the membership interest but who does not possess any of the rights to participate in the management and conduct of the LLC's business, nor any authority to bind the LLC in the ordinary course of the LLC's business.

The rights accorded by this Section shall be exercised solely at the discretion of the LLC, the forgoing options may be exercised at any time, the election of one option shall not preclude a later election of another option, and the election of any option shall not exclude the election in whole or in part of any other option. The provisions of this Section shall be liberally construed in favor of the LLC; and no attorney-in-fact, guardian, trustee, personal representative or other successor in interest to a deceased or incapacitated Member shall have the power to force or contest the exercise of discretion by the LLC pursuant to this Section.

21. **Dissolution:** The LLC may be dissolved by the unanimous agreement of all of the Members. Upon dissolution, the Members shall continue to share in the profits and losses during liquidation in the same manner and proportions as they did before dissolution. The assets of the LLC may be sold upon a price deemed reasonable by Members holding a majority of the membership interests. In the event of dissolution, Members holding a majority of the membership interests may appoint a dissolution partner for the purpose of the dissolution and winding up of the LLC. The proceeds of the liquidation of the LLC shall be applied as follows:

A. First, the payment of all debts and liabilities of the LLC including those to LLC Members.

B. Second, to the establishment for such time as is deemed reasonable and necessary of such reserves deemed required to provide for contingent and unforeseen liabilities or obligations of the LLC.

C. Third, to the Members in an amount equal to the positive balance of their capital accounts in accordance with such capital account balances.

D. Last, to the Members in accordance with their membership interests.

Any gain or loss upon disposition of LLC properties in the process of liquidation shall be credited or charged to the Members in proportion to their membership interests. However, for Federal and State income tax purposes, the gain or loss with respect to property contributed to the LLC by a Member shall be shared among the Members so as to take into account any variation between the basis of the property so contributed and its fair market value at the time of contribution in accordance with applicable Treasury Regulations. Any property distributed in kind in the liquidation shall be valued and treated as though it were sold and cash proceeds distributed. The difference between the value of property distributed in kind and its book value shall be treated as a gain or loss on the sale of property and shall be credited or charged to the members accordingly.

22. **Books, Records, and Accountings:** Records and books of account shall be kept and maintained at the principal office of the LLC. The choice of method of accounting shall be

made by the LLC and shall follow Generally Accepted Accounting Principles. A Member shall be entitled to examine the books and records of the LLC in person or by agent at a reasonable time, to make copies thereof or excerpts therefrom at said Member's expense. The LLC shall provide a statement of account to all Members not less frequently than annually.

23. **Tax Status:** The LLC shall have the tax status of a partnership for Federal Income Tax purposes.

24. **Tax Matters Partner, Accounting, and Tax Elections:** The LLC may, from time to time, appoint a tax matters partner(s) to represent the LLC in front of the Internal Revenue Service or any state or a municipal tax authority. Otherwise Michael Faren shall be deemed the tax matters partners of the LLC. The tax matters partner(s) may make all accounting and tax elections related to LLC returns. The tax matters partner(s) may execute on behalf of the LLC IRS Form 1065 and all other required tax returns.

25. **Fiscal Year:** The LLC shall use a calendar year for its books, records, and tax returns.

26. **Meetings:** Meetings of the Members may be called for any purpose by any Member on at least ten (10) days written notice to all of the Members. Meetings shall be held at the principal place of business of the LLC or such other place as Members holding a majority of the membership interests may agree. A Member may attend a meeting in person, by proxy, by telephone, or other telecommunications medium. Any business which may be transacted at a meeting of the Members may be transacted by placing said business into writing executed by the necessary number of Members having sufficient units in the LLC to pass the vote upon the subject matter contained therein, which written consent shall be distributed by mail to the Members who have requested copies of membership meetings.

A. Regular Meetings: Notwithstanding the foregoing, Members may have annual meetings to be held during the anniversary month of the LLC's registration with the State of Florida.

B. Special Meetings: Special Meetings may be called by action of the any Members at any time and for any purpose specified in the notice of the special meeting.

C. Notice of Meetings: Written notice of the time and place of regular meetings and the time, place and purpose of special meetings, must be delivered personally to all Members or sent to the appropriate parties via U.S. Mail, e-mail or facsimile at the address shown on the records for the LLC for the Member. In the case of delivery via U.S. Mail, at least 3 days additional notice must be given to the Member. Waiver of notice of a meeting may be made in writing and signed by the Member waiving such notice.

D. Voting and Quorum Requirements: Except as otherwise expressly set forth in this Agreement, each membership unit owned by a Member shall be entitled to one vote. At all meetings of the Members, the attendance of Members with a majority interest of all membership interests shall constitute a quorum.

E. All Members shall have the right to attend meetings of the Members.

27. **Arbitration:** In order to provide for the speedy resolution of disputes and encourage amicable resolution of any disputes among Members of the LLC, any disputes which arise between the LLC and any of its Members, or between its Members regarding the LLC and the conduct of its business, shall be submitted to arbitration in accordance with the rules of the American Arbitration Association. An award resulting from such arbitration may, at the option of any Member, be submitted to a court of competent jurisdiction for judgment to be entered upon the award and/or appeal thereof. In order to prevent frivolous disputes or disputes engaged in where the alleged wrong is minor compared to the cost of engaging in the dispute (an improper dispute), and to make whole the LLC or any Members who have been damaged by the improper disputes or the malfeasance of any Member, the arbitrator shall have the power to award costs and reasonable attorneys fees in favor of the LLC or any participant Member who substantially prevails in arbitration. Said costs and fees shall be charged against those Members having committed the malfeasance or having engaged in an improper dispute. In the event the awarded costs and fees are in excess of a Member's capital account, then the LLC may expel the member, cancel his or her membership, and pursue the Member for any such deficiency. In no event shall a Member be deemed to have committed a malfeasance merely because the action of the Member causes damage to the LLC, if such action was undertaken by the Member in good faith to promote the best interests of the LLC.

28. **Notices:** Any notice or other communication required or permitted to be given under this Agreement shall be considered given if placed into writing and delivered personally, by U.S. mail Return Receipt Requested, or by prepaid telegram or mail-gram delivered to said Member at the address shown above or at such other addresses as the member may have notified the LLC in writing; or by facsimile or e-mail at the number/address shown on the records for the LLC for the Member if delivery can be proven or is acknowledged by a Member.

29. **Other Activities:** Participation in this LLC by any Member shall not prevent said Member from owning any interest in any other entity or engaging in other business or investment activity to the extent not in direct conflict with the business of this LLC.

30. **Definitions:** Where used in this Agreement the following terms shall have the following meanings:

A. IRC means the Internal Revenue Code and its valid regulations.

B. Treasury Regulations means the valid regulations under the Internal Revenue Code.

C. A majority vote in interest means a majority by units of ownership in the LLC.

D. A Member's family member shall mean any spouse, blood relative or lineal descendant by blood or adoption of Michael S. Faren and/or Jonathan P. Miller.

E. Incapacity refers to a member who is under a legal disability or by reason of illness, or mental or physical disability is, in the written opinion of two doctors currently practicing medicine, or by order of a court of local jurisdiction, unable to properly manage his or her affairs.

F. Any undefined term used in this Agreement which is specifically defined in the Act shall have the meanings ascribed to it by the Act.

31. **Amendment:** An amendment to this Agreement shall be valid if said amendment is in writing and is executed by unanimous vote of all Members. In making any amendments, there shall be prepared and filed by, or for, the Members such documents and certificates as may be required under the Act and under the laws of any other jurisdiction applicable to the LLC.

32. **Entire Agreement:** This Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and fully supersedes any and all prior or contemporaneous agreements or understandings between the parties hereto pertaining to the subject matter hereof.

33. **Headings; Interpretation:** The headings in this Agreement are inserted for convenience of reference only and will not affect the interpretation of this Agreement. Whenever from the context it appears appropriate, each term stated in either the singular or the plural will include the singular and the plural, and pronouns stated in the neuter gender will include the masculine, the feminine and the neuter.

34. **Binding Effect:** Except as otherwise expressly provided herein, this Agreement shall be binding on and inure to the benefit of the Members, their heirs, executors, administrators, successors, and all other persons hereafter holding, having, or receiving any interest in the LLC.

35. **Waivers:** No waiver of or any breach of any of the terms of this Agreement shall be effective unless such waiver is in writing and signed by the Member against whom such waiver is claimed. No waiver of or any breach shall be deemed a waiver of any other subsequent breach.

36. **Certain Remedies:** Each Member and the LLC shall be entitled to all remedies at law and equity for breach of this Agreement. Each Member further acknowledges that specific performance is an appropriate remedy for breach of any obligation hereunder.

37. **Partial Invalidity; Severability and Construction:** All rights and restrictions contained herein may be exercised and will be applicable and binding only to the extent that they do not violate any applicable laws and are intended to be limited to the extent necessary to render this Agreement legal, valid and enforceable. If any terms of this Agreement not essential to the commercial purpose of this Agreement will be held to be illegal, invalid or unenforceable by a court of competent jurisdiction, it is the intention of the parties that the remaining terms hereof will constitute their agreement with respect to the subject matter hereof and all such remaining terms will remain in full force and effect. To the extent legally permissible, any illegal, invalid or unenforceable provision of this Agreement will be replaced by a valid provision which will implement the commercial purpose of the illegal, invalid or unenforceable provision. Every

covenant, term, and provision of this Agreement shall be construed simply according to its fair meaning and not strictly for or against any Member or the LLC.

38. **Third-Party Beneficiaries**: The provisions of this Agreement are intended solely for the benefit of the Members and create no rights or obligations enforceable by any third party, including creditors of the LLC, except as otherwise provided by applicable law.

IN WITNESS WHEREOF, this Agreement is entered into and shall be effective as of the above date first written.

MEMBER:

MICHAEL S. FAREN

MEMBER:

JONATHAN P. MILLER

EXHIBIT A
INITIAL LLC PROPERTY

The assets associated with the fixed base operation at Carson City Airport in Carson City, Nevada, the Lease with the Carson City Airport Authority, and the goodwill and revenue stream associated with such operations.

Total Value: $_____

STELLAR AVIATION OF CARSON CITY, LLC

August 3, 2022

Corey Jenkins, ACE
Airport Manager
Carson City Airport
2600 College Parkway #6
Carson City, NV 89706

Re: <u>Stellar Aviation of Carson City, LLC, Financial Information</u>

Dear Corey:

Please be advised that the above-referenced entity was created to operate the FBO at Carson City upon approval by the Airport Authority. Therefore, no historical CPA prepared financial information is available for the entity. As you are aware, Michael Faren and me, as the sole members of the LLC, have provided you with evidence of over $1 million in liquid cash assets which will be used to fund the Carson City operation once such operations are approved by the Authority. This will include the funding of the operating account at TD Bank with at least six months of operating capital upon approval by the authority. We believe that the financial information previously provided to you by Michael and me as well as our certification to fund the operation personally as required and as described above upon approval by the Authority is satisfactory evidence of our ability to operate and fund the approved operation.

Sincerely,
STELLAR AVIATION OF CARSON CITY, LLC

Jonathan Miller

Digitally signed by Jonathan Miller
Date: 2022.08.03 12:31:05 -04'00'

Jonathan Miller, Member

Michael Faren, Member

Stellar Aviation Corporate Offices
2600 N. Military Trail, Suite 206 • Boca Raton, Florida 33431
(561) 656-9816 • (561) 757-6627 (fax)