

TOLLING AGREEMENT
between
THE CITY OF REDLANDS, CALIFORNIA AND
AERO-DYNAMICS INVESTORS, INC.

In consideration of the mutual covenants contained herein, the City of Redlands, a municipal corporation ("Redlands") and Aero-Dynamics Investors, Inc., a California corporation ("Aero-Dynamics") who are hereinafter sometimes referred to individually as a "Party" and, collectively, as the "Parties" agree as follows:

1. Aero-Dynamics entered into an "Airport Lease" with Redlands for certain real property located at Redlands' Municipal Airport on May 1, 1979 (the "Lease").
2. On March 15, 2005, Redlands' City Council took action to terminate the Lease.
3. Redlands and Aero-Dynamics desire to continue discussions regarding the facts and circumstances associated with the termination of the Lease and to defer any legal proceedings or other actions by either Party during the pendency of such negotiations. Except as expressly provided herein, neither Redlands nor Aero-Dynamics waive, will be deemed to have waived, or shall be estopped from asserting, any rights relating to City's termination of the Lease due to the execution of this Agreement.
4. Redlands and Aero-Dynamics agree that, prior to August 1, 2005, they shall not file any action in their own behalf or as part of a class action in any court of competent jurisdiction or administrative agency asserting claims or defenses arising from or relating to Redlands' termination of the Lease.
5. Redlands and Aero-Dynamics agree that any and all statutes of limitations applicable to any

claims, causes of action, rights, demands for arbitration or reference, actions and proceedings any of the Parties may have against any other Party arising out of or relating to the facts and circumstances associated with Redlands' termination of the Lease are deemed tolled as of the Effective Date of this Agreement, and shall remain tolled until the earlier of August 1, 2005, or thirty (30) days after written notice given by any Party to the other Party of the termination of this Agreement. Any claims, defenses or actions which could have been asserted with respect to such matters shall be legally preserved during the tolling period.

6. Any defense which any Party may have, including those based on laches or related equitable doctrines, shall not be based upon or supported in any way by the postponement of any claim or defense during the tolling period.

7. Nothing in this Agreement shall operate to revive any claim or proceeding that was time barred as of the Effective Date of this Agreement.

8. This Agreement in no manner constitutes an admission by any Party of any fault or liability, or lack thereof, on the part of any Party, in relation to any potential or existing lawsuit, claim, action, or matter.

9. This Agreement constitutes the entire understanding and agreement of the Parties as to the subject matter hereof, and shall not be modified except by a written agreement signed by the Parties.

10. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

11. The terms, conditions, covenants and agreements set forth in this Agreement shall apply to and bind the assigns and successors in interest of the Parties.

12. For the purpose of this Agreement, "Aero-Dynamics" includes Aero-Dynamics's affiliates, subsidiaries, successors, assigns and beneficiaries, including those claiming under and through it, and "Redlands" includes Redlands' successors, assigns and beneficiaries, including those claiming under and through it.

13. The undersigned all acknowledge and represent that they have read this Agreement and consulted with their respective legal counsel concerning its contents and consequences, that this Agreement is being executed solely in reliance on their respective judgment, belief and knowledge of the matters set forth herein and on the advice of their counsel. This Agreement, negotiated by the Parties, integrates all the subject terms and conditions and supersedes all negotiations of previous agreements between the Parties concerning the specific subject matter of this Agreement.

THIS AGREEMENT shall be deemed effective on the 23rd day of May, 2005 (the "Effective Date").

AERO-DYNAMICS INVESTORS, INC.

CITY OF REDLANDS, CALIFORNIA

By: Edwin H. Krick, Sr.
President of the Corporation

By: Susan Peppler
Susan Peppler, Mayor

ATTEST

Edwin Krick
Secretary to the Corporation

ATTEST

Lorrie Poyzer
Lorrie Poyzer, City Clerk