

LAND LEASE AGREEMENT

THIS LAND LEASE AGREEMENT ("Lease") entered into this 1st day of April, 2011 between the CITY OF ROCHELLE, an Illinois municipal corporation ("City") and SKY TEAM, INC., an Illinois corporation ("Lessee").

WITNESSETH

THAT WHEREAS, CITY is an Illinois municipal corporation and is the owner and operator of the ROCHELLE MUNICIPAL AIRPORT/KORITZ FIELD ("Airport"); and

WHEREAS, LESSEE desires to lease from CITY certain real estate within the Airport, described in **Exhibit A**, for the purposes of constructing an aviation hangar, office building, and other facilities described herein ("Improvements"), as described on **Exhibit B**, and occupying the Improvements during the term of this Lease, with the CITY to own the Improvements upon the expiration of the term of this Lease; and

WHEREAS, LESSEE desires to occupy and use part of the Community Hangar at the Airport during the construction of a gravel access road as described in **Exhibit C**; and

WHEREAS, LESSEE desires to occupy and use the Leased Premises, as described herein, temporarily during the construction of the Improvements by constructing temporary facilities as described in **Exhibit D**; and

WHEREAS, CITY is willing to enter into such a lease with LESSEE on the terms and conditions contained herein,

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Land Parcel.** CITY hereby leases to LESSEE, and LESSEE hereby leases from the CITY, the real property on the Airport described in **Exhibit A** ("Leased Premises"), consisting of 7 acres, more or less.
2. **Term.** The term of this Lease shall be twenty (20) years, commencing on the date first set forth above ("Term"). LESSEE shall have two (2) options to extend this Lease for terms of ten (10) additional years each, on written notice to CITY at least ninety (90) days prior to the end of the original lease term, or the first extended term. The rent for the first extended lease term shall be \$35,000.00 per year. The rent for the second extended lease term shall be \$40,000.00 per year.
3. **Rent; Fuel Purchases.** LESSEE shall pay CITY rent for the Leased Premises as follows:

- a. **First Five (5) Years.** For years 1-5 of the Lease, LESSEE shall pay a ground rent of \$40,000.00 per year, in equal monthly installments of \$3,333.34 and shall pay all utility costs for the Leased Premises.
 - b. **Subsequent Years.** For years 6-20 of the Lease, LESSEE shall pay a ground rent of \$25,000.00 per year, payable in equal monthly installments of \$2,083.34 and shall pay all utility costs for the Leased Premises.
 - c. **Late Payment.** Any payment not paid when due will be a default of the terms of the Lease. If the CITY starts collection proceedings or incurs any costs in collecting a payment, the LESSEE agrees to pay all the CITY'S expenses therewith, including reasonable attorneys' fees.
 - d. **Fuel.** CITY shall provide LESSEE with fuel for LESSEE'S aircraft at a price equal to CITY'S cost in purchasing the fuel.
4. **Taxes.** LESSEE shall pay, when due, all Taxes (as hereinafter defined) during the Term of this Lease. The term "Taxes" shall mean all real estate taxes and assessments, whether general or special, levied or assessed upon or with respect to any part of the Leased Premises or Improvements. LESSEE shall have the right to contest or appeal the Taxes in good faith and with due diligence, at its sole expense, and at no expense to CITY and without any prejudice to CITY'S right, title or interest in the Leased Premises or Improvements. If applicable, at the end of the Term, Taxes shall be prorated as reasonably determined by CITY. LESSEE shall, at its expense, promptly pay all fees, licenses, and other taxes due in connection with the Leased Premises and Improvements. The City will cooperate with LESSEE in any effort by LESSEE to obtain real estate tax abatements from taxing bodies.
5. **Use.**
 - a. **Permitted Uses.** LESSEE shall use and occupy the Leased Premises and Improvements in conformity with LESSEE's special use permit for the following uses only: operation of a skydiving business, a hangar to be used for skydiving business purposes only, aircraft sales and leasing, operation of a restaurant and retail store, and operation of an RV park. LESSEE'S sister companies, PROskydiving, Inc. and Sky Team Aviation, Inc. shall be permitted to use the Leased Premises in the same manner as LESSEE. LESSEE shall not provide any services from the Leased Premises other than those expressly listed in Paragraph 5, without first obtaining the written consent of CITY, which shall not be unreasonably withheld. Any such unpermitted use shall be a default. LESSEE may hire an outside party to provide some temporary service on the Leased Premises for a special event, such as entertainment; provided, however, that LESSEE shall submit a written request two (2) weeks prior to the event to the City Airport Manager for approval, which shall not be unreasonably withheld.

- b. Non-Exclusive Use.** LESSEE shall be entitled to the non-exclusive use in common with CITY and other parties of automobile parking spaces and aircraft apron located adjacent to the Leased Premises.
- c. Regulations and Rules.**
- i. General.** LESSEE shall perform all activities on the Leased Premises according to federal aviation regulations and Airport Rules and Regulations, as adopted or amended from time to time.
 - ii. Off-Site Damage.** LESSEE shall provide CITY with a written incident report of any incident causing off-site damages caused by LESSEE'S operation, including a description of the off-site damage, a description of a remediation plan for such damage, and a time frame for remediation. Such report shall be provided within 72 hours of the incident.
 - iii. Alcohol.** LESSEE shall comply with all applicable laws and ordinances relating to the sale of alcohol on the Leased Premises. The parties agree that the Leased Premises do not constitute public or municipal buildings within the meaning of Section 6-7 of the Rochelle Municipal Code. Notwithstanding the foregoing, LESSEE shall not allow or permit the consumption of alcoholic beverages on the Leased Premises except within the area designated as Courtyard on **Exhibit B** or within any future restaurant for which LESSEE has obtained a liquor license.
- d. Drop Zone.** The real property described on **Exhibit B** as "Skydiving Landing Area" shall be the drop zone area ("Drop Zone"). LESSEE shall follow all rules and regulations regarding the use of the Drop Zone as described in the United States Parachute Association's Basic Safety Requirements ("USPA BSR") and Federal Aviations Regulations Section 105 ("FAR 105").
- e. Campground.**
- i. Area Defined.** The real property described on **Exhibit B** as "Campground" shall constitute the Campground ("Campground"). Area 1 of the Campground will be available for fifteen (15) tent spaces. Area 2 of the Campground will be available for thirty (30) recreational vehicle or trailer spaces. Area 2 must be constructed with asphalt. Campground is strictly limited to recreational vehicle parking or tent camping, and LESSEE shall not allow more than one (1) tent per tent space or parking of more than one (1) vehicle per space; provided, however, that additional requests may be allowed with the written consent of the Airport Manager, but such consent shall not constitute a waiver of the requirement of consent in the future.

- ii. **Ancillary to Primary Business.** LESSEE expressly understands and agrees that the RV parking privileges are strictly ancillary to LESSEE'S primary business of skydiving and skydiving training. LESSEE shall have no right or privilege to solicit or permit members of the general public not currently engaged in skydiving or skydiving training at Airport to use the Campground facilities provided herein. Further, LESSEE shall not suffer or permit any of its officers, agents or employees to use the Campground facilities as permanent living quarters. LESSEE expressly understands and agrees that the RV parking privileges provided herein are strictly limited to customer-supplied equipment. LESSEE shall have no right or privilege to rent or supply RV or camping equipment to any person for use on the premises or to permit any of its officers, agents or employees to supply RV or camping equipment to any person for use on the premises.
- iii. **Duration Limited.** Under no circumstances shall LESSEE suffer or permit any tent camping equipment to remain on the premises for a period of time longer than three days and RV parking may be permitted for any period of time, subject to prohibited times as contained in Section 5(e)(iv); provided however that CITY retains the right to remove any single RV, camper, or tent if it becomes unsightly or unsafe. CITY retains the right to remove any owner of an RV, camper, or tent from the Leased Premises if the owner's conduct is deemed detrimental to the operation of the Airport.
- iv. **Prohibitions.** No RV parking or tent camping will be permitted from November 30 through April 1. With the exception of one (1) fire pit within the courtyard with a design and location approved by CITY, no open flames or fire pits shall be allowed on Leased Premises; provided, however, that one grill per RV space may be used.
- v. **Non-Transferable and City's Right to Terminate.** The RV parking and camping privileges are not transferable to any subsequent tenant or assignee. CITY may suspend or revoke the RV parking and camping privileges provided herein upon ten (10) days advance written notice on account of four or more lease or regulatory violations in any given year, whether or not cured.
- vi. **Sanitation.** LESSEE shall conform to all applicable laws, ordinances, and regulations with respect to sanitation requirements for Campgrounds.

6. Improvements.

- a. **Improvements.** Improvements shall consist of Building Improvements and Utility Improvements as defined herein.
- b. **Building Improvements.** LESSEE shall, at its sole cost and expense, construct on the Leased Premises an aviation hangar, office building and other

improvements, including a parking lot, RV parking lot, aviation ramp, staging gazebo, and internal roadway from the parking lot to Area 2 of the Campground (RV Park), and improvements thereto (“Building Improvements”), only in conformity with the plans described in **Exhibit B** and only in accordance with the provisions of the Rochelle Municipal Code. LESSEE shall complete the construction of the Building Improvements by April 1, 2012.

- c. **Utility Improvements.** CITY shall, at its sole cost and expense, provide sanitary sewer and water, (“Sewer/Water Improvements”), to the boundary of the Leased Premises, in conformity with the plans described in **Exhibit B**. LESSEE shall, at its sole cost and expense, construct electric and fiber optic improvements to the Leased Premises and any buildings thereon, in conformity with the Rochelle Municipal Code and the requirements of Rochelle Municipal Utilities.
- d. **Entrance; Internal Roadway Improvements; Fencing; Expansion of Taxiway.** CITY shall, at its sole cost and expense, construct a roadway entrance and an internal roadway to the parking facility as described in **Exhibit B**. CITY shall, at its sole cost and expense, construct fencing around the Leased Premises and an expansion of the taxiway to serve the Leased Premises as described in **Exhibit B**.
- e. **Warranties.** LESSEE represents and warrants to CITY that the Building Improvements have been, or will be, designed by a licensed architect or engineer in accordance with all applicable laws, codes, ordinances, rules and regulations. LESSEE shall cause the Building Improvements to be constructed in accordance with all applicable laws, codes, ordinances, rules and regulations by a contractor reasonably approved by CITY.
- f. **Construction Permits.** LESSEE shall be solely responsible for obtaining, at its expense, any and all construction and building permits, and CITY shall cooperate with LESSEE with respect to such items.
- g. **Temporary Facilities.**
 - i. **Prior to Gravel Access Road.** Prior to the completion by CITY of the gravel access road from Gurler Road in conformity with the plans described in **Exhibit C**, LESSEE shall be permitted to use and occupy approximately 750 square feet of the south office area of the Community Hangar and approximately 1000 square feet of unleased space in the Community Hangar as shown in **Exhibit C** for the following permitted uses: office space and parachute packing.
 - ii. **Upon Completion of Gravel Access Road.** Within thirty (30) days of completion of the gravel access road from Gurler Road as described in **Exhibit D**, LESSEE shall construct, install, use and operate the permitted uses from temporary facilities during the construction of the

Improvements, only in conformity with the plans described in **Exhibit D** and shall vacate the Community Hangar space.

- 7. Care of Leased Premises.** LESSEE shall keep and maintain the Leased Premises and all Improvements of any kind which may be erected, installed or made thereon by LESSEE in good and substantial repair and condition, including the exterior condition thereof, and shall make all necessary repairs and alterations thereto. Subject to the prior written approval of CITY approving the right to operate and maintain such a facility, LESSEE shall assume all responsibility for the installation and maintenance of any fuel or oil (or any other material deemed hazardous by the Environmental Protection Agency) storage facility on the airport that is for the sole use of LESSEE. Maintenance includes, without limitation, any and all environmental clean-ups of the site and/or removal of the facility. LESSEE agrees to hold harmless from any responsibility or expense CITY for any maintenance of the Leased Premises, Improvements, or other facilities. LESSEE shall provide proper containers for trash and garbage and shall keep the Leased Premises free and clear of rubbish, debris, and litter at all times. LESSEE shall maintain all aprons, ramps and taxiways that are constructed by LESSEE and are for the exclusive use of LESSEE, its sublessees, guests and invitees. LESSEE shall keep mowed and in a slightly condition all landscaping and grass areas within the Leased Premises; provided however that CITY shall be responsible for mowing the Drop Zone and shall roll the Drop Zone every spring.
- 8. Return of Leased Premises.** At the termination of this Lease, LESSEE shall surrender the Leased Premises, including all buildings and improvements constructed or installed by the LESSEE, in good condition, reasonable wear and tear excepted. All such buildings and improvements shall become the sole property of CITY upon termination of this Lease. Regardless of the time when such termination occurs, or the reason therefore, CITY shall have no obligation to account for, or pay the value or cost of, such buildings and improvements to the LESSEE or MORTGAGEE.
- 9. LESSEE'S Right to Terminate.** If within thirty (30) days of the execution of this Lease, CITY fails to approve an ordinance allowing for hot fueling of LESSEE'S aircraft, LESSEE shall have the option of terminating this Lease. In no event shall the CITY'S failure to approve such ordinance constitute a default under this Lease.
- 10. Sublease and Assignment.**

 - a. City Consent Required.** LESSEE shall not be permitted, without the prior written consent of CITY in each instance, to (i) assign, transfer, mortgage, pledge or encumber this Lease or any interest under it, (ii) lease the Improvements or sublet the Leased Premises and Improvements or any part thereof, or (iii) allow to exist or occur any transfer of or lien upon this Lease or LESSEE'S interest herein. Any assignment shall be to a person, firm or entity financially and operationally capable of fulfilling LESSEE'S obligations herein, in which case CITY shall not unreasonably withhold its consent. In no event shall this Lease be assigned or

assignable by voluntary or involuntary bankruptcy proceedings or otherwise, except as provided by law, and in no event shall this Lease or any rights or privileges hereunder be an asset of LESSEE under any bankruptcy, insolvency or reorganization proceedings, except as provided by law. Any of the foregoing performed or attempted in violation of the provisions of this Lease shall be null and void.

- b. **Continuing Liability of LESSEE.** No subletting, use, occupancy, transfer or encumbrance by LESSEE shall operate to relieve LESSEE from any covenant or obligation hereunder except to the extent, if any, expressly provided for in any such written consent of CITY to the foregoing. None of the foregoing, and no consent to any of the foregoing, shall be deemed to be a consent to or relieve LESSEE from obtaining CITY'S consent to any subsequent assignment, subletting, use, occupancy, transfer or encumbrance. LESSEE shall pay all of CITY'S reasonable costs, charges, and expenses (including without limitation reasonable attorney's fees and expenses in a sum amount not to exceed \$2,500.00) that CITY incurs in connection with any assignment, use, occupancy, transfer or encumbrance made or requested by LESSEE
- c. **Lease Assumption.** If LESSEE shall assign this Lease, the assignee shall expressly assume all of the obligations of LESSEE hereunder in a written instrument provided by CITY and delivered to CITY not later than five (5) days prior to the effective date of the assignment. If LESSEE shall lease any part of the Building Improvements or sublease any part of the Leased Premises, LESSEE shall obtain and furnish to CITY, not later than fifteen (15) days prior to the effective date of such lease or sublease, and in a form reasonably satisfactory to CITY, the written agreement of such LESSEE or sublessee to the effect that the LESSEE or sublessee shall attorn to CITY.

11. Insurance.

- a. **General.** LESSEE covenants and agrees to maintain in force and effect at all times during the Term of this Lease public liability insurance in amounts as required by CITY, with coverage limits in the amount not less than \$2,000,000.00 for premises liability, \$1,000,000.00 for any occurrence of damage to property, \$1,000,000.00 aggregate for each occurrence for death and bodily injury, and \$1,000,000.00 for death or injury to any one person. Said insurance shall protect LESSEE and CITY and its agents or employees from loss on account of each and every claim or demand arising out of alleged wrongful or negligent acts or omissions on the part of LESSEE, its agents, servants or employees. Said insurance shall be with a company or companies satisfactory to CITY. Said insurance shall include coverage commonly known as "Worker's Compensation" and "Product Liability". CITY shall be named as an additional insured in such insurances and shall be provided with certificates of the insurance evidencing such coverage throughout the life of this Lease. CITY reserves the right to request and receive copies of LESSEE'S insurance policies as referenced herein. Said

insurance shall be primary coverage and any insurance that CITY may have shall be considered secondary and non-contributory and all said insurance policies shall contain an endorsement to this effect.

- b. Fire and Casualty.** LESSEE covenants and agrees to maintain in force and effect at all times during the Term of this Lease policies of fire and extended coverage insurance, insuring the buildings and improvements located on the Leased Premises to their full replacement value. Said insurance shall be with a company or companies satisfactory to CITY. CITY shall be named as an additional insured in such insurances and shall be provided with certificates of the insurance evidencing such coverage throughout the life of this Lease. CITY reserves the right to request and receive copies of LESSEE'S insurance policies as referenced herein. Said insurance shall be primary coverage and any insurance that CITY may have shall be considered secondary and non-contributory and all said insurance policies shall contain an endorsement to this effect.
- c. Vehicle.** LESSEE shall provide CITY with all certificates of vehicle insurance that LESSEE maintains on its aircrafts.
- d. Leasehold Title Insurance.** CITY shall obtain and provide to LESSEE a title insurance policy that shows CITY in title to the Leased Premises and any encumbrances thereon within ten (10) days of execution of this Lease.

12. Waiver and Indemnity.

- a. General Waiver.** In addition to and without limiting or being limited by any other releases or waivers of claims in this Lease, to the extent not prohibited by law, CITY, or any of its officers, Mayor, councilmembers, agents, consultants, contractors or employees, shall not be liable, and LESSEE hereby waives and releases them from any liability, for any injury to or death of any person or injury or damage to, or theft, robbery, pilferage, loss or loss of the use of any property, sustained by LESSEE or by other persons arising out of or relating to the Leased Premises or Improvements coming out of repair, or due to the happening of any accident or event in or about any part of the Leased Premises or Improvements, or due to any act or neglect of any other person; provided, however, that LESSEE does not waive or release CITY, or any of its officers, Mayor, councilmembers, agents, consultants, contractors or employees, from liability for their respective negligence or willful misconduct which causes any injury to or death of any person.
- b. Indemnity.** In addition to and without limiting or being limited by any other indemnity in this Lease, but rather in confirmation and furtherance thereof, LESSEE agrees to indemnify, defend by counsel reasonably acceptable to CITY, and hold CITY, and its officers, Mayor, council members, agents, consultants, contractors and employees, harmless of, from and against any and all losses, damages, liabilities, claims, liens, costs and expenses including court costs and

reasonable attorney's fees and expenses, in conjunction with injury to or death of any person or injury or damage to or theft, robbery, pilferage, loss or loss of use of any property not owned by CITY occurring in or about the Leased Premises or Improvements arising from LESSEE'S occupancy of the Leased Premises and Improvements, or the conduct of its business or from any activity, work, or thing done, permitted or suffered by LESSEE in or about the Leased Premises and Improvements, or from any breach or default on the part of LESSEE in the performance of any covenant or agreement on the part of LESSEE to be performed pursuant to the terms of this Lease, or due to any other act or omission of LESSEE, or any of its employees, agents, licensees, invitees or contractors; provided, however, that LESSEE's indemnity obligation shall not extend to damages caused by the negligence or willful act or omission of CITY. In addition, CITY hereby agrees to hold harmless and indemnify the LESSEE and its agents, contractors, and employees from and against all claims, liability, and costs (including, but not limited to, attorneys' fees and costs) for injuries to persons and damage to or the theft, misappropriation, or loss of property arising from occurrences in or about the Leased Premises or Improvements caused by the act, omission, or negligence of CITY; provided, however, that CITY'S indemnity obligation shall not extend to damages caused by the negligence or willfull act or omission of LESSEE. In the event damages or injuries are caused by the acts or omissions of both parties, the indemnity obligation of each party shall be apportioned between the parties in accordance with the portion of such damages or injury caused by the act or omission of each party. Additionally, LESSEE acknowledges that CITY is a non-home rule municipality, and in the event it should be found by a court of competent jurisdiction that CITY is without power to enter into this indemnity agreement, then LESSEE agrees that CITY'S indemnity obligation hereunder shall be void. CITY makes no representation or warranty concerning its power to enter into this indemnity agreement.

13. Default. LESSEE shall be in default under this Lease ("Default") under the following circumstances:

- a. Failure by LESSEE upon not less than thirty (30) days prior written notice to pay any rent when due; or
- b. Failure by LESSEE to fulfill any other obligation hereunder and the continuation of such failure for thirty (30) days after written notice by CITY to LESSEE, or for such reasonably extended period of time so long as LESSEE is diligently attempting to cure any such default and also failure by LESSEE'S lender to cure any defaults by LESSEE beyond any applicable cure periods within thirty (30) days of receipt of written notice from CITY, or in the case of non-monetary defaults, for such reasonably extended period of time so long as LESSEE'S lender is diligently attempting to cure any such default.
- c. In the event that LESSEE'S failure to fulfill any obligation hereunder reasonably requires CITY to take action to fulfill such obligation prior to the expiration of the thirty (30) days notice period, LESSEE shall promptly reimburse CITY for CITY'S reasonable costs incurred in connection with such action upon receipt of

CITY'S invoice for same, and failure to reimburse CITY shall constitute a default.

14. Remedies.

- a. **General.** In the event of Default, CITY shall have the right to pursue any and all legal and equitable remedies against LESSEE available under applicable law without any additional notice to LESSEE. The prevailing party in any civil action brought to enforce the provisions of this Lease may recover reasonable court costs, including attorney's fees, from the non-prevailing party.
- b. **Termination.** If there are four violations of this Lease, any Airport rules and regulations, any governmental laws and regulations, including but not limited to Federal Aviation laws and regulations, within a one-year period, CITY reserves the right to terminate this Lease for cause.

15. Holding Over.

- a. **CITY'S Option.** If LESSEE retains possession of the Leased Premises and the Improvements or any part thereof after the termination of the Lease by lapse of time or otherwise, at the option of CITY, which option shall be exercisable by giving written notice to LESSEE within ten (10) days after the date of such termination, the Term of this Lease shall be automatically renewed for one (1) year and this Lease shall remain in full force and effect, except that LESSEE shall pay to CITY as Ground Rent during such an automatic renewal term an amount equal to one hundred fifty percent (150%) of the annual Rent then in effect for the Leased Premises and one hundred percent (100%) of the then-fair market rent for the Improvements as shall be reasonably determined by CITY.
- b. **Tenancy at Sufferance.** In the event that CITY does not exercise such option, LESSEE shall be deemed to be a tenant at sufferance, and LESSEE shall pay to CITY 1/12th of one hundred fifty percent (150%) of the annual Ground Rent then in effect and 1/12th of one hundred percent (100%) of the then-fair market annual rent for the Improvements as shall be reasonably determined by CITY for each portion of any month during which LESSEE shall retain possession of the Leased Premises and Improvements or any portion thereof after such termination.
- c. **Damages.** In addition to, and without limiting any other rights and remedies which CITY may have on account of such holding over by LESSEE, LESSEE shall pay to CITY all direct and consequential damages suffered by CITY on account of such holding over by LESSEE. The provisions of this section shall not be deemed to limit or constitute a waiver of the right of CITY to evict LESSEE as provided herein or at law.

16. Leasehold Mortgage. At CITY'S discretion, the leasehold may be mortgaged and subject to the further conditions as follows:

- a. Any mortgage and/or subordination agreement shall be subject to CITY'S review and approval. CITY reserves the right not to agree to any mortgage or subordination agreement in its reasonable discretion.
- b. A Memorandum of Lease in recordable form shall be executed and recorded in the Office of the Recorder of Ogle County.
- c. LESSEE shall have no right to amend, modify, cancel or terminate this Lease without the MORTGAGEE'S prior written consent thereto.
- d. If the MORTGAGEE shall take possession of LESSEE'S leasehold estate, by foreclosure or otherwise, then (i) MORTGAGEE shall be liable for any previous defaults of LESSEE occurring prior to the time MORTGAGEE takes possession, and (ii) MORTGAGEE'S right to assign or sublet all or any portion of the Leased Premises shall be conditioned on the prior written consent of CITY, in CITY'S sole discretion.
- e. CITY'S obligation to agree to a mortgage on the demised premises is subject to MORTGAGEE'S obligation to notify CITY of any breaches by LESSEE of the terms of the mortgage and giving LESSEE and/or CITY ten (10) days to cure said breach(es) and full reinstatement of the mortgage on cure.
- f. LESSEE agrees that any uncured breach of the terms of any mortgage on the Leased Premises will be a breach of this Lease and entitle CITY to immediate possession of the Leased Premises.

17. Miscellaneous

- a. **Force Majeure.** The performance of all provisions of this Lease (except for payment of rent) shall be postponed and suspended during any period that the performance thereof is prevented by acts of God, accidents, weather and conditions arising therefrom, riot, fire, flood, storm, lightning, epidemic, insurrection, rebellion, revolution, civil war, hostilities, war, the declaration or existence of a national emergency and conditions arising therefrom, the exercise of paramount power by the federal government, either through the taking of the Leased Premises or the imposition of regulations restricting the conduct of business on the Leased Premises, interference, restriction, limitation or prevention by legislation, regulation, decree, order or request of any federal, state or local government or any instrumentality or agency thereof, including any court of competent jurisdiction, or any other delay or contingency beyond the reasonable control of CITY or LESSEE.
- b. **Eminent Domain.** Notwithstanding any other provisions of this Lease, LESSEE acknowledges that CITY shall have the power to take the interest of LESSEE under this Lease by eminent domain or condemnation proceedings.

- c. **Not a Joint Venture.** Nothing contained in this Lease is intended, or shall be construed, as in any way creating or establishing the relationship of partners or joint venturers between CITY and LESSEE or as constituting either party as the agent or representative or the other party for any purpose or in any manner.
- d. **Disclaimer of Exclusive Airport Use.** This Lease shall in no way convey the exclusive use of any part of the Rochelle Municipal Airport/Koritz Field, except with respect to the Leased Premises and Improvements as described herein, and shall not be construed as providing any special privilege for any public portion of the Airport. CITY reserves the right to lease to other parties any portion of the Airport not described herein for any purpose deemed suitable for the Airport by CITY.
- e. **Reservation of Airspace.** CITY reserves to itself for the use and benefit of the public a right of flight for the passage of aircraft in the airspace above the Leased Premises, together with the right to cause in the airspace such noise as is inherent in the operation of all types of aircraft, and to use the airspace for all airport and related activities, subject to LESSEE'S right to construct and maintain permitted improvements.
- f. **Subordination.**
 - i. This Lease is subject to all applicable State and Federal laws as well as all articles and conditions of grant agreements entered into between CITY and the Federal Aviation Administration and the Department of Aeronautics of the State of Illinois and nothing contained herein shall be construed to prevent CITY from making such further commitments as it desires to make to the Federal Government or the State of Illinois so as to qualify for further expenditure of federal and/or state funds at the Airport.
 - ii. This Lease is subject to and subordinate to all ordinances of the City of Rochelle and the rules and regulations of the Airport as the same may be in effect and amended from time to time.
- g. **Right of Access.** CITY hereby reserves the right to enter upon the Leased Premises at reasonable times for the purpose of making inspection to determine if the conditions and requirements of this Lease are being fully complied with. Should any buildings on the Leased Premises become deficient in maintenance or in need of repair, LESSEE hereby agrees to repair same within five (5) days after receipt of notice from CITY. Failure to comply shall constitute a breach of this Lease.
- h. **Signs.** LESSEE shall be allowed to install signs and advertisements promoting the business conducted by LESSEE subject to the written consent of CITY, which

consent shall not be unreasonably withheld, and subject to compliance with all applicable sign, zoning, building and other codes.

- i. Delays in Enforcement.** No delay on the part of any party in enforcing any of the provisions of this Lease shall be construed as a waiver thereof. No waiver on the part of any party of a breach of any provision of this Lease shall be construed as a waiver of any subsequent breach.
- j. Notices.** All notices required hereunder shall be in writing and shall be deemed to have been delivered if deposited in the United States mail, return receipt requested, with postage prepaid and addressed,

If to CITY at:

City Manager
City of Rochelle
420 S. 6th Street
Rochelle, Illinois 61068

And if to LESSEE at:

Sky Team, Inc.
669 Sheffield Circle
Sugar Grove, Illinois 60554

With a copy to:

City Attorney
City of Rochelle
420 S. 6th Street
Rochelle, Illinois 61068

With a copy to:

Eric J. Tanquilut, Esq.
Tanquilut & Associates, Ltd.
161 N. Clark, Suite 4700
Chicago, IL 60601

And if to LESSEE'S LENDER at:

[LENDERS NAME]
[LENDERS ADDRESS]

LESSEE shall notify CITY in writing of any changes to the addresses shown above.

- k. Successors and Assigns.** The terms, covenants and conditions of this Lease shall be binding upon and inure to the benefit of the successors and/or assigns of the parties hereto.
- l. Severability.** It is the intention of the parties hereto that the provisions of this Lease shall be severable with respect to declaration of invalidity of any provision contained herein.
- m. Governing Law and Venue.** The laws of the State of Illinois shall govern the validity, performance and enforcement of this Lease. The exclusive venue for any litigation between the parties arising out of this Lease shall be in the Circuit Court of the Fifteenth Judicial Circuit, Ogle County, Illinois.

- n. **Amendments.** No amendments, modifications or supplements to this Lease shall be effective unless in writing and executed and delivered by both parties to this Lease.
- o. **Time of Essence.** Time is of the essence in the performance of each and every covenant and condition of this Lease.
- p. **Survival.** Without limitation on any other obligations of LESSEE or CITY, which shall survive the expiration or termination of this Lease, the parties' respective obligations to indemnify, defend and hold harmless the other party and others pursuant to any provisions of this Lease shall survive the expiration or termination of this Lease.
- q. **Non-Discrimination.** LESSEE agrees that it will not, on the grounds of race, color or national origin, discriminate or permit discrimination against any person or group of persons in any manner prohibited by Part 21 of the regulations of the Office of the Secretary of Transportation and Title VI of the Civil Rights Act 1964, Illinois Law and Chapter 58 of the Rochelle Municipal Code. CITY reserves the right to take such action as the United States Government may direct to enforce this covenant.
- r. **Affirmative Action.** LESSEE agrees 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. LESSEE 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 in this subpart.

IN WITNESS WHEREOF, the parties have caused this Lease to be executed as of the date first written above.

LESSOR:
CITY OF ROCHELLE, an Illinois municipal corporation

LESSEE:
SKY TEAM, INC., an Illinois corporation

By: _____
Meggon McKinley
Its City Manager

By: _____
Douglas Smith
Its President

Attest: _____
Bruce McKinney, City Clerk

Attest: _____
Douglas Smith, Secretary

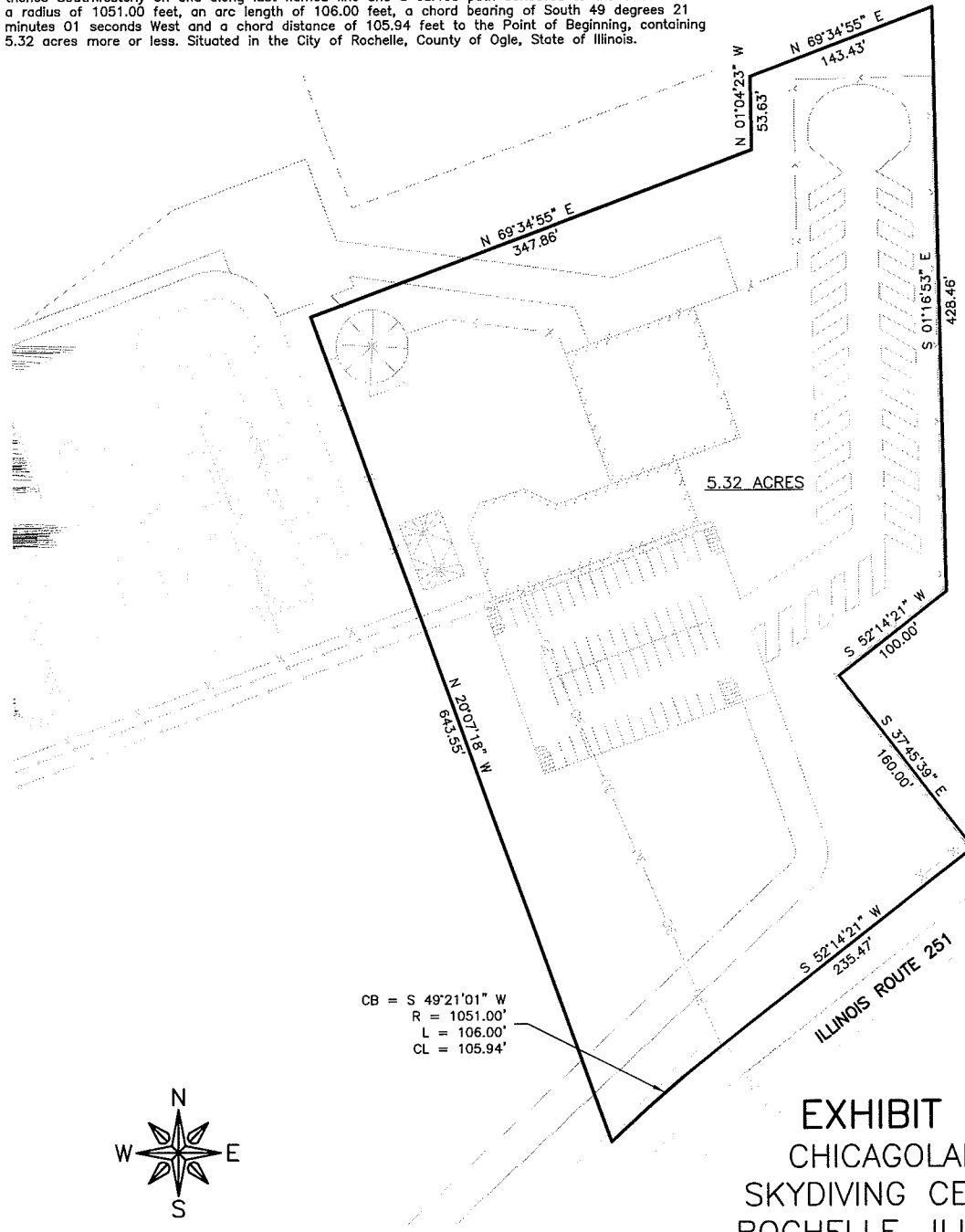
Date: _____

Date: _____

EXHIBIT A
(Legal Description)

DESCRIPTION:

Part of the Southwest Quarter of Section 36, Township 40 North, Range 1 East of the Third Principal Meridian, described as follows: Commencing at the Southwest corner of said Section 36; thence North 88 degrees 35 minutes 14 seconds East (assumed bearing) on and along the South line of said Section 36, a distance of 9.24 feet to the Northwest corner of Section 1, Township 39 North, Range 1 East of the Third Principal Meridian; thence North 88 degrees 38 minutes 21 seconds East on and along last named line a distance of 148.020 feet to the centerline of S.B.I. Route 70 (Illinois Route 251); thence Northeasterly on and along last named centerline and a curved path concaved to the Southeast with a radius of 1011.00 feet, an arc length of 248.27 feet, a chord bearing of North 38 degrees 26 minutes 27 seconds East and a chord distance of 247.64 feet; thence North 20 degrees 07 minutes 18 seconds West a distance of 43.75 feet to a point on the Westerly Right-of-way line of said S.B. I. Route 70 (Illinois Route 251) and the Point of Beginning of the tract hereon described; thence North 20 degrees 18 minutes 18 seconds West a distance of 643.55 feet; thence North 69 degrees 34 minutes 55 seconds East a distance of 347.86 feet; thence North 01 degrees 04 minutes 23 seconds West a distance of 53.63 feet; thence North 69 degrees 34 minutes 55 seconds East a distance of 143.43 feet; thence South 01 degrees 16 minutes 53 seconds East a distance of 428.46 feet to the Northeastery corner of premises conveyed to Henry and Alice Marks, recorded in Book 239 of Deeds on page 301 in the Recorder's Office of Ogle County; thence South 52 degrees 14 minutes 21 seconds West centerline of S.B.I. Route 70 (Illinois Route 251), a distance of 100.00 feet to the Northwesterly corner of said premises; thence South 37 degrees 45 minutes 39 seconds East perpendicular to said centerline of S.B.I. Route 70 (Illinois Route 251), a distance of 160.00 feet to said Westerly Right-of-way line of S.B.I. Route 70 (Illinois Route 251); thence South 52 degrees 14 minutes 21 seconds West on and along last named line a distance of 235.47 feet; thence Southwesterly on and along last named line and a curved path concaved to the Southeast with a radius of 1051.00 feet, an arc length of 106.00 feet, a chord bearing of South 49 degrees 21 minutes 01 seconds West and a chord distance of 105.94 feet to the Point of Beginning, containing 5.32 acres more or less. Situated in the City of Rochelle, County of Ogle, State of Illinois.



CB = S 49°21'01\" W
 R = 1051.00'
 L = 106.00'
 CL = 105.94'

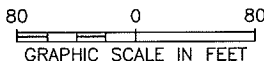


EXHIBIT A
 CHICAGOLAND
 SKYDIVING CENTER
 ROCHELLE, ILLINOIS

3/16/11



FEHR-GRAHAM & ASSOCIATES, LLC

ENGINEERING AND SCIENCE CONSULTANTS
 FREEPORT, IL ROCKFORD, IL ROCHELLE, IL SPRINGFIELD, IL MONROE, WI
 LICENSE 02504 PFM NO. 184-02639

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EXHIBIT B
(Permanent Facilities Plan)

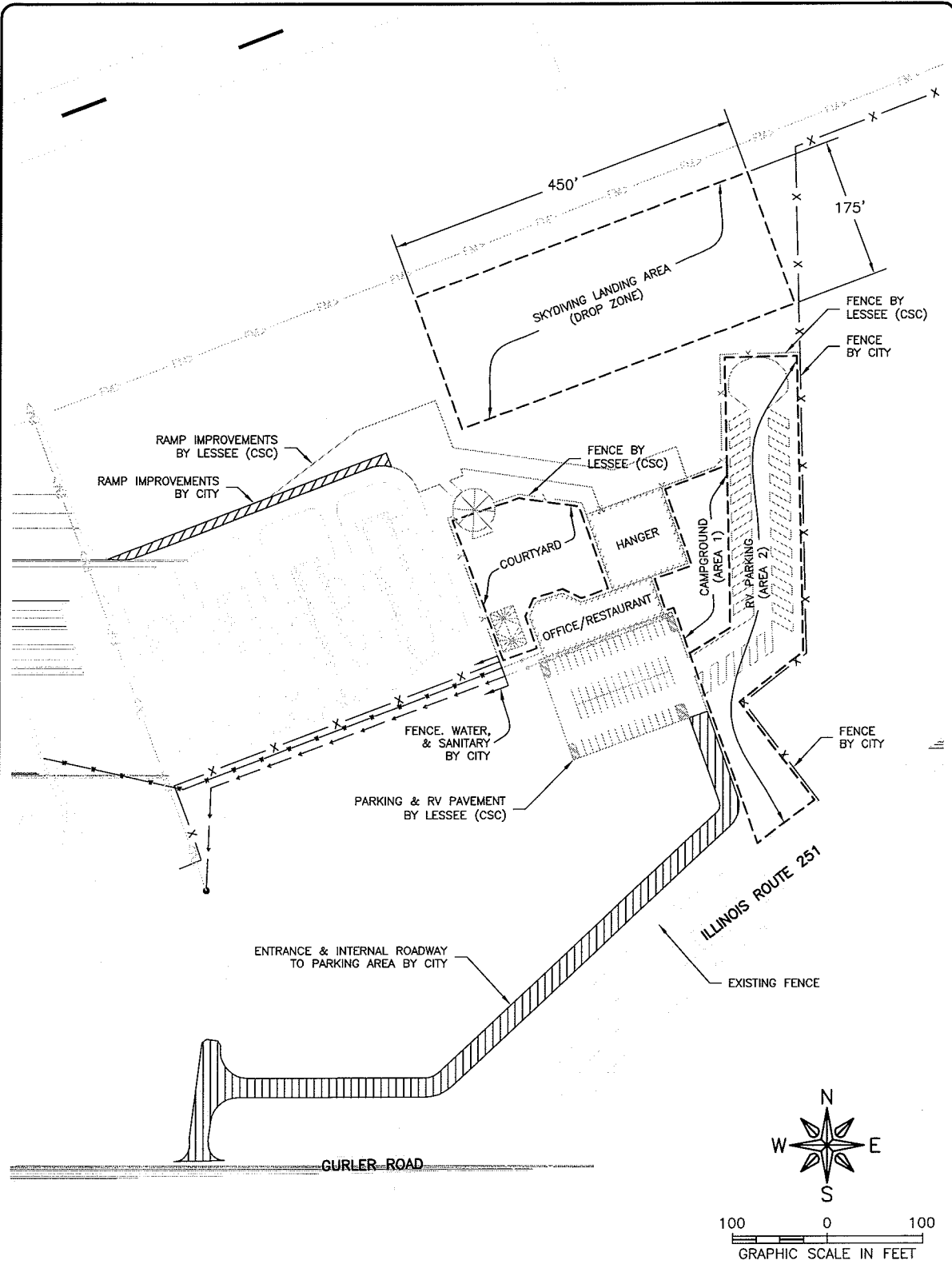


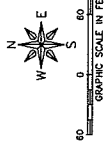
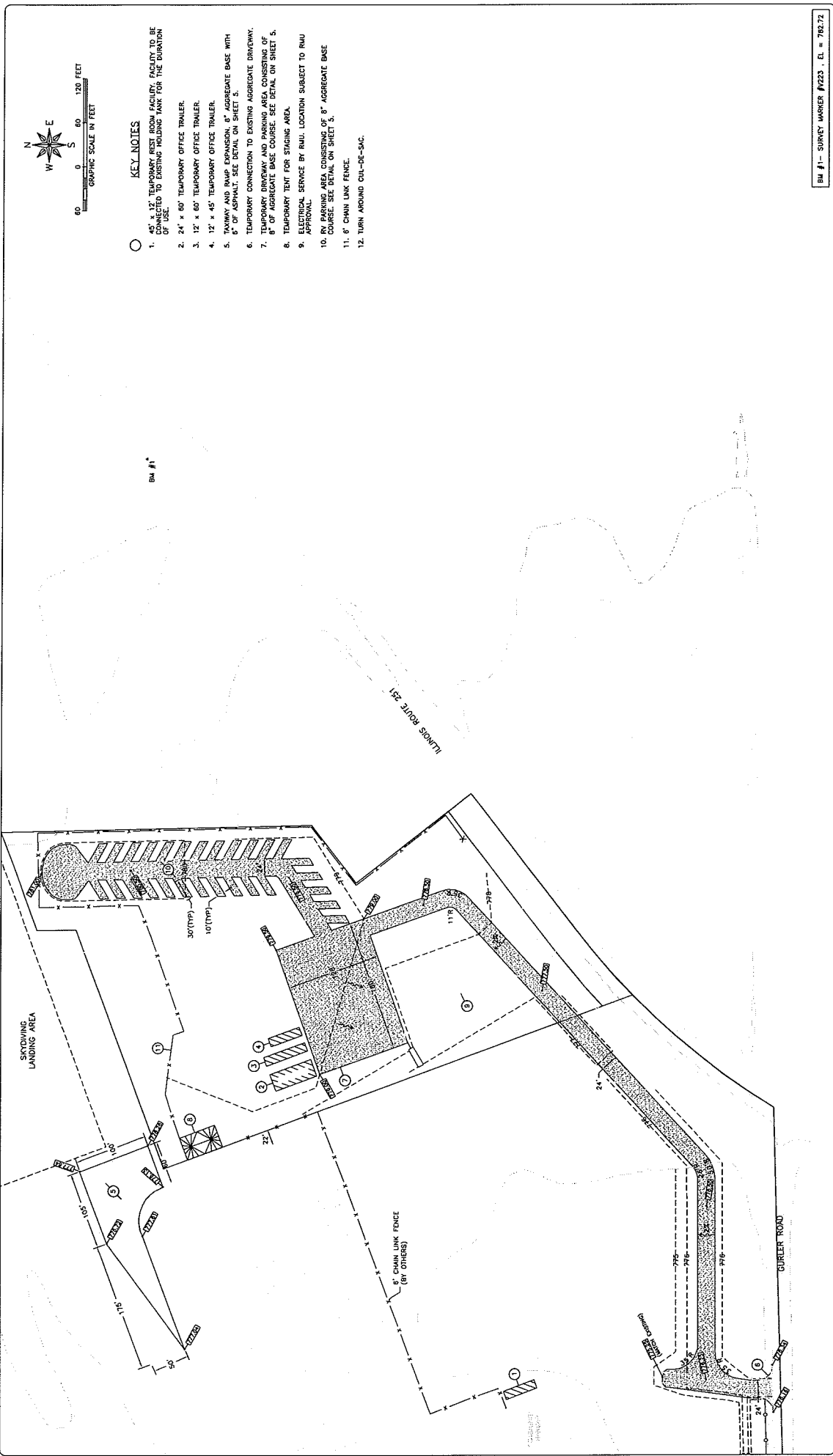
EXHIBIT B
CHICAGOLAND
SKYDIVING CENTER
ROCHELLE, ILLINOIS

3/16/11

FEHR-GRAHAM & ASSOCIATES, LLC
 ENGINEERING AND SCIENCE CONSULTANTS
 FREEPORT, IL ROCKFORD, IL ROCHELLE, IL SPRINGFIELD, IL MONROE, WI
 ILLINOIS BOARD REG. NO. 134-029229
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EXHIBIT C
(Community Hangar Temporary Leased Areas)

EXHIBIT D
(Temporary Facilities Plan)



KEY NOTES

1. 45' x 12' TEMPORARY REST ROOM FACILITY, FACILITY TO BE CONSTRUCTED TO EXISTING HOLDING TANK FOR THE DURATION OF USE.
2. 24' x 60' TEMPORARY OFFICE TRAILER.
3. 12' x 60' TEMPORARY OFFICE TRAILER.
4. 12' x 45' TEMPORARY OFFICE TRAILER.
5. TANKWAY AND RAMP EXPANSION, 8" AGGREGATE BASE WITH 5" OF ASPHALT. SEE DETAIL ON SHEET 5.
6. TEMPORARY CONNECTION TO EXISTING AGGREGATE DRAINWAY.
7. TEMPORARY TANKWAY AND PARKING AREA CONSISTING OF 8" OF AGGREGATE BASE COURSE. SEE DETAIL ON SHEET 5.
8. TEMPORARY TENT FOR STAGING AREA.
9. ELECTRICAL SERVICE BY RMU. LOCATION SUBJECT TO RMU APPROVAL.
10. TANKWAY BASE CONSISTING OF 8" AGGREGATE BASE COURSE. SEE DETAIL ON SHEET 5.
11. 6" CHAIN LINK FENCE.
12. TURN AROUND OUL-DE-SAC.

BM #1

FEHR-GRAHAM & ASSOCIATES, LLC
 ENGINEERING AND SCIENCE CONSULTANTS
 FREEPORT, IL ROCKFORD, IL ROCHELLE, IL SPRINGFIELD, IL MONROE, WI
LUIGI OSCAR FERRARI, INC. 100-000000

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OWNER/PROJECT:
 CHICAGO LAND SKIDWING CENTER
 689 SHEFFIELD CIRCLE
 SUGAR GROVE, IL 60554

PROJECT AND LOCATION:
 ROCHELLE SKIDWING FACILITY
 ROCHELLE, IL

DESIGNED BY: B.C.
APPROVED BY: N.C.
DATE: 03/15/11
SCALE: AS NOTED

REV. NO.	REVISIONS	DATE

DRAWING NO.: EXHIBIT D

JOB NUMBER: 11-217
SHEET NUMBER: 1 of 1

BM #1 - SURVEY MARKER #223, E.L. = 768.72