

CITY OF AURORA, ILLINOIS

14-17-300-032
43W314 US 30

RESOLUTION NO. R08-63
DATE OF PASSAGE February 26, 2008

RESOLUTION AUTHORIZING THE EXECUTION OF A CONSENT TO ASSIGNMENT
OF A LEASE OF REAL ESTATE AT THE AURORA MUNICIPAL AIRPORT
(HANGAR ONE, LLC TO SUBURBAN PROPERTIES, LLC)

WHEREAS, the City of Aurora has a population of more than 25,000 persons and is, therefore, a home rule unit under subsection (a) of Section 6 of Article VII of the Illinois Constitution of 1970; and

WHEREAS, subject to said Section, a home rule unit may exercise any power and perform any function pertaining to its government and affairs for the protection of the public health, safety, morals and welfare; and

WHEREAS, the City of Aurora, by Ordinance No. 006-33, previously authorized the lease of property at the Aurora Municipal Airport to Hangar One, LLC; and

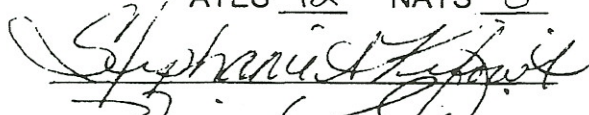
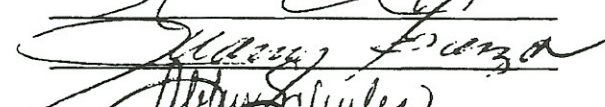

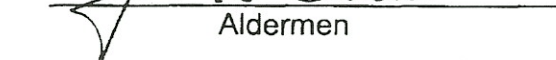
WHEREAS, Hangar One, LLC has constructed a hangar upon the leased real estate and now wishes to assign said lease to Suburban Properties, LLC and has requested the City of Aurora to consent to said assignment of lease; and

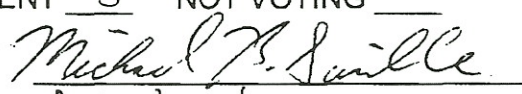

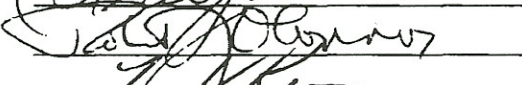

WHEREAS, the lease between the City of Aurora and Hangar One, LLC provides that the lease is not assignable without the prior written consent of the City; and

WHEREAS, there are no reasons why said consent should not be given.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Aurora, Illinois, that the Mayor and City Clerk are hereby authorized to execute a consent to assign the lease from Hangar One, LLC to Suburban Properties, LLC, a copy of which consent is attached hereto as Exhibit "A".

AYES 12 NAYS 0 ABSENT 0 NOT VOTING





Aldermen





Aldermen

ATTEST:


City Clerk


Mayor

CONSENT TO ASSIGNMENT OF
LEASE OF REAL ESTATE AT THE AURORA MUNICIPAL AIRPORT

The City of Aurora, an Illinois Municipal Corporation, and owner of the land that is the subject of this ASSIGNMENT, hereby gives its consent and authority as Landlord to the assignment of the Lease to Suburban Properties, LLC as herein above set forth, subject to all its terms and conditions.

IN WITNESS THEREOF, the Landlord has caused this Lease to be executed by its Mayor and attested by its City Clerk, and its corporate seal affixed hereto on the date set forth below.

LANDLORD: City of Aurora, an Illinois Municipal Corporation

BY:

Thomas Weiser
Mayor

February 26, 2008
Date

ATTEST:

Cheryl M. Vonnhoff
City Clerk

February 26, 2008
Date



City of Aurora

Law Department • 44 East Downer Place • Aurora, Illinois 60507-2067 • (630) 844-4777 • Fax (630) 844-4737

Corporation Counsel:
Alayne M. Weingartz

**City of Aurora Law Department
Committee Meeting and Referral Schedule**

Assistant Corp. Counsel:
John C. Banbury

Finance Committee Referral Summary

To: Mayor Thomas J. Weisner

From: John C. Banbury *JCB*

Subject: Resolution Authorizing the Execution of a Consent to Assignment of Lease of real Estate at the Aurora Municipal Airport (Hangar One, LLC To Suburban Properties, LLC)

Date: February 5, 2008

Background:

On April 25, 2006, by Ordinance 006-33, the City approved a lease of land at the Airport to Hangar One, LLC. Hangar One has constructed a hangar on said real estate and now wants to sell it to Suburban Properties, LLC and has requested that the City of Aurora consent to the assignment of the lease as is required under the terms of the lease.

Discussion:

Per Bob Rieser, Suburban Properties will be only operating the hangar as a rental property and will conduct no business therefrom. The existing lease between the City of Aurora and Hangar One provides that the lease cannot be assigned without the written approval of the City of Aurora, "which approval shall not be unreasonably withheld." I can find no reason for the City not to agree to the assignment, therefore the City is contractually bound to execute the consent.

Recommendations:

Place on the Finance Committee Calendar (2/12/08 Agenda) for approval to City Council.

JCB/nlw

Attachments

cc: Bob Rieser, Aurora Airport



City of Aurora

Mayor's Office • 44 E. Downer Place • Aurora, Illinois 60507-2067 • (630) 844-3612
FAX (630) 892-8967

Thomas J. Weisner
Mayor

February 5, 2008

TO: Finance Committee:
Alderman Robert O'Connor, Chairman
Alderman Abby Schuler, Member
Alderman Leroy Keith, Member

FROM: William Wiet, Chief of Staff *Bill Wiet*

SUBJECT: Resolution Authorizing the Execution of a Consent to Assignment of Lease of real estate
at the Aurora Municipal Airport (Hangar One, LLC to Suburban Properties, LLC)

I am forwarding to you correspondence and a Recommendation on the above referenced matter.

Please have the members of your committee review this matter and make a recommendation to the City Council.

RV/rp
Enclosures

c: Alderman Scheketa Hart-Burns , Alternate Member
Carie Ann Ergo, Public Information Officer
John C. Banbury, Law Dept.

F08.039

RECOMMENDATION

TO: THE COMMITTEE OF THE WHOLE

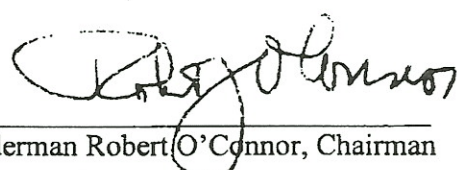
FROM: THE FINANCE COMMITTEE

The Finance Committee at Their Meeting on Tuesday, February 12, 2008 Recommended

APPROVAL of a Resolution Authorizing The Execution Of A Consent To Assignment Of Lease Of Real Estate At The Aurora Municipal Airport (Hangar One, LLC To Suburban Properties, LLC)

The Vote 3-0

Submitted By


Alderman Robert O'Connor, Chairman


Alderman Abby Schuler,


Alderman Leroy Keith

Alderman Scheketa Hart-Burns, Alternate,

Dated This 13th Day Of February, 2008.

CITY OF AURORA
ORDINANCE NO. 006-33

**AN ORDINANCE AUTHORIZING THE EXECUTION
A LAND LEASE AT THE AURORA MUNICIPAL AIRPORT
BETWEEN THE CITY OF AURORA AND HANGAR ONE, LLC**

WHEREAS, the City of Aurora has a population of more than 25,000 persons and is, therefore, a home rule unit under subsection (a) of Section 6 of Article VII of the Illinois Constitution of 1970; and

WHEREAS, subject to said Section, a home rule unit may exercise any power and perform any function pertaining to its government and affairs for the protection of the public health, safety, morals and welfare; and

WHEREAS, the City of Aurora owns, operates and maintains the Aurora Municipal Airport; and

WHEREAS, it is the desire of the City of Aurora to lease land at the Aurora Municipal Airport to qualified persons or companies to build and operate compatible aviation services; and

WHEREAS, Hangar One, LLC is petitioning to enter into a land lease with the City to build and operate a hangar on the Airport; and

WHEREAS, the Aurora Municipal Airport Advisory Board has recommended that a land lease between the City of Aurora and Hangar One, LLC be approved.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Aurora, Illinois, as follows:

Section One: That the Mayor and City Clerk are hereby authorized to execute the "Lease of Real Estate at the Aurora Municipal Airport" between the City of Aurora and Hangar One, LLC.

Section Two: That all other provisions of said lease remain in full force and effect.

Section Three: That this ordinance shall be in full force and effect, and shall be controlling, upon its passage, approval and publication as provided by law.

Section Four: That all ordinances or parts of ordinances thereof in conflict herewith are hereby repealed to the extent of any such conflict.

Section Five: That any Section or provision of this ordinance that is construed to be invalid or void shall not affect the remaining Sections or provisions which shall remain in full force and effect thereafter.

PRESENTED to the City Council of the City of Aurora, Illinois, on the 25th day of April, 2006.

PASSED by the City Council of the City of Aurora, Illinois, on the 25th day of April, 2006.

APPROVED AND SIGNED by the Mayor of the City of Aurora, Illinois, on the 25th day of April, 2006.

Michael B. Sautelle
MAYOR

ATTEST:

Cheryl M. Donhoff
City Clerk

LEASE OF REAL ESTATE AT THE AURORA MUNICIPAL AIRPORT

THIS INDENTURE made this 25th day of APRIL, 2006 between the City of Aurora, an Illinois Municipal Corporation ("Landlord") and Hangar One, L.L.C. ("Tenant"), or its designee or sub-tenant.

WITNESSETH:

1) LEGAL DESCRIPTION OF LEASED PREMISES

The Landlord hereby leases to the Tenant and the Tenant hereby leases from the Landlord the following described real estate, being a part of the Aurora Municipal Airport, Sugar Grove Township, Kane County, Illinois; to-wit:

PARCEL 1

That part of the southwest quarter of section 17, township 38 north, range 7 east of the third principal meridian described as follows: beginning at the northeast corner of the southwest quarter of said section; thence south 00°23'01" west along the east line of the southwest quarter, a distance of 1803.29 feet; thence south 89°46'03" east, a distance of 71.14 feet to the point of beginning; thence south 00°13'57" west a distance of 190.00 feet; thence north 89°46'03" west a distance of 160.00 feet; thence north 00°13'57" east, a distance of 190.00 feet; thence south 89°46'03" east a distance of 160.00 feet to the point of beginning. All in Sugar Grove Township, Kane County, Illinois. Containing 30,400 sq. ft.

2) GROUND RENT

The Tenant will pay to the Landlord annual ground rent for the parcel described in Paragraph 1 of this Agreement as follows: the sum of \$10,052.37. Which ground rent may, at the option of the Tenant, be paid annually or in equal monthly installments as hereinafter set forth. Said ground rent shall be due on the first day of the month after an occupancy permit is issued for the building, to be constructed on Parcel 1, or nine (9) months after the execution of this Agreement, whichever occurs first. If paid in monthly installments, ground rent shall be payable on the first day of each succeeding month thereafter until the termination of this Lease. If ground rent is paid in annual installments, each succeeding annual installment shall be due and payable on the anniversary date of the first installment of ground rent becoming due as aforesaid and on each anniversary date thereafter until termination of this lease. If this lease is terminated prior to the expiration of the lease term or any extension thereof as set forth in Section 4 hereof, the Tenant shall not be entitled to a refund of or credit for any

prepaid rents. Said ground rent is computed by multiplying the total square footage of the subject parcel by an amount of \$.33067 per square foot and shall be adjusted annually on the first day of December in accordance with the terms of the "Cost of Living Rider" attached hereto and by this reference incorporated herein. Tenant shall pay any additional rents due on a prorated basis for ground rents paid annually upon said adjustment and upon notice that said adjustment is due whether Tenant pays rent monthly or annually.

3) ADDITIONAL RENT

- a. In addition to the ground rent provided in Section 2, the Tenant shall pay to the Landlord, as additional rent for use of the leased premises, an amount equal to 1½ percent (1.5%) of the gross receipts derived by the Tenant from the business conducted on the leased premises during the calendar month next preceding the date said rent is payable. Additional rent shall be paid monthly no later than forty-five (45) days after the end of the month for which it is assessed until the termination of this Lease. Gross income is defined as all cash received arising from the business activities generated on the airport by the Tenant, plus deductions for State and/or Federal excise/sales taxes as evidenced by appropriate paid tax returns and any other allowable deduction(s) as provided for in this Lease. Payment reports must be submitted on a form approved by the City of Aurora.
- b. If, for any reason, the rent as set forth in this Section is not paid when due a carrying charge of two percent (2%) per month or any portion of the month thereof shall be imposed on the amount which remains due and unpaid. In addition, if the Tenant is determined to be delinquent for any two (2) months during a consecutive twelve (12) month period then at Landlord's option as an alternative to termination of this lease, the Tenant may be required to post a security bond equivalent to six (6) months of rent based on the amounts as set forth in Paragraphs 2 and 3(a) of this Lease or be in breach of this Lease.

4) LEASE TERM

The term of this lease shall begin on April 25, 2006 and shall continue for a period of twenty (20) years expiring on April 24, 2026. The Tenant shall have the option to renew this Lease for an additional ten (10) years not to extend beyond April 24, 2036; provided, that at the time of such renewal, that any party hereto shall require the renegotiation of the amounts of ground rent and/or additional rent

under Paragraphs 2 and 3 hereof. Tenant shall advise the Landlord by the procedure of the "NOTICES" Paragraph of this Agreement no sooner than January 1, 2026 and no later than January 31, 2026 of its intent to exercise the option contained herein. Should construction of a new facility on the area described as Parcel 1 herein not be commenced by November 1, 2006, then at Landlord's sole option, the Tenant shall release any and all claim to the area described as Parcel 1 and the lease of Parcel 1 shall be declared null and void. Construction on Parcel 1 shall be per section 5)(b) hereof.

5) USE OF PREMISES

- a. Tenant agrees that the use of the premises shall be limited to a direct aviation oriented business including the following list of activities according to the Rules and Regulations and Minimum Standards for Commercial Activities at the Aurora Municipal Airport as adopted by the Aurora City Council and amended from time to time:

- 1) The right to operate, store and maintain their own aircraft.
- 2) The right to operate aircraft management services, aircraft and parts sales, FAA-FAR Part 135 charter and incidental aircraft maintenance
- 3) The right to operate a flight school with aircraft rental.
- 4) Rental of hangar and office space to others subject to the aforementioned Rules and Regulations and Minimum Standards for Commercial Activities at the Aurora Municipal Airport as adopted by the Aurora City Council and amended from time to time.

The aforementioned authorized activities shall be limited to the Tenant only. No other business activities shall be authorized to be conducted or performed nor shall Tenant provide any additional service(s), other than those listed herein, from the leased premises without prior written approval from the City of Aurora. Any entity including one affiliated with Tenant, operating from the premises without prior written approval from the City of Aurora shall be deemed to be a violation of this Lease Agreement. Should the Tenant not actively be engaged in any of the approved activities set forth in this paragraph for a period of time exceeding three (3) consecutive months, the City reserves the right to rescind said approved activity.

- b. Building Construction Requirement

The Tenant shall be required to abide by all Fire Codes and Building codes, as adopted by the City of Aurora, in the construction of the facility on Parcel 1 as

described herein. The building must have a minimum of 17,000 square feet of hangar space with a minimum 2,500 square feet of office space attached to the hangar structure. The type and style of construction shall be approved by the Landlord prior to submittal for building permits and such approval shall not be unreasonably withheld. No changes in approved plans shall be made without written approval of Landlord. Lessee agrees to pay or cause to be paid, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies, utilities, furnishings, machinery or equipment which may have been furnished or ordered with Lessee's consent to be furnished to or for the Lessee or a sublessee in, upon or about the premises herein leased, which may be secured by any mechanic's, materialmen's or other lien against the premises herein leased or Lessor's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures and becomes due, provided that the lessee or sublessee may in good faith contest any mechanic's or other liens filed or established, and in such event, may permit the items so contested to remain undischarged and unsatisfied during the period of such contest.

c. Land Improvements

The Tenant shall construct as part of this Agreement no less than 2,400 square feet of apron along the west face of the hangar facility. Said apron shall be of a design as approved by the Landlord and be capable of 130,000 pounds dual wheel bearing capacity, as determined by FAA design procedures. Should the Tenant desire to construct an automobile parking lot, the Landlord shall approve the design and location of said parking lot prior to issuance of a building permit.

- d. Prior to any construction Lessee shall submit copies of prime contracts, subcontracts and evidence to Lessor of availability of sufficient funds or commitment for funds to pay for the full cost of construction of such improvements. Said evidence may be either an irrevocable letter of credit, a performance bond or such other mutually agreed upon credit facility to guarantee the payment of all construction costs.
- e. As a requirement for the use of said premises as described in Paragraph 1 of this Agreement the Tenant shall, at no cost to the Landlord, extend the water and sanitary sewer lines to and through the described premises. The Tenant shall construct a septic system in the size and location specified by the Landlord. Plans for utility construction must be approved by the Landlord prior to the start of construction.

6) NON-DISCRIMINATION

The Tenant for itself, its personal representatives, successors in interest and assigns, as part of the consideration hereof, does hereby covenant and agree that:

- a. For all aeronautical leases involving services to the public; each lease must be in conformance with Section 308 of the Federal Aviation Act of 1958, as follows: "It is hereby agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right prohibited by Section 308 of the Federal Aviation Act of 1958, as amended, and the lessor reserves the right to grant to others the privilege and right of conducting any one or all activities of an aeronautical nature."
- b. All leases involving services to the public must contain the assurances required by Title VI of the Civil Rights Act of 1964, and by Part 21 of the regulations of the Office of the Secretary of Transportation, as follows: "The lessee for himself, his personal representatives, successors in interest and assigns, as part of the consideration hereof, does hereby covenant and agree that: 1) no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of or otherwise be subjected to discrimination in the use of said facilities; 2) 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 subjected to discrimination; 3) the lessee shall use the premises in compliance with all the other requirements imposed by Title 49, Code of Federal Regulations, Department of Transportation, 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, as amended."
- c. All aeronautical leases involving services to the public must contain the provisions of paragraph 4b of the Project Application for Airport Improvements, as follows: "The lessee agrees to furnish service on a fair, equal and not unjustly discriminatory basis to all users thereof, and to charge fair, reasonable and not unjustly discriminatory prices for each unit or service; PROVIDED, that the lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume purchasers."
- d. In the event of breach of any of the above covenants, Tenant shall have thirty (30) days to resolve said breach to the satisfaction of the Landlord. If the parties hereto

cannot agree that said breach has been, or can be, resolved then the matter may be resolved through appropriate legal proceedings.

7) USE OF AIRPORT FACILITIES

The Tenant shall have free use of the Aurora Municipal Airport, including, but not by way of limitation, the landing areas, aprons, taxiways and vehicle parking areas. This Lease shall not be construed to convey to the Tenant the exclusive use of any part of the Aurora Municipal Airport except those premises described in Section 1 herein, or to grant or authorize the granting of an exclusive right to provide aeronautical services to the public as prohibited by Section 308(a) of the Federal Aviation Act of 1958, as amended. The Landlord reserves the right to lease to any other party any portion of the Aurora Municipal Airport not described in Paragraph 1 herein (and subject to the terms of the Right of First Refusal) other than public facilities, and to grant to others the privilege and right of conducting any one or more activities of an aeronautical nature.

8) CARE OF LEASED PREMISES

- a. Tenant shall keep and maintain the leased premises and all improvements of any kind, which may be erected, installed or made thereon by Tenant 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 Landlord approving the right to operate and maintain such facility, the Tenant 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 the Lessee. Maintenance includes, but is not limited to, any and all environmental clean-ups of the site and/or removal of the facility. Tenant agrees to hold harmless from any responsibility or expense, the Landlord for any maintenance of the facilities. Tenant shall provide proper containers for trash and garbage and shall keep the premises free and clear of rubbish, debris and litter at all times. Tenant shall also maintain all aprons, ramps and taxiways that are constructed by Tenant and are for the exclusive use of Lessee, its sublessees, guests and invitees. Tenant shall keep mowed and in a slightly condition all landscaping and grass areas within the leased premises. Tenant shall be responsible for payment of all electric, telephone, road, water, natural gas and other public utility services used on the premises.

- b. At the termination of this Lease or of any extension or renewal thereof, Tenant shall surrender the leased premises, including all buildings and site improvements constructed or installed by the Tenant, in good condition, reasonable wear and tear and damage by fire, explosion, windstorm or any other casualty excepted. All such buildings and improvements shall become the sole property of the Landlord upon termination of the Lease. Regardless of the time when such termination occurs, or the reason therefore, the Landlord shall have no obligation to account for, or pay the value or cost of, such buildings or improvements to the Tenant or Mortgagee.

9) CARE OF AIRPORT FACILITIES

The Landlord shall maintain in good repair and operating condition all of the facilities and premises of the Aurora Municipal Airport which are not leased to the Tenant and which remain under the authority and control of the Landlord. Said facilities and premises shall include, without limitation, all runways, aprons, taxiways, parking areas, roadways and lighting equipment.

10) INSURANCE

- a. Tenant covenants and agrees to maintain in force and effect at all times during the term of this Lease and any extension thereof public liability insurance in amounts as required by Landlord, but in no event less than \$5,000,000 combined single limit for bodily injuries or property damage or such other amount as may be set forth in the most current Rules and Regulations of the Aurora Municipal Airport and/or the Minimum Standards for Commercial Activities of the Aurora Municipal Airport as adopted by the City of Aurora. Said insurance shall protect Tenant and City of Aurora 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 Tenant, its agents, servants or employees. Said insurance shall be with a company or companies approved by the City of Aurora Risk Manager, and shall include coverage commonly known as "Airport Liability," "Hangar Keeper's Liability," "Worker's Compensation" and "Product Liability." The City of Aurora 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 Agreement. The Landlord reserves the right to request and receive copies of the Tenant's insurance policies as referenced herein. Said insurance shall be primary coverage and any

insurance that the City of Aurora may have shall be considered secondary and non-contributory and all said insurance policies shall contain an endorsement to this effect.

- b. Tenant covenants and agrees to maintain in force and effect at all times during the term of this lease and any extension thereof, policies of fire and extended coverage insurance, insuring the buildings and improvements located on the demised premises to their full replacement value. Said insurance shall be with companies approved by the City of Aurora Risk Manager. The City of Aurora 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 Agreement. The Landlord reserves the right to request and receive copies of the Tenant's insurance policies as referenced herein. Said insurance shall be primary coverage and any insurance that the City of Aurora may have shall be considered secondary and non-contributory and all said insurance policies shall contain an endorsement to this effect.

11) ASSESSMENTS

It is understood and agreed that the Landlord may from time to time assess against the leased premises (to the extent that any such improvements benefit the Tenant's leasehold) a portion of its costs of furnishing, installing, maintaining and renewing various utility services. Such assessment against the leased premises shall be a fraction of the total assessment, the numerator of which is total lease area square feet and the denominator of which is the total square footage of all land designated for leasehold sites (but not less than 500,000 square feet) at the Aurora Municipal Airport. The Tenant shall be responsible for any and all taxes and assessments against the leased premises coming due during the term of this Lease.

12) SUBORDINATION

- a. State and Federal Law

This Lease is subject to all applicable State and Federal laws as well as all articles and conditions of grant agreements entered into between the Landlord and the Federal Aviation Administration and the Department of Aeronautics of the State of Illinois and nothing contained herein shall be construed to prevent the Landlord from making such further commitments as it desires to make to the Federal Government or

to the State of Illinois so as to qualify for further expenditure of federal and/or state funds at the Aurora Municipal Airport.

b. Local Ordinances

This Lease shall be subject and subordinate to all ordinances of the City of Aurora, the Rules and Regulations of the Aurora Municipal Airport and/or the Minimum Standards for Commercial Activities at the Aurora Municipal Airport, as the same may be in effect and amended from time to time.

13) CONDEMNATION

In accordance with the statutes of the State of Illinois relative to eminent domain, the Landlord shall have the power to condemn this leasehold, or any portion thereof, even though the Landlord is, itself, a party hereto.

14) RIGHT OF ACCESS

The Landlord hereby reserves the right to enter upon the leased premises at reasonable times for the purpose of making inspections 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, Tenant hereby agrees to repair same within thirty (30) days after receipt of notice from Landlord. Failure to comply shall be a breach of this Lease.

15) STORAGE OF DAMAGED AIRCRAFT

No damaged aircraft shall be stored in view of the general public.

16) TENANT'S PERSONNEL

All personnel employed by the Tenant on the leased premises shall be schooled, trained and competent for their assigned duties and shall be of good moral character.

17) EXAMINATION AND AUDITS

At all times during the terms of this Lease, the Tenant shall maintain accurate books, accounts, records and receipts in a manner acceptable to a Certified Public Accountant and as approved by the City of Aurora, showing the true status of all business conducted on the leased premises and preserve same until they have been audited by the City of Aurora's auditor. Such documents shall be made available, at any time, to the City of Aurora for

examination and audit. Furthermore, Tenant shall annually present to the Landlord a copy of Tenant's annual fiscal audit report within 120 days of the close of Tenant's fiscal year. The City of Aurora, its employees, agents, outside consultants and their staffs, attorneys and their staffs, CPAs and their staffs, tenant's mortgagee, and others having access to tenant's records shall use their best efforts to protect the confidentiality of tenant's financial records and not disclose them or the contents of any such records to any other tenants at the Aurora Municipal Airport or to any other persons, firms or agencies, under any circumstances except as may be required by law or judicial process without the express advance written consent of Tenant. Any audited records and all copies thereof shall be returned to tenant promptly upon the conclusion of any audit. For purposes of this paragraph, "records" includes but is not limited to any and all reports, tax returns, receipts, bank/financial statements, checks, ledgers, activity logs and reports, and all other matters on any media whatsoever related to tenant's finances.

18) 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 of the provisions of this Lease shall be construed as a waiver of any subsequent breach.

19) ASSIGNMENT OF LEASE

This Lease may not be assigned or subleased including any transfer to a parent company or subsidiary company of Tenant or transfer of a controlling interest in Tenant without prior written consent of the Landlord and such consent shall not be unreasonably withheld.

20) NOTICES

All notices required hereunder shall be in writing and shall be deemed to have been delivered if deposited in the United States mail, certified mail, return receipt requested, with postage prepaid and addressed, if to the Landlord at:

City Clerk
City of Aurora
44 East Downer Place
Aurora, IL 60507

And if to Tenants at:

Gregory M. Wilson
Hangar One, LLC
12624 McKanna Rd.
Minooka, IL 60447

In the event the address of either landlord or tenant changes, that party shall promptly notify the other and the effective date of any such change.

21) SUCCESSORS AND ASSIGNS

The terms, covenants and conditions of this Lease shall be binding upon and inure to the benefit of the successors, heirs and/or assigns of the parties hereto.

22) INTERPRETATION

a. 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.

b. Headings

The paragraph headings are for convenience only and do not define, limit or describe the contents of such paragraphs.

c. Governing Law and Venue

The laws of the State of Illinois shall govern the validity, performance and enforcement of this Lease. Venue for any litigation between the parties arising out of this lease shall be in the Circuit Court in the Sixteenth Judicial Circuit, Kane County Illinois.

d. 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.

23) LEASEHOLD MORTGAGE

At Landlord'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 landlord's review and approval (Landlord reserves the right not to agree to any mortgage or subordination agreement in its sole discretion).

- b. A Memorandum of Lease in recordable form shall be executed and recorded in the Office of the Recorder of Kane County.
- c. Tenant shall have no right to amend, modify, cancel or terminate this Lease without the Mortgagee's prior written consent thereto.
- d. In the event of any default on the part of Tenant hereunder, Landlord shall give Mortgagee written notice thereof, and an opportunity to cure said default for a period of not less than thirty (30) days beyond, or longer than, any period given to Tenant to cure such default.
- e. If the Mortgagee shall take possession of Tenant's leasehold estate, by foreclosure or otherwise, then (i) Mortgagee shall be liable for any previous defaults of Tenant occurring prior to the time Mortgagee takes possession, and (ii) Mortgagee's right to assign or sublet all or any portion of the premises shall be conditioned on the prior consent of Landlord, in Landlord's sole discretion.
- f. Landlord's obligation to agree to a mortgage on the demised premises is subject to mortgagee's obligation to notify Landlord of any breaches by Tenant of the terms of the mortgage and giving Tenant and/or Landlord sixty (60) days to cure said breach(s) and full reinstatement of the mortgage on cure.
- g. In the event that any breaches of the lease remain uncured during the time as set forth in subparagraph (f) above, tenant's failure to cure shall be considered a breach of this lease and give landlord the right to cure and in said event landlord shall have the option to declare a default in the lease, terminate the lease and be entitled to immediate possession of the leasehold premises upon landlord agreeing to assume all obligations under the mortgage.
- h. As condition of landlord agreeing to said mortgage on the leasehold premises if landlord cures all mortgage breaches and agrees to assume the obligations under any mortgage, mortgagee shall agree to assign said mortgage to landlord.
- i. In the event that mortgagee takes possession of the leasehold premises by foreclosure or otherwise, it agrees not to assign the lease without the written approval by landlord of the assignee, which approval will not be unreasonably withheld.

IN WITNESS WHEREOF, the Landlord has caused this Lease to be executed by its Mayor and attested by its City Clerk, and its corporate seal affixed hereto, and Tenant has caused this Lease to be executed by its President and attested by its Secretary and its corporate seal affixed hereto, effective the day and year first above written.

LANDLORD: CITY OF AURORA, a Municipal Corporation

BY


MAYOR

ATTEST:


CITY CLERK

TENANT: Hangar One, L.L.C.

BY


Gregory M. Wilson

ATTEST:

SECRETARY

COST OF LIVING ADJUSTMENT RIDER
ATTACHED TO AND A PART OF LEASE AGREEMENT DATED AS OF
THE 25th DAY OF April, 2006 WITH
Hangar One, L.L.C.

- (1) As used herein:
- (a) "Index" shall mean the "Revised 1967 Consumer Price Index (for Urban Wage Earners 1967-100) for all items for Chicago, issued by the Bureau of Labor Statistics of the United States Department of Labor";
 - (b) "Lease Date" shall mean the date of this Lease;
 - (c) "Percentage Increase" shall mean the percentage of increase or decrease in the Index available on each Anniversary Date equal to a fraction, the numerator of which shall be the Index available on such Anniversary Date less the Index available on December 1, 1987 and the denominator of which shall be the Index available on December 1, 1987. The index as adjusted effective December 1, 1989 was 378.8 and shall be used as the initial index.
- (2) The annual ground rent reserved herein shall be increased on each Anniversary Date by an amount equal to the annual ground rent payable immediately prior to such anniversary Date (but excluding therefrom any amount included therein as a result of prior adjustments thereof pursuant to the provisions of this Rider) multiplied by the Percentage Increase for such Anniversary Date, less the amounts, if any, included in the annual ground rent as a result of prior adjustments thereof pursuant to the provisions of this Rider, such increase to be payable commencing on such Anniversary Date in the same manner and at the same time or times as is the annual ground rent provided for in the Lease to which this Rider is attached.
- (3) In the event the Index shall hereafter be converted to a different standard reference base or otherwise revised, the determination of the Percentage Increase shall be made with the use of such conversion factor formula or table for converting the Index as may be published by the Bureau of Labor Statistics or, if said Bureau shall not publish the same, then with the use of such conversion factor, formula or table as may be published by Prentice Hall, Inc. or any other nationally recognized publisher of similar statistical information. In the event the Index shall cease to be published, then for the purposes of this Rider, there shall be substituted for the Index such other Index as the Landlord and Tenant shall agree upon and if they are unable to agree within ninety (90) days after the Index ceases to be published, such matters shall be determined by arbitration in accordance with the rules of the American Arbitration Association.
- (4) It is the intent of this Rider that the annual ground rent for leases at the Aurora Municipal Airport shall at all times be equal as computed on the basis of amount per square foot which, as of December 1, 2005 amounts to 33.067 cents per square foot.

CLAIRE M. WILSON
ATTORNEY AT LAW
P.O. Box 344
Channahon, IL 60410
PH: (815) 467-1184
Fax: (815) 467-1198

March 29, 2006

John C. Banbury
Assistant Corporate Counsel
City of Aurora Law Dept.
PO Box 938
Aurora, IL 60507

VIA FACSIMILE AND MAIL: 630 892 2050
RE: Lease at Aurora Airport – Hangar One, LLC
(Claire M. Wilson)

Dear John,


I am writing to, by letter agreement, propose the following with regard to the Lease of the property on the Aurora Airport, legally described on the attached Exhibit A. The parties, City of Aurora, Lessor, and Hangar One, LLC, Tenant, agree that rather than requiring the Tenant to provide a letter of credit, the Tenant and its Lender shall sign and implement the Construction Loan Escrow Trust and Disbursement Agreement and the Addendum to that agreement which covers disbursements under the mortgage, which Construction Loan Escrow Trust and Disbursement Agreement and Addendum to that agreement are attached hereto and marked as Exhibits B and C, respectively. Please indicate the City of Aurora's agreement by a signature below by an authorized representative of the City of Aurora. My signature below shall indicate agreement on behalf of the Tenant. Please modify this letter and signature block as necessary.

Sincerely,

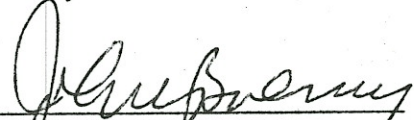
TLD/hg
Enclosures


Claire Wilson
on behalf of Hangar One, LLC

Agreed:


City of Aurora

By:


John C. Banbury
Asst. Corp. Counsel

LEASE AREA DESCRIPTION

That part of the southwest quarter of section 17, township 38 north, range 7 east of the third principal meridian described as follows: Beginning at the northeast corner of the southwest quarter of said section; thence south 00 degrees 23 minutes 01 second west along the east line of the southwest quarter a distance of 1803.29 feet; thence south 89 degrees 46 minutes 03 seconds east, a distance of 71.14 feet to the point of beginning, thence south 00 degrees 13 minutes 57 seconds west a distance of 190.00 feet; thence north 89 degrees 46 minutes 03 seconds west a distance of 160.00 feet; thence north 00 degrees 13 minutes 57 seconds east, a distance of 190.00 feet; thence south 89 degrees 46 minutes 03 seconds east a distance of 160.00 feet to the point of beginning, all in Sugar Grove Township, Kane County, Illinois, containing 30.400 sq. ft.

EXHIBIT A

CONSTRUCTION LOAN ESCROW TRUST AND DISBURSING AGREEMENT

Escrow Trust No.:

Commitment and/or Policy No.:

ARTICLE I: General Information

A. ~~Owner/Borrower:~~
TenantAttorney for Owner/Borrower: Claire M. Wilson
P.O. Box 344
Channahon, IL 60410B. ~~Owner/Borrower:~~
Tenant
Hangar One, LLC
12624 McKanna Rd.
Minooka, IL 60447
Contact: Gregory M. WilsonTelephone No.: (815) 474-0202
Fax No.: (815) 467-1198Telephone No.: (815) 467-1184
Fax No.: (815) 467-1198

B. Lender: Castle Bank, N.A.

Attorney for Lender:

Name: 141 W. Lincoln Hwy.
Address: DeKalb, IL 60115Name: Thomas L. Doherty
Address: 125 N. First St.
DeKalb, IL 60115Contact Person: Sheela P. Goral
Telephone No.: (815) 758-2411 ext. 8218
Fax No.: (815) 758-6996
Telephone No.: (815) 787-6666
Fax No.: (815) 756-2839

C. Escrow Trustee: Chicago Title & Trust Co.

Name: Chicago Title and Trust Company, a corporation of Illinois (hereinafter known as CT&T Co.)

Address: 1971 W. Downer Pl.
Aurora, IL 60506Contact Person: Michael Ivanouskas
Telephone No.: () (630) 844-5018
Fax No.: (630) 892-9241

D. Title Insurer:

Name: Chicago Title Insurance Company, a corporation of Missouri (hereinafter known as CITIC)

Address: Same as Above

Contact Person:
Telephone No.: ()
Fax No.:

E. Inspector/Architect:

Name:
Address:Contact Person:
Telephone No.:
Fax No.:

F. General Contractor: Rockford Structures Construction Company

Name: 10540 N. Second St.
Address: Machesney Park, IL
61115-1498Contact Person: Nathan Heinrich, V.P.
Telephone No.: (815) 633-6161
Fax No.: (815) 633-6179G. ~~Owner/Borrower:~~ Landlord: City of AuroraName: 44 E. Downer Pl.
Address: Aurora, IL 60507Contact Person: John Banbury, Attorney At Law
Telephone No.: (630) 844-3671
Fax No.: (630) 892-2050

H. Project Name: Hangar One, LLC Project

Project Location: Aurora Municipal Airport, Sargar Grove, IL

I. Cash Deposits:

Amount of Deposits to be made by Lender:

Amount of Deposits, if any, to be made by Owner/Borrower:

J. Billing Instructions:

Title and Construction Escrow charges are to be billed to:

Name:
Address:Hangar One, LLC
12624 McKanna Rd.
Minooka, IL 60447

ARTICLE 2: Recitals

- A. Owner/Borrower has executed/will execute a mortgage/trust deed encumbering the premises described as follows:

See Exhibit "A" attached hereto and made a part hereof/Same as those described in CTIC Commitment/Policy No. ~~110-150000~~ .

for the purpose of financing, in whole or in part, the construction of or the rehabilitation of improvements thereon (the Project).

For the benefit of the Lender, CTIC has been requested to issue its ALTA Commitment and/or Policy insuring the lien of the mortgage from the consequences of mechanics' liens on an interim basis as construction of the Project progresses; and for the benefit of Lender and Owner/Borrower, CT&T Co. has been requested to provide a disbursing service as a means to pay for construction and related development costs.

At the request of Owner/Borrower, Lender will make periodic cash deposits into this Trust to be disbursed by Escrow Trustee in accordance with the provisions of this Agreement as hereinafter set forth. Said deposits will not be requested more frequently than once per calendar month. Owner/Borrower may also deposit or cause to be deposited funds not constituting mortgage proceeds into this Trust which said funds shall also be disbursed by Escrow Trustee pursuant to provisions of this Agreement.

Owner/Borrower represents and warrants to CT&T Co. that at the date of this Agreement, funds available for construction payment are ample to complete the Project.

- B. The parties hereto agree that Escrow Trustee will disburse Trust deposits made for construction payment to ~~the General Contractor~~ GC. In the event that the General Contractor and any subcontractor jointly authorize the Escrow Trustee to pay any funds due one to the other, the Escrow Trustee may comply with such authorization. However, it is the intention of the parties named herein and signatory hereto that no person not a party signatory to this escrow shall have the right to look to the Escrow Trustee for any disbursement hereunder under a third party beneficiary theory or otherwise, and that the Escrow Trustee owes no duty to any such third party to make any disbursement. The leasehold loan policy will show both lender and City of Aurora as insureds. Duplicate copies of the loan policy & date down endorsements shall be furnished to the City of Aurora.

ARTICLE 3: Requirements

- A. Prior to the first disbursement of funds hereunder by Escrow Trustee, the following requirements shall have been satisfied, to wit:

- (1) The Escrow Trustee shall furnish or shall be prepared to furnish to the Lender, as insured, a Standard ALTA Construction Loan Policy (the Policy), together with CTIC's Standard Interim Mechanics' Lien Endorsement 10A and such other endorsements as set forth hereinafter. If such policy has issued to Lender prior to Escrow Trustee's first disbursement of funds hereunder, then Escrow Trustee shall furnish or be prepared to furnish CTIC Date Down Endorsement 10 and Interim Mechanics' Lien Endorsement 10A covering the requested disbursement.
- (2) Other endorsements, if any:
NONE.
- (3) Owner/Borrower shall furnish Lender and Escrow Trustee a Sworn Owner's Statement disclosing the various contracts entered into by the Owner/Borrower relating to the construction of the Project and setting forth the names of the contractors, their addresses, the kind of service, work or materials to be furnished, the amounts of such contracts, the amounts paid to date, if any, the amounts of current payments, if any, and the balances to become due, if any.
- (4) The Owner/Borrower shall furnish or cause to be furnished to Lender and Escrow Trustee a sworn statement to Owner by the General Contractor setting forth the names and addresses of such persons furnishing labor, service or materials (i. e., subcontractors and material suppliers), the kind of labor, service or materials to be furnished, the amounts of the contracts, amounts paid to date, if any, amounts of current payments, if any, and balances to become due, if any.

LENDER SHALL FURNISH Escrow Trustee the following, to wit:

- (a) An approval of the conditions of the title as disclosed by the said commitment.
 - (b) An approval for loan disbursement purposes of the Owner's Statement and the sworn statement of the General Contractor.
- B. Prior to each disbursement of funds by Escrow Trustee hereunder, the Owner/Borrower shall furnish or cause to be furnished to Escrow Trustee the following:
- (1) A current dated Sworn Owner's Statement as described hereinbefore in this Article 3 at A(3);
 - (2) A current dated Sworn Statement to Owner by the General Contractor, as described hereinbefore in this Article 3 at A(4), covering its current construction draw request.
 - (3) Sufficient funds to cover the current disbursement request.
 - (4) Written approval by Owner/Borrower of the payment by Escrow Trustee of the current construction draw(s). In the event that nonconstruction costs are to be paid by Escrow Trustee with Trust funds, then Owner/Borrower shall provide written directions to Escrow Trustee, approved in writing by Lender, setting forth the names and addresses of the payees, the amounts of the respective payments, and the purpose of the payments, i. e., legal fees, real estate taxes, etc.
 - (5) A report by the Inspector or a certification by the Architect certifying that work has been completed and materials are in place as indicated by the current construction draw(s) request approved by the Owner/Borrower.
 - (6) Statements, waivers, affidavits, supporting waivers, and releases of lien from such persons and in such form as may be required by CTIC for the purpose of providing the title insurance coverage specified in this Agreement covering the current disbursement.
- C. At the time of each disbursement by Escrow Trustee, subsequent to the issuance of Policy, Escrow Trustee shall furnish, or be prepared to furnish to Lender, CTIC Date Down Endorsement 10 and Interim Mechanics' Lien Endorsement 10A covering the current disbursement.

ARTICLE 4: General Conditions

- A. At any time prior to the commencement of disbursement of funds hereunder, Escrow Trustee shall have the right to notify Lender that CTIC declines any risk offered for insurance under the commitment for title insurance aforesaid. Whereupon Escrow Trustee shall return to the parties any documents and/or funds in Escrow Trustee's possession relating to the Loan.

Where, after the first disbursement of funds by Escrow Trustee, a further title search by CTIC reveals a subsequently arising title matter which gives rise to a title exception over which CTIC is unwilling to insure, Escrow Trustee will notify the Lender and may discontinue disbursement until the exception has been disposed of to the satisfaction of the Lender.

- B. If at any time during the course of construction the total of the unpaid disclosed cost of construction, as indicated by the construction column totals on the current dated Sworn Owner's Statement furnished Escrow Trustee pursuant to this Article 3.B(1), exceeds the amount of undisbursed mortgage proceeds as calculated by subtracting the total amount of liability taken on the endorsements provided for at Article 3C from the face amount of the mortgage, the Escrow Trustee need not make further disbursements under the terms of this Agreement until the Owner/Borrower has deposited in this Escrow Trust the sum necessary to make the available funds equal to the unpaid disclosed cost of construction. Also, if Escrow Trustee discovers a misstatement in an affidavit furnished by General Contractor or Owner/Borrower, or any inconsistency or contradiction between or among any figure in the Owner/Borrower's Statement, or the General Contractor's statement or any subcontractor's statement, Escrow Trustee may stop disbursement until the misstatement has been corrected. Escrow Trustee may, at its option, verify information submitted by the Owner/Borrower and the contractors or may require the Owner/Borrower to furnish or cause to be furnished verification of contractor amounts by subcontractors or material suppliers. Should lender know that the total of the unpaid disclosed cost of construction exceeds the amount of the undisbursed mortgage proceeds as calculated aforesaid, or learn of discrepancies or inaccuracies in the sworn statements or of services, labor or material being furnished but not reflected on the sworn statements, the lender shall notify Escrow Trustee. Escrow Trustee has no liability hereunder to the Owner/Borrower relating to protection against mechanic's lien claims.

- C. ~~Prior to the final disbursement of the funds hereunder by Escrow Trustee, it is a requirement of this Agreement that CTIC be prepared to furnish a Standard CHTA Loan Policy covering the date of final disbursement, subject to the usual terms and conditions contained in that form of policy and also subject to exceptions as approved hereafter by Lender, together with the above listed endorsements, if any.~~

All required documentation must be submitted to Escrow Trustee and approved by CTIC prior to the final disbursement of Trust deposits by Escrow Trustee.

- D. The functions and duties assumed by Escrow Trustee include only those described in this Agreement and Escrow Trustee is not obligated to act except in accordance with the terms and conditions of this Agreement. Escrow Trustee does not insure that the building will be completed, nor does it insure that the building, when completed, will be in accordance with plans and specifications, nor that sufficient funds will be available for completion, nor does it make the certifications of the Inspector/Architect its own, nor does it assume any liability for same other than procurement as one of the conditions precedent to each disbursement.

Escrow Trustee has no liability for loss caused by an error in the certification furnished it hereunder as to work in place.

Escrow Trustee shall not be responsible for any loss of documents while such documents are not in its custody. Documents deposited in the United States Mail shall not be construed as being in custody of Escrow Trustee.

In the event of default as declared by the Lender and/or foreclosure of the mortgage by the Lender, Escrow Trustee shall have the right to discontinue further disbursements under this Agreement.

N.B.: Title and construction escrow charges will be billed at the time the first draw request is submitted. Payment is to be made before the second draw request is processed. In the event title and escrow charges are not paid as required, CT&T Co. may terminate this Agreement upon thirty (30) days' written notice to Borrower and Lender.

The parties acknowledge that beginning after a period of one year from the date of this agreement, Chicago Title and Trust Company will impose an administrative maintenance fee (quarterly, semi-annually, or annually) equivalent to the fee set forth on the Company's then current rate schedule.

This fee may be deducted from the outstanding escrow balance or billed to:

Owner/Borrower or Lender may direct Escrow Trustee to invest trust deposits; provided, however, that such direction shall be in writing, contain the consent of all other parties to this Escrow Trust, and be accompanied by the taxpayer's identification number and such investment forms as may be required. Escrow Trustee will, upon request, furnish information concerning procedures and fee schedules for investment.

Except as to deposits of funds for which escrow trustee has received express written direction concerning investment or other handling, the parties hereto direct the escrow trustee NOT to invest any funds deposited by the parties under the terms of this escrow and waive any rights which they may have under Section 2-8 of the Corporate Fiduciary Act (205 ILCS 620/2-8) to receive interest on funds deposited hereunder. In the absence of an authorized direction to invest funds, the parties hereto agree that the escrow trustee shall be under no duty to invest or reinvest any such funds at any time held by it hereunder; and, further, that escrow trustee may commingle such funds with other deposits or with its own funds in the manner provided for the administration of funds under said Section 2-8 and may use any or all of such funds for its own benefit without obligation to any party for interest or earnings derived thereby, if any. Provided, however, nothing herein shall diminish escrow trustee's obligation to apply the full amount of such funds in accordance with the terms of these escrow instructions.

In the event the Escrow Trustee is requested to invest deposits hereunder, Chicago Title and Trust Company is not to be held responsible for any loss of principal or interest which may be incurred as a result of making the investments or redeeming said investment for the purposes of this escrow trust.

- E. In the event that the Owner/Borrower has engaged the services of a "Construction Manager" in lieu of a "General Contractor," as noted in Article 1 hereof, then all references contained in this Agreement to "General Contractor" are hereby deleted and "Construction Manager" is hereby substituted therefor. In the event that the Owner/Borrower has engaged the services of both a "Construction Manager" and one or more "General Contractors," as noted in Article 1 hereof, then all references contained in Article 3 of this Agreement to "General Contractor" are hereby deleted and the following is hereby substituted therefore: "Construction Manager" and the "General Contractor(s)."
- F. The undersigned agree that this Agreement is not intended by any of the undersigned to give any benefits, rights, privileges, actions or remedies to any person, partnership, firm or corporation other than Escrow Trustee, Lender, and Owner/Borrower as a third party beneficiary or otherwise under any theory of law.

In Witness Whereof, the undersigned have executed this Agreement this 25th day of April, A.D. 2006.

Owner/Borrower: Hangar One, LLC

By: J. M. [Signature]

Lender: Castle Bank, N.A.

By: [Signature] Dealer P. Gosal, IV

Escrow Trustee: Chicago Title and Trust Company

By: _____
(Authorized Signatory)

Landlord: City of Aurora

BY: [Signature]
Assistant Corporation Counsel

ADDENDUM TO CONSTRUCTION LOAN ESCROW
TRUST AND DISBURSING AGREEMENT

The parties to a certain Construction Loan Escrow and Disbursing Agreement; namely, Chicago Title and Trust Company, ("escrow trustee"), Castle Bank, N.A. ("Lender"), and Hangar One, LLC, ("Tenant/Borrower"), dated the _____ day of _____, 2006 hereby agree that the following terms and conditions shall be incorporated into and made a part of the Construction Loan Escrow and Disbursing Agreement ("Agreement") as if fully set forth therein. It is understood that for purposes of the Agreement, the word "owner" refers to the "tenant" of the real estate described on Schedule A of the title commitment.

1. In the event of a default by Tenant/Borrower or any other event (other than temporary interruptions in construction for weather related conditions, labor strikes, materials shortages, or other unforeseen matters of a temporary nature or other conditions not due to the fault of Tenant/Borrower or Lender) that causes a work stoppage, for a period exceeding 60 days, Lender may proceed to complete the construction and exercise its rights under the loan documents with Tenant/Borrower and its rights as mortgagee in possession under paragraph 23 of the "Lease of Real Estate at the Aurora Municipal Airport". In such event, Tenant's rights under the terms of the Construction Loan Escrow and Disbursing Agreement and under the terms of the Lease of Real Estate at the Aurora Municipal Airport dated the 25th day of APRIL, 2006 shall be automatically assigned to the Lender and Lender shall be obligated to fulfill the function of the Tenant/Borrower under the terms of this Agreement and the Lease Agreement. Landlord hereby consents to said assignment under the circumstances described above. The terms of this paragraph will not be binding upon the escrow trustee unless the escrowee receives written notice from the lender that a 61 day work stoppage has occurred; in which case the escrow trustee may unconditionally rely on any such unilateral notice from the lender.

2. By entering into this Agreement, Lender irrevocably guarantees and agrees to complete the construction of the project and to provide adequate funding therefor in the event of a breach or default by tenant/borrower or any other circumstance that would lead to a cessation of the project before its completion (other than temporary interruptions or other conditions as set forth in paragraph 1 of this Addendum).

3. The lender and tenant/borrower agree that the obligations and guarantees set forth are intended to protect the Landlord (City of Aurora) by providing a guaranteed means other than a Letter of Credit, to insure the completion of the project in the event of any circumstance (other than those excepted herein) that could arise causing the cessation of construction before full completion.

IN WITNESS THEREOF, the parties have set their hands and seals on the date set forth below:

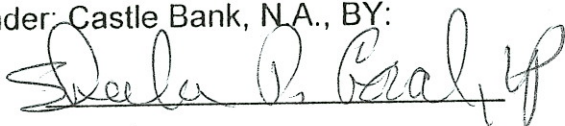
Tenant/Borrower: Hangar One, LLC BY:



4-12-06

Date

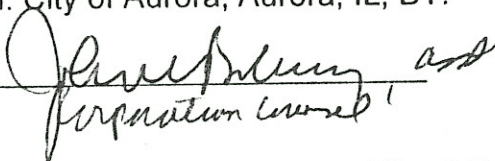
Lender: Castle Bank, N.A., BY:



4-24-06

Date

Landlord: City of Aurora, Aurora, IL, BY:

 as
for the Mayor

Date

Escrow Trustee: Chicago Title and Trust Company BY:

Date