

GROUND LEASE OF REAL ESTATE
AT THE AURORA MUNICIPAL AIRPORT

This lease is entered into as of _____, 2022, between the City of Aurora, an Illinois municipal corporation (“Landlord”) and Carver Aero LLC., an Iowa Limited Liability Company, or its designee or subtenant (“Tenant”) for certain real estate at the Aurora Municipal Airport.

1. DESCRIPTION OF LEASED PREMISES

The Landlord hereby leases to the Tenant and the Tenant hereby leases from the Landlord the real estate legally described below (the “Premises”), being part of the Aurora Municipal Airport, Sugar Grove Township, Kane County, Illinois (the “Airport”):

Parcel 1 – (Hangar 1)

Beginning at the Northeast corner of the Southwest quarter of Section 17, Township 38 North, Range 7 East of the Third Principal Meridian in Kane County, Illinois; thence Southerly along the East line of the Southwest quarter of said Section 17, a distance of 1500.0 feet; thence South 89° 41’ West, a distance of 1079.79 feet for a point of beginning; thence South 0° 19’ East, a distance of 100.0 feet; thence South 89° 41’ West, a distance of 106.0 feet; thence North 0° 19’ West, a distance of 100.0 feet; thence North 89° 41’ East, a distance of 106.0 feet to the point of beginning, containing 10,600 square feet.

Parcel 1(a) – (Ramp)

Beginning at the Northeast corner of the Southwest quarter of Section 17, Township 38 North, Range 7 East of the Third Principal Meridian in Kane County, Illinois; thence Southerly along the East line of the Southwest quarter of said Section 17, a distance of 1500.0 feet; thence South 89° 41’ West, a distance of 1079.79 feet for a beginning point; thence Northeasterly and on the arc of a circle for 270° and having a radius of 50.0 feet, the center point of said circle being located North of 89° 41’ East, a distance of 50.0 feet from the point of beginning; for a distance of 235.62 feet; thence South 89° 41’ West, a distance of 50.0 feet, thence North 0° 19’ West, a distance of 50.0 feet to the point of beginning, containing 8390.5 square feet.

Parcel 1(b) – (Grass Area)

Beginning at the Northeast corner of the Southwest quarter of Section 17, Township 38 North, Range 7 East of the Third Principal Meridian in Kane County, Illinois; thence Southerly along the East line of the Southwest quarter of Section 17, a distance of 1550.0 feet; thence South 89° 41’ West a distance of 1044.79 for a point of beginning; thence South 0° 19’ East a distance of 50 feet; thence South 89° 41’ West, a distance of 35 feet, thence North 0° 19’ West a distance of 50 feet; thence North 89° 41’ East a distance of 35 feet to the point of beginning, containing 1750 square feet.

Parcel 2 – (Hangar 2)

Beginning at the Northeast corner of the Southwest quarter of Section 17, Township 38 North, Range 7 East of the Third Principal Meridian in Kane County, Illinois; thence Southerly along the East line of the Southwest quarter of said Section 17, a distance of 1500.0 feet; thence South $89^{\circ} 41'$ West, a distance of 1185.79 feet for a point of beginning; thence South $0^{\circ} 19'$ East, a distance of 100.0 feet; thence South $89^{\circ} 19'$ West, a distance of 98.0 feet; thence North $0^{\circ} 19'$ West, a distance of 100.0 feet; thence North $89^{\circ} 41'$ East, a distance of 98 feet to the point of beginning, containing 9800 square feet.

Parcel 3 – (Hangar 4)

Beginning at the Northeast corner of the Southwest quarter of Section 17, Township 38 North, Range 7 East of the Third Principal Meridian in Kane County, Illinois; thence Southerly along the East line of the Southwest quarter of said Section 17, a distance of 1500.0 feet; thence South $89^{\circ} 41'$ West, a distance of 1369.79 feet for a point of beginning; thence South $0^{\circ} 19'$ East, a distance of 100.0 feet; thence South $89^{\circ} 41'$ West, a distance of 86.0 feet; thence North $0^{\circ} 19'$ West, a distance of 100.0 feet; thence North $89^{\circ} 41'$ East, a distance of 86.0 feet to the point of beginning, containing 8600 square feet.

Parcel 4 – (Office Addition)

That part of the Southwest Quarter of Section 17, Township 38 North, Range 7 East of the Third Principal Meridian described as follows: Commencing at the Northeast corner of said Southwest Quarter; thence Southerly along the East line of said Southwest Quarter 1500.0 feet; thence South $89^{\circ} 41'$ West, a distance of 1369.79 feet; thence Southerly at right angles to the last described course 100.0 feet for a point of beginning; thence continuing Southerly along the last described course 30.0 feet; thence Easterly at right angles to the last described course 290.0 feet; thence Northerly at right angles to the last described course 10.0 feet; thence Easterly at right angles to the last described course 35.0 feet; thence Northerly at right angles to the last described course 20.0 feet; thence Westerly at right angles to the last described course 325.0 feet to the point of beginning, in Sugar Grove Township, Kane County, Illinois, containing 9400 square feet.

Parcel 5 – (Existing Fuel Farm)

That part of the South half of the Southeast quarter and the South half of the Southwest Quarter of Section 17, Township 38 North, Range 7 East of the Third Principal Meridian described as follows: Beginning at the point on the West line of the Southeast quarter of said section, 105.90 feet south of the North line of the South half of the Southeast quarter; thence West along a line which forms an angle of 90 degrees, 10 minutes from the North to the West a distance of 91.44 feet; thence South at right angles

to the last described course 40 feet; thence East at right angles to the last described line, 185.0 feet; thence North at right angles to the last described line, 40 feet; thence West at right angles to the last described line, 93.56 feet to the last point of beginning, in Kane County, Illinois, and containing 8600 square feet.

Parcel 6 – (Hangar 3)

Beginning at the Northeast corner of the Southwest quarter of Section 17, Township 38 North, Range 7 East of the Third Principal Meridian in Kane County, Illinois; thence Southerly along the East line of the Southwest quarter of said Section 17, a distance of 1500.0 feet; thence South 89° 41' West, a distance of 1283.79 feet for a point of beginning; thence South 0° 19' East, a distance of 100.0 feet; thence South 89° 41' West, a distance of 86.0 feet; thence North 0° 19' West, a distance of 100.0 feet; thence North 89° 41' East, a distance of 86.0 feet to the point of beginning, containing 8600 square feet.

Parcel 7 – (Hangar 5)

Beginning at the Northeast corner of the Southwest quarter of Section 17, Township 38 North, Range 7 East of the Third Principal Meridian, in Kane County, Illinois; thence southerly along the East line of the Southwest quarter of said Section 17, a distance of 1500.0 feet, thence South 89 degrees 41 minutes West 502.79 feet; thence southerly at right angles to the last described course a distance of 205.60 feet to the point of beginning; Thence continuing along the last described course a distance of 320.00 feet; thence Westerly at right angles to the last described course a distance of 150.00 feet; thence Northerly at right angles to the last described course a distance of 320.00 feet; thence Easterly right angles to the last described course a distance of 150.00 feet to the point of beginning, containing 48,000 square feet.

The total square footage of the Premises described above is 113,740.50. When the Tenant begins using the new fuel farm required to be constructed under the Construction and Capital Improvements Rider attached to this lease, this lease will be amended to delete existing Parcel 5 and substitute the new fuel farm and the square footage of the Premises will be recalculated.

2. GROUND RENT

- a. Ground Rent shall be abated for lease years one (1) through twenty (20) of the Term of the Lease (i.e. the Initial Term of five (5) years and the three (3) five (5) year Renewal Terms thereafter the Initial Term) (“Rent Abatement Period”), subject to modification based on the terms contained in the Construction and Capital Improvements Rider.
- b. For the 12-month period beginning January 1, 2022, Ground Rent shall be calculated by multiplying the then square footage of the Premises by \$0.41032 per square foot and adjusting the result according to the Cost of Living Rider attached

and made part of this lease. Tenant shall pay the ground rent so calculated in equal monthly installments beginning on February 1, 2022 and on the first day of each month thereafter, subject to the terms of the abatement indicated in Section 2(a) above.

- c. On January 1, 2023 and on January 1 of each year thereafter during the Term, annual ground rent will be further adjusted in accordance with the Cost of Living Rider.
- d. If, for any reason, the Ground Rent as set forth in this Section is not paid within ten (10) days of the date it is due a carrying charge of two percent (2%) per month will be imposed on the amount that remains due and unpaid. In addition, if the Tenant fails to pay ground rent within ten (10) days of the date it is due 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 shall post as security, a bond or irrevocable letter of credit acceptable to Landlord, in an amount equal to the last six (6) months of ground rent due under Paragraph 2 of this lease or be in breach of this lease.

3. ADDITIONAL RENT

- a. In addition to the ground rent provided in Paragraph 2, the Tenant shall pay to the Landlord as additional rent, an amount equal to one and one-half percent (1.5%) of the Gross Receipts generated by the Tenant from all business conducted on the Airport during the calendar month next preceding the date said rent is payable. Tenant shall pay additional rent 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. By way of illustration, the first month for which additional rent must be paid will be January 2022 and that payment must be made no later than March 17, 2022. Gross Receipts are defined as all revenue received by the Tenant from its business activities on the Airport, less the following: (i) State and Federal excise and sales taxes; (ii) the fuel flowage charge levied by the City of Aurora on sales of fuel; (iii) the proceeds of aircraft sales; (iv) any mail order business conducted by the Tenant; and (v) any revenue derived from services provided to, work performed on, or fuel sales made for aircraft owned by Tenant or its affiliates or Tenant's designated charter service partner, all as evidenced by appropriate paid tax returns and the report submitted by the Tenant under Section 17. Payment reports must be submitted on a form approved by the City of Aurora.
- b. If, for any reason, the additional rent as set forth in this Section is not paid within ten (10) days of the date it is due a carrying charge of two percent (2%) per month will be imposed on the amount that remains due and unpaid. In addition, if the Tenant fails to pay additional rent within ten (10) days of the date it is due 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 shall post as security, a bond or irrevocable letter of credit acceptable to Landlord, in an amount

equal to the last six (6) months of additional rent due under Paragraph 3(a) of this lease or be in breach of this lease.

4. LEASE TERM

- a. The term of this lease will begin on January 1, 2022 and continue for a period of five (5) years expiring on December 31, 2026 (the “Initial Term”). On the same terms and conditions, the Tenant shall have five (5) additional options to renew this Lease (each a “Renewal Term”) and each Renewal Term will be for a period of five (5) years. Under no circumstances will this lease extend beyond December 31, 2051. The Initial Term and each Renewal Term shall be collectively referred to herein this lease as the “Term.”
- b. Renewal(s) will be automatic unless the Tenant advises the Landlord of its intent not to exercise the option contained herein. Notwithstanding the foregoing, however, the fourth renewal is expressly conditioned upon and this lease will absolutely not renew unless all conditions of the Construction and Capital Improvements Rider (attached hereto and by this reference incorporated herein) are fully completed by Tenant to the satisfaction of Landlord, including the completion of \$10,000,000 in Tenant Investments, or payment of Ground Rent in the amount of \$10,000,000, or a combination of both..
- c. Tenant shall advise Landlord by the procedure contained in the NOTICES paragraph of this lease not less than six (6) months prior to the end of the Term or any renewal term of this lease, of its intent not to exercise any of the options contained herein.

5. USE OF PREMISES

- a. Tenant may use the Premises for any purpose permitted for a direct aviation orientated business under 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 (the “Minimum Standards”), and any services related to such uses, including the following:
 - i. The right to operate, store, and maintain its own aircraft and those of any affiliate.
 - ii. The right to perform aircraft maintenance and related services on its own and affiliated aircraft, engage in the sale of aircraft parts and accessories to the general public, engage in FAA-FAR 135 charter, and provide aircraft maintenance and related services at retail to the general public.
 - iii. The right to operate a flight school with aircraft rental.

- iv. The right to install, maintain, and sell aircraft avionics, at both retail and by mail order.
- v. The right to rent hangar and office spaces to others.
- vi. The right to dispense and sell retail aviation fuel in accordance with this lease and the Minimum Standards.
- vii. The right to sell aircraft.
- viii. The right to perform any other activity now or hereafter permitted during the term for a direct aviation oriented business or fixed base operator (“FBO”) under the Minimum Standards.

The aforementioned authorized activities are limited to the Tenant and Tenant’s affiliates only. No other business activities are authorized to be conducted or performed on the Premises nor may Tenant provide any services, other than those listed herein, from the Premises without the prior written approval from the Landlord. Any other entity, including one not presently affiliated with Tenant, operating from the Premises without prior written approval from the Landlord will be deemed to be a violation of this lease. Should the Tenant not actively be engaged in any of the approved activities set forth in this paragraph for more than three (3) consecutive months, the Landlord reserves the right to rescind its approval of said activity.

- b. **Building Construction Requirement.** The Tenant shall abide by all Fire Codes and Building Codes, as adopted by the City of Aurora, in the construction of the fuel farm facility, or the construction of any additions, renovations or remodels of the Premises. Tenant shall submit plans for any improvements to the Landlord for its approval prior to submittal for building permits and such approval will not be unreasonably withheld. Tenant shall pay or cause to be paid when due, all sums of money that may become due for any labor, services, materials, supplies, utilities, furnishings, machinery or equipment that may have been furnished or ordered with Tenant’s consent to be furnished to or for the Tenant or a subtenant in, upon or about the Premises, which may be secured by any mechanic’s, materialmen’s or other lien against the Premises or Landlord’s interest therein, and will cause each such lien to be fully discharged and released at the time the performance or obligation secured by any such lien matures or becomes due, provided that the Tenant or subtenant may in good faith contest any mechanic’s or other liens filed or established, and in such event, may permit items so contested to remain undischarged and unsatisfied during the period of such contest. Failure to remove any lien in a timely manner will be a breach of this lease.
- c. Prior to any construction or remodel Tenant shall, if requested by Landlord, submit copies of prime contracts or subcontracts.

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 representative, 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 furnishings 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 provision 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 will have free use of the Airport, including, but not by way of limitation, the landing areas, aprons, taxiways and vehicle parking areas. This lease does not convey to the Tenant exclusive use of any part of the Airport except the Premises, and does not 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 Airport not described in Paragraph 1 herein 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 the interior and exterior of the Premises, including routine maintenance of the heating, ventilating and air-conditioning system serving the Premises, in good condition and repair. Tenant, at its sole expense, shall keep the roof, exterior walls, foundation, hangar doors, sprinkler system (if any), structural components, the floor slab and underground and otherwise concealed sewage, plumbing, electrical and other utility systems and replacement as required of the HVAC systems of the Premises in good order and repair and shall make all necessary replacements thereto. Tenant shall promptly replace all broken glass with glass of the same size and quality as that broken, and promptly replace all damaged plumbing and lighting fixtures including bulbs, tubes and elements with others of equal quality. Tenant will, as far as possible, keep any improvements upon the Premises reasonably free from deterioration due to ordinary wear and from falling temporarily out of repair and shall, at Tenant's expense, on a regular basis, remove all garbage, debris and refuse from the Premises. Tenant shall keep and maintain the 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 a facility, the Tenant shall assume all responsibility of 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 Tenant. Maintenance includes, but is not limited to, any and all environmental clean-ups of the site or removal of the facility. Tenant shall hold Landlord harmless from any responsibility or expense, for any maintenance of the fuel farm facilities. Tenant shall also maintain aprons, ramps and taxiways that are constructed by Tenant and are for the exclusive use of Tenant, its sublessees, guests and invitees. Tenant shall mow and keep in a sightly condition all landscaping and grass areas within the Premises. Tenant shall contract in its own name and pay for all charges for the electricity, gas, telephone, water and sewer, cable, and satellite utilities and services used in, servicing, or assessed against the Premises. Landlord is not be liable for any interruption or failure whatsoever in utility services.

- b. At the termination of this lease or any extension or renewal thereof, Tenant shall surrender the Premises to the Landlord including all buildings and site improvements constructed or installed by Tenant, in good condition, reasonable wear and tear and damage by fire, explosion, windstorm or any other casualty excepted. All such buildings and improvements not already owned by Landlord will become sole property of the Landlord upon termination of the Lease free of liens or mortgages thereon. Regardless of the time when such termination occurs, or the reason therefor, the Landlord has 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 Airport which are not leased to the Tenant and which remain under the authority and control of the Landlord. Said facilities include, without limitation, all runways, aprons, taxiways, parking areas, roadways and lighting equipment. Landlord is not liable to Tenant for any injury or damage to Tenant or Tenant's property on the Premises occasioned by fire or other casualty, by leaking water, or by any defect in the Premises.

10. INSURANCE

Within 30 days of the signing of this lease Tenant shall furnish to Landlord evidence of the following insurance policies and provisions:

- a. Tenant shall maintain in force and effect at all times during the Term and any renewal or extension thereof, commercial general liability insurance in the amount of \$4,000,000 combined single limit for bodily injury or property damage. Said insurance must protect Tenant and Landlord 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 the Tenant, its agents, servants or employees. Said insurance must be with a company or companies reasonably satisfactory to the Landlord, and must include coverage commonly known as "Airport Liability", "Hangar Keeper's Liability", "Worker's Compensation", and "Product Liability". The Landlord must be named as an additional insured in such insurances and Tenant shall provide certificates of the insurance evidencing such coverage to Landlord throughout the Term and any renewal or extension thereof. The Landlord reserves the right to request and receive copies of the Tenant's insurance policies as referenced herein. Said insurance must be primary coverage and any insurance that the Landlord may have must be considered secondary and non-contributory and all said insurance policies must contain an endorsement to this effect.
- b. Tenant shall maintain in force and effect at all times during the Term and any renewal or extension thereof, policies of fire and extended coverage insurance,

insuring the buildings and improvements located on the Premises to their full replacement value. Said insurance must be with companies approved by the City of Aurora Risk Manager, which approval will not be unreasonably withheld. The Landlord must be named as an additional insured in such insurance and Tenant shall provide Landlord with certificates of the insurance evidencing such coverage throughout the Term and any renewal or extension thereof. The Landlord reserves the right to request and receive copies of the Tenant's insurance policies as referenced herein. Said insurance must be primary in coverage and any insurance the Landlord may have must be considered secondary and non-contributory and all said insurance policies must contain an endorsement to this effect.

11. ASSESSMENTS

Landlord may from time to time assess against the Premises (to the extent that any such improvements benefit the Tenant's leasehold) a portion of its reasonable costs of furnishing, installing, maintaining and renewing various utility services. Tenant's share of such assessment will be a fraction, the numerator of which is total square footage of the Premises and the denominator of which is the total square footage of all land designated for lease (but not less than 500,000 square feet) at the Airport. At the option of the Tenant, Tenant's share may be paid in equal annual installments over the remaining Term, the first installment being due on the first January 1 after the assessment and subsequent installments due on each January 1 thereafter. The Tenant shall pay any and all taxes and assessments against its leasehold in the Premises coming due during the Term.

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 the State of Illinois so as to qualify for further expenditures of Federal or State funds at the Airport

b. Local Ordinances

With the exceptions set forth below, this lease is subject and subordinate to all ordinances of the City of Aurora and the Minimum Standards.

- i. Landlord shall not increase the fuel flowage charge (currently \$.05 per gallon) levied with respect to Tenant for a period of five (5) years from the date of this lease. Landlord may increase the fuel flowage charge after 12:00 AM on January 1, 2027 if such increase (1) applies to all businesses at the Airport subject to such charge, (2) is effective for nor no more than five (5) years from its effective date and (3) is not greater than the

cumulative increase in the consumer price index over the prior five (5) year period.

- ii. As soon as practically possible, Tenant shall comply with all of the Minimum Standards applicable to an FBO at the Airport. However, Landlord has represented to Tenant that it is in the process of amending the Minimum Standards and that in the amended version the following items will either be removed or will conform to the provisions set forth below. Accordingly, Tenant's compliance with the Minimum Standards, as modified by this Section, will be deemed to be full compliance with the Minimum Standards until such provisions are officially incorporated into the amended version.
 1. Other than as may be required under Paragraphs 2(d) 2.dand 3(b)3.b, Tenant is not required to deliver an irrevocable letter of credit in any amount to Landlord.
 2. As soon as practical and in a diligent manner Tenant shall construct and maintain an above ground fuel farm on the Leased Premises, in a location approved by the Landlord, subject to the terms of the Construction and Capital Improvements Rider included with this Lease. Tenant agrees to diligently complete the fuel farm construction and will promptly notify and inform Landlord throughout the entire process, and provide notice of any unforeseen delays including but not limited to, ordering, manufacturing, fabrication, delivery, and installation of the fuel tanks.
 3. In lieu of the environmental insurance now or in the future required by the Minimum Standards, Tenant shall (a) enter into an Environmental Indemnity Agreement with Landlord under which Tenant will indemnify and hold Landlord harmless from any environmental contamination of the site of the above ground fuel farm upon the terms set forth in the agreement, (b) before beginning construction of the aboveground fuel farm, obtain an environmental assessment of the site as required by the Environmental Indemnity Agreement, (c) prior to any fuel being placed in the aboveground fuel farm, procure Pollution Legal Liability insurance coverage in the amount of \$2,000,000 with a company or companies reasonably satisfactory to Landlord and maintain such coverage for the remainder of the Term and any renewal or extension thereof, (d) cause Landlord to be named as an additional insured under all such policies and provide Landlord with certificates of insurance evidencing such coverage.
 4. In lieu of the liability insurance now or in the future required by the Minimum Standards, Tenant shall procure and maintain during the

Term and any renewal or extension thereof, the insurance required in Paragraph 10(a).

13. CONDEMNATION

In accordance with the statutes of the State of Illinois relative to eminent domain, the Landlord has 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 reserves the right to enter upon the Premises at reasonable times for the purposes of making inspections to determine if the conditions and requirements of this lease are being complied with. If Landlord determines that any buildings on the Premises have become deficient in maintenance or are in need of repair, or if Landlord determines that Tenant has failed to comply with this lease in any other respect, other than the payment of rent, Landlord shall give Tenant written notice describing the specific default. Tenant shall repair the condition or remedy the specified default within thirty (30) days after receipt of notice from Landlord. Failure to complete the repairs or cure the default specified within the thirty-day (30-day) period is not a breach of this lease if Tenant has begun the work or the remedy within the thirty-day (30-day) and diligently pursues it to completion. Failure to complete the work in a timely manner or cure the specified default is a breach of this lease.

15. STORAGE OF DAMAGED AIRCRAFT

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

16. TENANT'S PERSONNEL

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

17. EXAMINATION AND AUDITS

- a. At all times during the Term of this lease and any renewal or extension thereof, the Tenant shall maintain accurate books, accounts, records and receipts in a manner reasonably acceptable to a certified public accountant and approved by the City of Aurora, showing the true status of all business conducted on the Premises and shall preserve the same until they have been audited by the City of Aurora's auditor. Tenant shall make such records available, at any time during business hours upon reasonable notice, to the City of Aurora for examination and audit. Further, Tenant shall annually deliver to the Landlord a copy of the Tenant's annual Financial Statements prepared in accordance with generally accepted accounting principles and compiled by a certified public accountant. Financial Statements means a balance sheet and statement of profit and loss as of the end of the Tenant's most

recent fiscal year, and such other statements as the Landlord may reasonably request in writing. The statements must reflect all of the business done by the Tenant from the Premises and must include a separate column reflecting all of the business conducted only on the Premises. The Financial Statements need not be certified. The Tenant shall deliver the Financial Statements to the Landlord within 180 days of the close of the Tenant's fiscal year.

- b. The Landlord, its employees, agents, outside consultants and their staffs, attorneys and their staff, certified public accountants and their staff, Tenant's mortgagee and others having access to Tenant's books and records shall take reasonable measures to protect their confidentiality and shall 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 without the express advanced written consent of Tenant. The Landlord is not responsible for the disclosure of any records or other information by any nonemployee or third persons or entities who release any confidential information in violation of this provision. In the event the Landlord receives a request for disclosure of such information pursuant to the Freedom of Information Act, or other similar statute, the Landlord will notify Tenant and, if Tenant objects to the release of such information, Tenant shall indemnify and hold the Landlord harmless for all costs, including reasonable attorney fees and court costs, incurred in defending any objection to releasing said information. Any records audited by the Landlord, and all copies thereof, must be returned to Tenant promptly upon the conclusion of any audit. For purposes of this paragraph, "record" includes but is not limited to any and all reports, tax returns, receipts, bank or 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 is or will 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 is or will be construed as a waiver of any subsequent breach.

19. ASSIGNMENT OF LEASE

This lease may not be assigned, nor may any portion of the Premises be subleased, including any proposed assignment or sublease to a parent or subsidiary of the Tenant, nor may a controlling interest in the Tenant be transferred, without the prior written consent of the Landlord, which consent will not be unreasonable withheld.

20. NOTICES

Except to the extent that certain notices and methods of service thereof are required by law by Landlord to Tenant with respect to any default notice for an eviction/forcible entry and detainer, any and all other notices, requests, demands or other communications hereunder

shall be in writing and be deemed properly served when given in the following manner: (i) on the date sent if by hand delivery/personal service with receipt therefor; or (ii) by mailing to the addresses recited herein by regular mail and by certified mail, return receipt requested, except as otherwise provided herein, notice served by certified mail shall be effective on the date of mailing; (iii) by commercial overnight delivery, which notice shall be effective on the next Business Day after the notice is deposited with the overnight delivery courier; or (iv) by e-mail transmission, which notice shall be effective as of the date and time of the e-mail transmission, provided that the notice transmitted shall be sent Business Days/Hours, if the notice is sent during non-Business Days/Hours, then the effective date and time of the notice shall be the first Business Hour of the next Business Day after transmission. Notices shall be addressed to each respective party as follows (or to such new address as the addressee of such a communication may have notified the sender thereof):

If to the Landlord:

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

With a copy to:

City of Aurora Law Department
44 East Downer Place
Aurora, Illinois 60507

With a copy to:

Klein, Thorpe & Jenkins, LTD
20 N. Wacker Drive, Suite #1660
Chicago, Illinois 60606
Attn: Carmen P. Forte, Jr.
Email: cpforte@ktjlaw.com

And if to Tenant at:

To Tenant:

Carver Aero, LLC
43W752 US 30
Sugar Grove, IL 60554
Attn: Guy Lieser
Email: Guy.lieser@carveraero.com

With a copy to:

Carver Aero, LLC
315 Fifth St.
Peru, IL 61354
Attn: Daniel J. Harper, General Counsel
Email: dan.harper@carusllc.com

With a copy to:

Huck Bouma PC
1755 S. Naperville Road, Suite 200
Wheaton, Illinois 60189-5844
Attn: David D. O'Sullivan & Christian T. Laden
Fax: (630) 221-1756
Email: dosullivan@huckbouma.com
claden@huckbouma.com

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. BUSINESS DAYS/NON-BUSINESS DAYS AND HOURS.

(a) Business Days/Hours: Business Day(s) are defined as Monday through Friday, excluding Federal Holidays, and Business Hour(s) are defined as 8:00 a.m. to 6:00 p.m. in the time zone where the Premises is located. As used herein, the term “**Federal Holiday**” means any state or Federal holiday for which financial institutions or post offices are generally closed in the state where the Premises is located.

(b) Non-Business Days/Hours: Any day or time which is not deemed to be a Business Day/Hour.

(c) Lease Obligations due on a Non-Business Day: If any date herein set forth for the performance of any obligations of either party or for the delivery of any instrument or notice as herein provided should be on a Non-Business Day, the compliance with such obligations or delivery shall be deemed acceptable on the next Business Day following such Non-Business Day.

(d) Days. Unless otherwise specifically indicated to the contrary, the word “days” as used in this Sublease shall mean and refer to calendar days.

22. SUCCESSORS AND ASSIGNS

The terms, covenants and conditions of this lease are binding upon and inure to the benefit of the successors and assigns of the parties

23. INTERPRETATION

a. Severability

It is the intention of the parties that the provisions of this lease are 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 govern the validity, performance and enforcement of this lease. Venue of any litigation between the parties arising out of this lease is proper only in the Circuit Court for the Sixteenth Judicial Circuit, Kane County, Illinois.

d. Amendments

No amendments, modifications or supplements to this lease are effective unless in writing, and executed and by both parties.

24. LEASEHOLD MORTGAGE

The parties acknowledge that Tenant intends to mortgage its leasehold interest under this lease. Anything to the contrary in this lease notwithstanding, with respect to any leasehold mortgage, the parties agree as follows:

- a. Any mortgage and/or substitution agreement shall be subject to Landlord's review and approval which shall not be unreasonably withheld.
- b. Landlord consents to Tenant granting one or more leasehold mortgages on any interest it may have under this lease. For any such leasehold mortgage, the parties shall execute and record a memorandum of lease in order that the mortgagee may obtain a loan policy insuring its mortgage from a title company.
- c. Tenant has no right to amend, modify, cancel or terminate this lease without the Mortgagee's prior written consent.
- d. Landlord shall send to each mortgagee a copy of any notice it sends to the Tenant provided the mortgagee has first submitted its address to Landlord in writing.
- e. In the event of any default on the part of the Tenant hereunder, Landlord shall give each mortgagee, provided the mortgagee has first submitted its address to Landlord in writing, written notice thereof, and an opportunity to cure said default of a period of not less than thirty (30) days beyond, any period given to Tenant to cure such default.

- f. Any mortgagee (or assignee of a mortgagee) will have any right it may otherwise have, to acquire that portion of the leasehold interest in which it held its mortgage, by foreclosure, assignment, or otherwise. If the mortgagee takes possession of Tenant's leasehold estate, then (i) the mortgagee shall not be liable for any previous default by Tenant (other than a default in the payment of rent) occurring prior to the time the mortgagee takes possession; and (ii) the mortgagee's right to assign or sublet all or any portion of the Premises shall be conditioned on the prior consent of the Landlord which shall not be unreasonably withheld.
- g. Any mortgage on the Tenant's leasehold must contain a provision requiring the mortgagee to send a copy of all notices under the mortgage to the Landlord and giving the Tenant and Landlord not less than thirty (30) days to cure any default and reinstate the mortgage.
- h. Each mortgagee is entitled to proceeds of any hazard insurance on the portion of the Premises on which it holds a mortgage, as its interest may appear. Further, each mortgagee or its assignee will have the first right to share in any condemnation proceeds from that portion of the leasehold interest in which it holds its mortgage, as its interest may appear.
- i. If, within sixty (60) days after a mortgagee's receipt of a notice of default in the lease from Landlord, the mortgagee gives Landlord notice that it intends to foreclose on such mortgage, Landlord shall not terminate the lease during the pendency of such foreclosure proceedings, provided that any monetary default specifically arising with respect to that portion of the Premises subject to such mortgage is timely cured.
- j. In the event of a foreclosure of leasehold mortgage, the mortgagee, or any assignee or sublessee of the mortgagee, will have all of the rights and obligations of the Tenant under this lease, including the right to operate as an FBO at the Airport.

25. INDEMNITY

Tenant agrees to indemnify and save Landlord, its officers, agents and employees harmless from and against any and all claims and demands (except such as a result from negligent or intentional acts or omissions of Landlord, or its officers, agents or employees) for, or in connection with, any accident injury or damage whatsoever caused to any person or property arising, directly or indirectly from any act or omission of Tenant or any concessionaire or subtenant of Tenant, or their respective licensees, servants, officers, agents, employees, invitees, or contractors and from and against any and all costs, expenses and liabilities incurred in connection with any such claim or proceeding brought thereon.

26. DEFAULT

- a. Each of the following constitutes an event of default ("Default") under this lease:

- i. Tenant vacates or abandons the Premises, or permits the same to remain vacant or unoccupied for a period of thirty (30) days.
 - ii. Tenant fails to continue to use the Premises in accordance with the uses permitted under this lease or uses the Premises for a use or uses that are not permitted under the lease, and in either case such event continues for a period of fifteen (15) days after Landlord provides written notice of same to Tenant.
 - iii. Tenant declares or files for protection under the bankruptcy laws, dissolves or ceases to do business in accordance with its present corporate purpose or generally admits an inability to pay its debts as such debts become due.
 - iv. Tenant fails to pay ground rent or additional rent when due and such failure continues for a period of fifteen (15) days after Landlord provides notice of such default to Tenant. Tenant fails to perform any other obligation or observe or perform any other covenant of Tenant under this lease, and such failure continues for a period of fifteen (15) days after Landlord provides notice of such default to Tenant.
- b. After the occurrence of a Default, and Tenant's failure to cure, Landlord may terminate Tenant's right to possession of the Premises, with or without additional notice or demand whatsoever, and the mere retention of possession thereafter by Tenant shall constitute a forcible detainer of the Premises; and if the Landlord so elects, but not otherwise, and with or without notice of such election or any additional notice or demand whatsoever, this Lease shall thereupon terminate, and upon the termination of Tenant's right of possession, as aforesaid, whether this Lease be terminated or not, Tenant agrees to surrender possession of the Premises immediately, without the receipt of notice to quit or demand for possession of the Premises whatsoever, and hereby grants to Landlord full and free license to enter into and upon the Premises or any part thereof, to take possession thereof, and to expel and to remove Tenant or any other person who may be occupying the Premises or any part thereof, and Landlord may use such force in and about expelling and removing Tenant and other persons as may reasonably be necessary, and Landlord may repossess itself of the Premises as of its former estate, but such entry of the Premises shall not constitute trespass or forcible entry or detainer, nor shall it case a forfeiture of rents due by virtue thereof, nor a waiver of any covenant, agreement or promise in this Lease contained, to be performed by Tenant. The acceptance of rent, whether in a single instance or repeatedly, after it falls due, or after knowledge of any breach hereof by Tenant, or the giving or making of any notice or demand, whether according to any statutory provision or not, or any act or series of acts except an express written waiver, shall not be construed as a waiver of Landlord's right to act or of any other right hereby given to Landlord, or as an election not to proceed under the provisions of this Lease. In addition to the foregoing, Landlord shall be entitled to take any action or pursue any remedy permitted under law or in equity.

- c. Landlord shall not be in breach of this Lease unless it fails to perform one of its obligations within thirty (30) days after receipt of written notice from Tenant (or such shorter period in the case on an emergency) specifying the obligation which has not been performed; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are reasonably required for its performance, then Landlord shall not be in breach if performance is commenced within such thirty (30) day period and thereafter diligently pursued to completion.

27. RIGHT TO CURE DEFAULTS

If Tenant fails to comply fully with any of its obligations under this Lease (including, without limitations, its obligation to maintain various policies of insurance, comply with all laws, ordinances and regulations and pay bills for utilities), then Landlord may, at its option, after Tenant's rights to cure have expired, cure such breach at Tenant's expense. Tenant shall reimburse Landlord (as additional rent) for all costs and expenses incurred as a result thereof, together with interest thereon, promptly upon demand.

28. RELATIONSHIP OF PARTIES

Nothing contained in this Lease creates the relationship of principal and agent, partnership, joint venture or any other relationship between the parties hereto other than the relationship of Landlord and Tenant.

29. ENTIRE AGREEMENT

No oral statement or prior written matter will have any force or effect, all of which being merged into and superseded by this lease. No waiver of any provision of this Lease is effective unless in writing and signed by the waving party. Tenant acknowledges that it is not relying on any representation or agreements other than those contained in this lease. This lease may not be modified except by a writing subscribed by all parties, nor may this lease be cancelled by Tenant except with the written consent of Landlord, unless otherwise specifically provided herein. The invalidity or unenforceability of any provision of this lease will not affect or impair any other provision. All captions herein are solely for convenience and have no legal effect.

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 written above.

LANDLORD: CITY OF AURORA, a Municipal Corporation

BY _____
MAYOR

[Seal]

ATTEST:

CITY CLERK

TENANT: CARVER AERO, LLC., an Iowa
Limited Liability Company

BY _____
Its _____

[Seal]

ATTEST:

By _____
Its _____

**COST OF LIVING ADJUSTMENT RIDER
ATTACHED TO AND PART OF LEASE AGREEMENT DATED AS OF
JANUARY 1, 2022 WITH CARVER AERO, LLC.**

(1) As used herein:

- a. "Index" means the "Consumer Price Index, Chicago-Naperville-Elgin Urban Wage Earners (1967=100)" for all items, issued by the Bureau of Labor Statistics of the United States Department of Labor;
- b. "Lease Date" means mean the date of this lease, January 1, 2022;
- c. "Percentage Increase" means the percentage of increase or decrease in the Index available on each Lease Anniversary Date equal to a fraction, the numerator of which is the latest Index available on such Lease Anniversary Date less the Index available on the Lease Date and the denominator of which is the Index available on the Lease Date. The Index as of the Lease Date was .
- d. "Lease Anniversary Date" means the date in each year during the Term that corresponds to the Lease Date.

(2) The annual ground rent reserved herein will be increased on each Lease Anniversary Date by an amount equal to the annual ground rent payable immediately prior to such Lease Anniversary Date multiplied by the Percentage Increase for such Lease Anniversary Date. The annual ground rent so calculated is payable 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 is hereafter converted to a different standard reference case or otherwise revised, the determination of the Percentage Increase will 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 does 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 ceases to be published, then for the purposes of this Rider, such other Index as the Landlord and Tenant agree upon will be substituted for the Index and if they are unable to agree within ninety (90) days after the Index ceases to be published, such matters will 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 all leases at the Aurora Municipal Airport be equal as computed on the basis an amount per square foot which, as of December 1, 2021 was \$0.41032 per square foot.

CONSTRUCTION AND CAPITAL IMPROVEMENTS RIDER

ATTACHED TO AND PART OF LEASE AGREEMENT DATED AS OF JANUARY 1, 2022 WITH CARVER AERO, LLC.

- A. At Tenant's sole cost, Tenant shall undertake a minimum \$10,000,000 investment ("Tenant Investment") in Premises, including but not limited to capital improvements to the Premises, the actual amount to be determined in accordance with this Rider. Tenant Investment shall include but not be limited to the costs to complete installation of a new fuel farm with one or more aboveground fuel tanks, removal of all of Tenant's existing underground fuel storage tanks, the demolition, remodeling and refurbishing as reasonably necessary of all areas comprising its fixed base operation, including its offices and lobby, hangars, interior and exterior signage, building façade and cladding, lighting, parking lot, landscaping and surface beautification. Tenant's costs related to its acquisition of additional facilities at the Airport may be attributed to the minimum required expenditures, as denoted below. Tenant shall complete the following amounts of Tenant Investment pursuant to the following schedule:
1. Tenant shall expend a minimum of \$3,000,000 in construction and capital improvements within the first five years of this Lease (i.e. on or before December 31, 2026). At the end of the first five (5) years the parties shall confer and Landlord and Tenant shall agree to and determine what additional remodeling or refurbishing is reasonably necessary.
 2. Tenant shall expend the minimum of \$3,000,000 in construction and capital improvements within years six through ten of this Lease (i.e. on or before December 31, 2031).
 3. Tenant shall expend the minimum of \$4,000,000 in construction and capital improvements within years eleven through twelve of this Lease (i.e. on or before December 31, 2033).
 4. Tenant shall have until **July 1, 2024** to complete the installation of the fuel farm and meet all Minimum Standards as outlined by the Lease, which any amounts expended shall count towards the total amount of Tenant Investment required by this Rider. If Tenant fails to complete this installation and meet the Minimum Standards by July 1, 2024, Tenant shall immediately be required to pay Ground Rent for its total occupied facilities at the Airport as liquidated damages for this breach, until Landlord can confirm that Tenant has installed the fuel farm and has met all Minimum Standards as outlined by the Lease. Landlord shall not be precluded from pursuing any other remedy in response to Tenant's breach, under law or equity. Tenant's payment of ground rent under this provision shall not count towards the amount of the minimum Tenant's Investment, as is allowed under Section B of this Rider.
 5. The expenditures related to Tenant's establishment of new additional tenancies or ownership of facilities by related entities under the control or having common

ownership or management of Tenant at the Airport shall be applicable and count towards the total amount of Tenant Investment required by this Rider. Tenant's role as the designated procurer of an additional tenancy or ownership of facilities at the Airport, by an entity unrelated to or not under the control of Tenant, shall also satisfy this requirement. The City must be able to confirm the total amount of investment made by the new tenant or facility owner that was procured by the Tenant to establish that this requirement has been satisfied. Any use of outside investment as a means for Tenant to meet the required minimum Tenant Investment shall be limited to a maximum amount of \$4,000,000. Said outside investment shall only be utilized to apply to the overall amount of the remaining required Tenant Investment in years 6 through 12 of the Lease. The party by which an outside investment is made must remain a tenant or owner at the Airport for a minimum of 5 years, in a manner no less than its original tenancy or ownership at the Airport. Tenant must advise Landlord of Tenant's intent to utilize an amount of outside investment to meet this requirement prior to the investment being made by an outside entity, and Landlord must provide consent to Tenant in writing of the acceptance of this investment. Tenant's inability to utilize an outside investment until years 6 through 12 of the Lease shall not preclude Tenant presenting to Landlord an investment from an outside entity during years 1 through 5 of the Lease. If the investment is approved by Landlord during years 1 through 5 of the Lease, the investment may only be utilized towards the remaining Tenant Investment during years 6 through 12.

6. Upon Landlord's request, Tenant shall provide written documentation, including receipts, bills, invoices, check stubs, etc., demonstrating capital expenditures required of Tenant in this Rider.
 7. If Tenant expends more than the targets amounts denoted in the periods referenced above in Subsections A(ii) through (iii), then the overage shall count towards the overall total amount of Tenant Investment required by this Rider.
 8. Tenant's expenditures incurred after the assignment of the Lumanair Lease for the Leased Premises on July 23, 2021 shall be considered applicable expenditures for purposes of this Rider, however, Tenant's acquisition of the Lumanair business operations and Leased Premises are specifically excluded from this required investment.
- B. If Tenant fails to meet the required level of construction and capital improvements in years one (1) through five (5) of the Lease, Tenant shall be required to pay Ground Rent for its total occupied facilities at the Airport, beginning on January 1, 2027. Tenant's payment of Ground Rent shall continue until the total amount of Tenant Investment during years one (1) through five (5) added to the total amount of Ground Rent paid by Tenant reaches the amount of \$3,000,000. This same condition shall apply to Tenant in years six (6) through ten (10) of the Lease, with Tenant's Ground Rent payments continuing until Tenant expends a total of \$6,000,000 in combined Tenant Investment and Ground Rent paid to Landlord with Tenant receiving credit for all amount of Tenant Investment and Ground

Rent paid during the Term of the Lease. This same condition shall apply to Tenant in years eleven (11) through twelve (12) of the Lease, with Tenant's Ground Rent payments continuing until Tenant expends a total of \$10,000,000 in combined Tenant Investment and Ground Rent paid to Landlord with Tenant receiving credit for all amount of Tenant Investment and Ground Rent paid during the Term of the Lease, and accordingly, once Tenant expends a total of \$10,000,000 in combined Tenant Investment and Ground Rent paid to Landlord then, to the extent Ground Rent was due by Tenant pursuant to this Section B, the payment of Ground Rent will cease through the expiration of the Rent Abatement Period. Any Ground Rent paid by Tenant as liquidated damages under Section A(4) of this Rider shall not satisfy any delinquency in the required Tenant Investment.

- C. Absolutely no renewal of this Lease will be authorized or allowed after December 31, 2041 unless all conditions of the Construction and Capital Improvements Rider are fully completed to the satisfaction of Landlord, including the completion of \$10,000,000 in Tenant Investments, or payment of Ground Rent in the amount of \$10,000,000, or a combination of both.