I, **LYNN A. FAZEKAS** do hereby certify that I am the duly appointed City Clerk of the City of DeKalb, DeKalb County, Illinois, and as such officer, I am the keeper of the records and files of the City Council of said City.

I do further certify that the attached is a true and correct copy of:

RESOLUTION 2019-042

AUTHORIZING AN AMENDMENT TO THE MIDWEST HANGAR CORPORATION HANGAR LEASE AGREEMENT.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois, on the 25th day of February 2019. The original will be kept on file at the City of DeKalb Municipal Building.

WITNESS my hand and the official seal of said City this 13th day of August 2019.

![City of DeKalb Seal]

**LYNN A. FAZEKAS**, City Clerk

Prepared by and Return to:

City Clerk's Office
City of DeKalb
200 S. Fourth Street
DeKalb, Illinois 60115
RESOLUTION 2019-042                                      PASSED: FEBRUARY 25, 2019

AUTHORIZING AN AMENDMENT TO THE MIDWEST HANGAR
CORPORATION HANGAR LEASE AGREEMENT.

WHEREAS, the City of DeKalb is a home-rule municipality with the power and authority
conferred thereupon by virtue of the Illinois Constitution and Illinois Municipal Code; and

WHEREAS, as a home rule unit of local government, the City may exercise any power
and perform any function pertaining to its government except as limited by Article VII,
Section 6; and

WHEREAS, the City presently operates DeKalb Taylor Municipal Airport and has
engaged in certain land leases at said Airport, and wishes to authorize an extension to
one such lease;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF
DEKALB, ILLINOIS:

SECTION 1: The City of DeKalb hereby approves of the Second Amendment to the
Midwest Hangar Corporation Hangar Lease Agreement, in the form attached hereto
subject to such minor amendments as shall be acceptable to the Mayor with the
recommendation of the City Manager. The Mayor shall be authorized and directed to
execute the Agreement and thereafter the City shall comply therewith.

SECTION 2: That the City Clerk of the City of DeKalb, Illinois be authorized and directed
to attest the Mayor's Signature and shall be effective thereupon, following execution as
outlined in the preceding section.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois, at a Regular meeting
thereof held on the 25th day of February 2019 and approved by me as Mayor on the same
day. Passed by a 6-0-2 roll call vote. Aye: Jacobson, Stupegia, Fagan, Verbic, Faiivre,

ATTEST:

[Signature]
LYNN A. FAZEKAS, City Clerk

[Signature]
JERRY SMITH, Mayor
SECOND AMENDMENT TO LAND LEASE AGREEMENT
City of DeKalb and Midwest Hangar Corporation

Whereas the City of DeKalb and Midwest Hangar Corporation are parties to a certain Land Lease Agreement Effective March 1, 2005 for the erection and maintenance of a six-unit hangar building legally described on Exhibit A hereto; and

Whereas that Land Lease Agreement has been amended by an amendment dated June 26, 2006 (Exhibit B); and

Whereas the parties are desirous of entering into a Second Amendment to Land Lease; and

Whereas the parties acknowledge that it is mutually advantageous to increase the number of renewal options available to Midwest Hangar Corporation and the assignee contemplated by the original lease in light of the economic advantages inuring to the City of DeKalb by the continuation of maintenance of the hangar building by Midwest Hangar Corporation and the business activities conducted by the occupants of the hangar;

NOW THEREFORE, It is agreed as follows:

In consideration of the continuance of the obligation to maintain and insure the premises, to continue to pay rent as required (subject to CPI adjustment as contemplated in the Land Lease Agreement) and for other good and valuable consideration the receipt and sufficiency of which are acknowledged, that Land Lease Agreement dated March 1, 2005 entered into between the City of DeKalb and Midwest Hangar Corporation, as amended by the amendment dated June 26, 2006 is hereby amended to modify Section 2, Term, subparagraph (b) to provide that the number of successive Five (5) year Option Periods shall be increased to twelve (12) rather than the original Nine (9).

IN WITNESS WHEREOF the parties hereto have caused this Second Land Lease Amendment to be legally executed, in duplicate, this 25th day of February 2019.

LESSOR:
City of DeKalb, municipal corporation
By: ________________________________
   Jerry Smith
Attest:
By: ________________________________
   Lynn A. Fazekas
Date: August 2019

LESSEE:
Midwest Hangar Corporation
By: ________________________________
   Kevin D. Perkinson
Attest:
By: ________________________________
   Ruth A. Scott
Date: 8-5-19
RESOLUTION 05-11  Passed: February 14, 2005

AUTHORIZING THE MAYOR OF THE CITY OF DEKALB, ILLINOIS, TO ENTER INTO A GROUND LEASE AGREEMENT WITH MIDWEST HANGAR CORPORATION FOR CONSTRUCTION OF A SIX (6) UNIT CORPORATE HANGAR FACILITY AT DEKALB TAYLOR MUNICIPAL AIRPORT.

BE IT RESOLVED BY THE CITY COUNCIL of the City of DeKalb, Illinois, as follows:

Section 1. That the Mayor of the City of DeKalb be authorized and directed to execute a Ground Lease Agreement with Midwest Hangar Corporation for construction of a six (6) unit corporate hangar facility at DeKalb Taylor Municipal Airport, a copy of which is attached hereto and made a part hereof as Exhibit “A”.

Section 2. That the City Clerk of the City of DeKalb be authorized and directed to attest the Mayor’s signature.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois, at a regular meeting thereof held on the 14th day of February, 2005 and approved by me as Mayor on the same day. Roll call vote 8-0. Aye: Harris, Povlsen, Kapitan, Knowlton, Conboy, Baker, Barr, Sparrow.

ATTEST:

[Signatures]

DONNA S. JOHNSON, City Clerk

GREG SPARROW, Mayor
LAND LEASE AGREEMENT

Between

CITY of DEKALB

and

MIDWEST HANGAR CORPORATION

Dated as of March 1, 2005

This instrument was prepared by the City of DeKalb. After recording return to:

City of DeKalb
ATTN: Donna Johnson
200 South Fourth Street
DeKalb, IL 60115

Common Address:
2900 Pleasant Street
DeKalb Taylor Municipal Airport
DeKalb, IL 60115
LEASE AGREEMENT

THIS LEASE made this day of March 1, 2005, by and between the CITY OF DEKALB, a Municipal Corporation, hereinafter referred to as "Lessor", and Midwest Hangar Corporation, an Illinois Corporation, hereinafter referred to as "Lessee",

WITNESSETH:

WHEREAS, Lessor is the owner and operator of the DeKalb Taylor Municipal Airport, hereinafter referred to as "the AIRPORT", in DeKalb County, Illinois; and

WHEREAS, the described real estate, hereinafter referred to as "the PREMISES", is located within the airport, which premises are legally described and set forth on Exhibits A and B, attached hereto and made a part hereof; and

WHEREAS, Lessee is a corporation organized for the purpose of leasing land at the airport, constructing hangars at the airport for the use and benefit of its shareholders as a cooperative corporation; and

WHEREAS, Lessee desires to lease the property from Lessor, construct hangars on the property and sublease said hangars to tenants, and Lessor desires to lease the premises to Lessee for said purposes; and

WHEREAS, it is the intent of both parties to enter into a lease for a term of five (5) years with nine (9) additional five (5) year option periods; and

WHEREAS, the area to be leased is 30,400 square feet, depicted in Exhibit A; and

WHEREAS, the Lessee will pay $0.20 cents per square foot per year; and

WHEREAS, the Lessee will pay to Lessor a certain percent of every sublease executed during the term of this lease; and

NOW THEREFORE, in consideration of the mutual covenants and agreement herein stated, Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, solely for the purposes as hereinafter set forth, the premises together with the appurtenances thereto, for the term as hereinafter set forth:

1) Description of Premises: Lessor hereby leases to Lessee and Lessee hereby rents from Lessor, subject to certain terms and conditions set forth herein, the following described property to wit:

That part of the Northwest Quarter of Section 19, Township 40 North, Range 5 East of the Third Principal Meridian in DeKalb County, Illinois, described as follows:
DeKalb Taylor Municipal Airport
Land Lease Agreement
Page 3

Commencing at the northwest corner of said Section 19, having an English State Plane Coordinate North 1,919,719.461, East 880,485.931; thence South 00 degrees 22 minutes 38 seconds West 1823.50 feet along the west line of said Northwest Quarter to State Plane Coordinate North 1,917,896.002, East 880,473.929; thence South 89 degrees 53 minutes 05 seconds East 430.73 feet to State Plane Coordinate North 1,917,895.136, East 880,904.653 being a point 264.50 feet easterly of the centerline of existing Access Taxiway "B" at DeKalb Taylor Municipal Airport and to the Point of Beginning.

From said Point of Beginning; thence South 00 degrees 06 minutes 55 seconds West, 362.00 feet, parallel with and 264.50 feet easterly of said centerline to State Plane Coordinate North 1,917,533.136, East 880,903.925; thence South 89 degrees 53 minutes 05 seconds East, 60.00 feet perpendicular to said centerline to State Plane Coordinate North 1,917,533.016, East 880,963.925; thence North 00 degrees 06 minutes 55 seconds East 362.00 feet, parallel with and 324.50 feet easterly of said centerline, to State Plane Coordinate North 1,917,895.015, East 880,964.653; thence North 89 degrees 53 minutes 05 seconds West, 60.00 feet perpendicular to said centerline, to the Point of Beginning.

Said parcel contains 0.499 acres (21,720 SF) more or less.

Coordinates are based on the following established USGS State Plane grid coordinates, IL, East Zone.

"Kalbport" PID MF 1786
as adjusted by the National Geodetic Survey in September 1998.

North 1,917,400.031
East 879,876.510

"Kalbport AZ MK" PID MF 1787
as adjusted by the National Geodetic Survey in October 1999.

North 1,917,359.991
East 878,328.358

2) Term:

a. BASE TERM. The term of this Lease shall be Five (5) years, commencing on the date of execution hereof.

b. OPTION PERIODS. In addition to the term referred to in paragraph a above (hereinafter referred to as the base term), the Lessee is hereby given the option to extend the said term by Nine (9) additional successive
Five (5) year periods hereinafter referred to as "option periods" upon the same lease provisions and conditions as set forth herein.

c. Unless Lessee shall deliver written notice of intent not to exercise said option to Lessor no later than Six (6) months prior to the end of the base lease term to extend the lease term to the first option period, and no later than Six (6) months prior to the end of any subsequent option period, said option shall be deemed to have automatically been exercised.

d. No option to extend may be exercised at such time as Lessee is in default in performance of any of the terms of the Lease, provided proper notice of such default has been given and the default has not been cured.

1. **TITLE TO IMPROVEMENTS/REVERSION TO LESSOR:** Upon termination of this agreement by passage of time, default by Lessee, or otherwise, but not including upon default on the part of Lessor, all improvements constructed or added to the leased premises by Lessee shall pass to Lessor. Upon demand Lessee, its successors and assigns, shall execute and deliver to Lessor a proper document of conveyance evidencing such transfer.

2. **LESSEE'S OBLIGATIONS:**

   **A) SECURITY DEPOSIT:** Thirty (30) days after the City Council approves this agreement, Lessee shall deposit $6,080.00 to Lessor as a Security Deposit to be held by Lessor to guaranty Lessee's performance under this agreement. The security deposit shall be adjusted every 5th anniversary date as referred to in paragraph 2(F) hereof. Any deficiency in such fund after adjustment shall be paid to Lessor within 90 days upon written demand. In no event shall Lessor be required to pay interest on said security deposit to Lessee.

   **B) Rent**

   Lessee shall pay Lessor rent for the leased property as follows:

   1) **RENT.** Lessee shall pay $0.20 cents per square foot of leased property for rent. The Lessee shall rent a total of 30,400 square feet of property, as depicted in Exhibit A. As such, the first annual rent is $6,080.00.

   2) **INITIAL LUMP SUM PAYMENT, SUBSEQUENT RENT PAYMENTS AND LATE FEES.** The lump sum of $6,080.00 for the first year's rent shall be paid either when the first building permit is issued for construction of hangar facilities or twelve (12) months after execution of this agreement, whichever is sooner. Thereafter, the rent may be paid as one lump sum or as monthly payments. Lessee's right to make rent payments monthly for the upcoming year shall be conditioned upon Lessee's provision of written
notice of election to do so no later than sixty (60) days prior to the end of the year in question. Annual rent shall be due on the anniversary date of this agreement, which shall be determined as 30 days after approval by the City Council. Monthly rent shall be due the 10th of each month. For every day beyond the due date that rent is not received, a late fee of $10 shall be due and payable.

3) **RENT ADJUSTMENTS.** The rent shall be adjusted annually on the anniversary of this agreement during the term of this lease and any option period/extension of this lease. The adjustment shall be based on the prior twelve-month period of the Consumer Price Index for Chicago, Gary, and Lake County, IL. However, every five years, these charges will be re-evaluated to determine if they are within the existing market value. If the parties are unable to agree regarding the existing market value, they agree to follow a mediator’s proposal. The mediator shall be chosen and agreed upon by the parties and expenses for the mediator shall be shared equally by the parties.

C) **MAINTENANCE FEES.** In addition to and separate from the Lessee’s obligation to provide rent payments required herein, the Lessee agrees to pay annual maintenance fees of $300 for its use of the ramps depicted in Exhibit A. The maintenance fees will be adjusted as necessary on an annual basis to ensure the fees represent a prorated contribution toward the cost of maintenance of the taxiway and ramp. This maintenance fee shall be due on July 1 of each year. For every day beyond the due date that maintenance fees are not received, a late fee of $10 shall be due and payable.

D) **PAYMENT OF TAXES.** Lessee shall be responsible for timely payment of any and all real estate taxes assessed against the leased premises during the term of the lease, which arise out of or are related to the Lessee’s activities, including but not limited to property and leasehold taxes. Lessor shall promptly supply Lessee with a copy of all tax bills within fifteen (15) days of receipt thereof; Lessee shall provide Lessor with evidence of payment of same within ten (10) days of payment. Lessee or any assignee of lessee shall have the right but not the obligation to appeal any and all real estate or leasehold tax assessments.

E) **COMPLIANCE WITH FEDERAL, STATE AND LOCAL LAWS, RULES AND REGULATIONS:**

a. The Lessee agrees to operate the facility under its control in strict compliance with the Rules and Regulations as adopted by the CITY as amended from time to time and as attached and made a part hereof.

b. The Lessee agrees to conduct all flight and ground activities on, at, or near the airport in accordance with proper rules and regulations of all authorities
having jurisdiction over such operations including, but not limited to, the
Federal Aviation Administration, and the Illinois Division of Aeronautics.

c. The Lessee agrees to obtain and pay for all licenses, permits, approvals,
fees, or other similar authorizations or charges required under federal, state,
or local laws or regulations insofar as they are necessary to exercise the
privileges extended to the Lessee under the terms of this Agreement.
Further, the Lessee agrees to abide by all applicable federal, state and local
laws and regulations of public agencies with jurisdiction over the activities of
the Lessee.

F) NON-DISCRIMINATION REQUIREMENTS: The Lessee in the exercise of its
permitted activities and its use of the airport will comply with the following
covenants:

1) It is hereby specifically understood and agreed that nothing herein contained
shall be construed to grant or authorize the granting of an exclusive right to
provide hangars or other aeronautical services to the public as prohibited by
Section 308(a) 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.

2) The Lessee, for itself, its personal representatives, successors in interest,
and assigns, as a part of the consideration hereof, does hereby covenant and
agree that (1) no person on the grounds of gender, race, religion, color or
national origin, shall be excluded from participating in, denied the benefits of,
or be otherwise subjected to discrimination in the use of said facilities, (2)
that in construction of any improvements on, over or under such land and the
furnishing of services thereon, no person on the grounds of gender, race,
religion, color, or national origin shall be excluded from participation in,
denied the benefits of, or otherwise be subjected to discrimination, (3) that
the Lessee shall use the premises in compliance with all other requirements
imposed by or pursuant to 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, and as
said Regulations may be amended.

3) 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 non-discriminatory
discounts, rebates, or other similar types or price reductions to volume
purchasers. It is a condition of this agreement that the Lessor shall have the
right to take action as the United States of America may direct to enforce this
covenant. Non-compliance with the covenant shall constitute a material breach of this agreement, and in the event such non-compliance the Lessor, the State of Illinois, or the United States of America may take appropriate action to enforce compliance, may terminate this agreement to which this covenant relates, or seek judicial enforcement of this covenant. This covenant shall become effective on the execution of this agreement and shall constitute a part hereof, and shall remain in full force and effect so long as said airport under this agreement continues to be used and operated as a public airport.

G) CONSTRUCTION OF IMPROVEMENTS:

1) Lessee shall commence construction at its own expense of a planned six (6) unit aviation hangar and install therein all necessary fixtures, equipment, accessories and utility services within twelve (12) months of City Council approval of this agreement. If construction is not substantially complete by that time, this agreement is automatically terminated. Lessee agrees that all hangars will be constructed and maintained in such a manner to resemble the adjacent hangars owned by the Lessor and that a uniform appearance will be required.

2) Lessee understands and agrees that its construction shall not interfere with access to the ramps adjacent to the subject property at any time. During the construction, at least one ramp shall be unimpeded and fully accessible at all times.

3) Prior to any construction, alteration or changes upon the premises, Lessee shall submit to Lessor final scaled plans and specifications, and site-use plan, and shall not commence any construction until it has received, or the Lessor has received, the necessary approvals from the FAA, Illinois Department of Transportation, the City of DeKalb Building Department, and such other governmental authorities as are necessary. In those instances where Lessor is required to make application as Holder of the airport license or as owner of the fee interest in the premises for construction of improvements at the airport, Lessor expressly agrees at Lessee’s expense, to promptly and diligently make and prosecute such applications.

4) 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 or a performance bond or such other mutually agreed upon instrument guaranteeing payment of all construction costs equal to 1.25 times the contract(s) amount, said documents to be provided to and held by Lessor for the benefit of Lessor.
5) During such time as Lessee is constructing hangars or seeking permanent sublessees for such hangars, Lessee and its agents shall have the right to maintain a construction and sales office on the premises, conduct fly-ins at the airport upon notice to and approval of Lessor's Airport Manager, and notwithstanding any other provision of this lease to the contrary, maintain signs on the premises and on airport in form and at locations acceptable to Lessor, advising of the availability of such hangars for sublease.

H) Insurance: Lessee shall, during the term hereof, maintain at Lessee’s sole cost and expense insurance relating to the leased premises, as follows:

a) Property and casualty insurance against loss or damage to improvements by fire, lightning and all other perils included in standard extended coverage polices and vandalism and malicious mischief, all in amount of not less than one hundred percent (100%) of replacement value. Upon request by lessor, such replacements value shall be determined by a qualified appraiser, a copy of whose findings shall be submitted to Lessor, and, thereafter, proper adjustment in the limits of insurance coverage shall be affected.

b) Comprehensive general liability insurance against claims for bodily injury, death or property damage occurring on, in or about the leased premises, in the amount of $1,000,000 combined single limits, or in such amounts as may be hereafter agreed upon between the parties or by ordinance duly adopted by Lessor provided such ordinance shall be applicable to all similar lessees or occupants of structures on the airport.

c) Worker’s Compensation insurance as required by Illinois Law.

d) During any period of construction, a Builder’s Risk Completed Value policy with an all risk endorsement naming Lessor as an additional insured and Owner’s and Contractor’s protective policy in the minimum amount of One Million ($1,000,000.00) Dollars. All such policies of insurance (1) shall be issued by insurance companies licensed to do business in the State of Illinois, and approved by the Lessor, (2) shall name the Lessor as an additional insured or loss payee, as the case may be, (3) shall provide for at least thirty (30) days prior written notice to Lessor in the event of cancellation or material alteration of the policies, and (4) shall provide the Lessor annually with duplicate original of the policies, evidencing that the above requirements have been met. An insurance company that is an investment grade company will provide this insurance.

e) In the even that such insurance is required by the Lessor in this Lease shall lapse or is not in a form satisfactory to the Lessor, the Lessor
reserves the right to obtain such insurance at the Lessor's expense and pay premiums from the security deposit. In that event, Lessor shall supply Lessee with a copy of the premium statement and Lessee shall reimburse Lessor for any such premiums paid out of the security deposit within ten (10) days of notifications of such payment by lessor.

I. Additional Obligations of Lessee:

1) Lessee shall keep and maintain the leased premises and all improvements of any kind, which may be erected, installed or made thereon by Lessee in good and substantial repair and condition, including the exterior condition thereof, and shall make all necessary repairs and alterations thereto. Lessee shall provide proper containers for trash and garbage and shall keep the premises free and clear of rubbish, debris, and litter at all times. Lessee shall maintain all landscaping installed by Lessee in the 10' perimeter around Lessee's hangar.

2) 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 sub lessee 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 or becomes due, provided that the lessee or sub lessee 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. Lessee will provide Lessor with copies of all lien waivers, releases of lien or orders of court adjudicating any such lien to be invalid and unenforceable upon receipt thereof.

3) Lessee agrees to cause to be removed at its own expense from the premises all waste, garbage and rubbish, and agrees not to deposit the same on the airport, except temporarily, in connection with collection for removal. Lessor may designate the location of waste receptacles and require Lessee to increase frequency of pick-up and/or size and number of containers, all at Lessee's expense. Lessee further agrees that it will keep no article, goods, materials, items of salvage, or lubricants in the open or exposed to the public view. Nothing herein provided, however, shall prohibit aircraft from undergoing temporary repairs upon the premises.
4) Lessee shall be responsible for payment of all electric, telephone, water, natural gas and other public utility services used on the premises.

5) Lessee agrees that it shall not cause, permit or suffer any liens to be placed on the subject property, whether on its behalf or those of any of the Sublessees, their assigns, transferees, contractors or subcontractors. Should any lien be recorded against the subject property, Lessee shall hold the Lessor harmless from any liability thereon and shall assume all responsibility for the payment of any sums due and owing, costs and all reasonable attorneys' fees incurred by Lessor in the defense of any such matter. In the event that any lien is not settled, comprised and/or paid to Lessor's satisfaction, upon ten (10) days written notice to Lessee, Lessor shall have the right to pay any such lien, and any such payment, costs and reasonable attorney's fees incurred in the disposition of such lien shall be deducted from Lessee's security deposit. Lessee shall then have ten (10) days following written notification of any such amounts paid to reimburse Lessor for such amounts paid.

J. Obligations of Lessor:

a) Upon payment of all rates, fees and charges herein set forth and performance of the covenants and agreements on the part of the Lessee to be performed under this Lease, Lessee, its sublessees, guests and invitees, shall peaceably have and enjoy the premises, appurtenances, facilities, licenses and privileges granted in this Lease during its full term and any extension thereof.

b) During the term of this Lease and any extension thereof Lessor or its successors or assigns shall continue to operate the airport and shall make available and provide to Lessee, its sublessees, guests and invitees such runways, taxiways and other facilities of the airport.

K. Subleases. The Lessee is entitled to sublease individual hangars for aviation-related purposes and consistent with the terms and conditions contained herein.

1) Initial Sale Payment. Upon initial sale of each hangar, Lessee agrees to pay to Lessor the following percentages of each sublease gross amount (the sublease gross amount shall equal the amount paid by any lessee to any other lessee to purchase a sublease for the remaining duration of the lease): For the first two subleases, Lessee shall pay 1% of the sublease gross amount to the City; for the third and fourth subleases, Lessee shall pay 2% of the sublease gross amount to the City; for all remaining subleases, Lessee shall pay 3% of the sublease gross amount to the City.
2) **SUBSEQUENT SALE PAYMENT** Subsequent to the initial sublease for each unit, all subsequent subleases shall require the payment of 5% of the sublease gross amount from the Sublessor or sub lessee to the City. The payments shall be due to Lessor upon consummation of a sublease of a hangar no more than 10 days after the signing of the subleasing document for the hangar. Lessee agrees to provide a copy of each sublease to the Lessor within 10 days of the signing of the sublease. Each sublease shall include a provision requiring compliance with all Airport Rules and Regulations, including Chapter 53 of the City of DeKalb Municipal Code as well as the terms and conditions set forth in this Agreement.

L. **USES AND RESTRICTIONS:**

1) Lessee shall use the premises to construct and sublease corporate and general aviation hangars and sublease the premises to individual airplane owners. Upon completion of construction of such hangars, together with any other facilities or improvements installed by Lessee, shall be used as a hangar area for Lessee, its sublessees, invitees and guests. The premises shall not be used for any purpose except those provided for herein. Aircraft tie-downs are not permitted upon the leased premises except upon written consent of Lessor's Airport Manager.

2) Hangars shall be used primarily for the storage of aircraft and such equipment and apparatus that may be incidental and/or necessary to the operation thereof; but, portions of the hangars may also be used for the storage and/or repair of a land or water vehicle or craft owned by the hangar occupant, non-commercial storage of business equipment or records and also as a private office. No commercial activities of any nature are permitted upon the premises.

3) Lessee, or its sublessees, may perform preventive maintenance on aircraft based on the premises, as outlined in Federal Aviation Regulations Part 43, Appendix A, (3) (c). Major repairs and alterations may be performed upon aircraft based on the premises only by Lessee and sublessees of individual hangar units who possess valid FAA Airframe and/or Power plant certificates. All such maintenance activity shall only be performed on a "not-for-profit", non-commercial basis.

M) **USE OF AIRPORT FACILITIES:** The Lessee is authorized to use, in common with others, the aeronautical facilities on the airport property. These shall include, but not be restricted to, the landing area, its extensions and additions, the access roadway, the runways, the apron, the taxiways, the public air navigation facilities, such radio aids, beacons, signals, flood lights, landing lights, and all other facilities and equipment for flying, landing, and the taking off of aircraft on the airport property.
N) RULES AND REGULATIONS: Lessor shall retain the authority to revise, issue, and publish rules and regulations for the use of the airport premises by all persons. The Lessee will abide by such rules and regulations. Such rules and regulations shall in no way alter or amend the rights of the parties under this agreement.

O) CONSTRUCTION OF AGREEMENT: Nothing herein contained shall be construed in any way that would be in violation of the rules and regulations of the Federal Aviation Administration, the Illinois Division of Aeronautics, or any other state or federal authority with jurisdiction over the DeKalb Taylor Municipal Airport or the funds used in the construction or improvements of said airport. In the event that any of the provisions herein contained should conflict with such rules and regulations, then such rules and regulations shall prevail. Further, the Lessee does not grant or permit by this agreement any exclusive right for the use of the airport forbidden by Section 308 of the Federal Aviation Act of 1958 as amended.

P) SUBORDINATION TO AGREEMENTS BETWEEN CITY AND UNITED STATES AND/OR STATE OF ILLINOIS: This Agreement shall be subordinate to the provisions of any existing or future agreement between the Lessor and the United States, relative to the operation and maintenance of the airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the airport. Lessor represents, however, that it has no knowledge of any project, plans, regulations or actions of any governmental body, which would prevent the use of this Agreement for its full term. However, in the event any agreement existing or entered into in the future pursuant to this paragraph, conflicts with any material term of this agreement in a substantial manner, than upon mutual agreement of the parties this agreement may be modified to comply, or at the option of either party, it may be terminated, with 60 days prior written notice to the other party.

Q) DEFAULT. Lessee shall be in default under this Lease ("Default") under the following circumstances:

1) Failure by LESSEE to pay any rent when due, if such failure continues for five (5) days after written notice to LESSEE of such failure; provided, however, in the event that LESSEE defaults in the payment of rent two (2) times during any thirty-six (36) month period during the Term, LESSEE shall be deemed in Default hereunder for any subsequent failures to pay rent during such thirty-six (36) month period immediately upon the due date for such payment without written notice thereof from LESSOR or a cure period; or
2) LESSEE fails to fulfill any other obligation hereunder and such failure continues for thirty (30) days after written notice thereof by LESSOR to LESSEE;

3) Any lender of LESSEE or lender of LESSEE'S SUBTENANTS shall have the right to cure any default of LESSEE hereunder as provided in section R herein.

R) LEASEHOLD MORTGAGE: The parties acknowledge that LESSEE and sublessees intend to obtain a mortgage on its leasehold interest created hereunder and under any sublease. The parties further acknowledge that LESSEE intends to sell or sub lease hangar units to individual owners and transfer its leasehold interest in that portion of this Master Lease and that the individual owners also intend to obtain a mortgage loan on their Leasehold interest created hereunder. Notwithstanding anything to the contrary contained in this Lease, with respect to any such Leasehold mortgage and the mortgagee thereunder or its assignee ("Mortgagee" or collectively, "the Mortgagees"), LESSOR and LESSEE agree that:

1) LESSOR hereby consents to LESSEE granting one or more Leasehold mortgages on any interest it may have under this lease. For any such Leasehold mortgage, the parties hereto shall both execute a Memorandum of Lease in recordable form, which shall be recorded in the Office of the Recorder of DeKalb County. LESSEE shall annually, and upon any conveyance, provide LESSOR with a list of sub-lessee's and mortgagees including contact information.

2) LESSOR shall send to each Mortgagee of which it is notified a copy of any notice of Default it sends to LESSEE hereunder, provided that such Mortgagee has first submitted Mortgagee's address to LESSOR in writing.

3) LESSEE shall have no right to amend, modify, cancel or terminate this lease without each affected Mortgagee's prior written consent thereto. LESSOR shall give each Mortgagee an opportunity to cure a Default of LESSEE hereunder.

4) The cure periods of Defaults set forth in both Section Q and Section S hereof shall be double the length of time stated herein. Thus, for example, the five (5) day cure period for failure to pay Rent shall be ten (days) in the event of a mortgage loan in the aggregate for both LESSEE and Mortgagee to cure the Default.

5) Any Mortgagee ((or assignee of a Mortgagee) shall have any right it may otherwise have, to acquire the Leasehold interest in which it held its mortgage, by foreclosure, assignment or otherwise as permitted by
applicable law. If such Mortgagee shall take possession of LESSEE's leasehold estate, then (i) Mortgagee shall not be liable for any Defaults of LESSEE occurring prior to the time Mortgagee takes possession, but LESSOR shall have the right to pursue its remedies hereunder in the event that any Defaults of LESSEE are not cured by Mortgagee; and (ii) Mortgagee shall have the rights of the LESSEE to assign or sublet all or any portion of the Improvements on the terms and conditions set forth herein.

6) If the Leasehold interest of LESSEE is condemned by LESSOR, each Mortgagee or its assignee shall have the first right to share in condemnation proceeds for that portion of the Leasehold interest in which it holds its mortgage, as its interest may appear.

7) Mortgagee may have a security interest in any rents and other proceeds due and payable to the LESSEE in connection with the Improvements:

8) The right of the Mortgagee to said rents and proceeds shall be subordinate to the right of LESSOR to the payment of Rent hereunder.

9) Mortgagee shall not have any right to operate any business on the Land or the Improvements, enter into possession of the Land or the Improvements or to sell or transfer any interest under this lease without further written consent of LESSOR, which consent shall not be unreasonably withheld.

10) The Mortgagee shall not have the power to transfer said security interest in said rents and proceeds without prior written consent of LESSOR, which consent shall not be unreasonably withheld.

In order to secure payment of the Rent due and payable hereunder by LESSEE to LESSOR, LESSEE hereby assigns to LESSOR the right to collect all rentals and proceeds due LESSEE in connection with the Improvements. Said assignment shall be superior to all other claims against and assignments of rents and other proceeds from the Improvements. LESSOR may exercise said assignment by written notice to LESSEE or other obligors of LESSEE after a default in payment of Rent by LESSEE which continues for more than thirty (30) days without cure.

S) TERMINATION: With the exception of a default under Section Q 1 herein, Lessor or the Lessee may terminate this Agreement at any time for cause, upon ninety (90) days notice in writing to that effect to the other party. During the ninety (90) day period, the breaching party has a right to cure the default and avoid termination. If the Lessor finds that the Lessee is engaging in conduct that causes air safety concerns or interferes with the operation of the airport, the Lessor may immediately without notice, terminate or suspend this agreement until such time as the conduct ceases. When this agreement is terminated or
suspended, the Lessee shall immediately cease any further exercise of the permitted activities and all leasehold improvements shall become the property of LESSOR. If the Lessee fails to do so, the Lessor may take or seek whatever legal remedies it may deem appropriate, including but not limited to civil or criminal trespass, self-help and injunctive relief. Notice shall be deemed delivered when either personally served upon an officer or agent of the other party, or on the 2\textsuperscript{nd} day after mailing such notice to the address shown on the signature page.

T) INDEMNIFICATION: The Lessee agrees to indemnify, defend, and save harmless the Lessor, its authorized agents, officers, representatives, commissioners, and employees from and against any and all claims, causes of action, including, but not limited to, legal fees and court costs associated with any such claim or cause of action, and arising directly or indirectly out of any acts of the Lessee, its agents, servants, guests or business visitors and for entering into this Agreement.

Lessor agrees to indemnify, defend and save harmless the Lessee, its authorized agents, officers, representatives, successors and assigns from and against any and all claims, causes of action, liability or loss resulting from claims or court actions, and arising directly or indirectly out of acts of the Lessor, its agents, its servants or guests.

U) ASSIGNMENT: The Lessee shall not at any time assign any part of this agreement without the written consent of Lessor which consent shall not be unreasonably withheld. It is contemplated that, at the appropriate time, LESSEE will create an entity to manage these improvements to which it will assign this lease; LESSOR shall not unreasonably withhold consent to said assignment upon proof of the proper corporate or other status of the assignee.

V) AMENDMENTS: All amendments to this Agreement must be made in writing by mutual agreement of the parties and no oral amendments shall be made of any force or effect whatever.

W) NON-WAIVER PROVISION: No waiver by either party at any time of any of the terms, conditions, or covenants of this agreement shall be deemed or taken as a waiver at any time thereafter of the same, or of any other terms, conditions, or covenants herein contained, nor of the strict and prompt performance thereof by either party.

X) CAPTIONS AND PRONOUNS: The captions and headings of the various sections or paragraphs of this agreement are for convenience only, and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof.
Y) **VENUE:** The venue of any action brought on this agreement shall be in DeKalb County, Illinois and the laws of the State of Illinois shall govern this Agreement.

Z) **Inspection by Lessor:** Lessor may enter upon the premises leased exclusively to Lessee at any reasonable time for any purpose necessary, incidental to, or connected with the performance of its obligations hereunder, or in the exercise of its governmental functions, for fire protection or security purposes, or for inspecting or maintaining the premises, or doing any and all things Lessor is obligated to do, or which may be deemed necessary or desirable for the proper conduct or operation of the airport.

AA. **Regulatory Compliance:**

1) Lessor reserves the right to take any action it considers necessary to protect the aerial approaches of the airport against obstruction, together with the right to prevent Lessee from erecting, or permitting to be erected, any buildings or other structure on or adjacent to the airport which, in the opinion of Lessor, would limit the usefulness of the airport or constitute a hazard to aircraft.

2) The use of the airport by the Lessee, its sublessees, guests and invitees, shall be subject to any and all rules, regulations and orders which are now in force or which may be hereafter adopted by the Lessor with respect to the operation and use of the airport.

   a) This Agreement and the Lessee's, its sublessees, guests and invitees use of the airport shall be subject to any and all applicable laws, ordinances, statutes, rules, regulations or orders of any governmental authority, federal, state or local, lawfully exercising jurisdiction over the airport or the activities and business operations of Lessee, including any limitations, restrictions or prohibitions affective the aviation activities or operations of Lessee, its sublessees, guests and invitees.

   b) There is hereby reserved to Lessor, for the use and benefit of the public, a right of flight for the passage of aircraft above the surface of Lessee's facilities, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in the air, using said airspace for landing at, taking off from, or operating on the airport, subject to noise abatement rules and regulations.

   c) Lessee hereby agrees that is shall, at its own expense and cost, procure and obtain all lawfully required licenses and permits, certificates and other authorizations required by any governmental authority, in connection with or covering the operations or activities
permitted to be performed by it under the provisions of this Agreement. Lessor shall at all times and at Lessee's expense fully cooperate with Lessee in obtaining such licenses, permits, certificates and authorities including but not limited to making and processing applications on behalf of Lessee in the name of Lessor when such applications must be made by the holder of the airport rights or the owner of the fee interest in the airport property.

d) Lessee shall comply with such rules that pertain to its operation on the airport under the Airport Certification Rules of Federal Aviation Regulations. Part 139.

e) Lessee agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event any future structure, antenna or building is planned for the leased premises, or in the event of any planned modification or alteration of any present or future building, antenna or structure situation on the premises.

f) By accepting this Lease, the Lessee expressly agrees that it will not erect nor permit the erection of any structure or object, nor permit the growth of any tree on the leased premises above a mean sea level elevation not approved by the Federal Aviation Administration and Lessor. In the event the aforesaid covenant is breached, Lessor reserves the right to enter upon the land leased by Lessee to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of Lessee.

g) FAA Airport Lease Agreement Requirements:

1) It is hereby specifically understood and agreed that nothing herein contained shall be construed 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, and the Lessor reserves the right to grant to others the privilege and right of conducting anyone or all activities of an aeronautical nature.

2) Lessee, for itself, its sublessees and assigns, as a part of the consideration hereof, does hereby Covenant and agree as a covenant running with the land that (1) no person on the grounds of race, color or national origin, shall be excluded from participating in, denied the benefits of, or be otherwise subject to discrimination in the use of said facilities; (2) that in the construction of any improvements on, over or under such land and the furnishing of
service thereof, no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of or otherwise subjected to discrimination; (3) that the Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to 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 and as said Regulation may be amended. In the event of breach of any of the above discrimination covenants the Tenant shall have right to resolve such alleged breach within thirty (30) days and if the parties are unable to agree that such alleged breach has or can be resolved, then the matter shall be referred for arbitration as provided herein.

3) The Lessee agrees to furnish services 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 of 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. The provisions hereof are not to be construed to grant Lessee any right prohibited under the provisions of paragraph 3(c) hereof.

BB. **Default:**

1) If Lessee shall fail to perform, keep or observe any of the terms, covenants or conditions herein contained on its part required to be performed, kept or observed, other than payment requirements of Lessee, Lessor shall give written notice of Lessee's failure to comply with such terms, covenants or conditions, specifying the nature of the failure.

2) Lessee shall, upon receipt of such notice, promptly commence remediing its failure to perform and proceed diligently to full elimination of the default.

3) With the exception of a default referenced in Section Q 1 herein, in the event Lessee does not commence remediing the failure within twenty-one (21) days of the date of receipt of notice either by physically remediing such failure when appropriate or by commencing proceedings against the sublessee of Lessee whose conduct or omission constitutes such default, then said default shall constitute a breach of the lease.
CC. **Signs:**

1) Subject to the provisions of paragraph 4 D hereof, except with the prior written consent of Lessor, Lessee shall not erect, maintain or display any signs or advertising at, on or inside any buildings or on any part of the leased premises.

2) Upon the termination or expiration of this agreement, the Lessee shall remove, obliterate or paint out, as the Lessor may direct, any and all signs and advertising on the leased premises or elsewhere at the airport, and in connection therewith shall restore the lease premises to the condition that existed prior to the placement of any such sign or advertising.

3) All advertising by Lessee must be in conformance with the provisions hereof and shall be subject to written approval of Lessor which approval shall not be unreasonably withheld.

4) **LESSEE** will comply with all permit requirements for signage and provide LESSOR with copies of all such permits.

DD. **Good Title:** Lessor hereby represents and warrants that it has good title to the premises free and clear of any covenants, conditions or restrictions, liens or encumbrances or other defects in title, which would preclude Lessee from using the premises for the purposes herein set forth, and that Lessor has the authority to enter into this Lease.

EE. **Miscellaneous:**

1) Lessor shall have during the term of this Lease the right to review Lessee's By-Laws and any amendments thereto (which amendments shall be provided to LESSOR upon adoption of same, and Lessee's proprietary lease and any amendments thereto and to approve such By-Laws and proprietary lease and amendments thereto. Approval may only be denied on the basis that such By-Laws, proprietary lease or amendments thereto are inconsistent with Lessee's obligations under this lease or are inconsistent with Lessor being able to obtain and protect compliance and fulfillment of Lessee's obligation and covenant herein. This lease is subject to Lessor's approval of Lessee's charter, By-Laws, proprietary leases and other similar organizational documents. Such approval shall not be unreasonably withheld by Lessor.

2) Lessor's failure to take advantage of any defaults or breach covenant on the part of Lessee shall not be construed as a waiver thereof: nor shall any custom or practice, which may grow up between the parties in the course of administering this instrument, be construed so as to waive or to lessen
the right of the Lessor to insist upon the performance by Lessee of any term, covenant, or condition hereof, or to exercise any rights given it on account of any such default. A waiver of any particular breach or default shall not be deemed to be a waiver of the same or any other subsequent breach or default.

3) Notwithstanding any provisions as to notice in this Lease herein contained, if in Lessor's judgment the continuance of any default by Lessee for the full period of the notice otherwise provided for will jeopardize the airport, the Lessor may, without notice, elect to perform those acts in respect to which Lessee is in default, at Lessee's cost and expense, and Lessee shall thereupon reimburse Lessor, with interest, on ten (10) days notice by Lessor to Lessee.

4) In the event there should be a default by either party under this Lease, which shall result in either party incurring attorney's fees, the party prevailing shall, upon demand, be entitled to recover its reasonable attorney's fees.

5) It is mutually understood and agreed that nothing in this Lease is intended or shall be construed as in any way creating or establishing the relationship of co-partnership or joint venture between the parties hereto, or as constituting the Lessee as an agent or representative of the Lessor for any purpose or in any manner whatsoever. In conducting its business hereunder, Lessee acts as an independent contractor. The selection, retention, assignment, direction, and payment of Lessee's employees shall be the sole responsibility of Lessee, and Lessor shall not attempt to exercise any control over the daily performance of duties by Lessee's employees unless such performance shall be in violation of any covenant hereof.

6) Notices provided for in this Lease shall be sufficient if sent by registered or certified mail, postage prepaid, addressed,

If to Lessor:
DeKalb Taylor Municipal Airport
Attention: Airport Manager
3232 Pleasant Street
DeKalb, Illinois, 60115

With a copy to
Norma Guess
City Attorney/Legal Division
200 S. Fourth Street
DeKalb, Illinois, 60115
If to Lessee:

to its registered agent or to such other respective address as the parties may designate in writing from time to time. Any notice shall be deemed serviced on the postmark date, which it bears.

7) This Lease and all of the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Illinois.

8) If any provision of this Lease is invalid or unenforceable, this Lease shall be considered divisible as to such provision, and the remainder of this Lease valid and binding, though such provision were not included herein.

9) It is understood and agreed that the Lessor may from time to time assess against the leased premises a portion of its costs of furnishing, installing, maintain and renewing various utility services. The assessment against the leased premises shall be a fraction of the total assessment.

10) Examination and Audits:

Books and Records: Lessee, at all times during the term of this Lease, shall maintain accurate books, accounts, records and receipts in a manner acceptable to a Certified Public Accountant, showing the true status of all business conducted on the leased premises and preserve the same until they have been audited by the City of DeKalb and make them available at any time to the City of DeKalb for examination and audit.

IN WITNESS WHEREOF the parties hereto have caused this Lease Agreement to be legally executed, in duplicate, this 1st day of March, 2005.

LESSOR:

CITY OF DEKALB
A Municipal Corporation

BY: [Signature]
GREG SPARROW, MAYOR

ATTEST:

[Signature] DONNA JOHNSON, CITY CLERK

[Signature] [DATE] 3-1-05
Lessee:

By: Edward Kling

President

Attest:

Secretary: John J. Pociuski, Jr.

Date: 3-1-05
Exhibit "A" to Land Lease Agreement

DESCRIPTION OF LAND

Land leased shall include the building footprint plus an additional ten (10) feet on all sides of the building.

\[(L \, 60' + 20') \times (W \, 360' + 20') = 30,400\]

\[Total \, Leased \, Area\]
RESOLUTION 06-39                Passed: June 26, 2006

AUTHORIZING THE MAYOR OF THE CITY OF
DEKALB, ILLINOIS TO ENTER INTO AN
AMENDED GROUND LEASE AGREEMENT WITH
MIDWEST HANGAR CORPORATION FOR
CONSTRUCTION OF A SIX (6) UNIT
CORPORATE HANGAR FACILITY AT DEKALB
TAYLOR MUNICIPAL AIRPORT FOR PRIVATE
AND/OR COMMERCIAL USES.

WHEREAS, Resolution 05-11, passed by the City Council on February 14, 2005 provided for a
lease agreement for the construction of a six (6) unit corporate hangar facility by Midwest Hangar
Corporation; and,

WHEREAS, said lease agreement inadvertently provided for only private use of said hangars and
the City and Midwest Hangar Corporation intent was to have the hangars available for private and/or
commercial uses; now,

THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL of the City of DeKalb, Illinois, as

Section 1. That the Mayor of the City of DeKalb be authorized and directed to execute an amended
Ground Lease Agreement with Midwest Hangar Corporation for the construction of a six (6) unit
corporate hangar facility at DeKalb Taylor Municipal Airport for both private and/or commercial
uses, a copy of which is attached hereto and made a part hereof as Exhibit “A”.

Section 2. That the City Clerk of the City of DeKalb be authorized and directed to attest the Mayor’s
signature.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois, at a regular meeting thereof
held on the 26th day of June, 2006 and approved by me as Mayor on the same day. Omnibus vote 8-0.
Aye: Harris, Povlsen, Kapitan, Gorski, Conboy, Baker, Barr, Van Buer.

ATTEST:

[Signatures]

DONNA S. JOHNSON, City Clerk

FRANK VAN BUER, Mayor
Prepared by and return to,
Mail to:

Donna Johnson, City Clerk
City of DeKalb
200 South 4th Street
DeKalb, IL 60115

DOCUMENT TYPE: Amendment to Land Lease Agreement Midwest Hangar Corporation and the City of DeKalb (dated March 1, 2005) as of Dec

DOCUMENT DATE: June 26, 2006

LEGAL DESCRIPTION (If applicable):

This page is being added to this document for the purposes of compliance with P.A. 87-1197
AMENDMENT TO LAND LEASE AGREEMENT

This Amendment to Land Lease Agreement is entered into this 24th day of June, 2006 by and between the CITY OF DEKALB, a Municipal Corporation, hereinafter referred to as “Lessor”, and Midwest Hangar Corporation, an Illinois Corporation, hereinafter referred to as “Lessee”;

WITNESSETH:

WHEREAS, Lessor and Lessee are parties to a certain Land Lease Agreement regarding the construction of and leasing of a Corporate Hangar dated March 1, 2005 and;

WHEREAS, during the negotiations of said Land Lease the nature and scope changed significantly in purpose from the contemplated construction and leasing of T-Hangars for private use to the construction of a multunit hangar for corporate uses and;

WHEREAS, both parties contemplated the use of the ultimately constructed hangar for corporate/commercial purposes in compliance with the Ordinances of the City of DeKalb and the Rules and Regulations of the DeKalb/Taylor Municipal Airport and;

WHEREAS, language precluding commercial use was inadvertently left in the final version of the Land Lease from the versions which were drafted for the private T-Hangar project;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein stated, Lessor and Lessee hereby agree as follows:

1) Amendment of Section L. USES AND RESTRICTIONS: Section L. USES AND RESTRICTIONS, is hereby amended to read:

“1) Lessee shall use the premises to construct and sublease corporate and general aviation hangars and sublease the premises to individual owners. Upon completion of construction of such hangar, together with any other facilities or improvements installed by Lessee, said premises shall be used as a hangar area for Lessee, its sublessees, invitees and guests for any and all purposes allowed or permitted pursuant to the City of DeKalb Municipal Code including and subject to the restrictions thereof as set forth in Chapter 53, “Airport Rules and Regulations”. Aircraft tie-downs are not permitted upon the leased premises except upon written consent of the Lessor’s Airport Manager.

2) Hangars shall be used primarily for the storage of aircraft and such equipment and apparatus that may be incidental and/or necessary to the operation thereof; but, portions of the hangars may also be used for non-commercial storage of business equipment or records and also as a private office. However, other aviation-related commercial activity shall be permitted
if a Specialized Aviation Service Operation (SASO) Agreement has been entered into with the City of DeKalb and such activity shall further be subject to the permitting/contract requirements set forth in the City of DeKalb Municipal Code, Chapter 53, “Airport Rules and Regulations” including but not limited to Chapter 53 subsections 53.16, 53.17, 53.18, 53.19 and 53.20, which permits/contracts will not be unreasonably withheld by Lessor.”

3) Lessee, or its sublessees, may perform preventative maintenance on aircraft based on the premises, as outlined in Federal Aviation Regulations Part 43, Appendix A, (3) (c) and such other repairs as are allowed by Federal regulation by individuals who possess valid FAA Airframe and/or Power Plant certificates.

IN WITNESS WHEREOF the parties hereto have caused this Amendment to Lease Agreement to be executed, in duplicate this 26th day of June, 2006.

LESSOR:

CITY OF DEKALB
A Municipal Corporation

By: Frank Van Buer
FRANK VAN BUER, MAYOR

ATTEST:

Donna Johnson, City Clerk

DATE 22 June 2006

LESSEE:

By: Edward Kling
PRESIDENT

ATTEST:

John J. Podinski, Jr.
SECRETARY

DATE 22 June 2006
Commencing at the northwest corner of said Section 19, having an English State Plane Coordinate North 1,919,719.461, East 880,485.931; thence South 00 degrees 22 minutes 38 seconds West 1823.50 feet along the west line of said Northwest Quarter to State Plane Coordinate North 1,917,896.002, East 880,473.929; thence South 89 degrees 53 minutes 05 seconds East 430.73 feet to State Plane Coordinate North 1,917,895.136, East 880,904.653 being a point 264.50 feet easterly of the centerline of existing Access Taxiway "B" at DeKalb Taylor Municipal Airport and to the Point of Beginning.

From said Point of Beginning; thence South 00 degrees 06 minutes 55 seconds West, 362.00 feet, parallel with and 264.50 feet easterly of said centerline to State Plane Coordinate North 1,917,533.136, East 880,903.925; thence South 89 degrees 53 minutes 05 seconds East, 60.00 feet perpendicular to said centerline to State Plane Coordinate North 1,917,533.016, East 880,963.925; thence North 00 degrees 06 minutes 55 seconds East 362.00 feet, parallel with and 324.50 feet easterly of said centerline, to State Plane Coordinate North 1,917,895.015, East 880,964.653; thence North 89 degrees 53 minutes 05 seconds West, 60.00 feet perpendicular to said centerline, to the Point of Beginning.