

LIMITED AIRSPACE LEASE

This Lease made and entered into this 26th day of JULY, 2007, by and between Scott Wiegel of Monticello, Illinois (hereinafter "Lessor") and Horizon Hobby Inc., a Delaware corporation (hereinafter "Lessee"), WITNESSETH:

In consideration of the rents, covenants, conditions and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. LEASED PROPERTY:

Lessor does hereby lease, demise and let unto Lessee, and Lessee does hereby lease and rent from Lessor, on and subject to the terms, agreements, covenants and conditions hereinafter set forth, the right to use the airspace over the following described real estate, but not the underlying real estate itself, for the limited purpose of flying model aircraft, to-wit:

A tract of land constituting an apron measuring 1,000 feet from all boundaries, except the northern boundary (which runs parallel to the centerline of the former Illinois Terminal Railroad), of the following tract:

That part of the West Half (W ½) of Section Thirty-two (32), Township Nineteen (19) North, Range Six (6) East of the Third Principal Meridian, Piatt County, Illinois, described as follows: Commencing at the Southwest corner of said Section 32; thence South 0 degrees 01 minute 28 seconds East 24.86 feet; thence North 89 degrees 58 minutes 32 seconds East 202.70 feet to an existing iron pin; thence North 0 degrees 52 minutes 19 seconds East 489.57 feet to an existing iron pin; thence North 37 degrees 48 minutes 36 seconds East 1407.13 feet to an existing iron pin; thence North 52 degrees 12 minutes 22 seconds West 65.09 feet; thence North 41 degrees 11 minutes 29 seconds East 339.50 feet to the point of beginning; thence North 45 degrees 51 minutes 02 seconds East 1346.52 feet; thence South 22 degrees 32 minutes 48 seconds East 757.67 feet; thence South 50 degrees 53 minutes 52 seconds West 1306.08 feet; thence North 22 degrees 32 minutes 48 seconds West 634.09 feet to the point of beginning, containing 20 acres, more or less, all as is more particularly described and depicted in a Plat of Survey prepared by Robert L. Cox, Illinois Professional Land Surveyor No. 2442, dated November 15, 2006 (hereinafter the "demised premises" or "airspace"). A copy of said survey is attached hereto and marked as Exhibit "A".

2. LEASE TERM:

The term of this Lease shall be for a period of Twenty (20) years, commencing as of July 26, 2007, and terminating, without notice by either Lessors or Lessee, any custom, usage, practice, law, statute or ordinance to the contrary notwithstanding, on July 30, 2027, unless earlier terminated as herein provided.

3. **RENT:**

a. Lessee covenants and agrees to pay to Lessor the sum of Eighty-Two Thousand Ten and 00/100 Dollars (\$82,010.00) as total rent for the premises. Rent shall be paid, without demand, by check payable to the order of Lessor at 995 E. 1730 N. Road, Monticello, IL 61856, or at such other address, or to such payee, as Lessor, or its successors, shall designate in writing from time to time. The first year's rent shall be due upon the execution of this Lease by both parties. Thereafter, the yearly rentals shall be payable in advance on the first day of each and every lease year during the term hereof. The rent schedule shall be as follows:

Year 1	-	\$ 10.00
Years 2-5	-	\$3,000.00 per year
Years 6-10	-	\$4,000.00 per year
Years 11-20	-	\$5,000.00 per year

b. Time of each and every payment of rent is of the essence of this agreement. Rent mailed to Lessor shall be deemed paid on the date of receipt by Lessor of the total rent due, including applicable late or service charges. The annual rent shall be increased \$10.00 per day from and after the fifth (5th) day that rent remains unpaid after due. In the event that said rent is not paid in good funds, Lessee shall pay to Lessor a \$25 service charge in addition to any late rent charge that may accrue before said rent is paid in good funds. Rent shall not be deemed paid until any applicable late charge or service charge is paid. Lessor shall have the right to require that all rent payments be made by cashier's check or bank money order.

4. **USE OF DEMISED PREMISES:**

Lessee shall use the demised airspace solely for the purpose of flying model aircrafts.

5. **TAXES AND ASSESSMENTS:**

Real estate taxes levied or assessed against the demised premises during the Lease term shall be the responsibility of and paid by Lessor. Governmental assessments which become a lien upon the premises during the term of this lease shall be Lessor's responsibility.

6. **CONDITION OF AND ALTERATIONS TO REAL ESTATE UNDERLYING THE AIRSPACE:**

Lessee accepts the underlying real estate in its current state as part of an ongoing livestock and farming operation with full understanding that the use and conditions of the land will be dictated by the needs of the farming operations and its owner operators. Lessor agrees the real estate will not be used for residential or commercial development while the flyover lease is in effect.

Lessee will from time to time need to enter Lessor's described real estate on foot for the sole purpose of retrieving downed aircraft, this will be allowed to proceed without notice

to Lessor as long as any crop, livestock, fence or other property damages are reported to the farm operation so repairs, etc. can be properly carried out and any losses evaluated. All parties will keep the other informed of any special events which might interfere with the other's use of land or airspace.

7. **INDEMNIFICATION:** Lessee agrees to and does hereby indemnify and hold Lessor harmless from any and all claims, demands, suits or causes of action arising from or relating to any injury to any person or property, caused by or resulting from Lessee, or Lessee's employees, agents, contractors or guests, use of or presence on the premises or underlying real estate, unless such claim, demand, suit or cause of action arises out of an alleged negligent or willful act or omission of Lessor, in which case Lessee shall not indemnify or hold such parties harmless therefrom.

8. **RECORDING:**

The parties agree that this Lease shall not be recorded; but that at the election of the Lessee, a Memorandum hereof, which Lessor agrees to execute, shall be recorded, in which event all recording charges shall be paid by Lessee.

9. **SUBLET AND ASSIGNMENT:**

This Lease may be assigned, or the demised property may be sublet or assigned in whole or in part by the Lessee without first receiving the signed written consent of Lessor. Lessor reserves the right to convey the demised property, for purposes of sale or security, subject to the rights of Lessee hereunder and to assign its interest in this Lease.

10. **NOTICES:**

Any notices required by this Agreement shall be in writing and shall be deemed to have been duly given (i) upon receipt, if delivered by hand, or (ii) upon placement in the United States mail, certified or registered, return receipt requested, postage prepaid, (iii) or upon delivery to the overnight courier if sent by overnight or 24-hour delivery through Federal Express, UPS, or Express Mail, addressed to Lessor or Lessee at the address set forth below. Any party to this agreement may change its address or add addresses for receiving notices, consents, or other communications as such party may hereafter specify by notice to the other in accordance with the provisions of this paragraph 18.

LESSOR:

Scott L. Wiegel
995 E. 1730 N. Road
Monticello, IL 61856

LESSEE:

Horizon Hobby, Inc
4105 Fieldstone Rd.
Champaign, IL 61822

With copies mailed or faxed to:

Luke M. Feeney
Miller, Tracy, Braun, Funk &
Miller, Ltd.
P.O. Box 80
Monticello, IL 61856
Fax: (217) 762-9713

Jeffery B. Wampler
Erwin, Martinkus and Colte, Ltd.
411 W. University Ave.
Champaign, IL 61820
Fax: (217) 351-4314

11. TERMINATION:

Lessee shall quit and surrender the demised premises at the end of the term hereof, or any renewal or extension hereof. Should Lessee fail to vacate the premises at the termination of this Lease, either at the end of the term, or upon prior termination, the maximum charge permitted by law shall be due and payable by Lessee for every day, or fraction of each day, passed the termination date. Also, Lessee shall be liable for such other damages incurred by Lessor as a result of Lessee's action.

Lessor shall have the right to terminate this Lease by providing Six (6) months written notice to Lessee and paying Lessee an amount equal to the permanent improvements (including, but not limited to, the model airplane runway) made on the 20 acre RC park property not to exceed Two Hundred Thousand (\$200,000.00) Dollars less 3% per year depreciation fore each full year that Lessee has been a tenant under this lease and payable at the completion of the lease termination. For example, if the Lease is terminated after Ten (10) full years, Lessor shall pay the sun of One Hundred and Forty Thousand (\$140,000.00) Dollars to Lessee. [$\$6,000 \times 10 \text{ years} = \$60,000.00$. $\$200,000.00 - \$60,000.00 = \$140,000.00$].

12. ATTORNEY'S FEES:

Each party shall pay its own attorney's fees for the negotiation, preparation and review of this agreement and the transaction hereby contemplated. In the event that it becomes necessary for either party to bring suit to enforce the terms of this agreement, then the prevailing party shall be entitled to recover all costs, including reasonable attorney's fees against the nonprevailing party.

13. TIME OF THE ESSENCE:

The time for performance of the obligations of the parties is of the essence of this agreement.

14. SUCCESSION OF OBLIGATIONS:

The covenants and agreements contained herein shall be obligatory upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

15. **CHOICE OF LAW & SEVERABILITY:**

This agreement shall be construed pursuant to the laws of the State of Illinois. If any portion or section of this agreement should be determined illegal, invalid or unenforceable by a court of competent jurisdiction, said determination shall not effect or abrogate the remainder of this agreement, which shall remain in full force and effect.

16. **NUMBER AND GENDER:**

Each pronoun used in this agreement shall be construed to be plural or of feminine gender if required by the number or gender of the parties.

17. **HEADINGS:**

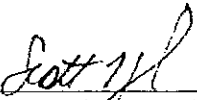
The headings of the paragraphs of this agreement are meant for convenience only and are not intended to be part of the agreements of the parties, nor are they to be used to interpret or define the provisions hereof.

18. **GENERAL:**

This Agreement does not create the relationship of principal and agent or of partnership or of joint venture or of any association between Lessor and Lessee. No waiver of any default of Lessee hereunder shall be implied from any omission by Lessor to take any action on account of such default other than the default specified in the express waiver and that only for the time and to the extent therein stated. Each term and each provision of this agreement performable by Lessee shall be construed to be both a covenant and a condition. All preliminary negotiations are merged into and incorporated in this agreement. This agreement can only be modified or amended by an agreement in writing signed by the parties hereto. This agreement shall not be effective until executed by all parties hereto.

IN WITNESS WHEREOF, the parties have hereunto signed and sealed the foregoing agreement on the day and year first written above.

LESSOR:



Scott L. Wiegel

LESSEE:

Horizon Hobby, Inc.

By: 

Authorized Agent