

**FOREIGN TRADE SPECIAL PURPOSE SUBZONE or GENERAL PURPOSE ZONE SITE
OPERATING AGREEMENT**

This Agreement made this _____ day of _____, 2006 by and between the Greater Rockford Airport Authority, a municipal corporation organized and existing under the laws of the State of Illinois (Authority), with its office and principal place of business at the Greater Rockford Airport ("Airport") in the county of Winnebago and the State of Illinois, whose address is 60 Airport Drive, Rockford, Illinois 61109, hereinafter called Foreign Trade Zone (F.T.Z.) Grantee; and xxx Corporation, with offices at xxx xxx, xxx, IL xxxxx hereinafter referred to as Operator.

Witnesseth:

WHEREAS, Grantee applied for and received a grant for Foreign-Trade Zone 176 (the "Grant") from the Foreign-Trade Zones Board "FTZB" and Operator has the authority to maintain Foreign-Trade Zone No. 176__, Special Purpose Subzone or General Purpose Zone Site #__ at xxx Corporation, xxx xxx, xxx, IL xxxxx, the site described in Exhibit 1 to this Agreement (the "Zone");

WHEREAS, the purpose of this agreement is to grant Operator the right to operate, and to obligate Operator to maintain, the Zone in accordance with standards of operations required by the Grantee, the U.S. Customs and Border Protection ("CBP"), the FTZB, and any other governmental agency having jurisdiction. It is the understanding of the Grantee and Operator that the responsibility for the operations of the Zone will be under the supervision and management of Operator.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below the parties agree to this operating agreement:

ARTICLE I

Grant of Right to Operate

1.1 Grantee hereby grants to Operator an exclusive right to operate and manage the Zone as a special purpose subzone for a term of five (5) years from the date of this Agreement. The Agreement may be renewable for additional terms, if desirable, to both Grantee and Operator.

1.2 Operator may conduct, in the Zone, all activities necessary to conduct the operations described in the Grant, which are permitted by the Foreign Trade Zone Act in general, subject to required approvals by government agencies having jurisdiction. Operations will be conducted in compliance with Foreign-Trade

Zones Board, US Customs & Border Protection, and other governmental agency rules and regulations as required, as well as the Grantee's rules as set forth in the terms of this Agreement and the FTZ #176 Zone Tariff Schedule.

ARTICLE II

Costs and Fees

2.1 Operator agrees to pay, or cause to be paid, all costs and expenses of the construction, maintenance, and operation of the Zone.

2.2 Service Charge. Operator agrees to pay FTZ Grantee an annual service charge as defined in this Agreement and set forth in the Rates and Charges Table as published in the FTZ #176 Zone Schedule. The annual charge for sites with xxx employees or more will be \$xxx. The fee will become due upon execution of this agreement and each January 1 thereafter. The annual service charge may be prorated to December 31 from the date the Agreement is first executed. Upon sixty (60) days written notice from Grantee to Operator, the annual service charge may be modified.

ARTICLE III

Incorporation by Reference

3.1 There are hereby incorporated by reference into this Agreement the regulations issued by the CBP, the Foreign-Trade Zones Board ("FTZB") and the Department of Commerce relating to the foreign trade zone program and all applicable regulations referenced therein (hereinafter collectively referred to as the "Regulations"). Any subsequent amendment to the foregoing regulations and provisions or further regulations and provisions promulgated by the CBP or the Department of Commerce, which are applicable to either party or to the Zone shall also be deemed to be incorporated herein and, as appropriate, will supersede the cited regulations and provisions.

3.2 Such Regulations shall govern the manner in which Operator maintains and operates the Zone. The provisions below pertain to the rights and obligations between Operator and Grantee and are supplementary to the Regulations.

3.3 Unless specifically stated otherwise, in applying the regulations to this Agreement, Operator shall be substituted for Grantee, it being the understanding of the parties that Operator assumes all obligations of the Grantee with respect to the operational aspects of the Zone site(s).

ARTICLE IV

Improvements and Change in Operations

4.1 Prior to commencing any significant new construction, alteration, additions or modifications for which costs exceed \$75,000 to present facilities in the Zone, which may impact areas activated by CBP, the overall zone security or the granted scope of authority, Operator shall notify the Grantee; FTZ Board approval may be required before commencing such construction activities in the Zone.

4.2 Prior to commencing any assembly or manufacturing operations in the Zone, other than those stated in the Grant, whether or not such activities will require a physical modification to the Zone, Operator shall notify the Grantee. Operator may be required by the FTZB to obtain its approval before such manufacturing or assembly is commenced if zone benefits for such operations are sought by Operator.

4.3 Prior to expanding any manufacturing activity or capacity (e.g., new end products, significant expansions of plant production capacity, changes in sourcing for authorized manufacturing or processing activity, changes in processing as described in 15 CFR 400.28(a)), Operator will notify the Grantee with sufficient information to confirm the expanded activity or capacity is within the limits of the current zone grant of authority. Operator will provide information including but not limited to the description of expanded activity or capacity and estimated volume of increase, as well as any intended change to the configuration of the facilities. Operator is responsible for ensuring manufacturing activity and/or capacity are within the limits of the FTZ scope of authority.

ARTICLE V
Operation of Zone

5.1 Operator shall operate and maintain the Zone in accordance with the terms of this Agreement, all provisions of relevant statutes and regulations and all requirements of the Grantee as set forth in the FTZ #176 Zone Tariff Schedule, the FTZB and the CBP for operations of the Zone.

5.2 Operator shall participate in annual compliance reviews to facilitate operations in compliance with US Customs & Border Protection and Foreign Trade Zone rules and regulations and reduce to risk to the Grantee and the zone grant of authority. Grantee can supply a list of approved vendors to conduct the annual review at the Operator's expense.

5.3 In the event that Grantee requires access to the Zone or the production of specified records of the Operator for the purpose of fulfilling the Grantee's obligations and protecting the Grant, permission for entry by the authorized employees and representatives of Grantee and production of such records shall not be unreasonably withheld by Operator. Grantee will provide reasonable notice of any visit or request. Grantee agrees to keep all information and observations confidential, disclosing only such information as may be required by law to the FTZB or the CBP.

5.4 Operator shall, at all times, maintain the premises, structures and other facilities within the Zone in good condition so as not to endanger the life and health of the employees of the United States, Operator, suppliers, and others who may be required to enter the Zone.

5.5 Operator shall take all precautions to insure that all merchandise and activities occurring within the Zone are in compliance with all Federal laws, rules, and regulations and in compliance with any rules and regulations established by Grantee for operation of the Zone.

ARTICLE VI
Record Keeping and Reporting

6.1 Operator shall maintain its accounts with respect to the operation of the Zone in accordance with generally accepted principles of accounting, and in compliance with 19 C.F.R. Part 146.

6.2 Operator shall provide to the FTZB and the CBP all reports and documentation on the operation of the Zone in such form and containing such information as they may require.

6.3 Operator shall provide by December 1 of each year such information to Grantee or its representative as may be necessary to enable Grantee to file its annual report, such information to be specified in a questionnaire prepared by the FTZB and any other reports which may be required by FTZB.

6.4 Operator will provide Grantee, upon request, a copy of its financial statements prepared under generally accepted accounting principles together with a copy of its Annual Report to Stockholders or Report on Form 10K within ninety (90) days after the end of the Operator's fiscal year.

ARTICLE VII

Insurance

7.1 Operator agrees to keep in effect during the term of this Agreement general liability insurance, naming the Grantee and its directors and officers as additional insureds, (including an obligation of the insurer to defend Grantee in any action covered by the insurance), covering public liability arising out of or in connection with Operator's acts, activity or operations at and in connection with the Zone in an amount not less than \$1,000,000 combined single limit liability for bodily injury and property damage. Operator will furnish Grantee, upon request, certificates of such insurance issued by the insurer. The insurance required hereby may be provided by a policy or policies arranged specifically to cover the obligations assumed hereby or by blanket insurance which covers these obligations and other obligations and liabilities of Operator.

ARTICLE VIII

Indemnification and Bond

8.1 Operator shall indemnify and hold harmless Grantee against and from any and all liabilities, obligations, damages, fines, penalties, claims, costs, charges, fees and expenses, whether insured or not, which may be imposed upon, incurred by or asserted against Grantee, its directors and officers, including reasonable attorney's fees, arising out of any violations by Operator of statutes or the regulations, or by reason of any willful or negligent acts of Operator or of its personnel or employees.

8.2 Operator shall pay the full cost of, and maintain during the life of this Agreement, any bond required by the CBP for operation of the Zone (the "Customs Bond"). Operator shall be named as principal on the Customs Bond. Operator will furnish Grantee, upon request, a valid copy of such Customs Bond, as approved by the CBP, evidencing the existence and amount.

ARTICLE IX

Termination

9.1 Withdrawal of Zone Grant - If the FTZ #176 grant shall be revoked or cancelled and as a result thereof Grantee permanently is without authority to operate and/or maintain the Zone Site, this Agreement shall terminate and Operator shall have no claim against Grantee by reason of such revocation or cancellation, and Operator shall have no further interest in the subject matter of this Agreement except to receive such additional compensation as may be or become due to it pursuant to the Agreement, by virtue of services rendered or facilities furnished before the date of such revocation or cancellation. In the event the FTZB suspends or revokes the privilege of maintaining the Zone, this Agreement shall automatically and immediately terminate at the expiration of one hundred twenty 120 days from the date of the FTZB's written order, unless an appeal has been taken therefrom. Grantee shall promptly notify Operator of any action or pending action by the FTZ Board to suspend or revoke the privilege of maintaining the Zone. Grantee shall cooperate with Operator in transferring Grant to another Grantee as may be approved by the Foreign-Trade Zones Board.

9.2 Termination by Grantee – Grantee shall have the right, if Operator is in breach of its obligations under this Agreement, to terminate this Agreement and all rights and obligations hereunder, provided that Grantee has given written notice to Operator regarding the breach of this Agreement and Operator fails to pay any sums due and/or fails to correct such deficiency within forty-five (45) days of receipt of such notice. If correction of the breach requires a longer period, Operator shall provide reasonable cause and a timeline to cure the breach, acceptable to the Grantee at its reasonable discretion, to determine an appropriate period of time to cure the breach. Additionally, Grantee shall have the right to terminate this Agreement immediately for cause limited to cancellation of Operator's bond or the expiration of its liability insurance policy.

9.3 Obligations upon Termination – Termination of this Agreement shall not relieve Operator from fulfilling any of its existing obligations under this Agreement at the time of the termination, including but not limited to, the provisions for the data and narrative for the Annual Report. Furthermore, in the event

of termination, the provisions which require payment of funds to Grantee or US Customs & Border Protection will survive this Agreement until any balance due from Operator has been paid.

9.4 Suspension by Operator – This Agreement may be suspended during any periods in which Operator temporarily suspends zone operations, provide Operator serves Grantee with at least sixty (60) days prior written notice of the date Operator intends to temporarily suspend zone operations.

Operator's obligation to render payment shall be suspended after all payments due to the date of suspension have been paid and the obligation to render payment shall resume once zone operations are reinstated. This provision will remain in effect during the period of suspension. The period of suspension will end at the time zone operations are reinstated. Operator shall give Grantee at least thirty (30) days written notice of the date zone operations shall be reactivated.

ARTICLE X

Assignment

10.1 Operator shall not assign or encumber directly or indirectly any interest whatsoever in this Agreement or assign or transfer in any manner its interest in the right to operate without the prior written approval of Grantee, which approval shall not be unreasonably withheld but may be subject to reasonable conditions or requirements. An assignment or transfer to a wholly owned subsidiary of Operator shall not require prior written approval of Grantee.

10.2 In any event, notice of any assignment or transfer of interest must be given, in writing, by Operator at least sixty (60) days prior to such change, and shall contain the addresses of the persons acquiring any interest herein.

10.3 Any successor in interest of Operator shall be subject to and bound by the terms of this Agreement.

ARTICLE XI

Default

11.1 A default shall mean any breach by Operator or Grantee of any of the terms, conditions or provisions of this Agreement or any violations by Operator or Grantee of the statutes or regulations

governing the Zone which breach has not been cured within forty-five (45) days after a notice of such breach has been given to the breaching party by the other party. The non-breaching party may terminate this Agreement forty-five (45) days after such default; provided, however, that notice is given forty-five (45) days prior to the effective date of termination. Notwithstanding the above provision of this Section 11.1, Grantee shall have the right to terminate this Agreement immediately for cause limited to cancellation of Operator's bond or the expiration of its liability insurance policy.

ARTICLE XII

Advertising

12.1 Grantee shall not advertise that Operator's operations are within a foreign trade zone without the prior written consent of Operator and provided Operator is consulted to assure the accuracy of any proposed data to be published concerning the zone. Operator shall not unreasonably withhold such approval.

ARTICLE XIII

Amendment

13.1 The Parties may, from time-to-time consider it in their best interest to change, modify or extend a term, condition or covenant of this Agreement. Any such change, addition, deletion, extension or modification shall be incorporated in written amendments to this Agreement. Such amendments shall not invalidate this Agreement, unless expressly stated.

13.2 No amendment to this Agreement shall be effective and binding upon the Parties, unless it expressly makes reference to this Agreement, is in writing, and is signed and acknowledged by duly authorized representatives of both Parties.

ARTICLE XIV

Waiver

14.1 No act or omission by or on behalf of Grantee shall be, or be deemed or construed to be, a waiver of any such requirement or provision unless the waiver is in writing, signed by the authorized representative of Grantee and it is expressly stated to constitute such waiver.

14.2 No waiver at any time of any provision or condition of this Agreement shall be construed as waiver of any of the other provisions or conditions nor shall any waiver of any provision or condition be construed as a right to subsequent waiver of the same provision or condition.

ARTICLE XV

Miscellaneous

15.1 This Agreement contains the entire agreement between the Parties and all prior negotiations and agreements are merged into it. Neither Operator, Grantee, nor their agents have made any representations except those expressly set forth here, and no rights or remedies are or shall be acquired by either party by implication or otherwise, unless expressly set forth in this Agreement.

15.2 This Agreement, as it may affect the rights, remedies, duties and obligations of the Parties, shall be governed by and construed in accordance with Illinois law without reference to its conflicts of law rules.

15.3 Nothing contained in this Agreement shall be deemed or construed by the Parties or by third persons to create any relationship of third party beneficiary, principal and agency, limited or general partnership, or joint venture.

15.4 If any provision of this Agreement or its application to any person or circumstance shall, to any extent be invalid unenforceable, the remainder of this Agreement, or the application of such provision to persons or circumstance other than those as to which it is invalid or unenforceable, shall not be affected, and all such remaining provisions of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

15.5 This Agreement shall bind and shall insure to the benefit of the Parties, their successors and assigns.

ARTICLE XVI

Notices

16.1 All notices, consents, approvals, waivers and other communications required or permitted under this Agreement shall be given in writing, signed by an authorized representative of Grantee or Operator, and mailed and addressed as follows:

If to Grantee: Greater Rockford Airport Authority
Robert W. O'Brien, Jr., Executive Director
60 Airport Drive
Rockford, Illinois 61109

If to Operator: xxx Corporation
Attn: _____
xxx xxx
xxx, IL xxxxx

16.2 Any notice shall be considered to have been given at the time of mailing if by certified mail; otherwise, notice shall be considered to have been given when received.

IN WITNESS WHEREOF, GREATER ROCKFORD AIRPORT AUTHORITY and xxx Corporation, acting through their duly authorized representatives have executed this Agreement.

GREATER ROCKFORD AIRPORT AUTHORITY
By: _____

Its: _____

Date: _____

xxx Corporation
By: _____

Its: _____

Date: _____