

January 20, 1975

MINUTES OF THE AIRPORT COMMISSION MEETING

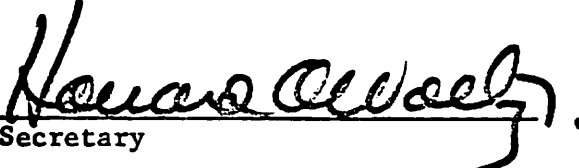
A meeting of the Mount Airy-Surry County Airport Authority was held on January 9, 1975 at 8:00 P.M. at the airport with the following members being present: John Banner, Jr., Chairman, R. A. Smith, Dick Wimbish and Howard O. Woltz, Jr. The following aircraft owners were also in attendance: Brad Thomas, Ray Goad, Jim Crossingham, Floyd Pike and Sherman Simpson.

John Banner, Jr., Chairman, informed those in attendance that the lease of the facility by Mount Airy Aviation would expire on January 31, 1975 and that the Commission had received notice from Mount Airy Aviation that the lease would not be renewed. Much discussion took place about various possibilities for continuing the Fixed Base Operation but no solution was reached. It was decided that another meeting would be held on January 17, 1975 at 7:30 P.M. at the airport to further evaluate the possibilities.

R. A. Smith, Treasurer, reported that Exxon has been paid through 12-31-74 and that he would write Exxon requesting permission to defer further payments until after funds are received from the city and county, probably in August. Upon receipt of such funds, a payment would be made equalling twelve monthly payments.

The members approved payment of \$4,500 on a note due to Northwestern Bank, and there being no further business, the meeting was adjourned.

Respectfully submitted,


Secretary

Approved


Chairman

January 20, 1975

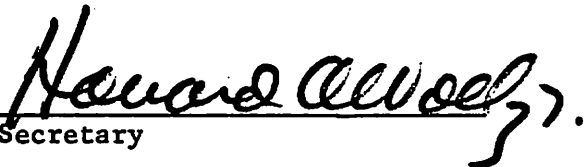
MINUTES OF THE AIRPORT COMMISSION MEETING

A meeting was held of the Mount Airy-Surry County Airport Authority on January 17, 1975 at 7:30 P.M. at the airport. The following members were present: John Banner, Jr., Chairman, Dick Wimbish and Howard O. Woltz, Jr. Aircraft owners and pilots present were Brad Thomas, Ray Goad, Jerome Samet and Floyd Pike. The group continued the discussion of a possible arrangement to continue the operation of the Fixed Base at the airport. No solution to the problem was arrived at.

The members of the Authority decided to release a news article announcing the termination of the Fixed Base Operation and seeking proposals from persons interested in establishing a Fixed Base Operation. It was also decided to run an advertisement seeking Fixed Base operator proposals in Trade-A-Plane.

There being no further business, the meeting was adjourned.

Respectfully submitted,


Secretary

Approved

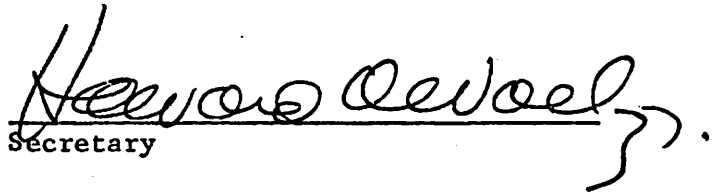

Chairman

MINUTES OF THE AIRPORT COMMISSION MEETING

A meeting of the Mount Airy-Surry County Airport Commission was held on Saturday, February 1, 1975, at the offices of Tech Form in Mount Airy with the following members being present: Howard O. Woltz, Jr., Dick Wimbish, Newell Baker and Raymond Smith.

Bill Payne and K. C. Benbow of Executive Airways Ltd. presented a proposal for the Fixed Base Operation. A call was placed to John Banner to discuss the proposal. All of the members agreed that accepting the proposal as amended (copy attached) would be to the best interest of the Airport operation and a memorandum of lease was signed between Executive Airways Ltd. and the Authority for an operation beginning at 12:01 A.M. February 3, 1975. The operation will be under the memorandum until a formal lease is prepared and executed.

Respectfully submitted,


Secretary

Approved:


Chairman

Executive Airways, Ltd.

612 Pasteur Drive • Suite 410
Greensboro, N. C. 27403

January 31, 1975

Mount Airy-Surry County Airport Commission
Mount Airy-Surry County Airport
Mount Airy, North Carolina

Gentlemen:

Executive Airways, Ltd. and its companion company Executive Helicopters Airways, Ltd. hereby make the following proposal to the Mount Airy-Surry County Airport Commission for the operation of the said airport and fixed base operation.

Executive Airways, Ltd. proposes that a lease agreement similar to the existing lease between Mount Airy-Surry County Airport Commission and Mount Airy Aviation Company, Inc., be negotiated with the following changes.

Paragraph No. 1 - No changes.

Paragraph No. 2 - No changes.

Paragraph No. 3 - No changes.

Paragraph No. 4 - Include in the paragraph that no charge will be mandatory for operator's aircraft hangared or tied-down, whether for sale or rental.
O.K.

Paragraph No. 5 - No changes.

Paragraph No. 6 - No changes.

Paragraph No. 7 - No changes.

Paragraph No. 8 - No changes.

Paragraph No. 9 - No changes.

Paragraph No. 10 - Should be altered to provide the differentiating between major and minor repairs, or replacements. There should be consideration given for

To be maintained in condition as receiving less normal wear & tear.

the condition of the premises at the time we take over operations.

Paragraph No. 11 - Shall include wording that operator shall have the right to charge owners of aircraft for consumption of utilities.
OK

Paragraph No. 12 - Should be changed to include a date when the other two (2) T-hangars would revert for the use and benefit of the operator.
deleted

Paragraph No. 13 - No change.

Paragraph No. 14 - Executive Airways, Ltd. proposes to pay to the Airport Authority the sum of 2½% of the operator's gross receipts exclusive of sales of aircraft, or aircraft parts: *

To pay 5% up to \$3000 rent and 2½% owner.

In addition, Executive Airways, Ltd, intends to change this name and operate under a name more compatible and identifiable with the local area.

In addition, Executive Airways, Inc. proposes to be in operation by Monday, February 3rd., 1975, and at the present time have current Air-Taxi and FAA Approved Flight School Certificates, operating under FAR Parts 135 and 141 respectively. We propose to place on the flight line for rental, charter, and instruction, including instrument instruction, the following aircraft:

1. 1974 Cessna Skyhawk II, N-13607
2. 1973 Cessna 150, N-18587
3. 1974 Cherokee 140-4, Now in route.

In addition, we will place on the field for sale, lease and/or rental six (6) additional aircraft, and have this day reached tentative agreement with Mr. L. P. Wrenn, Jr. on the availability of Piper Products.

Under our operation, the airport will be operated with the purpose of making a profit. Immediately upon taking over we would place a mechanic on the premises as well as an A&I. A sufficient number of employees will be hired to handle the business as the business develops. It would be our intention to become active in the County affairs, supporting the Chamber of Commerce and promoting all phases of aviation in the Mount Airy-Surry County and surrounding areas.

Our fixed assets, parts, supplies and inventory need only be moved to the physical location in order to commence operations. In addition, we have fuel available and have confirmed the availability of fuel with Exxon Company, Greensboro, North Carolina.


For credit reference you may contact Piedmont Aviation, Inc., Holiday Aero in Richmond, Virginia, Mrs. Ann Wimbish, Greensboro, North Carolina, Alamance Oil Company, Burlington, North Carolina, Atlantic Aero, Inc. and Atlas Aircraft Instruments, Charlotte, North Carolina.

For bank reference contact Mr. R. L. VanDoren, Vice-President and Senior Loan Officer, First Union National Bank, High Point, North Carolina.

It is our sincere desire to work with the Airport Commission in the furtherance of aviation in Mount Airy and Surry County. We realize that the current economic conditions will make our progress somewhat slow in the beginning, however, we are optimistic about the future of this area and will endeavor to assist in its growth.

Very truly yours,

EXECUTIVE AIRWAYS, LTD.


W. B. Payne, Jr., President

Duplicate Originals to:

- Mr. John Banner
- Mr. Dick Wimbish
- Mr. Raymond Smith
- Mr. Howard Woltz
- Mr. Newell E. Baker

A14 * Commission shall not be paid on parts used on aircraft owned by Executive Airways Ltd or on sales of parts of aircraft owned by Executive Airways Ltd unless installed on non owned aircraft.

Term of lease 5 years beginning 12:01 AM Feb. 3 1975. First refusal on additional 5 year term.

Financial statement of Executive Airways Ltd to be furnished showing net worth of approximately \$ 80000.00

K. B. Smith Approve Mt Airy Surry County Airport Authority
Newell E. Baker
Richard J. Wimbish

9/16/71

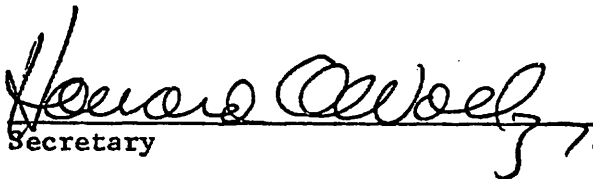
MINUTES OF THE AIRPORT COMMISSION MEETING

There was a meeting of the Mount Airy-Surry County Airport Commission at 7:30 on November 25th¹⁹⁷¹ at the office of Exposaic Wire Company with all members of the Commission being present, and Jimmy Crossingham present as an interested aircraft owner. A discussion was held concerning the execution of a lease with Gateway Aviation, Inc. The financial information submitted by K. C. Benbow had been reviewed by the Commission members. It appeared that it would be to the advantage of the Airport Commission and the operation of the Airport to execute a lease with Gateway Aviation. A motion was made by Raymond Smith, seconded by Newell Baker and passed unanimously that a lease, copy of which is attached, be executed with Gateway Aviation, Inc., providing K. C. Benbow would execute a personal guarantee of the performance by Gateway Aviation, Inc.

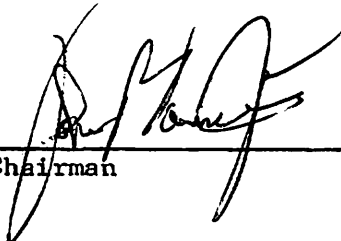
A discussion was held concerning the purchase of a radio beacon for the Airport and it appeared that aircraft owners had pledged the amount of \$3,000 toward such purchase and that the state would pay for fifty percent (50%) of the total cost. A motion was made by Howard O. Woltz, Jr., seconded by Dick Wimbish and passed unanimously instructing the Chairman to proceed with the purchase and installation of the radio beacon.

There being no further business, the meeting was adjourned.

Respectfully submitted,


Secretary

Approved:


Chairman

GUARANTY

WHEREAS, a Lease providing for a Fixed Base Operation has been negotiated between the Mount Airy-Surry County Airport Commission as Owner and Gateway Aviation, Inc. as Operator; and

WHEREAS, no financial statements are available at this time on Gateway Aviation, Inc.; and

WHEREAS, K. C. Benbow is the principal shareholder of Gateway Aviation, Inc. and has submitted personal financial statements to the Airport Commission; and

WHEREAS, the personal financial information submitted is satisfactory to the Airport Commission; and

WHEREAS, the Mount Airy-Surry County Airport Commission required the execution of this personal Guaranty as a condition precedent to the execution of a Lease;

NOW, THEREFORE, in consideration of the foregoing, the undersigned, K. C. Benbow, does guarantee the performance of the Lease by Gateway Aviation, Inc. and does agree to indemnify and hold harmless the Mount Airy-Surry County Airport Commission from any and all damages suffered by reason of any breach of the contract on the part of Gateway Aviation, Inc., this the _____ day of _____, 1975.

GATEWAY AVIATION, INC.

BY: K. C. Benbow

ATTEST

NORTH CAROLINA)
)
SURRY COUNTY) LEASE AGREEMENT

THIS AGREEMENT, made and entered into this the _____ day of _____, 1975, by and between Mount Airy-Surry County Airport Commission, hereinafter called Owner, and Gateway Aviation, Inc., a North Carolina corporation; with its principal place of business in Surry County, North Carolina, hereinafter called Operator.

WITNESSETH:

WHEREAS, Mount Airy-Surry County Airport Commission was created by the governing bodies of the Town of Mount Airy and the County of Surry; and

WHEREAS, the Mount Airy-Surry County Airport Commission has heretofore acquired certain real property and has caused to be constructed thereon an airport facility; and

WHEREAS, Gateway Aviation, Inc. was organized to engage in the business of operating airport facilities and is desirous of operating the airport facility located on the premises of the Mount Airy-Surry County Airport Commission.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the Owner does hereby demise and lease unto the Operator and the Operator does hereby rent from the Owner the entire paved ramp area, the 80 foot by 80 foot hangar, the southeast compartment of the "T" hangar, and the office building for the purpose as set forth hereinafter, the same being outlined and marked in red on a plat, said plat being market Exhibit "A" and attached hereto and incorporated herein by reference.

-1-

It is mutually agreed by and between the parties hereto that the leased premises shall be used for the purpose of conducting the business of a Fixed Base Operator and for no other purpose. The Operator

shall have full, quiet, peaceful enjoyment of the premises during the term of this agreement, including the right of ingress to and egress from the premises subject only to such rules and regulations as are written, posted and adopted by the city or county ordinances for the subject airport and conditions and limitations as hereinafter specifically stipulated.

-2-

The Operator is granted the right to sell petroleum products for aircraft using the said facilities and the Operator shall furnish, or cause to be furnished, the necessary equipment to store and deliver same.

-3-

The Operator shall maintain an adequate supply of petroleum products for sale at all reasonable hours; providing the Operator is able to obtain said petroleum products using good faith efforts to obtain same.

-4-

The Operator shall be entitled to make all reasonable and necessary charges for tie down, hangar and other services for transient aircraft usual and customary in the operation of an airport, subject to the provisions contained in Paragraph 6 hereof. It is agreed between the parties that there will be no charges levied by the Owner against any aircraft or other property owned by the Operator or the principals of the Operator, said property being based at or stored on the leased premises.

-5-

The Operator shall be authorized to conduct on and from the premises all business of flight instruction, aircraft rental, charter service, aircraft sales and such other aeronautical activities and business otherwise lawful and reasonably incident to the operation of a Fixed Base Operator. The Operator has the exclusive right to conduct the aforementioned activities upon the leased area. The provision does not prevent the Owner from dealing with others to establish additional areas on properties owned by the Owner for the conduct of commercial aeronautical activities.

-6-

The Operator agrees to operate the leased premises for the use and benefit of the public and to make available all leased airport facilities and services to the public without discriminatory or otherwise unreasonable charges or fees for any of the above leased airport facilities. The Owner agrees that rates or charges for such activities and services shall be fixed by the Operator subject to the Owner's concurrence and approval of such rates and charges as to reasonableness. In the event of disputes as to such reasonableness, it is expressly understood by the Operator that final determination is to be the right of the Owner. All services performed by the Operator shall be with promptness and courtesy.

-7-

It is expressly understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of exclusive rights within the meaning of Section 308 (a) of the Federal Aviation Act of 1958 as amended.

-8-

The Operator agrees to keep the leased Airport premises and facilities open to the public at all reasonable hours. The Operator reserves the right to reduce operational hours in compliance with governmental requests and policies concerning the conservation of fuel.

-9-

The Operator shall at all times keep his leased Airport premises clean and free from rubbish and in a neat and presentable manner.

-10-

The Operator shall maintain and keep in a reasonable state of repair the leased premises. The Owner agrees to maintain the paved runways, taxi areas, ramp areas, roadways and all other paved areas existing or to be constructed in the future, in a reasonable and adequate manner.

-11-

The Operator shall pay all utility bills for utilities on leased premises except as otherwise provided herein. It is understood and

agreed however, if consumption of electricity or water used by customers and aircraft owners exceeds a reasonable amount as deemed by the Operator, then the Operator shall have the right to charge airport customers for the use of these utilities.

-12-

The Owner reserves the right to construct such additional buildings or hangars, improvements or other facilities as the Owner deems proper and agrees to negotiate a supplemental agreement with the Operator for the use thereof by the Operator. The Operator may construct such additional buildings or hangars as it deems proper and at the expiration of the lease period, including any option periods, the Operator may remove the same from the premises and agrees to restore the premises to as good a condition as when received by it, reasonable wear and tear excepted, and agrees specifically to indemnify the Owner for any damages or injuries to the premises caused thereby. The Owner has constructed a three compartment "T" Hangar, office building, and a hangar with the dimensions of 80 feet by 80 feet. The Owner shall provide at its expense fire and extended coverage insurance for the above mentioned building and the Operator shall provide liability insurance for the above mentioned buildings as provided hereinafter. The southeast compartment of said "T" Hangar shall be for the use of the Operator under the terms of this lease, said compartment for the Operator's use for a repair station and shop. The Operator shall be entitled to the full and complete use of the office building and the 80 foot by 80 foot hangar.

-13-

The Operator shall maintain a Fixed Base Airport Liability Insurance Policy in limits of \$100,000 to \$300,000 bodily injury and \$50,000 property damage. This shall indemnify the Owner for all claims brought against them for bodily injury and property damage due to negligent or careless operations by the Operator, and the Operator shall file a copy of this policy with the Owner. The Owner shall be named as an additional insured in said policy.

-14-

The Operator shall pay to the Owner in consideration for said leased premises a sum equal to five percent (5%) of the Operator's gross receipts exclusive of receipts for aircraft sales, up to \$3,000, and thereafter payment shall be at the rate of two and one-half percent (2½%). Gross receipts shall not include receipts which are refunded or receipts from sales of capital assets but shall be limited to gross receipts in the ordinary course of business. The rental due under the terms of this paragraph shall be paid monthly and shall be an amount equal to five percent (5%) of gross receipts up to \$3,000, and thereafter an amount equal to two and one-half percent (2½%) of gross receipts as herein defined for the previous month. The Operator shall furnish monthly statements of receipts and disbursements and such other financial statements as may be reasonably required by the Owner. It is agreed between the parties that no commission will be paid to the Owner on any work, including parts and labor, on any aircraft owned or under the control of Gateway Aviation, Inc., and no commission will be paid to the Owner on the sale of any aircraft parts either new or used, on aircraft owned by Gateway Aviation, Inc., unless said parts are installed on a non-owned aircraft. On or before the First day of January of each year, the Operator shall furnish to the Owner annual financial statements for the fiscal year next preceding the First day of January, said financial statements to be prepared in accordance with generally accepted accounting procedures. It is specifically understood and agreed that the Owner reserves the right to examine the Operator's books and records at all reasonable times, said examination to be made by the Owner or the Owner's designated agents.

-15-

The term of the lease shall be for a period of one year, beginning upon execution of the within lease. The Operator, if it is not in default under the terms of this lease, shall have the option to extend the term of the lease for an additional one (1) year period upon the same terms and conditions as is provided for the original term. This lease will automatically be renewed at the end of each one-year period unless written

notice of intent to terminate or renegotiate said lease is given by either party hereto to the other thirty (30) days prior to the expiration of each one-year term.

-16-

The terms and conditions of this agreement shall not prevent the Owner executing leases with other Fixed Base Operators as well as the United States Army, United States Air Force, United States Navy or other Federal Agencies pertaining to governmental flying in the use of said airport.

-17-

If, during this agreement, the United States Government or any other governmental agency acquires possession of the premises herein leased by virtue of any laws now in effect or which may become effective during the term of this agreement, then this agreement, at the option of either party, may be terminated or may be suspended for the period the Operator is deprived of the premises, and thereafter the Operator may resume its tenancy and the agreement shall continue until the full term thereof has been enjoyed by the Operator.

-18-

It is agreed and understood between the parties that during the term of this agreement or any renewal thereof, the Federal Aviation Administration or any other Federal or State Agency shall be permitted to enter said premises and to make any improvements to or on said Airport.

-19-

The Operator must first obtain the approval of the Owner before making any major alterations, additions or improvements to or on the leased premises.

-20-

The Operator shall not enter into any transaction which would deprive the Owner of any of the rights and powers necessary to perform all covenants of the Grant Agreements or other obligations under various

type agreements. Operator agrees that in its operation and use of said Airport it will not, on the grounds of race, color, or national origin, discriminate or permit discrimination against any person or group of persons in any manner prohibited by the regulations of the United States Department of Transportation. The Owner hereby reserves the right to take such action as the Federal Aviation Administration or the Department of Transportation may direct to enforce such covenants of nondiscrimination.

-21-

This agreement may not be assigned or sublet by the Operator without the prior written consent of the Owner.

-22-

The Operator agrees to keep a sufficient area open in the ramp area of the leased premises sufficient for use as a taxi way by the public for loading and unloading, for access to the fuel pumps and for other uses of the public which may arise.

-23-

Should any party violate any term of provision of this Contract and fail to remedy same upon ten (10) days written notice, the party not in default may immediately terminate the Contract. Upon termination of this Contract, the Operator agrees to immediately vacate the premises.

IN WITNESS WHEREOF, the said parties hereto have caused these presents to be signed in its name by its President, attested to by its Secretary, all by authority of its Board of Directors, the day and year first above written.

MOUNT AIRY-SURRY COUNTY
AIRPORT COMMISSION

Owner

BY: _____

Chairman

Attest:

Secretary

GATEWAY AVIATION, INC.

Operator

BY: _____

President

Attest:

Secretary