

## MINUTES OF THE AIRPORT AUTHORITY MEETING

A meeting of the Mount Airy-Surry County Airport Authority was held at 7:30 PM, March 29, 1976, at the office of Exposaic Wire Company in Mount Airy with John Banner, Chairman, Raymond A. Smith, Newell Baker, Dick Wimbish and Howard O. Woltz, Jr., being all of the Members of the Authority, present.

Upon motion by Dick Wimbish, seconded by Raymond A. Smith, the Authority unanimously approved the execution of the Grand Agreement for Project No. 76-01 covering State assistance for installation of a radio beacon.

It was pointed out by Chairman John Banner that the location for the radio beacon is not settled and he will continue in his efforts to obtain a satisfactory location.

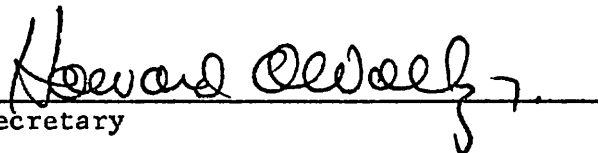
A letter was read from K. C. Benbow, Operator of Gateway Aviation, in which he expressed a lack of satisfaction with the support he has received from the airport users at the Mount Airy Airport, resulting in financial losses. Mr. Benbow suggested that the Airport Authority make efforts to find a satisfactory operator, as he did not feel he would be able to continue for a long period of time.

A letter was read from Newell Baker, being written as an individual and not as an Authority Member, in which Mr. Baker protested the charges for oil being charged by Gateway Aviation. The protest was noted but no action taken.

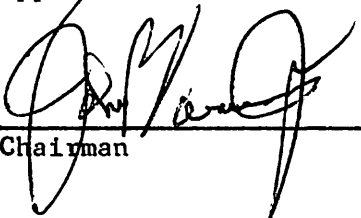
Raymond A. Smith, Treasurer, presented a budget for the year July 1, 1976 through June 30, 1977. The budget was approved as presented and a copy is attached. Mr. Smith was requested by the Authority to apply to the City and County for the assistance projected in the budget.

There being no further business, the meeting was adjourned.

Respectfully submitted,

  
Secretary

Approved:

  
Chairman

April 1, 1976

Mt. Airy-Surry County Airport Authority  
Anticipated Expenses 7-1-76 through 6-30-77

Exxon Corporation - 80 x 80' Hangar Mortgage	
Total loan balance as of 6-30-76 .....	\$8,380.00
Hangar and Office Fire Insurance .....	625.00
Duke Power Company - Runway Lighting .....	350.00
General Repairs .....	600.00
Runway Maintenance Reserve .....	500.00
Annual Audit Estimate .....	600.00
	<hr/>
	\$11,055.00
Anticipated income to Airport Authority .....	Less 3,000.00
	<hr/>
	\$8,055.00
 Fiscal 1976-77 fund request to	
Surry County and the Town of Mt. Airy .....	\$8,000.00
40% of above total requested from Surry County .....	\$3,200.00
60% of above total requested from Mt. Airy, N.C. ....	\$4,800.00

Respectfully submitted,

Mt. Airy-Surry County Airport Authority

John Banner, Jr., Chairman  
Howard O. Woltz, Jr., Secretary  
Raymond A. Smith, Treasurer  
Richard S. Wimbish  
Newell E. Baker, Jr.

STATE OF NORTH CAROLINA

GRANT AGREEMENT

DEPARTMENT OF TRANSPORTATION  
AND

STATE AID TO AIRPORTS

Mt. Airy-Surry County Airport

This agreement made and entered into this the \_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by and between the North Carolina Department of Transportation (hereinafter referred to as "Department") and Mt. Airy - Surry County Airport Authority (hereinafter referred to as "Sponsor");

W I T N E S S E T H:

THAT WHEREAS, the Sponsor has made a formal application dated December 15, 1975 to the Department for State financial aid for airport development and improvement of the Mt. Airy - Surry County Airport; and

WHEREAS, a grant in a maximum amount of \$ 4,000.00 or in an amount equal to fifty percent (50%) of the non-federal share of the total cost of the project, whichever is less, has been approved;

NOW THEREFORE, the parties do mutually agree as follows:

1. That the Sponsor shall commence the construction described in Paragraph 7 of this contract within one (1) year from the date of this contract and shall complete the described construction within 2 years from the date of execution of this contract.
2. That the Department will issue its voucher in the maximum amount of \$ 4,000.00 or lesser amount not to exceed fifty percent (50%) of the non-federal share of the latest revised estimated project costs.

3. That the Sponsor shall deposit all funds received and keep the same in separate funds according to the purpose for which they were received. The Sponsor shall maintain an accounting system sufficient to segregate and identify the monies expended from the grant funds received under this agreement. The Sponsor shall maintain adequate records and documentation to support all project costs incurred under this grant inclusive of work performed by forces of the Sponsor. All records and documentation in support of project costs must be identifiable as to purported work under this agreement and must be actual costs only. The Sponsor shall maintain all records pertaining to this project for a period of three (3) years from the date a final department accepted audit has been certified.

4. That the Sponsor shall permit free access to its accounts and records by official representatives of the State of North Carolina for the purpose of such audit or determination needed to insure compliance with the authorizing act. In addition, the Sponsor shall furnish the Department a certified accounting of the funds expended on the project for which this grant was made within ninety (90) days following completion of the project.

5. That if the Sponsor shall have expended an amount less than that stated in the request for aid from which the project was approved, reimbursement will be made to the Department within ninety (90) days in an amount equal to the difference between the approved grant and fifty percent (50%) of the non-federal share of the actual approved and accepted cost; notwithstanding that any costs deemed ineligible for participation by reason of non-compliance with the terms of this agreement, reimbursement

shall also be made to the Department for the amount of such ineligible costs.

6. That the Sponsor agrees that in the event the approved project is not commenced within the prescribed time period or in the event that work on the project ceases for 120 calendar days, that this contract shall become null and void unless a subsequent extension period is granted by the Department. Any State funds obligated to this project shall revert to an unencumbered Department balance upon the termination of this agreement.

7. That the Sponsor will cause the expenditure of the State funds granted under this agreement to be made in accordance with the following purpose which was stated in the application for the grant.

Project 76-01: Install nondirectional radiobeacon.

8. The Sponsor agrees that he will follow published State aid policies and procedures in the execution of the project including notification to the Department of any changes and problems encountered in completing the project. This will include periodic progress reports to the Department and advance notice of significant meetings between the Sponsor, his consultant, and other parties involved in the project.

9. Insofar as it is within its power and reasonable, the Sponsor will, either by the acquisition and retention of easements or other interests in or rights for the use of land or airspace or by the adoption and enforcement of zoning regulations, prevent the construction, creation, alteration, or growth of any structure, tree, or other object in the approach areas of the runways of the Airport, which would constitute an obstruction to air navigation according to the criteria or standards prescribed in Section 77.23, as applied to Section 77.25, Part 77 of the Federal Aviation Regulations. In addition, the Sponsor will not erect or permit the erection of any permanent structure or facility which would interfere materially with the use, operation, or future development of the Airport, in any portion of a runway approach area in which the Sponsor has acquired, or hereinafter acquires, property interest permitting it to so control the use made of the surface of the land.

10. Insofar as it is within its power and reasonable, the Sponsor will either by the acquisition and retention of easements or other interests in or rights for the use of land or airspace or by the adoption and enforcement of zoning regulations, take action to restrict the use of land adjacent to or in the immediate vicinity of the Airport to activities and purposes compatible with normal airport operations including landing and takeoff of aircraft.

11. This grant shall not be binding upon the parties until this agreement has been fully executed by the Department and the Sponsor.

IN WITNESS WHEREOF, the parties hereto have executed this agreement

the day and year first written above.

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION

BY: \_\_\_\_\_  
Secretary of Transportation

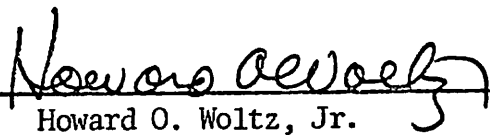
ATTEST: \_\_\_\_\_

Sponsor: Mt. Airy - Surry County Airport Authority

Signed: 

John Banner, Jr.

Title: Chairman

ATTEST:   
Howard O. Woltz, Jr.

(SEAL)

Title: Secretary

STATE OF NORTH CAROLINA

COUNTY OF Surry

I, Merry V. Hutchens, a Notary Public

in and for the County and State aforesaid, do hereby certify that

John Banner, Jr. personally came before me this  
day and acknowledge that he is Chairman

(Title)  
of Mt. Airy - Surry County Airport Authority (hereinafter referred to as  
(Sponsor)

"Sponsor") and by authority duly given and as an act of said Sponsor, the

foregoing instrument was signed by him, attested by Howard O. Woltz, Jr.

(Name and Title)  
Secretary of the Sponsor, and the seal of the

Sponsor affixed thereto.

WITNESS my hand and Notarial Seal, this the 30 day of March  
\_\_\_\_\_, 19 76

Merry V. Hutchens  
Notary Public

My Commission Expires: 9/29/76

(SEAL)



## RESOLUTION

A motion was made by Richard S. Wimbish - Member

(Name and Title)

and seconded by R. A. Smith

(Name and Title)

**Treasurer**

for the adoption of the following resolution,

and upon being put to a vote was duly adopted:

THAT WHEREAS, the Mt. Airy - Surry County Airport Authority.....

(hereinafter referred to as "Sponsor") has made a formal application to the

Department of Transportation (hereinafter referred to as "Department") for

State financial aid for airport development and improvement; and

WHEREAS, a grant in the maximum amount of \$ 4,000.00 or

in an amount equal to fifty percent (50%) of the non-federal share of the

**total cost of the project, whichever is less, has been approved;**

NOW THEREFORE, BE AND IT IS HEREBY RESOLVED that the Chairman

**(Title)**

of the Sponsor be and he hereby is

authorized and empowered to enter into a contract with the Department as may be necessary

to effectuate the aforesaid expressed purpose, thereby binding the Sponsor to the

fulfillment of its obligation incurred under this resolution and to its agreement

under the said contract with the Department.

I, Howard O. Woltz, Jr., Secretary

(Name and Title)

of the Mt. Airy - Surry County Airport Authority, do

(Sponsor)

hereby certify that the above is a true and correct copy of an excerpt from the

minutes of the Mt. Airy - Surry County Airport Authority

(Sponsor)

of a meeting duly and regularly held on the 29 day of March

19 76.

WITNESS my hand and the official seal of the Mt. Airy - Surry

County Airport Authority

(Sponsor)

This the 30 day of March, 19 76.

Howard O. Woltz, Jr.  
Howard O. Woltz, Jr. (Name)

Secretary

(Title)

(SEAL)

of the Mt. Airy - Surry County Airport Authority  
(Sponsor)

\_\_\_\_\_

CERTIFICATE OF PUBLIC AIRPORT AUTHORITY'S ATTORNEY

I, W. Thomas White, acting as attorney for  
Mt. Airy - Surry County Airport Authority, (hereinafter referred to as  
"Sponsor") do hereby certify that said Sponsor has the authority and power to enter  
into the attached State aid to Airports Contract with the North Carolina Department  
of Transportation. I further certify that said Sponsor has complied with all the  
necessary legal requirements prior to and including authorizing John Banner, Jr.,  
Chairman to enter into said contract on its behalf  
and that said contract is legally binding.

Typed Name: W. Thomas White  
ATTORNEY FOR SPONSOR

SIGNATURE: 

FINANCIAL OFFICER'S CERTIFICATION

Provision for the payment of monies to fall due under this agreement has been made by appropriation duly authorized, as required by the local government budget and Fiscal Control Act.

By W. Smith

Title Treas.  
(Finance Officer as defined in Part 3, Article 3, Subchapter III of Chapter 159 of the North Carolina General Statutes)

STATE AIRPORT AID ACCOUNTING SYSTEM CERTIFICATION FORM

STATE OF NORTH CAROLINA  
COUNTY OF SURRY

I, Sperry V. Hutchens, a Notary Public

in and for the County and State aforesaid, do hereby certify that R. A. Smith  
personally came before me this day and  
acknowledged that he is the Treasurer

(Finance Officer as defined in Part 3, Article 3, Subchapter III of Chapter 159 of the  
North Carolina General Statutes) for the Mt. Airy - Surry County Airport Authority

\* and that by authority duly given and  
as an act of said Mt. Airy - Surry County Airport Authority \*, the foregoing  
certificate was signed by said Finance Officer and the seal of the Mt. Airy - Surry  
County Airport Authority \*affixed.

WITNESS my hand and Notarial Seal, this the 30 day of March  
, 1976.

Sperry V. Hutchens  
Notary Public

My Commission Expires: 9/29/76

\*Name of Local Government

## MINUTES OF THE AIRPORT COMMISSION MEETING

A meeting of the Mount Airy-Surry County Airport Commission was held at 7:30 P.M. on August 31, 1976, at the office of Exposaic Wire Company in Mount Airy with John Banner, Chairman, Newell Baker, Raymond A. Smith, Dick Wimbish and Howard O. Woltz, Jr., Secretary, being all of the Members of the Commission, present. Richard Bierck of the Surry County Bureau for the Winston-Salem Journal attended the meeting. The Commission Members voted unanimously to hold an Executive Session in view of the fact that four different proposals for leasing of the Airport facilities were to be considered. Mr. Bierck was requested to excuse himself and did so. During the deliberation of the Commission, Mr. Bierck reentered and demanded to attend the meeting and was ordered to leave and escorted to the outside door by the Secretary.

After the Commission was able to settle down to its business, the reading of the Minutes of the previous meeting was waived.

All of the Commission Members had been furnished copies of proposals from Cardinal Aviation, Hunter Aviation, Robert J. Lovill, III, and Glen-Air prior to the meeting. The provisions of each of the proposals were discussed.

After a detailed discussion of each of the proposals, the following motion was made by Howard O. Woltz, Jr., seconded by Newell Baker, and passed unanimously by the Commission:

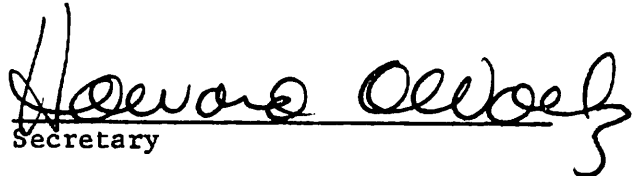
The Mount Airy-Surry County Airport Commission, feeling that it would be to the best interest of the public to be served, agrees to negotiate a lease of the Airport facilities for a Fixed Base Operation with Hunter Aviation, Inc., with the following terms:

- a) the form of the lease and the provisions of the lease to be similar to the lease proposal offered Gateway Aviation and Mount Airy Aviation;
- b) the rental to be five percent (5%) of gross sales, excluding sales of aircraft;
- c) the term to be for three years with an automatic renewal on a year-to-year basis, unless terminated by either party; and
- d) a corporation to be formed as Hunter Aviation, Inc., with a minimum net worth of \$25,000.

Prior to recessing the meeting, a call was made to John Hunter and to Wayne Hurst informing them of the decision of the Commission. The special conditions were discussed and it appeared that the conditions were agreeable to both Hunter and Hurst.

The meeting was recessed and an open meeting set for Wednesday, September 1, at 8:00 P.M. at the Exposaic Wire Company office with both John Hunter and Wayne Hurst to attend.

Respectfully submitted,

  
Secretary

Approved:

\_\_\_\_\_  
Chairman

MINUTES OF THE AIRPORT COMMISSION MEETING

The meeting of the Mount Airy-Surry County Airport Commission was reconvened in open session at 8:00 P.M., Wednesday, September 1, with all Members of the Commission being present. The Commission Members were joined by Messrs. John Hunter and Wayne Hurst and copies of the proposed lease between the Airport Commission and Hunter Aviation, Inc. were distributed. Each provision of the proposed lease, a copy of which is attached to these Minutes, was discussed.

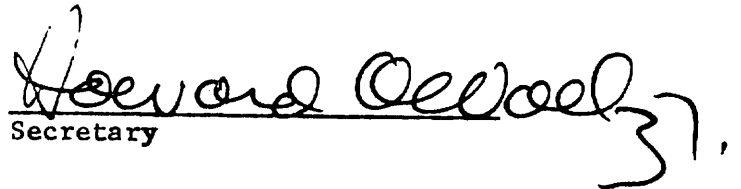
The lease was approved by all Members of the Commission and the lease was tentatively approved by Hunter Aviation, Inc., subject to an examination by its attorney.

When a motion was made by Newell Baker, seconded by Dick Wimbish, the Commission voted unanimously to execute the lease tendered with Hunter Aviation, Inc., upon approval of said lease by legal counsel for Hunter Aviation, Inc.

The Secretary was instructed to prepare a release stating that an agreement in principal had been reached and to notify the other applicants advising of the decision reached.

There being no further business, the meeting was adjourned.

Respectfully submitted,

  
Secretary

Approved:

\_\_\_\_\_  
Chairman

WS OCT 15 1976

CONSENT

I have been informed of the changes in Hunter Aviation, Inc. since the proposal by Hunter Aviation, Inc. dated August 14, 1976, the major change being the withdrawal of G. Wayne Hurst from the proposed corporation. I have been informed that the required insurance coverage has been obtained and that Hunter Aviation, Inc. has been properly incorporated and has a net worth of \$26,700.

I approve the execution of a lease between the Airport Commission and Hunter Aviation, Inc. as approved at the September 1, 1976 meeting of the Commission.

  
Newell Baker



ALP 4-1-000 24

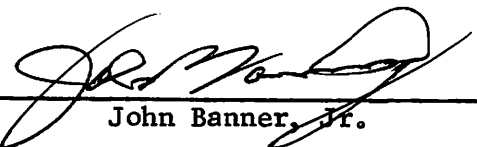
US 100 11-1-000

WS OCT 11 1976

CONSENT

I have been informed of the changes in Hunter Aviation, Inc. since the proposal by Hunter Aviation, Inc. dated August 14, 1976, the major change being the withdrawal of G. Wayne Hurst from the proposed corporation. I have been informed that the required insurance coverage has been obtained and that Hunter Aviation, Inc. has been properly incorporated and has a net worth of \$26,700.

I approve the execution of a lease between the Airport Commission and Hunter Aviation, Inc. as approved at the September 1, 1976 meeting of the Commission.

  
John Banner, Jr.

0721 11 150 200

John H. H. H. H.

WS OCT 7 1976

CONSENT

I have been informed of the changes in Hunter Aviation, Inc. since the proposal by Hunter Aviation, Inc. dated August 14, 1976, the major change being the withdrawal of G. Wayne Hurst from the proposed corporation. I have been informed that the required insurance coverage has been obtained and that Hunter Aviation, Inc. has been properly incorporated and has a net worth of \$26,700.

I approve the execution of a lease between the Airport Commission and Hunter Aviation, Inc. as approved at the September 1, 1976 meeting of the Commission.



---

R. A. Smith

NOV 5 1960

TO THE DIRECTOR, FBI  
FROM THE SAC, NEW YORK  
SUBJECT: [illegible]

[illegible text]

[illegible signature]  
[illegible text]  
[illegible text]

WS OCT 7 1976

CONSENT

I have been informed of the changes in Hunter Aviation, Inc. since the proposal by Hunter Aviation, Inc. dated August 14, 1976, the major change being the withdrawal of G. Wayne Hurst from the proposed corporation. I have been informed that the required insurance coverage has been obtained and that Hunter Aviation, Inc. has been properly incorporated and has a net worth of \$26,700.

I approve the execution of a lease between the Airport Commission and Hunter Aviation, Inc. as approved at the September 1, 1976 meeting of the Commission.

  
Dick Wimbish

NORTH CAROLINA )  
SURRY COUNTY )

Prepared by: Hunter Aviation, Inc.  
LEASE AGREEMENT

THIS AGREEMENT, made and entered into this the 15th day of October, 1976, by and between Mount Airy-Surry County Airport Commission, hereinafter called Owner, and **Hunter 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, **Hunter 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 southwest compartment of the "T" hangar, and the office building, for the purposes as set forth hereinafter, the same being outlined and marked in red on a plot, said plot being marked 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 the 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.

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. This 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.

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.

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.

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.

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

The Operator shall maintain and keep in a reasonable state of repair the leased premises. The Owner agrees to maintain the paved runway and taxi areas in a reasonable and adequate manner and agrees also to furnish power to the runway lights and the beacon, and to maintain the runway lights and the beacon.

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

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 building as provided hereinafter. The southwest 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 \$100,000.00 to \$300,000.00 bodily injury and \$50,000.00 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. Gross receipts shall not include receipts which are refunded or receipts from sale 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 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. On or before the 15th day of SEPTEMBER of each year, the Operator shall furnish to the Owner annual financial statements for the fiscal year next preceding the 1st day of SEPTEMBER, 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 three years, 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 not 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 improvement 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 -

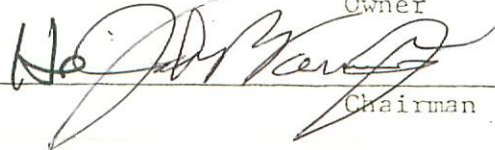
The Operator agrees to keep a sufficient area open in the ramp area of the leased premises sufficient for use as a taxi way by the public for loading and unloading, for access to the fuel pumps and for other uses of the public which may arise.

- 23 -

Should any party violate any term or 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

BY:  Chairman  
Owner

Attest:

  
Secretary

HUNTER AVIATION, INC.

BY:  President  
Operator

Attest:

  
Secretary

