

MINUTES

MOUNT AIRY/SURRY COUNTY AIRPORT AUTHORITY

A meeting of the Mount Airy/Surry County Airport Authority was held on Monday, February 11, at 7:30 P. M. at the airport with Richard Wimbish, Brad Thomas and Howard Woltz being present. David Peeler of Talbert-Cox Associates and John Hunter of Hunter Aviation were visitors.

The Chairman reported that the runway lighting improvements have now been paid for in full.

The runway light radio switch is not in service due to an internal defect in the switch control. The switch is being repaired by the manufacturer. David Peeler will follow up on getting the necessary work done to install.

Howard Woltz reported that, following several news articles concerning distribution of ABC profits, even though the airport was not mentioned in the articles the airport will still receive five percent (5%) of the net profits when a distribution is made.

The Chairman reported that the phone line from the fire station to the airport was ordered by Raymond Smith but is not yet installed. The radio beacon is, therefore, still classified as "unattended".

David Peeler presented drawings and cost estimates concerning ramp and apron expansion. A number of suggestions and criticisms were made by members of the Authority and John Hunter concerning the proposed layout. Upon motion by Brad Thomas and second by Howard Woltz a resolution was passed authorizing the officers to execute a contract with Talbert-Cox Associates for the engineering and bidding of the ramp improvements on a cost basis not to exceed \$3,000 plus the cost of an inspector.

A discussion was held concerning development of a Master Plan for airport expansion and improvements. Talbert-Cox will present a proposal covering preparation of a Master Plan at a cost estimated between \$18,000 and \$20,000. If the FAA approves and participates in the preparation of a Master Plan, the cost is borne ninety percent (90%) by the FAA, five percent (5%) by the State and five percent (5%) local.

It was pointed out to John Hunter that the white beacon light needs repairing. This problem has been called to John Hunter's attention several times but no corrective action has been taken. John Hunter agreed to contact Pike Electric and have the beacon put into proper working order.

Brad Thomas was appointed to investigate repairing of the hangar doors and to obtain recommendations concerning repairs and the cost involved.

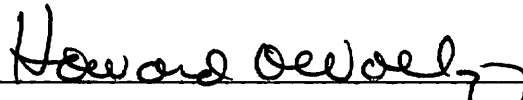
MINUTES
February 11, 1980
Page Two

The Chairman called for an Executive Session and David Peeler and John Hunter were excused. A discussion took place concerning the airport operation. The general consensus of opinion was that considerable improvement is needed in the manner of operation. The appearance of the airport office is dirty and undesirable. The Authority has also received complaints concerning the service being rendered by Hunter Aviation.

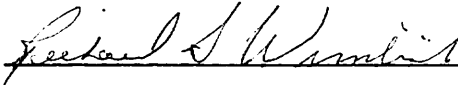
Following the Executive Session, John Hunter was recalled into the meeting and the deficiencies in the manner of operation were called to his attention. There was little indication that the operation will be improved by Hunter Aviation in the future.

There being no further business, the meeting was adjourned.

Respectfully submitted,


Howard O. Woltz, Jr., Secretary

ACCEPTED:


Richard S. Wimbish, Chairman

MINUTES

MOUNT AIRY/SURRY COUNTY AIRPORT AUTHORITY

The Mount Airy/Surry County Airport Authority met at 7:30 P. M. on Monday, May 12, at the Mount Airy/Surry County Airport operations office with Authority members Richard Wimbish, Brad Thomas, Newell Baker and Howard O. Woltz, Jr. being present. Raymond A. Smith was out of town.

The Minutes of the meeting of February 11, 1980 were approved as distributed.

The Chairman gave a brief financial report, as the Treasurer was not present.

The Chairman reported that the problems in connection with the radio beacon and the monitor are almost resolved. A telephone line has been installed from the Mount Airy Fire Department to the Airport operations office but the monitoring apparatus is not yet functional. Fred Cox has been lined up to perform the necessary maintenance on the radio beacon and the monitoring system. The FAA is scheduled to inspect the installation on May 15. Following this inspection the beacon should be operating in accordance with FAA policy.

The Chairman reported on the apron expansion. A contract covering the engineering services was written to Talbert-Cox. The proposed schedule calls for final plans and specifications on May 19, 1980, advertising for bids on May 21, 1980, a bid opening on June 11, 1980, with construction to commence June 23, 1980.

A motion was unanimously passed by the Authority authorizing that the asphalt paving beyond the circle around the operations building be removed and grassed and that a low fence be installed with a gate for pedestrian access to the ramp.

A motion was unanimously passed that, at the time of receiving bids for the apron expansion, an alternate be included for additional paving on the north side of the four-compartment T-hangar to facilitate moving aircraft in and out of the hangars facing north.

The Chairman reported on the negotiations with Exxon concerning purchase and paving over the fuel storage tanks. No agreement was reached on purchase but Exxon did grant permission to pave over the tanks owned by Exxon, provided no expense was involved for Exxon.

The Chairman reported that an application has been filed with the FAA requesting funds for developing a Master Plan for the Mount Airy/Surry County Airport. The funds for the Master Plan will be shared ninety percent (90%) FAA, five percent (5%) North Carolina and five percent (5%) local.

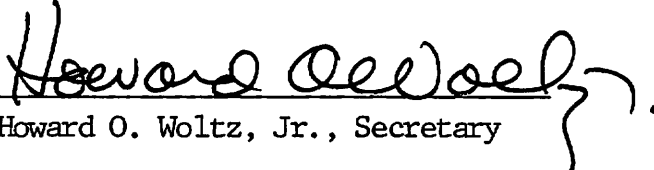
The Authority reviewed with John J. Hunter, President of Hunter Aviation, the letter written by the Airport Authority on February 29, 1980 requiring that Hunter immediately improve the Fixed Base Operation in six different areas. The progress in making the required improvements was discussed in detail. John Hunter was excused from the meeting for an Executive Session for further evaluation of the compliance by Hunter Aviation with the demands made by the Authority in the letter dated February 29, 1980. It was the consensus of the Authority that, while progress has been made, considerably more progress is needed, primarily in the area of the maintenance hangar.

Following the Executive Session John Hunter was recalled into the meeting and the requested improvements were reviewed item-by-item. John Hunter agreed somewhat reluctantly that the requested cleanup of the maintenance hangar could be accomplished within four weeks. John Hunter also agreed to post a phone number outside the operations office for calls for service after regular hours. It was agreed that Brad Thomas would have the hangar door maintenance man return to prepare an estimate on repairing the hangar doors that are not operational.


The Chairman informed the members that it will be necessary to have a called meeting following receipt of bids for the apron expansion and that a review of the operation by Hunter Aviation will take place at that time.

There being no further business, the meeting was adjourned.

Respectfully submitted,


Howard O. Woltz, Jr., Secretary

APPROVED:


Richard S. Wimbish, Chairman

February 29, 1980

Mr. John J. Hunter, President
Hunter Aviation, Inc.
Highway 52S
Mt. Airy, N.C. 27030

Dear John:

It has come to the attention of the airport authority that the operation of the airport is not currently in accordance with the lease agreement entered into between Hunter Aviation, Inc. and the authority.

As you are aware, the lease agreement imposes certain duties and obligations on Hunter Aviation, Inc. such as the following:

1. Paragraph 3 requires that you "...maintain an adequate supply of petroleum products for sale at all reasonable hours. ..."
2. Paragraph 6 provides that "All services performed by the operator shall be with promptness and courtesy."
3. Paragraph 8 states that you must "...keep the leased airport premises and facilities open to the public at all reasonable hours."
4. Paragraph 9 reads as follows: "The operator shall at all times keep the leased airport premises clean and free from rubbish and in a neat and presentable manner."
5. Paragraph 10 obligates you to maintain and keep the airport in a reasonable state of repair.
6. Paragraph 14 requires you to furnish monthly statements of receipts and disbursements and to furnish to the airport authority on or before September 15th of each year annual financial statements prepared in accordance with accepted accounting procedures.

It is the opinion of the members of the airport authority that Hunter Aviation, Inc. has not lived up to its obligations and duties under the lease especially with regard to the above listed items. There have been a number of complaints to members of the airport authority concerning the operation of the airport and a visual inspection of the premises quickly reveals that the office building, shrubbery, the grounds in general, and the maintenance area have not been maintained in a clean, neat and presentable manner as required by the lease.

In addition to the obligations under the lease, you have certain obligations as airport manager, which obligations are set out in the regulations governing the use of the airport.

Paragraph 23 of the lease provides for the termination of the lease if either party shall default. The members of the airport authority feel that Hunter Aviation, Inc. has not lived up to its obligations under the lease agreement,

but the authority does not wish at this time to terminate the lease if you are willing to meet certain minimum requirements and obligations within thirty days from the date of this letter. These minimum requirements are as follows:

1. That you clean the office building and maintain it in a neat and orderly fashion; that you clean up the grounds, pull the weeds and trim the shrubbery and maintain the grounds in a presentable fashion; and that you clean up and keep neat the maintenance hangar so that it can be used for the maintenance of airplanes. 4 weeks

OK 2. That you establish and post at appropriate places when regular service will be provided to the public at the airport. < post who to call for non reg hour service

3. That you establish and post at appropriate places procedures for night time and non-regular service.

→ 4. That you maintain and keep up the hangar doors after they are repaired.

5. That you treat airport customers with courtesy and promptness at all times.

6. That in your role as airport manager you maintain the facilities and equipment such as the runway lights and rotating beacon and notify the appropriate authorities when the equipment is not functioning or not functioning properly and also notify the appropriate authorities when the equipment is repaired.

Within a reasonable time after you receive this letter the airport authority would like to receive the financial information for the fiscal year next preceding September 1, 1979, as required by your lease.

If you do not comply with the matters set forth above within thirty days from the receipt of this letter the airport authority will decide at that time what action it will take concerning termination of the lease. If you have any questions with regard to the matters set forth in this letter, you may contact the airport authority chairman for further explanation.

Sincerely yours,

TM. AIRY-SURRY COUNTY AIRPORT AUTHORITY

Howard Woltz
Howard Woltz

Raymond Smith
Raymond Smith

Newell Baker
Newell Baker

Brad Thomas
Brad Thomas

Richard Wimbish
Richard Wimbish, Chairman

MINUTES

MOUNT AIRY/SURRY COUNTY AIRPORT AUTHORITY

A called meeting of the Mount Airy/Surry County Airport Authority was held at 12:00 Noon on Monday, July 7, 1980, at the office of Techform with Authority members Richard Wimbish, Brad Thomas, Newell Baker and Howard O. Woltz, Jr. being present.

The Chairman reviewed the bids received on Wednesday, June 18, 1980, for the ramp extension. The Chairman reported that Virginia-Carolina Paving Company submitted a bid totaling \$24,106.00 and L. A. Reynolds Company submitted a bid in the amount of \$31,170.70. A copy of the tabulation of bids is attached to these Minutes. The Chairman reported that at the previously advertised bid opening date only two bids were submitted, the bids being from Virginia-Carolina Paving Company and L. A. Reynolds Company. In accordance with governing statutes the bids were not opened and the project was readvertised. Upon receiving only two bids following the additional advertising for bids, the Authority exercised its discretion and opened the two bids submitted. The Chairman reviewed the total project costs, including engineering, testing, resident inspection, fuel tank modifications, electrical modifications and a contingency fee in the amount of five percent (5%) caused the project costs to total \$32,461.00. The budget for the project amounted to \$30,000.00. A request was submitted by the Chairman to the Department of Transportation requesting fifty percent (50%) participation in the estimated cost above budget. No action on this request will be taken prior to August.

Methods of cutting the project costs were reviewed. Following this review a motion was made by Howard O. Woltz, Jr. and seconded by Brad Thomas that the paving contract be awarded to Virginia-Carolina Paving Company in accordance with the submitted bid but deleting Item No. 7, Apron Marking, in the amount of \$700.00 and deferring action on Item No. 6, Tar Emulsion Seal Coat, at a cost of \$6,250.00. The motion passed unanimously. The Chairman agreed to negotiate for a more favorable price on Item No. 6, Tar Emulsion Seal Coat.

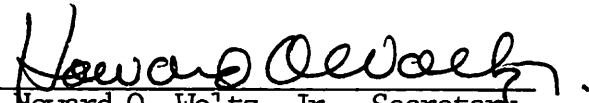
The Airport Authority discussed the performance of Hunter Aviation as Fixed Base Operator. The members of the Authority agreed unanimously that the provisions of Paragraph 15 of the Lease be exercised by giving notice to Hunter Aviation that the lease will not be automatically renewed as of October 14, 1980 and that the Authority will invite proposals for a new lease beginning October 15, 1980. The Authority instructed its Secretary, Howard O. Woltz, Jr., to write as soon as possible a letter giving the required notice to

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July 7, 1980
Page Two

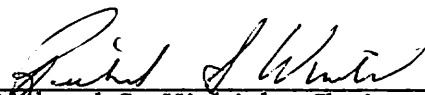
Hunter Aviation. The Authority agreed that advertising would be done, a Press Release made and an invitation for proposals be extended, such proposals to be submitted on or before September 1, 1980.

There being no further business, the meeting was adjourned.

Respectfully submitted,


Howard O. Woltz, Jr., Secretary

APPROVED:


Richard S. Wimbish, Chairman

MT. AIRY-SURRY COUNTY AIRPORT
RAMP EXPANSION
PROJECT COSTS

| | |
|--|-----------------|
| Design Plans and Specifications | \$ 3,000.00 |
| Construction Cost - Low Bid (Marking Deleted) | 23,406.00 |
| Quality Control Testing | 500.00 |
| Resident Inspection | 1,000.00 |
| Fuel Tank Modifications | 2,810.00 |
| Miscellaneous Electrical Modifications | <u>200.00</u> |
| Subtotal | \$ 30,916.00 |
| Project Contingency (5%) | <u>1,545.00</u> |
| TOTAL | \$ 32,461.00 |



JUN 24 1980

Talbert, Cox & Associates, Inc.

CONSULTING ENGINEERS AND PLANNERS

June 23, 1980

POST OFFICE BOX 3231
901 EAST BOULEVARD
CHARLOTTE, N. C. 28203
TELEPHONE (704) 372-9433

Mr. Richard S. Wimbish, Chairman
Mt. Airy-Surry County Airport Authority
c/o Techform, Inc.
Post Office Box 270
Mt. Airy, N. C. 27030

Re: Mt. Airy, North Carolina
Mt. Airy-Surry County Airport
Ramp Expansion
TCA Project No. 922

Dear Mr. Wimbish:

We have tabulated the two bids received for the ramp expansion project and attached a copy to this letter. It is recommended that award of contract be made to the low bidder, Virginia Carolina Paving.

In accordance with our conversation last Friday, we are preparing a State grant application to cover the project costs anticipated to exceed the previously allocated funds. A summary of anticipated project costs is attached which will indicate how the figures on the State forms were arrived at.

Contract Documents are also being prepared for execution by the Airport Authority and the low bidder. We are deleting the Marking (Item #7) as per our discussion, in anticipation of accomplishment by the State Highway Department.

If you have any questions, please do not hesitate to call.

Sincerely,

David L. Peeler, P.E.
Project Engineer

DLP/sh
Attachments

10-15-80

new by 9-1-80

MT. AIRY-SURRY COUNTY AIRPORT, MT. AIRY, NORTH CAROLINA
RAMP EXPANSION
BID DATE: 11:00 A.M., WEDNESDAY, JUNE 18, 1980

RAMP EXPANSION

BID DATE: 11:00 A.M., WEDNESDAY, JUNE 18, 1980

[illegible]

BY Samuel Seeler DATE 4/20/80
TALBERT, COX & ASSOCIATES, INC.

STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

AND

MOUNT AIRY-SURRY COUNTY AIRPORT AUTHORITY

MODIFICATION TO
GRANT AGREEMENT
STATE AID TO AIRPORTS

AIRPORT: Mt. Airy-Surry County
PROJECT NO: 79-06
WORK ORDER: 9.90176

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 the MOUNT AIRY-SURRY COUNTY AIRPORT AUTHORITY (hereinafter referred to as "Sponsor");

W I T N E S S E T H

WHEREAS, the Department and Sponsor entered into a Grant Agreement, State Aid to Airports, Project No. 79-06, dated February 8, 1980 in the amount of \$15,000; and

WHEREAS, an additional Grant in the amount of \$1,230 has been approved;

WHEREAS, the parties desire to modify the above-referenced Grant Agreement.

NOW THEREFORE, the parties mutually agree as follows:

1. The total amount of State Airport obligation shall be \$16,230 said \$16,230 to include the \$15,000 in the above-referenced Grant Agreement and a subsequent allocation of \$1,230 made by the Department.
2. The scope of the project as stated in the above-referenced Grant Agreement dated February 8, 1980 shall remain the same.
3. Except as provided in this Grant Agreement, all terms and conditions of the above-referenced Grant Agreement are hereby incorporated by reference and shall have full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Grant Agreement the day and year first written above.

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION

BY: _____
Secretary of Transportation

ATTEST: _____

SPONSOR

Official Agency: Mount Airy/Surry County Airport Authority

Signed: _____
Richard S. Wimbish
Title: Chairman

SEAL

Attest: _____
Howard O. Woltz, Jr.
Title: Secretary

STATE OF NORTH CAROLINA

COUNTY OF _____

I, _____, a Notary Public in and for the County and State aforesaid, do hereby certify that Richard S. Wimbish personally came before me this day and acknowledged that he is Chairman Title of Mount Airy/Surry County Airport Authority (herein referred to as "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., Secretary of the Sponsor, and the seal of the Sponsor affixed thereto.

WITNESS my hand and Notarial Seal, this the _____ day of _____, 19____.

Notary Public

My Commission Expires: _____

SEAL

RESOLUTION

A motion was made by Newell Baker, Member and seconded by
Name and Title
Brad Thomas, Member for the adoption of the following
resolution, and upon being put to a vote was duly adopted:

THAT WHEREAS, the Mount 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 Mount Airy/
Surry County Airport; and

WHEREAS a grant in the maximum amount of \$ 16,230.00 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 Grant
Agreement 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 Grant Agreement
with the Department.

I, Howard O. Woltz, Jr., Secretary of the Mount Airy/Surry County
Name and Title Sponsor
Airport Authority
do hereby certify that the above is a true and correct copy of an excerpt from the
minutes of the Mount Airy/Surry County Airport Authority of a meeting duly and
Sponsor
regularly held on the 7th day of July, 19 80.

WITNESS my hand and the official seal of the Mount Airy/Surry County Airport
Authority Sponsor

This the _____ day of _____, 19 ____.

SEAL

Signed: _____
Howard O. Woltz, Jr.
Title: Secretary
Mount Airy/Surry County
Of the: Airport Authority
Sponsor

CERTIFICATE OF PUBLIC AIRPORT AUTHORITY'S ATTORNEY

I, W. Thomas White acting as an attorney for
Mount 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 Grant Agreement 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 Chairman to enter into
Title of Sponsor's Representative
said Grant Agreement on its behalf and that said Grant Agreement is legally
binding.

Signed:

Typed Name:

W. Thomas White

Attorney for the Sponsor

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:

Raymond A. Smith

Title:

Treasurer

(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 _____

I, _____, a Notary Public in and for the County and State aforesaid, do hereby certify that Raymond 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 Mount Airy/Surry County Airport Authority and that by authority duly given and as an act of said Mount Airy/Surry County Airport Authority foregoing certificate was signed by said Finance Officer and the seal of Mount Airy/Surry County Airport Authority affixed.

WITNESS my hand and Notarial Seal, this the _____ day of _____, 19____.

Notary Public

My Commission Expires: _____

SEAL

MOUNT AIRY/SURRY COUNTY AIRPORT AUTHORITY
180 West Independence Boulevard
Mount Airy, North Carolina 27030

July 8, 1980

Hunter Aviation, Inc.
Mount Airy/Surry County Airport
Highway 52 North
Mount Airy, North Carolina 27030

ATTENTION: Mr. John Hunter

Dear John:

I have been instructed by the Mount Airy/Surry County Airport Authority to give you written notice, pursuant to Paragraph 15 of the Lease Agreement, to the effect that your lease will not be automatically renewed for an additional year beginning October 15, 1980. Accordingly, this letter formally advises you that your lease will not be automatically renewed beginning October 15, 1980.

The Airport Authority felt that, in view of the number of improvements that have been made to the airport during the past four years, it would be appropriate to entertain proposals from those interested for the operation of the airport beginning October 15, 1980. The Authority will advertise, inviting proposals, and you are invited to submit a proposal for a new lease to begin October 15, 1980. All proposals are to be received at the office of the Chairman on or before September 1, 1980.

Sincerely,

MOUNT AIRY/SURRY COUNTY
AIRPORT AUTHORITY

Howard O. Woltz, Jr.
Secretary

HOWjr/jh

cc: Mr. Richard S. Wimbish
Mr. Raymond A. Smith
Mr. Newell E. Baker, Jr.
Mr. W. Brad Thomas
Mr. W. Thomas White, Attorney

MINUTES

MOUNT AIRY/SURRY COUNTY AIRPORT AUTHORITY

A regular meeting of the Mount Airy/Surry County Airport Authority was held at 7:30 P. M. on November 10, 1980 at the Airport with Members Dick Wimbish, Brad Thomas, Newell Baker and Howard O. Woltz, Jr. attending. Raymond Smith was out of town.

Chairman Wimbish reported on the status of the ramp extension. The work is practically completed with only a few items remaining to be done. Chairman Wimbish further reported on an Airport inspection whereby an FAA Inspector is making a check on encroachment by trees on the clear zone easements. A further report will follow.

Jim Cauffman reported that he has made arrangements with John Hunter to acquire the fuel in the tanks and that now 100 octane, 80 octane and jet fuel are available. Jim Cauffman discussed his need for space for an engine overhaul facility.

By unanimous vote the Authority Members went into Executive Session to discuss execution of the lease with Jim Cauffman as Fixed Base Operator. A discussion took place on the problems that Jim Cauffman is encountering in trying to set up a Fixed Base Operation without having funds available. His expected sale of his residence in California has not closed, leaving him without the necessary financial resources to set up a proper operation. Discussion took place concerning the fact that the Cauffmans had moved to Mount Airy with the expectation of entering into a lease, the terms of which had been agreed upon with the Authority. Mr. Cauffman assured the Authority that the necessary funds to finance the operation would become available shortly. The Authority discussed the fact that no liability insurance could be obtained on the Fixed Base Operation without a lease.

By unanimous vote the Authority went out of Executive Session and Mr. and Mrs. Cauffman were recalled into the meeting. Upon motion by Newell Baker and second by Brad Thomas, the Authority voted unanimously to execute the lease heretofore negotiated. A copy of the lease is attached to these Minutes.

The Chairman appointed Newell Baker to investigate the best method of handling security lighting. The Authority authorized Newell Baker to contract for four security lights, either by purchase or on rental from Duke Power, whichever he determined best.

The Authority unanimously approved the purchase from John Hunter of the heater located in the maintenance hangar at a price of \$350.

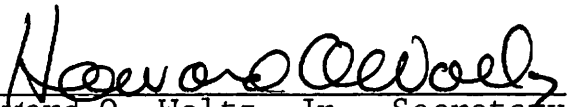
The Authority authorized Jim Caufman to investigate what would be involved in converting an area approximately 25' x 40' within the 80' x 80' hangar into space for an engine shop. After the investigation is completed, a called meeting of the Authority will be held to discuss what action should be taken.

The Chairman appointed Raymond Smith to work with the Caufmans in acquiring suitable furniture and draperies for the operations office.


The Authority complimented the Caufmans on the clean-up and paint-up and the generally improved appearance of the operations office.

There being no further business, the meeting was adjourned.

Respectfully submitted,


Howard O. Woltz, Jr., Secretary

Accepted:


Richard S. Wimbish, Chairman

Attachments

ORIGINAL

NORTH CAROLINA)
)
SURRY COUNTY)

Prepared by; W. Thomas White
LEASE AGREEMENT

THIS AGREEMENT, made and entered into this the _____ day
of ~~September~~ October, 1980, by and between MOUNT AIRY-SURRY COUNTY COUNTY
AIRPORT COMMISSION, hereinafter called Owner, and JAMES L. CAUF-
MAN and CYNTHIA M. CAUFMAN, presently residents of the State
of California, hereinafter called Operators:

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, Operators are engaged in the business of operating
airport facilities and are 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 Operators and the Operators do hereby rent
from the Owner the entire paved ramp area, the 80 foot by 80
foot hangar, the southeast compartment of the three-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 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 conduct-
ing the business of a Fixed Base Operator and for no other pur-
pose. The Operators 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 Owner, which rules and regulations may from time to time be amended.

-2-

The Operator, James L. Cauffman, acknowledges that the regulations promulgated by the Owner, provide that the airport shall be managed by an Airport Manager. The Owner hereby designates Operator James L. Cauffman as the Airport Manager with the duties as set out in the aforementioned airport regulations. The Operator, James L. Cauffman, agrees to serve as Airport Manager so long as he is so designated by the Owner. The parties acknowledge and agree that the designation of the Airport Manager is in the sole discretion of the Owner and may be changed at any time.

-3-

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

-4-

The Operators shall maintain an adequate supply of petroleum products for sale at all times. The Operators shall keep the airport facilities open for the sale of petroleum products from 8:00 a.m. until dark each day and shall be available for the sale of petroleum products by phone request at all other times. This provision is subject to the Operators' ability to obtain sufficient petroleum products using good faith efforts to obtain the same.

-5-

The Operators 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 7 hereof.

-6-

The Operators 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 Operators have 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.

-7-

The Operators agree 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 Operators 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 Operators that final determination is to be the right of the Owner.

All services performed by the Operators shall be with promptness and courtesy.

-8-

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.

-9-

The Operators agree to keep the leased airport premises and facilities open to the public at the times specified in the letter and proposal attached hereto as Exhibit "B" and incorporated herein

by reference as if fully set forth herein. The Operators reserve the right to reduce operational hours in compliance with governmental requests and policies concerning the conservation of fuel.

-10-

The Operators shall at all times keep their leased Airport premises clean and free from rubbish and in a neat and presentable manner according to minimum standards to be determined by the Owner subsequent to the signing of this Lease Agreement.

-11-

The Operators 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. The Owner agrees to maintain and pay the costs of repair of the VASI, REILS, non-directional beacon, security flood lights, rotating beacon and utilities for these items.

-12-

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

-13-

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 Operators for the use thereof by the Operators. The Operators may construct such additional buildings or hangars as they deem proper and at the expiration of the lease period, including any option periods, the Operators may remove the same from the premises and agree to restore the premises to as good a condition as when received by it, reasonable wear and tear excepted, and agree specifically to indemnify the Owner for any damages or injuries to the premises caused thereby. The Owner has constructed a three-compartment "T" Hangar, a four-compartment

"T" Hangar, an 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 Operators shall provide liability insurance for the above-mentioned buildings as provided hereinafter. The southeast compartment of the said three-compartment "T" Hangar shall be for the use of the Operators under the terms of this lease, said compartment for the Operators' use for a repair station and shop. The Operators shall be entitled to the full and complete use of the office building and the 80 foot by 80 foot hangar. The 80 foot by 80 foot hangar shall be used exclusively for the storage of aircraft until such time as the Owner may provide other satisfactory hangar facilities for the use of the airport.

-14-

At such time as a supplemental weather reporting system is made available to the Operators for use at the demised premises, the Operators agree to provide at their expense two qualified weather observers for operating said supplemental weather reporting system.

-15-

The Operators shall maintain a Fixed Base Airport Liability Insurance Policy in limits of \$100,000/\$300,000 bodily injury and \$50,000 property damage. These limits shall be minimum limits and Operators agree to obtain such higher limits as may be required by the Owner at a later time. This shall indemnify the Owner for all claims brought against it for bodily injury and property damage due to negligent or careless operations by the Operators, and the Operators shall file a copy of this policy with the Owner. The Owner shall be named as an additional insured in said policy.

-16-

The Operators shall pay to the Owner in consideration for said facilities five per cent of their gross sales for all ser-

vices rendered by the Operators. The term "gross sales" as used in the preceding sentence shall not include aircraft sales and associated warranty work to aircraft sold by the Operators, and shall not include sales of repair services or parts associated with repairs of a "for sale" aircraft owned by the Operators which aircraft is not a consignment aircraft for sale. Gross sales shall not include receipts which are refunds or receipts from the sale of capital assets and 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 in an amount equal to five per cent of gross receipts as herein defined for the previous month. The Operators 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 November of each year, the Operators shall furnish to the Owner annual financial statements for the fiscal year next preceding the 15th day of October, 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 Operators' books and records at all reasonable times, said examination to be made by the Owner or the Owner's designated agents.

-17-

The term of the lease shall be for a period of four (4) years beginning on October 15, 1980. The Operators, if they are not in default under the terms of this lease, shall have the option to extend the term of this lease for additional periods of two years each upon the same terms and conditions as is provided for the original term unless written notice of intent to terminate or renegotiate this lease is given by either party to the other thirty (30) days prior to the expiration of each term hereunder.

-18-

The terms and conditions of this agreement shall not prevent

the Owner from 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.

-19-

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 Operators are deprived of the premises, and thereafter the Operators may resume their tenancy and the agreement shall continue until the full term thereof has been enjoyed by the Operators.

-20-

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.

-21-

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

-22-

The Operators shall not enter into any transaction which would deprive the Owner of any of the rights and powers necessary to perform and comply with all covenants of the agreements or other obligations imposed by any agreement and/or the laws and regulations of the State and Federal governments. Further, the Operators agree to fully comply with all agreements and State and Federal laws and regulations with regard to the operation of the demised premises. Operators agree that in their operation and

use of said airport they 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.

-23-

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

-24-

The Operators agree 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.

-25-

The parties agree that the letter and proposal made by the Operators attached hereto as Exhibit "B" and incorporated herein by reference as if fully set forth herein is a part of this agreement except as this agreement may change or modify the proposal set forth. It is specifically agreed that all of the terms and conditions set forth in the attached Exhibit "B" are a part of this contract and shall be binding upon the parties except as herein modified.

-26-

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 Operators agree to immediately vacate the premises.

IN WITNESS WHEREOF, the Owner hereto has caused these presents to be signed in its name by its President, attested to by its

Secretary, and the Operators have hereunto set their hands and seals the day and year first above written.

MOUNT AIRY - SURRY COUNTY AIRPORT
COMMISSION - Owner

By: *Richard S. Whiting*
President *Chm*

ATTEST:

Howard Olweh
Secretary

James L. Cauffman (Seal)
JAMES L. CAUFMAN - Operator

Cynthia M. Cauffman (Seal)
CYNTHIA M. CAUFMAN - Operator

NORTH CAROLINA)
)
SURRY COUNTY)

I, Sandra S. White, a Notary Public in
and for the County of Surry, State of North Carolina, certify that
Howard O. Woltz, Jr. personally appeared before
me this day and acknowledged that he is the Secretary of Mount
Airy-Surry County Airport Commission, a corporation, and that by
authority duly given and as the act of the corporation, the fore-
going instrument was signed in its name by its President, sealed
with the corporate seal, and attested by himself as Secretary.

Witness my hand and notarial seal, this the 11th day of
~~November~~
~~September~~, 1980.

Sandra S. White

Notary Public

My Comm. Expires:

October 27, 1985

OFFICIAL SEAL
Notary Public, North Carolina
County of Surry
SANDRA S. WHITE

NORTH CAROLINA)
)
SURRY COUNTY)

I, Jaye H. Seal, a Notary Public in
and for the above County and State, do hereby certify that James
L. Caufman and Cynthia M. Caufman each personally appeared before
me this day and acknowledged the due execution of the foregoing
Lease Agreement.

Witness my hand and notarial seal, this the 24th day of
October
~~September~~, 1980.

Jaye H. Seal

Notary Public

My Comm. Expires:

1-2-85

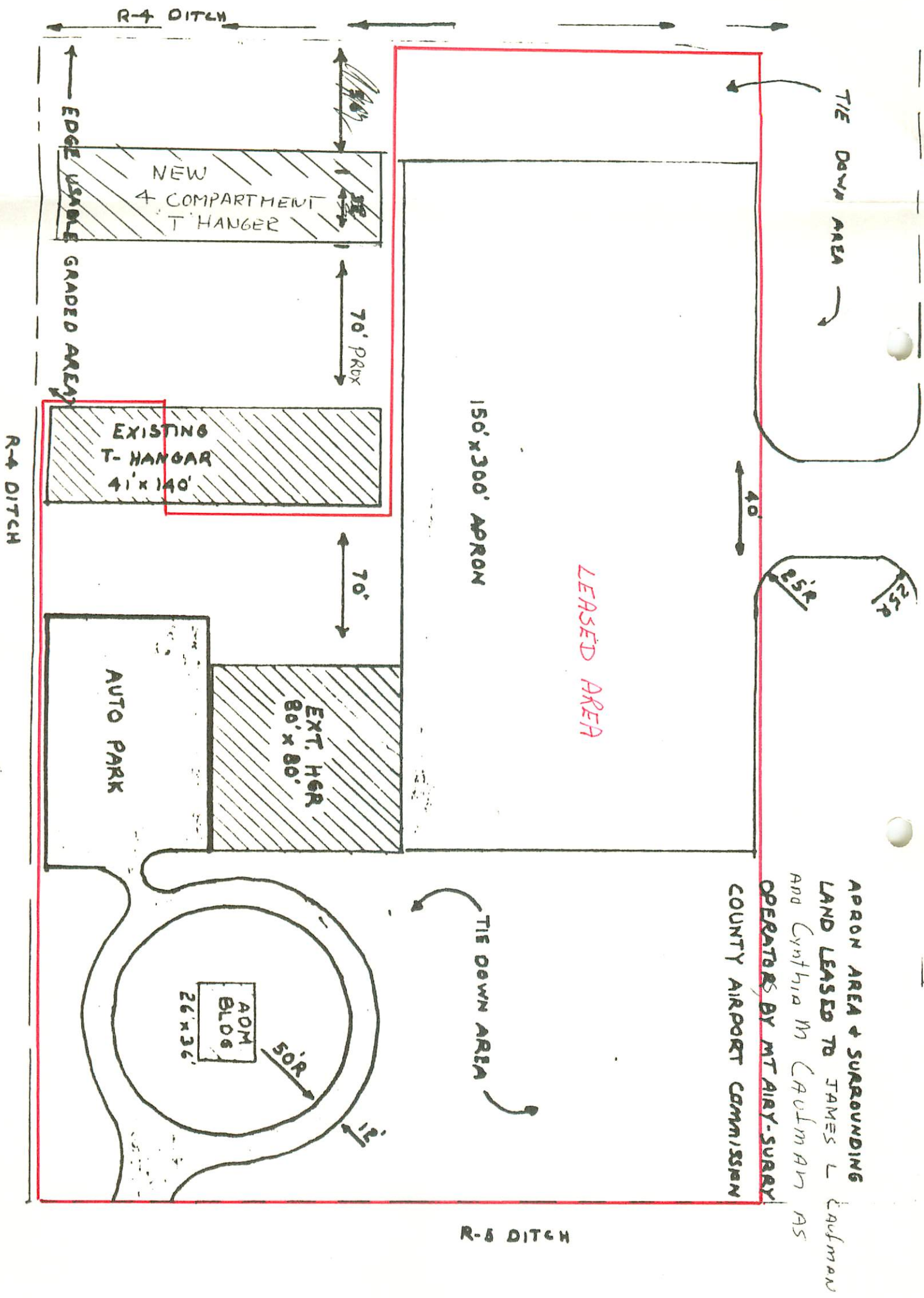


EXHIBIT A

SCALE 1"=50'