

**NORTH CAROLINA
ASHE COUNTY**

Copy of Mr. Clifton's lease

LEASE

This Contract of Lease, made and entered into this the 3rd day of October, 2006, by and between the **COUNTY OF ASHE**, Jefferson, North Carolina, a municipal corporation, hereinafter called "Lessor" and **Robert B. Clifton and Karol A. Clifton**, hereinafter called "Lessee."

WITNESSETH:

That subject to the terms and conditions hereinafter set forth, Lessor does hereby let and lease unto Lessee, and Lessee does hereby accept as Lessee a certain tract or parcel of land lying and being in the Jefferson Township, Ashe County, North Carolina, and within the lands of the Ashe County Airport, and more particularly described as follows:

Beginning on a point located 75.8 feet East and 58.4 feet South of the Southeast corner of existing brick hangar Number 6 (Ray Taylor Building) and running as follows: N 26° E, 42 feet; thence S 72° E, 32 feet; thence S 26° W, 42 feet; thence N 72° W, 32 feet to the beginning, containing 1344 square feet.

The beginning bearing reference for this description is based on the south wall of hangar No. 6 being an East-West line.

The terms and conditions of this contract of lease are as follows:

1. This lease shall begin as of the 3rd day of October, 2006 and shall continue and exist for a period of twenty (20) years from said date.
2. The rental for said demised premises to be paid by the Lessee to the Lessor shall be Four-hundred (\$400.00) Dollars annually, with the first such payment being due and payable upon the execution of this contract of lease, and a payment in a like amount shall be due and payable on or before the 30th day of June of each succeeding year thereafter during the term of this lease.
3. It is understood and agreed by and between the parties hereto that the demised premises, as hereinbefore described, are to be used as a site upon which an "approved hangar" for aircraft will be constructed by the Lessee at no cost to the Lessor, and there is hereto attached a marked "Exhibit A" plans and specifications for said hangar building are by reference incorporated into and made a part of this contract of lease.

It is further agreed by and between the parties hereto that the Lessee may not construct any other building or other improvements on said demised premises without first obtaining the

written approval and consent of the Lessor. The Lessee further agrees that all improvements authorized to be placed upon said demised premises shall be erected in a good, substantial and workmanlike manner.

* It is further understood and agreed between the parties that at the expiration of the lease, the Lessee will not be allowed to remove the hangar from the Lessor's property, but shall have the "right of first refusal" to continue the lease at a fair and equitable value as established by the Ashe County Airport.

4. In the event that the improvements upon the demised premises be destroyed or rendered unfair for use or occupancy by fire or other casualty, this lease shall, at the option of the Lessee, terminate.

5. The Lessee agrees that during the term of this lease he will be responsible for all maintenance and repairs to the demised premises and will keep the improvements on said premises in a good state of repair satisfactory to the Lessor, and that he will further keep the grounds on said demised premises clean and neat so as not to detract from the general appearance of the Ashe County Airport premises.

6. The Lessee agrees that during the term of this lease he will provide and pay for all utilities for the demised premises including, but not limited to, electric service, heat, water and telephone service; and the Lessee further agrees that during the term of this lease he will pay all charges for installation of said utilities and all ongoing charges for said utility services. The said utility systems required for improvements on said demised premises shall be place underground, and the Lessor agrees to execute any required document or documents for this purpose.

7. During the term of this Lease, the Lessor will provide and maintain full-time ingress and egress to the hangar unit, said ingress and egress to include aircraft ingress and egress from the runway and private automotive ingress and egress from the public road.

8. The Lessee agrees that during the term of this contract of lease that he will observe all policies and practices of the Ashe County Airport relating to safety, security, maintenance and operations, and will not utilize the demised premises in any manner that would hinder, cause to stop, or otherwise negatively impact the normal operations of the Ashe County Airport. It is understood and agreed by and between the parties hereto that outside storage will not be permitted upon the demised premises, the term outside storage shall include, but not be limited to oil drums, garbage containers, boxes, machinery, vehicles, and aircraft. The Lessee agrees that when it shall become necessary to unlock an airport gate for ingress or egress that the gate shall be relocked immediately. It is further agreed by and between the parties hereto that should the Lessee fail in any way to comply with these safety, security, maintenance and operations policies of the Ashe County Airport that the Lessor may take any corrective action it deems necessary and bill the Lessee for any costs incurred, and in addition thereto agreed that it will hold the Lessor harmless for any liability it may incur by reason of use of occupancy of the subject property by the lessee.

9. It is agreed by and between the parties hereto that the Lessee shall not assign this lease or sublet any portion of the demised premises without the written consent of the Lessor.

10. The terms and provisions of this contract of lease shall be binding upon the parties hereto, their successors or heirs and assigns, and legal representatives.

11. Any hangar building erected upon the Ashe County Airport shall be utilized for the primary purpose of aircraft storage as outlined in the Rules Governing the Ashe County Airport. Hangar buildings shall not be used for the primary purpose of automobile, merchandise, farm implement, or other storage.

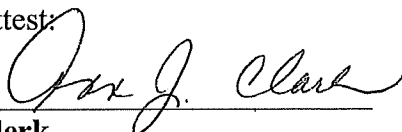
IN WITNESS WHEREOF, the County of Ashe has caused these presents to be executed by the County Manager and attested by its Clerk, and its corporate seal affixed, all by the authority of the said Board of Commissioners duly given, and Robert B. Clifton and Carol A. Clifton has personally executed these presents the day and year first written above.

COUNTY OF ASHE

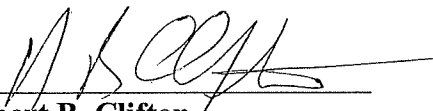
By:

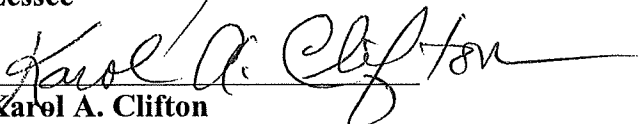

Daniel F. McMillan, County Manager
Lessor

Attest:


Clerk




Robert B. Clifton
Lessee

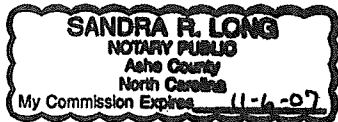

Karol A. Clifton
Lessee

North Carolina
Ashe County

I, Sandra R. Long Notary Public of Ashe County, North Carolina, do hereby certify that personally came before me, Ann J. Clark, who being by me duly sworn, says that she is Clerk to the Ashe County Board of Commissioners, a municipal corporation, and that by the authority duly given, and as the act of the corporation, the foregoing instrument was signed in its name by its County Manager, sealed with its corporate seal, and attested by herself as its Clerk.

Witness my hand and notarial seal this 3rd day of October, 2006.

My Commission Expires: 11-6-07



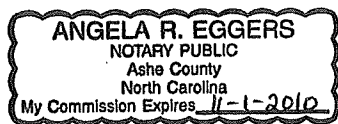
Sandra R. Long
Notary Public

North Carolina
Ashe County

I, Angela R. Eggers, Notary Public for Ashe County, North Carolina, do hereby certify that Robert B. Clifton and Karol A. Clifton personally appeared before me this day and acknowledged the due execution of the foregoing Contract of Lease.

Witness my hand and notarial seal, this 3rd day of October, 2006.

My Commission Expires: 11-1-2010



Angela R. Eggers
Notary Public