ATTACHMENT #1

JNU AIRPORT TERMINAL RENOVATION UPDATE June 18, 2009

Phase I of the JNU Terminal Renovation which consists of the south and southwest corner facade (facing the tarmac) has reached substantial completion. New windows and a light refracting awning were installed to improve energy efficiency. Siding was installed thereby updating and weatherizing the structure. Additional items included in the scope of Phase I were the reroofing of the two story section of the airport terminal and the installation of heating coils in the pedestrian crosswalk between Shell Simmons Drive and the new taxi waiting area.

Phase II, consisting of the terminal expansion on the west and north sides of the building, is in full swing. Structural steel is being erected and the framing of the exterior walls is expected to begin next week. The footings on the north side have been poured in preparation for framing of the addition. Excavation of the pedestrian crosswalk will begin next week with an estimated completion date for the roadway and crosswalk of August 15, 2009. Throughout the entirety of construction along Shell Simmons Drive, employees have been hired to assist with traffic congestion during peak airport hours of operations. They have also played an important role in facilitating pedestrian flow and crowding on the limited area of sidewalk. The estimated date of completion for Phase II of the JNU Airport Terminal Renovation is January 1, 2010.

Construction of the Geothermal Field began in May of 2009 and is progressing at a rapid pace. Gregory Drilling performed the drilling of the 108 wells to a depth of 360'. Harri Plumbing and Heating is currently fabricating the piping that will carry the antifreeze liquid from the field into the airport terminal. Harri will then be retrofitting the terminal for the new heat system. Completion of the Ground Source Heat Pump System at the JNU Airport is set to coincide with the opening of the terminal expansion on January 1, 2010.