



AGENDA

Greater Asheville Regional Airport Authority Regular Meeting
Friday, February 14, 2020, 8:30 a.m.
Conference Room at Administrative Offices

NOTICE TO THE PUBLIC: The Airport Authority welcomes comments from the public on any agenda item. Comments are received prior to the Board's discussion of the agenda item. Comments are limited to five minutes. If you wish to comment on an agenda item, please deliver a request card (available in the meeting room) to the Clerk to the Board prior to the agenda item being called by the Chair.

- I. CALL TO ORDER
- II. PRESENTATIONS: None
- III. FINANCIAL REPORT ([document](#))
- IV. CONSENT ITEMS:
 - A. Approval of the Greater Asheville Regional Airport Authority December 13, 2019 Regular Meeting Minutes ([document](#))
 - B. Approval of Waterline Easement with City of Asheville ([document](#))
 - C. Approval of the Greater Asheville Regional Airport Authority December 13, 2019 Closed Session Minutes
- V. OLD BUSINESS: None
- VI. NEW BUSINESS:
 - A. Approval to Unseal Closed Session Minutes ([document](#))
 - B. Approval of a Rental Car Concession Agreement and Lease Between Rental Car Operators, Avis Budget Car Rental System, LLC., Enterprise Leasing Company–Southeast, LLC., and GSP Transportation, LLC., and the Greater Asheville Regional Airport Authority ([document](#))



- C. Approval of Agreement Amendment Between The Paradies Shops, LLC. and the Greater Asheville Regional Airport Authority ([document](#))
- D. Approval of an Agreement Amendment between Signature Flight Support Corporation and the Greater Asheville Regional Airport Authority ([document](#))
- E. Ratify Approval of Amended Task Order No. 7 with CHA Consulting, Inc. for Short Form Environmental Assessment ([document](#))
- F. Approval of Change Order #2 for Repair of 60 Inch Reinforced Concrete Pipe ([document](#))
- G. Employee Referral Incentive Program Policy ([document](#))

VII. DIRECTOR'S REPORT:

- A. TSA Pre-Check RV Tour
- B. Social Media Comments
- C. ATCT Model Update
- D. USDOT Human Trafficking Program

VIII. INFORMATION SECTION:

(Staff presentations will not be made on these items. Staff will be available to address questions from the Board.)

- A. December 2019 Traffic Report ([document](#))
- B. December 2019 Monthly Financial Report ([document](#))
- C. February 2020 Development/Project Status Report ([document](#))
- D. Airport Facilities Review for 4th Quarter ([document](#))
- E. Potential Board Items for the Next Regular Meeting:
 - FY2020/2021 Budget Presentation



IX. PUBLIC AND TENANTS' COMMENTS

X. CALL FOR NEXT MEETING

XI. CLOSED SESSION:

Pursuant to Subsections 143-318.11 (a) (3) and (4) of the General Statutes of North Carolina to Consult with Legal Counsel in Order to Preserve the Attorney-Client Privilege and to Discuss Matters Relating to the Location and/or Expansion of Industries or Other Businesses in the Area Served by the Authority, Including Agreement on a Tentative List of Economic Development Incentives that may be Offered by the Authority in Negotiations.

XII. AUTHORITY MEMBER REPORTS:

A. Key Strategic Elements ([document](#))

XIII. ADJOURNMENT

This agenda of the Greater Asheville Regional Airport Authority is provided as a matter of convenience to the public. It is not the official agenda. Although every effort is made to provide complete and accurate information in this agenda, the Greater Asheville Regional Airport Authority does not warrant or guarantee its accuracy or completeness for any purpose. The agenda is subject to change before and/or during the Board meeting.

**Asheville Regional Airport
Executive Summary
December-19**

AIRPORT ACTIVITY

	Month	Variance to Prior Year	Calendar Year to Date	Variance to Prior Year
Passenger Enplanements	70,892	42.9%	809,093	42.4%
Aircraft Operations				
Commercial	2,067	34.0%	24,521	26.6%
Scheduled Flights	945	39.8%		
Flight Cancellations	-			
Seats	91,099	41.3%	1,035,385	49.4%
Load Factor	77.8%	1.2%	78.1%	(4.7%)
General Aviation	3,207	21.7%	47,604	22.9%
Military	159	(16.3%)	3,059	(4.3%)

FINANCIAL RESULTS

	Month	Variance to Budget	Fiscal Year to Date	Variance to Budget
Operating Revenues	\$ 1,461,166	37.7%	\$ 9,174,978	44.1%
Operating Expenses	722,727	(22.7%)	4,327,299	(22.9%)
Net Operating Revenues before Depreciation	<u>\$ 738,439</u>		<u>\$ 4,847,679</u>	
Net Non-Operating Revenues	<u>\$ 398,367</u>	16.6%	<u>\$ 1,938,756</u>	(5.4%)
Grants:				
FAA AIP Grants	\$ 1,956,400		\$ 6,115,585	
NC Dept of Transportation Grants	-		-	
Total	<u>\$ 1,956,400</u>		<u>\$ 6,115,585</u>	

CASH

Restricted	\$ 15,458,648
Designated for O&M Reserve	5,201,092
Designated for Emergency Repair	650,000
Unrestricted, Undesignated	14,011,191
Total	<u>\$ 35,320,931</u>

RECEIVABLES PAST DUE

	Total	1-30 Days	31-60 Days	Over 60 Days
Advertising Customers	30,332	6,350	4,445	19,537
Allegiant	12,879	12,355	435	89
American	1,133	567	566	-
Avis	7,202	246	345	6,611
Budget	30,755	11,712	-	19,043
Elite	10,770	-	-	10,770
Enterprise	3,831	491	496	2,844
TSA	6,769	1,167	330	5,272
Hertz	2,158	682	690	786
Paradies	6,677	-	-	6,677
Signature	3,912	-	-	3,912
Skywest	3,093	437	449	2,207
Spirit	1,699	-	-	1,699
Travelers	2,882	-	-	2,882
United	5,489	5,489	-	-
Vanguard	3,657	690	688	2,279
WNC Aviation	1,073	-	74	999
Worldwide	6,095	-	-	6,095
Miscellaneous	21,335	611	1,057	19,667
Total	<u>\$ 161,741</u>	<u>\$ 40,797</u>	<u>\$ 9,575</u>	<u>\$ 111,369</u>
% of Total Receivables	<u>20.19%</u>			

Note: Excludes balances paid subsequent to month-end.

REVENUE BONDS PAYABLE

	Original Amount	Current Balance
Parking Garage Revenue Bond, Series 2016A	\$ 15,750,000	\$ 15,750,000
Parking Garage Taxable Revenue Bond, Series 2016B	5,250,000	1,835,000
	<u>\$ 21,000,000</u>	<u>\$ 17,585,000</u>

CAPITAL EXPENDITURES

Annual Budget	\$ 62,902,904
Year-to-Date Spending	\$ 8,428,423

**REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
December 13, 2019**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, December 13, 2019 at 8:30 a.m. in the Conference Room at the Authority's Administrative Offices, Asheville Regional Airport ("Airport"), 61 Terminal Drive, Suite 1, Asheville, NC 28732.

MEMBERS PRESENT: Matthew C. Burril, Chair; Stephanie Pace Brown; Carl H. Ricker, Jr.; and Thomas M. Apodaca

MEMBERS ABSENT: K. Ray Bailey, Vice-Chair; George H. Erwin, Jr.; and Brad Galbraith

STAFF AND LEGAL COUNSEL PRESENT: Cindy Rice, Authority Legal Counsel; Lew Bleiweis, Executive Director; Michael Reisman, Deputy Executive Director; Kevan Smith, Chief of Public Safety; Tina Kinsey, Director of Marketing and Public Relations; Janet Burnette, Director of Finance and Accounting; Shane Stockman, IT Director; John Coon, Director of Operations and Maintenance; Lisa Jump, Director of Administration and Human Resources; Jared Merrill, Airport Planning Manager; Samuel Sales, Public Safety Captain; Wendi Sparks, Operations Specialist; and Ellen Heywood, Clerk to the Board

ALSO PRESENT: Patrick Pettit, Haskell; Jon McCalmont, Parrish & Partners; James Moose, Avcon; David King, Gresham Smith; Nick Loder, RS&H

CALL TO ORDER: The Chair called the meeting to order at 8:30 a.m.

SERVICE AWARD PRESENTATION: The Chair recognized Wendi Sparks with a service award and gift for her 15 years of service with the Authority.

PRESENTATIONS: None

FINANCIAL REPORT: The Director reported on the airport activity for the month of October which included enplanements, aircraft operations, and general aviation activity. Janet Burnette reported on the financial activity for the month of October.

CONSENT ITEMS: The Chair stated that Consent Item C, Approval of the Greater Asheville Regional Airport Authority November 15, 2019 Closed Session Minutes, would be pulled for review in Closed Session.

Mr. Apodaca moved to approve Consent Items A and B. Mr. Ricker seconded the motion and it carried unanimously.

OLD BUSINESS: None

NEW BUSINESS:

A. Approval of Memorandum of Agreement (MOA) Between the Federal Aviation Administration and the Greater Asheville Regional Airport Authority for the Asheville Regional Airport Traffic Control Tower and Terminal Radar Approach Control Facility Replacement Project: Michael Reisman reminded the Board that the FAA is conducting a siting study to identify the location for a new air traffic control tower (ATCT). Mr. Reisman advised the Board that the MOA commits the Authority to fund the design and construction of the ATCT and once completed, the FAA would lease or reimburse the Authority for the investment over a period of time. The MOA identifies the responsibilities of the Authority and the FAA and is typically in place by a certain milestone in the siting study process. The Authority will likely be responsible for the maintenance of the ATCT and would need to provide custodial services. Mr. Reisman stated that while there is no immediate fiscal impact to enter into the MOA with the FAA, staff will bring the financial commitments to the Board for approval at the appropriate time.

The Director informed the Board that while in Washington, DC earlier in the month, he met with the FAA and was told that due to a lack of funding, the FAA is moving away from constructing and owning ATCTs. The FAA is looking at airports to own and lease these facilities. The Director stated that negotiations with the FAA are continuing and the MOA is not available to present to the Board. If the FAA requires the MOA to be in place prior to staff's visit to the FAA modeling lab in January, the Director was seeking some latitude from the Board to continue negotiating with the FAA for a commitment of a long-term lease, and if necessary, move forward with a lease so that the visit to the modeling lab or the siting process is not stymied.

The Chair questioned if the Board was being asked to give the Director authority to move forward with construction of the ATCT without knowing the cost. The Director responded that the MOA does not have a fiscal obligation. Staff would need to bring design and construction agreements for the ATCT to the Board for approval at the appropriate time.

Mr. Ricker moved to authorize the Executive Director to continue negotiations with the FAA to reach mutually agreeable terms and conditions or to accept the current contract terms and execute the documents and report back to the Board at the appropriate time. Ms. Brown seconded the motion and it carried unanimously.

B. Approval of Task Order No. 2, Part B with GS&P N.C. an Affiliate of Gresham Smith and Partners for Terminal Building Phase 2 Modernization

Design Services: Michael Reisman advised the Board that Scope of Services 2, Part A was approved in August 2019 for Phase 1 of design services for the terminal expansion which included design development and schematic design. Task Order No. 2, Part B includes all remaining design and construction services for the project. Mr. Reisman stated that the FAA will be providing \$10 million in AIP funding for design of the terminal expansion project, however, the full cost of design services must be under contract in advance of the issuance of the grant. Mr. Reisman further stated that the fee for Part B is \$8,638,889.50. The total cost for both Part A and B is \$12,608,794. Since the FAA AIP funding will cover \$10 million, the balance of the design services will be paid for with airport funds.

The Board asked for clarification of the design process and questioned if the contract with the consultant was severable if the Authority decided not to enter into Phase 2 of the contract. Mr. Reisman responded that all consulting service contracts are severable and that the Authority would only be obligated to pay for work performed up to that point. Mr. Reisman further stated that staff typically will award a single task order for an entire design project, however, because of the size and complexity of the project, it was requested by the FAA that the Authority break the design contract into two phases. The project is now going into Phase 1 design. Once the design is at the 30% point and staff is comfortable with the project moving forward, a notice to proceed on Phase 2 will be issued and GS&P will continue with the design and start refining the design. The Director stated that once the grant is issued by the FAA, the Authority will have two years to spend the money, otherwise the FAA takes back the remaining funds.

Ms. Brown moved to approve Task Order No. 2, Part B with GS&P, N.C. an affiliate of Gresham Smith and Partners in the amount not to exceed \$8,638,889.50 and authorize the Executive Director to sign the necessary documents. Mr. Apodaca seconded the motion and it carried unanimously.

C. Approval of Scope of Services Number 22 with AVCON Engineers and Planners, Inc.

Michael Reisman informed the Board that the Authority has a contract with AVCON Engineers and Planners, Inc. for design and construction administration services for the Airfield Re-development project Bid Packages 3 and 4. Scope of Services Number 22 includes additional services requested of AVCON due to delays with Bid Package 4 and the not to exceed fee for their services is \$330,614.00. Mr. Reisman stated that these services will be paid for with Authority funds and requires the following budget ordinance amendment:

BE IT ORDAINED by the Greater Asheville Regional Airport Authority that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2020:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Capital Improvements	_____	<u>\$ 330,614.00</u>
Totals	_____	<u>\$ 330,614.00</u>

This will result in a net increase of \$330,614.00 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash	_____	<u>\$330,614.00</u>
Totals	_____	<u>\$330,614.00</u>

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Greater Asheville Regional Airport Authority, and to the Budget Officer and to the Finance Officer for their direction.

Adopted this 13th day of December, 2019.

Matthew Burrell, Chair

Attested by:

Ellen Heywood, Clerk to the Board

Mr. Ricker moved to approve Scope of Services No. 22 with AVCON Engineers and Planners, Inc. in an amount not to exceed \$330,614.00, authorize the Executive Director

to execute the necessary documents, and amend the FY2019/2020 budget by adopting the budget ordinance amendment presented by staff. Mr. Apodaca seconded the motion and it carried unanimously.

D. Approval of Change Order No. 1 for Repair of 60 Inch Reinforced Concrete Pipe: Jared Merrill reported that repairs to the 60" pipe in the north general aviation area began in early December and upon further physical inspection of the pipe by Applied Polymerics and Kimley Horn, an additional 19 leaks have been detected. Change Order No. 1 with Applied Polymerics provides for the repair of these additional leaks at a cost of \$31,350.00. Authority funds will be used to cover the cost and will require the following budget ordinance amendment:

BE IT ORDAINED by the Greater Asheville Regional Airport Authority that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2020:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Capital Improvements	_____	<u>\$31,350.00</u>
Totals	_____	<u>\$31,350.00</u>

This will result in a net increase of \$31,350.00 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash	_____	<u>\$31,350.00</u>
Totals	_____	<u>\$31,350.00</u>

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Greater Asheville Regional Airport Authority, and to the Budget Officer and to the Finance Officer for their direction.

Adopted this 13th day of December 2019.

Matthew Burrell, Chair

Attested by:

Ellen Heywood, Clerk to the Board

Ms. Brown moved to approve Change Order No. 1 with Applied Polymerics in the amount of \$31,350.00, authorize the Executive Director to execute the necessary documents, and amend the FY2019/2020 Budget by adopting the budget ordinance amendment as presented by staff. Mr. Ricker seconded the motion and it carried unanimously.

DIRECTOR'S REPORT: The Director advised the Board that he had a few additional items to include that were not on the agenda.

A. Contingency Transfer: The Director reported that a transfer from contingency in the amount of \$36,300 was made into the Planning Department budget for pavement survey and core work for the upper ramp in anticipation of moving the Allegiant maintenance operations to the upper ramp. A hangar will be removed from the Signature leasehold to be leased to Allegiant for expansion of their maintenance operations.

B. Zachry Construction Change Order: A change order for the south apron expansion project was received from Zachry Construction decreasing the contract amount by \$14,000. The biggest change was for the primary fencing around the project resulting in a reduction of the contract.

C. Washington, DC Meetings: While in Washington, DC recently, the Director met with the FAA and discussed the air traffic control tower (ATCT) and terminal expansion project. The Director was informed at that meeting that due to lack of funding, the FAA could not fund a new ATCT. The Director had also been told by the Memphis Airports District Office that an environmental assessment study would be required for the terminal expansion project. The Director spoke with the FAA in Washington about this requirement and was told that even though the terminal will be built to handle the capacity today, future capacity issues could arise, and an environmental assessment will be required. Staff has contracted with CHA to conduct a short-form environmental assessment at an approximate cost of \$12,000 which is within the Director's spending limit. The Director was able to meet Steven Dickson, the new Administrator for the FAA,

while he was in Washington. The Director also reported on meetings held with Senator Tillis and Congressman Meadows while in Washington, D.C.

D. Terminal Expansion Project: Staff recently met with GS&P and reviewed the schedule for the terminal expansion project. The Director stated that staff would notify the Board of any meetings scheduled for the public. Mood boards will also be utilized to gather information on how Western North Carolina should be represented in a new terminal. Staff will also be moving forward with bringing a construction manager at risk on board for the project. The Board was encouraged to participate in the sessions with GS&P should they desire. Staff will keep the Board informed of the plan and schedule for public input.

INFORMATION SECTION: No comments

PUBLIC AND TENANTS COMMENTS: None

CALL FOR NEXT MEETING: The Chair stated that the January 17, 2020 Authority Board meeting may not be necessary, but requested the Board keep the date open on their calendars. Notice will be sent out in early January.

AUTHORITY MEMBER REPORTS: None

CLOSED SESSION: At 9:20 a.m. Ms. Brown moved to go into Closed Session Pursuant to Subsections 143-318.11 (a)(3) and (4) of the General Statutes of North Carolina to Consult with Legal Counsel in Order to Preserve the Attorney-Client Privilege and to Discuss Matters Relating to the Location and/or Expansion of Industries or Other Businesses in the Area Served by the Greater Asheville Regional Airport Authority, Including Agreement on a Tentative List of Economic Development Incentives that may be Offered by the Greater Asheville Regional Airport Authority in Negotiations. Mr. Ricker seconded the motion and it carried unanimously.

The Chair indicated they would break for five minutes at which time the Board would resume in closed session.

Open Session resumed at 10:58 a.m.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY DECEMBER 13, 2019

CLOSED SESSION MINUTES: Ms. Brown moved to seal the minutes for the Closed Session just completed and to withhold such Closed Session minutes from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Ricker seconded the motion and it carried unanimously.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY NOVEMBER 15, 2019

CLOSED SESSION MINUTES: Ms. Brown moved to approve the minutes for the November 15, 2019 Closed Session and to seal and withhold the minutes for the November 15, 2019 Closed Session from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Ricker seconded the motion and it carried unanimously.

ADJOURNMENT: Ms. Brown moved to adjourn the meeting at 11:01 a.m. Mr. Ricker seconded the motion and it carried unanimously.

Respectfully submitted,

Ellen Heywood
Clerk to the Board

Approved:

Matthew C. Burrell
Chair



MEMORANDUM

TO: Members of the Airport Authority

FROM: Lew Bleiweis, A.A.E., Executive Director

DATE: February 14, 2020

ITEM DESCRIPTION – Consent Item B

Approval of Waterline Easement with City of Asheville

BACKGROUND

The Authority owns the property along the west side of Ferncliff Park Drive in the vicinity of the traffic circle. The City of Asheville, ("City") installed a 6" waterline for Riveter Property Holdings, LLC, ("Riveter") an indoor sports entertainment complex, that was recently constructed also on the west side of Ferncliff Park Drive. The City mistakenly placed this waterline on the property thinking it was city owned property. The City discovered this mistake after the completion of the work. Riveter approached staff and inquired about obtaining an easement for the City owned waterline. Staff worked with both City and Riveter to provide City with the necessary easement. Since this easement is for a private business entity, the Authority is required, by Federal Aviation Administration regulations, to charge a monetary value of at least fair market value for the land and/or easement. The size of the easement is approximately 223 square feet.

ISSUES

The City issued Riveter a temporary certificate of occupancy based on the approval of this easement. Without the approval, the City will terminate the water service to Riveter, and Riveter will be forced to close until alternate waterline arrangements can be constructed.

ALTERNATIVES

The Board could decide not to approve this easement.

Consent – Item B



FISCAL IMPACT

Based on recent appraisals for other properties in the general vicinity, staff has determined that \$1,000 is a reasonable fee based on the small size of the easement property. The City will be required to pay this fee prior to execution of the documents. Staff will also be charging Riveter any attorney fees incurred for this transaction.

RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to (1) approve a sale of easement, as described above, to City of Asheville for the total amount of \$1,000.00 and; (2) authorize the Executive Director to execute the necessary documents.

PREPARED BY: Asheville City Attorney's Office

AFTER EASEMENT HAS BEEN RECORDED, PLEASE SEND ORIGINAL TO:
City of Asheville Water Department; P. O. Box 7148; Asheville, NC 28802.

Project Name: The Riveter

Project No: WPFY-18-19-086

Project Location: 701 Old Fanning Bridge Rd

STATE OF NORTH CAROLINA
COUNTY OF BUNCOMBE

WATERLINE EASEMENT

THIS WATERLINE EASEMENT, made and entered into this _____ day of _____, 20____, by and between Greater Asheville Regional Airport Authority, a body corporate and politic in the State of North Carolina, herein "Grantor," and the City of Asheville, a North Carolina Municipal Corporation, herein "Grantee." (The designations Grantor and Grantee as used herein shall include said parties, their heirs, successors and assigns and shall include singular, plural, masculine, feminine and neuter as required by context).

W I T N E S S E T H:

WHEREAS, Riveter Property Holdings, LLC has constructed a 6-inch waterline, crossing the lands of Grantor as described in Deed Book 5565 Page 1196 of the Buncombe County Registry, and now wishes to convey said waterline to the Grantee; and

WHEREAS, as a condition of acceptance, Grantee desires a perpetual easement for ingress, egress, and regress to said waterline for the purpose of constructing, laying, replacing, enlarging and continuing general maintenance of said waterline; and

WHEREAS, the Grantor shall have the continuing right to cultivate and use the property subject to the waterline easement, provided that said use in no way interferes with the ability of said waterline to conduct water nor with the right of the Grantee, its successors and assigns to construct and maintain said waterline as set forth below.

NOW, THEREFORE, for valuable consideration, from Grantee to Grantor, the receipt and sufficiency of \$1000.00, the Grantor hereby grants, dedicates and conveys unto the Grantee, its successors and assigns, a Waterline and Easement located as set forth below, said waterline easement being more particularly described as follows:

Being all of the Waterline and Easement Area as set forth in Plat Book 204, at Page 175, recorded in the Buncombe County Register of Deeds Office.

Further, Grantor hereby agrees and accepts all of the conditions required by Grantee as part of this acceptance as shown on said plat, and as set forth below:

CONDITIONS

- A. The Grantee shall have the right to construct, operate, maintain, repair, enlarge, inspect and reconstruct within the permanent easement described above, waterlines for the transmission of water for public use, together with the right to do all things necessary or convenient thereto.
- B. The Grantee, its officers, agents and employees shall have the right to go to and from the permanent easement at all times across the Real Property by such route or routes as shall cause Grantor the least practicable inconvenience, as determined in Grantee's sole discretion, including the use of private roads and ways then existing thereon, on foot or by conveyance, with materials, machinery, supplies, and equipment as may be desirable to Grantee; provided such right of ingress, egress, and regress shall not extend to any portions of the Real Property which are separated from the permanent easement by any public road now or hereafter crossing the Real Property. Provided further, that except in emergencies, existing roads and ways thereon shall be used to the extent that they afford ingress, egress and regress to and from said permanent easement.
- C. The Grantee shall have the right to clear the permanent easement and keep the same cleared at all times, and to remove therefrom all buildings, structures, improvements, fixtures, brush, trees and other obstructions.
- D. The Grantee shall have the right to erect and maintain below ground structures for access to the waterlines and for controlling water flowing through said waterline and the right to install, operate and maintain other equipment necessary for transmitting water.
- E. The Grantor shall at all times, have the right to use said permanent easement for all purposes not inconsistent with the rights acquired hereto and use thereof by Grantee. Provided however, the Grantor shall not: (1) cause the waterline to be undermined in any way; (2) cause electric, telephone or television cable lines to be constructed within the permanent easement; (3) cause any buildings, wells, septic tanks, absorption pits, underground or overhead storage tanks or burial ground to be placed on or within the permanent easement; or (4) cause Grantee's facilities or use of said permanent easement to be interfered with or endangered by Grantor, its heirs, successors and assigns.
- F. The Grantor hereby releases and forever discharges, the Grantee, its successors and assigns, from any and all claims associated with Grantee's use of the permanent easement crossing the Real Property, said use to include all purposes for which the Grantee is authorized to utilize the easement contained therein and provided by law.
- G. The easement, covenants, terms and conditions contained herein are intended to and shall run with the Real Property and shall be binding on Grantee and Grantor and their respective successors, heirs and assigns. Grantor warrants that Grantor has good title to the Real Property and warrants Grantee's quiet enjoyment of the easement.

TO HAVE AND TO HOLD said permanent easement unto said Grantee, its successors and assigns, upon the terms and for the time periods set forth above.

IN WITNESS WHEREOF, the Grantor has hereunto caused this waterline easement to be duly executed by its authorized officials on the day and year set forth below:

Greater Asheville Regional Airport Authority
(Grantor)

By: _____ (SEAL)
Name:
Title:

STATE OF: _____

COUNTY OF: _____

I, _____, a Notary Public for said County and State do hereby certify that
_____, of Greater Asheville Regional Airport Authority,
(Name)

a _____, personally appeared before me this day and
(Title)

executed the foregoing instrument on behalf of the company.

Witness my hand and notarial seal this _____ day of _____, 20 _____

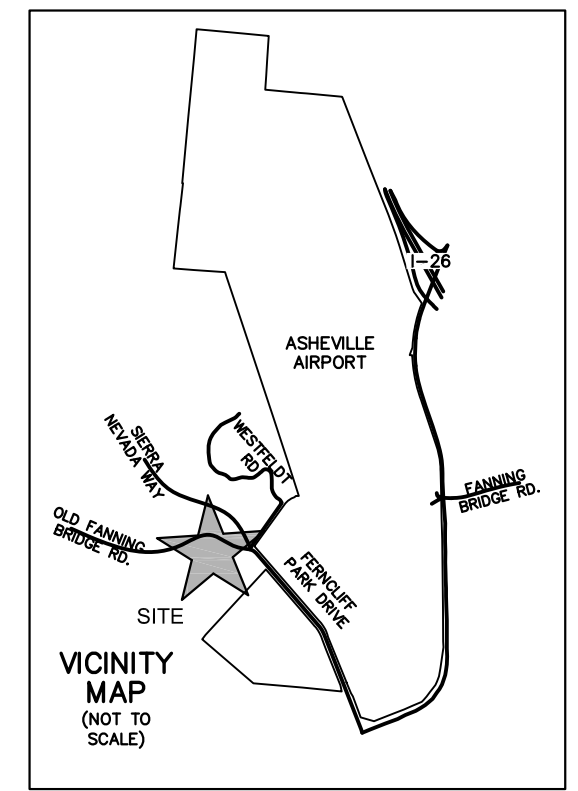
Notary Public: _____

Type or Print Name: _____

My Commission Expires: _____

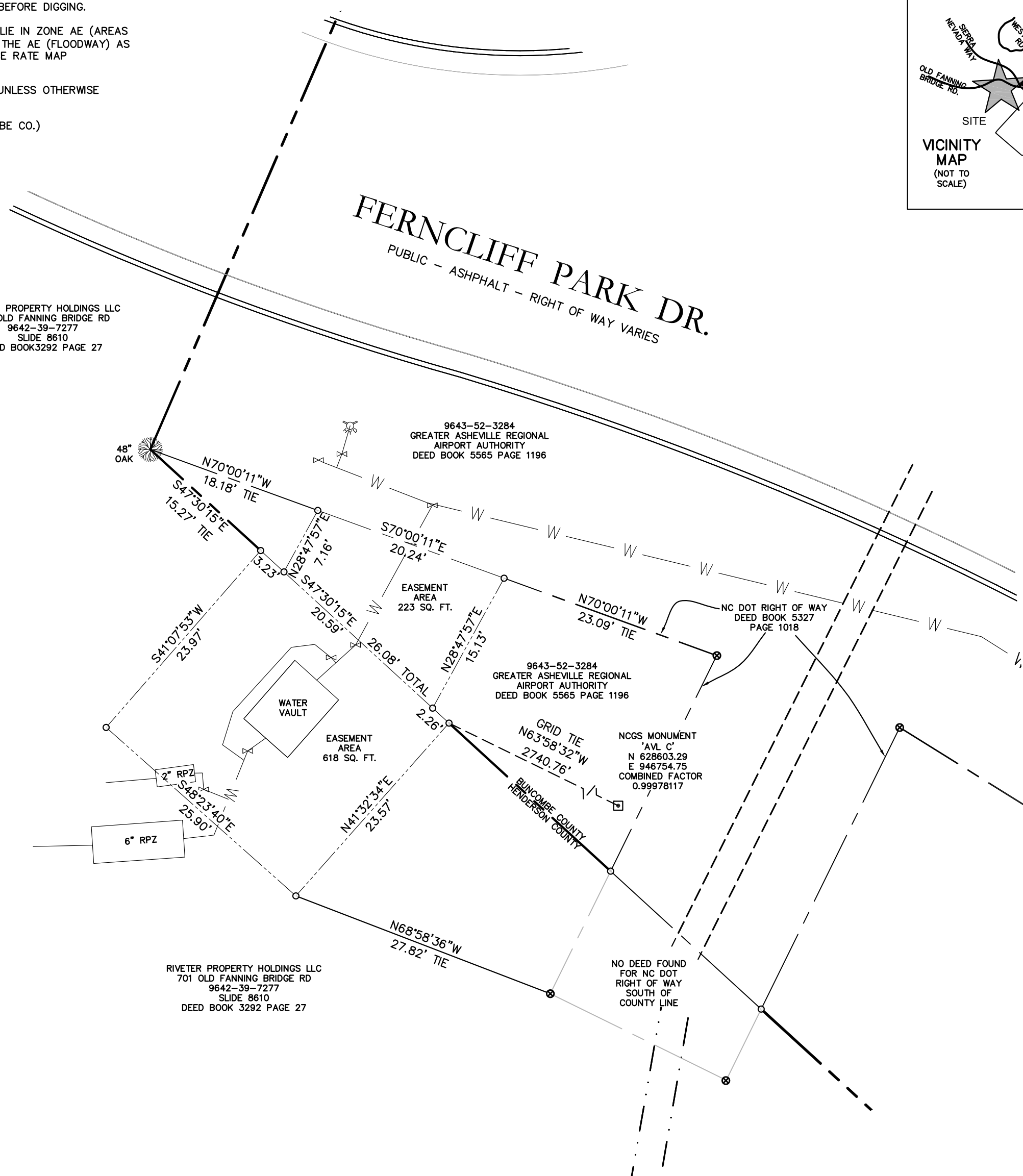
NOTES

- * THIS SURVEY WAS PREPARED WITHOUT BENEFIT OF ABSTRACT TITLE AND MATTERS OF TITLE SHOULD BE REFERRED TO AN ATTORNEY-AT-LAW.
- * THIS SURVEY MAY BE SUBJECT TO ALL RIGHTS-OF-WAYS, EASEMENTS, RESERVATIONS AND RESTRICTIONS, WRITTEN AND UNWRITTEN, RECORDED AND UNRECORDED.
- * THE CERTIFICATION SHOWN HEREON IS NOT A CERTIFICATION OF TITLE, ZONING OR FREEDOM FROM ENCUMBRANCES.
- * ADJOINING PROPERTY OWNER INFORMATION TAKEN FROM THE BUNCOMBE COUNTY GIS WEBSITE.
- * NO UNDERGROUND UTILITIES WERE LOCATED. CALL 1-800-632-4949 BEFORE DIGGING.
- * BASED ON GEOGRAPHICAL INFORMATION, PORTIONS OF THIS PROPERTY LIE IN ZONE AE (AREAS DETERMINED TO BE WITHIN THE 0.2% ANNUAL CHANCE FLOODPLAIN) AND THE AE (FLOODWAY) AS SHOWN ON THE NATIONAL FLOOD INSURANCE PROGRAM, FLOOD INSURANCE RATE MAP 3700964300J, EFFECTIVE DATE JANUARY 6, 2010.
- * ALL DISTANCES SHOWN HEREON ARE HORIZONTAL GROUND DISTANCES UNLESS OTHERWISE NOTED.
- * THIS PROPERTY IS ZONED 'MR-L1' (HENDERSON CO.) AND 'A1' (BUNCOMBE CO.)
- * TOTAL AREA OF EASEMENTS 841 SQ FT



RIVETER PROPERTY HOLDINGS LLC
701 OLD FANNING BRIDGE RD
9642-39-7277
SLIDE 8610
DEED BOOK 3292 PAGE 27

FERNCLIFF PARK DR.
PUBLIC - ASPHALT - RIGHT OF WAY VARIES



RIVETER PROPERTY HOLDINGS LLC
701 OLD FANNING BRIDGE RD
9642-39-7277
SLIDE 8610
DEED BOOK 3292 PAGE 27



LEGEND

□	NCGS CONCRETE MONUMENT
○	ALUMINUM RIGHT OF WAY DISK
○	UNMARKED POINT
— W — W —	WATER LINE
==	STORM WATER DRAINAGE
---	WATER LINE EASEMENT
---	RIGHT OF WAY
---	CREEK
⊗	WATER VALVE
⊕	HYDRANT

PLAT INTENT STATEMENT:

THE INTENT OF THIS PLAT IS TO CONVEY A TWENTY (20) FOOT WIDE WATERLINE EASEMENT, TEN (10) FEET EACH SIDE OF THE EXISTING LINES AND STRUCTURES, TO THE CITY OF ASHEVILLE FOR THE MAINTENANCE OF THE WATER SYSTEM. THE CITY OF ASHEVILLE SHALL ALSO HAVE THE RIGHT TO ACCESS ALL PUBLICLY OWNED WATER METERS.

WATERLINE EASEMENT FOR THE
CITY OF ASHEVILLE,
NORTH CAROLINA
ACROSS THE PROPERTY OF
RIVETER PROPERTY HOLDINGS, LLC
AND
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
WPFY - 18-19-086
PROJECT: THE RIVETER

I, JOSEPH KANE, CERTIFY THAT THIS MAP WAS DRAWN BY ME FROM AN ACTUAL SURVEY MADE UNDER MY SUPERVISION (DEED DESCRIPTION RECORDED IN DEED BOOK 3292, PAGE 27) USING TRADITIONAL FIELD PROCEDURES; THAT THE BOUNDARIES NOT SURVEYED ARE CLEARLY INDICATED BY DASHED LINES AS DRAWN FROM INFORMATION SHOWN ON PLAT; THAT THE RATIO OF PRECISION AS CALCULATED [(21 NCAC 56.1603)] IS 1:10,000 OR BETTER (CLASS A); THAT THIS PLAT WAS PREPARED IN ACCORDANCE WITH G.S. 47-30 AS AMENDED; FURTHERMORE, STATE PLANE COORDINATES FOR THIS SURVEY WERE OBTAINED BY GLOBAL NAVIGATION SATELLITE SYSTEM (GNSS) SURVEY, AND THE FOLLOWING INFORMATION WAS USED TO PERFORM THE GNSS SURVEY:

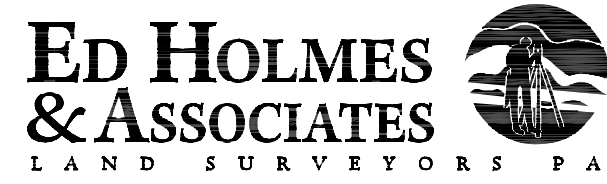
HORIZONTAL POSITIONAL ACCURACY: 0.03'(2-SIGMA)
TYPE OF GPS FIELD PROCEDURE: STATIC (POST-PROCESSED USING OPUS-RS)
DATE OF GNSS FIELD SURVEY: 01/15/2019
DATUM/EPOCH: NAD 83(2011) NAVD 88
GEOID MODEL: GEOID12A
LOCALIZATION POINT: NORTHING: 629822.05' EASTING: 944325.86'
COMBINED GRID FACTOR: 0.999781
UNITS: U.S. SURVEY FEET

I ALSO HEREBY CERTIFY THAT THIS SURVEY IS OF THE FOLLOWING CATEGORY AS DESCRIBED IN G.S. 47-30(f)(11)
(C)(4) THAT THE SURVEY IS OF A PROPOSED EASEMENT FOR A PUBLIC UTILITY AS DEFINED IN G.S. 62.3.

WITNESS MY SIGNATURE, LICENSE NUMBER, AND SEAL
THIS DAY _____

N.C. PROFESSIONAL LAND SURVEYOR L-5106

PRELIMINARY
FOR REVIEW
PURPOSES ONLY



PIN: 9642-394-7277
DB 3292 PG 27
HENDERSON COUNTY REGISTRY
PIN: 9643-52-3284
DB 5565 PG 1196
BUNCOMBE COUNTY REGISTRY
MILLS RIVER TOWNSHIP
HENDERSON COUNTY, NORTH CAROLINA
CITY OF ASHEVILLE
BUNCOMBE COUNTY, NORTH CAROLINA
SCALE: 1" = 10' 11/20/2019
JOSEPH KANE, P.L.S.
JOB# 19112
COMPANY LICENSURE # C-2806
ED HOLMES AND ASSOCIATES LAND SURVEYORS, PA
300 RIDGEFIELD CT., STE. 301, 28806
P.O. BOX 17335, ASHEVILLE, NC 28816
PHONE: (828) 225-6562





MEMORANDUM

TO: Members of the Airport Authority

FROM: Lew Bleiweis, A.A.E., Executive Director

DATE: February 14, 2020

ITEM DESCRIPTION – New Business Item A

Approval to Unseal Closed Session Minutes

BACKGROUND

The Board approved the Disposition of Authority Board Closed Session Minutes Policy at the April 15, 2011 Authority Board Meeting. The policy provides for the review of the preceding year's Closed Session Minutes at the first Authority Board meeting of each calendar year.

The Director has reviewed those Closed Session Minutes and has provided a recommendation for the unsealing of those certain minutes. The minutes recommended to be unsealed are of a business matter that have come to fruition and are no longer of a confidential nature.

ISSUES

None

ALTERNATIVES

The Board can decide to keep all Closed Session Minutes sealed.

FISCAL IMPACT

None

RECOMMENDED ACTION

It is respectfully requested that the Greater Asheville Regional Airport Authority Board resolve to unseal those portions of Closed Session Minutes as designated and recommended by the Executive Director.

New Business – Item A



MEMORANDUM

TO: Members of the Airport Authority

FROM: Christina M. Madsen, Airport Properties and Contracts Manager

DATE: February 14, 2020

ITEM DESCRIPTION – New Business Item B

Approval of a Rental Car Concession Agreement and Lease (“Agreement”) between Rental Car Operators, Avis Budget Car Rental System, LLC., Enterprise Leasing Company–Southeast, LLC., and GSP Transportation, LLC., (“Operators”) and the Greater Asheville Regional Airport Authority (“Authority”).

BACKGROUND

The current rental car concession agreements at the Asheville Regional Airport (“Airport”) were entered into on August 1, 2008 and expired on July 31, 2018 and have been on a month-to-month holdover status while staff have been negotiating a new agreement.

Since the last rental car agreements were entered into, there has been significant acquisition, sale and consolidation activity of the ownership of the current rental car operators. The majority of the rental car companies can be grouped into three major conglomerates. First, there is Enterprise Holdings, which owns Enterprise, National and Alamo, then there is the Hertz Group, comprising Hertz, Thrifty, and Dollar and lastly, there is the Avis-Budget Group. These three companies have a combined U.S. market share of almost 94%. The Airport has all of these brands represented as On-Airport rental car operators.

Due to the consolidation within the industry and the construction of a new terminal over the next five years, it is recommended to enter into a new Rental Car Concession and Lease Agreement with three companies representing eight rental car brands effective January 1, 2020, through June 30, 2030. The Hertz Group has franchised its brands to GSP Transportation, LLC., who will operate Hertz Car Rental, Thrifty Car Rental and Dollar Rent A Car. Enterprise Leasing Company–Southeast, LLC., will operate Enterprise Rent-A-Car, Alamo Rent A Car, and National Car Rental. Avis Budget Car Rental System, LLC., will operate Avis Rent A Car and Budget Rent A Car. No other rental car operators will be allowed to operate On-Airport throughout the term of the agreement.

New Business – Item B



The Rental Car Service Facilities where the rental car operators wash, repair and fuel the vehicles to return to rentable inventory were built and owned by the Authority. As part of this new Agreement, and to preserve the continued life of the assets, the Authority will take over the maintenance of these facilities on or before January 1, 2021 and the Operators will pay for those services through rental fees and the Customer Facility Charges.

The Agreement provides additional language provisions for Standards of Service, Cooperation with Airport Development Activities, Compliance with Rules and Regulations, and Disadvantaged Business Enterprise Goals.

Entering into a long-term Agreement with the Rental Car Operators allows the Authority to continue to have a guaranteed revenue stream, provide essential rental car services to the passengers and have continuous services during construction periods.

ISSUES

None.

ALTERNATIVES

None recommended at this time.

FISCAL IMPACT

The total first year Minimum Annual Guarantee ("MAG") for concession fees to be paid to the Authority by all three companies is \$1,500,000, which will be adjusted annually throughout the term of the Agreement; however, in no event will the MAG fall below \$1,500,000. In addition, rent for service counter, ready/return lot, service facilities, and Customer Facility Charges (CFCs) for the first year will be approximately \$2,500,000. Over the term of the Agreement, revenue to the Authority is anticipated to be approximately \$41,500,000.

RECOMMENDED ACTION

It is respectfully requested that the Greater Asheville Regional Airport Authority Board resolve to (1) approve the agreements described above with Avis Budget Car Rental System, LLC., Enterprise Leasing Company–Southeast, LLC., and GSP Transportation, LLC., and (2) authorize the Executive Director to execute the necessary documents.

Attachment

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY



RENTAL CAR CONCESSION AGREEMENT AND LEASE

BETWEEN

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

AND

ENTERPRISE LEASING COMPANY – SOUTHEAST, LLC.

Effective Date – January 1, 2020

RENTAL CAR CONCESSION AGREEMENT AND LEASE

TABLE OF CONTENTS

<u>ARTICLES</u>	<u>Page</u>
<u>DEFINITIONS</u>	4
<u>INTERPRETATION AND EXHIBITS</u>	8
<u>PREMISES AND FACILITIES</u>	9
<u>USE OF PREMISES</u>	10
<u>TERM</u>	11
<u>CONCESSION PRIVILEGES AND OBLIGATIONS OF OPERATOR</u>	12
<u>CONCESSION FEES, RENTALS AND OTHER CHARGES</u>	18
<u>PAYMENT OF RENTALS, PRIVILEGE FEES AND CHARGES</u>	23
<u>OPERATOR'S OBLIGATIONS OF MAINTENANCE AND IMPROVEMENTS</u>	28
<u>OBLIGATIONS OF AUTHORITY</u>	31
<u>RULES AND REGULATIONS; COMPLIANCE WITH LAWS</u>	32
<u>DAMAGE OR DESTRUCTION</u>	32
<u>INDEMNIFICATION AND INSURANCE</u>	34
<u>TERMINATION AND DEFAULT UNDER AGREEMENT</u>	40
<u>ASSIGNMENT, SUBLEASE AND TRANSFERS</u>	45
<u>GOVERNMENT INCLUSION AND GOVERNMENTAL COVENANTS</u>	46
<u>GENERAL PROVISIONS</u>	56

RENTAL CAR CONCESSION AGREEMENT AND LEASE

This Rental Car Concession Agreement and Lease ("Agreement") is entered into this first day of January, 2020, ("Effective Date") by and between the Greater Asheville Regional Airport Authority ("Authority"), created pursuant to Session Law 2012-121 by the General Assembly of North Carolina on June 28, 2012, and Enterprise Leasing Company – Southeast, LLC ("Operator"), a limited liability company, existing and doing business under and by virtue of the laws of the State of Delaware.

WITNESSETH:

WHEREAS, Authority owns and operates the Asheville Regional Airport ("Airport") and has the power to lease premises and facilities thereon and grant rights and privileges with respect thereto; and

WHEREAS, Operator is engaged in the business of providing rental car services to passengers and other customers at airports and elsewhere; and

WHEREAS, having rental car services at the Airport are necessary and desirable for the proper accommodation of passengers arriving and departing from the Airport; and

WHEREAS, Authority desires to lease certain facilities and grant certain concession rights to Operator in order to make Operator's rental car services available at the Airport; and

WHEREAS, Operator is qualified, ready and able to perform said services, and desires to lease certain Airport space and obtain certain rights and privileges with respect thereto to allow it to furnish rental car services to Airport passengers and customers; and

WHEREAS, the parties agree upon the "Effective Date", the agreement between the parties dated August 1, 2008, will terminate; and

WHEREAS, in acknowledgement of the consolidation of rental car companies in the rental car industry, and the terms and provisions of this Agreement for the occupancy of Operator of certain premises at the Airport consideration of leasing of said space and obtaining said non-exclusive rights and privileges from Authority, Operator is willing to make certain covenants and assume and undertake certain terms, conditions and obligations under this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants, conditions, terms, privileges and obligations set forth herein, Authority and Operator hereby covenant and agree, for themselves, their successors and assigns, as follows:

ARTICLE 1

DEFINITIONS

Except as otherwise clearly indicated by the context, the words and phrases defined in this section will have the following meanings when used elsewhere in this Agreement.

- 1.01 "Agreement" or "Lease" means this Rental Car Concession Agreement and Lease between the Authority and Operator dated as of the Effective Date and containing the terms and conditions for the operation of a non-exclusive Rental Car Business concession at the Airport.
- 1.02 "Agreement Year" or "Contract Year" means the 12 consecutive calendar months beginning on July 1 and ending on June 30. The First Agreement Year or Contract Year of the Agreement shall begin July 1 of the calendar year following the Effective Date.
- 1.03 "Agreement Term" or "Term" means the time period commencing on the Effective Date of this Agreement and terminating on June 30, 2030.
- 1.04 "Airport" means the Asheville Regional Airport as it presently exists and as it is hereinafter modified or expanded.
- 1.05 "Airport Authority" or "Authority" means the Greater Asheville Regional Airport Authority.
- 1.06 "Airport Director" means the Executive Director as appointed by Airport Authority, any successor or successors to the duties of such official, or any other person specifically designated to act on behalf of said Airport Director.
- 1.07 "Airport Terminal Building", "Terminal Building" or "Terminal" means the passenger terminal building at the Airport as it presently exists and as it is hereinafter modified or expanded.
- 1.08 "Certified Statement" means the certified statement required by Article 8 and as depicted on **Exhibit E**.
- 1.09 "Common Area Maintenance Fee" means the fee described in Article 7 of this Agreement.
- 1.10 "Concession Recovery Fee" means the fee described in Article 6 of this Agreement.
- 1.11 "Contract Security" means the irrevocable letter of credit or bond provided by Operator pursuant to and in accordance with the terms of Article 7 this Agreement.

- 1.12 "Counter/Office Space" means that counter, office and counter queue area depicted on **Exhibit A** to this Agreement or the space, if any, provided by Authority in substitution therefor from time to time.
- 1.13 "Consumer Price Index" or "CPI" means the change, if any, reported over the prior Contract Year using the Consumer Price Index, All Urban Consumers (CPI) published by the United States Department of Labor, Bureau of Labor Statistics (1982-84 = 100) or its designated replacement Index. The index number used for all items will be for the third month preceding the beginning of the Contract Year.
- 1.14 "Customer Facility Charge" or "CFC" means the charge imposed by Authority for each rental transaction day on each of Operator's rental car customers as referred to in Article 7 of this Agreement.
- 1.15 "Deplaned Passengers" means all departing from scheduled or charter air carrier service at the Airport and reported to the Authority.
- 1.16 "Effective Date" means the 1st day of January, 2020, as set forth above as the effective date of this Agreement.
- 1.17 "Enplaned Passengers" means all originating passengers enplaning in scheduled or charter air carrier service at the Airport and reported to Authority.
- 1.18 "Environmental Laws" means every applicable law, ordinance, rule, regulation, permit, permit condition, order, and directive regulating, relating to, or imposing liability standards of conduct relating with respect to any Hazardous Materials, or to environmental matters, including, without limitation, those relating to fines, orders, injunctions, penalties, damages, contribution, cost recovery compensation, losses, or injuries resulting from the release or threatened release of any Hazardous Materials, or regulating or relating to the generation, use, storage, transportation, or disposal of any Hazardous Materials.
- 1.19 "Environmental Permits" means all permits, licenses, approvals, authorizations, consents, and registrations required by any Environmental Laws, whether Federal, state or local, which pertain to the production, use, treatment, generation, transportation, processing, handling, disposal, or storage of any Hazardous Materials.
- 1.20 "Gross Receipts" includes all amounts received, billed (whether collected or not), delivered and/or realized by the Operator, without deduction or offset, whether by cash, credit or otherwise related to Operator's Rental Car Business

as authorized by this Agreement. All revenue is included in the definition of Gross Receipts unless specifically excluded as provided below. In determining whether an amount is or is not Gross Receipts the burden of proof is on the Operator and all exclusions below will be construed narrowly.

Gross Receipts shall not include:

- A. Taxes – Any fee or other charge levied by federal, state, county or municipal government that is explicitly identified by the taxing authority as a tax levied on the customer and required by law to be separately stated.
- B. Customer Facility Charge – As defined in Authority's Resolution, adopted May 17, 2004 as amended, when collected and remitted to the Authority.
- C. Sums actually collected by Operator from the rental car customer for payment of unpaid tolls, parking tickets, towing, impound fees, damage, loss, conversion, or abandonment of Operator's Vehicles or for disposal of Operator's damaged vehicles, including the penalty or administrative fee imposed by a third party and actually collected by Operator from the rental car customer for the collection effort, provided that Operator retains, in accordance with Article 8, documentation from a third-party that establishes that the payment of unpaid tolls, parking tickets, towing, impound fees, damage, loss, conversion, abandonment, disposal, or administration or collection fees occurred and identifies the sums collected.

1.21 "Hazardous Materials" means friable asbestos or asbestos-containing materials, polychlorinated biphenyls (PCBs), petroleum, or crude oil or any fraction thereof, natural gas, source material, special nuclear material, and byproduct materials regulated under Environmental Laws, pesticides regulated under Environmental Laws, and any hazardous waste, toxic or dangerous substance or related material, including any material defined or treated as a hazardous substance, hazardous waste, toxic substance, or contaminant (or comparable term) under any of the Environmental Laws.

1.22 "Leased Premises" means those premises leased pursuant to Article 3.

1.23 "Minimum Annual Guarantee" or "MAG" means the amount set forth in Article 7 in this Agreement as the minimum amount Operator guarantees to pay each Contract Year of the Agreement Term for the concession activities authorized herein for each Rental Car Brand(s). For each subsequent Contract Year of the Term of the Agreement, the Minimum Annual Guarantee shall be adjusted to be the greater of ninety percent (90%) of Operator's Percentage Fee for the

previous Contract Year or the Minimum Annual Guarantee for the first Contract Year of the Term of the Agreement. In no event shall the MAG fall below the original MAG set as of the Effective Date.

- 1.24 "On Airport Rental Car Companies (On-Airport RACs)" means collectively, those rental car companies leasing space from the Authority and authorized by the Authority to conduct their respective Rental Car Businesses at the Airport under a Concession and Lease Agreement.
- 1.25 "Operator" means Enterprise Leasing Company – Southeast, LLC., dba Enterprise Rent-A-Car, Alamo Rent A Car, and National Car Rental.
- 1.26 "Operator Rental Car Brand(s)" or "Rental Car Brand(s)" means the individual business entity or individual trade name owned, licensed to or otherwise authorized to be operated by Operator that has been authorized and approved by the Authority as a component of Operator's Rental Car Business. Existing Rental Car Brand(s) currently authorized to operate at the Airport include, Enterprise Rent-A-Car, Alamo Rent A Car, and National Car Rental. No additional Rental Car Brand(s) will be allowed to enter the premises as an On Airport Rental Car Company to conduct business until such time as the agreement expires and the new agreements go through a competitive bid process to allow new Rental Car Brand(s) and/or new entrants into the market.
- 1.27 "Percentage Fee" means ten (10) percent of Operator's Gross Receipts.
- 1.28 "Privilege Fee" means the greater of the Minimum Annual Guarantee or the Percentage Fee.
- 1.29 "Ready/Return Space(s)" means the Vehicle parking space(s) depicted on **Exhibit B** to this Agreement or such additional spaces or substitution spaces as are provided by Authority from time to time under the terms of this Agreement.
- 1.30 "Rent" means the rentals described in Article 7 of this Agreement.
- 1.31 "Security Charge" means the security charge described in Article 7 of this Agreement.
- 1.32 "Service Facilities" means those facilities depicted on **Exhibit C** of this Agreement.
- 1.33 "Vehicle" means any automobile of any size and category, sport utility, van or truck or any other motorized means of conveyance and subject to the use provisions of the Agreement.

ARTICLE 2

INTERPRETATION AND EXHIBITS

The following shall govern the reading and interpretation of this Agreement:

2.01 Interpretation

- a. References in the text of this Agreement to articles, sections, paragraphs or exhibits pertain to articles, sections, paragraphs or exhibits of this Agreement unless otherwise specified.
- b. The terms "hereby," "herein," "hereof," "hereto," "hereunder" and any similar terms used in this Agreement refer to this Agreement.
- c. Words importing persons shall include firms, associations, partnerships, trusts, corporations and other legal entities, including public bodies, as well as natural persons.
- d. Any headings preceding the text of the articles and sections of this Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.
- e. Words importing the singular shall include the plural and vice versa.

2.02 Incorporation of Exhibits - The following Exhibits are hereby made a part of this Agreement:

Exhibit A	Counter/Office Space Leasehold
Exhibit B	Ready/Return Space(s)
Exhibit C	Service Facilities
Exhibit D	Rent Calculation
Exhibit E	Certified Statement
Exhibit F	Irrevocable Stand-By Letter of Credit Form
Exhibit G	Certificate of Insurance Form
Exhibit H	Supplemental Fees and Charges

ARTICLE 3

PREMISES AND FACILITIES

Subject to all other terms and conditions of this Agreement, Authority hereby leases to Operator and Operator hereby leases from the Authority the following described Leased Premises at the Airport:

- 3.01 Counter/Office Space - For Operator's preferential use, the Counter/Office Space as depicted on **Exhibit A**.
- 3.02 Ready/Return Space - For Operator's preferential use, those Ready/Return Spaces and customer service booths depicted on **Exhibit B**, said spaces being subject to reallocation and redesignation as provided for in Section 3.04 hereof.
- 3.03 Service Facilities - For Operator's use individually and in common with all On-Airport RACs, the Service Facilities depicted on **Exhibit C**, being subject to reconciliation and redesignation as provided in Section 3.05 hereof.
- 3.04 Reallocation of Ready/Return Space – The Ready/Return Space assigned to each Operator upon the Effective Date, as shown on **Exhibit B** will remain in effect through June 30, 2020. Prior to May 30, 2020, the Authority will conduct a Ready/Return Space reallocation analysis calculated based on the Gross Receipts for each Operator Rental Car Brand(s) for the period March 1, 2019 through February 29, 2020. The new Ready/Return Space reallocation will become effective July 1, 2020 and will remain in effect throughout the Agreement Term, unless there is at least an annual change of 20% market share for an Operator Rental Car Brand(s). Annually, prior to May 30 throughout the Agreement Term, the Authority will conduct the Ready/Return Space reallocation analysis. The Ready/Return Space reallocation analysis will be calculated based on the Gross Receipts for each Operator Rental Car Brand(s) for the period March 1 through February 28 of each Contract Year, effective July 1. Upon any reallocation pursuant to this Section 3.04, Authority shall provide to Operator a revised **Exhibit B** to this Agreement redesignating Operator's and all On-Airport RAC's Ready/Return Space. The cost of the reallocation will be shared equally by all Rental Car Brand(s) based on market share. The Authority reserves the right to reallocate the Ready/Return Space at any time during the Agreement Term to ensure operational efficiency.
- 3.05 Reallocation of Service Facility Vehicle Storage Space – The Service Facility Vehicle Storage Space assigned to each Operator upon the Effective Date, as shown on **Exhibit C** will remain in effect throughout the Agreement Term, unless there is at least an annual change of 20% market share for an Operator Rental Car Brand(s). Annually, prior to May 30 throughout the Agreement

Term, the Authority will conduct the Service Site Facility Vehicle Storage Space reallocation analysis. The Service Facility Vehicle Storage Space reallocation analysis will be calculated based on the Gross Receipts for each Operator Rental Car Brand(s) for the period March 1 through February 28 of each Contract Year, effective July 1. Upon any reallocation pursuant to this Section 3.05, Authority shall provide to Operator a revised **Exhibit C** to this Agreement redesignating Operator's and all On-Airport RAC's Service Facility Vehicle Storage Space. The cost of the reallocation will be shared equally by all Rental Car Brand(s) based on market share.

ARTICLE 4

USE OF PREMISES

During the Term of this Agreement, Operator shall have the non-exclusive right to operate its Rental Car Business at the Airport. Operator understands and agrees that it is restricted under this Agreement to activities necessary to the operation of a Rental Car Business only, and that no other product, merchandise, or service shall be sold or offered by Operator. Operator may use the Leased Premises under this Agreement for the following purposes and for no other purpose or purposes whatsoever:

- 4.01 Counter/Office Space - Operator's Counter Space may be used for processing customer rental and return transactions, including the processing of rental agreements. Operator's office space may be used for general office and administrative purposes related to the operation of the rental car concession granted by Authority.
- 4.02 Ready/Return Space - Operator's Ready/Return Space may be used for the short-term parking of Operator's authorized Vehicles awaiting rental and delivery to customers and the short-term parking of said Vehicles after their return and prior to their being washed, fueled and again made ready for rental. The Ready/Return Space shall not be used to clean the Vehicles.
- 4.03 Service Facilities - Operator's assigned space within the Service Facilities may be used for the servicing (minor maintenance, fueling, cleaning, etc.) and temporary storage of Operator's authorized Vehicles prior to their delivery to Operator's Ready/Return Space for rental and for vehicle storage on weekends and during the change of Operator's Airport Vehicle fleet.
- 4.04 No Sale or Servicing of Vehicles - Without in any way limiting the foregoing provisions, it is expressly agreed and understood by Operator that none of the above Leased Premises, or any part thereof, may be used for any purpose other than that authorized herein and that none of the Leased Premises, or any

part thereof, may be used at any time to sell or offer for sale any Vehicle or for the fueling or servicing of any Vehicle of any other person.

4.05 Condition of Leased Premises

- a. Except as otherwise specified in Article 10 hereof, Operator shall be delivered the Leased Premises in an "as is" condition and without representation or warranty by Authority of the condition of the same. Operator acknowledges and agrees that it has inspected the Leased Premises and agrees to accept delivery of possession as heretofore specified.

ARTICLE 5

TERM

5.01 Term - The term of this Agreement will commence on the Effective Date and shall extend until 12:00 midnight on June 30, 2030, unless sooner terminated as hereinafter provided. After the Effective Date the Operator will not be allowed to operate at the Airport in any manner inconsistent with the Terms of this Agreement.

5.02 Holding Over - If Operator remains in possession of all or any portion of its Leased Premises after the expiration or termination of this Agreement, by lapse of time or otherwise, without specific written notice from Authority indicating its intention to have Operator quit and vacate the Leased Premises as of that date, such holding over shall constitute the creation of a tenancy at will, terminable by Authority at any time upon thirty (30) days written notice to Operator. During such holdover tenancy at will, Operator shall pay a Privilege Fee which is the greater of the Percentage Fee or a prorated share of the MAG applicable to its period of occupancy.

If Operator continues to operate and or occupy the premises after the expiration of the Term without the Authority's consent, Operator's occupancy shall be at sufferance in monthly intervals with fees payable in advance and equal to one hundred fifty percent of the monthly MAG. Operator shall be bound by all conditions and terms of this Agreement.

Nothing shall be construed, however, to give any right of holdover and Authority may exercise any all remedies of the law or in equity to recover possession of the premises identified in the Agreement and terminate Operator's Rental Car Business at the Airport, together with any damages incurred by Authority.

5.03 Termination of 2008 Agreement

As of the Effective Date, the 2008 Rental Car Concession Agreement and Lease ("2008 Agreement") between the parties shall be terminated. Notwithstanding the foregoing, this Section shall not limit or reduce any obligation of Operator or the Authority under the 2008 Agreement and pertinent Sections of the 2008 Agreement arising out of the occupancy or use of the premises described therein prior to the termination and Operator shall be responsible for all obligations of the 2008 Agreement.

5.04 Concession Transition - In the event that upon expiration or earlier termination of this Agreement Operator is not awarded a new or successor rental car concession at the Airport, it will fully cooperate with Authority and any successor operator in the transition of the Leased Premises to said successor operator.

ARTICLE 6

CONCESSION PRIVILEGES AND OBLIGATIONS OF OPERATOR

6.01 Concession Privileges Granted - Authority grants to Operator the following rights and privileges and Operator assumes all of the following as part of its obligation to operate a high quality, well-managed and efficiently run rental car concession from the Leased Premises and the Airport:

- a. The privilege to rent passenger-type Vehicles to the public on the Airport; the privilege to offer for sale related loss and collision damage waiver protection, personal injury and accident insurance, supplemental liability, uninsured motorist, and personal effects insurance; and the privilege to offer customer services, including but not limited to, refueling services, baby car seats, cellular/digital phones, and other related rental equipment. All such additional rights shall be approved in writing by Authority from time to time.
- b. Operator's rental car concession shall be operated under the following Rental Car Brand(s) name(s): Enterprise Rent-A-Car, Alamo Rent A Car, and National Car Rental, for the term of this Agreement. Operator cannot change or operate additional Rental Car Brand(s) at the Leased Premises or from the Airport during the term of this Agreement.
- c. Operator shall have ingress and egress to and from the Leased Premises over public roadways and such other roadways as the Airport Director may approve from time to time.

- d. The privilege for Operator's employees to use, in common with other employees on the Airport, the employee parking facilities provided by Authority, at such charges as Authority may, from time to time, establish for employees using the employee parking facilities. Employees may not park in Operator's assigned space in the Ready/Return Parking Lot or Service Facilities.
- e. All rights and privileges not specifically granted to Operator in this Agreement shall be reserved to Authority.

6.02 Non-Exclusive Privileges - The privileges granted under this Agreement are non-exclusive. By entering into this Agreement, Operator acknowledges that Authority has entered into similar agreements with other rental car concession operators for similar services from on-Airport locations under similar terms. Authority reserves the right to enter into agreements with other companies providing rental car services from "off" Airport locations, if Authority determines that it is in its best interest to do so.

6.03 Operator's Obligations With Respect to the Use of the Premises

- a. In the conduct of its business, Operator covenants and agrees to restrict its activities on the Leased Premises to only those authorized by this Agreement and shall not use or permit the use of the Leased Premises for any other purpose, nor shall it vacate the Leased Premises prior to the termination or expiration of this Agreement unless authorized in writing in advance by Authority.
- b. Operator shall use the Leased Premises solely for the rental of passenger Vehicles to Airport customers and the public and for the provision of services and equipment reasonably and directly associated with the rental of Vehicles, as specifically authorized elsewhere in this Agreement. Operator shall use the Leased Premises as fully and efficiently as possible to maximize its rental car business on the Airport.
- c. Except for its corporate signs approved in advance by Authority and except as otherwise authorized by Authority in writing, Operator shall not display nor shall it permit others to display any signs, brochures, racks, promotional materials or similar items on or about the Leased Premises or elsewhere within the Terminal Building or the Airport.
- d. Operator shall not conduct used car sales activities on the Airport. Any business activities other than those expressly granted by this Agreement shall not be conducted on the Airport without the prior written approval of Authority.

- e. Operator shall not conduct any activity not specifically authorized by this Article 6, or any activity which, in the sole judgment of Authority, conflicts with the rights granted by Authority to other non-rental car concessionaires or would not relate to an Airport purpose or product or service related to the conduct of the rental car concession granted.
- f. The Leased Premises shall not be used for the storage of disabled, damaged, destroyed, or inoperable vehicles. Operator shall within seven (7) days remove all damaged, destroyed or inoperable vehicles from the Leased Premises and the Airport.
- g. Operator hereby agrees to comply with: (i) all applicable municipal, county, state and federal laws, ordinances and regulations governing or regulating the Leased Premises or its uses, (ii) all covenants, easements and restrictions of record, (iii) "Rules, Regulations, and Minimum Standards Covering Airports Owned or Controlled by the Greater Asheville Regional Airport Authority", as the same may be amended from time to time, and (iv) the Greater Asheville Regional Airport Authority Master Plan Update in 2013, as the same may be modified hereafter (the "Master Plan").

6.04 Standards of Service

- a. Operator shall offer for rental to the public only popular-make passenger Vehicles of recent manufacture (not more than two (2) model years old). It is Operator's obligation to maintain all the vehicles offered for rental in good and safe operating order, free from known mechanical defects, and to keep the vehicles in a clean, neat, and attractive condition inside and out. Operator shall at all times maintain a sufficient number of Vehicles to meet reasonably foreseeable demands of the traveling public at the Airport.
- b. Operator shall accept at least three (3) nationally recognized credit cards for payment of Vehicle rentals; and provide or have access to a national reservation system for its rental services at the Airport.
- c. Operator will have a reasonable number of vehicles that are ADA compliant.
- d. Operator shall provide and maintain federally approved infant and children's auto safety seats, including appropriate installation hardware.
- e. Operator shall maintain a sufficient number of trained personnel to ensure that Operator's customers will receive prompt and courteous service at all times. All personnel of Operator, while on or about the Leased Premises or

elsewhere at the Airport, shall be polite, clean and neat in appearance, and appropriately attired. Authority may issue a written complaint to Operator with respect to unsuitable demeanor, conduct or appearance of Operator's employees, invitees and those doing business with it, and Operator hereby agrees to take all steps necessary to remedy such complaint.

- f. Operator shall not misrepresent to the public its prices or the terms and provisions of its rental agreements or those of its competitors. Operator shall comply with all applicable rules and regulations of the Federal Trade Commission and all other governmental agencies having jurisdiction over Operator's business operations. Operator shall fully inform each customer, prior to the execution of such customer's rental agreement, of all fees and charges applicable to such customer's rental. If Authority determines, after notice and opportunity for Operator to comment, that any of Operator's business practices are unlawful, deceptive, or discriminatory, Operator shall immediately cease such practices upon receipt of a written order to do so from Authority. Operator shall, upon receipt of written notice, immediately cease any business practices that the Authority reasonably identifies as unlawful, deceptive, or discriminatory.
- g. Operator shall at all times maintain the Leased Premises and its improvements and other personal property located on the Leased Premises in a safe, clean, orderly, attractive and first-class condition satisfactory to Authority. Any sign or other item on the Premises which Authority deems to be offensive to the public shall, upon notice from Authority, be promptly and permanently removed from the Leased Premises by Operator. Operator shall not permit any nuisance, waste or damage to be committed on the Leased Premises or elsewhere at the Airport.
- h. In the event Operator receives (or Authority receives and forwards to Operator) any written complaint concerning Operator's operation of the concession, Operator shall promptly respond to such complaint in writing (but in no event later than thirty (30) days of its receipt) and make a good-faith attempt to explain, resolve or rectify the cause of such complaint. Without further notice or demand, Operator shall keep a copy of each such complaint and Operator's written response for a period of one year from the date of the complaint and shall make the complaint and the written response available to Authority upon its request.
- i. Operator shall be open for business from the Leased Premises to provide Vehicle rental services to Airport customers daily during the period which is at least one hour before the first scheduled airline operation for the day and one hour after the last scheduled or delayed airline operation for the day.

- j. The management, maintenance and operation of the concession shall at all times be under the supervision and direction of an active, qualified, competent and experienced full-time resident manager who shall at all times be subject to the direction and control of Operator. Operator shall assign the manager an office on the Leased Premises and the manager shall be available during regular business hours. Operator shall at all times during the absence of the manager assign or cause to be assigned a qualified subordinate as manager to assume and be directly responsible for carrying out the duties of the manager.
- k. Operator shall appoint, and submit in writing to the Authority the name of, a representative authorized to act on behalf of the Operator in matters pertaining to its operation and to permit Authority access to its Leased premises on a twenty four (24) hour basis. The Operator is responsible for keeping the name of its representative(s) current with the Authority and failure to do so shall constitute a default under this Agreement. In the event of an emergency, Operator shall have this representative available and able to act on its behalf.

6.05 Non-Diversion of Rental Car Concession Business - Operator covenants, warrants and agrees that it shall not divert, directly or indirectly, any business and/or Gross Receipts from Operator's rental car concession at the Airport. Diversion shall include, but not be limited to, the following:

- a. The operation, establishment, franchising, or licensing by Operator of a rental car concession facility or business which competes with the rental car concession granted pursuant to this Agreement;
- b. The participation by Operator in the operation, establishment, franchising, or licensing of a rental car concession facility or business which competes with the rental car concession granted pursuant to this Agreement;
- c. Advertising by Operator that suggests that a customer or potential customer arriving at the Airport should rent a vehicle or take delivery of a vehicle at an off-Airport location; or
- d. Operator advising or suggesting to a customer or potential customer arriving at the Airport or pre-arranging a vehicle rental prior to or upon arrival at the Airport that such customer or potential customer rent a vehicle or take delivery of a vehicle at an off-Airport location.
- e. Any rental made or vehicle delivered by Operator, its franchisor, or any other affiliated or associated person or entity, within a five (5) mile radius of the Airport Terminal Building, from whatever location, shall be

presumed to be, and shall be reported as, a rental transaction includable within Gross Receipts under this Agreement. . Operator's business location existing at the time of this Agreement within the five (5) mile radius of the Airport Terminal Building, located at 73 Airport Road, Suite 1, Arden, NC 28704 and 38 Old Shoals Road, Arden, NC 28704, are exempted from this requirement if the customers did not use the Airport within 24 hours of rental.

- 6.06 Concession Recovery Fee - "Concession Recovery Fee " means any surcharge or any amount that Operator separately states and charges its customers to recover the amount of Operator's Privilege Fee or Percentage Fee that is payable under this Agreement. Operator acknowledges that its payment to Authority under this Agreement is for Operator's use of facilities and grant of concession rights at the Airport, and that those payments do not reflect a fee that is imposed by Authority upon customers renting Vehicles from Operator. Operator understands that Authority does not encourage nor support the practice of transferring Operator's obligation for payment of Operator's Privilege Fee or Percentage Fee due under this Agreement to its customers. Operator is prohibited from stating or implying, in writing or verbally, that the Authority or the Airport imposes or approves of any direct charge to its customers, including any surcharge that Operator passes on to its customers to recoup Operator's Privilege Fee or Percentage Fee. Operator is prohibited from misrepresenting to the public its prices or the terms and provisions of its rental agreement or those of its competitors, either verbally or in writing. If Operator recovers from or charges its customers the Privilege Fee or Percentage Fee, that charge shall be clearly and separately stated in writing immediately adjacent to Operator's time and mileage charges on the customer's rental agreement and invoice, shall not be described as a tax, and shall be no greater than 11.11% of the Gross Receipts resulting from that rental contract. Said Concession Recovery Fee shall also be included within Gross Receipts subject to the Percentage Fee under this Agreement.
- 6.07 Cooperation with Airport Development Activities. Operator understands and agrees that Authority is pursuing development activities that may affect the Leased Premises and other areas at the Airport. Operator agrees to work cooperatively and in good faith with Authority and all other tenants or participants in Authority's Airport development activities to minimize any disruptions, and provide for successful services under this Concession and Lease Agreement. If requested by Authority, Operator will cooperate with and assist the Authority in the development and implementation of any plans, designs, operational matters, or transition matters that may arise in connection with such activities.

ARTICLE 7

CONCESSION FEES, RENT AND OTHER CHARGES

7.01 Privilege Fee – From the Effective Date until the end of the Term or earlier termination of this Agreement, Operator will pay to Authority for the privilege of being granted the right to operate a rental car concession at the Airport pursuant to the provisions of Article 6 hereof an annual Privilege Fee defined in Article 1 of this Agreement. The Privilege Fee shall be the greater of the Minimum Annual Guarantee (“MAG”) or the Percentage Fee as the amount Operator guarantees to pay each Contract Year of the Agreement Term for the concession activities authorized herein for each Operator . Upon the Effective Date the MAG for Operator and Rental Car Brand(s) will be:

Enterprise Leasing Company - Southeast LLC: \$864,113.22

For each subsequent Contract Year of the Term of the Agreement, the Minimum Annual Guarantee shall be adjusted to be the greater of ninety percent (90%) of Operator’s Percentage Fee for the previous Contract Year or the Minimum Annual Guarantee for the first Contract Year of the Term of the Agreement. In no event shall the MAG fall below the original MAG set as of the Effective Date.

7.02 Rent - For and in consideration of the Leased Premises leased to and occupied by Operator under this Agreement, Operator shall pay Authority the following sums as annual Rent:

- a. For its Counter/Office Space depicted on **Exhibit A**, Operator shall pay Authority an annual rental which is the sum that is the product of the square footage of said space and the annual rental rate. The annual rental rate beginning on the Effective Date under this Agreement is \$47.00 per square foot per annum, as shown on **Exhibit D**.
- b. For the Ready/Return Space allocated to Operator pursuant to the provisions of Article 3 hereof, Operator shall pay Authority an annual rental which is the amount that is the product of the spaces so allocated to Operator during the Agreement Year and the rental rate for said space. The rental rate beginning upon the Effective Date is \$33.00 per space per month or \$396.00 per space per year, as shown on **Exhibit D**.
- c. For the land associated with the Service Facilities allocated to Operator pursuant to the provisions of Article 3 hereof, Operator shall pay Authority an annual rental which is the amount that is the product of the land area allocated to Operator during the Agreement Year and the rental rate for said space. The annual rental for all On-Airport RACs for the Service Facility beginning on the Effective Date is the sum of two hundred forty

thousand four hundred fifty-one dollars and twenty cents (\$240,451.20). Operator's portion of the annual rental is shown on **Exhibit D**.

- 7.03 Rental Adjustments - The rental rates for Counter/Office Space, Ready/Return Space, and Service Facilities for each subsequent Contract Year following the Effective Date, shall be the greater of the change in the CPI over the prior Contract Year or 3.5 percent applied to the prior Agreement Year's applicable rental rates and rental.
- 7.04 Common Area Maintenance Fee – A Common Area Maintenance Fee will be assessed and collected from all On-Airport RACs for the maintenance of landscaping, provision of exterior lighting, refuge services, and environmental services for the Service Facility, and snow removal associated with the Service Facility and Ready/Return Lot. Beginning on the Effective Date the annual Common Area Maintenance Fee for all On-Airport RACs shall be \$30,858.30. Such cost shall be reasonably adjusted annually to cover the cost of providing such services plus a ten percent (10%) administrative fee. The Common Area Maintenance Fee will be allocated annually to Operator based on the amount of square footage allocated within the Service Facility to each Operator, as shown on **Exhibit D**.
- 7.05 Customer Facility Charge (CFC) - The following provisions have been included in this Agreement to delineate Operator's obligations to collect, safeguard, account for, and remit Customer Facility Charges (CFCs) collected from Operator's customers pursuant to Authority's Resolution, adopted on May 17, 2004 and as amended on August 28, 2006, April 13, 2007, and December 10, 2010 (the "Resolution"). In the event of a conflict between the following provisions and the provisions of the Resolution (which is incorporated herein by this reference thereto), the provisions of the Resolution shall control.
- a. The Resolution imposes a uniform CFC of \$4.25 per rental transaction day on each rental car customer at the Airport. The CFC and the Resolution may be changed, modified, or repealed by Authority at any time and from time to time by subsequent resolution or resolutions of Authority.
 - b. Operator shall charge, collect, account for, and remit the CFCs required to be collected by the Resolution at the times required therein, and such remittance shall be made regardless of whether the CFCs are actually collected. Operator shall not be entitled to any right of offset and shall not otherwise reduce any CFC remittance. Operator shall remit all CFCs regardless of any amounts that may be owed or due to Operator by Authority.

- c. All CFCs collected by Operator shall be trust funds held for the benefit of Authority. Operator shall have only a temporary possessory interest and not an equitable interest in the CFCs.
- d. A minimum of 75% collected CFCs will be used to cover debt service and the remaining 25% amount will be used for other requirements determined in the sole discretion of the Authority in compliance with the Resolution.

7.06 Voice, Data and Other Utility Service Fees – Authority shall provide voice and data services within the Leased Premises and Operator shall utilize the Authority's installed telephone system and data services. Operator shall pay the fees outlined on Exhibit H Supplemental Fees and Charges, which are subject to reasonable adjustment by the Authority and are based on actual costs charged to Authority. Operator may be subject to payment of other utility service fees and charges including but not limited to electrical, sewer, and water services. Authority will also assess a ten percent (10%) administrative fee to cover the costs of providing such services to Operator.

7.07 Maintenance Fee
Operator, along with all On-Airport RACs shall pay 75% of the maintenance fee total cost to maintain the Service Facilities. The maintenance fee will not be assessed to On-Airport RACs until the transition of the maintenance responsibilities for the Service Facilities has been transferred to the Authority, which will be on or prior to January 1, 2021. The Authority's share will be 25% of the maintenance fee total cost. The Authority's share will be paid with CFC funds collected. The On-Airport RACs will pay their allocated share of the maintenance fee for the Service Facilities on a monthly basis. The maintenance fee costs will be allocated to each On-Airport RAC based upon the amount of building and fuel space occupied by Operator as shown on **Exhibit D**. The maintenance fee may be adjusted annually based on the actual costs to maintain the facility. In the event the collection of CFCs fall below the current debt service for any Contract Year throughout the Agreement Term, the Operator and all On-Airport RACs shall pay 100% of the maintenance fee until such time as the CFC collection exceeds 25% of the debt service. At the mid-term of this Agreement, the Authority will evaluate the maintenance fee and if any adjustment is warranted, the Authority and Operator's will discuss any adjustment.

7.08 Contract Security - In order to secure its performance under this Agreement, Operator shall comply with the following Contract Security requirements:

- a. In order to guarantee the timely payment of all Privilege Fees, Security Charges, Rent, Maintenance Fee, CFCs and any other payments due by Operator under this Agreement or otherwise, and to otherwise guarantee Operator's performance under this Agreement, Operator shall provide

Authority, contemporaneously with the execution of this Agreement Contract Security in the form of an irrevocable standby letter of credit or bond in an amount equal to fifty percent (50%) of Operator's Minimum Annual Guarantee set on the Effective Date. Said Contract Security shall be updated as to amount and renewed at least thirty (30) days prior to each Agreement Year if required by its terms. Said Contract Security shall be extended, or a new Contract Security provided, to remain in effect for the twelve (12) months immediately following expiration or termination of this Agreement. Said Contract Security shall be in one of the following forms:

- i. An irrevocable letter of credit drawn on a bank or financial institution doing business in North Carolina, using a form as shown on attached **Exhibit F**.
 - ii. A bond form in a form acceptable to the Authority provided by a surety authorized to conduct business in North Carolina.
 - iii. A form of security approved in writing by the Authority at its sole discretion
- b. If Operator shall fail to make any payment due Authority when due or shall commit an event of default under this Agreement, Authority shall have the right to use such Contract Security to pay Rent, Privilege Fees, Security Charges, Maintenance Fee, CFCs and any other amount owed to Authority by Operator then due and payable or to apply the proceeds thereof to any cost or expense or damages incurred by Authority as result of Operator's default. In the event that any such Contract Security or portion thereof is utilized, as aforesaid, Operator must replenish or provide a renewal or replacement Contract Security within ten (10) days of being notified to do so by Authority. Authority's rights under this Section 7.08 shall be in addition to all other rights and remedies provided to Authority under this Agreement.

7.09 Abatement or Adjustment of Minimum Annual Guarantee - If the number of passengers deplaning from scheduled airline flights at the Airport during any period of six or more consecutive calendar months shall be less than 75% of the number of such deplaning passengers in the same calendar months during the preceding calendar year, and (2) such passenger reduction, in fact, is a major curtailment of the On-Airport RACs business revenues at the Airport, the Authority shall consult with the On-Airport RACs and the Authority shall reasonably determine, in the Authority's sole discretion, the remedy or combination of remedies which may include a reduction of the Minimum Annual Guarantee set forth in Article 1, for a reasonable time frame.

7.10 Security Charge - Operator and all On-Airport RACs operating from the Leased Premises shall pay the Authority an annual Security Charge in an amount which is the sum of one-third (1/3) of the Airport's estimated security expense for the

Agreement Year allocated to the Airport's Parking and Roadway Cost Center plus the amount which is the product of the unreimbursed security expense allocated to the Terminal Building. Operator and all On-Airport RACs share of said Security Charge shall be allocated based on market share by Operator for the Agreement Year. Upon the Effective Date, the annual Security Charge is \$114,867. In the event that Authority incurs any additional cost or expense to provide security services to Operator's Leased Premises or to Operator's vehicles or customers, including but not limited to those security services directed by the Transportation Security Administration (TSA) or the FAA, Operator shall reimburse Authority for said additional reasonable costs upon Authority's invoice.

- 7.11 Additional Rent - If Authority has paid any sum or sums or has incurred any obligation or expense for which Operator has agreed to pay or reimburse Authority, or if Authority is required or elects to pay any sum or sums or insure any obligations or expense by reason of the failure, neglect, or refusal of Operator to perform or fulfill any one or more of the conditions, covenants and undertakings contained in this Agreement, Operator agrees to pay such sums or expenses, including all interest, costs, damages, and penalties, and agrees that the same shall be added to the next installment of rent due hereunder, and each and every part of the same shall be and become additionally recoverable by Authority in the same manner and with like remedies as if originally a part of the Rent, charges and fees set forth in Article 7 hereof.
- 7.12 Taxes and Assessments - Operator shall pay all taxes, including any possessory interest tax, any applicable payment in lieu of taxes, assessments, stormwater fees, and charges of a like nature, if any, which at any time during the term of this Agreement may be levied or become a lien by virtue of any levy, assessment, or charge by the Federal Government, the State of North Carolina, Buncombe County, the City of Asheville, or any other municipal corporation or other local government entity having jurisdiction over the Airport, any government successor in authority to the foregoing, or any other tax or assessment levying bodies, in whole or in part, upon or in respect to any of Operator's Leased Premises, Privilege Fees, Rent, and any other amount payable under this Agreement, or upon or in respect to any personal property belonging to Operator situated on the Leased Premises. Payment of such taxes, assessments and charges, when and if levied or assessed, shall be made by Operator directly to the taxing or assessing authority charged with collection thereof. Authority shall timely forward to Operator any assessment or tax notice received by Authority and payable by Operator.
- 7.13 License and Permit Fees - Operator shall also pay all fees associated with any and all licenses, permit, certificates and other authorizations required by any governmental authority in connection with the operations or activities performed by Operator under this Agreement.

- 7.14 Operator's Rights to Contest - Operator may, at its own expense, contest the amount or validity of any tax or assessment, or the inclusion of the Leased Premises, this Agreement or the Privilege Fees, Rent or any other payment under this Agreement as taxable or assessable property, directly against the taxing or assessing authority and Operator shall not be deemed to be in default under this Agreement for failure to pay any such tax or assessment pending the outcome of any such contest proceedings. Authority reserves the right to require Operator to provide such security as Authority's legal counsel determines necessary to assure that the tax and any costs related to the tax contest are promptly discharged upon final determination of said tax contest adverse to Operator.
- 7.15 Payments and Terminations - Upon the termination or expiration of this Agreement, all lawful taxes then levied or a lien upon any such property or any taxable interest under this Agreement, including the Leased Premises, this Agreement, or any Privilege Fees, Rent or any other payments hereunder shall be paid in full by Operator forthwith, or as soon as a statement thereof has been issued by the tax collector if termination occurs during the interval between attachment of the lien and issuance of a statement.

ARTICLE 8

PAYMENT OF RENTS, PRIVILEGE FEES AND CHARGES

- 8.01 Manner of Payment - Operator agrees to pay all sums due under this Agreement in lawful money of the United States of America, without invoice, unless invoicing is otherwise required hereunder, without further notice or demand, without deduction or setoff, by check, made payable to the Greater Asheville Regional Airport Authority, which check shall be delivered, postage or other charges prepaid, to:

By U.S. Mail	Airport Director Greater Asheville Regional Airport Authority 61 Terminal Drive, Suite 1 Fletcher, NC 28732
--------------	--

By Express Mail or Overnight Delivery:	Airport Director Greater Asheville Regional Airport Authority 61 Terminal Drive, Suite 1 Fletcher, NC 28732
---	--

Payment may also be made to Authority by Domestic Wire Transfer if so authorized by the	Bank of America Skyland Branch 1896 Hendersonville Road
---	---

Authority as follows: Asheville, NC 28803
9-digit routing number: 026009593

Payment may also be made to Authority by ACH if so authorized by the Authority as follows: Bank of America
Skyland Branch
1896 Hendersonville Road
Asheville, NC 28803
9-digit routing number: 053000196

To Credit: Greater Asheville Regional Airport Authority
Account Number: 000683542370

or at such other place or by such other method as may hereafter be designated in writing by Authority.

8.02 Amounts due shall be payable as follows:

- a. Rent for Counter/Office Space, Ready/Return Space, Service Facilities, Security Charges, Common Area Maintenance Fees, Maintenance Fee, utility, tax, and service charges, and one-twelfth (1/12) of the Minimum Annual Guarantee shall be paid in twelve equal monthly installments, in advance, not later than the first day of the month for which they are due.
- b. The amount by which the Percentage Fee for the preceding month exceeds one-twelfth (1/12) of the Minimum Annual Guarantee shall be paid to Authority by Operator within fifteen (15) days of the end of the month for which they are due.
- c. Any other charges, payments, reimbursements and fees due under this Agreement and accruing in any month shall be paid by Operator within twenty (20) days of invoicing by Authority.
- d. CFCs collected shall be remitted to Authority in accordance with the remittance requirements of the Authority Resolution establishing said CFCs and Section 7.05 of Article 7 hereof.

8.03 Late Payments - If Operator shall fail to make payment of any Rent, Privilege Fee, Security Charges, Maintenance Fee, CFC or any other payment due Authority by the due date thereof, Operator shall pay to Authority, in addition to all other remedies available to Authority and all other payments to be made by Operator to Authority, a late charge equal to the lesser of one and one half percent (1-1/2%) per month or the maximum legal monthly interest charge allowed under North Carolina Law on the overdue amount and the costs of

collection and attorney's fees, if any, incurred by Authority in attempting to obtain payment, plus an administrative fee of two hundred fifty dollars (\$250.00).

- 8.04 Authority's Right to Set Off - Authority shall have the right to set off any past due amount(s) owed Authority by Operator by applying all or a portion of Operator's current payments to such past due amount(s). In the event Authority exercises its right of set-off, as aforesaid, it shall notify Operator of the set-off, including the amount thereof. Operator shall then promptly make payment to Authority of such sum as is needed to satisfy current amounts due.
- 8.05 Financial and Statistical Reports - Operator shall complete and file with the Airport Director no later than the fifteenth (15th) day of each month, on forms provided by Authority, substantially in form and content as the statement attached as **Exhibit E**, a Certified Statement summarizing Gross Receipts, , calculating the amount of Privilege Fee due, and reporting Operator's rental days and rental transactions for the preceding month. Operator's payment for the additional Privilege Fee shall accompany said certified statements.
- 8.06 Annual Audited Statement of Gross Receipts - Within ninety (90) days of the end of each Agreement Year during the term of this Agreement, Operator shall submit to the Airport Director, in form and content acceptable to her or him, a "Schedule of Gross Receipts" for the Asheville Regional Airport for said Agreement Year, prepared in accordance with generally accepted accounting principles, accompanied either by an opinion of an independent Certified Public Accountant, a certification of Operator's Chief Financial Officer, or a certification by an independent Certified Public Accountant on behalf of Operator. Opinions issued by an independent Certified Public Accountant shall be issued in accordance with the provisions of Statement of Auditing Standards No. 62, Special Reports, as promulgated by the AICPA. Certifications provided either by Operator's Chief Financial Officer or by an independent Certified Public Accountant on behalf of Operator shall be in such form and content as is acceptable by the Airport Director. Said statement shall set forth the calculation of Gross Receipts, and the calculation of the Privilege Fee for the Agreement Year as defined under this Agreement. If any such statement discloses that additional sums are due Authority, Operator shall pay to Authority such additional sums with the submission of said statement to the Airport Director.

Authority shall have the right to rely on said certified reports in determining Operator's Privilege Fees due hereunder. Operator shall have full responsibility for the accuracy of said reports. Late payments and payment deficiencies due to incomplete or inaccurate reports to Authority shall be subject to the late payment and late penalty charges as set forth in Article 8 hereof. In the event that Authority for good cause is dissatisfied with any certified report provided without opinion of an independent certified public accountant, Authority shall

have the right to require that Operator have said report prepared and opinioned by an independent certified public accountant. The acceptance by Authority of any Operator payment shall not preclude Authority from verifying the accuracy of Operator's reports or computations, or from recovering any additional payment actually due from Operator. Interest on any additional amount due shall accrue thereon from the date the payment was originally due, at the rate prescribed and calculated in Article 8 hereof.

8.07 Operator's Records

- a. Operator shall maintain, either at the Airport or elsewhere within Buncombe County, books, records and accounts for its rental car concession granted under this Agreement, including computerized records, maintained in accordance with generally accepted accounting principles, generally accepted auditing standards, and the requirements of this Agreement recording Gross Receipts under this Agreement and providing for the determination and calculation of Privilege Fees, Rent, Security Charges, Maintenance Fee, CFCs and other payments to be made to Authority by Operator.
- b. Said books, records and accounts shall include detailed analyses listing all of Operator's transactions from operations at the Airport in the form of printed, written or electronic media. Operator's rental contract forms shall be sequentially numbered in a series designated for use only with this Agreement. In the event Operator utilizes a corporate booking system, Operator shall maintain records indicating the sequentially numbering contract form from other locations that appear in the sequential numbered series for the Asheville Regional Airport. Operator shall provide such records within twenty (20) days written notice request by the Authority to Operator, throughout the Agreement Term. Books and records shall include, but shall not be limited to, all original accounting source documents detailing transactions relevant to this Agreement, including but not limited to, original rental contracts, operating/financial statements, a complete (cumulative) general ledger, monthly sales journals detailing each rental transaction for the month, reconciliations between the financial records and monthly reports submitted to Authority, bank statements applicable to the operations of this rental car concession at the Airport, corporate trial balances, corporate contracts with corporate customers, annual audited financial statements and related reports on internal controls (including management representation letters), electronic media documenting accounting records, and other sales-related documents. Said books, records and accounts shall also include documentation of all exclusions from Gross Receipts claimed by Operator. For exclusions or adjustments to Gross Receipts, Operator's books and records shall include, but are not limited to, all agreements between

Operator and corporate or volume customers establishing the customer's contractual rights to discounts and/or rebates, if such reduction is permitted by this Agreement, lists of all individual rental transactions with all corporate or volume customers, all individual rental agreements with all corporate or volume customers, and documentation of said records supporting other reductions to Gross Receipts authorized pursuant to Section 1.07 of this Agreement.

- c. Operator shall cause to be installed in Operator's operating area, and shall at all times use, such cash registers, invoicing machines, sales slips and other accounting equipment, devices and forms as are reasonably necessary to record properly, accurately and completely all sales at the Airport related to Operator's Gross Receipts.
- d. In those situations where Operator's records have been generated from computerized data (whether mainframe, minicomputer, or PC-based computer systems), Operator agrees to provide Authority with extracts of data files in a computer readable format on data disks, E-mail with attached files, or suitable alternative computer data exchange formats as requested by Authority.
- e. Each record and item of information required hereunder shall be maintained for a period of at least five (5) years from the date of creation and for such extended period as Authority requires in the event that there is an audit or litigation pending.

8.08 Audit of Operator's Books and Records

- a. Authority shall have the right to audit or authorize audits of Operator's books, records and accounts relevant to its operations of the rental car concession at the Airport. If either an annual audit or any other lesser period audit performed by Authority discloses an under reporting of Gross Receipts, Operator shall pay to Authority any amounts due under this Agreement within fifteen (15) calendar days of written notice by Authority, plus interest calculated in accordance with Section 8.03 of this Agreement. In addition, if an audit conducted by Authority or at Authority's direction discloses an under reporting of Gross Receipts by two percent (2%) or more for any twelve (12) month period, Operator shall reimburse Authority for the full cost of the audit, any applicable legal fees and expenses, and shall pay a penalty of ten percent (10%) of the under reported Privilege Fee.
- b. Operator shall provide the name and telephone number of Operator's accounting manager who has a thorough knowledge of the accounting system as it pertains to this Agreement and who will assist Authority with

its audit. Operator will also allow interviews of present employees who were involved in the financial or operational activities of Operator as part of the audit. In the event the Authority determines the need to contact past employees, in their sole discretion, Operator will cooperate and allow access to past financial personnel.

- c. Operator agrees to provide appropriate work space to conduct the audit and free access to office and equipment needed to conduct the audit. Operator will also make the requested original books and records available within fifteen (15) working days from the date of request by Authority or Authority's representative and will freely lend its own assistance in conducting the audit. If Authority has authorized Operator to keep such books and records outside the Airport or outside Buncombe County and the same cannot be provided and made available locally, Operator agrees to reimburse Authority for expenses incurred in sending representatives to wherever such books and records are maintained. Such expense will include transportation, lodging, food and other out-of-pocket expenses resulting from the necessity to leave Buncombe County.
- d. Operator's duty to maintain books and records and Authority's rights under this Agreement to inspect and audit the books and records of Operator shall survive the expiration or earlier termination of this Agreement.

ARTICLE 9

OPERATOR'S OBLIGATIONS OF MAINTENANCE AND IMPROVEMENTS

9.01 Maintenance, Replacement and Repair

- a. Operator shall, at its own cost and expense, maintain and repair all parts of Operator's improvements, equipment, fixtures and personal property installed or located on or at the Leased Premises, including Operator's proprietary systems including but not limited to computers, telecommunications and communications system, and any Operator-installed connections to Authority-installed utility systems or property, and all other Operator's equipment and property whether or not any of the same is affixed or attached to such Leased Premises. Operator shall be responsible for all maintenance in the Service Facilities until the transition date to Authority on or prior to January 1, 2021.
- b. Operator also agrees to provide immediate notice to the Authority of any condition requiring repair and must cooperate with Authority at all times in order to facilitate the maintenance and repairs of the terminal building, parking garage and Service Facilities. Operator will be in default of this

Lease if it interferes with Authority's performance of Authority maintenance and repair responsibilities.

- c. Upon the transition of the maintenance of the Service Facilities to Authority on or prior to January 1, 2021 and beginning July 1 of each Contract Year, Operator agrees to pay the Authority its allocable share of all expenses set forth in this Agreement for the operation, maintenance and repair expenses, including administrative charges associated with the Service Facilities pursuant to monthly invoices issued to Operator. However, in no event does this obligation of expenses eliminate the Operator's responsibilities to adhere to Section 6.

9.02 Alterations, Additions and Improvements

- a. Except as expressly provided for herein, Operator shall make no alterations, additions or improvements to or installations on its Leased Premises (including, but not limited to, any work which could affect utility or other systems for which Authority is responsible) without the prior written permission of the Airport Director.
- b. Before the commencement of any such work, detailed plans and specifications, including any modifications or amendments thereto requested by Authority, shall be filed with and approved, in writing, by the Airport Director, or his or her designee and all governmental departments and authorities having jurisdiction thereover. All such work shall be done subject to and in accordance with the requirements of applicable law and regulations of all such governmental departments and authorities, and, where required, each affected public utility company.
- c. Such work shall be performed in a good and workmanlike manner and in accordance with the plans and specifications approved for the same. At all times during such work, Operator shall have a copy of the approved plans and specifications on the construction site for inspection by Authority, if the same are herein required. Operator shall promptly commence to redo or replace and diligently pursue same to completion, at its sole cost and expense, prior to or after completion of such work, any work which is not done in accordance with such plans and specifications as approved by the Airport Director.
- d. All alterations, additions or improvements, excluding personal fixtures, at any time placed upon its Leased Premises by Operator shall be deemed to be and become a part of the realty and the sole and absolute property of Authority upon completion; and, upon completion, Operator shall provide written documentation of the cost thereof to the Airport Director and shall give to the Airport Director a complete set of as-built drawings thereof in

such reproducible format, including electronic format, as the Airport Director may request.

- e. Operator shall promptly pay all claims made against Authority and discharge all liens filed or which exist against the Leased Premises, any other portion of the Airport, or Operator's trade fixtures or trade equipment arising out of or in connection with, whether directly or indirectly, the failure to make payment for work done or materials provided by Operator, its contractors, subcontractors or materialmen. However, Operator shall have the right to contest the amount or validity of any such claim or lien without being in default under this Agreement. In the event that Authority's legal counsel reasonably determines that security is required to guarantee discharge of said claim or lien in the event that said claim or lien is finally determined against Operator, Authority shall provide Operator with written notice of such determination. Within ten (10) days of said notice, Operator shall provide such security, in such form and amount as is reasonably satisfactory to Authority's legal counsel. Authority shall give timely notice to Operator of all such claims and liens of which it becomes aware.

9.03 Conduct - Operator, its employees, passengers, guests, licensees, invitees and independent contractors shall conduct themselves in an orderly and proper manner so as not to disturb, annoy or offend others at the Airport or to violate any of Authority's present or future written or published policies, rules or regulations. Upon notification by Authority of any violation of the provisions of this Article 9, Operator shall forthwith take all reasonable measures necessary to terminate the offensive, disorderly or improper conduct.

9.04 Performance by Authority upon Failure by Operator - If Operator fails to perform any obligation required by Article 9, Authority shall give Operator written notice of such failure. If Operator fails to perform such obligation within thirty (30) days of receipt of such notice, or if such obligation cannot with due diligence be performed within such thirty (30) day period, and Operator has failed to immediately commence and diligently pursue performance thereof upon receipt of such notice, Authority may perform such obligation of Operator, and charge Operator for the cost of Authority's performance, plus a reasonable administrative charge representing Authority's fee for managing the same, plus attorneys' fees or costs of legal counsel, if performed by Authority's legal counsel.

ARTICLE 10

OBLIGATIONS OF AUTHORITY

10.01 Operation and Maintenance

- a. Authority is responsible for performing all maintenance and repair of the Service Facilities on or prior to January 1, 2021, Terminal Building and Parking Garage, either through its own staff or through a third party contractor. All On-Airport RACs and Authority will share in the expense of the maintenance. Operator will reimburse Authority for Operator's share of 75% of the expenses resulting from the Maintenance Fee as outlined in Section 7.07. Except as otherwise provided in this Agreement, Authority shall operate and maintain the Airport and shall keep the Airport in good condition and repair. Authority will work with Operator to minimize disruption and will provide advance notification for repairs, unless the repair is required to be completed due to inoperable conditions or an emergency.
- b. Authority shall maintain a centralized refuse removal system and contractor for the Airport and Operator shall pay its pro-rata share of the cost therefor through monthly charges from Authority in accordance with the provisions of Section 7.04.
- b. Authority shall provide all maintenance, excluding personal or fixed property of Operator, to the Ready/Return Parking Area, and provide electrical service and lighting to the extent currently provided at said lot.
- c. Authority shall cause electricity, air conditioning, heat, sewerage disposal and water to be supplied to Operator's Leased Premises in the Terminal Building and Service Facilities and to such public areas of the Terminal Building presently having such service. Authority may charge Operator separately for Authority's costs of any utility requirements and uses resulting from special demands of Operator or for special utilization equipment. Authority shall not be responsible for disruptions in service due to failure of utility suppliers or other causes beyond Authority's control.
- d. Notwithstanding the above, Authority shall have the right, at any time, to install meters at the Leased Premises and to separately invoice Operator and the other operators for utility service charges.

10.02 Leasehold Improvements

Operator shall not modify or alter any Leased Premises in any way except as specifically permitted in writing by Authority.

ARTICLE 11

RULES AND REGULATIONS; COMPLIANCE WITH LAWS

11.01 Rules and Regulations - Operator shall comply with and shall cause its employees, passengers, guests, invitees, agents and independent contractors to comply with all of Authority's rules and regulations (including but not limited to Authority's smoking regulation) with respect to the safe, prudent, or orderly conduct, use or operation of the Airport, as such rules and regulations currently exist and as they may be enacted or amended from time to time in the future.

11.02 Observance and Compliance with Laws

- a. Operator shall, in connection with its rights and obligations hereunder, observe and comply with all laws, statutes, ordinances and regulations of all governmental authorities having jurisdiction, and shall pay all taxes and obtain all licenses, permits, certificates and other authorizations required by all applicable federal, state, county and municipal laws, statutes, and ordinances, including but not limited to all rules, regulations and directives of the Federal Aviation Administration.
- b. Operator agrees to make part of and incorporate into this Agreement by reference or by setting forth at length, at the option of Authority, any and all statutes, rules and regulations, and assurances and covenants required pursuant thereto, the incorporation of which may now or hereafter be required by the Federal Aviation Administration or other federal agency or by the State of North Carolina; provided, however, that nothing herein shall be construed to limit or diminish the right of Operator, at its own cost, risk and expense, to contest the same, by appropriate judicial or administrative proceeding.

ARTICLE 12

DAMAGE OR DESTRUCTION

12.01 Damage or Destruction of the Leased Premises. If the Leased Premises or any portion thereof are damaged by fire or other casualty resulting from any

cause whatsoever at any time during the term of this Concession and Lease Agreement, Authority shall have the following rights:

- a. If feasible, Authority may make temporary repairs and require Operator to continue operations from the Leased Premises until repairs are complete.
- b. Authority may designate alternate Leased Premises for Operator's use until repairs can be completed to the Leased Premises.

12.02 Damage - Should Operator's Leased Premises, or any portions thereof, or buildings or structures on which such Leased Premises may be a part, be damaged by fire or other casualty, and if the damage or buildings or structures of which said Leased Premises are a part, is repairable within ninety (90) days from the date of the occurrence, at the sole discretion of the Authority, the Leased Premises shall be repaired with due diligence by Authority. If feasible, the Authority may make temporary repairs and require Operator to continue operations from the Leased Premises until repairs are complete. Authority may also designate alternate Leased Premises for Operator's use until repairs can be completed to the Leased Premises. Provided the damage is not due to the negligence of Operator, the Rent allocable to the particular Leased Premises, or portions of the Leased Premises rendered untenable, for the period from the occurrence of the damage to the completion of repairs, shall be abated.

12.03 Destruction - Should said Leased Premises or any portions thereof or buildings or structures of which said Leased Premises may be a part, be completely destroyed by fire or other casualty, or should they be damaged to such an extent that the damage cannot be repaired within ninety (90) days after the occurrence, at the sole discretion of the Authority, the Authority shall have the following rights:

- a. the Authority may require Operator to suspend operations at the Airport until repairs can be completed to the Leased Premises;
- b. Authority may determine not to repair the Leased Premises, and shall have the option to terminate this Agreement to the extent that it shall apply to the particular Leased Premises so rendered untenable. In the event that this Section shall become applicable, Authority shall notify Operator within sixty (60) days after the happening of any such damage whether Authority has elected to continue the Agreement in effect as to the premises damaged or destroyed or to terminate it. Said notice shall advise Operator of Authority's estimated schedule for completion of repair and restoration. If repairs are estimated to take

more than one hundred eighty (180) days to complete, Operator may terminate this Agreement by providing written notice to Authority within ten (10) days of receipt of notice from Authority as aforesaid. If Authority shall elect to continue this Agreement in effect, it shall commence and prosecute with due diligence any work necessary to restore or repair the premises, and, so long as the damage is not due to the negligence of Operator, the Rent allocable to the particular Leased Premises rendered untenable, for the period from the occurrence of the damage to the completion of the repairs, shall be abated.

ARTICLE 13

INDEMNIFICATION AND INSURANCE

- 13.01 General Indemnification - Operator shall assume, protect, defend, reimburse, and indemnify Authority, and their respective past, present and future officers, members (including without limitation all members of the governing board of Authority),, and their respective employees and agents, and each of them, including without limitation the Airport Directors of Authority, and shall hold each and all of them harmless at all times from and against any and all liabilities (including without limitation statutory liability and liability under workers' compensation laws), losses, fines, damages of whatever nature, causes of action of every kind and character, whether or not meritorious, suits, claims, demands, judgments, awards, settlements, costs, and expenses including without limitation payments of claims or liabilities resulting from any injury or death of any person or any damage to or destruction of any property resulting from, arising out of, incident to, or in connection with Operator's use or occupancy of the Leased Premises or any other area or facility at the Airport or resulting from, arising out of, incident to, or in connection with the conduct of Operator's rental car concession under this Agreement or any of its obligations or covenants under this Agreement, including, but not limited to:
- a. The willful misconduct, negligence or tortious act or omission of Operator or any of its agents, employees, invitees, licensees, contractors, or subcontractors;
 - b. Operator's willful misconduct, negligence, or tortious act or omission in its use or occupancy of the Airport or the Leased Premises or in any of its operations under or pursuant to this Agreement; and
 - c. The violation by Operator of any provision of this Agreement; except to the extent any such loss, fine, damage, cause of action, suit, claim,

demand, judgment, award, settlement, cost, or expense is caused by the gross negligence or willful act or omission of Authority.

13.02 Additional Indemnifications

- a. Without limiting Operator's liability pursuant to Section 13.01 above, Operator shall assume, protect, defend, reimburse, and indemnify Authority, and their respective past, present and future officers, members (including without limitation all members of the governing board of Authority), and their respective employees and agents, and each of them, including without limitation the Airport Directors of Authority, and shall hold each and all of them harmless at all times from and against any and all liabilities (including without limitation statutory liability and liability under workers' compensation laws), losses, fines, damages of whatever nature, causes of action of every kind and character, whether or not meritorious, suits, claims, demands, judgments, awards, settlements, costs, and expenses including without limitation payments of claims or liabilities resulting from any injury or death of any person or any damage to or destruction of any property resulting from, arising out of, incident to, or in connection with Operator's use or occupancy of the Leased Premises or any other area or facility at the Airport resulting from, arising out of, in connection with, or incident to the conduct of Operator's rental car concession under this Agreement, or any fuel, fueling facility, product, contaminant spillage, contaminant seepage, contamination, noise pollution, or other injury or damage in relation to health, safety, environmental protection (including without limitation any contamination of Airport property, such as the contamination of soil or storm water by fuel, gas, chemical, or other substance deemed by the Environmental Protection Agency (EPA) to be an environmental contaminant at the time this Agreement is executed or as may be redefined as such by an appropriate regulatory agency while this Agreement is in effect), sanitation, good order, security, fire precaution, traffic control, operation, or maintenance caused by Operator or any of its agents, employees, licensees, contractors, or subcontractors, during the term of this Agreement and including without limitation payments of reasonable attorneys fees and environmental inspection costs, except to the extent the same is caused by the gross negligence or willful act or omission of Authority.
- b. Operator shall assume, protect, defend, reimburse, and indemnify Authority, and their respective past, present and future officers, members (including without limitation all members of the governing board of Authority,) and their respective employees and agents, and each of them, including without limitation the Airport Directors, and shall hold each and all of them harmless at all times from and against any and all liabilities for

compensation under any workers' compensation statute arising out of an injury or injuries sustained by any employee of Operator. Operator also covenants that it shall cause its licensees, contractors and subcontractors to maintain in effect at all times workers' compensation insurance as required by law.

- c. Without limiting the generality of any other provision hereof, Operator shall reimburse Authority for any and all reasonable attorneys fees and investigation expenses incurred by Authority in the defense and handling of said causes of action, suits and claims and in enforcing the provisions of this Agreement, excepting those expenses incurred by Authority in the defense and handling of said causes of action, suits and claims resulting from the gross negligence or willful act or omission of Authority.
- d. Operator shall assume, protect, defend, reimburse, and indemnify Authority, from, and assume all liability for, and pay, all taxes and assessments, including but not limited to such taxes and assessments as may from time to time be imposed by Authority, if so authorized, which by law may be levied or assessed on the Leased Premises and any other premises occupied by Operator pursuant to this Agreement, or which arise out of or are incidental to the conduct of Operator's rental car concession under this Agreement or by reason of Operator's occupancy of its Leased Premises or Operator's Gross Receipts, Privilege Fee, or Rent. Operator may, at its own risk, cost and expense, and at no cost to Authority, and without being deemed to be in default under this Agreement, contest, by appropriate judicial or administrative proceedings, the applicability or the legal or constitutional validity of any such tax or assessment; and Authority shall, to the extent permitted by law, execute such documents as are necessary to permit Operator to contest or appeal the same. Operator shall be responsible for obtaining bills for all of said taxes and assessments directly from the taxing authorities and shall promptly deliver to the Airport Director copies of receipts of payment of such taxes and assessments. In the event that Authority receives said bills, it shall promptly mail the same to Operator.
- e. Without in any way limiting any other provision on the subject matter contained elsewhere in this Agreement, Operator agrees that all of Operator's obligations of indemnity specified in Article 13 hereof shall survive the expiration or termination of this Agreement.

13.03 Insurance Requirements - Operator shall, at its own cost and expense, procure and maintain in effect the following minimum insurance coverages at all times during the term of this Agreement, and, prior to or contemporaneously with the execution of this Agreement, shall deliver to the Airport Director certificates of insurance for such coverages, issued by a company or companies eligible to do

business in the State of North Carolina, of recognized financial responsibility, evidenced by a minimum A.M. Best rating A+, Class X or higher, and reasonably satisfactory to Authority:

- a. Workers' Compensation and Employer's Liability Insurance for all employees engaged in operations under this Agreement. The limits of coverage shall be not less than:
 - 1. Workers' Compensation - North Carolina Statutory
 - 2. Employers' Liability - \$1,000,000 - Limit Each Accident
\$1,000,000 - Limit Disease Aggregate
\$1,000,000 - Limit Disease Each Employee

- b. Comprehensive General Liability Insurance coverage which shall include, but not be limited to, Premises and Operations, Personal Injury, Contractual for this Agreement, Independent Contractors, Broad Form Property Damage, Products, and Completed Operations (which shall not exclude (XCU) Explosion, Collapse or Underground Property Damage), and Sudden and Accidental Pollution and Contamination Liability Coverages. Coverage shall be applicable to, among other matters, the operation of all mobile and ground equipment at the Airport. The Completed Operations Coverage shall in addition be maintained for a period of not less than three (3) years following final operations of Operator under this Agreement. Limits of coverage shall be not less than the following:

Bodily and Personal Injury	\$2,000,000 Combined Single Limit
and Property Damage Liability	Each Occurrence

- c. Automobile Liability Insurance covering the ownership, maintenance and use of all owned, non-owned, leased and hired vehicles. Limits of coverage shall be not less than:

Bodily and Personal Injury	\$2,000,000 Combined Single Limit
and Property Damage Liability	Each Accident

- d. Property Insurance covering Operator's improvements, fixtures and personal property, including Operator's motor vehicles, on the Leased Premises shall be provided insuring against all risk of physical loss. The amount of physical damage insurance for all perils, save flood and earthquake, shall be not less than the replacement cost of the property insured. The perils of flood and earthquake shall be insured for not less than the replacement cost of the property insured unless otherwise agreed to in writing by the Airport Director. The physical damage policies shall be endorsed to include the interests of the Authority and Operator as

their interests may appear, and all proceeds from said policies shall be paid to the parties as their interests may appear. Operator's contents in the buildings and on the Leased Premises shall be insured against physical loss for the replacement cost of the property insured.

- e. Each certificate of insurance required and provided hereunder shall be in the form and substance as the certificate attached as Exhibit G to this Agreement, shall be personally and manually signed by the authorized representative of the insurance company shown on the certificate, and shall provide that the coverages referred to therein shall not be terminated, modified or not renewed until Authority has received thirty (30) days advance written notice thereof. In the event an insurance carrier should terminate, modify or not renew any of the above insurance coverages, Operator shall immediately contract with another insurance carrier to provide the requisite coverage and shall immediately deliver to the Airport Director a replacement certificate. Each certificate and policy shall name Authority, as an additional insured under the policies and additionally to the extent of Operator's indemnity obligation under this Agreement. Each of the aforementioned certificates shall provide that the policies shall be primary to any other policies of insurance or self insurance maintained by Authority. Operator shall deliver to the Airport Director, thirty (30) days before the date of the renewal of any policy of insurance required hereunder, a renewal certificate meeting the requirements herein specified. In addition, upon the reasonable request by Authority, Operator shall provide a certified, true and exact copy of any insurance policy required hereunder. Operator authorizes Authority and its insurance consultant to confirm with Operator's insurance agents, brokers and insurance companies all information furnished Authority as to its compliance with its insurance requirements, including without limitation any impairment to the aggregate limit of any policy. If any insurance policy provided under this Agreement contains an aggregate limit, it shall contain a provision or endorsement providing that the insurance coverage and limits provided under this Agreement shall not be subject to said aggregate limit for this Airport location or for this Agreement.
- f. The acceptance by, or delivery to, Authority of any certificate of insurance evidencing the insurance coverages and limits required in this Agreement does not constitute approval or acceptance by Authority that the insurance requirements in this Agreement have been met.
- g. No operations shall commence or continue by Operator at the Airport unless and until the required certificates of insurance are in effect and received by Authority.

- h. The insurance coverages and limits required of Operator under this Agreement are designed to meet the minimum requirements of Authority. They are not designed as a recommended insurance program for Operator. Operator retains the responsibility for assessing its total liability and physical risk exposures and for managing these exposures.
- i. If at any time Authority requests a written statement from any insurance company as to any impairment to the Aggregate Limit, prompt authorization and delivery of all requested information shall be given to Authority.
- j. Neither party hereto shall be liable to the other party or to the insurer of the other party claiming by way of subrogation, with respect to any loss or damage under any policy of property insurance to the extent that such other party shall be reimbursed or has the right to be reimbursed out of its insurance coverage carried for such protection with respect to such loss or damage. The provisions of this paragraph shall apply only to the extent permitted by provisions of the insurance policy in question.
- k. Failure by Operator to take out or maintain, or the taking out or maintenance of any insurance required hereunder, shall not relieve Operator from any liability under this Agreement, nor shall the insurance requirements hereof be construed to conflict with or otherwise limit any contractual obligations (including but not limited to those of indemnification) of Operator contained in this Agreement.
- l. Operator shall not do or permit to be done anything, either by act or failure to act, which shall cause cancellation of any policy of insurance for its Leased Premises or any other part of the Airport. Further, if Operator shall do or permit to be done anything, either by act or failure to act, that shall cause an increase in the premiums for insurance for such Leased Premises or the Airport, Operator shall pay the amount of such increase, pursuant to invoices, whether from Authority or otherwise.
- m. Authority shall have the right at the conclusion of each Agreement Year hereunder, upon the written recommendation of its insurance consultant, to modify or alter insurance coverages and limits required hereunder after consultation with all On-Airport RACs and upon thirty (30) days advance written notice to all On-Airport RACs. Upon being given notice by Authority of said modifications and alterations, Operator shall promptly comply with said revised insurance requirements.

ARTICLE 14

TERMINATION AND DEFAULT UNDER AGREEMENT

- 14.01 Termination by Authority - Except as otherwise provided for in this Agreement, the following provisions shall control termination of this Agreement by Authority. If any one or more of the following shall occur, then upon the occurrence of any such event of default or at any time thereafter during the continuance thereof, Authority may, at its option, immediately and without prior notice of default, terminate the lettings, licenses and other interests and rights of Operator hereunder by sending written notice of termination by registered or certified mail to Operator at its address set forth in Section 17.06, which notice shall be deemed given and effective ten (10) days after mailing:
- a. Operator becomes insolvent (as such term is defined or used under Section 101 of the Federal Bankruptcy Code, 11 U.S.C. 101 et seq. (the "Code"), or any successor statute thereto); or fails to pay its debts generally as they mature; or takes the benefit of any present or future federal or state insolvency statute; or makes a general assignment for the benefit of creditors; or files a voluntary petition in bankruptcy or a petition or answer seeking an arrangement of its indebtedness under the Code or under any other law or statute of the United States or any State thereof; or consents to the appointment of a receiver, trustee, custodian, liquidator, or other similar official, of all or substantially all of its property;
 - b. An order for relief is entered for or against Operator under the Code; or by order or decree of a court, Operator is adjudged a debtor or bankrupt; or an order is made approving a petition filed by any of its creditors or by any of its stockholders, seeking its reorganization or the readjustment of its indebtedness under the Code or under any other law or statute of the United States or any State thereof; and such order or decree is not stayed or vacated within thirty (30) days of its issuance;
 - c. A petition under the Code or an action under any federal or state insolvency law or statute is filed against Operator and is not dismissed or stayed within thirty (30) days after the filing thereof;
 - d. By or pursuant to or under authority of any legislative act, resolution or rule, or any order or decree of any court or governmental board, agency or officer, a receiver, trustee, custodian, liquidator, or other similar official takes possession or control of all or substantially all of the property of Operator, and such possession or control continues in effect for a period of thirty (30) days;

- e. Operator becomes a corporation or other entity in dissolution;
- f. Any letting, license or other interest or right of Operator hereunder is transferred to, passed to, or devolved upon, by operation of law or otherwise, any other person, firm, corporation or other entity, by, in connection with, or as a result of any bankruptcy, insolvency, trusteeship, liquidation, or other proceeding or occurrence described in Paragraphs (a) through (e) of this Section 14.01;
- g. Operator fails to maintain in effect the Contract Security required by Article 7 or the insurance required by Article 13 of this Agreement;
- h. Operator fails on three separate occasions during any twelve consecutive month period to make any Privilege Fee, Rent, Security Charges, Maintenance Fee, CFC, or other payment to Authority when due;
- i. Operator fails to comply with one or more of its obligations under this Agreement (including without limitation the obligation to have an adequate fleet of vehicles available for rental by customers) on three (3) separate occasions during any twelve month consecutive month period; or
- j. Operator voluntarily discontinues its rental car business at the Airport for a period of thirty (30) consecutive days or, after exhausting or abandoning any further appeals, Operator is prevented for a period of ninety (90) consecutive days by the action of any governmental agency, other than Authority, from conducting its rental car business at the Airport, except with respect to any such governmental action affecting operators generally at the Airport.

14.02 Merged Corporation - If Operator becomes a merged corporation in a merger or a constituent corporation in a consolidation which is prohibited pursuant to Section 15.01 and Section 15.05, or either of them, Authority may, at its option, terminate the lettings, licenses and other interests and rights of Operator hereunder upon ten (10) days prior written notice of termination sent by registered or certified mail to Operator at its address set forth in Section 17.06, which notice shall be deemed given and effective ten (10) days after mailing.

14.03 Default for Non-Payment - If Operator fails to duly and punctually pay any Rent, Privilege Fee, Security Charges, Maintenance Fee, or CFC required to be paid hereunder or fails to make payment when due of any other sum required to be paid to Authority pursuant to this Agreement, then Authority may, if such default is not cured within ten (10) days after receipt of written notice thereof with respect to such non-payment of said Privilege Fee, Rent, Security Charges,

Maintenance Fee, or CFC or thirty (30) days with respect to the non-payment of any other sum, at its option, terminate the lettings, licenses and other interests and rights of Operator hereunder, by sending written notice of termination by registered or certified mail to Operator at its address set forth in Section 17.06, which notice shall be deemed given and effective when mailed.

- 14.04 Additional Events of Default - If any one or more of the following occurs, then upon the occurrence of any such event or at any time thereafter during the continuance thereof, Authority may, at its option, terminate the lettings, licenses, and other interests and rights of Operator hereunder by sending written notice of termination by registered or certified mail to Operator at its address set forth in Section 17.06, which notice shall be deemed given and effective when mailed:
- a. A lien is filed against the Leased Premises or any portion thereof because of any act or omission of Operator, and is not discharged within thirty (30) days after receipt of notice or other knowledge thereof by Operator, unless Operator shall within the aforesaid thirty (30) days furnish to Authority security in such form as Authority's legal counsel shall prescribe to protect the interests of Authority; or
 - b. Operator fails to keep, perform or observe any term, condition, provision, warranty, or covenant of this Agreement for a period of thirty (30) days after written notice specifying such failure is given to Operator by Authority; provided, however, that any such failure which can be remedied, but which cannot with due diligence be remedied within such thirty (30) day period, shall not give rise to Authority's right to terminate this Agreement if corrective action is instituted by Operator within such period and diligently pursued until the failure is remedied.
- 14.05 Authority Rights Upon Default - Notwithstanding any other provision in this Agreement, upon any default by Operator to make any payment under this Agreement or upon any failure by Operator to comply with any other term, condition, provision, warranty, or covenant hereof and upon Operator's failure in each case to cure such default or failure within any applicable grace period granted hereunder, Authority may:
- a. Terminate this Agreement without discharging any of Operator's obligations hereunder and exclude Operator from its Leased Premises and the Airport;
 - b. Without terminating this Agreement, exclude Operator from its Leased Premises and the Airport and use its best efforts to lease such Leased Premises to another car rental operator, holding Operator liable for all of Operator's Privilege Fees, Rent, Security Charges, Maintenance Fee, CFCs,

and other payments due hereunder up to the effective date of such leasing and for the excess, if any, of Operator's Privilege Fees, Rent, Security Charges, Maintenance Fee, CFCs, and other amounts payable by Operator under this Agreement for the remainder of the term of this Agreement over the Privilege Fees, Rent, Security Charges Maintenance Fee, CFCs, and other amounts which are paid during such remainder by such new operator; and

- c. From time to time, take whatever action at law or in equity appears necessary or desirable to collect Operator's Privilege Fees, Rent, Security Charges, Maintenance Fee, CFCs, and any other amounts payable by Operator hereunder then due and thereafter to become due, and enforce the performance and observance of any term, condition, provision, warranty, or covenant of Operator under this Agreement.

It is understood and agreed that the rights and remedies set forth in this Section 14.05 shall be in addition to all other rights and remedies which are or may be available to Authority at law or in equity.

- 14.06 Authority Rights Cumulative - All of the rights and remedies hereinbefore given to Authority shall be cumulative and concurrent. No termination of this Agreement or the taking or recovering of the Leased Premises shall deprive Authority of any of Authority's rights or remedies or actions against Operator for Privilege Fees, Rent, Security Charges, Maintenance Fee, CFCs, or other payments due hereunder or any other amounts due, for damages, or for the breach of any covenant herein contained, nor shall the bringing of any action for Privilege Fees, Rent, Security Charges, Maintenance Fee, CFCs, or any other payments due hereunder, nor the resort to any other right or remedy for the recovery of Privilege Fees, Rent, Security Charges, Maintenance Fee, CFCs, or any other amounts due, be construed as a waiver of the right to obtain possession of the Leased Premises.
- 14.07 Operator's Rights Upon Authority Default - Operator's sole remedy for any Authority breach, default or violation of or under this Agreement shall be an action in contract for damages or an action seeking specific performance by Authority.
- 14.08 Change of Agreement Term - Notwithstanding the provisions of this Article 14, and immediately upon any occurrence of an event of default described in Sections 14.01(a) through (f) hereof, the term of this Agreement shall automatically convert to month-to-month, and in addition to its rights under this Article 14, either party shall have the right to terminate the Agreement upon thirty (30) days written notice from Authority to Operator, or from Operator to Authority.

The conversion of the term of this Agreement pursuant to this Section 14.08 shall not discharge any of Operator's obligations hereunder nor affect any of Authority's other remedies set forth herein.

- 14.09 Removal of Operator's Property - The personal property placed or installed at or on the Airport by Operator, including, but not limited to, trade fixtures and trade equipment, shall remain the property of Operator and must be removed on or before the expiration of the term or the expiration of any extension or renewal hereof and at Operator's sole risk and expense. Any damage to the Leased Premises or the Airport or any portion thereof resulting from such removal shall forthwith be paid for by Operator. In the event of termination of this Agreement, Operator shall have thirty (30) days after such termination during which to remove such property. However, Authority shall have the right to assert such lien or liens against said property as Authority may by law be permitted. So long as any such property remains in the Leased Premises or on the Airport, Operator's obligation to pay Operator's Privilege Fees and Rent and other sums due Authority shall continue.

If Operator's property is not removed as herein provided, Authority may, at its option, after written notice to Operator and at Operator's sole risk and expense, remove such property to a warehouse for deposit, or retain the same in Authority's possession, and after the expiration of thirty (30) days, sell the same. The proceeds thereof shall be applied first to the expenses of such removal, deposit and sale, second to any sum owed by Operator to Authority, and any balance remaining shall be paid to Operator.

- 14.10 No Waiver by Authority - A failure by Authority to take any action with respect to any breach, default or violation by Operator of any of the terms, conditions, provisions, warranties, or covenants of this Agreement shall not in any respect limit, prejudice, diminish, or constitute a waiver of any right or remedy of Authority to act with respect to any prior, contemporaneous, or subsequent breach, default or violation or with respect to any continuation or repetition of the original breach, default or violation. The acceptance by Authority of payment for any period or periods after a breach, default or violation of any of the terms, conditions, provisions, warranties, or covenants of this Agreement shall not constitute a waiver or diminution of, nor create any limitation upon, any right of Authority to terminate this Agreement for any subsequent breach, default or violation or for any continuation or repetition of the original breach, default or violation.

- 14.11 Agreement to Pay Attorneys Fees and Expenses - When an event of default by Operator has occurred and Authority retains attorneys (or uses the services of Authority's legal counsel) or incurs other costs and expenses for the collection of Privilege Fees, Rent, Security Charges, Maintenance Fee, CFCs, or other payments due hereunder, or for the enforcement, performance or observance

of any term, condition, provision, warranty, or covenant of this Agreement by or on the part of Operator, and if Authority is successful in obtaining a judgment against Operator or a settlement with Operator, Operator shall pay to Authority the fees and expenses of such attorneys and such other costs and expenses incurred by Authority in taking such action.

ARTICLE 15

ASSIGNMENT, SUBLEASE AND TRANSFERS

- 15.01 Prohibition Against Assignment and Sublease - Operator covenants that it shall not assign, sublet, transfer, convey, sell, mortgage, pledge or encumber the Leased Premises or any part thereof, this Agreement or any part thereof, or any rights of Operator hereunder or allow the use of such Leased Premises or any rights hereunder, in whole or in part, without the prior written consent of Authority. Consent by Authority to any type of transfer described in this Section 15.01 or elsewhere in this Agreement shall not in any way be construed to relieve Operator from obtaining further authorization from Authority for any subsequent transfer of any nature whatsoever.
- 15.02 Operator's Survival Obligations - Notwithstanding any assignment, sublet or any other transfer of the Leased Premises under this Agreement, or any rights hereunder, Operator shall remain fully liable for the payment of all of its Privilege Fees, Rent, Security Charges, Maintenance Fee, and CFCs and other payments due Authority under this Agreement and fully responsible for the performance of all of its other obligations hereunder, unless and to the extent that Authority provides a specific written release to Operator in its written consent provided pursuant to Section 15.03 hereof.
- 15.03 Request for Assignment/Sublease - Any and all requests by Operator seeking authorization under Article 15 shall be made in writing by certified mail to the Airport Director at Authority's address set forth in Article 17 of this Agreement.
- 15.04 Unauthorized Assignment or Sublease - If any transfer of Operator's interest hereunder shall occur, whether or not prohibited by Section 15.01 or Section 15.05, Authority may collect Privilege Fees, Rent, Security Charges, Maintenance Fee, CFCs and any other payments due Authority under this Agreement from any purported assignee, sublessee or transferee of Operator, and in such event shall apply the net amount collected to Privilege Fees, Rent, Security Charges, Maintenance Fee, CFCs and any other payments payable by Operator hereunder this Agreement without such action by Authority releasing Operator from this Agreement or any of its obligations hereunder. If any transfer prohibited by Section 15.01 or Section 15.05 shall occur without authorization of Authority and Authority collects Privilege Fees, Rent, Security

Charges, Maintenance Fee, CFCs and any other payments due Authority under this Agreement from any purported assignee, sublessee or transferee of Operator and applies the net amount collected in the manner described in the preceding sentence, such actions by Authority shall not be deemed to be a waiver of the covenant contained in Section 15.01 or Section 15.05 or constitute acceptance of such assignee, sublessee or transferee by Authority or release Operator from this Agreement or any of its obligations hereunder.

- 15.05 Change of Control - Any other provision of this Article 15 or any other provision of this Agreement notwithstanding, any transfer in or of control of Operator's entity structure, whether by action of Operator or by operation of law, shall likewise require approval and consent of Authority pursuant to Section 15.01 hereof. Without limiting the generality of the foregoing, for purposes of this Agreement, the transfer of forty percent (40%) or more of Operator's stock (if a corporation) during any 12-month period shall constitute a transfer in and of control. Any transfer in or of control not so approved and consented to shall be a violation of the covenants of Section 15.01, which shall thereby enable Authority to exercise any and all rights of Authority under Section 15.04. With respect to this Section 15.05, Authority's approval and consent shall not be unreasonably withheld.

ARTICLE 16

GOVERNMENT INCLUSION AND GOVERNMENTAL COVENANTS

- 16.01 Provisions Relating to Issuance of Bonds - Operator shall comply with the following provisions related to the issuance of bonds by Authority:
- a. This Agreement and all rights granted to Operator hereunder are expressly subordinated and subject to any lien, covenants (including the rate covenants), and provisions of the pledge, transfer, hypothecation, or assignment made or hereafter made by Authority in any trust indenture or resolution under which bonds are issued for the Airport, including any amendments and supplements thereto. Authority and Operator agree that to the extent granted or required by any trust indenture or law, the holders of the bonds or their designated representatives shall have the right to exercise any and all rights of Authority hereunder.
 - b. Operator understands that Authority has issued and subsequently may be the issuer of bonds during the term of this Agreement. With respect to bonds that have been issued or may be issued in the future, the interest on which is intended to be excludable from gross income from the holders of such bonds for Federal income tax purposes under the Internal Revenue Code of 1986, Operator agrees that it will not act, or fail to act

(and will immediately cease and desist from any action, or failure to act) with respect to the use of the Leased Premises, if the act or failure to act may cause Authority to be in noncompliance with the provisions of the Internal Revenue Code of 1986 as they may be amended, supplemented, or replaced, or the regulations or rulings issued thereunder, nor will Operator take, or persist in, any action or omission which may cause the interest on the tax-exempt bonds either (1) not to be excludable from the gross income of the holders thereof for Federal income tax purposes; or (2) to become subject to the alternative minimum tax (AMT) for Federal income tax purposes if such bonds were not originally subject to said tax.

- c. Operator agrees that in connection with any issuance of bonds by Authority, upon reasonable advance written request, Operator will deliver to Authority a statement in writing certifying:
 - 1. that this Agreement is unmodified and in full force and effect (or if there have been modifications, a description of such modifications and that the Agreement as modified is in full force and effect);
 - 2. that Authority is not in default under any provision of this Agreement, or, if in default, the nature thereof in detail; and
 - 3. such further matters as may be reasonably requested by Authority, it being intended that any such statement may be relied upon by the parties involved in such issuance of bonds.
- d. Operator agrees that upon the request of Authority, Operator will provide to Authority such information with respect to Operator as Authority deems reasonably necessary in order for Authority to comply with the requirements of Rule 15c2-12, as amended (the "Rule"), under the Securities Exchange Act of 1934, as amended (the "Act"). Operator agrees that, if at any time while bonds remain outstanding, Operator is no longer complying with the reporting requirements under the Act and if Operator is an "obligated person" as defined in the Rule, Operator will provide to Authority such information with respect to Operator as is necessary in order to comply with the Rule.

16.02 Authority Right to Improve Airport

- a. Authority has, has had and shall continue to have the absolute right to develop, expand, improve and renovate the Airport, including but not limited to, the Airfield Area, the Terminal Building and other Airport facilities, regardless of the desires or views of Operator and without interference or hindrance from Operator and without any liability to

Operator; and Authority may continue to so develop, expand, improve and renovate the Airport, including but not limited to, the Airfield Area, Terminal Building and other Airport facilities throughout the term of this Agreement.

- b. Upon reasonable notice, during Operator's normal business hours, Authority shall have the right to enter Operator's Leased Premises to perform any of Authority's obligations hereunder, exercise any of its rights hereunder or in the exercise of its governmental functions, or in the event of any alteration, improvement or construction on, adjacent to or in the vicinity of Operator's Leased Premises, for purposes related thereto. Notwithstanding the foregoing, in an emergency, Authority shall have the absolute right to enter Operator's Leased Premises to perform or exercise any of the aforementioned obligations or rights.
- c. In addition to those rights reserved by Authority in Section 16.02 (a) and (b) above, Authority reserves the right from time to time as may be reasonably necessary to close, relocate, reconstruct, change, alter or modify Operator's Leased Premises for purposes of maintaining or constructing improvements, modifications or expansions to the Airport, provided that:
 1. At least sixty (60) days prior written notice of any such action is given by Authority to Operator.
 2. Reasonably convenient and equivalent alternative premises and adequate means of ingress and egress thereto shall be made available to Operator. Such alternative premises shall be subject to Operator's reasonable approval.
 3. Operator shall continue to pay Rent with respect to its Leased Premises during any such temporary relocation (adjusted for any decrease in square footage); provided, however, that Authority shall reimburse Operator for the reasonable costs associated with any necessary relocation.

16.03 Reservation of Air Navigation Rights - Authority reserves unto itself, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Airport, including but not limited to Operator's Leased Premises, for navigation or flight in said airspace for landing on, taking off from, or operating at the Airport.

16.04 Nondiscrimination - To the extent that the following provisions are applicable to Operator's Leased Premises or activities at the Airport and the inclusion of such

provisions is required by law, grant agreement or contract, Operator agrees to observe and comply with said provisions:

- a. Operator agrees that in the operation of its rental car concession at the Airport, it shall not discriminate against any person by reason of sex, race, color, religion, national origin, disability or handicap in the use of any of the facilities provided for the public at the Airport.
- b. Operator, for itself, its successors in interest and assigns, as a part of the consideration herefor, does hereby covenant and agree, as a covenant running with the land, that in the event facilities are constructed, maintained or otherwise operated on the property described in this Agreement for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, Operator shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

In the event of the breach of any of the above nondiscrimination covenants, Authority shall have the right to terminate this Agreement and to reenter and repossess the Leased Premises and the facilities thereon, and hold the same as if said Agreement had never been made or issued. Unless precluded by the provisions of the above assurance or regulation, Authority shall follow the notice and termination provisions contained in Article 14 of this Agreement.

- c. Operator, for itself, its successors in interest and assigns, as a part of the consideration herefor, does hereby covenant and agree, as a covenant running with the land, that:
 1. No person on the grounds of sex, race, color, religion, national origin or handicap shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities;
 2. In the construction of any improvements on, over, or under such land and the furnishings of services thereon, no person on the grounds of sex, race, color, religion, national origin or handicap shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination
 3. Operator (whether a grantee, licensee, lessee, permittee, etc.) shall use the Leased Premises in compliance with all other requirements

imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

In the event of the breach of any of the above nondiscrimination covenants, Authority shall have the right to terminate this Agreement and to reenter and repossess the Leased Premises and the facilities thereon, and hold the same as if said Agreement had never been made or issued. Unless precluded by the provisions of the above assurance or regulation, Authority shall follow the notice and termination provisions contained in 14 of this Agreement.

- d. Operator assures Authority that it shall undertake an affirmative action program if required by Title 14, Code of Federal Regulations, Part 152, Subpart E, to ensure that no person shall, on the grounds of sex, race, color, religion, national origin, or handicap, be excluded from participating in any employment activities covered in Title 14, Code of Federal Regulations, Part 152, Subpart E. Operator assures that no person shall be excluded on these grounds from participating in or receiving the services of any program or activity covered by said Subpart E. Operator assures that it will require that its covered suborganizations to provide assurances to Operator that they similarly shall undertake an affirmative action program and that they shall require assurances from their suborganizations, if and as required by Title 14, Code of Federal Regulations, Subpart E, to the same effect. Operator assures that it shall furnish to the United States government or Authority, if and as required by law, any and all documents, reports, and records, including, but not limited to, an affirmative action plan, Form EEO-1, the submission of which are required by Title 14, Code of Federal Regulations, Part 152, Subpart E.

- 16.05 Accessibility of Physically Handicapped - To the extent the requirements of Section 504 of the Rehabilitation Act of 1973, 49 CFR Part 27, and Titles II and III of the Americans with Disabilities Act of 1990 apply to the Leased Premises and Operator's facilities thereon or the operation and/or construction or acquisition of any improvement, equipment or facilities by Operator on the Leased Premises or the Airport or any part thereof, such improvement and equipment shall be provided and improvement and facilities shall be designed, constructed, and operated, so that the improvement, equipment or facility is accessible to and usable by handicapped persons. To assure such design, construction and use, Operator will design and construct the improvement, equipment or facility in accordance with the Uniform Federal Accessibility Standards ("UFAS") and/or the American National Standards Institute

"Standard Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped" (ANSI A 117.1 1961 [R-1971]), as applicable, which standards are incorporated herein and made a part of this Agreement.

- 16.06 Disadvantaged Business Enterprise Program - In the event that Operator is not certified by the State of North Carolina as a Disadvantaged Business Enterprise, Operator shall, to the extent possible, use or obtain the services, goods and products, including its vehicle fleet, from Disadvantaged Business Enterprises (DBEs) as defined in 49 CFR Part 23 and 26, and as certified by State of North Carolina, in the conduct of its business and operations at the Airport. Furthermore, Operator is required to comply with Airport ACDBE Program Plan and 49 CFR Parts 23 and 26. Operator shall track and report all ACDBE, DBE, and/or small business participation that occurs at Airport as a result of a contract, procurements, purchase orders, subleases, goods/services or other arrangements involving participation. In order to enable Operator to achieve the DBE goal included herein, Operator agrees that for each year during this Agreement, Operator will make a good faith effort to purchase services, goods and products from DBEs in an aggregate which will equal or exceed Operator's goal of 2.8% for each Agreement Year under this Agreement. The Authority reserves the right to modify the goal following the ongoing federal certification process conducted for the Airport. Authority will notify Operator in writing of changes and requirements of the new goal following federal certification. In order to ensure compliance with the foregoing DBE requirement, Operator agrees to the following:
- a. Within ninety (90) days after Effective Date of this Agreement by Authority, and by July 1 of each succeeding Agreement Year of the term, Operator will furnish to Authority's DBE Officer at the Airport the program it will be utilizing during the next twelve-month period to achieve its DBE goal, including the names of the DBEs it plans to utilize so that they may apply for certification procedures. If a DBE must be replaced for any reason, Operator agrees that it will be replaced with another DBE or, if not replaced with a DBE, Operator shall demonstrate to Authority it made a good faith effort to do so.
 - b. Within ninety (90) days after the end of each Agreement Year during the term hereof, Operator will furnish Authority with a report certified by an officer of Operator's corporation, showing Operator's total Gross Receipts at the Airport for said Agreement Year and Operator's total purchase of services, goods and products for business at the Airport during that twelve (12) month period, and the percentage of such purchases made from DBEs, and the exact amount paid to each DBE, by name.

- c. Should the report show that Operator did not meet its goal, then Operator shall also furnish with the report a detailed description as to why it was not met, along with documentation of its good faith efforts.
 - d. If Operator fails to meet the established goal for any Agreement Year and fails to demonstrate good faith efforts to meet the goal, then Operator shall be in default under this Agreement.
- 16.07 Passenger Facility Charge Regulation - To the extent that the provisions of 14 CFR Part 158 (the "Passenger Facility Charge Regulation") or any assurance issued pursuant thereto is or becomes applicable to the Leased Premises or Operator's activities under this Agreement, Operator agrees to comply with the requirements of said Passenger Facility Charge Regulation and any applicable assurance issued pursuant thereto.
- 16.08 Prohibition Against Exclusive Rights - It is hereby specifically understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right to provide rental car services to the public, and Authority reserves the right to grant to others the privileges and right of conducting any or all activities related to the operations of a rental car concession.
- 16.09 Government Inclusion - Operator covenants and agrees that this Agreement shall be subordinated to the provisions of any existing or future agreement between Authority and the United States Government, relative to the operation and maintenance of the Airport, the execution of which has been or will be required as a condition precedent to the granting of federal funds for the development of the Airport or the continued operation or certification of the Airport.
- 16.10 Compliance with Environmental Laws - Operator covenants, represents, and warrants that in conducting any activity or business on the Leased Premises or at the Airport, or in conducting any operation or performing any work pursuant to this Agreement, Operator shall comply with all applicable Environmental Laws. Operator further covenants, represents and warrants that:
- a. Operator shall obtain and maintain all Environmental Permits required for it to conduct its activities and business on the Leased Premises and at the Airport.
 - b. At Authority's request, Operator shall make available to Authority for inspection and copying, upon reasonable notice and at reasonable times, any and all documents and materials which Operator prepared or had prepared with respect to or pursuant to any Environmental Law or Environmental Permit, or which Operator submitted or had submitted to

any governmental agency, which documents or materials relate to environmental issues, Environmental Laws or Environmental Permits, pertain to the Airport or the Leased Premises, and would be discoverable in litigation.

- c. Authority and its representatives shall have access to the Leased Premises upon prior notice to inspect the same in order to determine if Operator is using the Leased Premises in accordance with all Environmental Laws and Environmental Permits. Operator agrees to fully cooperate with any such inspections, provided that such inspections shall not unreasonably interfere with Operator's operations. Upon receipt of written notification of noncompliance or upon assertion of a claim by a third party, and at the request of Authority, Operator shall conduct such testing and analysis as Authority deems reasonable to ascertain whether Operator is using the Leased Premises in compliance with all Environmental Laws and Environmental Permits. Any such tests shall be conducted by qualified independent experts chosen by Operator, but who shall be subject to Authority's approval, which shall not be unreasonably withheld. Operator shall provide to Authority copies of all reports prepared by such experts within a reasonable time after Operator receives each such report.
- d. If Operator fails to comply with any Environmental Law or Environmental Permit or if Operator fails to commence immediate corrective action or required remediation, Authority may, in addition to the rights and remedies described elsewhere in this Agreement and any other rights and remedies otherwise available to Authority, enter the Leased Premises and take all reasonable and necessary actions, at Operator's expense, to ensure such compliance with the Environmental Law or Environmental Permit.
- e. In the event of any release or threatened release of Hazardous Materials caused by Operator or any of its agents, employees, invitees, licensees, contractors, or subcontractors, and which is required by an applicable Environmental Law or Authority Rule or Regulation to be reported by Operator, whether as a result of negligent conduct or otherwise, at, on, under or about the Leased Premises or the Airport, or in the event any claim, demand, complaint, or action is made or taken against Operator that pertains to the environment at the Leased Premises or the Airport, or if Operator receives any notice pertaining to Operator's failure or alleged failure to comply with any Environmental Law or Environmental Permit, Operator shall promptly notify Authority of all known facts pertinent to such release, threatened release, claim, demand, complaint, action, or notice, and shall provide Authority with a copy of each such claim, demand, complaint, notice, and action. If Operator is required by any Environmental Law, Environmental Permit, or governmental agency to file

any notice or report of a release or threatened release of Hazardous Materials at, on, under or about the Leased Premises or the Airport, Operator shall simultaneously provide a copy of such notice or report to Authority.

- f. Operator shall undertake all necessary steps to remedy and remove any environmental pollution, contamination, condition, or damage to the extent caused by or resulting from the activities, conduct or presence of Operator or any of its agents, employees, invitees, licensees, contractors, or subcontractors on the Leased Premises or at the Airport, whether resulting from negligent conduct or otherwise, as determined by the appropriate governmental agency to be necessary to reasonably protect the public health or safety to the extent required by applicable law, or to bring the Leased Premises or the Airport into compliance with all Environmental Laws and Environmental Permits. Such work shall be performed at Operator's expense. Except in the event of an emergency, such work shall be after Operator submits to Authority a written plan for completing such work and receives the prior approval of Authority, which shall not be unreasonably withheld. Authority shall have the right to review and inspect all such work at any time using consultants and representatives of its choice. The actual cost of such review and inspection shall be paid by Operator. Specific cleanup levels for any environmental remediation work Operator performs shall be designed to meet and satisfy the requirements of all applicable Environmental Laws and Environmental Permits. Operator warrants that all work performed pursuant to this Agreement shall be performed in accordance with all Environmental Laws and Environmental Permits, specifically including without limiting the generality of the foregoing any applicable National Emission Standards for Hazardous Air Pollutants (NESHAP), 40 C.F.R. 61.145.
- g. Notwithstanding the obligations imposed on Operator in Paragraph (f) of this Section of the Agreement, Authority and other Federal, state, and local agencies having jurisdiction shall at all times have the right, should Operator fail to respond to a notification, after a specified cure period, if any, or immediately if necessary to mediate further contamination, to take any and all actions as they may individually or collectively deem appropriate to cease, contain, investigate, remediate, and otherwise respond to a condition which results from, causes, or threatens to cause environmental pollution, contamination, or damage at, under or about the Leased Premises or the Airport. Operator agrees to cooperate with any and all such actions.
- h. Authority shall not be responsible to Operator or any of its agents, employees, invitees, licensees, contractors, or subcontractors for any

environmental condition in existence on the Leased Premises or at the Airport, which condition may interfere with Operator's business or other operations or activities, or which might otherwise cause damage to Operator through loss of business, destruction of property, or injury to Operator, its owners, directors, officers, agents, employees, customers, clients, vendees, invitees, concessionaires, or licensees, except to the extent that any such condition is directly caused by Authority or its employees.

16.11 Operator's Environmental Indemnity - With respect to Environmental Laws and Environment Permits, Operator agrees as follows:

- a. Without in any way limiting Operator's obligations under Article 13 hereof, Operator shall assume the risk of, be responsible for, protect, defend, indemnify and hold harmless Authority, and their respective past, present and future officers, members (including without limitation all members of the governing board of Authority) and their respective employees and agents, and each of them, including without limitation the Airport Directors of Authority, and shall hold each and all of them harmless at all times from and against any and all losses, claims, liabilities, damages, costs, and expenses, including reasonable attorneys fees, which may be incurred in connection with any actual, threatened, or potential environmental pollution, contamination, condition, or damage to the extent caused by or resulting from any activity, conduct, or presence of Operator or any of Operator's directors, officers, agents, contractors, subcontractors, or employees at the Airport or from Operator's failure to comply with any Environmental Law or Environmental Permit.
- b. All rights and remedies of Authority as provided in this Agreement with regard to environmental pollution, contamination, damage, or any actual or threatened violations of any Environmental Law or Environmental Permit shall be deemed cumulative in nature; and Authority's right to indemnification as provided under this Section shall survive the termination of this Agreement.

16.12 Stormwater - Operator shall comply with the following provisions with respect to stormwater management at or from the Airport:

- a. Notwithstanding any other provisions or terms of this Agreement, Operator acknowledges that certain properties within the Airport, or on Authority-owned land, are subject to stormwater rules and regulations. Operator agrees to observe and abide by such stormwater rules and regulations as may be applicable to the Airport property and uses thereof.

- b. Authority and Operator will cooperate to ensure compliance with any stormwater discharge permit terms and conditions, as well as to insure safety and to minimize cost of compliance. Operator acknowledges further that it may be necessary to undertake such actions to minimize the exposure of stormwater to "significant materials" generated, stored, handled, or otherwise used by Operator, as such term may be defined by applicable stormwater rules and regulations, by implementing and maintaining appropriate and relevant "best management practices" as that term may be defined in applicable stormwater rules and regulations.
- c. Authority will invite Operator to participate in discussions with the North Carolina EPA regarding discharge permit requirements and shall provide Operator with written notice of any stormwater discharge permit requirements applicable to Operator and with which Operator will be obligated to comply from time to time, including certification of non-stormwater discharges; collection of stormwater samples; preparation of stormwater pollution prevention or similar plans; implementation of best management practices; and maintenance of necessary records. Such written notice shall include applicable deadlines. Operator agrees to undertake, at its expense, unless otherwise agreed to in writing between Authority and Operator, those stormwater permit requirements for which it is reasonably responsible and for which it has received written notice from Authority and which are applicable exclusively to Operator, and Operator agrees that it will hold harmless and indemnify Authority for any violations or non-compliance by Operator with any such permit requirements for which it has undertaken.

ARTICLE 17

GENERAL PROVISIONS

- 17.01 Quiet Enjoyment - To the extent of its authority to provide the same under the Agreement Authority covenants that, if Operator shall perform all obligations and make all payments as provided herein, Operator shall peaceably have and enjoy the Leased Premises and all the rights, licenses, privileges, appurtenances, and facilities granted herein; provided, however, that the foregoing covenants shall be binding on Authority only so long as it is the operator of the Airport and has the authority to make this covenant under the foregoing agreements.
- 17.02 Surrender - Operator covenants and agrees to yield and deliver peaceably to Authority possession of the Leased Premises on the date of the cessation of the letting hereunder, whether such cessation be by termination, expiration or otherwise, promptly and in as good condition as at the commencement of the

letting, or, if improved, in as good condition as of the completion date of the last improvement made to the Leased Premises, excepting reasonable wear and tear.

17.03 Force Majeure

- a. Neither party hereto shall be liable to the other for any failure, delay, or interruption in performing its obligations hereunder to the extent due to acts, events or conditions beyond its control, including, but not limited to, acts of God, acts of a public enemy, war, blockade, insurrection, strikes, boycotts, picketing, slow-downs, work stoppages or other labor actions affecting the rights or obligations of Authority or Operator hereunder, their respective contractors or subcontractors, except to the extent that such failure, delay or interruption directly or indirectly results from failure on the part of Authority or Operator to use reasonable care to prevent, or make reasonable efforts to cure, such failure, delay or interruption; provided, however, that, except as herein specifically provided, nothing in this section is intended or shall be construed to abate, postpone or in any respect diminish Operator's obligations to make payments of Privilege Fees, Rent, Security Charges, Maintenance Fee, CFCs and any other payments when due to Authority pursuant to this Agreement.
- b. Authority shall be under no obligation to supply any service if and to the extent and during any period that the supplying of any such service or the use of any component necessary therefor shall be prohibited or rationed by any law, ordinance, rule, regulation, requirement, order or directive of any federal, state, county or municipal government having jurisdiction. Authority shall also have the right to manage and employ procedures to effectuate energy conservation measures at the Airport and Operator shall fully cooperate with Authority in these efforts.

17.04 No Co-Partnership or Agency - It is understood and agreed that nothing herein contained, including but not limited to Authority receiving Percentage Fee payments from Operator, is intended or shall be construed to in any respect create or establish the relationship of co-partners between the parties hereto, or as constituting either party as the general representative or agent of the other party for any purpose whatsoever.

17.05 No Personal Liability - No past, present or future officer, member, official, director, agent or employee of either party, shall be charged personally or held contractually liable by or to the other party under any term or provision of this Agreement or because of any breach thereof or because of its or their execution, approval, or attempted execution of this Agreement.

17.06 Notices - Except as otherwise expressly provided in this Agreement, all notices, consents, approvals and other communications provided for under this Agreement shall be in writing and shall be mailed by certified mail, return receipt requested, or by receipted overnight delivery, to Authority and Operator at the following addresses:

by U.S. Mail

AUTHORITY

Airport Director
Greater Asheville Regional Airport
Authority
61 Terminal Drive, Suite 1
Fletcher, NC 28732

OPERATOR

Enterprise Leasing Company
Southeast, LLC
Attn: VP/GM
8335 IBM DR STE 100
Charlotte, NC 28262-4329

With Copy to:

Enterprise Holdings
Attn: Airport Properties and Relations
600 Corporate Park Drive
St. Louis, MO 63105
Email: Alisha.n.tillman@ehi.com

by Overnight Delivery

AUTHORITY

Airport Director
Greater Asheville Regional Airport
Authority
61 Terminal Drive, Suite1
Fletcher, NC 28732

OPERATOR

Enterprise Leasing Company
Southeast, LLC
Attn: VP/GM
8335 IBM DR STE 100
Charlotte, NC 28262-4329

or to such other person or address as either Authority or Operator may from time to time designate by notice to the other in accordance with this Section.

- 17.07 Entire Agreement - This Agreement, including the attached exhibits, embodies the entire agreement between Authority and Operator relating to the subject matter hereof, supersedes all prior agreements and understandings, written or oral, express or implied, between Authority and Operator relating thereto, including the Invitation to Bid and Operator's bid upon which this Agreement was awarded. This Agreement, including the attached exhibits and endorsements, may not be changed, modified, discharged or extended except by written amendment duly executed by the parties.
- 17.08 No Third Party Beneficiaries - Each of the parties hereto has entered into this Agreement solely for its own benefit, and it is their intent that no third party shall have a right to claim damages or bring any suit, action or other proceeding by or against either of the parties hereto because of any breach hereof.. Except as otherwise provided in Paragraph (j) of Section 13.03 of Article 13 hereof, the foregoing provision shall not apply to insurance subrogation rights vested or arising in third parties resulting from insurance policies related to this Agreement.
- 17.09 Construction of Agreement - Regardless of which party hereto is responsible for the preparation and drafting of this Agreement, it shall not be construed more strictly against either party.
- 17.10 Severability - If any of the terms, conditions, provisions, warranties or covenants of this Agreement, or any portions thereof, shall contravene or be invalid under the laws or regulations of the State of North Carolina or the United States of America, or any of their respective agencies, departments or subdivisions, such contravention or invalidity shall not invalidate the whole Agreement, but this Agreement shall be construed as if not containing the particular term, condition, provision, warranty or covenant or portion thereof held to be in contravention or invalid, and the rights and obligations of the parties shall be construed accordingly.
- 17.11 Sealed Agreement - The parties hereto acknowledge, represent, state and warrant that they have signed and executed this Agreement under seal, that they have adopted their respective seals as affixed to this Agreement, and that they are executing this Agreement with the intent that it shall be a sealed instrument.
- 17.12 Survival of Warranties - All warranties and covenants set forth in this Agreement shall survive the execution, performance and termination of this Agreement.
- 17.13 Applicable Law - This Agreement is made and entered into in Buncombe County, North Carolina, and North Carolina law shall govern and apply to this Agreement. In the event of a dispute or disputes between the parties hereto,

and in the event litigation is instituted, such litigation shall be commenced only in a federal or state court in Buncombe County, North Carolina.

- 17.14 Operator is Independent Contractor - It is expressly understood and agreed by and between the parties hereto that Operator is and shall remain an independent contractor responsible to all parties for all of its acts or omissions and Authority shall be in no way responsible for Operator's acts or omissions.
- 17.15 Successor and Assigns Bound by Covenant - Subject to the limitations on Operator's rights under Section 15.01 and Section 15.05 of this Agreement, all covenants, stipulations and agreements in this Agreement shall extend to and bind legal representatives, successors and assigns including successors-in-interest by merger and consolidation of the respective parties hereto.
- 17.16 Time of Essence - For purposes of performance and interpretation of compliance under this Agreement, it is agreed by the parties that time is of the essence under this Agreement.
- 17.17 Consents and Approvals - If any consent, approval, determination, judgment or concurrence is required of Authority or the Airport Director hereunder, it is agreed that such consent, approval, determination, judgment or concurrence may be withheld, granted or made at the sole discretion of Authority or said Airport Director.

IN WITNESS WHEREOF, this Agreement is duly executed by the parties hereto as of the day and year first above written, intending themselves to be legally bound hereby.

Attested By:

**GREATER ASHEVILLE REGIONAL AIRPORT
AUTHORITY**

Name:
Title:

By: _____
Lew Bleiweis, A.A.E.
Executive Director

Seal:

Attested By:

**ENTERPRISE LEASING COMPANY -
SOUTHEAST, LLC.**

Name:
Title:

By: _____
Stephen Bradway
Vice President/General Manager

Seal:

EXHIBIT A

ASHEVILLE REGIONAL AIRPORT

EXHIBIT "A"
COUNTER - OFFICE SPACE



EXHIBIT B

READY/RETURN SPACE(S) ASHEVILLE REGIONAL AIRPORT

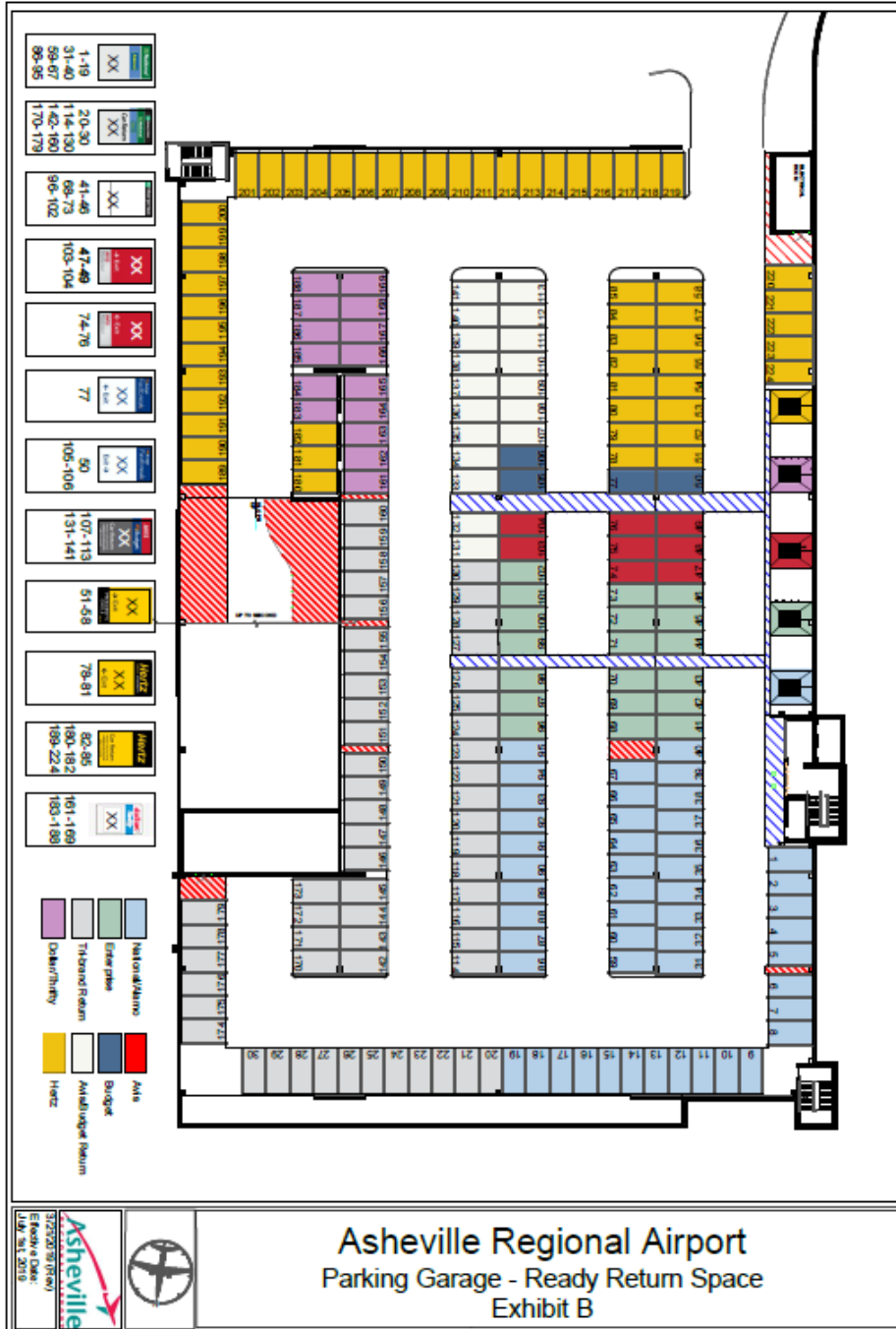
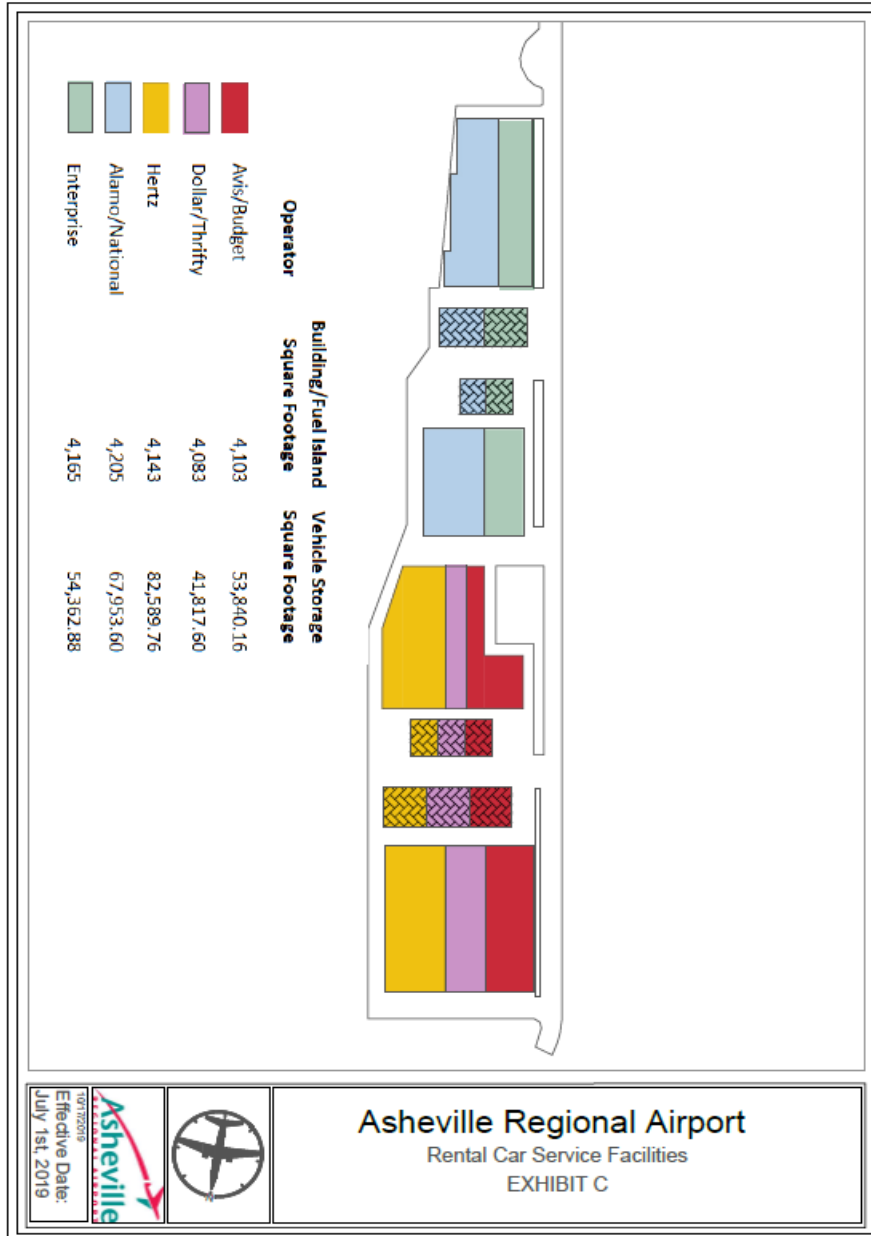


EXHIBIT C

SERVICE FACILITY

ASHEVILLE REGIONAL AIRPORT





 Effective Date:

 July 1st, 2019



Asheville Regional Airport
 Rental Car Service Facilities
 EXHIBIT C

EXHIBIT D

ASHEVILLE REGIONAL AIRPORT

Minimum Annual Guarantee, Rent Counter/Office, Ready Return, Service Facilities CAM, Security Charge, and CFC Maintenance Share

Minimum Annual Guarantee - Effective Date		
Avis/Budget	\$	297,761.77
Enterprise/Alamo/National	\$	864,113.22
Hertz/Dollar/Thrifty	\$	338,125.01
Totals		\$ 1,500,000.00

Counter/Office Space	Square footage	Rate psf/yr	Annual Amount	Monthly Amount
Avis/Budget	602.00	\$ 47.00	\$ 28,294.00	\$ 2,357.83
Enterprise/Alamo/National	1,236.00	\$ 47.00	\$ 58,092.00	\$ 4,841.00
Hertz/Dollar/Thrifty	1,336.00	\$ 47.00	\$ 62,792.00	\$ 5,232.67
Totals	3,174.00	\$ 47.00	\$ 149,178.00	\$ 12,431.50

Ready/Return Space	Space	Rate per space/year	Annual Amount	Monthly Amount
Avis/Budget	38.00	\$ 396.00	\$ 15,048.00	\$ 1,254.00
Enterprise/Alamo/National	120.00	\$ 396.00	\$ 47,520.00	\$ 3,960.00
Hertz/Dollar/Thrifty	66.00	\$ 396.00	\$ 26,136.00	\$ 2,178.00
Totals	224.00	\$ 396.00	\$ 88,704.00	\$ 7,392.00

Land				
Land - Service Facilities	Area/Storage	Rate psf/yr	Annual Amount	Monthly Amount
Avis/Budget	53,840.16	\$ 0.80	\$ 43,072.13	\$ 3,589.34
Enterprise/Alamo/National	122,316.48	\$ 0.80	\$ 97,853.18	\$ 8,154.43
Hertz/Dollar/Thrifty	124,407.36	\$ 0.80	\$ 99,525.89	\$ 8,293.82
Totals	300,564.00	\$ 0.80	\$ 240,451.20	\$ 20,037.60

Common Area Maintenance Fee Agreement Year 1	Land	Percent Space	Annual Amount	Monthly Amount
	Area/Storage	Allocated		
Avis/Budget	53,840.16	17.91%	\$ 5,527.66	\$ 460.64
Enterprise/Alamo/National	122,316.48	40.70%	\$ 12,557.99	\$ 1,046.50
Hertz/Dollar/Thrifty	124,407.36	41.39%	\$ 12,772.65	\$ 1,064.39
Totals	300,564.00	100.00%	\$ 30,858.30	\$ 2,571.53

Maintenance Fee - Service Site Share - Effective Date	Building/Fuel Island Sq.ft	Percentage of Space Allocated to Operator	Annual Cost \$100,000 Shared 75/25 RAC Share	Monthly Cost
Avis/Budget	4,103.00	19.82%	14,866.66	1,238.89
Enterprise/Alamo/National	8,370.00	40.44%	30,327.55	2,527.30
Hertz/Dollar/Thrifty	8,226.00	39.74%	29,805.79	2,483.82
Totals	20,699.00	100.00%	75,000.00	6,250.00

Security Charge as of Effective Date	Annual Amount	Monthly Amount
Avis/Budget	\$ 38,289.00	\$ 3,190.75
Enterprise/Alamo/National	\$ 38,289.00	\$ 3,190.75
Hertz/Dollar/Thrifty	\$ 38,289.00	\$ 3,190.75
Totals	\$ 114,867.00	\$ 9,572.25

EXHIBIT E

**CERTIFIED STATEMENT
RENTAL CAR CONCESSION AGREEMENT AND LEASE
ASHEVILLE REGIONAL AIRPORT**

GROSS RECEIPTS		Operator: _____
Time & Mileage Charges	\$ _____	Month: _____ Year: _____
Insurances		AGREEMENT TYPE: Concession Agreement and Lease
PAC	\$ _____	TENANT TYPE: Rental Car
PEC	\$ _____	REVENUE CODE: _____
SLI	\$ _____	LOCATION CODE: _____
Other	\$ _____	Number of RENTAL TRANSACTIONS for Month _____
Total	\$ 0.00	Number of RENTAL TRANSACTION DAYS for Month _____
Waivers		OTHER CHARGES NOT INCLUDED IN GROSS RECEIPTS
LDW	\$ _____	Taxes
CDW	\$ _____	State of North Carolina
Other	\$ _____	Buncombe County
Total	\$ 0.00	City of Asheville
Fuel Charges		Other _____
Prepaid Fuel	\$ _____	<i>specify</i>
Fuel Service Water	\$ _____	Customer Facility Charges (CFC's)
Gasoline Recovery	\$ _____	Other Authorized Deductions *
Total	\$ 0.00	_____ <i>specify</i>
Other Vehicle Charges		_____ <i>specify</i>
Inter-City Fees	\$ _____	_____ <i>specify</i>
Vehicle Exchange	\$ _____	_____ <i>specify</i>
Other Drivers	\$ _____	_____ <i>specify</i>
Total	\$ 0.00	Total Deductions
Fee Recoveries		\$ 0.00
Concession Recovery Fee	\$ _____	<i>*Itemize if over .0125% of Gross Receipts</i>
Other	\$ _____	
Total	\$ 0.00	
Other Vehicle-Related or Service Charges		I certify that this is a true and accurate statement of Gross Receipts in accordance with the terms of our Concession Agreement and Lease with the Greater Asheville Regional Airport Authority for the month and year listed above.
Other Equipment	\$ _____	Signature: _____
Cell Phones	\$ _____	Title: _____
Ski Racks	\$ _____	Date: _____
Child Seats	\$ _____	Phone Number: _____
Navigation Equipment	\$ _____	
Other	\$ _____	
Total	\$ 0.00	
<i>Identify all over .0125% of Gross Receipts</i>		
CALCULATION OF PRIVILEGE FEE		
GROSS RECEIPTS	\$ 0.00	The monthly certified statement needs to show only the gross taxes collected. Detail by taxing authority is to be listed in the annual certified statement.
Percentage Fee Due (10%)	\$ 0.00	
Less 1/12th Minimum Annual Guarantee	\$ _____	
Net Amount of Privilege Fee due for month	\$ 0.00	

REV 11/19

EXHIBIT F

**IRREVOCABLE STAND-BY LETTER OF CREDIT FORM
ASHEVILLE REGIONAL AIRPORT**

_____ [Date]

IRREVOCABLE STAND-BY LETTER OF CREDIT NO.: _____

EXPIRATION DATE: _____

AGGREGATE AMOUNT: _____ and _____/100 Dollars

BENEFICIARY: Greater Asheville Regional Airport Authority
61 Terminal Drive, Suite 1
Fletcher, NC 28732

Applicant: (Company Name) _____

Dear Sir or Madam:

On behalf of _____ [Company name] (the "Company"), we hereby issue this irrevocable stand-by letter of credit in your favor up to the aggregate amount stated above, available by one or more sight drafts drawn by you on us.

Each sight draft hereunder must state "Drawn on _____, [Bank Name] Irrevocable Stand-By Letter of Credit No. _____, dated _____, 20__" and must be accompanied by a Statement of Certification in the form attached hereto as Attachment A (which is incorporated in this irrevocable stand-by letter of credit by this reference). Such Statement of Certification must be signed by the Chief Financial Officer of the Greater Asheville Regional Airport Authority (the "Authority") or by his/her designee, and must provide the certification required in A and either B or C, or both:

- A. Certification that Company has failed to faithfully perform one or more of its obligations to the Authority under that certain Rental Car Concession Agreement and Lease for the management and operation of a rental car concession dated _____, 20____, as may be amended from time to time (the "Agreement"), by and between Company and the Authority; and
- B. Certification of (i) the amount of damages and expenses which, in his/her determination, the Authority has suffered or incurred as a result of such failure by Company, and/or (ii) the amount of any fees, charges and other sums past due and remaining unpaid from Company to the Authority under such Agreement, together with the amounts of any interest thereon to the extent required or allowed under such Agreement; and/or
- C. Certification (1) that Company has failed to provide to the Authority an irrevocable stand-by letter of credit to replace this irrevocable stand-by letter of credit on or before the date such replacement was due under such Agreement or has failed to so provide a replacement irrevocable stand-by letter of credit in the form required by or in accordance with the requirements of the Agreement, and (2) of the amount of the required replacement

irrevocable stand-by letter of credit. Each sight draft drawn hereunder shall be in an amount which is the lesser of the total amount of damages and expenses plus fees, charges and other sums past due and remaining unpaid, together with any interest thereon, or the amount of the required replacement irrevocable stand-by letter of credit, as certified in the Statement of Certification submitted with such draft.

Additionally, each sight draft drawn hereunder shall be paid from the funds of _____ **[Bank Name]**. If a drawing is made hereunder at or prior to 11 a.m., local time, at our branch where such drawing is made, on a business day, payment shall be made to the Authority or to its designee of the amount specified, at such branch, in immediately available funds, not later than 3 p.m., such local time, on the same business day or such later time and business day as you may specify. If a drawing is made hereunder after 11 a.m., such local time, on a business day, payment shall be made to the Authority or to its designee of the amount specified, in immediately available funds, not later than 3 p.m., such local time, on the next business day thereafter, or such later time and business day as you may specify.

This irrevocable stand-by letter of credit is deemed to be automatically extended without amendment for one (1) year from the expiration date of the Agreement, or any future expiration date, unless the Authority is notified by the Bank ninety (90) days prior to any expiration date of the Agreement by _____ **[Bank Name]**, by Registered Mail, that _____ **[Bank Name]** elects not to renew the irrevocable stand-by letter of credit for any such additional period.

This irrevocable stand-by letter of credit is subject to the Uniform Customs and Practices for Documentary Credits (1993 Rev.), International Chamber of Commerce Publication No. 500, except that, notwithstanding the provisions of Article 17 thereof to the contrary, if this irrevocable stand-by letter of credit would have otherwise expired by its terms during a period when our business has been interrupted by Acts of God or other causes beyond our control, our obligations hereunder shall continue for ninety (90) days following the date of our resumption of normal business operations.

We hereby engage with you that all sight drafts drawn hereunder in compliance with the terms of this credit will be duly honored upon presentation to us as provided herein.

_____ **[Bank Name]**

By: _____

Title: _____

ATTACHMENT "A" TO EXHIBIT "F"

**STATEMENT OF CERTIFICATION FORM
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**

TO: _____ [Bank Name]

DATE: _____

RE: _____ [Bank Name]
Irrevocable Letter of Credit Number _____

The undersigned, who is either the Chief Financial Officer or the Airport Director of the Greater Asheville Regional Airport Authority ("Authority"), or is his or her duly authorized designee, hereby certifies to _____ [Bank Name] that [A and either B or C, or both, are required]:

A. _____ [Company Name] ("Company") has failed to faithfully perform one or more of its obligations to the Authority under that certain Rental Car Concession Agreement and Lease, dated _____, 20____, by and between Company and the Authority, as amended from time to time ("Agreement"); and that

B. In the determination of the undersigned, the amount of damages or expenses which the Authority has suffered or incurred as a result of such failure by Company, and/or the amount of any fees, charges or other sums past due and remaining unpaid from Company to the Authority under such Agreement, together with the amount of any interest thereon to the extent required or allowed under such Agreement, total \$ _____; and/or

C. Company has failed to provide to the Authority a replacement contract bond or stand-by letter of credit the date required in the Agreement, or has failed to provide the same in the form required or otherwise in accordance with the requirements of the Agreement, and that the amount of the required replacement bond or letter of credit is \$ _____.

Dated this _____ day of _____, 20_____.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

By: _____

Printed Name: _____

Title: _____

EXHIBIT G

CERTIFICATE OF INSURANCE ASHEVILLE REGIONAL AIRPORT

NAME AND ADDRESS OF INSURANCE AGENCY	COMPANIES AFFORDING COVERAGES	A.M. BEST RATING	
		LETTER	SIZE
	COMPANY LETTER: A		
	COMPANY LETTER: B		
NAME AND ADDRESS OF INSURED	COMPANIES AFFORDING COVERAGES		
	COMPANY LETTER: C		
	COMPANY LETTER: D		
	COMPANY LETTER E		

This is to certify that the insurance policies identified in this Certificate have been issued to the insured and are in full force and effect at this time. It is agreed that none of the coverages referred to in this Certificate shall be terminated, modified, or not renewed until the Certificate Holder has received from the insurance company or companies thirty (30) days advance written notice thereof, at the Certificate Holder's address shown below. The insurance policies listed in this Certificate are primary to any other policies of insurance or self insurance maintained by the Certificate Holder.

COMPANY LETTER	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	ALL LIMITS IN THOUSANDS	PER OCCURRENCE
	GENERAL LIABILITY				GENERAL	\$
	<input type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS COMP-OPS AGGREGATE	\$
	<input type="checkbox"/> CLAIMS MADE				PERSONAL AND ADVERTISING INJURY	\$
	<input type="checkbox"/> OCCURRENCES				FIRE DAMAGE (ANY ONE FIRE)	\$
	<input type="checkbox"/> X.C.U. COVERAGES				MEDICAL EXPENSE (ANY ONE PERSON)	\$
	<input type="checkbox"/> INDEPENDENT CONTRACTORS				SPECIFIC PROJECT *	\$
	<input type="checkbox"/> CONTRACTUAL LIABILITY					

		AUTOMOBILE LIABILITY				BODILY AND PERSONAL INJURY	\$
<input type="checkbox"/>		ANY AUTO					
<input type="checkbox"/>		ALL OWNED AUTOS				PROPERTY DAMAGE	\$
<input type="checkbox"/>		SCHEDULES AUTOS					
<input type="checkbox"/>		HIRED AUTOS				BODILY INJURY AND PROPERTY DAMAGE COMBINED	\$
<input type="checkbox"/>		NON-OWNED AUTOS					
						EACH OCCURRENCE	
EXCESS LIABILITY					BODILY INJURY AND PROPERTY DAMAGE COMBINED	\$	
<input type="checkbox"/>	UMBRELLA FORM						
<input type="checkbox"/>	OTHER THAN UMBRELLA FORM						
<input type="checkbox"/>	CLAIMS MADE						
<input type="checkbox"/>	OCCURRENCE						
WORKER'S COMPENSATION					STATUTORY		
					(EACH ACCIDENT)	\$	
EMPLOYER'S LIABILITY					AGGREGATE	\$	
					(DISEASE EACH EMPLOYEE)	\$	
<input type="checkbox"/>	Each insurance policy has named the Certificate Holder, and their respective past, present and future officers, members (including without limitation all members of the governing board of Certificate Holder), and their respective employees and agents, and each of them, including without limitation the Airport Directors, as additional insureds.						
<input type="checkbox"/>	The General, Automobile and Excess Liability Policies described provide the severability of interest (cross liability) provision applicable to the named insured and the Greater Asheville Regional Airport Authority and the City of Asheville.						
DESCRIPTION OF OPERATION/LOCATIONS VEHICLES SPECIAL ITEMS SPECIFIC PROJECT/LOCATION LIABILITY LIMITS APPLICABLE TO:							
ISO form #CG25011185 or its equivalent							
NAME AND ADDRESS OF CERTIFICATE HOLDER							
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY Asheville Regional Airport 61 Terminal Drive, Suite 1 Fletcher, NC 28732							
Date Certificate Issued _____							
Authorized Representative's Name _____							
Authorized Representative's Signature _____							
Address _____							
Telephone No. _____							

EXHIBIT H

Page 1 of 2

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY SUPPLEMENTAL FEES AND CHARGES FY 2019/2020 ANNUAL BUDGET			
		FY 2019/2020 Current Fees	
		Cost	Per
<u>Maintenance</u>			
Scissor Lift	\$	100.00	day
Large ADA Ramp Rental	\$	100.00	use
Air Stair Rental	\$	100.00	use
Volvo Wheel Loader	\$	150.00	use
Fork-lift	\$	100.00	use
Pallet Jack	\$	50.00	use
Tenant Sweeper	\$	125.00	hour
Service Truck	\$	50.00	hour
Backhoe	\$	100.00	hour
Lighted X	\$	200.00	day
Light Tower	\$	150.00	day
Paint Stripper	\$	100.00	hour
Large Aircraft Removal Dolly	\$	200.00	day
Small Aircraft Removal Dolly	\$	100.00	day
Aircraft Jack	\$	100.00	use
Cores	\$	40.00	each
Keys	\$	12.00	each
Large Dump Truck	\$	200.00	hour
Small Broom	\$	200.00	hour
Large Broom	\$	300.00	hour
Pressure Washer	\$	125.00	hour
Maintenance Labor Rate (1)	\$	45.00	hour
Security Escort Rate (1)	\$	45.00	hour
<u>Department of Public Safety</u>			
ARFF Apparatus for 1500 gal. or greater	\$	250.00	hour
ARFF Apparatus for less than 1500 gal.	\$	150.00	hour
Command, Police, and Ops support vehicles	\$	100.00	hour
Aircraft recover dolly	\$	150.00	day
Maintenance Labor Rate (1)	\$	45.00	hour
Mutual Aid Agencies collected on their behalf			as incurred
Replacement charges for AVL equipment/supplies			as incurred
<u>Information Technology (IT) Department</u>			
IT Labor Rate - Non-Network (1)	\$	60.00	hour
IT Labor Rate - Network Related (1)	\$	80.00	hour
Dark Fiber per strand per 0-1000 ft	\$	20.00	month
Dark Fiber per strand per 0-2000 ft	\$	22.00	month
Dark Fiber per strand per 0-3000 ft	\$	24.00	month
Telephone Service - Per Telephone Number	\$	50.00	month
Fax Service - Per Fax Machine/Phone Number	\$	22.13	month
Cisco IP Phone - Model 7911G	\$	5.67	month
Cisco IP Phone - Model 7945G	\$	11.57	month
Cisco 1 Port Analog Line Converter-ATA186	\$	4.86	month
Cisco 2 Port Analog Line Converter-VG202	\$	22.13	month
AirIT Shared Use Network Charge - Per Airline	\$	50.00	month
<u>Notes:</u>			
(1) One Hour Minimum, Minimum of 3 hours charged after regular business hours.			
(2) Add \$120 for 2 hours of IT Labor for Setup & Configuration. Fees may be reduced when bundled with other services.			
(3) Add additional upgrades at cost.			

EXHIBIT H

Page 2 of 2

<u>Identification Badge Fees and Charges</u>	FY 2019/2020 Proposed Fees	
	Cost	Per
Initial Badge Issuance		
SIDA Badge	\$ 70.00	
Non-SIDA Badge	\$ 37.00	
Renewal of Badge		
SIDA Badge	\$ 70.00	
Non-SIDA Badge	\$ 37.00	
Lost Badge Replacement		
SIDA Badge (4)	\$ 85.00 / \$ 100.00	
Non-SIDA Badge (5)	\$ 60.00 / \$ 75.00	
Damaged Badge		
SIDA Badge (6)	\$ 37.00 / \$ 45.00	
Non-SIDA Badge (6)	\$ 37.00 / \$ 45.00	
Security Escort Training	\$ 40.00	
Lock-out Service (7)	\$ 40.00	
Notes:		
(4) \$85.00 for the first replacement badge, \$100.00 for the second replacement badge.		
(5) \$60.00 for the first replacement badge, \$75.00 for the second replacement badge.		
(6) \$37.00 for a damaged badge, \$45.00 if badge damaged due to negligence.		
(7) \$25.00 Lock-out Service Charge applies after the first 2 free service calls.		
Parking		
Daily	\$ 2.00	hour
	\$ 9.00	day
	\$ 54.00	week
Parking Garage	\$ 2.00	hour
	\$ 12.00	day
	\$ 72.00	week
Hourly	\$ 1.00	1/2 hour
	\$ 25.00	day
Employee Parking Rate	\$ 60 / \$50	new/renewal
Commuter Parking Rate	\$ 290 / \$275	new/renewal
Non-Tenant Aviation Commuter	\$ 900.00	annual
Fines	up to \$1,000	day
Ground Transportation		
Charter Bus Company (8)	\$ 4,000.00	annual
Airport Ground Transportation Permit (9)	\$ 50.00	annual
Airport Ground Transportation Pick-up Fee (9)	\$ 2.50	per trip
Transp. Network Company (TNC) Pick-up Fee	\$ 2.50	per trip
Transp. Network Company (TNC) Drop-off Fee	\$ 0.50	per trip
Off-Airport Rental Car Fee	7.50%	of gross revenue
Notes:		
(8) !Companies with a vehicle fleet inclusive of a minimum of 5 charter coach vehicles with seating capacity greater than 20 seats.		
(9) All Ground Transportation operators except TNCs and charter bus companies		



MEMORANDUM

TO: Members of the Airport Authority

FROM: Christina M. Madsen, Airport Properties and Contracts Manager

DATE: February 14, 2020

ITEM DESCRIPTION – New Business Item C

Approval of an Agreement Amendment between The Paradies Shops, LLC., (“Paradies”) and the Greater Asheville Regional Airport Authority (“Authority”)

BACKGROUND

The Paradies Shops, LLC., (Paradies) entered into the Food and Beverage/Sundries/Vending/Gift Concession Agreement (“Agreement”) at the Asheville Regional Airport in 2010. The Agreement was amended in 2018 to provide additional food offerings and concession space with the addition of the Auntie Anne’s Pretzel and Cinnabon concept. In September 2019, the Agreement was amended to increase the revenue sharing for the vending machine sales.

As our passenger growth continues, providing additional food and beverage offerings to our customers will be essential. Working with our existing operator to collaborate on ideas and new opportunities, staff is recommending an additional 923 square feet of space to be added to their leasehold to construct a new wine and craft beer location within the terminal. The concept is owned and operated by Paradies, which will be Vino Volo and will also include local craft beer. Paradies has created a relationship with local operator, Thirsty Monk, to bring local flavor to the Airport. The location will be in the corridor walkway toward gates 4 through 7. The space will include a bar with seating as well as additional seating along the window wall. This new concept will include craft beer, wine, coffee and tapas style food menu items. The Authority and Paradies will work collaboratively to create an area that is designed to create an attractive, aesthetically appealing space for our passengers. These changes will enhance the customer experience and increase revenues.

The lease term for this additional space will be five years, with anticipated opening this summer. Paradies will make a minimum capital investment of \$425,000. The Authority has agreed to provide a tenant allowance in the amount of \$75,000 to contribute to the

New Business - Item C



capital improvements. In the event the Authority terminates the agreement prior to the expiration of the five-year term, the Authority will reimburse Paradies for the unamortized portion of their investment, not to exceed \$150,000. Paradies will be responsible for all other costs and expense at their sole cost and expense.

The final draft Amendment has been sent to Paradies for approval.

ISSUES

None.

ALTERNATIVES

The Board could deny the request to amend the concession agreement.

FISCAL IMPACT

The rent paid for this additional concession space will be 7% of Gross Receipts until this new location Gross Receipts reaches \$650,000, at such time the rent will be increased and set to 10% of Gross Receipts for the remainder of the lease term. The Minimum Annual Guarantee ("MAG") will be set in the second year of the term for this new space and will be based on 90% of the previous year rent paid to the Authority. The MAG will be adjusted annually thereafter throughout the lease term; however, in no event will the MAG fall below the amount set in the second year.

RECOMMENDED ACTION

It is respectfully requested that the Greater Asheville Regional Airport Authority Board resolve to (1) approve the agreement amendment as described above with The Paradies Shops, LLC., and (2) authorize the Executive Director to execute the necessary documents.



MEMORANDUM

TO: Members of the Airport Authority

FROM: Christina M. Madsen, Airport Properties and Contracts Manager

DATE: February 14, 2020

ITEM DESCRIPTION – New Business Item D

Approval of an Agreement Amendment (“Amendment”) between Signature Flight Support Corporation, (“Signature”) and the Greater Asheville Regional Airport Authority (“Authority”)

BACKGROUND

Signature Flight Support Corporation (“Signature”) was assigned the Fixed Base Operator Lease Agreement at the Asheville Regional Airport (“Airport”) from Encore Asheville FBO, LLC., d/b/a, Landmark Aviation on December 14, 2017 (“Agreement”).

Due to the growth and expansion of air carrier commercial services at the Airport, the Authority requires additional ramp area and hangar space to accommodate the operational needs for this growth. Therefore, this Amendment will reduce the leased premises from Signature’s leasehold from 47.026 acres to 43.97 acres and reduce the rent accordingly. The Authority will also authorize Signature to utilize the ramp area during times the area is not needed for air carrier commercial operations for aircraft with a wingspan greater of 94 feet. In consideration for the ramp usage, Signature will pay a monthly fee to the Authority.

If at any point in the future the Authority, in its sole discretion, determines the ramp area is no longer needed for commercial air carrier or airport operations, consideration will be given to Signature to re-incorporate the ramp area back into their leased premises.

ISSUES

If this Amendment is not approved, the additional air carrier activity will not be able to be accommodated.

New Business - Item D



ALTERNATIVES

The Board could deny the request to amend the Fixed Base Operator Lease Agreement.

FISCAL IMPACT

This Amendment will reduce the rent paid from Signature to the Authority by approximately \$17,030 per year. However, this amount will be recouped under a separate transaction brought to the Authority Board for consideration in the next month.

RECOMMENDED ACTION

It is respectfully requested that the Greater Asheville Regional Airport Authority Board resolve to (1) approve the agreement amendment as described above with Signature Flight Support Corporation, and (2) authorize the Executive Director to execute the necessary documents.

Attachment

AMENDMENT No. 1

TO FIXED BASE OPERATOR LEASE AGREEMENT
ASHEVILLE REGIONAL AIRPORT

This Amendment No. 1 to Fixed Base Operator Lease Agreement ("Amendment") is made and entered into on March 1, 2020, ("Effective Date"), by and between the GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY, (the "Authority"), and SIGNATURE FLIGHT SUPPORT CORPORATION, a _____, corporation, authorized to do and conduct business in the State of North Carolina, (the "Lessee").

WITNESSETH:

WHEREAS, Authority and Lessee entered into that certain Fixed Base Operator Lease Assignment, Assumption, and Consent Agreement dated December 14, 2017, (the "Assignment"); and,

WHEREAS, Lessee assumed the Fixed Base Operator Lease Agreement between Landmark Aviation and the Authority, effective February 19, 2011 (the "Agreement"); and,

WHEREAS, The Greater Asheville Regional Airport Authority ("GARAA") was created pursuant to Session Law 2012-121 by the General Assembly of North Carolina on June 28, 2012; and,

WHEREAS, the parties desire to modify the leased premises in the Agreement as more particularly set forth herein.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the parties hereby agree that the Fixed Based Operator Lease Agreement be amended, effective upon execution, as follows:

1. **ARTICLE I PREMISES AND PERMITTED USES**, is hereby amended by Deleting Section 1.1 Demise of Premises in its entirety and replacing it with the following:

Section 1.1 Demise of Premises.

- A. Subject to the terms and conditions set forth in this Lease, Authority hereby demises and leases to Lessee and Lessee hereby leases from Authority, approximately 43.97 acres (1,915,355.56 square feet) will be included of certain land, and any buildings, structures,

fixtures, fences, utility installations, parking facilities, landscaping and irrigation systems currently existing or hereafter located thereon at the Asheville Regional Airport, as more particularly described on **Exhibit "A-1"** hereto ("Premises"). Lessee hereby leases the Premises subject to, and Lessee hereby agrees to comply with: (i) all applicable building codes, zoning regulations, and municipal, county, state and federal laws, ordinances and regulations governing or regulating the Premises or its uses, (ii) all covenants, easements and restrictions of record, (iii) "Rules, Regulations, and Minimum Standards Covering Airports Owned or Controlled by the Greater Asheville Regional Airport Authority", as the same may be amended from time to time ("Minimum Standards"), and (iv) the Greater Asheville Regional Airport Authority Master Plan 2013, as the same may be modified hereafter (the "Master Plan"), (v) All Buildings on the Premises are leased on an exclusive basis for the term of the Lease. All apron and ramp areas are leased on a preferential use basis for the term of the Lease. Authority has the right to use the apron areas on an as needed basis and shall notify Lessee with as much advance notification as reasonably possible when such use is needed. The total square footage of Premises includes 129,795 square feet surrounding the Authority owned T-Hangar Building and Bulk Hangar #2, which has been excluded in the rent calculations through January 31, 2021. 129,795 square feet will be added back to the applicable rent calculations effective February 1, 2021 and will remain throughout the lease term. All Exhibits referred to anywhere herein are deemed incorporated herein in their entirety.

- B. The Lessee acknowledges and agrees that the area identified on Exhibit A-1, as Aircraft Ramp Overflow Parking ("Overflow Parking") approximately 52,659 square feet, is for commercial air carriers. Authority agrees to provide authorization to Lessee to utilize the Overflow Parking to park military aircraft or aircraft with a wingspan of greater than 94 feet, when the Overflow Parking is not being utilized by commercial air carriers. To utilize the Overflow Parking, coordination and approval is required by the Authority. As consideration for this use, the Lessee agrees to pay a fee on the Effective Date of \$3,488.13 per year, in equal monthly payments of \$290.68. Such fee shall be adjusted annually throughout the Term by the Consumer Price Index as outlined in Article III, Annual Rent. Annually, on or before March 1, the Lessee will provide to the Authority an actual usage of the Overflow Parking. The Authority will determine, based on the usage by Lessee of the Overflow Parking, whether an adjustment to the fee is required. In the event the Authority determines, in its sole discretion, the Overflow Parking is not needed for commercial air carrier operations, or Authority operations (excluding GA/commercial operations), the Lessee will

have the option to re-incorporate the Overflow Parking back into the Premises. If Lessee declines this option, Authority has the right to develop this area without limitations.

All other terms of the Fixed Base Operator Lease Agreement not specifically amended shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto by their duly authorized officers have caused this Amendment to be executed effective as of the day and year first above written.

SIGNATURE FLIGHT SUPPORT CORPORATION

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

BY:

Tony Lefebvre
VP and Chief Operating Officer

BY:

Lew Bleiweis, A.A.E.
Executive Director

Approved as to Form:

Signature Legal Department



MEMORANDUM

TO: Members of the Airport Authority

FROM: Michael A. Reisman, A.A.E.
Deputy Executive Director

DATE: February 14, 2020

ITEM DESCRIPTION – New Business Item E

Ratify Approval of Amended Task Order No. 7 with CHA Consulting, Inc. for Short Form Environmental Assessment

BACKGROUND

The Board was previously briefed by Airport staff on the FAA's decision to require a Short Form Environmental Assessment (EA) process associated with the Terminal Modernization Program. The cost for this EA was approximately \$12,000.00, and within the Executive Director's purchasing authority. Subsequently, the FAA further mandated an update to the airport's Noise Exposure Maps (NEM) as an additional component of the conduct of the Short Form EA. The NEM update requires a substantial effort beyond the required EA process, resulting in additional cost requiring Board approval.

Since time was of the essence to keep the project kickoff on schedule, the Deputy Executive Director, in the absence of, and at the direction of the Executive Director, executed the required document in order to limit the constraints of this additional requirement.

ISSUES

None.

ALTERNATIVES

None. This process is being required by the FAA as a mandatory component of the project.

New Business – Item E



FISCAL IMPACT

The total lump sum fee for the Short Form EA and NEM update is \$78,100.00, plus an additional \$10,200.00 for an optional public meeting if it's needed as a result of the process. The total not to exceed fee is therefore \$88,300.00.

The approved costs are included in the current fiscal year's capital budget for the terminal project, for which \$25M has been included, and which includes up to \$10M in FAA AIP funds and Airport Funds for any remaining expenses incurred.

RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to (1) ratify approval of Task Order No. 7 with CHA Consulting, Inc.



Date: January 8, 2020

PO / CHA PN

Task Order #7

TASK ORDER / AUTHORIZATION TO PROCEED

In accordance with the Contract dated 8/17/18 between the parties designated below for:

THE PROJECT: Short Environmental Assessment for Passenger Terminal Building Expansion

THE CLIENT: Greater Asheville Regional Airport Authority (GARAA)

Hereby authorizes the CHA Consulting, Inc. to proceed with services as follows:

SCOPE OF SERVICES:

Short Environmental Assessment for Passenger Terminal Building Expansion

BACKGROUND

The GARAA has completed a plan to redevelop and expand the airport passenger terminal on the site of the current facility. This project is essentially contained within the existing location and is intended to better accommodate the ongoing growth in passengers. The FAA Memphis Airports District Office (ADO) has determined that a Short Environmental Assessment (EA) is the appropriate National Environmental Policy Act (NEPA) document to identify and evaluate potential environmental impacts. Furthermore, as the Airport has recently completed several FAA NEPA documents for projects within the overall terminal area, all necessary field evaluations for the site have been previously completed. As such, the Short EA will be a “desktop” study that reuses existing documentation for the resource evaluation. CHA will deliver both draft and final Short EA documents for review by GARAA and the general public, and to the FAA for NEPA determination.

SCOPE:

Task A: Project Management & Administration

CHA will work with the GARAA and coordinate with the FAA, other regulatory agencies, and interested parties to complete an FAA Short Form EA through completion with the intent of the FAA issuing a Finding of No Significant Impact (FONSI). Activities will include:

- Scope development
- Contract & project administration
- Coordination with project team
- Study correspondence and documentation
- Invoicing and project records

Task B: Short Environmental Assessment

CHA will work with the GARAA to complete the Memphis ADO’s Short Form Environmental Assessment for the project, including appropriate documentation of the following components:

Section I: Sponsor and Preparers Information. Complete the project and sponsor information, with appropriate signatures.

Section II: Project & Alternatives

Project Background and Description. This information is provided in the Terminal Study Report and will be included in the EA form. During preparation of these sections, CHA will hold a project kickoff meeting (telecom) with Airport staff to discuss the proposed action and potential issues that may arise during the environmental review.

Purpose and Need. The project need will be briefly described, including the recent growth in enplanements and operations, the FAA approved forecasts, and the age and shortcomings of the existing structure. It is assumed that FAA will accept the justification as valid, without substantive comments.

Alternatives. The document will include only two alternatives, consisting of the proposed terminal improvements (i.e., the Proposed Action) per the Terminal Study and the “No Action” Alternative. As significant impacts are not anticipated, there is no need or requirement for additional alternatives or other concepts to reduce impacts.

Section III: Environmental Analysis

This section is the primary component of the EA document, and includes FAA Impact Categories (A) through (Q). As part of the EA, CHA will review and utilize the following approved environmental documents as a resource, and to avoid the need for additional on-site analysis:

- Construct Parking Garage Short EA (March 2016)
- North Terminal Apron Expansion Documented Categorical Exclusion (April 2017)
- South Terminal Apron Expansion Short EA (July 2018) and a FONSI issued by FAA

(A) Air Quality – The Environmental Protection Agency (EPA) Green Book will be reviewed to determine if the project area is within a non-attainment area or maintenance area for any of the criteria air pollutants having National Ambient Air Quality Standards (NAAQS) established under the Clean Air Act Amendments (CAAA). It is assumed that the project area is in an attainment area and that no further air quality analysis would be required.

Temporary Construction Impacts may be a concern. Measures to mitigate and address temporary air quality impacts will be addressed.

(B) Biological Resources – The project area is an existing passenger terminal. No biotic communities are anticipated within the impact area. This will be confirmed and documented. No site investigation is necessary.

Federal and State Listed Endangered and Threatened Species- The United States Fish and Wildlife Service (USFWS) Information, Planning and Conservation (IPaC) website will be reviewed and the North Carolina Natural Heritage Program (NHP) will be contacted to identify the potential presence of federal and state listed threatened and endangered species and critical habitats that may be potentially impacted by the project. Due to the disturbed/developed nature of the project area, impacts to listed species are not anticipated. No additional coordination with the USFWS or the NHP is included in this scope.

(C) Climate – The new terminal project will be designed with modern energy efficient lighting, heating/cooling, and other systems. This section will document the planned measures to reduce energy use, compared to the existing terminal building and existing energy use. No quantitative

analysis is proposed.

- (D) Coastal Resources – The Airport is not located within a coastal area. The state coastal zone and coastal barrier resource systems mapping will be reviewed to document that no coastal impacts would occur. Thus, no evaluation will be needed.
- (E) DOT Section 4(f) - The project is located within airport property; however, the EA will document the location of any Section 4(f) resources in close proximity and discuss any potential impacts.
- (F) Farmland – The project is within the airport property and existing paved areas. No farms are within the project area; therefore, no detailed analysis is anticipated. It should be noted that the GARAA does own land on the western side for Ferncliff Park Drive that is leased to the State of North Carolina for experimental farming. This will be documented in the EA, with an explanation to why completing the Natural Resources Conservation Service Farmland Conversion Impact Rating Form (NRCS Form AD 1006) is not needed.
- (G) Hazardous Materials, Solid Waste, and Pollution Prevention – The EPA’s website will be reviewed. It is assumed that no hazardous sites or materials are located within the project area and that no further analysis would be required. The proposed project would not result in generation of new types of solid waste, except during construction. This will be briefly discussed in the EA, including the safe transport and disposal of materials off-site.
- (H) Historical, Architectural, Archeological, and Cultural Resources –A brief letter report accompanied by a project location map and photographs will be submitted to the North Carolina State Historic Preservation Office (SHPO) and the Tribal Historic Preservation Office (THPO) for review. The findings will be documented. It is assumed that no additional activities will be required to address cultural resources.
- (I) Land Use – The project is proposed on airport property and the use of the land would not change. The project is not expected to add or create wildlife attractants or impact surrounding activities. This will be documented in the EA.
- (J) Natural Resources and Energy Supply – The proposed project is not anticipated to generate a significant demand for energy supply or natural resources. This conclusion will be documented in the EA
- (K) Noise and Compatible Land Use – This task will provide an airport noise evaluation, including existing and future noise contours based on anticipated activity growth at AVL. The evaluation will identify if activity growth will result in noise impacts based on federal criteria provided in FAA Order 1050.1E and the Environmental Desk Reference. This is accomplished by the generation and review of noise contours of the FAA’s Day-Night Average Noise Level (DNL), using the DNL 65 dB as the threshold of impact. The evaluation will identify if noise sensitive land uses (such as homes and schools) are exposed to noise levels of DNL 65 dB, and if so, the amount of increase in DNL.

This task will employ FAA’s Aviation Environmental Design Tool (AEDT) model for generation of noise contours. The existing noise evaluation will be based on the current runway in use at AVL. However, as a replacement runway is currently in use and new, permanent runway is under construction, the future activity input data will be assigned to the new runway based on the approved location and elevations.

Prepare Noise Model Inputs (Existing) – Data input for the current noise evaluation will use calendar year 2019 annual aircraft operations for AVL (or the most recent 12 months of available operational data). The inputs will rely on existing available data, including Air Traffic Control Tower (ATCT) operational counts, FAA T100 data, FAA’s Enhanced Traffic Management System Counts (ETMSC), and AVL flight schedules. Operations will be identified by aircraft type for turbine aircraft. Types that comprise less than two percent of the total activity may be grouped with a similar aircraft type. For general aviation piston aircraft, operations will be categorized as single or twin engine, and input as a composite aircraft.

The Airport will assist with setting up a teleconference with ATCT staff to discuss operational procedures and flight tracks in use at AVL for use as inputs to the noise model. Items to discuss will include the following and other items:

- Runway end distribution/percentage use for takeoffs and landings
- Typical or estimate night time activity (before 7 AM and after 10 PM)
- Approach and departure procedures, and variations by aircraft type
- Touch & Go and closed traffic pattern procedures

The activity and flight tracks identified will be used to generate all input data assignments to the AEDT model.

Prepare Noise Model Inputs (Future) – For the future year noise analysis, the most recent available FAA Terminal Area Forecast (TAF) will be used for the operational data inputs. As discussed above, the new runway is anticipated to be in use and 100% of the forecast operations will be assigned to the new runway. It is anticipated that an updated TAF will be released in early 2020 for use in this evaluation. This Task Order will not include development of new activity forecasts.

For a formal FAR Part 150 Noise and Land Use Compatibility Study, FAA procedures require use of the 5-year forecast for future noise contours. However, this evaluation is for an EA document, and thus could use a different forecast period. As such, the future year will be selected in consultation with AVL and FAA and may include 5 years, 10 years, the estimated year of terminal building full buildout, etc.

Anticipated changes in aircraft types will be incorporated in the future year model inputs. The TAF data will then be assembled for a typical (average) day of the year. Operations will be divided into runway ends, aircraft type, day vs. night, operation type (landing, takeoff, touch-&-go), etc. and input into the AEDT model.

CHA will prepare a Noise Model Input Memorandum for AVL and FAA review. The memorandum will include any proposed non-standard modeling, aircraft type substitutions, operational input data, etc. for FAA review and approval.

Noise Modeling – The FAA Aviation Environmental Design Tool will be used to model and generate current and future noise contours for the Airport. The analysis will follow FAA guidance for AEDT modeling, and will generate:

- Existing noise conditions based on the current runway layout, airport activity, and operating procedures.
- The anticipated future noise levels based on the TAF, fleet mix, and recommended operational procedures.

- Produce Day-Night Sound Level (DNL) noise contours for the DNL 65, 70, and 75 dBA levels. This task will be conducted exclusively by modeling that adheres to FAA procedures; no noise monitoring activities are included.

Land Use Compatibility – The DNL noise contours will be incorporated into a land use drawing(s) depicting existing noise sensitive land use categories on a current digital orthophoto. The drawing scale will be adequate to illustrate the extents of the DNL 60 dBA contour. Separate or combined drawings will be used for current and future noise contours as determined by AVL.

The noise analysis will identify any impacted areas per federal standards located within the DNL 65, 70, or 75 dBA noise contours, with a focus on the differences between the existing and future noise levels.

The location of noise sensitive land use will be identified and visually verified. All known noise-sensitive locations and facilities within the contours (e.g., homes, schools, churches, etc.) will be identified for existing and forecast conditions. Additionally, if the noise contours increase in size, the increase in noise level in decibels will be determined for locations within the DNL 65 dBA.

A summary of findings will be prepared, including a description and illustrations of the following and will be included in the EA document.

- For existing conditions, the number of homes, or other noise sensitive land uses, within the DNL 65, 70, or 75 dBA contours (if any)
- For forecast conditions, the number of homes, or other noise sensitive land uses, within the DNL 65, 70, or 75 dBA contours (if any)
- For the forecasts noise levels, any sensitive locations within the DNL 65 or higher contour, the evaluation will identify the increase in DNL in decibels.

Once completed, the noise analysis findings will be provided to AVL in advance for the Pre-Draft EA Document.

(L) Socioeconomics, Environmental Justice, Children’s Environmental Health and Safety Risks –

The EA will document that the project is located on airport property and would not impact homes and businesses or require property acquisition. The project would not cause changes in traffic patterns or increase traffic congestion. The report will also discuss potential induced, secondary socioeconomic impacts, and risks to children’s environmental health and safety. A review of local minority or low-income populations will also be completed for consideration of Environmental Justice.

(M) Visual Effects (including light emissions) – The project includes general terminal, apron, and curbside lighting, similar to the existing facility. No new or expanded airfield lighting is included, and the potential for adverse light emissions are not anticipated as a result of the terminal replacement. This conclusion will be documented in the EA.

(N) Water Resources – The EPA map of Sole Source Aquifers will be reviewed. Water quality concerns generated by construction (i.e., increase in impervious area) are primarily related to the potential for additional stormwater discharges. The EA will describe the soil erosion and control measures that will be included in the project implementation. Permanent improvements such as closed drainage, swales, and basins may also be evaluated.

Wetlands- The project area is an existing terminal. No wetlands are anticipated within the impact area. Wetland delineation is not included, but documentation will be provided from existing available resources.

Floodplains- The 100-year and 500-year floodplain maps will be reviewed and attached. Impacts to the floodplain are not anticipated.

Wild and Scenic Rivers-The presence of any wild and scenic rivers in the project area will be documented.

(O) Cumulative Impacts – Past, present and reasonably foreseeable future development projects within the airport and surrounding area will be discussed. The documented impacts of such projects will be identified and will include a discussion of the combined potential for significant impacts.

(P) Permits and Certifications – All anticipated permits and certifications will be listed.

(Q) Mitigation – This section will discuss potential mitigation that may be necessary to avoid significant environmental impacts. If such impacts are not anticipated, this section of the EA will be limited.

Pre-Draft EA Document

Each of the sections above will be compiled into the Short EA form, with attachments, and delivered to AVL for review and comments. This document will include all correspondence with agencies on environmental consequences. Following GARAA review, the Pre-draft EA will be submitted to FAA. During this process, it is anticipated that a review meeting (telecom) will be held. CHA will prepare meeting minutes to document comments and edits.

Task C: Public Involvement

Draft EA. Revisions to the Pre-Draft will be completed and compiled into the formal Draft EA document, which will be publicly advertised and released for review. The document will also be provided to the NC State Clearinghouse for agency distribution. All advertisements, publications, and other activity will be coordinated and approved in advance by the GARAA. The public review period will be a minimum of 30 days. The public will be given the opportunity to provide comments and to request a public meeting.

Final EA: All comments received will be reviewed and incorporated into the Final EA, with revisions to the document and written responses, as applicable. The Final EA be submitted to the GARAA for internal review, followed by it being released to the FAA for action. The Final EA document, and FAA's determination, will be provided to the Clearinghouse for distribution and advertised publicly.

Task D. Public Meeting (optional)

If a public meeting is requested during the review of the Draft EA (and the Airport and FAA concur), a public meeting will be scheduled and held at the Airport or a local public facility. The public meetings activities will include:

- Additional advertisements for the meeting location, date and time
- Development of a presentation and other meeting materials for approval by the Airport

- Reservation and coordination with the selected public facility
- Staffing and holding the meeting itself (assume three persons from CHA in attendance)
- Collecting and documenting comments and preparation of meeting minutes

ACTIONS & DELIVERABLES

- Study kickoff meeting (telecom) with AVL and preparation of minutes.
- Pre-draft Short EA document delivered to AVL and FAA for review and comments. This document will include correspondence with agencies on environmental consequences.
- Study review meeting (telecom) on Pre-draft EA and preparation of minutes.
- Submission of Draft Short EA document with distribution to FAA, the NC State Clearinghouse, and advertised for Public Review.
- Review of comments, including an internal meeting (telecom), and preparation of minutes.
- Submission of Final Short EA document to FAA for action.

The scope may be expanded by GARAA at any time to provide additional services determined to be necessary, such as:

- A. Participation in in-person meetings.
- B. Additional environmental analysis, fieldwork, or modeling of environmental issues or potential impacts identified during the study process.

FEE

FEE SCHEDULE

CHA proposes a lump sum fee, billed by percent complete, based on the attached estimate of staff hours. The proposed fee is **\$78,100**, nearly half of this cost is related to Task B, Item (K), the noise model and analysis. An optional public meeting is proposed as needed for an additional fee of **\$10,200**. If the public meeting is held, the total proposed lump sum fee is \$88,300.

ASSUMPTIONS & EXCLUSIONS:

- Does not include in-person or on-site meetings.
- Assumes preparation of three deliverable, Pre-draft, Draft, and Final EA documents

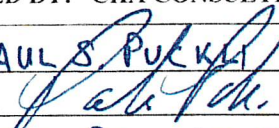

SCHEDULE

It is anticipated that the Pre-draft Short EA can be completed in a **12-week** period from notice to proceed, followed by the review periods below:

Document	Reviewer	Period
Pre-Draft EA	AVL, FAA	2 weeks
Prepare Draft EA	---	1 week
Draft EA	Public	5 weeks
Prepare Final EA	---	1 week
FAA FONSI	FAA	2 weeks

Upon return of a fully executed authorization, this Task Order shall become a part of the

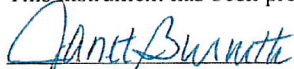
Agreement identified above.

APPROVED BY: CHA CONSULTING, INC.	APPROVED BY: GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
NAME: PAUL S PUCKETT	NAME: Michael A. Reisman
SIGNATURE: 	SIGNATURE: 
TITLE: VICE PRESIDENT	TITLE: Deputy Exec. Director
DATE: 1-21-2020	DATE: 1-22-2020

Greater Asheville Regional Airport Authority

This statement has been added to this correspondence to ensure compliance with State laws.

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.


Financial Officer

1-21-2020
Date



MEMORANDUM

TO: Members of the Airport Authority

FROM: Jared Merrill
Planning Manager

DATE: February 14, 2020

ITEM DESCRIPTION – New Business Item F

Approval of Change Order #2 for Repair of 60 Inch Reinforced Concrete Pipe

BACKGROUND

The Airport Board approved the contract with Applied Polymerics for the Repairs to the Reinforced Concrete Pipe Project on October 11, 2019 in the amount of \$155,949.75. Subsequently, Change Order No. 1 was approved on December 13, 2019 in the amount of \$31,350.00.

The contractor for the pipe repair, Applied Polymerics, is approximately 95% complete with the project. Additional grading was required to relieve the trapped groundwater in this area. Also, upon inspection of the pipe on January 22nd, Hydrostructures & Kimley Horn have observed significant hydrostatic pressure on the pipe system that will require additional grout to properly seal 15 joints and 2 vaults.

Per the contracted unit pricing the estimated additional cost to complete these joints will be \$51,480.00.

ISSUES

None.

ALTERNATIVES

Board could elect not to complete the sealing of these joints. However, these joints will not be covered under Applied Polymerics' Warranty.

New Business – Item F



FISCAL IMPACT

The total Change Order #2 proposed by Applied Polymerics to complete this work is \$51,480.00 which is based on the unit prices in the contract. Costs will be funded utilizing Airport Funds.

RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to (1) approve Change Order #2 with Applied Polymerics in the amount of \$51,480.00 (2) authorize the Executive Director to execute the necessary documents; and (3) amend the FY2019/2020 budget by adopting the following budget ordinance amendment:

BE IT ORDAINED by the Greater Asheville Regional Airport Authority that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2020:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Capital Improvements	_____	\$51,480.00
Totals	_____	\$51,480.00

This will result in a net increase of \$51,480.00 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash	_____	\$51,480.00
Totals	_____	\$51,480.00



Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Greater Asheville Regional Airport Authority, and to the Budget Officer and to the Finance Officer for their direction.

Adopted this 14th day of February 2020.

Matthew Burrell, Chair

Attested by:

Ellen Heywood, Clerk to the Board



2/03/2020

Michael A. Reisman, A.A.E.
Deputy Executive Director, Development & Operations
Greater Asheville Regional Airport Authority
61 Terminal Drive, Suite 1
Fletcher, NC 28732

Re: **60-Inch Storm System Rehabilitation**
Additional Grading and Grout Required – Change Order

Dear: Mr. Reisman,

As part of our limited construction phase services, Kimley-Horn and Hydrostructures have been performing construction observation, coordination with Airport Staff, and providing feedback to contractor questions. Recent coordination with the Contractor and Airport Staff has resulted in need to document change order related items including the following:

Sediment Basin Removal & Grading - On January 3rd, 2020 Applied Polymerics submitted a letter to Kimley-Horn requesting additional compensation for grading related items outside the original contract. A copy of the letter received is attached to this document for reference. In general, the effort required to remove the existing sediment basin and grade a new ditch required more materials and was far more difficult than anticipated considering the active groundwater leak that existed in the work area. The contractor submitted a request for additional funds for **\$10,580** for this additional work and materials. ***After field observations and review of the provided information, Kimley-Horn agrees that extra effort and materials in this task were required and recommends approval of this additional funds request.***

Additional Grout – On January 22, 2020 a site visit was performed by Justin Lemonds with Hydrostructures and Zach Emlinger with Applied Polymerics. During the site visit, it was observed and discussed that the pipe injection crews are making good progress, but they have encountered significant hydrostatic pressure on the pipe system and have used more grout (anticipated 10 gallons per joint) than listed in the bid tab. The following bullets summarize the findings:

- Original contract estimated 360 gallons of grout, prior change order added 19 new joints adding 190 gallons, contractor stopped pumping grout on Tuesday 1-21-20 with approximately 614 gallons injected. As of this date, there is a 64-gallon overrun. Authority Staff began expressing concern on grout overrun and contractor is seeking guidance as to whether they should continue pumping grout to complete the job or stop work.
- Per the 1-22-20 site visit, all joints identified for injection have been injected, but some (15 joints) that had previously been sealed have developed small/medium leaks that need more grout to stop the leak prior to putting cementitious mortar mix

over repaired joint. It was also noted that the junction box injection repairs were requiring more grout than planned.

- Contractor indicated he cannot warranty the joints that are still leaking and that he would like to pump more grout to complete the job so that the completed product will look good for the Authority and NCDENR.
- Zach Emlinger provided separate email on 1-23-20 summarizing all quantities utilized on the project. Aside from the grout overrun, the only quantity deviation was an underrun of 26 tons on Class 1 riprap (savings of \$1342.38).

Based on recent field observations, significant groundwater pressure, and the fact that the number of gallons of grout was an educated guess in the bid tab, it has become obvious that additional grout is needed to complete the job. **Kimley-Horn recommends the Airport Authority approve additional funds to cover the gallons of grout needed to complete the project.** The conservative estimated gallon allowance to complete the project includes:

- 64 gallons over bid tab currently (\$6400)
- 15 gallons per 15 remaining leaking joints = 225 gallons (22,500)
- 60 gallons per 2 remaining vault structures = 120 gallons (\$12,000)
- **Total gallons of grout = 409 gallons (\$40,900)**
- The Contractor will only get paid for the gallons used

The estimated value for this change order is \$51,480 (\$10,580 for grading + \$40,900 for grout). It is recommended that the project budget contingency remain in place to cover unforeseen expenses.

Please see attached letter from Applied Polymerics and please let us know if you have any questions.

Sincerely,

Kimley-Horn



Dan Robinson, PE, CFM

Attachment

January 3, 2020

Dan Robinson, P.E.
Kimley-Horn

Mr. Robinson,

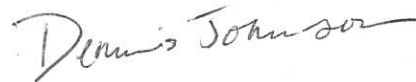
During the excavation and removal of the waste soils at the Ashville Airport, we encountered a tremendous amount of trapped water from the surrounding areas. Because of this unanticipated situation, we had to excavate a massive amount of very wet soils and install rip rap and timber railroad ties to build a new base. We were also asked by the Engineer and DWQ to install two new lined ditches to help control this drainage in the future. The total amount of rip rap used on the project still stayed below the estimates, so we only ask for the cost per ton as listed on the bid sheet. However, we request the following compensations for the additional work:

- Additional Waste Material Hauled Off (we anticipated 15 loads but ended up being 38)
23 loads x \$ 150.00/load = \$ 3,450.00
- Load of Railroad Ties lump sum = \$ 750.00
- Geotextile Fabric for Additional Ditches - 338 SY x \$10.00/sy = \$ 3,380.00
- Labor/Equipment for excavating and shaping new Ditches - lump sum - 6 hours = \$ 3,000.00

TOTAL REQUESTED FUNDS - \$ 10,580.00

If you have any questions, comments or concerns, please call (336) 339-1523 or e-mail me. I appreciate the opportunity to work with you.

Dennis L. Johnson



Bridge Manager
Applied Polymerics, Inc.



MEMORANDUM

TO: Members of the Airport Authority

FROM: Lisa Jump, Director of Administration and Human Resources

DATE: February 14, 2020

ITEM DESCRIPTION – New Business Item G

Employee Referral Incentive Program Policy

BACKGROUND

The Greater Asheville Regional Airport Authority has struggled at times to attract and hire individuals for positions. The purpose of the Employee Referral Incentive Program is to provide an incentive award to current employees who bring new talent to the Airport Authority by referring applicants who are subsequently selected and successfully employed in a position.

ISSUES

The Employee Referral Incentive Program will help the airport recruit new employees with the assistance of our current workforce.

ALTERNATIVES

The Authority Board could decide not to approve the proposed Employee Referral Incentive Program Policy.

FISCAL IMPACT

The expense for implementing this policy is minimal and there are sufficient funds within the 2019-20 fiscal budget that will cover this expense.



RECOMMENDED ACTION

It is respectfully requested that the Greater Asheville Regional Airport Authority Board resolve to (1) approve the Employee Referral Incentive Program; and (2) authorize the Executive Director to implement such changes effective February 1, 2020.

OBJECTIVE The purpose of the Employee Referral Incentive Program is to provide an incentive award to current employees who bring new talent to the Greater Asheville Regional Airport Authority by referring applicants who are subsequently selected and successfully employed in a position.

**METHOD OF
OPERATION**

**Eligibility
and Participation** All employees are eligible to participate in the referral incentive program except for the following:

- All Director and Manager level personnel for any positions within the organization;
- Hiring managers and supervisors associated with the selection of employees within the departments where the position is assigned.

Referrals of Relatives must be in compliance with the criteria as defined in Section 209.00: Employment of Relatives Policy.

To be eligible for an award, a Candidate Referral Form must be completed and submitted to Human Resources. The applicant must write the person who referred them on the employment application.

Includes only referrals made on or after February 1, 2020. All referrals made prior to February 1, 2020 are excluded from the program.

Positions All positions are eligible for the Referral Incentive Program

**Referral
Incentive
Amount** The total amount of the referral incentive is \$400 for a position. Referral incentive payments will be awarded as follows: \$100 at the time of hire and \$300 after the new employee has completed six months (180 calendar days) of employment following date of hire. The referral incentive will be issued in the employee's next paycheck with applicable federal and state taxes deducted. The Airport Authority will cover the cost of FICA.

Should two or more employees be identified by the applicant as referral sources, the referral incentive will be divided equally.

**Program
Administration** Recipients of the referral incentive must be actively employed at the time the six (6) months referral period is reached.

An application referral under this program does not guarantee the applicant will be interviewed or hired for the posted position.

The resolution of any disputes arising from the application of this program will be the responsibility of the Director of Administration and Human Resources

Approval

February 14, 2020

Supersedes



MEMORANDUM

TO: Members of the Airport Authority

FROM: Lew Bleiweis, A.A.E., Executive Director

DATE: February 14, 2020

ITEM DESCRIPTION – Information Section Item A

December, 2019 Traffic Report – Asheville Regional Airport

SUMMARY

December, 2019 overall passenger traffic numbers were up 43.1% compared to the same period last year. Passenger traffic numbers reflect a 42.9% increase in passenger enplanements from December, 2018. Enplanements for Fiscal Year to Date total 453,730 which is a 39.0% increase over the same period last year.

AIRLINE PERFORMANCE

Allegiant Airlines: Year over Year passenger enplanements for Allegiant in December 2019 were up by 51.6%. There were no flight cancellations for the month.

American Airlines: American's December 2019 passenger enplanements represent a 54.0% increase over the same period last year. There were no flight cancellations for the month.

Delta Airlines: Enplanements for Delta in December 2019 increased by 15.6%. There were no flight cancellations for the month.

Spirit Airlines: Spirit experienced a 16.1% decrease in passenger enplanements in December 2019 compared to December 2018. There were no flight cancellations for the month.

United Airlines: In December 2019, United Airlines saw an increase in enplanements by 121.7% over the same period last year. There were no flight cancellations for the month.

Monthly Traffic Report Asheville Regional Airport

December 2019



Category	Dec 2019	Dec 2018	Percentage Change	*CYTD-2019	*CYTD-2018	Percentage Change	*MOV12-2019	*MOV12-2018	Percentage Change
Passenger Traffic									
Enplaned	70,892	49,594	42.9%	809,093	568,176	42.4%	809,093	568,176	42.4%
Deplaned	<u>70,451</u>	<u>49,178</u>	43.3%	<u>807,669</u>	<u>566,392</u>	42.6%	<u>807,669</u>	<u>566,392</u>	42.6%
Total	141,343	98,772	43.1%	1,616,762	1,134,568	42.5%	1,616,762	1,134,568	42.5%
Aircraft Operations									
Airlines	1,192	820	45.4%	13,256	9,230	43.6%	13,256	9,230	43.6%
Commuter/ Air Taxi	<u>875</u>	<u>722</u>	21.2%	11,265	10,140	11.1%	11,265	10,140	11.1%
Subtotal	<u>2,067</u>	<u>1,542</u>	34.0%	<u>24,521</u>	<u>19,370</u>	26.6%	<u>24,521</u>	<u>19,370</u>	26.6%
General Aviation	3,207	2,635	21.7%	47,604	38,731	22.9%	47,604	38,731	22.9%
Military	<u>159</u>	<u>190</u>	-16.3%	<u>3,059</u>	<u>3,197</u>	-4.3%	<u>3,059</u>	<u>3,197</u>	-4.3%
Subtotal	<u>3,366</u>	<u>2,825</u>	19.2%	<u>50,663</u>	<u>41,928</u>	20.8%	<u>50,663</u>	<u>41,928</u>	20.8%
Total	5,433	4,367	24.4%	75,184	61,298	22.7%	75,184	61,298	22.7%
Fuel Gallons									
100LL	8,617	8,492	1.5%	172,044	163,447	5.3%	172,044	163,447	5.3%
Jet A (GA)	96,515	96,858	-0.4%	1,362,456	1,457,947	-6.5%	1,362,456	1,457,947	-6.5%
Subtotal	<u>105,132</u>	<u>105,350</u>	-0.2%	<u>1,534,500</u>	<u>1,621,394</u>	-5.4%	<u>1,534,500</u>	<u>1,621,394</u>	-5.4%
Jet A (A/L)	<u>633,196</u>	<u>356,085</u>	77.8%	<u>6,913,089</u>	<u>4,357,949</u>	58.6%	<u>6,913,089</u>	<u>4,357,949</u>	58.6%
Total	738,328	461,435	60.0%	8,447,589	5,979,343	41.3%	8,447,589	5,979,343	41.3%

*CYTD = Calendar Year to Date and *Mov12 = Moving Twelve Months.

Tuesday, January 21, 2020

Airline Enplanements, Seats, and Load Factors

Asheville Regional Airport

December 2019



	Dec 2019	Dec 2018	Percentage Change	*CYTD-2019	*CYTD-2018	Percentage Change
Allegiant Air						
Enplanements	31,148	20,550	51.6%	338,816	212,253	59.6%
Seats	40,875	26,964	51.6%	444,825	255,344	74.2%
Load Factor	76.2%	76.2%	0.0%	76.2%	83.1%	-8.4%
American Airlines						
Enplanements	17,114	11,116	54.0%	176,785	121,137	45.9%
Seats	21,465	13,493	59.1%	213,470	149,188	43.1%
Load Factor	79.7%	82.4%	-3.2%	82.8%	81.2%	2.0%
Delta Air Lines						
Enplanements	12,476	10,793	15.6%	158,397	146,823	7.9%
Seats	14,939	12,752	17.2%	180,764	168,552	7.2%
Load Factor	83.5%	84.6%	-1.3%	87.6%	87.1%	0.6%
Elite Airways						
Enplanements	0	0	#Num!	823	1,056	-22.1%
Seats	0	0	#Num!	1,640	2,070	-20.8%
Load Factor	#Num!	#Num!	#Type!	50.2%	51.0%	-1.6%
Spirit Airlines						
Enplanements	3,449	4,110	-16.1%	50,621	14,538	248.2%
Seats	5,394	6,916	-22.0%	91,250	26,366	246.1%
Load Factor	63.9%	59.4%	7.6%	55.5%	55.1%	0.6%
United Airlines						
Enplanements	6,705	3,025	121.7%	83,651	72,369	15.6%
Seats	8,426	4,350	93.7%	103,436	91,331	13.3%
Load Factor	79.6%	69.5%	14.4%	80.9%	79.2%	2.1%

Tuesday, January 21, 2020

*CTYD = Calendar Year to Date and *Mov12 = Moving Twelve Months.

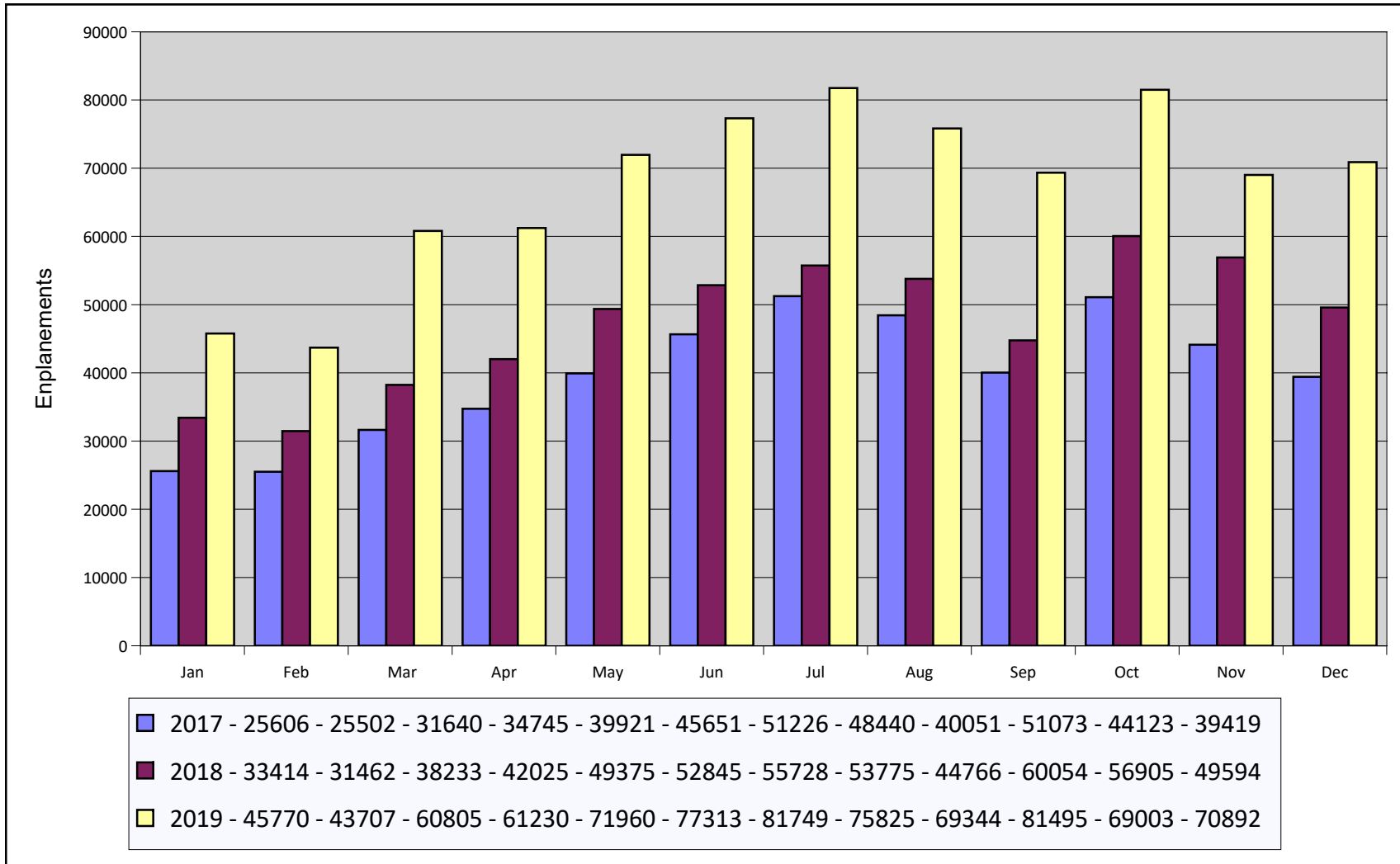
	Dec 2019	Dec 2018	Percentage Change	*CYTD-2019	*CYTD-2018	Percentage Change
Totals						
Enplanements	70,892	49,594	42.9%	809,093	568,176	42.4%
Seats	91,099	64,475	41.3%	1,035,385	692,851	49.4%
Load Factor	77.8%	76.9%	1.2%	78.1%	82.0%	-4.7%

Airline Flight Completions Asheville Regional Airport December 2019

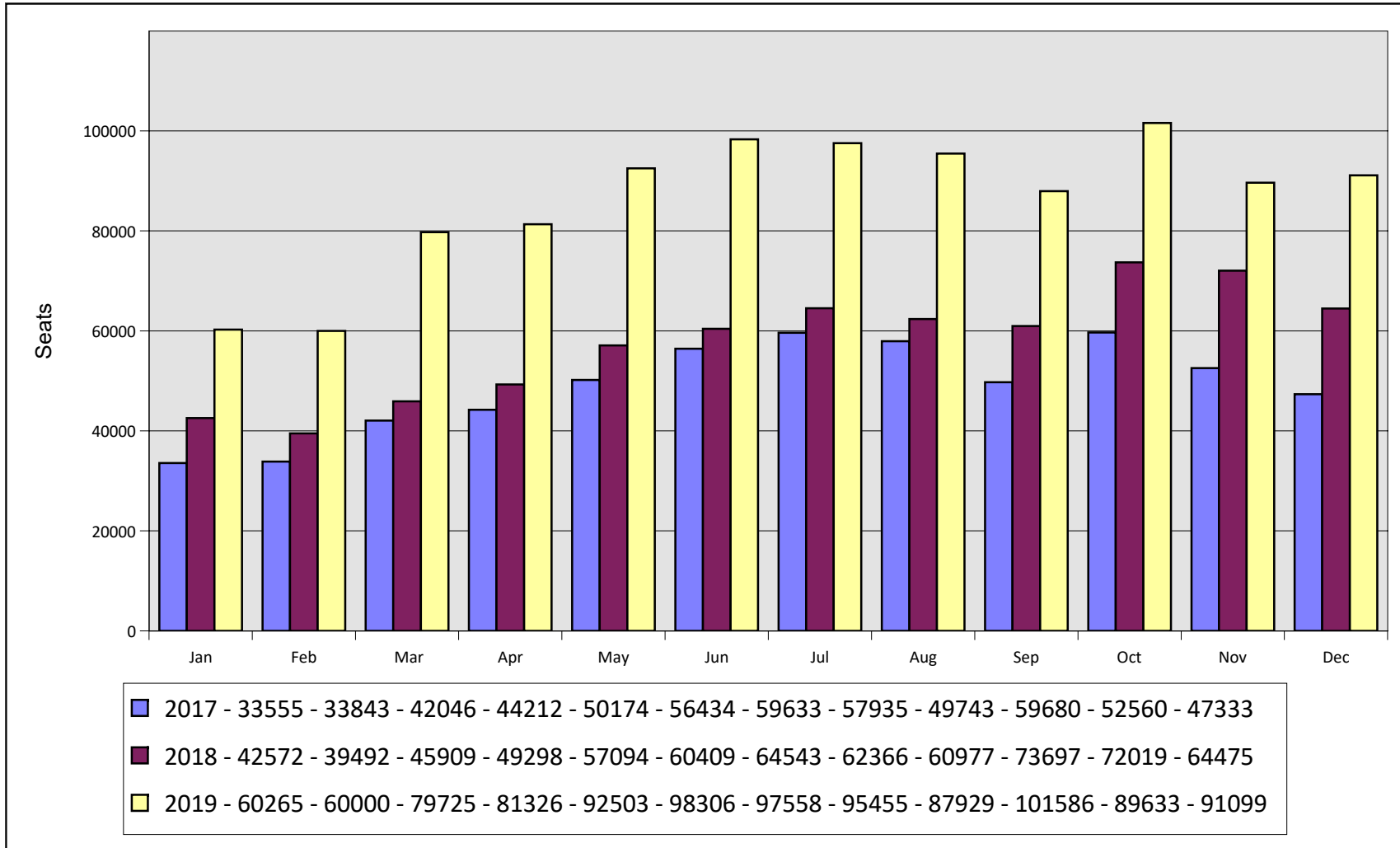


Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed Flights
			Mechanical	Weather	Other		
Allegiant Air	228	0	0	0	0	0	100.0%
American Airlines	318	0	0	0	0	0	100.0%
Delta Air Lines	201	0	0	0	0	0	100.0%
Spirit Airlines	31	0	0	0	0	0	100.0%
United Airlines	167	0	0	0	0	0	100.0%
Total	945	0	0	0	0	0	100.0%

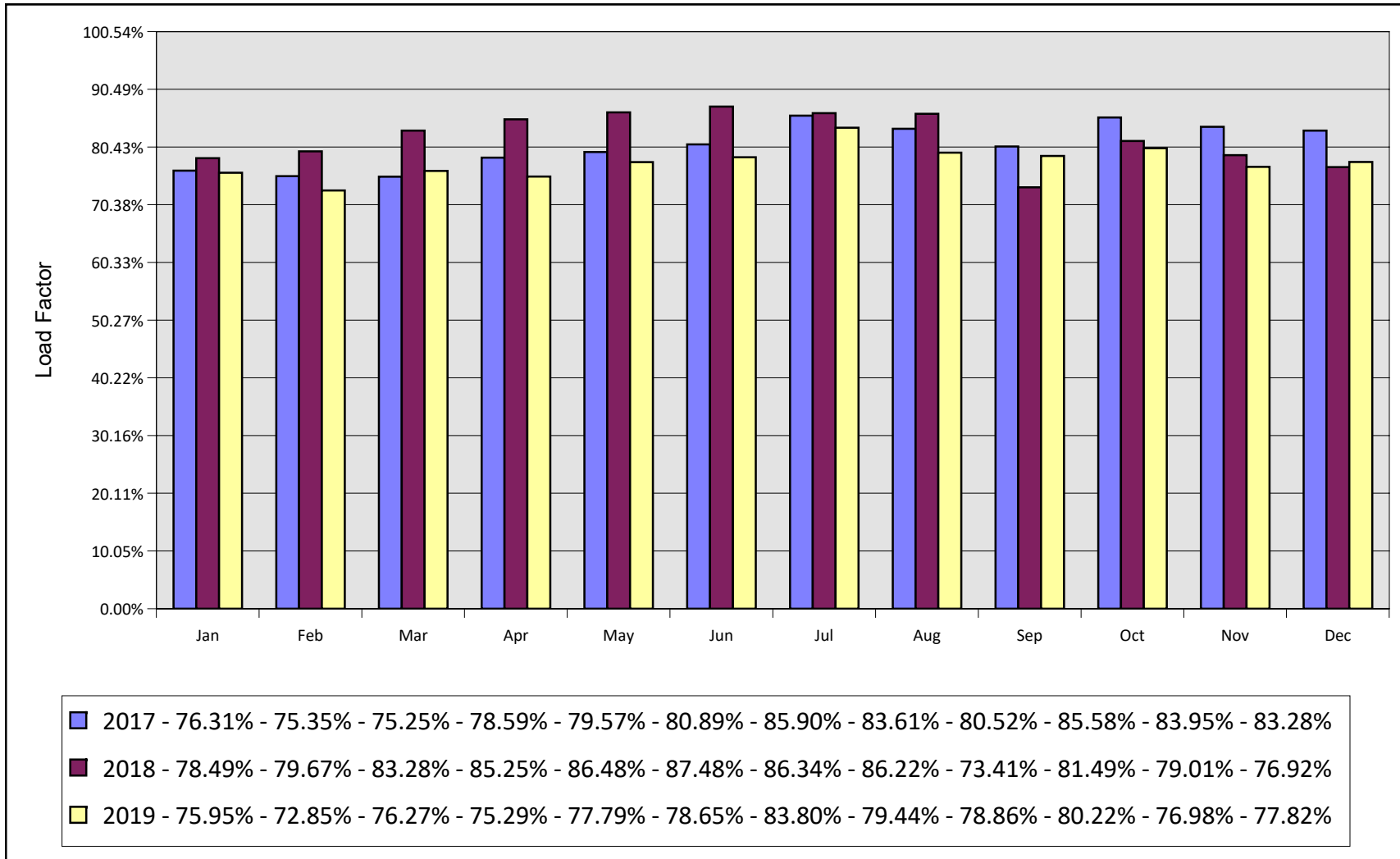
Monthly Enplanements By Year Asheville Regional Airport



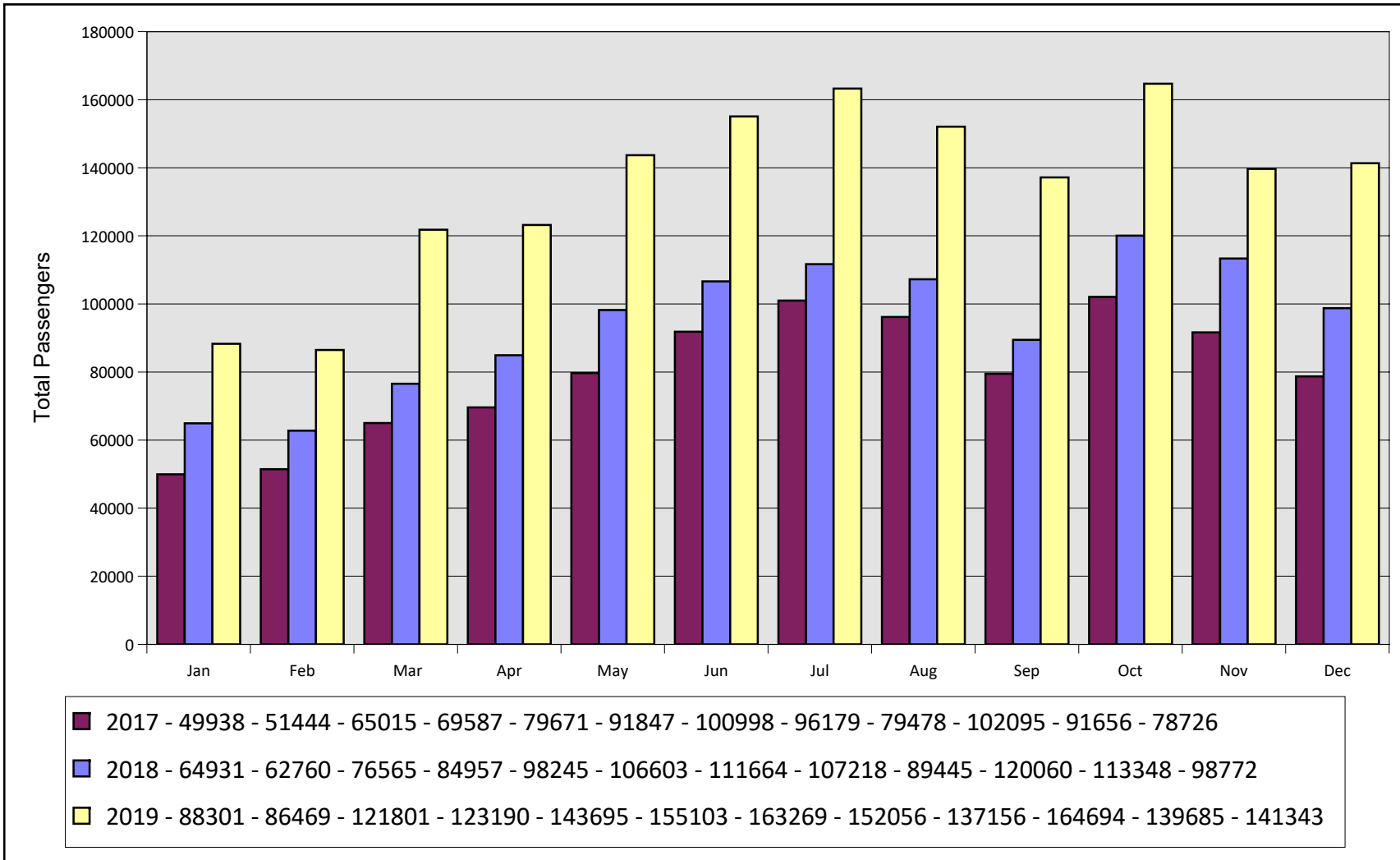
Monthly Seats By Year Asheville Regional Airport



Monthly Load Factors By Year Asheville Regional Airport

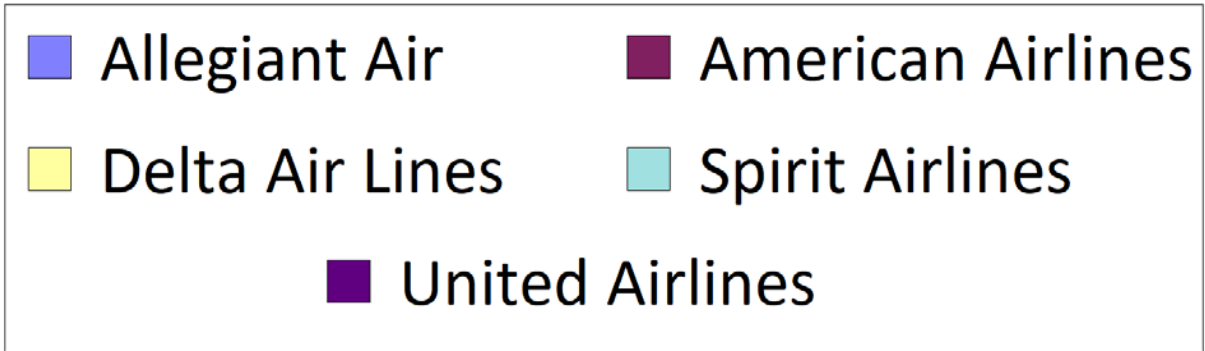
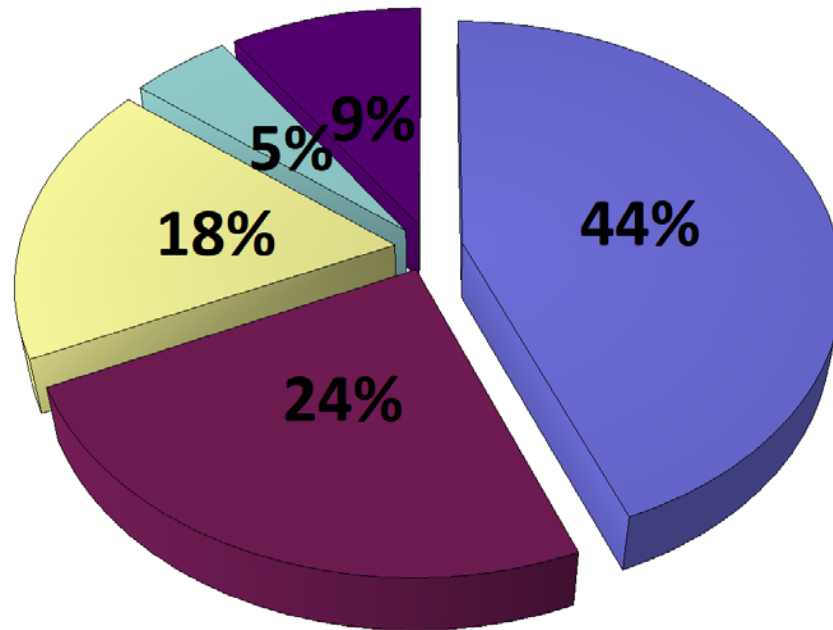


Total Monthly Passengers By Year Asheville Regional Airport



Airline Market Share Analysis (Enplanements) Asheville Regional Airport

Report Period From December 2019 Through December 2019



March 2020 vs. March 2019			Mar-20		Mar-19		Diff		Percent Diff	
Mkt AI	Orig	Dest	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
AA	AVL	CLT	46	3,067	48	3,274	(2)	(207)	(4.2%)	(6.3%)
AA	CLT	AVL	46	3,067	48	3,274	(2)	(207)	(4.2%)	(6.3%)
AA	AVL	DFW	14	1,064	0	0	14	1,064		
AA	DFW	AVL	14	1,064	0	0	14	1,064		
AA	AVL	LGA	2	152	0	0	2	152		
AA	LGA	AVL	2	152	0	0	2	152		
AA	AVL	PHL	14	987	0	0	14	987		
AA	PHL	AVL	14	987	0	0	14	987		
DL	ATL	AVL	48	3,151	47	3,142	1	9	2.1%	0.3%
DL	AVL	ATL	48	3,151	47	3,142	1	9	2.1%	0.3%
G4	AVL	BWI	2	312	2	354	0	(42)	0.0%	(11.9%)
G4	BWI	AVL	2	312	2	354	0	(42)	0.0%	(11.9%)
G4	AVL	DEN	1	177	2	354	(1)	(177)	(50.0%)	(50.0%)
G4	DEN	AVL	1	177	2	354	(1)	(177)	(50.0%)	(50.0%)
G4	AVL	EWR	2	354	5	885	(3)	(531)	(60.0%)	(60.0%)
G4	EWR	AVL	2	354	5	885	(3)	(531)	(60.0%)	(60.0%)
G4	AVL	FLL	19	3,363	16	2,832	3	531	18.8%	18.8%
G4	FLL	AVL	19	3,363	16	2,832	3	531	18.8%	18.8%
G4	AVL	PBI	2	354	0	0	2	354		
G4	PBI	AVL	2	354	0	0	2	354		
G4	AVL	PGD	3	489	3	531	0	(42)	0.0%	(7.9%)
G4	PGD	AVL	3	489	3	531	0	(42)	0.0%	(7.9%)
G4	AVL	PIE	9	1,530	7	1,197	2	333	28.6%	27.8%
G4	PIE	AVL	9	1,530	7	1,197	2	333	28.6%	27.8%
G4	AVL	SFB	13	2,196	9	1,530	4	666	44.4%	43.5%
G4	SFB	AVL	13	2,196	9	1,530	4	666	44.4%	43.5%
G4	AVL	SRQ	2	354	2	354	0	0	0.0%	0.0%
G4	SRQ	AVL	2	354	2	354	0	0	0.0%	0.0%
NK	AVL	FLL	0	0	4	728	(4)	(728)	(100.0%)	(100.0%)
NK	FLL	AVL	0	0	4	728	(4)	(728)	(100.0%)	(100.0%)
NK	AVL	MCO	5	725	4	728	1	(3)	25.0%	(0.4%)
NK	MCO	AVL	5	725	4	728	1	(3)	25.0%	(0.4%)
NK	AVL	TPA	0	0	3	546	(3)	(546)	(100.0%)	(100.0%)
NK	TPA	AVL	0	0	3	546	(3)	(546)	(100.0%)	(100.0%)
UA	AVL	IAD	14	700	14	700	0	0	0.0%	0.0%
UA	IAD	AVL	14	700	14	700	0	0	0.0%	0.0%
UA	AVL	ORD	21	1,050	21	1,050	0	0	0.0%	0.0%
UA	ORD	AVL	21	1,050	21	1,050	0	0	0.0%	0.0%
Total			434	40,050	374	36,410	60	3,640	16.0%	10.0%

April 2020 vs. April 2019			Apr-20		Apr-19		Diff		Percent Diff	
Mkt AI	Orig	Dest	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
AA	AVL	CLT	49	3,265	49	3,339	0	(74)	0.0%	(2.2%)
AA	CLT	AVL	49	3,265	49	3,339	0	(74)	0.0%	(2.2%)
AA	AVL	DFW	14	1,064	0	0	14	1,064		
AA	DFW	AVL	14	1,064	0	0	14	1,064		
AA	AVL	LGA	2	152	0	0	2	152		
AA	LGA	AVL	2	152	0	0	2	152		
AA	AVL	PHL	14	910	0	0	14	910		
AA	PHL	AVL	14	910	0	0	14	910		
DL	ATL	AVL	54	3,716	47	3,282	7	434	14.9%	13.2%
DL	AVL	ATL	54	3,716	47	3,282	7	434	14.9%	13.2%
G4	AVL	BWI	2	312	2	354	0	(42)	0.0%	(11.9%)
G4	BWI	AVL	2	312	2	354	0	(42)	0.0%	(11.9%)
G4	AVL	DEN	1	177	2	354	(1)	(177)	(50.0%)	(50.0%)
G4	DEN	AVL	1	177	2	354	(1)	(177)	(50.0%)	(50.0%)
G4	AVL	EWR	4	708	5	885	(1)	(177)	(20.0%)	(20.0%)
G4	EWR	AVL	4	708	5	885	(1)	(177)	(20.0%)	(20.0%)
G4	AVL	FLL	21	3,717	16	2,832	5	885	31.3%	31.3%
G4	FLL	AVL	21	3,717	16	2,832	5	885	31.3%	31.3%
G4	AVL	PBI	2	354	0	0	2	354		
G4	PBI	AVL	2	354	0	0	2	354		
G4	AVL	PGD	3	498	4	708	(1)	(210)	(25.0%)	(29.7%)
G4	PGD	AVL	3	498	4	708	(1)	(210)	(25.0%)	(29.7%)
G4	AVL	PIE	9	1,593	7	1,239	2	354	28.6%	28.6%
G4	PIE	AVL	9	1,593	7	1,239	2	354	28.6%	28.6%
G4	AVL	SFB	13	2,226	9	1,488	4	738	44.4%	49.6%
G4	SFB	AVL	13	2,226	9	1,488	4	738	44.4%	49.6%
G4	AVL	SRQ	2	354	2	354	0	0	0.0%	0.0%
G4	SRQ	AVL	2	354	2	354	0	0	0.0%	0.0%
NK	AVL	FLL	0	0	4	728	(4)	(728)	(100.0%)	(100.0%)
NK	FLL	AVL	0	0	4	728	(4)	(728)	(100.0%)	(100.0%)
NK	AVL	MCO	5	725	4	728	1	(3)	25.0%	(0.4%)
NK	MCO	AVL	5	725	4	728	1	(3)	25.0%	(0.4%)
NK	AVL	TPA	0	0	3	546	(3)	(546)	(100.0%)	(100.0%)
NK	TPA	AVL	0	0	3	546	(3)	(546)	(100.0%)	(100.0%)
UA	AVL	IAD	14	700	14	700	0	0	0.0%	0.0%
UA	IAD	AVL	14	700	14	700	0	0	0.0%	0.0%
UA	AVL	ORD	21	1,050	21	1,050	0	0	0.0%	0.0%
UA	ORD	AVL	21	1,050	21	1,050	0	0	0.0%	0.0%
Total			460	43,042	378	37,234	82	9,448	21.7%	15.6%

May 2020 vs. May 2019			May-20		May-19		Diff		Percent Diff	
Mkt AI	Orig	Dest	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
AA	AVL	CLT	49	3,155	55	3,586	(6)	(431)	(10.9%)	(12.0%)
AA	CLT	AVL	49	3,155	56	3,651	(7)	(496)	(12.5%)	(13.6%)
AA	AVL	DFW	14	1,064	7	532	7	532	100.0%	100.0%
AA	DFW	AVL	14	1,064	7	532	7	532	100.0%	100.0%
AA	AVL	LGA	2	152	2	152	0	0	0.0%	0.0%
AA	LGA	AVL	2	152	2	152	0	0	0.0%	0.0%
AA	AVL	PHL	14	805	8	415	6	390	75.0%	94.0%
AA	PHL	AVL	14	987	7	350	7	637	100.0%	182.0%
DL	ATL	AVL	55	4,042	47	3,739	8	303	17.0%	8.1%
DL	AVL	ATL	55	4,042	47	3,739	8	303	17.0%	8.1%
G4	AVL	BWI	2	372	2	354	0	18	0.0%	5.1%
G4	BWI	AVL	2	372	2	354	0	18	0.0%	5.1%
G4	AVL	DEN	1	177	2	354	(1)	(177)	(50.0%)	(50.0%)
G4	DEN	AVL	1	177	2	354	(1)	(177)	(50.0%)	(50.0%)
G4	AVL	EWR	3	531	5	885	(2)	(354)	(40.0%)	(40.0%)
G4	EWR	AVL	3	531	5	885	(2)	(354)	(40.0%)	(40.0%)
G4	AVL	FLL	13	2,301	17	3,009	(4)	(708)	(23.5%)	(23.5%)
G4	FLL	AVL	13	2,301	17	3,009	(4)	(708)	(23.5%)	(23.5%)
G4	AVL	PBI	3	531	0	0	3	531		
G4	PBI	AVL	3	531	0	0	3	531		
G4	AVL	PGD	3	540	3	531	0	9	0.0%	1.7%
G4	PGD	AVL	3	540	3	531	0	9	0.0%	1.7%
G4	AVL	PIE	10	1,788	8	1,395	2	393	25.0%	28.2%
G4	PIE	AVL	10	1,788	8	1,395	2	393	25.0%	28.2%
G4	AVL	SFB	16	2,841	7	1,218	9	1,623	128.6%	133.3%
G4	SFB	AVL	16	2,841	7	1,218	9	1,623	128.6%	133.3%
G4	AVL	SRQ	2	354	2	354	0	0	0.0%	0.0%
G4	SRQ	AVL	2	354	2	354	0	0	0.0%	0.0%
NK	AVL	FLL	0	0	4	580	(4)	(580)	(100.0%)	(100.0%)
NK	FLL	AVL	0	0	4	580	(4)	(580)	(100.0%)	(100.0%)
NK	AVL	MCO	7	1,274	4	580	3	694	75.0%	119.7%
NK	MCO	AVL	7	1,274	4	580	3	694	75.0%	119.7%
NK	AVL	TPA	0	0	3	435	(3)	(435)	(100.0%)	(100.0%)
NK	TPA	AVL	0	0	3	435	(3)	(435)	(100.0%)	(100.0%)
UA	AVL	EWR	7	350	8	400	(1)	(50)	(12.5%)	(12.5%)
UA	EWR	AVL	7	350	8	400	(1)	(50)	(12.5%)	(12.5%)
UA	AVL	IAD	21	1,050	14	700	7	350	50.0%	50.0%
UA	IAD	AVL	21	1,050	14	700	7	350	50.0%	50.0%
UA	AVL	ORD	21	1,050	21	1,050	0	0	0.0%	0.0%
UA	ORD	AVL	21	1,050	21	1,050	0	0	0.0%	0.0%
Total			486	44,936	438	40,538	48	4,398	11.0%	10.8%



MEMORANDUM

TO: Members of the Airport Authority
FROM: Janet Burnette, Director of Finance & Accounting
DATE: February 14, 2020

ITEM DESCRIPTION – Information Section Item B

Greater Asheville Regional Airport – Explanation of Extraordinary Variances
Month of December 2019

SUMMARY

Operating Revenues for the month of December were \$1,461,166, 37.7% over budget. Operating Expenses for the month were \$722,727, 22.7% under budget. As a result, Net Operating Revenues before Depreciation were \$738,439. Net Non-Operating Revenues were \$398,367, 16.6% over budget.

Year-to-date Operating Revenues were \$9,174,978, 44.1% over budget. Year-to-date Operating Expenses were \$4,327,299, 22.9% under budget. Year-to-date Net Operating Revenues before Depreciation were \$4,847,679. Net Non-Operating Revenues for the year were \$1,938,756, 5.4% under budget.

REVENUES

Significant variations to budget for December were:

Terminal Rentals-Airlines	\$35,825	17.85%	Enplanements over budget
Landing fees	\$33,623	39.13%	Enplanements over budget
Concessions	\$33,355	71.60%	Enplanements over budget
Rental Car	\$50,069	35.11%	Enplanements over budget and new brands on site
Auto Parking	\$222,692	59.38%	Enplanements over budget
Ground Transportation	\$24,617	156.72%	Enplanements over budget



EXPENSES

Significant variations to budget for December were:

Professional Services	(\$25,370)	(72.27%)	Professional services lower than anticipated
Contractual Services	(\$81,186)	(71.43%)	No invoice from LAZ Parking
Travel & Training	(\$11,348)	(52.21%)	Travel costs for month less than anticipated
Operating Supplies	(\$41,252)	(106.54%)	Low costs and reclassification of prior expense
Utilities	(\$25,920)	(57.62%)	Low utility and no water invoices during month

STATEMENT OF NET ASSETS

Significant variations to prior month were:

Cash and Cash Equivalents – Cash and Cash Equivalents decreased by \$1,387k mainly due to the Airfield Redevelopment project.

Grants Receivable – Grants Receivable increased by \$1,956k due to the Airfield Redevelopment project.

Construction in Progress – Construction in Progress increased by \$3,036k mainly due to the Airfield Redevelopment and Security projects.

Property and Equipment, Net – Property and Equipment, Net decreased by \$438k due to depreciation.

**ASHEVILLE REGIONAL AIRPORT
INVESTMENT AND INTEREST INCOME SUMMARY
As of December 31, 2019**

<u>Institution:</u>	<u>Interest Rate</u>	<u>Investment Amount</u>	<u>Monthly Interest</u>
Bank of America - Operating Account	0.80%	\$ 10,026,895	4,208
First Citizens - Money Market Account	0.35%	404,354	133
NC Capital Management Trust - Cash Portfolio		18,031	23
NC Capital Management Trust - Term Portfolio		9,412,803	14,108
Petty Cash		200	
 <u>Restricted Cash:</u>			
BNY Mellon		851,982	
Bank of America - PFC Revenue Account	0.80%	4,333,110	1,557
NC Capital Management Trust - Term Port - PFC		10,273,556	15,399
 Total		 <u>\$ 35,320,931</u>	 <u>\$ 35,428</u>

Investment Diversification:

Banks	44%
NC Capital Management Trust	56%
Commercial Paper	0%
Federal Agencies	0%
US Treasuries	0%
	<u>100%</u>

**ASHEVILLE REGIONAL AIRPORT
STATEMENT OF CHANGES IN FINANCIAL POSITION
For the Month Ended December 31, 2019**

	Current Month	Prior Period
Cash and Investments Beginning of Period	\$ 36,708,785	\$ 35,852,793
Net Income/(Loss) Before Capital Contributions	697,993	684,371
Depreciation	438,814	438,813
Decrease/(Increase) in Receivables	(1,475,654)	91,934
Increase/(Decrease) in Payables	31,014	18,550
Decrease/(Increase) in Prepaid Expenses	-	-
Decrease/(Increase) in Fixed Assets	(3,036,421)	(367,815)
Principal Payments of Bond Maturities	-	-
Capital Contributions	1,956,400	2,948
Fund Balance Adjustment - Receivable posted twice	-	(12,809)
Increase(Decrease) in Cash	(1,387,854)	855,992
Cash and Investments End of Period	\$ 35,320,931	\$ 36,708,785

**ASHEVILLE REGIONAL AIRPORT
STATEMENT OF FINANCIAL POSITION
As of December 31, 2019**

	Current Month	Last Month
<u>ASSETS</u>		
Current Assets:		
Unrestricted Net Assets:		
Cash and Cash Equivalents	\$19,862,283	\$21,927,908
Investments	0	0
Accounts Receivable	801,143	1,004,247
Passenger Facility Charges Receivable	220,000	500,000
Refundable Sales Tax Receivable	57,121	54,763
Grants Receivable	8,602,654	6,646,254
Prepaid Expenses	150	150
Total Unrestricted Assets	29,543,351	30,133,322
Restricted Assets:		
Cash and Cash Equivalents	15,458,648	14,780,877
Total Restricted Assets	15,458,648	14,780,877
Total Current Assets	45,001,999	44,914,199
Noncurrent Assets:		
Construction in Progress	72,004,495	68,968,073
Net Pension Asset - LGERS	(1,178,625)	(1,178,625)
Benefit Payment - OPEB	50,329	50,329
Contributions in Current Year	951,989	951,989
Property and Equipment - Net	71,719,761	72,158,575
Total Noncurrent Assets	143,547,949	140,950,341
	\$188,549,948	\$185,864,540
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Payable from Unrestricted Assets:		
Accounts Payable & Accrued Liabilities	\$205	(\$5,571)
Customer Deposits	12,785	12,785
Unearned Revenue	166,733	176,825
Unearned Revenue - Constr	2,733,674	2,733,674
Construction Contracts Payable	0	0
Construction Contract Retainages	574,507	574,507
Revenue Bond Payable - Current	1,280,000	1,280,000
Interest Payable	211,976	176,646
Total Payable from Unrestricted Assets	4,979,880	4,948,866
Total Current Liabilities	4,979,880	4,948,866
Noncurrent Liabilities:		
Pension Deferrals - OPEB	82,080	82,080
Other Postemployment Benefits	1,318,276	1,318,276
Compensated Absences	346,617	346,617
Net Pension Obligation-LEO Special Separation Allowance	453,052	453,052
Revenue Bond Payable - Noncurrent	16,305,000	16,305,000
Total Noncurrent Liabilities	18,505,025	18,505,025
Total Liabilities	23,484,905	23,453,891
Net Assets:		
Invested in Capital Assets	126,139,256	123,541,648
Restricted	15,458,648	14,780,877
Unrestricted	23,467,139	24,088,124
Total Net Assets	165,065,043	162,410,649
	\$188,549,948	\$185,864,540



Income Statement

Through 12/31/19
Summary Listing

Classification	MTD Actual Amount	YTD Actual Amount	YTD Budget Amount	YTD Variance	Annual Budget Amount	Budget Less YTD Actual
Fund Category Governmental Funds						
Fund Type General Fund						
Fund 10 - General Fund						
<i>Operating revenues</i>						
Terminal space rentals - non airline	21,195.74	125,631.75	126,433.00	(801.25)	252,866.00	127,234.25
Terminal space rentals - airline	236,512.11	1,447,166.02	1,204,120.00	243,046.02	2,408,240.00	961,073.98
Landing fees	119,560.48	746,537.32	515,623.00	230,914.32	1,031,246.00	284,708.68
Concessions	79,940.86	412,591.25	279,510.00	133,081.25	559,020.00	146,428.75
Auto parking	597,692.10	3,583,393.70	2,250,000.00	1,333,393.70	4,500,000.00	916,606.30
Rental car - car rentals	192,676.25	1,603,676.30	855,641.50	748,034.80	1,711,283.00	107,606.70
Rental car - facility rent	53,090.01	318,540.06	326,080.50	(7,540.44)	652,161.00	333,620.94
Commerce ground transportation	40,325.10	155,208.11	94,250.00	60,958.11	188,500.00	33,291.89
FBO's	86,945.57	542,260.95	528,152.00	14,108.95	1,056,304.00	514,043.05
Building leases	9,478.94	57,104.71	47,743.00	9,361.71	95,486.00	38,381.29
Land leases	6,074.44	46,038.43	41,416.50	4,621.93	82,833.00	36,794.57
Other leases and fees	17,674.47	136,829.92	98,400.00	38,429.92	196,800.00	59,970.08
<i>Operating revenues Totals</i>	\$1,461,166.07	\$9,174,978.52	\$6,367,369.50	\$2,807,609.02	\$12,734,739.00	\$3,559,760.48
<i>Non-operating revenue and expense</i>						
Customer facility charges	152,626.00	1,240,600.50	800,000.00	440,600.50	1,600,000.00	359,399.50
Passenger facility charges	238,820.43	1,758,369.07	1,125,000.00	633,369.07	2,250,000.00	491,630.93
Interest revenue	35,428.35	248,108.37	125,000.00	123,108.37	250,000.00	1,891.63
Interest expense	(35,329.29)	(211,975.74)	.00	(211,975.74)	.00	211,975.74
Reimbursable cost expenses	.00	(1,103,168.12)	.00	(1,103,168.12)	.00	1,103,168.12
Gain or loss on disposal of assets	.00	.00	.00	.00	.00	.00
P-card rebate	6,821.99	6,821.99	.00	6,821.99	.00	(6,821.99)
<i>Non-operating revenue and expense Totals</i>	\$398,367.48	\$1,938,756.07	\$2,050,000.00	(\$111,243.93)	\$4,100,000.00	\$2,161,243.93
Capital contributions	1,956,400.07	6,115,584.73	.00	6,115,584.73	.00	(6,115,584.73)
<i>Operating expenses</i>						
Personnel services	454,535.64	2,592,213.89	3,330,885.50	(738,671.61)	6,661,771.00	4,069,557.11



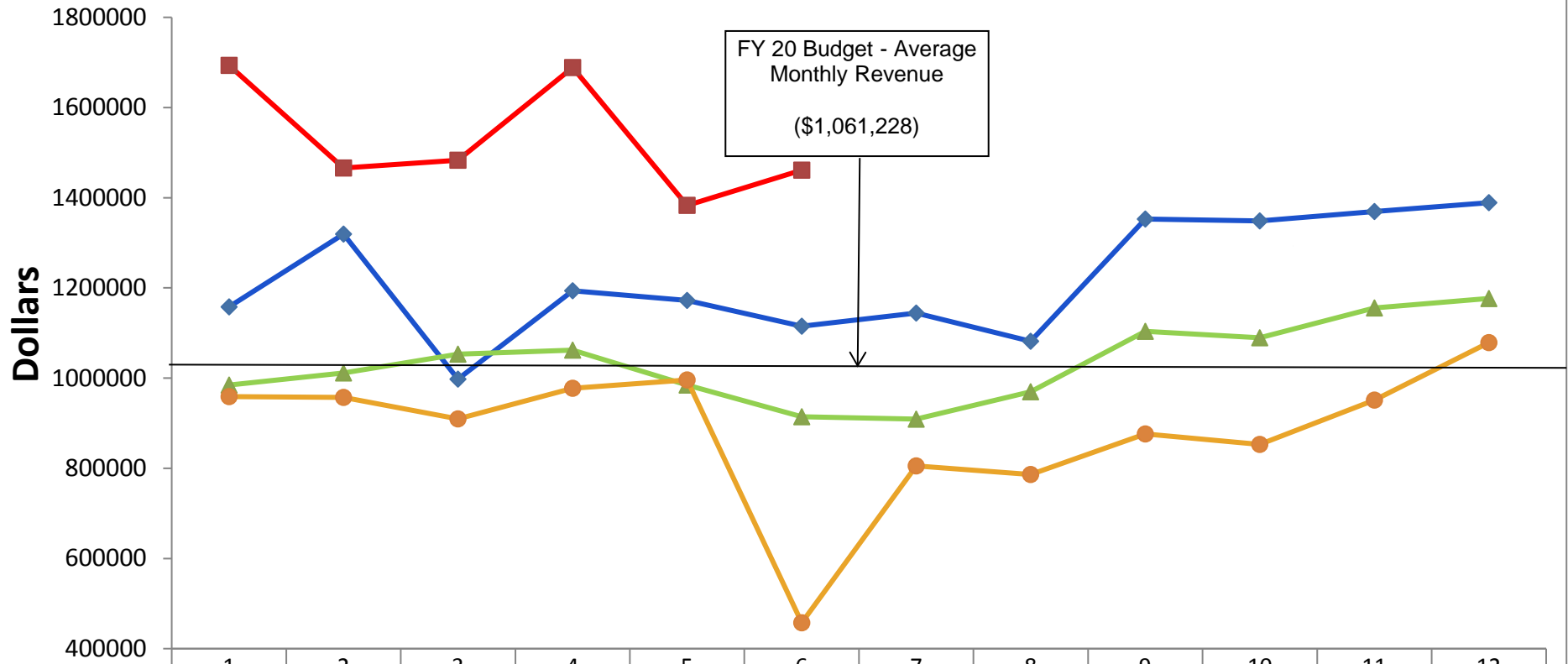
Income Statement

Through 12/31/19

Summary Listing

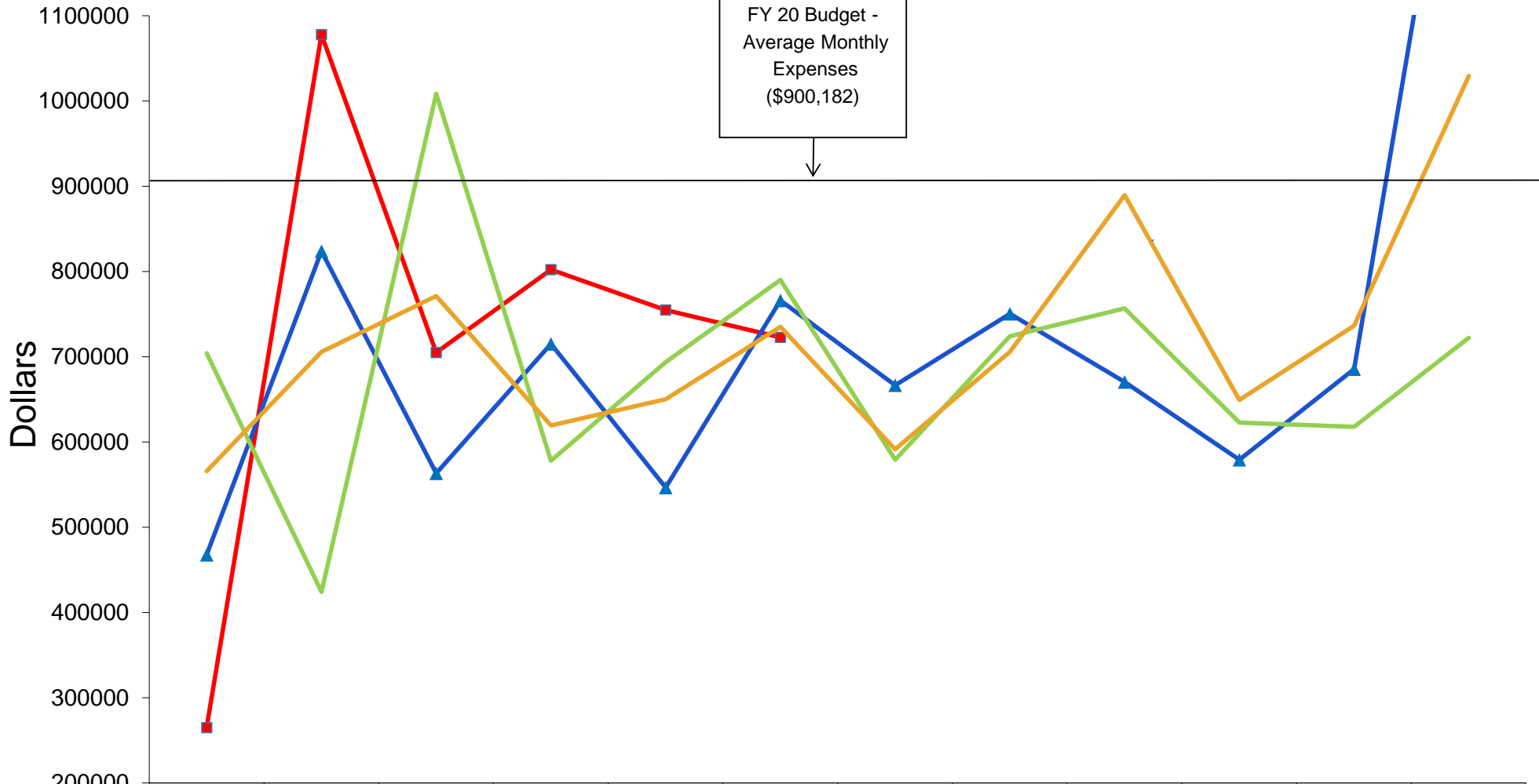
Classification	MTD Actual Amount	YTD Actual Amount	YTD Budget Amount	YTD Variance	Annual Budget Amount	Budget Less YTD Actual
Professional services	9,734.22	134,355.38	210,625.00	(76,269.62)	421,250.00	286,894.62
Other contractual services	32,472.95	390,312.03	681,951.50	(291,639.47)	1,363,903.00	973,590.97
Travel and training	10,389.15	58,430.20	130,425.00	(71,994.80)	260,850.00	202,419.80
Communiations	4,333.55	25,647.67	32,795.00	(7,147.33)	65,590.00	39,942.33
Utility services	19,068.41	176,393.54	269,933.50	(93,539.96)	539,867.00	363,473.46
Rentals and leases	41.61	6,155.51	7,050.00	(894.49)	14,100.00	7,944.49
Insurance	2,577.00	278,076.59	145,300.00	132,776.59	290,600.00	12,523.41
Advertising, printing and binding	.00	2,783.80	9,600.00	(6,816.20)	19,200.00	16,416.20
Promotional activities	16,759.70	77,813.17	151,900.00	(74,086.83)	303,800.00	225,986.83
Other current charges and obligations	3,525.83	31,490.60	42,550.00	(11,059.40)	85,100.00	53,609.40
Operating supplies	(2,534.03)	161,086.34	232,305.00	(71,218.66)	464,610.00	303,523.66
Publications, subscriptions, memberships, etc.	799.37	51,788.43	30,950.00	20,838.43	61,900.00	10,111.57
Repairs and maintenance	7,903.92	69,542.94	87,350.00	(17,807.06)	174,700.00	105,157.06
Small equipment	6,847.80	49,306.13	40,250.00	9,056.13	80,500.00	31,193.87
Contingency	.00	.00	31,850.00	(31,850.00)	63,700.00	63,700.00
Emergency repairs	6,271.92	71,903.17	25,000.00	46,903.17	50,000.00	(21,903.17)
Business development	150,000.00	150,000.00	150,000.00	.00	300,000.00	150,000.00
<i>Operating expenses Totals</i>	<i>\$722,727.04</i>	<i>\$4,327,299.39</i>	<i>\$5,610,720.50</i>	<i>(\$1,283,421.11)</i>	<i>\$11,221,441.00</i>	<i>\$6,894,141.61</i>
<i>Depreciation</i>						
Depreciation	438,813.58	2,632,881.48	.00	2,632,881.48	.00	(2,632,881.48)
<i>Depreciation Totals</i>	<i>\$438,813.58</i>	<i>\$2,632,881.48</i>	<i>\$0.00</i>	<i>\$2,632,881.48</i>	<i>\$0.00</i>	<i>(\$2,632,881.48)</i>
REVENUE TOTALS	3,815,933.62	17,229,319.32	8,417,369.50	8,811,949.82	16,834,739.00	(394,580.32)
EXPENSE TOTALS	1,161,540.62	6,960,180.87	5,610,720.50	1,349,460.37	11,221,441.00	4,261,260.13
Grand Total Net Gain (Loss)	\$2,654,393.00	\$10,269,138.45	\$2,806,649.00	\$7,462,489.45	\$5,613,298.00	\$4,655,840.45

ASHEVILLE REGIONAL AIRPORT Annual Operating Revenue by Month December 2019



	1	2	3	4	5	6	7	8	9	10	11	12
2020	1693639	1465826	1482983	1688471	1382894	1461166						
2019	1157880	1319448	997702	1193707	1171956	1114742	1144401	1081933	1352795	1348310	1369108	1388974
2018	984749	1011431	1052878	1062064	984291	914297	909078	969671	1103476	1089449	1155693	1176670
2017	958743	957359	909258	977579	996133	457472	805436	786217	876033	852930	950921	1078756

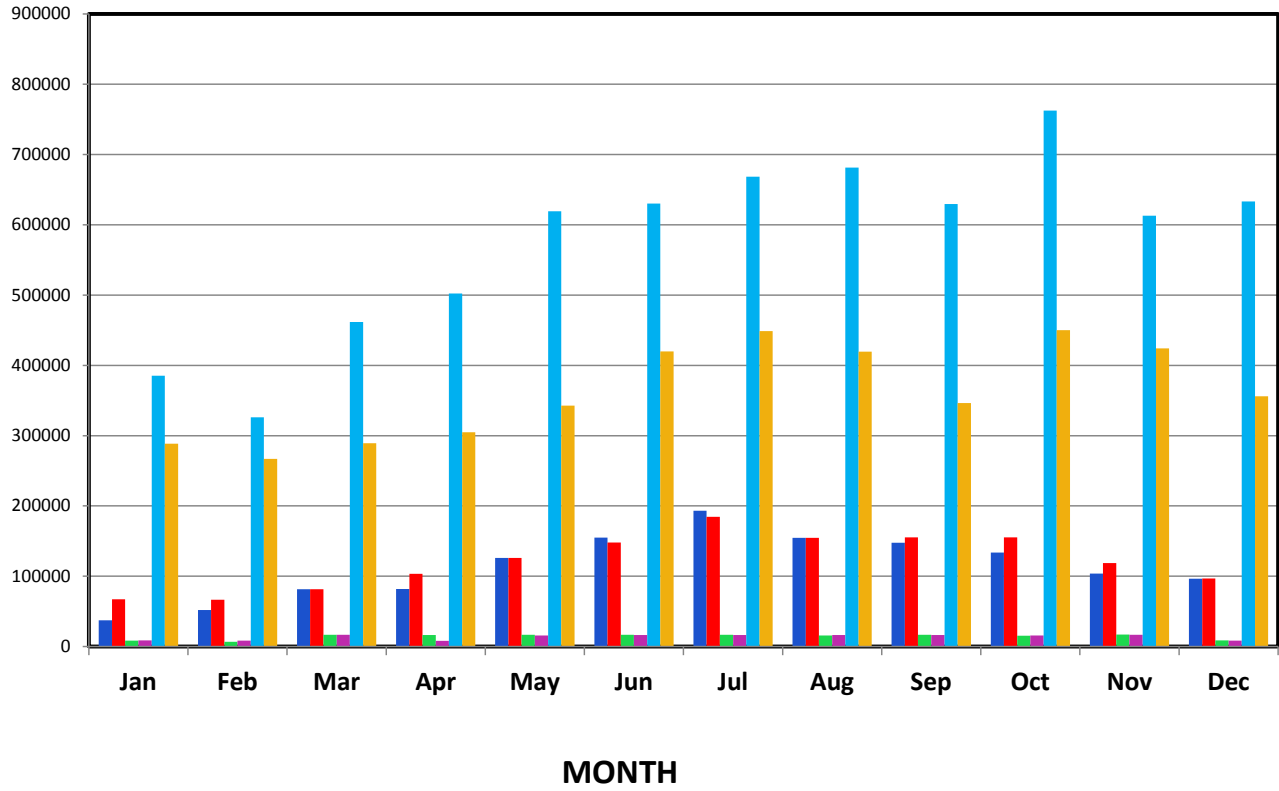
ASHEVILLE REGIONAL AIRPORT Annual Operating Expenses by Month December 2019



	1	2	3	4	5	6	7	8	9	10	11	12
2020	264978	1077831	704819	802144	754800	722727						
2019	467701	823824	563350	714938	546502	766012	666544	750376	670406	579071	685414	1480804
2018	704085	424161	1008520	578153	693612	790093	579052	724027	756743	622562	617623	722128
2017	565737	705715	771249	619423	649959	734910	591499	705568	889485	649186	736270	1029219

**ASHEVILLE REGIONAL AIRPORT
FUEL SALES - GALLONS
December 2019**

**G
A
L
L
O
N
S**

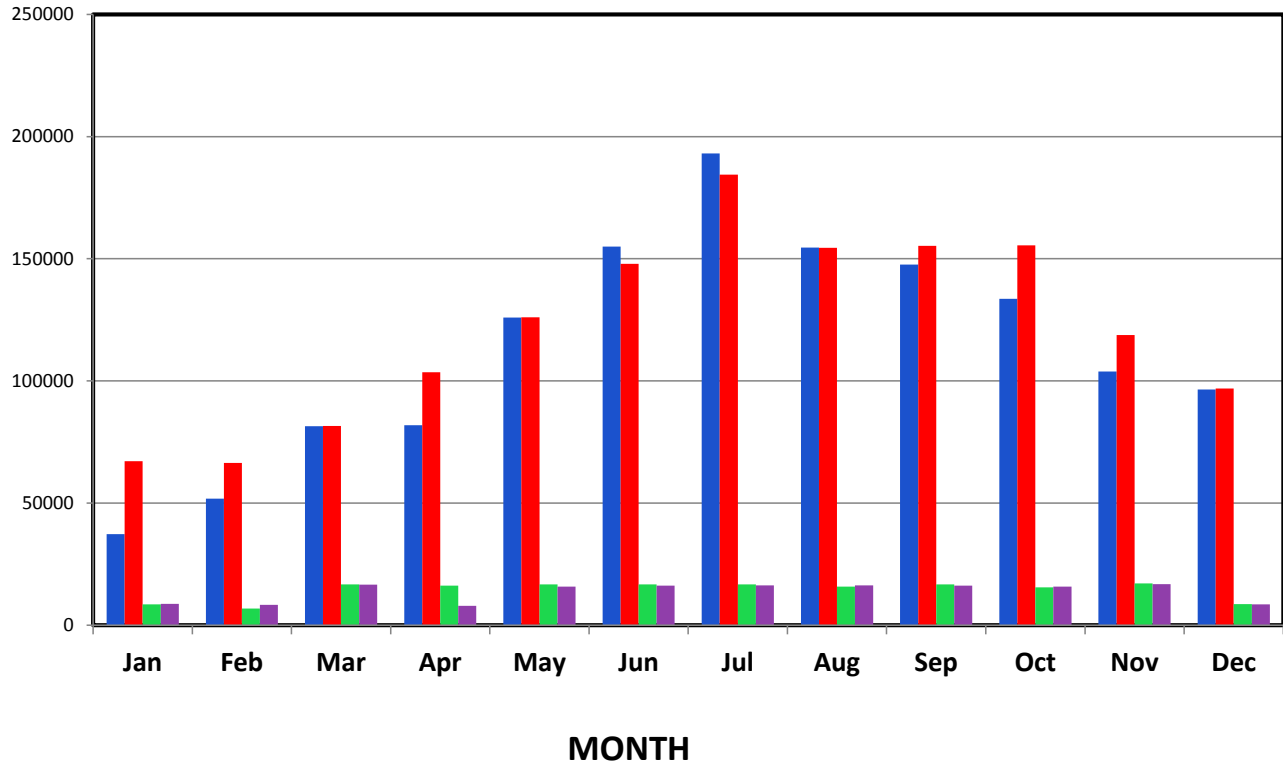


- Jet A 2019
- Jet A - 2018
- 100LL - 2019
- 100LL - 2018
- Airline 2019
- Airline - 2018

Jet A -96,515 Gallons
100LL -8,617 Gallons
Airline -633,196 Gallons

**ASHEVILLE REGIONAL AIRPORT
GENERAL AVIATION FUEL SALES - GALLONS
December 2019**

**G
A
L
L
O
N
S**



- Jet A - 2019
- Jet A - 2018
- 100LL - 2019
- 100LL - 2018

Jet A - 96,515 Gallons
100LL - 8,617 Gallons

Design Phase														
Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 02/01/2020)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 02/01/2020)	Start Date	End Date	Current Project Status (as of 02/01/2020)
1	Airfield Re-Development Project	Budget for the complete project				\$64,100,000.00	\$50,900,000.00		\$115,000,000.00	48%	\$71,913,043			All Engineer contracts, completed construction contracts and expenses will be inclusive of budget.
1A	Airfield Re-Development Project	Phase II - Design Services and Project Management.	RS&H	\$1,842,318.00	N/A	N/A	\$0.00	0.00%	(Overall total included in above number)	95%	\$1,748,887	Jun-13	Dec-16	Project Management work continues, pending Contractor resolution.
1B	Airfield Re-Development Project	Phase III and IV - Design Services and Project Management.	RS&H	\$2,399,826.00	N/A	N/A	\$4,417,146.00	65.90%	(Overall total included in above number)	34%	\$2,311,996	Dec-14	Dec-19	Phase IV Project Management continues.
1C	Airfield Re-Development Project	Phase III and IV - Design Services and Project Management. Vol 2	RS&H	\$1,460,329.00	N/A	N/A	\$0.00	0.00%	(Overall total included in above number)	60.5%	\$883,593	Aug-19	Dec-20	Phase IV Project Management continues.
1D	Airfield Re-Development Project	Phase III and IV - Design Services and Project Management. Vol 3	RS&H	\$1,487,205.00	N/A	N/A	\$0.00	0.00%	(Overall total included in above number)	0%	\$0	Aug-19	Dec-20	Phase IV Project Management continues.
1E	Airfield Re-Development Project	New Runway Design Vol2 This portion of project is completed.	AVCON											COMPLETED.
1F	Airfield Re-Development Project	New Runway Design Vol3	AVCON	\$99,271.00	N/A	N/A	\$0.00	0.00%	(Overall total included in above number)	10.50%	\$10,423	Aug-19	Dec-20	Phase IV Project Management continues.
1G	Airfield Re-Development Project	Miscellaneous and Administrative Expenses			N/A	N/A	\$0.00	0.0%	(Overall total included in above number)	0.0%	\$4,042,174	Jan-13	Dec-19	Miscellaneous Administrative Expenses, Reimbursable Agreement and Land Acquisition
2	Airport Security and Identity Management	Security system, ID badging and CCTV camera equipment	Faith Group LLC	\$327,486.27	N/A	N/A	\$0.00	0.0%	\$327,486.27	68.1%	\$223,222.00	Aug-18	Jan-20	Project Management continues.
3	Apron Expansion South	Terminal apron to be expanded and added for aircraft use.	Parrish and Partners	\$821,196.00	N/A	N/A	\$158,253.00	0.0%	\$979,449.00	62.7%	\$555,819.00	Nov-18	Nov-19	Project Management in process.
4	Terminal Building Renovations	Phase 1 - Utility Modernization of Water and Sewer	Gresham Smith	\$168,820.00	N/A	N/A	\$0.00	0.0%	\$168,820.00	58.8%	\$99,308.00	Jan-19	Oct-19	Project Management in process.
5	Terminal Building Renovations	Phase 2 - Terminal Building Modernization Design	Gresham Smith	\$12,608,794.00	N/A	N/A	\$0.00	0.0%	\$12,608,794.00	0.0%	\$0.00	Nov-19	Apr-21	Beginning stages of design are underway gathering data and Mood Board ideas.
6	Pipe Repairs	60" Stormwater Pipe repairs in North area of property	Kimley-Horn	\$152,700.40	N/A	N/A	\$0.00	0.0%	\$170,840.40	69.5%	\$106,145.00	Apr-19	Aug-19	Pipe repairs being monitored.
7	Parking Lots	Design of additional parking areas across Highway 280	AVCON	\$189,962.00	N/A	N/A	\$103,796.00	0.0%	\$293,758.00	65.7%	\$193,034.00	May-19	May-20	Project Management in process.
Construction Phase														
Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 02/01/2020)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 02/01/2020)	Start Date	End Date	Current Project Status (as of 02/01/2020)
1	Permanent Runway 17-35 Construction, NAVAIDS and Taxiway Conversion	Construct new runway and convert temporary runway to a taxiway	RS&H and AVCON Inc.	Amount Included in Phase 3 Design Fees	Travelers	\$42,171,424.11	\$2,124,341.65	0.0%	\$44,295,765.77	21.0%	\$9,323,642.00	Mar-17	Dec-20	Errrosion control is primary work through winter. Some grading and installation of pipe in Basin A.
2	Airport Security & Identity Management System	Replace, Upgrade and Install new Security System	Faith Group	Amount in Design Fees	Johnson Control, Inc.	\$2,197,707.00	\$0.00	0.0%	\$2,605,672.28	41.7%	\$565,495.00	May-19	Feb-20	Software training by staff took place and transition of doors and hardware are scheduled for Feb.
3	Apron Expansion South	Terminal apron to be expanded and added for aircraft use.	Parrish and Partners	Amount in Design Fees	Zachary Construction	\$9,087,857.00	\$0.00	0.0%	\$9,542,250.00	4.4%	\$246,838.00	Sep-19	Oct-20	First level of dirt load is in place with errrosion measures in place.
4	60" Pipe Rehabilitation	Repairs to stormwater pipe on North GA area.	Kimley-Horn	Amount in Design Fees	Applied Polymerics	\$155,949.75	\$0.00	0.0%	\$171,544.73	0.0%	\$0.00	Oct-19	Feb-20	Final caulking in areas discovered during inspection of pipe remain.
5	Parking Lots	Additional parking lots to be constructed and paved for public use.	AVCON Inc	Amount in Design Fees	Chatham Civil Contracting	\$1,905,330.90	\$0.00	0.0%	\$2,095,863.90	0.0%	\$0.00	Nov-19	Aug-20	Grading in Lot A North with some stone cover and packed with some grading preparations in South lot.
6	Terminal Building Phase 1 - Utility Modernization	Update current utilities in front of the terminal.	Gresham Smith	Amount in Design Fees	Patton Construction Group	\$1,868,160.00	\$0.00	0.0%	\$2,054,976.00	0.0%	\$0.00	Nov-19	May-20	Storm pipe placement is beginning on the North end for sewer line and boring scheduled for South waterline.

Airportsurvey.com



AVL

Airport Facilities Review For 4th Quarter 2019

Welcome

- Welcome to the Airportsurvey.com Airport Facilities Review for the recent quarter, a complimentary data set provided to Airportsurvey.com participating airports
- The following slides provide non-weighted scores and ratings based on an independent survey of air travelers
- Note that passenger responses are based on perception, rather than objective assessment
- Value Added Services available from Canmark include:
 - Report analysis
 - Statistical testing
 - Air carrier responses
 - Non-facility responses
 - Tailored comparison sets
 - Passenger demographics
 - Sample size enhancement
 - Targeted and customized reporting
 - Custom survey questions and content

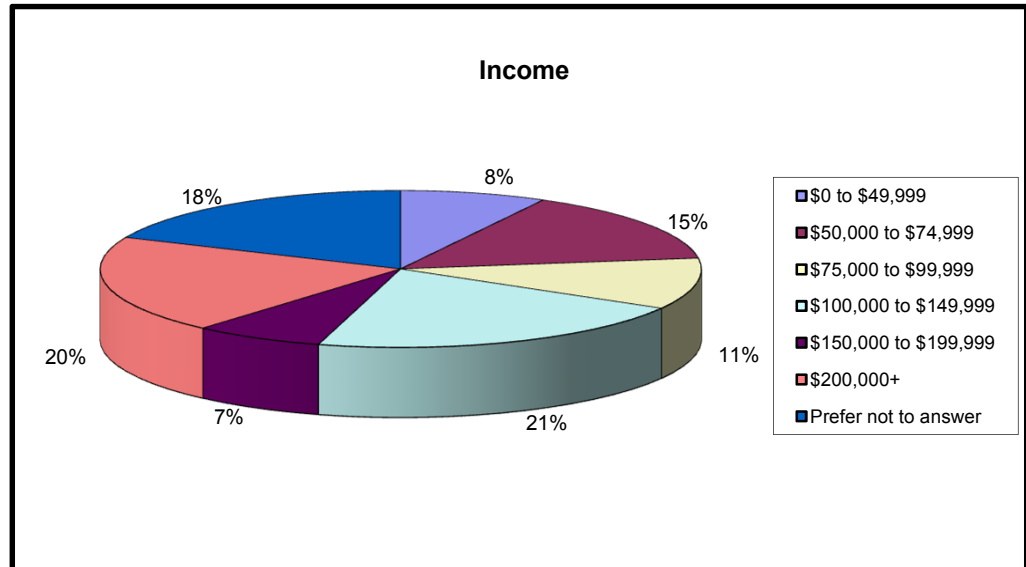
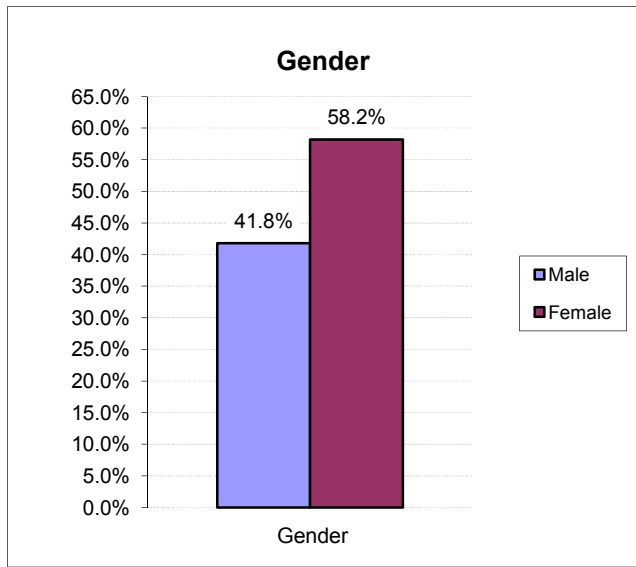
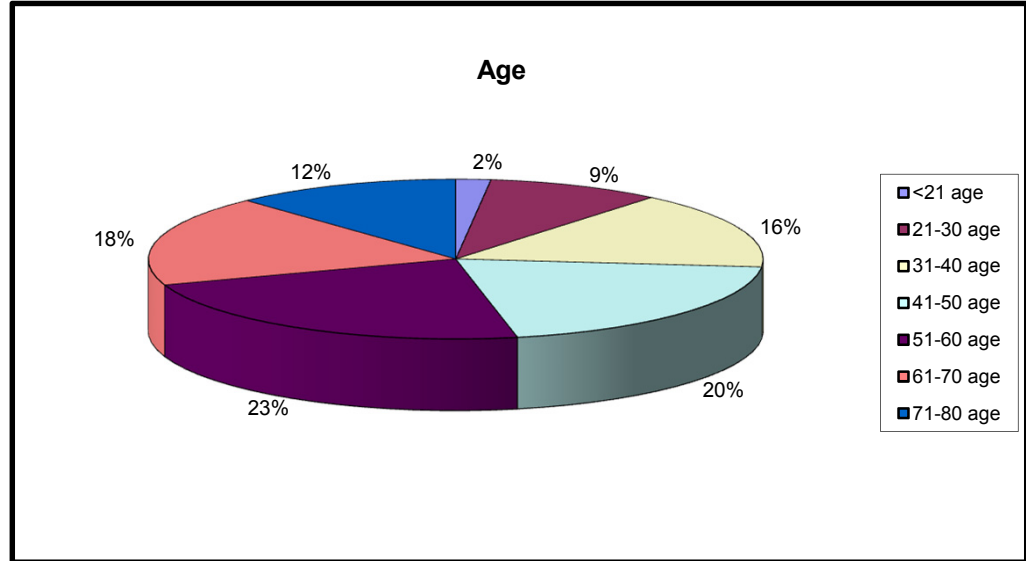
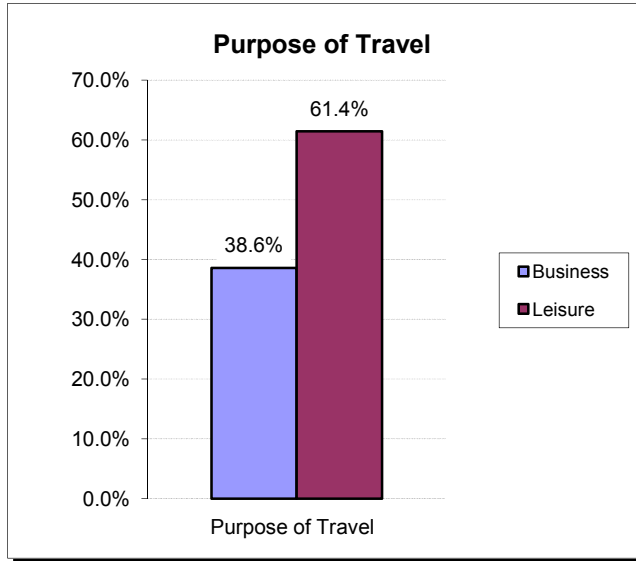
No representations are made as to the completeness or accuracy of information contained herein. Airport facility raw data is available upon request.

Proprietary and Confidential

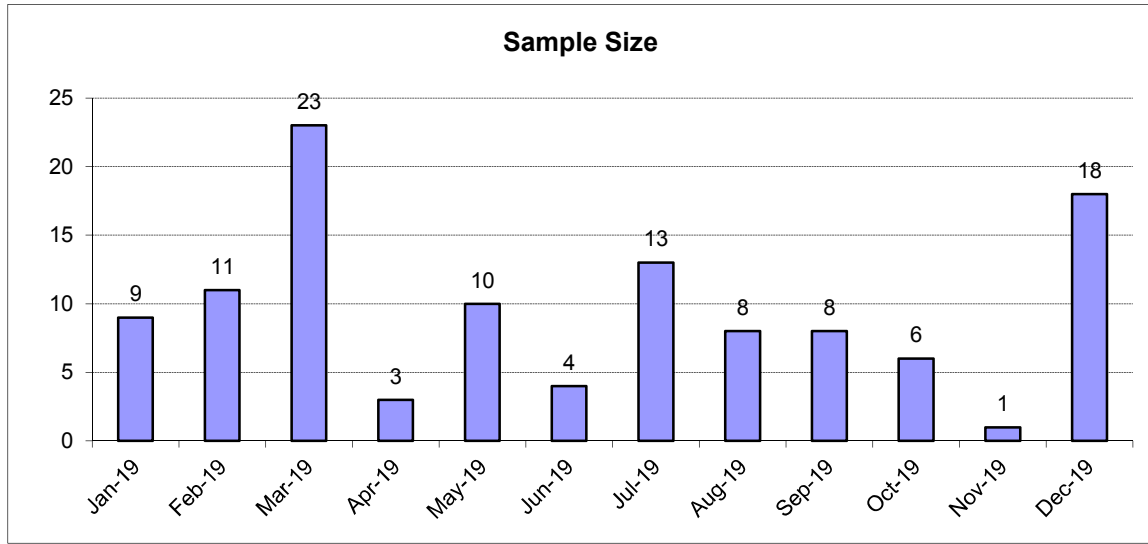
Overview

- ***Airportsurvey.com*** is an ongoing, all-inclusive online passenger satisfaction survey program from Canmark Research Center
- Invitations to take the survey are distributed at select airports across the country
- Over 30 airports participate
- Each survey invitation card is single-use, and must reference an actual flight
- Survey distribution occurs approximately three days per month
- Response scale is 1 through 5: Poor, Fair, Good, Very Good, Excellent
- Survey participants have a chance to win round-trip airline tickets
- Response rates vary from 10% to 20% based on location
- Facilities attributes are scored according to check-in airport
- Airports are grouped into three tiers according to available seats in calendar year 2018

Passenger Demographics



General Findings



Sample is clustered around airport invitation distribution dates.

Sample reflects passengers intercepted at arrival airports who rated check-in airport.

	AVL	Similar	+/-	Pct
Overall	4.30	4.28	0.02	0.6%
Availability of parking	4.29	4.14	0.15	3.4%
Cost of parking	3.66	3.69	(0.03)	-0.7%
Clear, easy to follow signs	4.30	4.29	0.01	0.2%
Cleanliness	4.43	4.32	0.11	2.4%
Availability of restrooms	4.50	4.32	0.18	3.9%
Cleanliness of restrooms	4.43	4.26	0.17	3.9%
Concessions / restaurants	3.44	3.79	(0.35)	-10.2%
Transportation to your gate / concourse / terminal	4.42	4.17	0.26	5.8%
Airport Wi-Fi ease of use	4.27	4.11	0.16	3.7%
Overall airport Wi-Fi	4.25	4.06	0.20	4.6%
Overall departure airport concourse	4.40	4.24	0.16	3.6%
Security: Wait time at checkpoint	4.60	4.32	0.28	6.1%
Security: Professionalism of personnel	4.62	4.41	0.21	4.5%
Security: Confidence in airport security procedures	4.55	4.34	0.21	4.7%

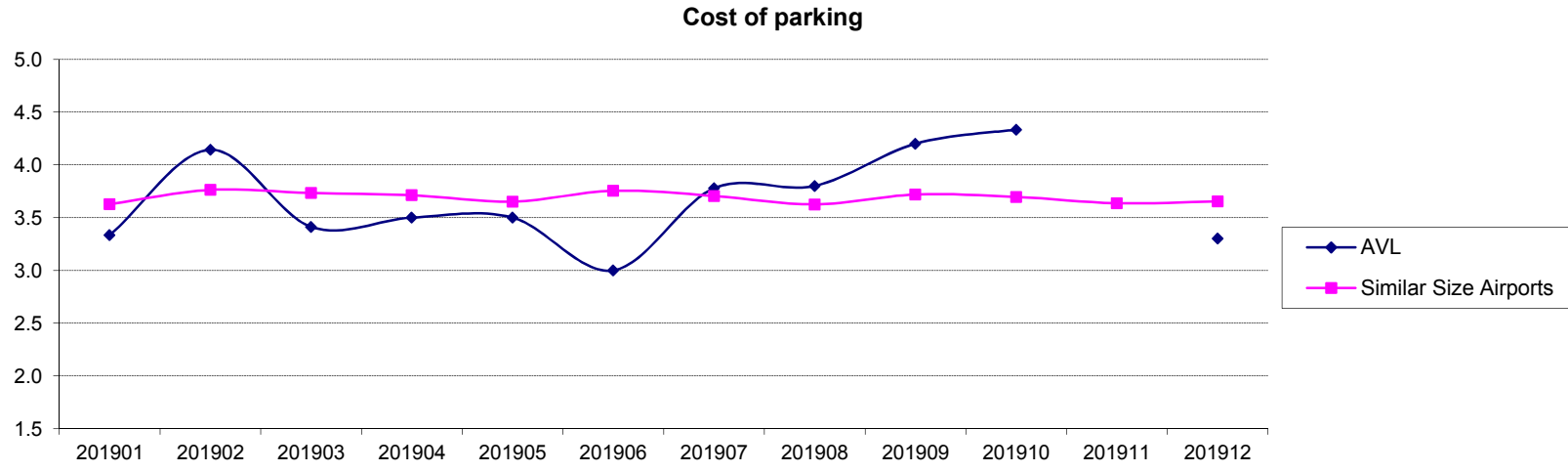
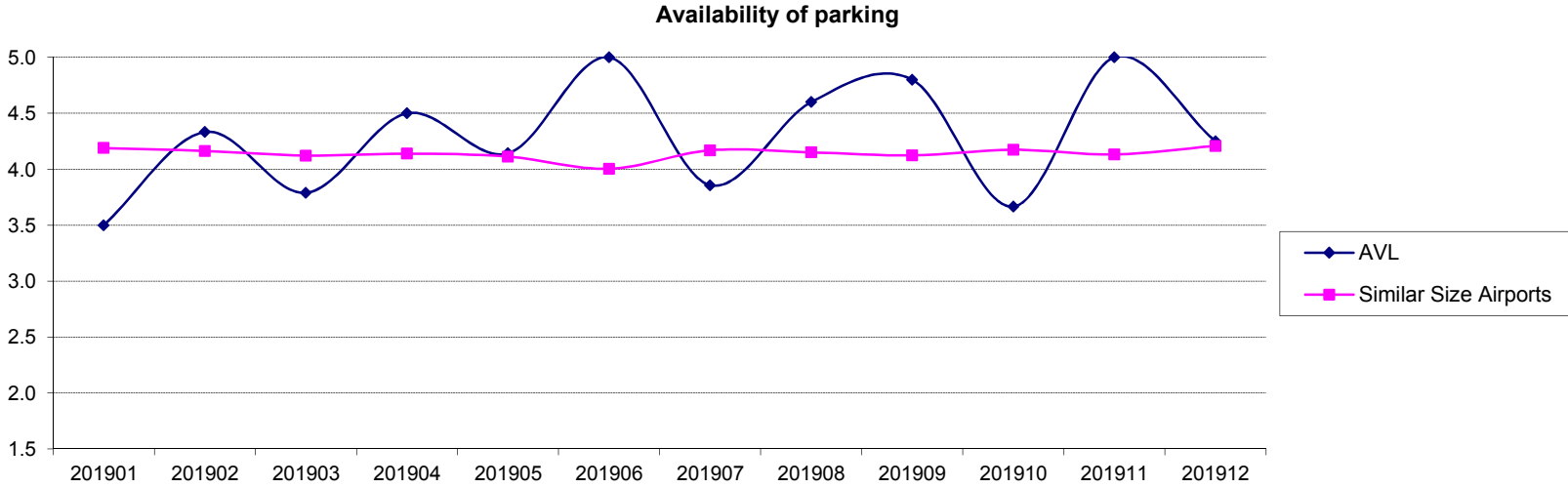
Statistical means testing not performed on results

AVL	
Responses	114

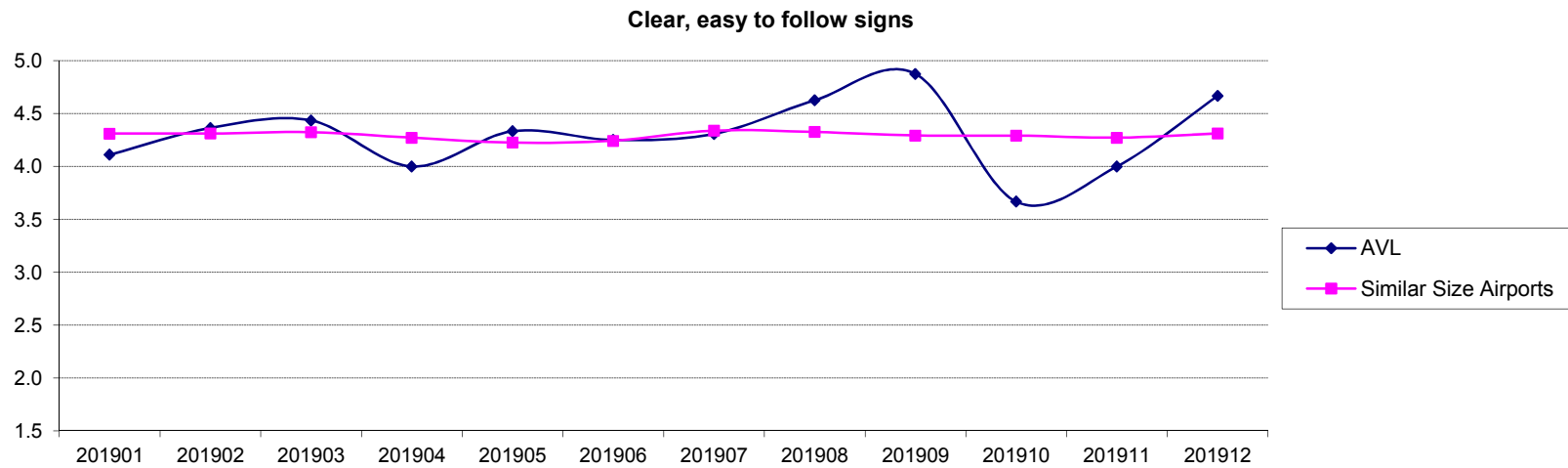
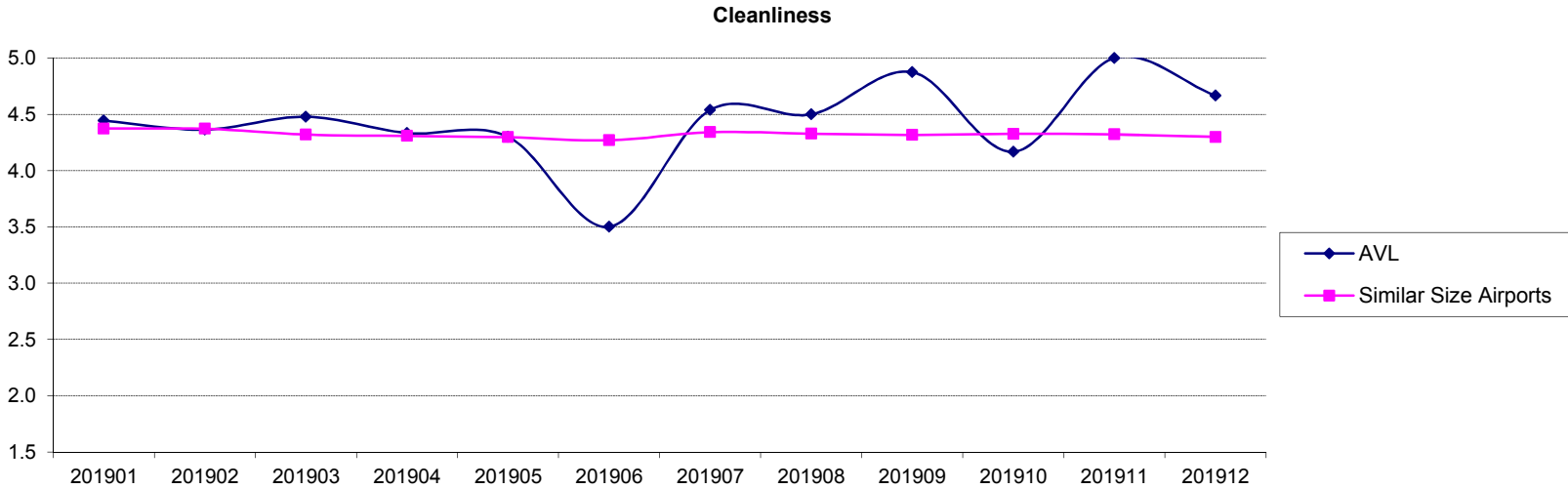
Overall Satisfaction with Airport Facilities



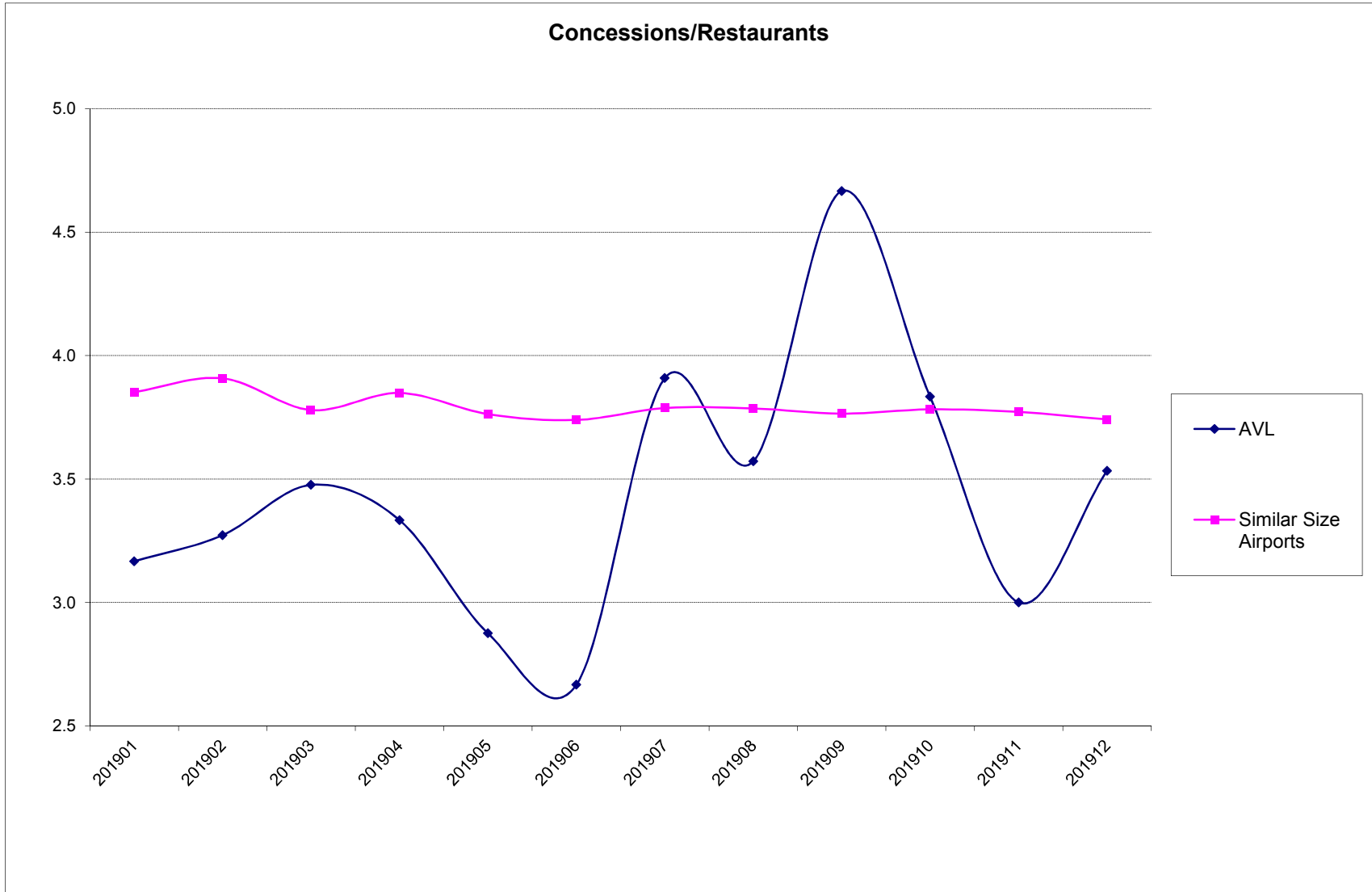
Parking Satisfaction



Cleanliness and Signage



Concessions

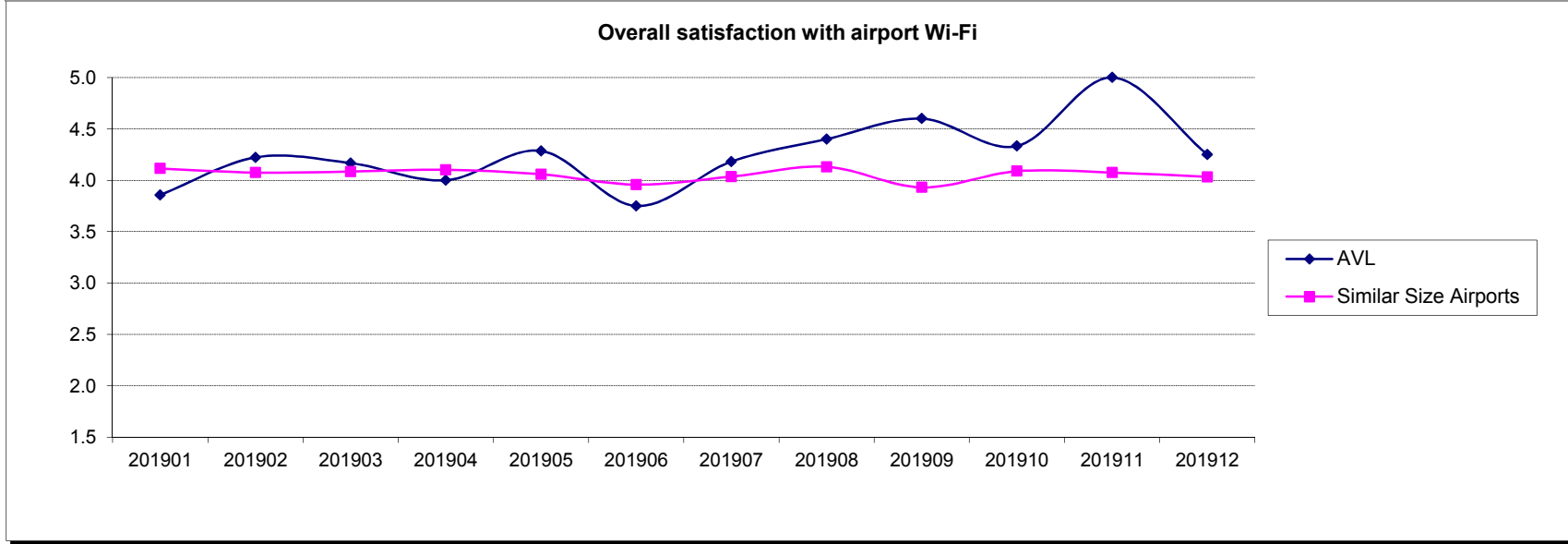
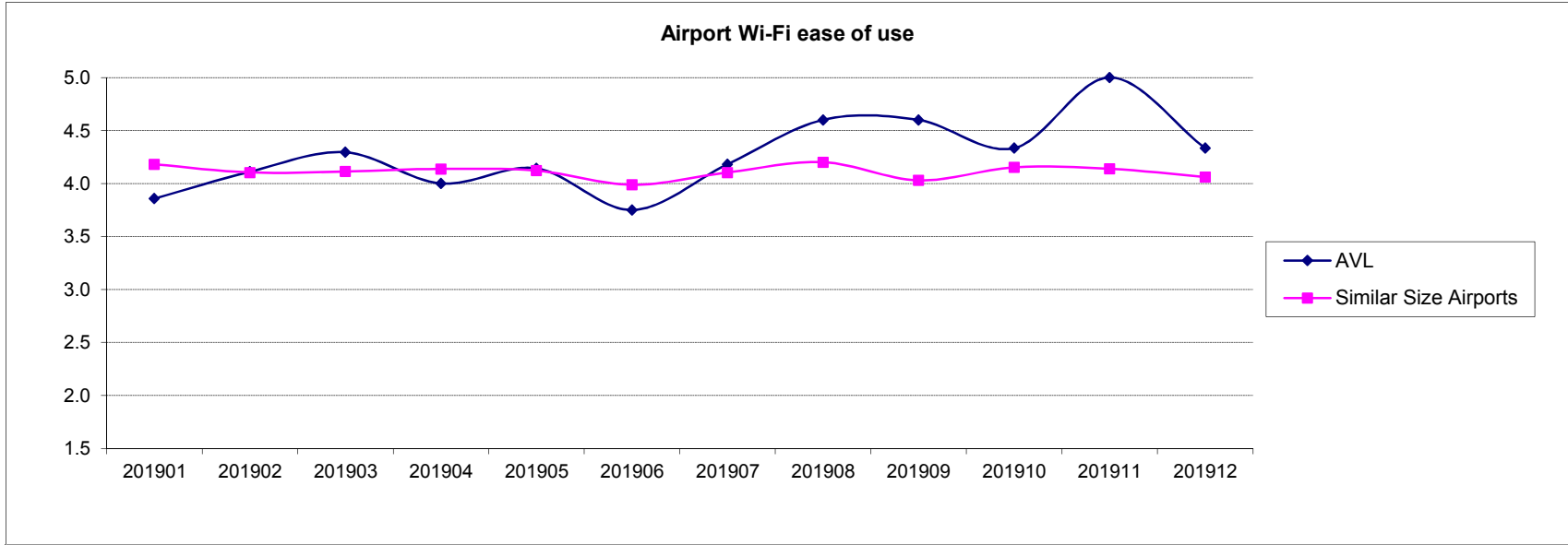


Proprietary and Confidential

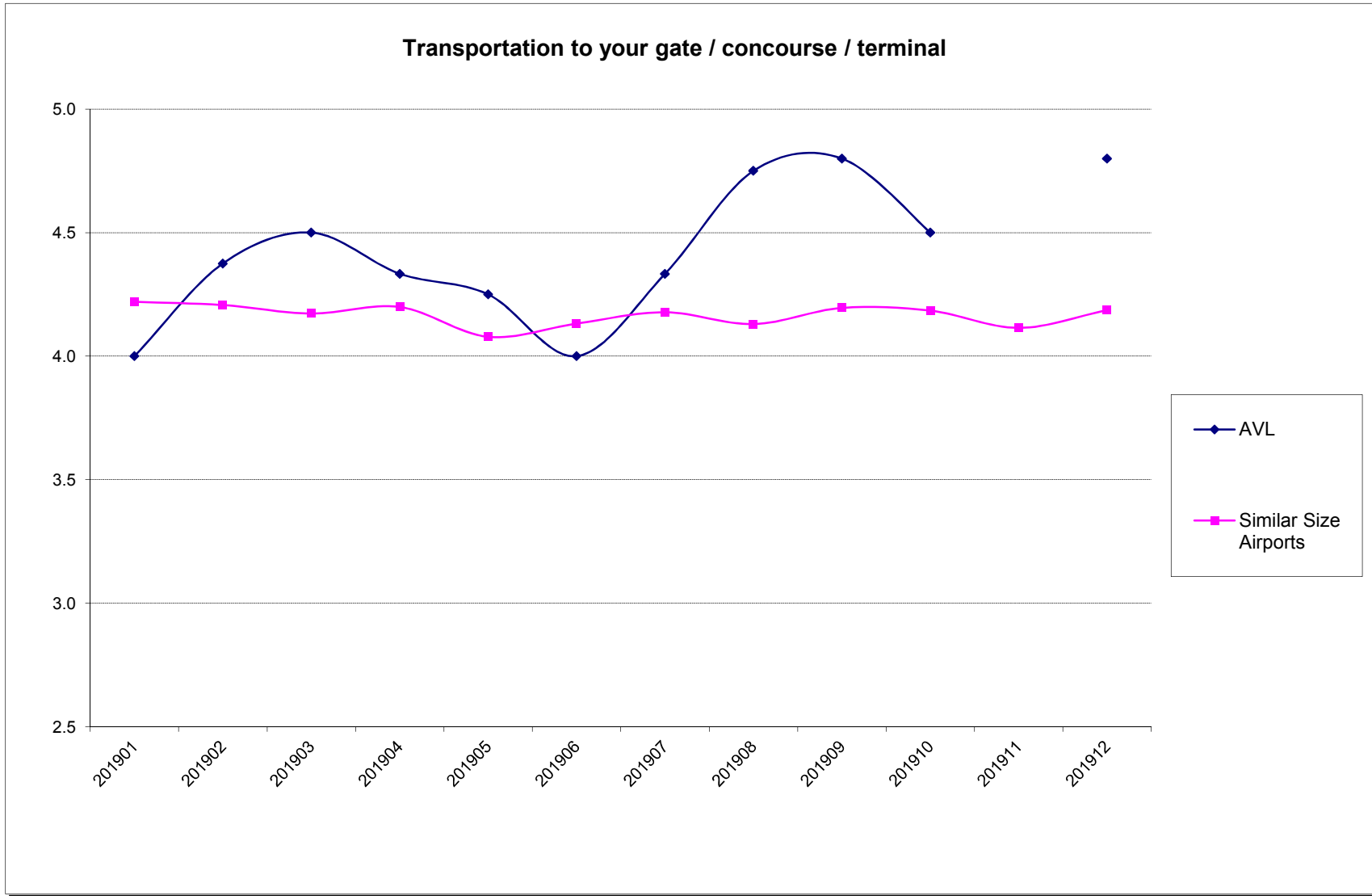
Restrooms



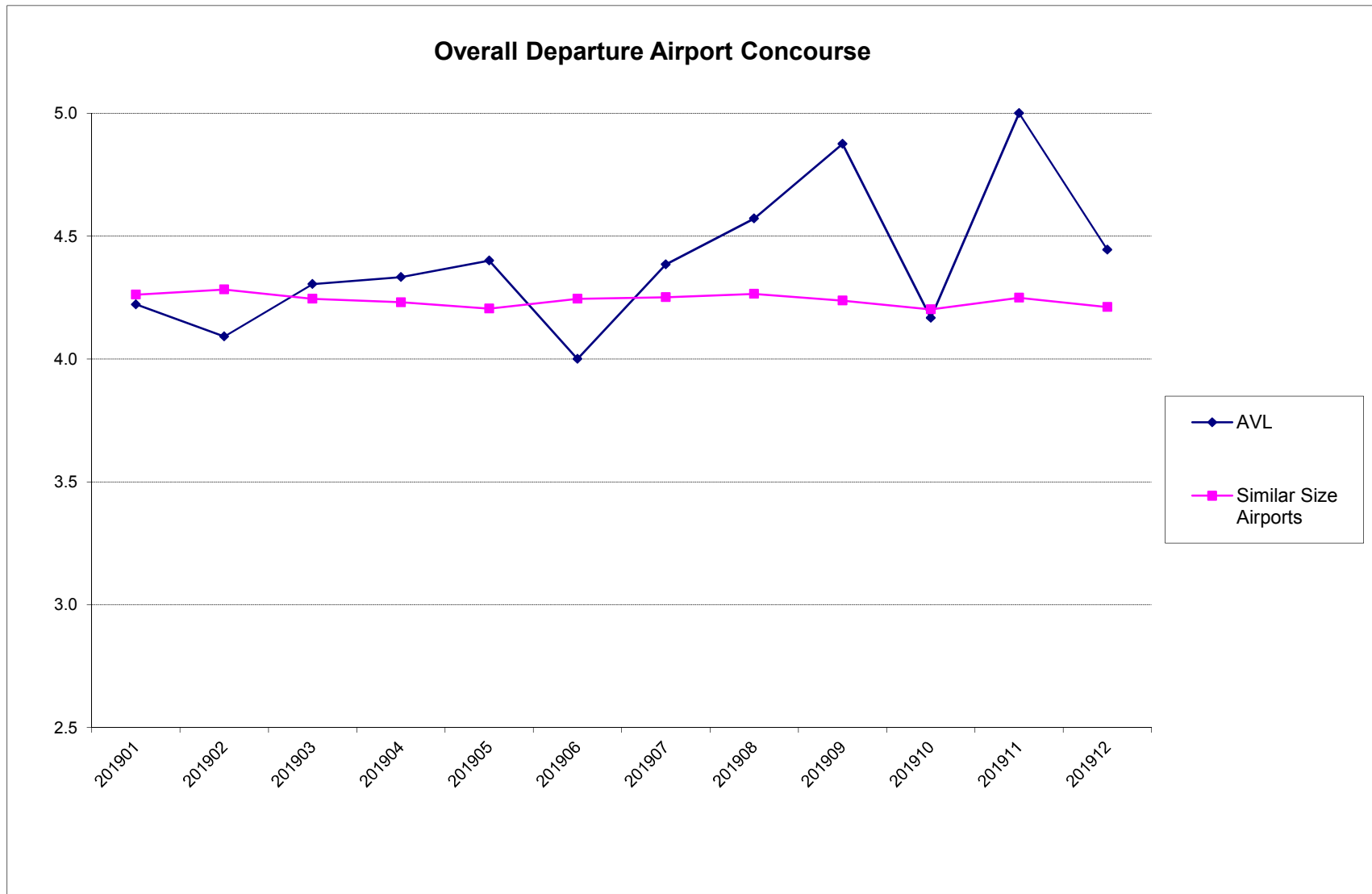
Wi-Fi



Transportation to Departure Gate

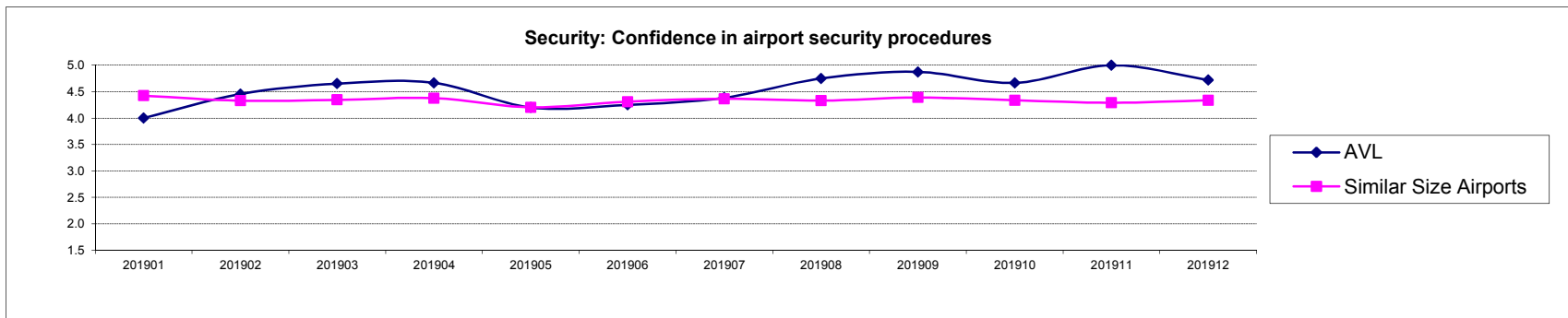
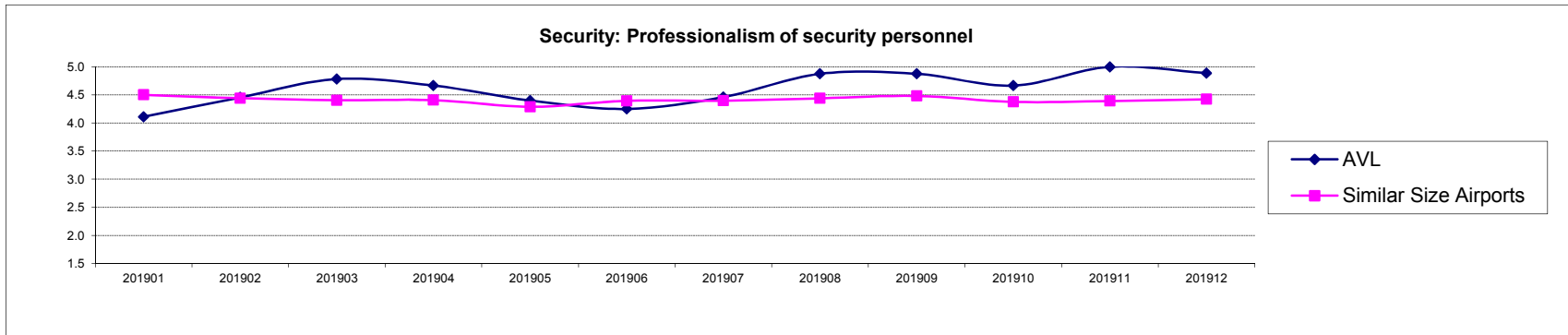
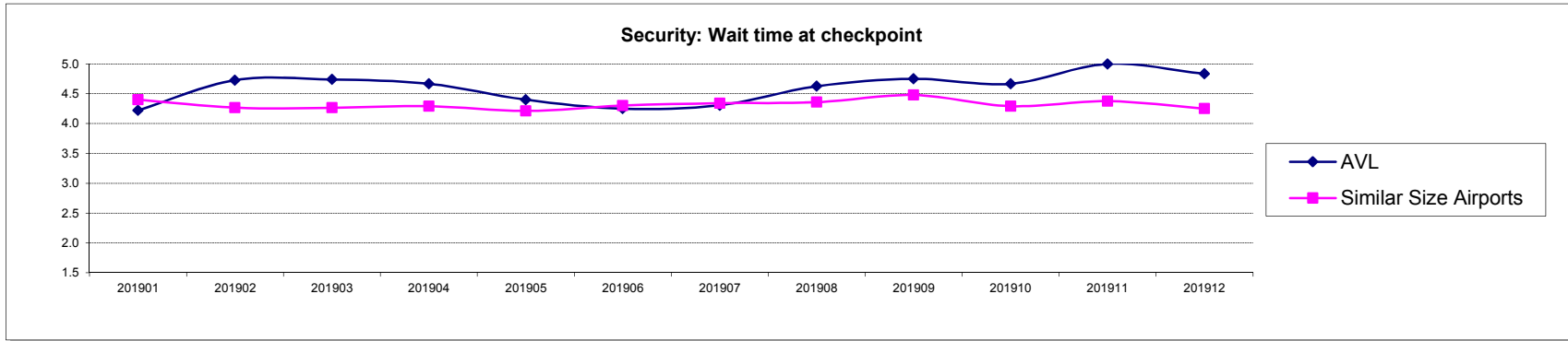


Overall Departure Airport Concourse



Proprietary and Confidential

Airport Security



Appendix A - Geographic Breakdown of Respondents

AL	2
CA	2
CT	2
FL	8
GA	2
IA	2
IL	3
KS	1
LA	1
MI	1
MO	3
MT	1
NC	55
NE	4
NY	2
OH	1
OK	2
OR	1
PA	2
SC	2
TN	2
TX	3
VA	4
CANADA	1

Note: Only includes passengers who indicated state of residence

Proprietary and Confidential

Appendix B - About Canmark

- Since 1993 Canmark Technologies has combined market research, programming, and technical expertise with thoughtful attention to client needs. Our problem-solving orientation has earned the respect of business clients and market researchers across North America.
- With an experienced staff of technical experts and project managers specializing in various fields of data capture and manipulation, programming and software development, web design and scripting, Canmark is able to leverage superior technology and know-how to support projects of all types and scope in the most cost-effective manner possible.
- Areas of expertise include survey development and delivery, project and data management services, requirements gathering, data sampling, paper and web forms management, custom lasering and printing, distribution logistics, data processing, custom programming for data cleansing, reporting and data analysis, and project consulting.
- We stand ready to meet your data needs, if you have any questions, please do not hesitate to contact us.

Appendix C - Contacts

Paul Isaacs, President
pisaacs@canmarktech.com
1-877-441-2057, ext. 11



Proprietary and Confidential

Key strategic priorities

Governance vs. Management : Focus on setting governing direction (“guard rails”) for the organizational and holding management accountable for the execution of operational tactics. Pursue continuous educational opportunities for Authority Member development.

1. **Organizational Relevance**: Remaining relevant in an era of airport consolidation
2. **Financial Stewardship**: Sustainability/Operating Performance/Audit & Compliance
3. **Municipal Relations**: Positive relationships with all municipalities surrounding the airport
4. **Stakeholder Relations**: Positive relationships with neighbors and other community organizations
5. **Community Image**: Public Perception/Public Relations/Customer Service/Legal Entity
6. **Facilities Stewardship**: Future Master Facilities Plan
7. **Environmental Stewardship**: Accountability/Awareness of Environmental Issues
8. **Economic Development**: Engage Community Partners/Airline Service Development
9. **Vendor-Partner Relations**: General Aviation/Rental Car Agencies/Vendors
10. **Public Safety**: Airport Emergency Safety/TSA Relations/Municipal Partners
11. **Organizational Accountability**: Executive Director Supervision