



AGENDA

Greater Asheville Regional Airport Authority Regular Meeting
Friday, March 10, 2023, 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. BOARD MEMBER INTRODUCTION
- III. SERVICE AWARD PRESENTATION:
 - A. Daniela Lajos – 15 Years
- IV. PRESENTATIONS: None
- V. FINANCIAL REPORT ([document](#))
- VI. CONSENT ITEMS:
 - A. Approval of the Greater Asheville Regional Airport Authority February 3, 2023 Regular Meeting Minutes ([document](#))
 - B. Approval of the Greater Asheville Regional Airport Authority February 3, 2023 Closed Session Minutes
- VII. OLD BUSINESS: None
- VIII. NEW BUSINESS:
 - A. Preliminary Approval of Authority's Amended Ordinance of Airline Rates, Fees and Charges for the Asheville Regional Airport ([document](#))



- B. Approval of Authority's Preliminary Fiscal Year 2023/2024 Budget ([document](#))
 - C. Approval of Bond Issuance ([document](#))
 - D. Approval of Audit Contract for Fiscal Year Ending June 30, 2023 ([document](#))
 - E. Approval of Contract Amendment No. 2 for Quality Assurance Special Inspections with Pond & Company, Inc. for Air Traffic Control Tower and Associated Facilities Project ([document](#))
- IX. PRESIDENT'S REPORT:
- A. Bond Underwriting
 - B. TSA Checkpoint Upgrades
 - C. Bipartisan Infrastructure Law Grant
 - D. Award Nomination
- X. INFORMATION SECTION:
(Staff presentations will not be made on these items. Staff will be available to address questions from the Board.)
- A. January 2023 Traffic Report ([document](#))
 - B. January 2023 Monthly Financial Report ([document](#))
 - C. March 2023 Development/Project Status Report ([document](#))
 - D. Potential Board Items for the Next Regular Meeting:
 - Public Hearing and Final Approval of Amended Ordinance of Airline Rates, Fees and Charges
 - Public Hearing and Final Adoption of the Authority's Fiscal Year 23/24 Budget
- XI. PUBLIC AND TENANTS' COMMENTS
- XII. CALL FOR NEXT MEETING: April 14, 2023



XIII. 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.

XIV. AUTHORITY MEMBER REPORTS:

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

XV. 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
January-23**

AIRPORT ACTIVITY

	Month	Variance to Prior Year	Calendar Year to Date	Variance to Prior Year
Passenger Enplanements	63,676	51.9%	63,676	51.9%
Aircraft Operations				
* Commercial	1,811	27.8%	1,811	27.8%
Scheduled Flights	790	17.6%		
Flight Cancellations	31			
Seats	77,331	14.0%	77,331	14.0%
Load Factor	82.0%	32.3%	82.0%	32.3%
General Aviation	3,245	8.7%	3,245	8.7%
Military	221	(52.1%)	221	(52.1%)

* Current year commercial operations include charter flight data

FINANCIAL RESULTS

	Month	Variance to Budget	Fiscal Year to Date	Variance to Budget
Operating Revenues	\$ 1,874,458	11.4%	\$ 14,104,672	19.1%
Operating Expenses	1,064,287	(9.1%)	7,107,546	(16.7%)
Net Operating Revenues before Depreciation	<u>\$ 810,171</u>		<u>\$ 6,997,126</u>	
Net Non-Operating Revenues	<u>\$ 236,606</u> *		<u>\$ 4,390,135</u>	

* Includes Series 2022A Bond Interest Expense \$819,897 to be paid from the Bond Capitalized Interest account semi-annually

Grants:				
FAA AIP Grants	\$ 1,421,414		\$ 8,584,750	
NC Dept of Transportation Grants	-		3,671,450	
Total	<u>\$ 1,421,414</u>		<u>\$ 12,256,200</u>	

CASH

Restricted - PFC Revenue Account	\$ 15,469,220
Restricted - BNY Mellon (Debt Service Series 2016)	\$ 829,260
Restricted - Bond Series 2022A	\$ 192,523,382
Designated for O&M Reserve	6,970,340
Designated for Emergency Repair	650,000
Unrestricted, Undesignated	21,086,514
Total	<u>\$ 237,528,716</u>

RECEIVABLES PAST DUE

	Total	1-30 Days	31-60 Days	Over 60 Days
Advertising Customers	14,370	6,635	-	7,735
American	437	437	-	-
Avis	243	-	150	93
Enterprise	760	460	300	-
FAA	147	-	-	147
Jet Blue	1,902	1,902	-	-
TSA	20,290	9,920	9,600	770
United	26,965	26,965	-	-
Miscellaneous	1,865	210	180	1,475
Total	<u>\$ 66,979</u>	<u>\$ 46,529</u>	<u>\$ 10,230</u>	<u>\$ 10,220</u>
% of Total Receivables	<u>12.13%</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	\$ 13,645,000
Parking Garage Taxable Revenue Bond, Series 2016B	5,250,000	-
Terminal Revenue Bond, Series 2022A	185,000,000	185,000,000
	<u>\$ 206,000,000</u>	<u>\$ 198,645,000</u>

CAPITAL EXPENDITURES

Annual Budget	\$ 298,285,329
Year-to-Date Spending	\$ 21,953,039

**REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
February 3, 2023**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, February 3, 2023 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: Brad Galbraith, Chair; George H. Erwin, Jr., Vice-Chair; Susan Russo Klein; Britt Lovin; Nathan Kennedy; and Robby Russell

MEMBERS ABSENT: Carl H. Ricker, Jr.

STAFF AND LEGAL COUNSEL PRESENT: Cindy Rice, Authority Legal Counsel; Lew Bleiweis, President & CEO ("president"); Michael Reisman, Chief Operating Officer; Tina Kinsey, VP - Marketing, Public Relations and Air Service Development; Janet Burnette, Chief Financial Officer; Shane Stockman, VP – Information Technology; John Coon, VP - Operations and Maintenance; Christina Madsen, VP – Business Development and Properties; Jared Merrill, VP – Planning; Samuel Sales, Chief of Public Safety; Angela Wagner, VP - Administration and Human Resources; and Ellen Heywood, Clerk to the Board

ALSO PRESENT: Jason Sandford, Ashevillegas; Jeff Kirby, Parrish & Partners; Jon McCalmont, Parrish & Partners; John Mafera, McFarland Johnson; Chad Nixon, McFarland Johnson

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

BOARD MEMBER INTRODUCTION: George Erwin spoke about his career in law enforcement and how it is an honor to serve on the Authority Board.

EMPLOYEE RECOGNITION: The Chair recognized Samuel Sales with a service award and gift for his 10 years of service with the Authority

PRESENTATIONS:

A. AVL Forward PR Plan: Tina Kinsey gave a presentation to the Board on the public relations ("PR") plan for the terminal modernization and expansion project. Mrs. Kinsey reviewed the goals and theme of the PR plan, some of the messaging that has been developed, as well as samples of collateral. The Board was appreciative of the campaign being planned and thanked Mrs. Kinsey for her presentation.

FINANCIAL REPORT: A review of enplanements, aircraft operations, and general aviation activity for the month of December as well as some year-end information was delivered by the president. Janet Burnette reported on the financial activity for the month of December.

CONSENT ITEMS: The Chair stated that Consent Item E, Approval of the Greater Asheville Regional Airport Authority December 9, 2022 Closed Session Minutes, would be pulled for review in Closed Session.

A. Approval of the Greater Asheville Regional Airport Authority December 9, 2022 Regular Meeting Minutes:

B. Approval of Updates to Peer-to-Peer Vehicle Sharing Business Regulation Policy:

C. Approval of Updates to Music in the Airport Policy:

D. Approval of an Agreement Amendment between The Paradies Shops, LLC. and the Greater Asheville Regional Airport Authority:

Ms. Russo Klein moved to approve Consent Items A through D. Mr. Russell seconded the motion and it carried unanimously.

OLD BUSINESS: None

NEW BUSINESS:

A. Approval to Unseal Closed Session Minutes: The president stated that he has reviewed the preceding year's Closed Session Minutes and provided a recommendation for the unsealing of certain minutes. The minutes to be unsealed are of a business matter that have come to fruition and are no longer of a confidential nature.

Mr. Erwin moved to unseal those portions of Closed Session Minutes as designated and recommended by the President and CEO. Ms. Russo Klein seconded the motion and it carried unanimously.

B. Ratification of Settlement Agreement without Prejudice between Greater Asheville Regional Airport Authority and Turo, Inc.: Christina Madsen informed the Board that the Authority and Turo, Inc. have reached an agreement to settle the lawsuit filed in Buncombe County Superior Court, Case No. 22 CVS 2714. Mrs. Madsen requested the Board ratify the Settlement Agreement without Prejudice that the president & CEO executed.

The Board thanked Mrs. Madsen and Ms. Rice for their diligence resolving this issue.

Ms. Russo Klein moved to ratify the Settlement Agreement between the Greater Asheville Regional Airport Authority and Turo, Inc. Mr. Russell seconded the motion and it carried unanimously.

[INTENTIONALLY LEFT BLANK]

STATE OF NORTH CAROLINA
COUNTY OF BUNCOMBE

SETTLEMENT AGREEMENT

This Settlement Agreement (hereinafter "Agreement"), effective as of the 15th day of January, 2023, is hereby entered into by and among the Greater Asheville Regional Airport Authority ("GARAA"), a body corporate and politic created and existing under the laws of the State of North Carolina; and Turo Inc. (occasionally also referred to as Turo, Inc.) ("Turo"), a corporation organized and existing under the laws of the State of Delaware, (individually "GARAA" and "Turo" are each a "Party" and collectively are the "Parties");

WITNESSETH:

WHEREAS, GARAA is the owner and operator of the Asheville Regional Airport ("Airport") located in Buncombe County, NC and Henderson County, NC;

WHEREAS, Turo is the owner and operator of a web-based peer-to-peer vehicle sharing program that provides a peer-to-peer vehicle sharing marketplace throughout the country, including in North Carolina, which has a principal place of business in San Francisco, California;

WHEREAS, Turo's peer-to-peer vehicle sharing program connects vehicle owners ("Turo Hosts") with guests who need to book a vehicle ("Turo Guests") through its web-based platform with Turo then receiving a percentage of the proceeds from each shared vehicle transaction between the Turo Guests and the Turo Hosts;

WHEREAS, Turo desires to obtain a permit consistent with Turo Hosts' operations at the Airport as Turo Hosts have been operating at the Airport since at least May of 2022;

WHEREAS, disputes, disagreements and controversies have arisen between GARAA and Turo over, among other things, the use of Turo's peer-to-peer vehicle sharing platform at the Airport and Turo Hosts operations at the Airport, and, in particular, regarding Turo's allegedly operating a commercial activity at the Airport without first obtaining a permit from GARAA and without complying with GARAA's rules, regulations, policies and procedures;

WHEREAS, on or about December 21, 2022, GARAA filed a lawsuit against Turo in Buncombe County Superior Court, Case No. 22 CVS 4714 ("Case"), and asserted claims for, among other things, Violation of GARAA's Ordinance and Regulations; Trespass; Demand for Accounting; Unfair or Deceptive Trade Practices; and, in the alternative, Unjust Enrichment, and sought, among other things, an injunction prohibiting Turo from engaging in any further commercial activity at the Airport or from trespassing upon Airport Property; compensatory damages for lost revenues; an accounting of all revenues generated by Turo at the Airport; punitive damages; treble damages; and attorney's fees; and

WHEREAS, prior to Turo filing an answer or other responsive pleading in the Case, the Parties, through counsel, have now agreed to compromise and settle all of the disputes,

disagreements and controversies between them, and as asserted in the Case, and have agreed to enter into this Agreement.

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and promises contained herein, the receipt and sufficiency of said consideration being hereby acknowledged, the Parties hereto agree as follows:

1. **Acceptance of Service.** Associate General Counsel for Turo is authorized to and will accept service of the Summons and Complaint filed in the Case on behalf of Turo by signing the Acceptance of Service attached hereto and incorporated herein by reference as **Exhibit A.** An original signed Acceptance of Service will be returned to counsel for GARAA for filing with the Buncombe County Clerk of Superior Court on or before Tuesday, January 17, 2023.

2. **Operating Agreement with GARAA.** Contemporaneously with the execution of this Agreement, the Parties will each also execute and enter into the Peer-to-Peer Vehicle Sharing Provider Operating Agreement (“Operating Agreement”), a copy of which is attached hereto and incorporated herein by reference as **Exhibit B,** which will allow Turo to legally operate at the Airport for a period of one year (with the possibility for extensions upon agreement of the Parties), so long as it complies with the terms of the Operating Agreement and the rules, regulations, policies and procedures promulgated by GARAA.

3. **Modifications to Regulation.** GARAA agrees to make certain changes to its existing Administrative Rules & Regulations Section 117.01 Peer-to-Peer Vehicle Sharing Regulation (“Regulation”), as shown on the copy attached hereto and incorporated herein by reference as **Exhibit C.** Turo acknowledges that it understands the changes to the Regulation require formal approval by the GARAA Board. GARAA acknowledges that it does not anticipate a problem securing the GARAA Board’s approval of the Regulation changes, and GARAA agrees to present the revised Regulation to the GARAA Board for approval at the next regularly scheduled meeting of the GARAA Board on February 3, 2023.

4. **Turo’s Payment of Existing Violations.** Turo agrees to pay the fines associated with the outstanding violations issued to Turo and to Turo Hosts by GARAA. The total amount of the fines to be paid by Turo is \$1,200.00 (“Fines”). Payment of the Fines shall be made to GARAA on or before January 20th by the delivery of a check made payable to the Greater Asheville Regional Airport Authority to the attention of Janet Burnette, Chief Financial Officer, Greater Asheville Regional Airport Authority, 61 Terminal Drive, Suite 1, Fletcher, NC 28732.

5. **Stipulation of Dismissal without Prejudice.** GARAA agrees to seek formal ratification of this Agreement by the GARAA Board at the next regularly scheduled meeting of the Board on February 3, 2023. After full execution of this Agreement and the Operating Agreement, and receipt of the Fines, counsel for GARAA and for Turo shall execute the Stipulation of Voluntary Dismissal without Prejudice attached hereto and incorporated herein by reference as **Exhibit D.** Thereafter, counsel for GARAA shall file the fully-executed Stipulation of Voluntary

Dismissal without Prejudice with the Buncombe County Clerk of Superior Court on or before Monday, February 6, 2023.

6. Limited Release and Reservation of Rights by GARAA. The Parties acknowledge and agree that they are entering into this Agreement because they desire to amicably and voluntarily resolve all of the disputes, disagreements and controversies between them related in any way to actions or omissions that have occurred up through the effective date of this Agreement. GARAA hereby releases Turo, and each of its' subsidiaries and affiliated entities, and Turo Hosts, from all claims for damages and any other non-injunctive relief asserted in the Case for acts and/or omissions occurring up through the effective date of this Agreement. GARAA hereby reserves all claims it may have, against Turo and the Turo Hosts, for injunctive relief, whether or not such claims are asserted in the Case. The Parties further acknowledge and agree that neither this Agreement nor the filing of the Stipulation of Dismissal shall, in anyway, release, limit or preclude the assertion of any future claims by GARAA, if, after the effective date of this Agreement, Turo breaches the Operating Agreement, or engages in unauthorized commercial activity at the Airport, trespasses upon Airport property, or engage in any other actions in violation of any of GARAA's rules, regulations, policies and procedures. The Parties acknowledge and agree that GARAA is reserving all of its rights and claims against Turo arising after the effective date of this Agreement, including the right to seek future damages and/or injunctive relief. Turo therefore agrees not to assert this Agreement or the Stipulation of Dismissal to be filed in the Case as a defense to any future action filed by GARAA for matters occurring after the effective date of this Agreement.

7. Agreement Effective Immediately. The Parties hereby agree that this Agreement shall be effective immediately, and that the approval of the above-referenced Regulation revisions and ratification of this Agreement by the GARAA Board are conditions subsequent, and are not conditions precedent to the effectiveness of this Agreement.

8. Attorney's Fees & Costs. The Parties hereby agree that each Party shall be responsible for their own attorney's fees and costs associated in any way with this Agreement, the Operating Agreement, or the Case.

9. No admission of wrongdoing. The Parties agree that nothing contained in this Agreement, no document generated by the Parties in connection with this Agreement, or no action taken by any Party in connection with this Agreement, constitutes an admission of wrongdoing or liability on the part of any Party, liability being expressly denied by all the Parties.

10. Further Assurances. The Parties agree that, without any additional consideration, they shall execute such additional documents and take such additional actions as shall be reasonably necessary or appropriate to effect the consummation of the terms of this Agreement.

11. Terms of Agreement Negotiated. This Agreement has been negotiated and drafted by all Parties and their representatives. The Parties to this Agreement represent and warrant that they have read and understand this Agreement and have consulted their respective

counsel concerning its legal effect. It is further represented, declared and agreed by the undersigned that the terms of this Agreement are fully understood and that the judgment of the undersigned is relied upon wholly in so doing and that the above referenced consideration is voluntarily accepted by the undersigned for the purposes of making a full and final compromise. No rule of construction shall apply to this Agreement construing its provisions in favor or against any Party.

12. Electronic Signatures and Execution in Counterparts. The Parties acknowledge and agree that this Agreement may be executed by electronic signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature. Without limitation, "electronic signature" shall include faxed versions of an original signature or electronically scanned and transmitted versions (e.g. via pdf) of an original signature. Further, this Agreement may be signed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same, single document. The Parties, however, agree to provide original signature pages for all documents that must be filed with the Buncombe County Clerk of Superior Court.

13. Severability. Any invalidity, in whole or in part, of any provision of this Agreement shall not affect the validity of any other of its provisions or of the Agreement as a whole.


14. Entire Agreement. This Agreement constitutes the entire agreement between the Parties. This Agreement is made without reliance upon any statement or representation of the other Parties or their representatives and the terms of this Agreement are contractual and not mere recitals. This Agreement may only be amended or modified by a written instrument signed by all the Parties to this Agreement.

15. Headings. Headings contained in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof.

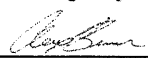
16. Governing Law. This Agreement shall be governed, interpreted and enforced pursuant to the laws of the State of North Carolina, and shall be enforced in the state courts of Buncombe County, North Carolina.

IN WITNESS WHEREOF, the Parties have caused the due execution of this Agreement as of the ___ day of January, 2023.

Greater Asheville Regional Airport Authority

By: 
Lew Bleiweis, A.A.E, President & CEO

Turo Inc.

DocuSigned by:

By: _____
B704EE0F5B66425
Alex Benn, President

FILED

STATE OF NORTH CAROLINA
COUNTY OF BUNCOMBE

2023 JAN 25 P 3:11 PM

THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION

BUNCOMBE CO., C.S.C. FILE No. 22 CVS 4714

GREATER ASHEVILLE REGIONAL AIRPORT
AUTHORITY,

BY [Signature]

Plaintiff,

vs.

TURO INC., and multiple unknown JANE DOE
AND JOHN DOE Defendants (#1-100),

Defendants.

ACCEPTANCE OF SERVICE

I, Matthew Brown, Associate General Counsel for Turo Inc., do hereby certify that I have been authorized and instructed by Defendant Turo Inc. to accept service of process of the Civil Summons and Complaint filed in the above entitled civil action pending before the Buncombe County, North Carolina Superior Court, and service by an officer or otherwise is hereby expressly waived. I do hereby accept service of process of the Civil Summons and Complaint on behalf of Defendant Turo Inc., and Defendant Turo Inc. voluntarily places itself under the personal jurisdiction of the Court. I do hereby certify that I am not an infant, incompetent person, or otherwise under any legal disability or restraint. It is my understanding that this Acceptance of Service is executed in accordance with Rule 4(j)5) of the Rules of Civil Procedure and that this acceptance shall have the same force and effect as would exist had the process been served upon Defendant Turo Inc., in accordance with Rule 4, by delivery of a copy of the Civil Summons and Complaint.

This the 25th day of January, 2023.

Turo Inc.

By: [Signature]

Matthew Brown, Associate General Counsel
Turo Inc.
111 Sutter Street, Floor 12
San Francisco, CA 94104
415-965-4525
mbrown@turo.com

EXHIBIT B – OPERATING AGREEMENT

**PEER-TO-PEER VEHICLE SHARING PROVIDER OPERATING AGREEMENT
ASHEVILLE REGIONAL AIRPORT**

THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY, hereinafter referred to as "Authority," by its execution hereof, hereby authorizes the following person or entity, hereinafter referred to as "Provider" to conduct business and/or occupy space at Asheville Regional Airport, hereinafter referred to as "the Airport," for the purpose or purposes and on the terms and conditions hereinafter stated.

1. **Provider.** The name, address and telephone number of the Provider hereunder are as follows:

Name: Turo Inc.
Address: 111 Sutter Street, 12th Floor
San Francisco, CA 94104
Attention: Legal/Airports
Contact: Donovan Jones
Telephone: 415-965-4525 Fax:
E-mail: Djones@turo.com Pager:

Provider Financial Billing Contact(s):

Name: Accounts Payable
Address: 111 Sutter Street, 12th Floor
San Francisco, CA 94104
Telephone: 415-965-4525 Fax:
E-mail: AP@turo.com

Provider - 24 Hour Emergency Contacts – minimum of 2 contacts required:

Name & Title: Donovan Jones, Sr. Airport Partnerships Manager
Address: 111 Sutter Street, 12th Floor, San Francisco CA 94104
Telephone: (980) 880-2614

E-mail: djones@turo.com

Name & Title: Sean Mayo, Sr. Airport Partnerships Manager
Address: 111 Sutter St. 12th Floor, San Francisco CA 94104
Telephone: 917-304-3937
E-mail: smayo@turo.com

2. **Business to be Conducted.** Provider is only authorized to conduct the following business at the Airport, and may conduct none other, to wit:

Peer-to-Peer Vehicle Sharing Provider, defined in the Greater Asheville Regional Airport Authority's Policies and Procedures, Peer to Peer Vehicle Sharing Business Regulation.

3. **Space to be Occupied.** Provider is authorized to use the Assigned Space, which is that space at the Airport defined in **Attachment A-1.**

4-a. **Payments.** All payments due hereunder shall be remitted to the Chief Financial Officer , Greater Asheville Regional Airport Authority, 61 Terminal Drive, Suite 1, Fletcher, North Carolina, 28732; without demand, set-off or deduction throughout the term of the Agreement.

In the event that the term of this Agreement shall commence or end on any day other than the first and last day, respectively, of a calendar month such consideration due hereunder for a portion of such month shall be prorated on a per-diem basis, and the first payment shall be due on or before the effective date hereof.

4-b. **Consideration-Space Rental and/or Use/Operating Agreement.** In consideration for the rights granted hereunder by Authority, Provider hereby agrees to pay to Authority monthly, in advance, on the first (1st) day of each calendar month during the term hereof, the sum shown in **Attachment A-2** plus any and all sales or use taxes due thereon.

4-c. **Consideration-Percentage of Receipts.** Provider hereby agrees to pay to Authority a percentage of the Gross Receipts derived from its business at the Airport as specified in **Attachment A-3** and in accordance with the provisions of Paragraph H ("Percentage Fees"), plus any and all sales or use taxes thereon.

4-d. **Late Fees.** Without waiving any other right of action available to Authority, in the event of any monetary default hereunder, if Provider fails to pay within thirty (30) days of the date due any amount required to be paid by Provider under this Agreement, the Authority may charge interest at the rate of eighteen percent (18%) per annum, or the amount allowed by law, on the balance of the unpaid amount calculated from the date the amount is due until the close of business day upon which the delinquent payment is received by the Authority. The Authority, in its sole discretion shall have the right to waive any late fees.

5. **Term.** This Agreement is effective, **January 15, 2023 through January 14, 2024**, and shall continue month to month, unless sooner terminated in accordance with the terms and provisions hereof and **Attachment A-4.** Notwithstanding the foregoing, however, either party hereto shall have the right to terminate this Agreement prior to the date upon which it would otherwise expire by giving the other party at least thirty (30) days written notice of its intention to do so.

6. **Amount of Insurance Required.** Commercial general liability, automobile liability, and workers compensation and employer's liability insurance is required to be carried by Provider, naming the Authority as an additional insured more particularly described under subparagraphs K(1) and K(2) of the Terms and Conditions attached hereto. The amounts of coverage are specified in **Attachment A-5.**

7. **Security Deposit.** The amount of the security deposit to be held subject to the provisions of Paragraph T hereof is shown in **Attachment A-6.**

8. **Utility and Service Charges.** Except as otherwise expressly shown on Attachment A-7, Provider shall be responsible for all utility and service charges.

9. **Provider's Right to Occupy.** The Provider's right to use and occupy the Assigned Space is non-exclusive right to operate conditioned upon Provider complying with all provisions hereof shown on that attachment hereto entitled "Greater Asheville Regional Airport Authority Terms and Conditions of Operating Agreement", which is incorporated herein by reference.

10 **Amendments.** Amendments to this Agreement may only be made by a written revision of it bearing the signatures of both Provider and Authority.

11. **Attachments.** The following documents are attached hereto, incorporated herein and made part of this Agreement by reference:

- A-1: Space to Be Occupied ("Assigned Space")
- A-1A: Loading and Vehicle Exchange Area Assigned Parking Spaces
- A-1B: Procedures and Locations for Entering/Exiting the Parking Facilities
- A-2: Space Rental / Use / Operating Agreement Charge
- A-3: Percentage of Receipts
- A-4: Term
- A-5: Insurance Requirements
- A-6: Amount of Security Deposit
- A-7: Utility & Service Charges
- A-8: Special Conditions
- A-9: GARAA Terms and Conditions of Operating Agreement
- B: Peer-to-Peer Monthly Statement of Gross Receipts and Rents Due
- B-1: Peer-to-Peer Monthly Statement of Transactions

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date indicated below:

[SIGNATURE PAGE TO FOLLOW]

TURO INC.

BY: _____
Alex Benn
President

_____ Date

**GREATER ASHEVILLE REGIONAL
AIRPORT AUTHORITY**

BY: _____
Lew Bleiweis, A.A.E.
President & CEO

_____ Date

ATTACHMENTS

A-1. SPACE TO BE OCCUPIED ("Assigned Space").

	<u>Location</u>	<u>Space</u>	<u>Rate Per Space</u>	<u>Monthl y</u> (Applica ble sales tax not included)	<u>Yearly</u> (Applicable sales tax not included)
	Loading and Vehicle Exchange Areas (Select Option A or B)				
	A. Parking Spaces (2 min.) as shown on A-1A	# 2 spaces Paid Monthly Plus Exit Fees	n/a	n/a	n/a
	OR				
X	B. Parking location by usage as shown on A-1B	Paid Upon Exit	n/a	n/a	n/a
			TOTAL		

See Attachment **A-1A** and Attachment **A-1B** if applicable. All parking fees for exiting the parking lots will be paid by Provider or owner or renter upon exit. The parking spaces with electric chargers may not be used by Provider, hosts, owners, etc.

Upon the one-year anniversary of the Agreement, the Authority will assess the Peer-to-Peer operations and agree to engage in discussions with Company to determine whether any other alternative location may be made available for in person Peer-to-Peer exchanges. Any in-person exchanges offered or agreed to by the Authority is subject to change at their sole discretion.

A-2. SPACE RENTAL/USE/OPERATING AGREEMENT CHARGE

ANNUAL	n/a	MONTHLY	n/a
Plus applicable sales tax			

A-3. PERCENTAGE OF RECEIPTS

Provider will pay **ten percent (10.0%)** of its Gross Receipts to Authority for any month in the period in which this Agreement is in effect.

A-4. TERM.

The Agreement is effective on **January 15, 2023 through January 14, 2024**, and shall automatically renew monthly unless terminated per Section 5 above.

A-5. INSURANCE REQUIREMENTS

The minimum coverage required is:

Automobile liability	\$1,000,000
Commercial General Liability	\$2,000,000
Workers Compensation	As required by the laws of North Carolina.
<u>Employer's Liability</u>	\$100,000 each accident, \$500,000 disease-policy limit and \$100,000 disease-policy – each employee

Evidence of current coverage is to be kept on file with the Authority.

A-6. AMOUNT OF SECURITY DEPOSIT

\$2,500 payable upon execution of Agreement.

(Equal to three months estimated fees/rents due Authority).

A-7 UTILITY & SERVICE CHARGES.

Not Applicable.

A-8 SPECIAL CONDITIONS

1. Provider shall adhere to:
 - a. The Authority Rules and Regulations
 - b. The Authority Policies and Procedures, specifically Section 117.01
 - c. Shall not utilize any of the vehicle charging parking spaces in any of the public parking areas.

2. Provider shall inform Peer-to-Peer Shared Vehicle Owners participating in Provider's vehicle sharing program to use the designated areas approved by the Authority for vehicle sharing transactions. Owners shall not pick up or drop off customers at the Airport in any location other than the approved designated areas.

3. Provider shall report to Authority on the form Attachment "B, and B-1" attached hereto and made a part hereof, within fifteen (15) calendar days after the close of each calendar month of the Term of this Agreement an electronic file of the statement of its Gross Receipts that is signed by an authorized official of Provider and includes the following:
 - a. the number of drop-offs and pick-ups of shared vehicles at the Airport per day that are arranged or booked through Provider's platform;

- b. the number of shared vehicles at the Airport per day arranged or booked through Provider's platform;
 - c. the number of transactions at the Airport per day arranged or booked through Provider's platform;
 - d. the Gross Receipts per each such transaction;
 - e. the total Gross Receipts for the month;
 - f. the number of Shared Vehicle Owners that, to the knowledge of Provider, operated at the Airport in the previous month; and,
 - g. separately identify any exclusions from Gross Receipts as provided in Policy 117.01, to calculate Gross Receipts upon which the Percentage Fee payments to Authority are computed.
4. As the Authority will not have the names or contact information for individual Peer-to-Peer Shared Vehicle Owners, the Provider shall be directly responsible for assisting the Authority in enforcing all Authority Rules, Regulations, Policies and Procedures as to the Peer-to-Peer Shared Vehicle Owners. The Provider's obligations shall include, but shall not be limited to: notifying the Owners of any violations or bans from the Airport; assisting the Authority in enforcing any ban of an Owner from the Airport; and direct payment of all monetary fines issued by the Authority to an Owner.

Attachment A-9.
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY TERMS AND CONDITIONS
OF OPERATING AGREEMENT.

A. **Maintenance of Assigned Space.** Provider accepts the space, if any, assigned under Attachment A-1, hereinafter referred to as "Assigned Space," in its present condition, "as is."

Authority shall have the right, at any time and from time to time, to cause maintenance to be performed and repairs to be made in and to the Assigned Space, and the term of this Agreement shall not be extended nor shall there be any abatement of the sums payable to Authority hereunder by reason thereof.

Provider shall promptly pay or reimburse Authority for the cost to Authority of any and all maintenance, replacement and repair which may be required to restore the Assigned Space and any of its fixtures, equipment and mechanical systems as a result of the neglect of, or loss or damage caused by, Provider or any of its officers, employees, agents, invitees or licensees, or which otherwise results from Provider's use or occupancy of the Assigned Space. The performance of maintenance and repair by the Authority shall in no event be construed as a waiver of the Provider's duty to maintain and repair as herein provided.

Unless Authority's written approval has been first obtained in each instance, Provider shall not post any signs in the Assigned Space or at the Airport which are in public view, nor shall Provider make any alterations, additions, decorations, improvements, or structural changes in or to the Assigned Space, or alter the point of supply of any utilities therein.

Provider shall not permit a work of visual art, as defined in 17 USC § 101, to be installed in the Assigned Space without providing Authority with a written waiver, in form acceptable to the Authority, of the artist's rights under the Visual Artists Rights Act of 1990, Pub. L. 101-650, and without obtaining the Authority's prior written approval.

B. **Provider's Property.** Any and all property belonging to, or brought onto the Airport by, Provider or any of its officers, employees, agents, invitees or licensees shall be at the sole risk of Provider. Notwithstanding the foregoing, however, if Provider shall at any time be in default hereunder, then Authority shall have the benefit of any statutory liens on Provider's property located in the Assigned Space which are available to it under the laws of the State of North Carolina, and Provider shall not remove or permit the removal of any of such property until all amounts secured by such liens have been paid and all other defaults under this Agreement have been cured.

C. **Authority's Right to Enter.** Authority and its designated agents shall have the right to enter the Assigned Space at any reasonable time for inspection, maintenance, repair, attending to emergencies or any other reasonable purpose.

D. **Utilities.** Unless expressly provided otherwise herein, if applicable, Provider shall be responsible for obtaining and paying for all utilities (including, without limitation, electricity, water, sewer, and telephone) used or consumed in the Assigned Space.

E. **Access.** Provider and its officers, employees, agents and invitees shall, subject to the reasonable rules and regulations of the Authority, have the right of ingress and egress to and from the Assigned Space.

F. **Taxes and Assessments.** Provider shall pay, on or before the due date established therefor, all taxes, assessments (including, without limitation, storm water utility charges) and impact fees which are levied against or in connection with the Assigned Space, Provider's interest therein and the property and improvements of Provider for the term hereof or attributable to Provider's activities at the Assigned Space or at the Airport. If the term of this Agreement expires or is earlier terminated prior to the close of the tax year for which any such tax is payable, or if the term of this Agreement commences on a date other than the first day of such tax year, Provider shall be responsible for paying a percentage of the tax calculated by dividing the number of days that this Agreement was in effect during such tax year by the total number of days that the Assigned Space was leased to tenants (excluding any tenant performing a governmental, municipal or public purpose or function or which uses the Assigned Space exclusively for literary, scientific, religious or charitable purposes) during such tax year. If this Agreement is in effect for a period less than any entire period for which an assessment other than a tax is imposed, Provider shall pay a percentage of the assessment calculated by dividing the number of days this Agreement was in effect during that assessment period by the total number of days in the assessment period. Provider's obligations under this Paragraph F shall survive the expiration or earlier termination of this Agreement. Nothing contained herein shall be construed as a release or waiver on the part of the Authority, as a political subdivision of the State of North Carolina of the right to assess, levy or collect any license, personal, tangible, intangible, occupation or other tax, fee or assessment which may lawfully be imposed on the business or property of Provider.

G. **Rules and Regulations.** Provider covenants and agrees to observe and comply with all reasonable rules and regulations of Authority which now exist or may hereafter be promulgated from time to time governing conduct on and operations at the Airport and the use of its facilities. Provider further covenants and agrees to observe and comply with any and all valid and applicable requirements of all duly-constituted public authorities and with all federal, state and local statutes, ordinances and regulations applicable to Provider, the Assigned Space or the Airport. Provider agrees to pay or reimburse Authority for any fines which may be assessed against Authority as a result of the violation by Provider of any applicable security regulation at the Airport, which payment shall be made by Provider within fifteen (15) days from receipt of Authority's invoice for such amount and documentation showing that payment of such fine is Provider's responsibility hereunder. Provider acknowledges receipt of the following documents:

1. the Peer to Peer Vehicle Sharing Business Regulation – Section 117.01 of the Greater Asheville Regional Airport Authority's Policies and Procedures;

2. the Commercial Ground Transportation Regulation – Section 117.00 of the Greater Asheville Regional Airport Authority's Policies and Procedures; and
3. the Greater Asheville Regional Airport Authority Rules and Regulations.

H. **Percentage Fees.** In the event that the consideration to be paid under Paragraph 4 of the Agreement is based in whole or in part on a percentage of Provider's Gross Receipts, ("Gross Receipts") shall include all sums paid or payable to Provider, including payments to Shared Vehicle Owners, for providing Vehicle Sharing services to Airport Customers and for all ancillary activities, except for sums specifically excluded herein, regardless of how any sum may be represented to the Airport Customers, how or where Provider received the order for the Vehicle Sharing transaction, where the Shared Vehicle is obtained, or where the Shared Vehicle is returned. Without limitation, Gross Receipts includes: charges for any time and mileage for Vehicle Sharing services, GPS and other electronic devices, child restraints, additional driver fees and all other transactions and charges of whatever nature derived from or incidental to Provider's operation, charges for insurance offered incidental to a Vehicle Sharing agreement, all amounts charged to Airport Customers at the commencement or the conclusion of the Vehicle Sharing transaction for the cost of furnishing and/or replacing fuel provided by Provider and/or Shared Vehicle Owners, credits given to Airport Customers for out-of-pocket purchases for fuel, oil, emergency services, deposits, or other matters, regardless of where such purchases were made, inter-city fees and drop charges paid or payable to Provider, additional sums paid to Provider at Asheville Metropolitan area locations or at other locations in connection with Vehicle Sharing services provided to Airport Customers, such as when a Shared Vehicle is exchanged. NO deduction shall be made for the payment of franchise taxes, privilege taxes levied on Provider's Vehicle Sharing activities, equipment, or real or personal property of Provider. For purposes of this Agreement, and the calculation of fees or revenues owed to the Authority, "Airport Customers" shall mean those customers who utilize any Airport property in connection with their participation in a Peer-to-Peer Vehicle Sharing Program or for the benefit of a Peer-to-Peer Vehicle Sharing Program.

(1) Specific Exclusions to Gross Receipts. There shall be no exclusions from Gross Receipts except for the following: the amount of any federal, state, local sales, or tourism tax separately stated on the Vehicle Sharing agreement and collected from the Airport Customers and remitted to the taxing authority; the amount of any sum received as insurance proceeds or a judicial judgment or settlement to restore damage to automobiles or other property of Provider, or to restore a tangible loss, theft or conversion; the amount of State road tolls and fines issued off airport that are (1) paid by Provider and charged back to the customer, or (2) received by Provider as payment on behalf of the customer; the amount of any sale of Provider's capital assets or trade fixtures; any amounts received for any cancellation fees; and any amounts received by Provider from Shared Vehicle Drivers which are fully passed through to Shared Vehicle Owners such as post-trip reimbursements, smoking fees, etc.

Provider shall report to Authority all income associated with Vehicle Sharing transactions with Airport Customers, both cash and credit, regardless of whether collected or not collected.

No deduction shall be allowed for any uncollected amounts, write-offs, or adjustments made after the transaction with Airport Customers has been concluded.

No Diversion. Provider shall not intentionally divert, through direct or indirect means, any of Provider's Vehicle Sharing transactions or related business with Airport Customers to other locations of Provider or its affiliates without including such transactions in Gross Receipts. Authority shall have the right to immediately terminate this Agreement thereby eliminating Provider's access to the Airport market and Vehicle Sharing transactions with Airport Customers, or to take other appropriate action upon determining that an intentional diversion exists or has occurred. Gross Receipts shall be determined by the total of charges on the face of the Airport Customers' final receipt in connection with the transaction, less any allowable charges excluded in the definition of Gross Receipts, above.

The retroactive adjustment by Provider of Gross Receipts designated as volume discounts or any other designation or for any other purpose is prohibited.

No deduction shall be made from Gross Receipts by reason of any credit loss sustained or financing discount that may be applicable by reason of the acceptance or use of credit cards or by reason of any other credit arrangements. If any charge customarily made by Provider for goods or services is not assessed, charged or collected, irrespective of the reason therefor, then the amount of Provider's customary charge therefor shall nevertheless be included in determining Gross Receipts. All computations in the determination of Gross Receipts shall be made in accordance with the terms of this Agreement.

On or before the fifteenth (15th) day of each calendar month during the term hereof and of the calendar month immediately following the end of the term, Provider shall deliver to Authority a statement signed by an officer of Provider, in such form and with such detail as Authority may reasonably request, setting forth Provider's Gross Receipts (as the same are hereinbefore defined) during the preceding calendar month, and separately identifying all receipts derived by Provider during such month which have been excluded from the computation of Gross Receipts, together with payment of the Percentage Fees due by reason thereof.

Provider shall maintain complete and accurate books and records as would normally be examined by an independent certified public accountant pursuant to generally accepted auditing standards, of all receipts with respect to its business at the Airport in a form consistent with generally accepted accounting principles. Such books and records of the Provider shall contain itemized records of all amounts billed or received by the Provider from its operations in the Assigned Space or otherwise hereunder. The Provider shall supply to the Authority, within thirty (30) days of the Authority's request, the books and records required to be maintained hereby and any other financial or statistical reports or records that the Authority may reasonably request for the purpose of determining the accuracy of the Gross Receipts reported by the Provider. In addition, the Provider shall account for all revenues of any nature related to transactions in connection with this Agreement entered into in the Assigned Space or otherwise hereunder in a manner which segregates in detail those transactions from other transactions of the Provider

and which supports the amounts reported to the Authority in the Provider's monthly Gross Receipts reports prepared in accordance with Paragraph 4-b. In the event of any conflict between any provision of this Agreement and generally accepted accounting principles or generally accepted auditing standards, the provisions of the Agreement shall control even where this Agreement references such principles or standards.

Such records shall be in the form of printed, written, or electronic media. Records maintained by the Provider in the form of electronic media shall be provided to the Authority in electronic read only form compatible with computers utilized by the Authority if requested in such form by the Authority. The President & CEO may require the Provider to provide any other records the President & CEO determines, in his or her opinion, are necessary to enable the Authority to perform an accurate audit of the Provider's Gross Receipts hereunder. Such records shall be provided within thirty (30) days of the request thereof and, in the event that exclusions, deductions or allocations reducing Gross Receipts are not supported or substantiated by such records, all such amounts shall be deemed Gross Receipts for purposes of determining amounts payable to the Authority. All such original books and records shall upon reasonable notice from Authority be made available, either at the Assigned Space, if assigned, or at the offices of the Authority, for inspection, examination or audit by Authority through its duly authorized representatives at any time for up to three (3) years after the calendar year to which such books and records pertain; provided, however, that if prior to the expiration of such three (3) year period, any audit, review or investigation is commenced by the Authority, or any claim is made or litigation is commenced relating to this Agreement by the Authority, such books and records shall continue to be maintained by Provider, and Authority shall continue to have the right to inspect such books and records in the manner stated above, until the audit, claim or litigation is finally resolved (including the determination of any and all appeals or the expiration of time for an appeal). Any such inspection at the Assigned Space will be conducted during reasonable business hours and in such a manner and at such time as to not unduly interfere with the conduct of Provider's business.

Should the Provider not wish to make its original books and records available for inspection at the Airport, the Provider shall have the option of having representatives of the Authority inspect the Provider's books and records at a location where the Provider maintains its records within forty five (45) days of Authority's request to inspect Provider's books and records. Should the Provider elect to have the inspection, examination or audit performed at a location outside the limits of Buncombe County, the Provider shall pay the Authority for travel expenses incurred in connection with such inspection, examination or audit in accordance with the Authority's adopted travel policies, from the auditor's duty station to the location at which the books and records are maintained for each day of travel and on-site work. After the inspection is complete, the Authority shall bill the Provider for such travel expenses and the Provider shall promptly pay such bill. Authority shall further have the right, upon reasonable written notice to Provider, to cause an audit to be made of the books and records of Provider and its assignees and agents which relate to its operations at the Airport to determine the correctness of the Percentage Fees paid by Provider hereunder. Such audit may include, but is not limited to, a review of general, input, processing, and output controls of information systems,

using read only access, for all computerized applications used to record financial transactions and information. The Provider shall, if requested, freely lend its own assistance in making such inspection, examination, or audit, and, if such records are maintained in electronic and other machine-readable format, shall provide the Authority and/or its representative such assistance as may be required to allow complete access to such records. The Provider also shall lend such assistance and support freely to the Authority as the Authority may reasonably request in the conduct of any inspection, examination or audit as the Authority deems necessary. If, as a result of such audit, it is established that Percentage Fees have been underpaid to Authority, Provider shall forthwith, upon written demand from Authority, pay the difference to Authority, together with interest thereon at the rate of eighteen percent (18%) per annum from the date such amount or amounts should have been paid. Further, if such audit establishes that Provider has understated and underpaid the total Percentage Fees due hereunder during the audit period by two percent (2%) or more, then the entire expense of such audit shall be borne by Provider.

I. **Indemnification.** Provider agrees to indemnify, defend and hold completely harmless the Authority, and its members (including, without limitation, members of the Authority's Board), officers, employees and agents of each, from and against all liabilities (including, without limitation, liability under the Comprehensive Environmental Response, Compensation and Liability Act, 42 USC Section 9601, et seq., or any other federal, state or local environmental statute, ordinance regulation or rule), losses, suits, claims, demands, judgments, damages, fines, penalties, costs and expenses (including all costs for investigation and defense thereof, including, but not limited to, court costs, expert fees and reasonable attorneys' fees prior to institution of legal proceedings and at both trial and appellate levels), which may be incurred by, charge to or recovered from any of the foregoing (i) by reason or on account of damage to or destruction of any property of the Authority, or any property of, injury to or death of any person resulting from or arising out of the use, occupancy, or maintenance of the Assigned Space or any improvements thereto, of Provider's operations thereon, or the acts or omissions of Provider's officers, agents, employees, contractors, subcontractors, invitees or licensees, regardless of where the damage, destruction, injury or death occurred, unless such liability, loss, suit, claim, demand, judgment, damage, fine, penalty, cost or expense was proximately caused solely by Authority's negligence or by the joint negligence of Authority and any person other than Provider or its officers, agents, employees, contractors, subcontractors, invitees or licensees, or (ii) arising out of the failure of Provider to keep, observe or perform any of the covenants or agreements in this Agreement to be kept, observed or performed by Provider. The provisions of this Paragraph I shall survive the expiration of earlier termination of the term of this Agreement with respect to any acts or omissions occurring during the term of this Agreement.

The foregoing provisions of this Paragraph I are not intended and shall not be construed to limit in any manner whatsoever the protection or benefits to which Authority otherwise would be entitled as an additional insured under any liability insurance maintained or required to be maintained by Provider under this Agreement.

J. **Waiver of Damage.** Provider hereby expressly waives and releases any cause of action or right of recovery for compensation for any and all loss or damage sustained by reason of any fire, defect, deficiency or impairments of any of the services in or to the Assigned Space or the Airport, including, but not limited to, electrical power, gas, telephone service, steam, heating, air conditioning, water supply, drainage or sewage systems, or from wires leading to or inside of any space or structure, or by reason of any loss resulting from the failure of any such system or facility unless such loss or damage is due to the negligence or willful misconduct of Authority or its officers, agents or employees.

K. **Insurance Requirements.** Provider shall, at its own cost and expense, purchase and maintain throughout the term of this Agreement the following insurance:

(1) Automobile liability insurance (any auto, including owned autos, non-autos and hired autos), and Commercial general liability insurance (including, but not limited to Premises/Operations, Products/Completed Operations, Contractual, Independent Contractors, Broad Form Property Damage and Personal Injury coverage, as applicable), protecting Provider, the Greater Asheville Regional Airport Authority, and the members (including, without limitation, members of Authority Board), officers, agents and employees of each, all of whom shall be named as additional insureds, from and against any and all liabilities arising out of or relating to Provider's use or occupancy of, or the conduct of its operations on, the Assigned Space and any improvements thereto, and on the Airport, in such form and with such company or companies as the Authority may reasonably approve, with a combined single limit (or its equivalent) per occurrence of not less than the amount set forth in Paragraph 6 hereof, with a deductible reasonably acceptable to the Authority, with a waiver of any right of subrogation that the insurer may have against the Authority, with contractual liability coverage for Provider's covenants to and indemnification of the Authority under this Agreement, and with the insurance company obligated to use counsel reasonably acceptable to the Authority in carrying out its obligations to the Authority. This insurance shall provide that it is primary insurance as respects any other valid and collectible insurance Authority may possess, including any self-insured retention or deductible Authority may have, and that any other insurance Authority does possess shall be considered excess insurance only. This insurance shall also provide that it shall act for each insured and each additional insured as though a separate policy has been written for each; provided, however, that this provision shall not operate to increase the policy limits of the insurance; and

(2) Workers compensation insurance as required by the laws of North Carolina; provided, however, that Provider may self-insure its workers compensation liability, if in compliance with North Carolina law. Employers Liability coverage is also required with limits of liability not less than \$500,000 each accident, \$500,000 disease policy limit and \$500,000 disease-each employee.

At least three (3) business days prior to the commencement of the term of this Agreement and at least ten (10) days prior to the expiration of any policy or policies theretofore provided hereunder by Provider, Provider shall cause a certificate or certificates of insurance to be furnished to Authority evidencing all such coverage, and such certificate shall provide that the

policy or policies will not be cancelled nor the limits thereunder be materially changed without first providing at least thirty (30) days' written notice thereof to Authority.

L. **Assignment and Subletting**. Provider shall not assign this Agreement or any of the rights granted to it hereunder or sublet the Assigned Space or any portion thereof without the prior express written consent of Authority in each instance, which may be granted or withheld in the Authority's sole discretion.

M. **Default**. In the event that Provider shall fail to remit any payment due to Authority under Paragraph 4 hereof, or shall fail to submit any financial report required to be submitted in connection therewith, within five (5) days after the same shall become due, or in the event that Provider or any of its officers, employees, agents, invitees or licensees violates any other term, covenant or condition of this Agreement and such violation continues or reoccurs after Authority has given written notice thereof to Provider, the Authority shall have the right to declare the entire balance of the consideration due to Authority under Paragraph 4 of this Agreement due and payable forthwith; or Authority may elect to terminate this Agreement and resume possession of the Assigned Space, thereafter using the same for its own purposes without having to account to Provider therefor; or Authority may elect to retake possession of and relet the Assigned Space as agent for the Provider, collecting and applying the proceeds first, toward the payment of all costs and expenses incurred in connection with such reletting, and next, toward the payment of any consideration and other charges due Authority under this Agreement, in which event Provider shall be responsible for paying any deficiency to Authority. In addition, Authority shall have any and all other rights or remedies available to it as a landlord under the applicable laws of the State of North Carolina by reason of any such default.

N. **End of Term**. At the end of the term or upon the earlier termination of this Agreement, Provider shall deliver to Authority possession of the Assigned Space and all of the fixtures and equipment of Authority in their original condition in all respects, reasonable use and wear excepted, and Provider agrees to reimburse Authority for the cost of any alterations, replacement, repairs or cleaning required to restore the same to such condition.

O. **Holding Over**. It is agreed that if Provider, or any assignee or sublessee thereof, shall continue to occupy the Assigned Space after the termination of this Agreement (including a termination under paragraph M hereof) without the prior written consent of Authority, then such tenancy shall be a tenancy-at-sufferance, the Authority shall be entitled to double the monthly rent specified in Paragraph 4 hereof, and acceptance by Authority of any sums after any such termination shall not constitute a renewal of this Agreement or a consent to such occupancy, nor shall it waive Authority's right of re-entry or any other right available to it under the laws of North Carolina or the provisions of this Agreement.

P. **Costs and Attorneys' Fees**. In the event that Authority elects to engage the services of an attorney to collect any sums due hereunder from Provider, or in the event the Authority is the prevailing party in any action to enforce any provision of this Agreement or in any other legal proceeding at law or in equity arising hereunder or in connection herewith, Provider shall reimburse Authority for all reasonable costs, attorneys' fees and all other actual

expenses incurred by the Authority in the defense and/or prosecution of such legal proceeding and in any appeals, including, but not limited to, fees and expenses for paralegals, investigators, legal support personnel and expert witnesses.

Q. **Notice.** Any notice permitted or required to be given to Provider hereunder shall be in writing and delivered either by hand to the Assigned Space, by nationally recognized overnight courier service or by U.S. Certified Mail, Return Receipt Requested, postage prepaid, to the address contained in Paragraph 1 of this Agreement or such other address as Provider may, by written notice, direct from time to time. Any notice permitted or required to be given to Authority hereunder shall be in writing and delivered either by hand to the Office of the President & CEO, Greater Asheville Regional Airport Authority, Asheville Regional Airport, Fletcher, North Carolina, provided Provider obtains a written acknowledgment of receipt therefor from Authority, by nationally recognized overnight courier service or by U.S. Certified Mail, Return Receipt Requested, postage prepaid, addressed as follows:

Greater Asheville Regional Airport Authority
Attention: President & CEO
61 Terminal Drive, Suite 1
Fletcher, North Carolina 28732

or such other address as Authority may request from time to time.

R. **Sums Paid by Authority.** If Authority has paid any sum or sums or has incurred any obligation or expense which Provider has agreed to pay or reimburse Authority for, or if Authority is required or elects to pay any sum or sums or incurs any obligation or expense because of the failure, neglect or refusal of Provider to perform or fulfill any of the terms or conditions of this Agreement, then the same shall be deemed additional rent due hereunder and Provider shall reimburse Authority therefor promptly upon demand.

S. **Interest on Sums Due Authority.** Any amounts due and unpaid shall bear interest at the rate of eighteen percent (18%) per annum from the due date of such amount to the date of payment in full, with interest.

T. **Security Deposit.** In the event that a security deposit is required under Paragraph 7 hereof, Provider shall deposit such sum with Authority upon execution of this Agreement, and such sum shall be retained by Authority as security for the faithful performance of Provider's obligation hereunder. Authority shall have the right, but not the obligation, to apply said security deposit to the payment of any sum due to Authority which has not been paid, including, but not limited to, reimbursement of any expenses incurred by Authority in curing any default of Provider, or to the cost of restoring the Assigned Space or its furnishings, fixtures or equipment to their original condition, reasonable use and wear excepted. In the event that all or any portion of the security deposit is so applied, Provider shall promptly upon demand by Authority remit to Authority the amount of cash required to restore the security deposit to its original sum, and Provider's failure to do so within five (5) days after its receipt of such demand shall constitute

a default under this Agreement. If said deposit shall not have been applied for any of the foregoing purposes, it shall be returned to Provider, without interest, within sixty (60) days after the end of the term of this Agreement. The Authority will not pay interest on any security deposit. In its sole discretion the Authority shall have the right to adjust the security deposit based on the level of activity conducted by the Company and its payment history.

U. Authority's Reserved Rights.

(1) Authority reserves the right for itself and others to utilize and maintain existing utility easements over, under, across and through the Assigned Space, and to run water, electrical, telephone, gas, drainage and other lines over, under, across and through the Assigned Space and to grant necessary utility easements therefor.

(2) Authority reserves the right (a) to further develop, improve, repair and alter the Airport and all roadways, parking areas, terminal facilities, landing areas and taxiways as it may reasonably see fit, free from any and all liability to Provider for loss of business or damages of any nature whatsoever to Provider occasioned during the making of such improvements, repairs, alterations and additions, including but not limited to any damages resulting from negligence of the Authority or its employees, agents or contractors, and (b) to establish such fees and charges for the use of the Airport by Provider and all others as Authority may deem advisable.

(3) Provider covenants and agrees that this Agreement shall be subject and subordinate to the provisions of any existing or future agreement between Authority and the United States Government relative to the operation or maintenance of Airport, the execution of which has been or will be required as a condition precedent to the granting of federal funds for the development or operation of Airport. In the event that the Federal Aviation Administration or its successors shall require any modifications to this Agreement as a condition precedent to the granting of such federal funds, Provider shall promptly consent in writing to such modifications.

V. Discrimination Not Permitted.

(1) Provider, for itself, its successors in interest and its assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (a) no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of the Assigned Space or the Airport under the provisions of this Agreement; (b) that in the construction of any improvements on, over or under the Assigned Space and the furnishing of services thereon, no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination; and (c) that Provider shall use the Assigned Space in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination 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.

Likewise, Provider shall comply with laws of the State of North Carolina prohibiting discrimination because of race, color, religion, sex, national origin, age, handicap or marital status. Should the Provider authorize another person, with Authority's prior written consent, to provide services or benefits from the Assigned Space or at the Airport, Provider shall obtain from such person a written agreement pursuant to which such person shall, with respect to the services or benefits which it is authorized to provide, undertake for itself the obligations contained in this paragraph. Provider shall furnish the original or a true copy of such agreement to Authority. Authority may from time to time be required by the United States Government, or one or more of its agencies, to adopt additional or amended provisions, including non-discrimination provisions, concerning the use and operation of the Airport, and Provider agrees that it will adopt any such requirement as a part of this Agreement.

(2) If Provider shall furnish any services to the public at the Airport, it shall furnish said services on a fair, equal and not unjustly discriminatory basis to all users thereof and shall charge fair, reasonable and not unjustly discriminatory prices for each unit of service, provided that Provider shall be allowed to make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers, if any.

(3) In the event of breach of any of the above nondiscrimination covenants, Authority shall have the right to terminate this Agreement and to re-enter and repossess said Assigned Space, and hold the same as if this Agreement had never been made or issued. The right granted to Authority by the foregoing sentence shall not be effective until applicable procedures of Title 49, Code of Federal Regulations, Part 21 are followed and completed, including exercise or expiration of appeal rights.

(4) Further, Provider assures Authority that no person shall be excluded on the grounds of race, creed, color, national origin or sex from participating in or receiving the services or benefits of any program or activity covered by Title 14, Code of Federal Regulations, Part 152, Subpart E, Federal Aviation Administration, Non-discrimination in Airport Aid Program, and that it will be bound by and comply with all other applicable provisions of such Subpart E, as it may be amended. Provider also assures Authority that it will require its covered suborganizations to provide written assurances to the same effect and provide copies thereof to Authority.

(5) Provider assures Authority that it will comply with pertinent statutes, Executive Orders, and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age or handicap be excluded from participating in any activity conducted in connection with its operations under this Agreement. Provider also assures Authority that it will require any contractors and sublessees (to the extent that such sublessees are allowed under other provisions of this Agreement) to provide assurances to the same effect and ensure that such assurances are included in subcontracts at all tiers which are entered into in connection with Provider's operations under this Agreement.

W. Federal Aviation Administration Requirements.

(1) Provider shall comply with all applicable regulations of the Federal Aviation Administration relating to Airport security and shall control the Assigned Space so as to prevent or deter unauthorized persons from obtaining access to the air operations area of the Airport.

(2) Authority reserves unto itself, and unto its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft through the airspace above the surface of the Assigned Space, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft now known or hereafter used, and for navigation of or flight in the said airspace, and use of said airspace for landing on, taking off from or operating on the Airport.

(3) Provider expressly agrees, on behalf of itself and its successors and assigns, to restrict the height of structures, objects of natural growth and other obstructions on the Assigned Space in compliance with the requirements of Federal Aviation Regulations, 14 CFR Part 77.

(4) Provider agrees to require any lights in the Assigned Space to be constructed, focused or arranged in a manner that will prevent them from casting their beams in an upward direction so as to interfere with the vision of pilots in aircraft landing at or taking off from the Airport.

(5) Provider expressly agrees, on behalf of itself and its successors and assigns, to prevent any use of the Assigned Space which would interfere with or adversely affect the operation or maintenance of the Airport, or which would otherwise constitute a hazard or nuisance at the Airport.

(6) Provider agrees that it will not exercise or grant any right or privilege which would operate to prevent any person, firm or corporation operating aircraft on the Airport from performing any service (including, but not limited to maintenance and repair) on its own aircraft with its own employees that it may choose to perform.

(7) The Provider agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement covered by 49 CFR, Part 23, Subpart F. The Provider also agrees to include the above statements in any subsequent complementary aeronautical activity agreements that it enters into and to cause those businesses to similarly include the statements in further agreements.

X. Hazardous Materials.

(1) **Definitions.** As used herein, the following terms shall have the meanings hereinafter set forth:

i. **"Environmental Laws"** shall mean any federal, state, local or administrative law, rule, regulation, order or requirement relating to industrial hygiene, environmental conditions or Hazardous Materials, whether now in effect or hereafter adopted.

ii. **"Hazardous Materials"** shall mean any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment. **"Hazardous Material"** includes, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, also commonly known as the "Superfund" law, as amended (42 U.S.C. **Sections** 9601 et seq.) ("**CERCLA**"), or pursuant to the General Statutes of North Carolina, or any waste which conforms to the criteria for hazardous material adopted by the Authority; any asbestos and asbestos containing materials; lead based paint; petroleum, including crude oil or any fraction thereof; natural gas or natural gas liquids; and any materials listed as a hazardous substance in the Authority's rules and regulations.

iii. **"Release"** when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into or on any property.

(2) **Provider's Agreement.** Provider agrees that neither it nor its officers, agents, employees, contractors, subcontractors, sublessees, licensees or invitees shall cause any Hazardous Materials to be brought upon, kept, used, stored, generated or disposed of in, on or about the Airport, or transported to or from the Airport; provided that Provider may use such substances as are customarily used in aviation so long as such use is in strict compliance with all applicable Environmental Laws and the Authority's rules and regulations.

(3) **Environmental Indemnity.** Provider shall indemnify, defend and hold harmless the Authority from and against any and all loss, damage, cost or expense (including attorney's fees) arising during or after the term of this Agreement as a result of or arising from (i) a breach by Provider of its obligations contained in subparagraph Y(2) above, or (ii) any Release of Hazardous Materials from, in, or about the Airport caused by the act or omission of Provider, its officers, agents, employees, contractors, subcontractors, sublessees, licensees or invitees.

(4) **Environmental Audit.** Upon reasonable notice to Provider, the Authority may conduct or cause to be conducted through a third party that it selects, an environmental audit or other investigation of Provider's operations to determine whether Provider has breached its obligations under subparagraph Y(2) above. Provider shall pay all costs associated with said investigation if such investigation shall disclose any such breach by Provider.

Y. **Miscellaneous.**

(1) the paragraph headings contained in this Agreement are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope or intent of any provision hereof.

(2) Notwithstanding anything herein contained that may appear to be to the contrary, it is expressly understood and agreed that, except for Provider's right to possession of the Assigned Space, the rights granted under this Agreement are non-exclusive.

(3) Except as expressly prohibited herein, the provisions of this Agreement shall bind and inure to the benefit of the successors and assigns of the parties hereto.

(4) Time is expressed to be of the essence of this Agreement.

(5) This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina. It is agreed that if any covenant, condition or provision contained herein is held to be invalid by any court of competent jurisdiction, such invalidity shall not affect the validity of any other covenant, condition or provision herein contained.

(6) No recourse under or upon any obligation, covenant or agreement contained in this Agreement, or any other agreement or document pertaining to the operations of Provider hereunder, as such may from time to time be altered or amended in accordance with the provisions hereof, or under any judgment obtained against Authority, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any statute or otherwise, under or independent of this Agreement, shall be had against any member (including, without limitation, members of Authority's Board), officer, employee or agent, as such, past, present and future, of Authority, either directly or through Authority or otherwise, for any claim arising out of this Agreement or the operations conducted pursuant to it, or for any sum that may be due and unpaid by Authority. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any Authority member, officer, employee or agent, as such, to respond by reason of any act or omission on his or her part or otherwise for any claim arising out of this Agreement or the operations conducted pursuant to it, or for the payment for or to Authority, or any receiver therefor or otherwise, or any sum that may remain due and unpaid by Authority, is hereby expressly waived and released as a condition of and as consideration for the execution of this Agreement.

(7) Provider represents and warrants to Authority that, to the best of its knowledge, except as may be disclosed in an Addendum hereto, no member, officer, employee or agent of Authority has any material interest, either directly or indirectly, in the business of Provider to be conducted hereunder.

(8) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and any representation or statements heretofore made with respect to such subject matter, whether oral or written, are merged herein. This

Agreement may be altered or amended only by written instrument executed by both parties hereto.

(9) In the event of a conflict between the terms and conditions of this Agreement and any Airport Rules and Regulations, the Rules and Regulations shall control.

(10) As required by North Carolina law, Authority hereby includes the following notifications as part of this Agreement:

RADON GAS: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in North Carolina. Additional information regarding radon and radon testing may be obtained from your county public health unit.

(11) Provider hereby consents to the jurisdiction of the courts of the State of North Carolina and of the Federal District Court for the Western District of North Carolina with respect to any action instituted by the Authority and arising against Provider under this Agreement, and waives any objection which Provider may have at any time to the laying of venue of any such action brought in any such court, waives any claim that such action has been brought in an inconvenient forum and further waives the right to object, with respect to such action, that such court does not have any jurisdiction over Provider. Provider further irrevocably consents to the service of process by certified or registered mail (airmail if overseas) or the equivalent (return receipt requested), or the service of process in any other manner permitted by law, in any action instituted by the Authority and arising against Provider under this Agreement.

Attachment A-1A Loading and Vehicle Exchange Area Assigned Parking Spaces

PROCEDURES:

Provider will pay the Authority monthly for the dedicated parking spaces as shown in Section A-1, Assigned Space.

1. Owner leaving vehicle in the dedicated spaces:

- A. Owner pulls a parking ticket from the ticket dispenser and enters the parking lot.
- B. Owner parks the vehicle, in the assigned parking space within the parking lot, leaving the parking ticket in the vehicle for the Customer.

2. Customer picking up vehicle from the dedicated spaces:

- A. Customer retrieves vehicle and proceeds to the exit.
- B. Customer exits the parking lot and pays the required parking fees.

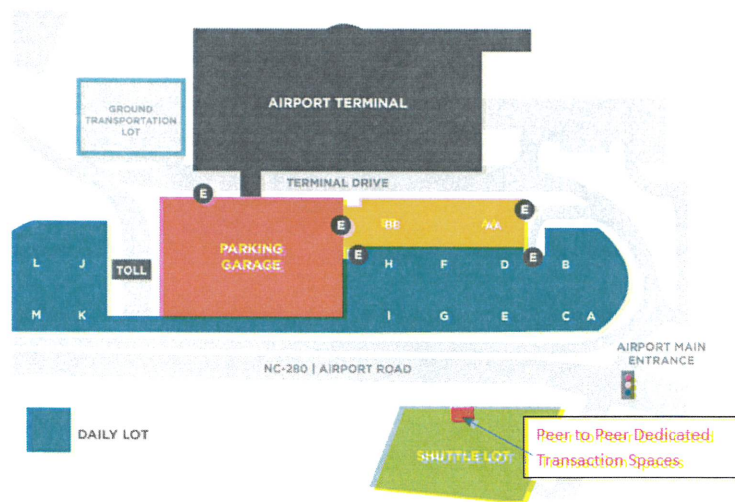
3. Customer returning vehicle to the dedicated spaces:

- A. Customer pulls a parking ticket from the ticket dispenser and enters the parking lot.
- B. Customer parks the vehicle in the assigned space in the parking lot, leaving the parking ticket in the vehicle for the Owner.

4. Owner picking up vehicle from the dedicated spaces:

- A. Owner retrieves vehicle from the parking lot and proceeds to the exit.
- B. Owner exits the parking lot and pays the required parking fees.

LOCATION:



Attachment A-1B PROCEDURES AND LOCATIONS FOR ENTERING/EXITING THE PARKING FACILITIES

PROCEDURES:

1. Owner leaving vehicle in the parking facilities:

- C. Owner pulls a parking ticket from the ticket dispenser and enters the parking lot.
- D. Owner parks the vehicle, in any available spot in the parking lot, leaving the parking ticket in the vehicle for the Customer.

2. Customer picking up vehicle from the parking facilities:

- C. Customer retrieves vehicle and proceeds to the exit.
- D. Customer exits the parking lot and pays the required parking fees.

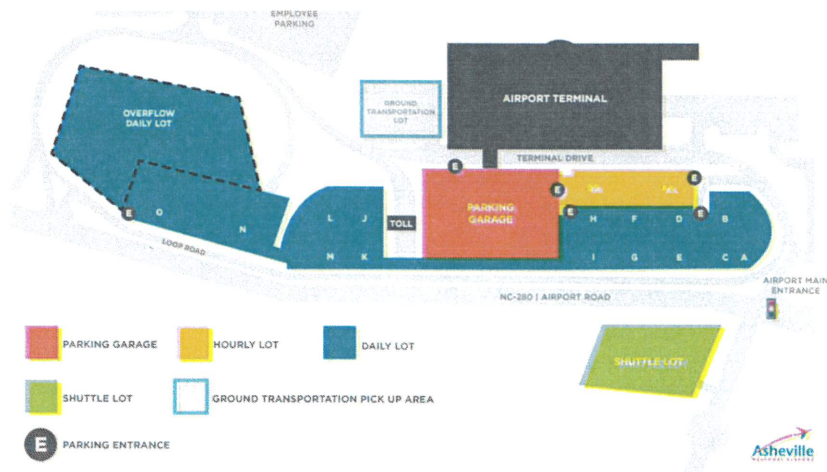
3. Customer returning vehicle to the parking facilities:

- C. Customer pulls a parking ticket from the ticket dispenser and enters the parking lot.
- D. Customer parks the vehicle in any available spot in the parking lot, leaving the parking ticket in the vehicle for the Owner.

4. Owner picking up vehicle from the parking facilities:

- C. Owner retrieves vehicle from the parking lot and proceeds to the exit.
- D. Owner exits the parking lot and pays the required parking fees.

LOCATIONS:



Attachment B

PEER-TO-PEER MONTHLY STATEMENT OF GROSS RECEIPTS AND RENTS DUE Greater Asheville Regional Airport Authority



Greater Asheville Regional Airport Authority
PEER-TO-PEER Monthly Statement of Gross Receipts and Rents Due

Month/Year: Company: dba	Monthly Totals						Total Fees Due
	Gross Receipts		Revenue & Deductions		Reportable Revenue (Gross-Deductions)	Privilege Fee (10% Reportable Revenue)	
	Total Rental Fees	Other Charges Insurance, Fuel, Mileage, Airport Drop- Off & Pick-Up Fees	Taxes	Allowable Deductibles Other			
January							
February							
March							
April							
May							
June							
July							
August							
September							
October							
November							
December							
Totals	\$	\$	\$	\$	\$	\$	\$

All reports are due prior to the 15th of every month for the prior month. Failure to submit reports by this date will result in late fees or additional penalties.
*****All pages of the workbook must be complete and filed our company each month.***
 Ensure checks are made payable to: Greater Asheville Regional Airport Authority (Please ensure the month being paid for is listed on all checks in the memo line)
 Email completed reports to: fisher@flyavl.com & cmadden@flyavl.com
 Report number of dropoffs and pickups of shared vehicles at the Airport**

Signature: _____
 Date: _____

Car Sharing Service Report
 Date, ID #, Vehicle ID, Charges
 Please see **EXHIBIT B1** attached

EXHIBIT C – REVISED GARAA REGULATION

Administration Policies & Procedures **Section 117.01**
Airport Peer-to-Peer Vehicle Sharing Business Regulation

OBJECTIVE To promote and enhance public convenience and order, the efficient movement and control of passengers and traffic to and from the Airport, and the efficient and safe use of the Airport's limited space and facilities, particularly the limited space at curbside in front of the Terminal Building; to help pay for the maintenance, operation and improvement of the Airport; to enhance the financial stability and viability of the Authority; to help make the Authority as self-sustaining as reasonably possible.

METHOD OF OPERATION It is necessary for the maintenance, operation, regulation and improvement of the Airport that this regulation be enacted with respect to peer-to-peer vehicle sharing operations which derive commercial benefit from the use of the Airport or its facilities.

Definitions The following words, terms and phrases shall have the following meanings:

Peer-to-Peer Vehicle Sharing Provider ("Provider") means the person or entity that operates, facilitates, or administers the provision of personal vehicle sharing through a Peer-to-Peer Vehicle Sharing Program, authorized to do business at the Asheville Regional Airport and shall enter into an Operating Agreement with the Greater Asheville Regional Airport Authority ("Authority").

Peer-to-Peer Vehicle Sharing Program ("Program") means a business platform that connects shared vehicle owners with drivers to enable the sharing of vehicles for financial consideration.

Peer-to-Peer Shared Vehicle ("Vehicle") means a vehicle that is available for sharing through a Peer-to-Peer Vehicle Sharing Program. In addition, the engaging in the rental and/or short-term leasing of vehicle(s) made available on Peer-to-Peer Vehicle Sharing Provider(s) application platform accessed by mobile app and/or web browser for customers to reserve and use for an agreed upon period of time, with the owner of Peer-to-Peer Shared Vehicle either dropping-off the vehicle to the customer or picking up the customer.

Peer-to-Peer Shared Vehicle Owner ("Owner") means the registered owner of a Peer-to-Peer Shared Vehicle that is made available for sharing through the Peer-to-Peer Vehicle Sharing Program.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

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Airport Peer-to-Peer Vehicle Sharing Business Regulation

Gross Receipts ("Gross Receipts") includes all sums paid or payable to Provider, including payments to Shared Vehicle Owners, for providing Vehicle Sharing services to Airport customers and for all ancillary activities, except for sums specifically excluded herein, regardless of how any sum may be represented to the Airport customer, how or where Provider received the order for the Vehicle Sharing transaction, where the Shared Vehicle is obtained, or where the Shared Vehicle is returned. Without limitation, Gross Receipts includes: Charges for any time and mileage for Vehicle Sharing services, GPS and other electronic devices, child restraints, additional driver fees and all other transactions and charges of whatever nature derived from or incidental to Provider's operation. Charges for insurance offered incidental to a Vehicle Sharing agreement. All amounts charged to Provider's Airport customers at the commencement or the conclusion of the Vehicle Sharing transaction for the cost of furnishing and/or replacing fuel provided by Provider and/or Shared Vehicle Owners. Credits given to Airport customers for out-of-pocket purchases for fuel, oil, emergency services, deposits, or other matters, regardless of where such purchases were made. Inter-city fees and drop charges paid or payable to Provider. Additional sums paid to Provider at Asheville Metropolitan area locations or at other locations in connection with Vehicle Sharing services provided to Airport customers, such as when a Shared Vehicle is exchanged. NO deduction shall be made for the payment of franchise taxes, privilege taxes levied on Provider's Vehicle Sharing activities, equipment, or real or personal property of Provider.

Specific Exclusions from Gross Receipts: There shall be no exclusions from Gross Receipts except for the following:

The amount of any federal, state, local sales, or tourism tax separately stated on the Vehicle Sharing agreement and collected from the Airport customer and remitted to the taxing authority. The amount of any sum received as insurance proceeds or a judicial judgment or settlement to restore damage to automobiles or other property of Provider, or to restore a tangible loss, theft or conversion. The amount of any sale of Provider's capital assets or trade fixtures. Any amounts received for any cancellation fees. The amount of State road tolls and fines issued off airport that are (1) paid by Provider and charged back to the customer, or (2) received by Provider as payment on behalf of the customer. Any amounts received by Provider from Shared Vehicle Drivers which are fully passed through to Shared Vehicle Owners such as post-trip reimbursements, smoking fees, etc. Provider shall report to Authority all income associated with Vehicle Sharing transactions with Airport customers, both cash

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Airport Peer-to-Peer Vehicle Sharing Business Regulation

and credit, regardless of whether collected or not collected. No deduction shall be allowed for any uncollected amounts, write-offs, or adjustments made after the transaction with Airport customer has been concluded. No Diversion. Provider shall not intentionally divert, through direct or indirect means, any of Provider's Vehicle Sharing transactions or related business with Airport customers to other locations of Provider or its affiliates without including such transactions in Gross Receipts. Authority shall have the right to immediately terminate the Operating Agreement thereby eliminating Provider's access to the Airport market and Vehicle Sharing transactions with Airport customers, or to take other appropriate action upon determining that an intentional diversion exists or has occurred. Gross Receipts shall be determined by the total of charges on the face of the Airport customer's final receipt in connection with the transaction, less any allowable charges excluded in the definition of Gross Receipts, above. The retroactive adjustment by Provider of Gross Receipts designated as volume discounts or any other designation or for any other purpose is prohibited.

Operating Agreement ("Agreement") means an operating agreement signed and executed between the Provider and the Authority which outlines the requirements for the Peer-to-Peer Vehicle Sharing Provider(s) to operate at the Asheville Regional Airport.

Solicit means, directly or indirectly, actively, or passively, and at the Airport, to ask, request, seek or try to obtain a customer or customers for a Provider.

Loading and Vehicle Exchange Areas

Each Provider may operate at the Asheville Regional Airport by either: 1) The Provider utilizes a minimum of two parking spaces located in the designated area identified in the Operating Agreement to be utilized for the vehicle exchange of the Vehicle, Owner, and customer, and shall pay the rate per day each month throughout the term of the Operating Agreement. The rate for such area may be adjusted from time to time at the sole discretion of the Authority. Additional parking spaces may be made available at the sole discretion of the ~~Executive Director~~[President & CEO](#) or designee; or 2) The Provider may utilize any Airport parking facilities in the same manner as any other Airport customer, in which Owners will drop off and pick up the Vehicle in an Airport parking lot and be responsible for any applicable parking fees. Nothing herein shall be deemed to authorize the parking of any vehicle in an otherwise restricted or prohibited area at the Airport.

Administration Policies & Procedures **Section 117.01**
Airport Peer-to-Peer Vehicle Sharing Business Regulation

The commercial curb shall not be used by Providers, Owners, or customers.

Solicitation No Provider or any of its employees or agents shall solicit business while at the Airport.

Statement of Information Prior to beginning operations, and before July 1st of each calendar year, each Provider shall deliver to the Authority at the ~~Executive Director~~President & CEO's office a written and legible statement setting forth the following information: the Provider's full legal name, assumed name, street address, mailing address, telephone number and facsimile telephone number, ~~and an itemize description of each vehicle which is to be used at the Airport in the Provider's Peer to Peer Vehicle Sharing business (which description shall include each vehicle's license number, state of registration, make, model, color and year).~~ If any of this information changed during the year after the delivery of this statement, ~~(including but not limited to the deletion or addition of a vehicle),~~ the information shall be updated and provided to the Authority on the monthly report remitted to the Authority. a supplemental written and legible statement shall be forthwith delivered to the Authority at the Executive Director's office.

Vehicle Identification ~~All Peer-to-Peer Vehicles shall be clearly identified with vehicle trade dress, consisting of removable magnetic signage and/or recognizable emblems, which will allow Authority to always identify vehicles at a distance of up to fifty feet when such vehicles are on Airport. Such trade dress shall be a visual indicator and control device approved by Authority designating that the vehicle is authorized to operate at the Airport. Each Provider shall deliver to the Executive Director~~President & CEO ~~or designee, at his or her office a written list verified and acknowledged in writing by an officer of the Provider (if a corporation), member or managing member (if a limited liability company), general partner (if a partnership), or owner, stating the license plate number, current insurance certificate in the appropriate amounts, model, year, color and markings (such as a name, logo, telephone number, emergency contact, and so forth) of each vehicle. Contact and vehicle information must be kept continuously current and up to date.~~ Owner shall be familiar with the requirements of their company and with the Authority prior to entering the boundaries of the Airport, or the Owner will be asked to immediately leave the property of the Airport and will not be allowed to return until they are familiar with this information.

Fees By reason of the nature of their business activities and the relationship between such business activities and passengers arriving at and departing from the Airport, Peer-to-Peer Vehicle

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Airport Peer-to-Peer Vehicle Sharing Business Regulation

Sharing Providers conduct a portion of their businesses on, at, from and with respect to the Airport, and in so doing, they use the Airport and its facilities in furthering their own business and commercial interests and purposes, for which privilege a reasonable privilege fee ("Fee") should be paid to the Authority.

In establishing the Fee, as set forth below, due regard and consideration has been given by the Authority to, among other things, the value of the Airport and its facilities which are used by the Providers, and the Authority's expenses for the maintenance, operation and improvement of the Airport and such facilities.

As a consequence of the Providers carrying out their business activities, additional vehicular and pedestrian traffic is created at the Airport, which, among other things, increases the need to regulate traffic.

Monthly Fees

In view of the above findings and with due regard for the facilities at the Airport and the maintenance, operation, regulation, and improvement thereof, the Fee, as set forth below, is reasonable, necessary, and proper.

Each Provider shall pay to the Authority at the office of the Authority's ~~Executive Director~~ President & CEO ("~~Executive Director~~ President & CEO") a Fee for each calendar month, which Fee shall be payable on or before the fifteenth day of each month for the previous month. The Fee due each month shall equal 10% of the Gross Receipts during the previous month and any fines assessed.

Reporting

On or before the fifteenth (15th) day of each month, each Provider shall deliver to the Authority at the ~~Executive Director~~ President & CEO's office a written and legible report ("Report") for the previous month's Gross Receipts in such detail, form and manner as directed by the ~~Executive Director~~ President & CEO from time to time. The Reports shall be certified by an authorized representative of the Provider.

Late Fees

All payments shall be considered completed upon receipt and deposit by Authority. Without waiving any other right of action available to Authority, if Provider fails to pay within thirty (30) days of the date due any amount required to be paid by Provider, the Authority may charge interest at the rate of eighteen percent (18%) per annum, or the amount allowed by law, on the balance of the unpaid amount calculated from the date the amount is due until the close of business day upon which the

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delinquent payment is received by the Authority. The Authority, in its sole discretion shall have the right to waive any late fees.

Compliance

The following additional provisions are applicable to the Providers, Owners, and customers:

Nothing in this Regulation bestows or grants to any Provider or Owners any exclusive privilege.

The 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 Terminal Building), regardless of the desires or views of any Provider and without interference or hindrance from any Provider; and the Authority may continue to so develop, expand, improve and renovate the Airport.

All the employees and agents of each Provider shall be courteous at all times while at the Airport, and they shall not use improper language or act in a loud, boisterous, or otherwise improper manner while at the Airport.

The use of an illicit drug or the drinking of an alcoholic beverage by any of the Provider's employees or agents while at the Airport is prohibited.

Each Provider shall comply with all applicable local, state, and federal laws, rules, regulations, and procedures of Federal, State, and local governments, and in addition shall comply with Airport Ordinances, Rules, Regulations, Airport Directives, and Airport Security Procedures, which may be imposed from time to time by the Authority, FAA, TSA, or successor agencies, governing conduct on, and operations at, the Airport.

Each Provider shall indemnify the Authority and its present and future officers, members, ~~Executive Director~~ President & CEO, employees and agents harmless at all times in the future for, against and from all claims, demands, judgments, settlements, damages, losses, costs and expenses (including but not limited to attorneys' fees) which related to or arise out of the conduct of the Provider's business at the Airport or the use or operation of any of the Provider's vehicles.

Each Provider shall purchase and maintain comprehensive general liability insurance coverage in at least the amount of \$2,000,000 relative to its acts and omissions at the Airport. The Authority and its present and future officers, members, ~~Executive~~

Administration Policies & Procedures **Section 117.01**
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~~Director~~President & CEO, employees, and agents shall be named as additional insured under such policy.

Each Provider shall forthwith deliver to the ~~Executive Director~~President & CEO a certificate of the above insurance coverage. The certificate shall provide that the coverage referred to therein shall not be terminated, modified, or renewed until the Authority has received thirty days written notice thereof. In the event that an insurance carrier should terminate, modify or not renew the above insurance coverage, the Provider shall immediately contract with another insurance carrier to provide the requisite coverage and shall immediately deliver to the ~~Executive Director~~President & CEO a replacement certificate.

The above coverage shall be written through an insurance carrier or carriers which are qualified to do business in the state of North Carolina.

The Owners may use in common with others the Authority's roads and driveways, unless otherwise restricted.

Each Provider and Owner is an independent contractor, and no Provider or Owner is the agent, partner, or employee of the Authority.

If any of the provisions of this Regulation, or any portion 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 Regulation, but this Regulation shall be construed as if not containing the particular provision, or portion thereof, held to be in contravention or invalid, and the rights and obligations of the Provider(s) and the Authority shall be construed accordingly. North Carolina shall govern and apply to this Regulation.

Violations

While at the Airport, the Provider(s) and the Owners thereof shall be subject to traffic-control directions by the ~~Executive Director~~President & CEO, or designee.

The following procedures include a process for violations, fines, and suspensions that are necessary; however, Airport Management is not limited to these procedures and may temporary or permanently suspend Provider, Owner, or both immediately and/or while under appeal as deemed in the best interest of the Airport or traveling public.

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Administration Policies & Procedures

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Airport Peer-to-Peer Vehicle Sharing Business Regulation

The ~~Executive Director~~ President & CEO, or designee may suspend Provider(s), Owner, or both as deemed necessary for the orderly operation of the Airport and for the safety of passengers.

The Department of Public Safety, Airport Operations, and Airport Management will continuously monitor for unattended vehicles and other violations of Airport Policies and Procedures, and Airport Ordinances No. 201701 Airport Rules and Regulations, as amended or superseded for violations on the Airport, and will provide enforcement to ensure this requirement meets security guidelines as may change from time to time. Further, Public Safety Officers and Authority Management may issue Violation Notices, and fines in accordance with the Authority Airport Ordinances No. 201701 Airport Rules and Regulations, as amended or superseded for violations of this policy.

In the event that a Provider or one of its Owners violates any provision of this policy or the Authority's Rules and Regulations, ~~the Executive Director~~, the President & CEO, or designee, may prohibit the Provider or the Owner, or both of them, from entering upon the Airport property to provide Peer-to-Peer vehicle sharing services for a period not exceeding ten (10) days and impose a fine in accordance with in the Authority's Rules and Regulations.

In the event that a Provider or one of its Owners violates any provision of this Policy within ninety (90) days of a previous violation, the ~~Executive Director~~ President & CEO, or designee, may in his or her sole discretion prohibit the Provider or the Owner, or both of them, from entering upon the Airport property to provide Peer-to-Peer vehicle sharing services for a period not exceeding thirty (30) days and impose a fine in accordance with Authority's Rules and Regulations, as amended or superseded.

If after the third offense, the Provider or one of its Owners violates any provision of this policy within the remainder of the permit year, or within one hundred eighty (180) days of the previous violation, the ~~Executive Director~~ President & CEO may in his or her sole discretion prohibit the Provider or the Owner, or both of them, from entering upon the Airport to provide Peer-to-Peer Vehicle Sharing Services for a period not to exceed six (6) months, and impose a fine in accordance with the Authority's Rules and Regulations as amended or superseded.

The Provider and the Owner will be given the opportunity to appear before the ~~Executive Director~~ President & CEO at an informal hearing to present information and evidence in

Administration Policies & Procedures **Section 117.01**
Airport Peer-to-Peer Vehicle Sharing Business Regulation

opposition to such a prohibition; however, the Provider, the Owner or both may be required to cease operations immediately as instructed by Airport Management at any time during the appeal process. A letter must be sent to the ~~Executive Director~~[President & CEO](#) by certified mail within five (5) business days stating the reasons for the appeal. The ~~Executive Director~~[President & CEO](#) will respond to the appeal within thirty (30) days with a final decision. If the Provider or one of its Owner do not request an appeal in writing within five business days, the Provider, Owner or both shall immediately cease operation on Airport Property as originally notified by the ~~Executive Director~~[President & CEO](#), or Airport Management. (This provision is in addition to, and not in limitation of, the Authority's other rights and remedies.)

**RIGHT TO AMEND
POLICY**

This Regulation may be amended from time to time by the Authority.

**APPROVAL AND
UPDATE HISTORY**

Approval

May 13, 2022, [New Date to Board](#)

EXHIBIT D – STIPULATION OF DISMISSAL

STATE OF NORTH CAROLINA
COUNTY OF BUNCOMBE

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION
FILE No. 22 CVS 4714

GREATER ASHEVILLE REGIONAL AIRPORT)
AUTHORITY,)
)
Plaintiff,)
)
vs.)
)
TURO INC., and multiple unknown JANE DOE)
AND JOHN DOE Defendants (#1-100),)
)
Defendants.)

STIPLUATION OF DISMISSAL
WITHOUT PREJUDICE

NOW COMES, Plaintiff, Greater Asheville Regional Airport Authority (“Plaintiff”), and Defendant, Turo Inc. (“Defendant”), by and through the undersigned, and hereby agree and stipulate, in accordance with the Settlement Agreement entered into by Plaintiff and Defendant, that this civil action, and all claims filed herein, are hereby dismissed without prejudice.

This the ____ day of _____, 2023.

PATLA, STRAUS, ROBINSON & MOORE, P.A.

TURO INC.

By: _____

BY: _____

Cindy M. Rice
Bar No. 31758
29 North Market Street, Suite 300
Asheville, NC 28801
Attorney for Plaintiff
828-255-7641
cmr@psrmlaw.com

Matthew Brown
Associate General Counsel
111 Sutter Street, Floor 12
San Francisco, CA 94104
415-965-4525
mbrown@turo.com

C. Approval to Purchase Three Shuttle Buses for Parking Operations: John Coon stated that as the Board was aware a new south parking lot will be constructed on airport property later in the year requiring passenger shuttle service to and from the terminal building. Purchase of three shuttle buses will support the additional remote parking lot and will allow for a backup to support maintenance issues that arise on the two existing shuttle buses. Mr. Coon further stated that because of the ten-month lead time to order the 14-passenger buses, staff was requesting approval to order the shuttle buses. As with the current remote parking lots, LAZ Parking will operate the shuttle buses for the new remote parking lot. Mr. Coon advised the Board that preliminary costs to purchase a 14-passenger bus with handicap accessibility and luggage racks was approximately \$122,258.00 each. Additional funds were also requested to brand the buses upon delivery. The total expense of \$385,000.00 will be paid using airport funds and will require the following budget 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, 2023:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Equipment and Small Capital Outlay		\$385,000.00
Total		\$385,000.00

This will result in a net increase of \$385,000.00 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash		\$385,000.00
Totals		\$385,000.00

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 3rd day of February 2023.

Brad Galbraith, Chair

Attested by:

Ellen Heywood, Clerk to the Board

Mr. Russell moved to authorize the purchase of three shuttle buses for an amount not to exceed \$385,000.00; authorize the President & CEO to execute the necessary documents; and amend the FY2022/2023 budget by adopting the budget ordinance amendment as presented by staff. Mr. Kennedy seconded the motion and it carried unanimously.

D. Approval of Work Authorization No. 2R(C) with Parrish and Partners of North Carolina, PLLC for South Terminal Apron Expansion Project Engineering Services:

Jared Merrill summarized the Agreement and amendments with Parrish and Partners for the South Terminal Apron Expansion project that were previously approved by the Board. Mr. Merrill advised the Board that Work Authorization No. 2R(C) in the amount of \$106,338.84 was for additional construction phase services that were needed to bring the project to the actual completion date of March 2022. The addition of Work Authorization No. 2R(C), which will be paid with FAA funds and matching airport funds, brings the total contract amount to \$1,765,212.84.

Mr. Lovin moved to approve Work Authorization No. 2R(C) with Parrish and Partners in the amount of \$106,338.84 and authorize the President & CEO to execute the necessary documents. Mr. Kennedy seconded the motion and it carried unanimously.

E. Approval of Budget for Enabling Pre-construction Work for South Parking Lot:

Jared Merrill stated that design of the new south parking lot is scheduled to be completed in late spring. In preparation for construction to begin this summer, enabling work is necessary and includes erosion control measures, tree removal, and site clearing, mulch and seed. Mr. Merrill informed the Board that the estimated cost for the enabling work is \$200,000.00, will be funded utilizing airport funds, and requires the following budget 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, 2023:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Capital Improvements	_____	\$200,000.00
Totals	_____	\$200,000.00

This will result in a net increase of \$200,000.00 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash	_____	\$200,000.00 _____
Totals	_____	\$200,000.00 _____

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 3rd day of February 2023.

Brad Galbraith, Chair

Attested by:

Ellen Heywood, Clerk to the Board

Mr. Russell moved to approve the budget for the South Parking Lot project enabling work in the amount of \$200,000.00; authorize the President & CEO to execute the necessary documents; and amend the FY2022/2023 budget by adopting the budget ordinance amendment as presented by staff. Ms. Russo Klein seconded the motion and it carried unanimously.

PRESIDENT’S REPORT: The president stated that he had an additional item to address that was not included on the agenda.

A. Alternative Location for Board Meetings: The president reported that once staff moves to 134 Wright Brothers Way late spring/early summer in preparation for the terminal project, the Board Room will no longer be accessible for meetings. Staff toured the Fletcher Town Council chambers and decided that the chambers would work for Authority Board meetings. The town manager has provided a long-term commitment for the Authority to use the space and a nominal fee for the space will be charged. The president assured the Board that he would keep them apprised of the date for the move of the meetings to the new location as the date drew closer.

B. Economic Impact: The president shared information released by the NC Department of Transportation, Division of Aviation regarding the economic impact that airports have in the state. Also reviewed were the number of jobs, personal income, state and local taxes, and the overall economic output that the Asheville Regional Airport provides to western North Carolina.

C. Construction Timeline: The president reminded the Board that the construction contract for the Air Traffic Control Tower has been approved and that the project coincides with the construction of the terminal building. Staff had intended to request Board approval of the final contract for the Terminal Modernization and Expansion project in March but have decided to delay that until April. Some preliminary work for the bond will be brought to the Board in March and staff anticipates going to the bond market at the end of April.

Jared Merrill spoke about the delays that occurred throughout the design process for the Air Traffic Control Tower project as well as the increase to the construction schedule from 12 to 18 months. Mr. Merrill stated that construction on the tower will begin in February with an 18-month construction schedule followed by a 9-month schedule for the FAA to outfit the building with their equipment.

Mr. Merrill reviewed the progress made in Phase 1 and Phase 2 of the Terminal Modernization and Expansion project. Phase 3 includes the north and south concourses, both of which are critical paths for this project. Phase 4 includes mostly landside work including the baggage claim and the ticket counter area. Mr. Merrill explained that work on the south concourse will impact the existing air traffic control tower's line of sight and a majority of that work cannot be started until the new tower is occupied. While there is still work taking place during the timeframe, it does affect the critical path. Mr. Merrill further stated that the completion of the overall project was originally planned for mid-2026, however, the south concourse will not be open until the latter part of 2026. The contractor and program manager are both working on ways to mitigate this and determine alternative options.

INFORMATION SECTION: No comments

PUBLIC AND TENANTS COMMENTS: None

CALL FOR NEXT MEETING: The Chair stated that the next regular meeting of the Board will be held on March 10, 2023.

The president advised the Board that FY24 Proposed Budget books would be delivered in the next couple of weeks and staff will present the budget at the March 10th meeting. The president requested the Board keep the March 29th date open on their calendars in the event the meeting is needed for any changes that may be necessary on the budget.

AUTHORITY MEMBER REPORTS: None

CLOSED SESSION: At 9:33 a.m. Mr. Lovin 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 regarding, among other things, that Buncombe County Lawsuit Entitled Christopher McFalls vs. The Greater Asheville Regional Airport Authority; 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 an Agreement on a Tentative List of Economic Development Incentives that may be Offered by the Greater Asheville Regional Airport Authority in Negotiations. Mr. Kennedy seconded the motion and it carried unanimously.

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

Open Session resumed at 9:55 a.m.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY FEBRUARY 3, 2023

CLOSED SESSION MINUTES: Mr. Lovin 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. Ms. Russo Klein seconded the motion and it carried unanimously.

APPROVAL OF THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

DECEMBER 9, 2022 CLOSED SESSION MINUTES: Mr. Lovin moved to approve the minutes for the Greater Asheville Regional Airport Authority December 9, 2022 Closed Session and to seal and withhold the minutes for the December 9, 2022 Closed Session from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Ms. Russo Klein seconded the motion and it carried unanimously.

ADJOURNMENT: Mr. Russell moved to adjourn the meeting at 9:56 a.m. Mr. Kennedy seconded the motion and it carried unanimously.

Respectfully submitted,

Ellen Heywood
Clerk to the Board

Approved:

Brad Galbraith
Chair



MEMORANDUM

TO: Members of the Airport Authority

FROM: Janet Burnette, Chief Financial Officer

DATE: March 10, 2023

ITEM DESCRIPTION – New Business Item A

Preliminary Approval of the Authority's Amended Ordinance of Airline Rates, Fees and Charges for the Asheville Regional Airport.

BACKGROUND

The Authority Board established airline rates, fees and charges by ordinance in 2016. In accordance with Ordinance No. 201601-9, and in preparation for the upcoming FY2023-2024 budget, we have developed a new Schedule of Airline Rates, Fees and Charges for FY2023-2024, using the same agreed-upon rate methodology.

The airlines were notified and presented the new proposed airline rates, fees and charges. A meeting with the airlines was held on February 22, 2023.

ISSUES

The Authority's ordinance process requires a public hearing prior to adoption of these new rates.

ALTERNATIVES

None recommended.

FISCAL IMPACT

The proposed rates are higher overall to provide adequate revenue to cover airline operating costs.



RECOMMENDED ACTION

It is respectfully requested that the Greater Asheville Regional Airport Authority Board resolve to (1) consider and approve the proposed Airline Rates, Fees and Charges; (2) schedule a public hearing and accept public comment on the proposed Airline Rates, Fees and Charges; and (3) following the minimum period for public comment and public hearing, adopt the Airline Rates, Fees and Charges for FY2023/2024 at the next scheduled Authority Board meeting.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

AMENDED ORDINANCE NO. 201601-9

**AN ORDINANCE TO IMPLEMENT A SCHEDULE OF AIRLINE RATES, FEES AND CHARGES
FOR THE ASHEVILLE REGIONAL AIRPORT.**

IT IS HEREBY ENACTED AND ORDAINED BY THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY AS FOLLOWS:

Section 1. CITATION.

1.1 This Ordinance may be cited as the "**Airline Rates, Fees & Charges Ordinance**".

Section 2: FINDINGS.

2.1 The Greater Asheville Regional Airport Authority was created by Session Law 2012-121, which was ratified by the General Assembly of North Carolina on June 28, 2012.

2.2 Section 1.6(a)(7) of Session Law 2012-121 gives the Greater Asheville Regional Airport Authority the ability to, among other things: *"[m]ake all reasonable rules, regulations, and policies as it may from time to time deem to be necessary, beneficial or helpful for the proper maintenance, use, occupancy, operation, and/or control of any airport or airport facility owned, leased, subleased, or controlled by the Authority . . . "*

2.3 Section 1.6(a)(6) of Session Law 2012-121 gives the Greater Asheville Regional Airport Authority the authority to: *"[c]harge and collect fees, royalties, rents, and/or other charges, including fuel flowage fees for the use and/or occupancy of property owned, leased, subleased, or otherwise controlled and operated by the Authority or for services rendered in operation thereof."*

2.4 Section 1.6(a)(21) of Session Law 2012-121 gives the Greater Asheville Regional Airport Authority the ability to: *"[e]xercise all powers conferred by Chapter 63 of the General Statutes [of the State of North Carolina] or any successor Chapter or law."*

2.5 North Carolina General Statute Section 63-53(5) further gives the Greater Asheville Regional Airport Authority the authority: *"[t]o determine the charge or rental for the use of any properties under its control and the charges for any services or accommodations and the terms and conditions under which such properties may be used, provided that in all cases the public is not deprived of its rightful, equal, and uniform use of such property."*

2.6 The Greater Asheville Regional Airport Authority is obligated under federal law to maintain an airport user fee and rental structure that, given the conditions of the Airport makes the Airport as financially self-sustaining as possible.

2.7 The Greater Asheville Regional Airport Authority is further obligated under federal law to establish an airport user fee structure that is fair and reasonable to all users, and not unjustly discriminatory.

2.8 In or around Fall 2014, the Greater Asheville Regional Airport Authority contracted with an airport consulting firm, who conducted a comprehensive airline rate and charge study at the Airport, in accordance with the methodology stated in the Rates and Charges Policy promulgated by the Office of the Secretary of the Department of Transportation and by the FAA.

2.9 Since approximately February 2015, the Greater Asheville Regional Airport Authority has consulted with and made repeated, good faith efforts to reach an agreement regarding rates, fees and charges with the Airlines, and to resolve all disputes asserted by the Airlines, and after adequate and timely consultation with the Airlines and with the airport consulting firm, Greater Asheville Regional Airport Authority now desires to implement, by ordinance, the fair, reasonable and not unjustly discriminatory rates and charges structure as proposed by the airport consulting firm.

Section 3. PURPOSE AND SCOPE

3.1 The Greater Asheville Regional Airport Authority finds and determines that it is in the public interest to establish a schedule of Airline rates, fees and charges by ordinance.

3.2 This Airline Rates, Fees & Charges Ordinance shall be applicable to all Airlines utilizing the Asheville Regional Airport.

Section 4. EFFECTIVE DATE

4.1 The Airline Rates, Fees & Charges Ordinance shall take effect as of the 9th day of December, 2016.

Section 5. DEFINITIONS

5.1 "Affiliate" shall mean any airline or other entity designated in writing by Airline as an Affiliate that is operating under the same flight code designator and is: (1) a parent or subsidiary of Airline or is under the common ownership and control with Airline or (2) operates under essentially the same trade name as Airline at the Airport and uses essentially the same livery as Airline or (3) is a contracting ground handling company on behalf of Airline at the Airport.

5.2 "Airline(s)" shall mean each airline providing commercial passenger service to and from the Airport and using the Airport Terminal Building to enplane and deplane passengers or cargo service to and from the Airport.

5.3 [RESERVED]

5.4 "Airlines' Revenue Landed Weight" is for the applicable Fiscal Year the sum of the products determined by multiplying each Revenue Aircraft Arrival by each of the Airlines by the applicable Certified Maximum Gross Landed Weight of the aircraft making the Revenue Aircraft Arrival.

5.6 "Airport" is the Asheville Regional Airport as it presently exists and as it is hereafter modified or expanded.

5.7 "Airport Operating Requirement" for any Fiscal Year, consists of all of the following: (1) Operation and Maintenance Expenses; (2) O&M Reserve Requirement; (3) Depreciation; (4) Amortization; (5) Debt Service; (6) coverage required on any Bonds; (7) fund deposits required under any Bond Ordinance; (8) the net amount of any judgment or settlement arising out of or as a result of the ownership, operation or maintenance of the Airport payable by Authority during any Fiscal Year. This amount would include, but not be limited to, the amount of any such judgment or settlement arising out of or as a result of any claim, action, proceeding or suit alleging a taking of property or an interest in property without just

or adequate compensation, trespass, nuisance, property damage, personal injury or any other claim, action, proceeding or suit based upon or relative to the environmental impact resulting from the use of the Airport for the landing and taking off of aircraft; and (9) any and all other sums, amounts, charges or requirements of the Airport to be recovered, charged, set aside, expensed or accounted for during any Fiscal Year, or the Authority's accounting system.

5.8 "Amortization" is the amount determined by dividing the net cost of each Airport non-depreciating asset by an imputed estimated life for the asset as determined by the Authority.

5.9 "Assigned Space" means for each Airline, those areas and facilities in the Terminal Building and those areas adjacent to and outside the Terminal Building which are assigned to such Airline for its Preferential use.

5.10 "Authority" means the Greater Asheville Regional Airport Authority.

5.11 "Bond Ordinance" is any ordinance, resolution or indenture authorizing the issuance of Bonds for or on behalf of the Airport or Authority, including all amendments and supplements to such ordinances, resolutions and indentures.

5.12 "Bonds" are all debt obligations issued for or on behalf of the Airport or the Authority subsequent to July 1, 2009, except obligations issued by or on behalf of the Authority for a Special Facility.

5.13 "Capital Charge or Capital Charges" charges that include Amortization, Depreciation and Debt Service.

5.14 "Capital Outlay" is the sum of one hundred thousand dollars (\$100,000) or as otherwise determined by the Authority.

5.15 "Certified Maximum Gross Landed Weight" or "CMGLW" is, for any aircraft operated by any of the Airlines, the certified maximum gross landing weight in one thousand pound units of such aircraft as certified by the FAA and as listed in the airline's FAA approved "Flight Operations Manual".

5.16 "Debt Service" for any Fiscal Year is the principal, interest and other payments required for or on account of Bonds issued under any Bond Ordinance.

5.17 "Depreciation" is the amount which is the net cost of any Airport asset, except a non-depreciating asset, divided by its estimated useful life as determined by the Authority.

5.18 "Enplaned Passengers" are the originating and on-line or off-line transfer passengers of each of the Airlines serving the Airport enplaning at the Airport.

5.19 "Fiscal Year" is July 1st of any calendar year through June 30th of the next succeeding calendar year, or such other fiscal year as Authority may subsequently adopt for the Airport.

5.20 "Holdrooms" means the gate seating areas currently situated in the Airport Terminal Building, as they now exist or as they may hereafter be modified or expanded or constructed by Authority within or as part of the Terminal Building for use by Airline and the other Airlines for their Joint Use.

5.21 "Joint Use Formula" is, for any Fiscal Year, the formula used for prorating Terminal Building Rentals for Joint Use Space.

5.22 "Joint Use Space" means that common use space not assigned, which Airline uses on a joint use basis with other airline tenants.

5.23 "Landing Fees" are the airfield related charges calculated by multiplying the landing fee rate established in the Schedule of Rates, Fees and Charges for the applicable Fiscal Year by the applicable Certified Maximum Gross Landed Weight ("CMGLW") of Revenue Aircraft Arrivals.

5.24 "Operation and Maintenance Expenses" or "O&M Expenses" are, for any Fiscal Year, the total costs and expenses, incurred or accrued by the Authority for that Fiscal Year, in providing for the administration, operation, maintenance and management of the Airport, including, without limitation, the performance by Authority of any of its obligations related to the Airport.

5.25 "O&M Reserve Requirement" is the requirement adopted by the Authority that defines the amount of operating cash reserves to be available within the O&M Reserve Fund. The O&M Reserve Requirement may be revised from time to time and is currently set to equal at least six (6) months of the annual O&M Expenses budgeted for the current Fiscal Year.

5.26 "Passenger Facility Charge (PFC)" is the charge imposed by the Authority pursuant to 49 U.S.C. App. 513, as amended or supplemented from time to time, and 14 CFR Part 158, as amended or supplemented from time to time, or any other substantially similar charge lawfully levied by or on behalf of the Authority pursuant to or permitted by federal law.

5.27 "Preferential Use Space" means that Assigned Space for which Airline holds a preference as to use, and which may be used on a non-preferential basis by another airline or tenant.

5.28 "Rentable Space" is that space within the Airport Terminal Building which has been constructed or designated as rentable space by Authority, including such deletions therefrom and additions thereto as may occur from time-to-time.

5.29 "Revenue Aircraft Arrival" is an airline aircraft landing at Airport, excluding those returning to the Airport due to an emergency, and for which Landing Fees are charged by Authority.

5.30 "Special Facility" is any Airport facility acquired or constructed for the benefit or use of any person or persons, the costs of construction and acquisition of which are paid for (a) by the obligor under a Special Facility agreement, (b) from the proceeds of Special Facility bonds, or (c) both; provided, however, that Airport facilities built by an Airport tenant under a ground lease or any other agreement which by its terms is not indicated to be a Special Facility agreement shall not be considered a Special Facility under this definition.

5.31 "Schedule of Rates, Fees and Charges" is the schedule the rates, fees and charges due by Airline to the Authority and is reestablished each Fiscal Year.

5.32 "Terminal Building Rentals" are the Terminal Building rents calculated by multiplying the Terminal Building Rental Rate times the then-applicable square footage of the Assigned Space in question.

5.33 "Loading Bridge Fees" are the fees calculated by dividing the total Loading Bridge requirement, which currently includes Operating Expenses, Capital Outlay, Debt Service and Debt Service Coverage, by the total departures.

5.34 "Market Share Exempt Carrier" is any New Airline operating with less than 7% market share of total enplanements per month. The only fees applicable to a Market Share Exempt Carrier are Landing Fees and Per Turn Fees, unless the New Airline is leasing preferential space which would be included in separate rent. An Airline will cease to qualify as Market Share Exempt Carrier at the time that the Airline meets or exceeds 7% of market share of total enplanements per month for any six (6) of the immediately preceding twelve (12) months. Once Airline is no longer Market Share Exempt, the Airline will be responsible for all Terminal and Airfield related rates, fees and charges.

5.35 "New Airline(s)" shall mean any new airline providing new commercial passenger or cargo service to and from the Airport, using the Airport Terminal Building or cargo building to enplane and deplane passengers or cargo service to and from the Airport.

Section 6. RATE MAKING METHODOLOGY

6.1 Rates and charges shall be established annually based on the methodology set by the Authority below and in the Schedule of Rates and Charges referenced in Section 8 below.

6.2 Rates and charges shall be developed under a commercial compensatory rate making methodology.

6.3 Rates and charges shall be calculated and set at the beginning of each Fiscal Year.

6.4 Terminal Building Operating Requirement.

6.4.1 For purposes of this Ordinance, the Terminal Building Cost Center shall consist of the current Terminal Building, including the ticketing wing, the Holdrooms, baggage claim facilities, baggage make-up facilities, and passenger loading bridges/regional boarding ramps, as well as the areas immediately adjacent to the west side of the terminal building utilized for baggage tug drives and baggage tug storage, and all public areas, concession areas, and other leasable areas.

6.4.2 The Terminal Building Operating Requirement shall be calculated as specified in Sections 6.4.2.1 through 6.4.2.4 below:

6.4.2.1 By summing the elements of the Airport Operating Requirement allocated to the Terminal Building Cost Center. Currently, this includes O&M Expenses, O&M Reserve Requirement, net Depreciation, Amortization, Capital Outlay, and Debt Service.

6.4.2.2 By then reducing the total from Section 6.4.2.1 by non-airline revenue credits applied by the President & CEO. These revenue credits are reimbursements and offsets to base costs. This results in the Net Terminal Building Operating Requirement.

6.4.2.3 The Net Terminal Building Operating Requirement calculated in Section 6.4.2.2 is then divided by Rentable Space to obtain the Terminal Building Rental Rate.

6.4.2.4 Finally, each Airlines' share of cost is then derived by multiplying the Terminal Building Rental Rate by the Terminal Building Airlines' rented space (preferential use) and Airlines' share of Joint Use Space as determined by the Joint Use Formula.

6.4.3. Joint Use Space. Joint Use Space shall be classified as Baggage Make-Up, Baggage Claim and Gate Area. Airline's share of the Terminal Building Rentals for Baggage Make-Up and Baggage Claim Joint Use Space will be determined as follows: (1) eighty-five percent (85%) of the total rentals due shall be prorated among Airlines using Joint Use Space based upon Airline's share of Checked Bags, (2) fifteen percent (15%) of the total rentals due shall be prorated equally among the Airlines using Joint Use Space. Airline's share of the Terminal Building Rentals for Gate Area Joint Use Space will be determined as follows: (1) eighty-five percent (85%) of the total rentals due shall be prorated among Airlines using Joint Use Space based upon Airline's share of Enplaned Passengers, (2) fifteen percent (15%) of the total rentals due shall be prorated equally among the Airlines using Joint Use Space.

6.4.4 Per Turn Fee for Market Share Exempt Carriers. The Per Turn Fee for Market Share Exempt Carriers is calculated by dividing the Per Turn requirement by the total estimated departures.

6.5 Airfield Area Operating Requirement.

6.5.1 For purposes of this Ordinance, the Airfield Area Cost Center consists of those areas of land and Airport facilities which provide for the general support of air navigation, flight activity and other aviation requirements of the Airport. The airfield includes runways, taxiways, the terminal apron, aircraft service areas and those ramp areas not included in any other cost center, approach and clear zones, safety areas and infield areas, together with all associated landing navigational aids and Airport facilities, aviation controls, and other systems related to the airfield. It also includes areas of land acquired for buffer requirements for the landing areas of the Airport, all land acquired for Airport expansion until the land is used or dedicated to another cost center, and all Airport noise mitigation facilities or costs. The Airport's triturator facility, storage areas for airline glycol equipment and tanks, and any fueling facilities and equipment provided to serve the airlines on the terminal apron are also included in the airfield cost center.

6.5.2 The Airfield Area Operating Requirement shall be calculated as specified in Sections 6.5.2.1 through 6.5.2.4 below:

6.5.2.1 By summing the elements of the Airport Operating Requirement allocated to the Airfield Area Cost Center. Currently, this includes the O&M Expenses, O&M Reserve Requirement, net Depreciation, Amortization, Capital Outlay, and Debt Service.

6.5.2.2 By then reducing the total calculated in Section 6.5.2.1 above by non-airline revenue credits applied by the President & CEO. These revenue credits are reimbursements and offsets to base costs. This results in the Net Airfield Area Operating Requirement.

6.5.2.3 The Net Airfield Area Operating Requirement calculated in Section 6.5.2.2 is then divided by the estimated Certified Maximum Gross Landed Weight (CMGLW) of all Airlines' Revenue Aircraft Arrivals to determine the Airlines' Landing Fee rate.

6.5.2.4 The Airlines' Landing Fee rate is then multiplied by the estimated CMGLW of the Airlines.

6.5.3 All costs incurred by the Authority for mitigation or damages resulting from noise, environmental incidents or conditions, aircraft fueling, or other Airport aircraft-related conditions or activities will also be charged and allocated to the Airfield Area Operating Requirement.

6.5.4 [RESERVED]

6.5.5 Affiliate. Each Affiliate's operations shall be counted and recorded jointly with Airline's and shall be at the same rate.

6.5.6 [RESERVED]

6.5.7 Other Cost Centers. All other cost centers are not included as part of the Airlines' rates, charges and fees. Authority may apply revenues from the other cost centers to offset expenses at a time, and in an amount, based on the sole discretion of the President & CEO.

6.5.8 Unless otherwise provided herein, all rates, fees and charges are calculated as described in Schedule of Rates, Fees and Charges referenced in Section 8 below.

Section 7. RENTALS, FEES AND CHARGES

7.1 The Authority shall establish the Schedule of Rates, Fees and Charges at the beginning of each Fiscal Year.

7.2 Prior to the establishment of the Schedule of Rates, Fees and Charges each Fiscal Year, the Authority shall formally notify Airline in writing of the anticipated Schedule of Rates, Fees and Charges to be in effect for the upcoming Fiscal Year. Authority's notification to Airline shall include notice of the time and place of a meeting to present the Schedule of Rates, Fees and Charges, expenses and capital charges used in the calculation, and to answer questions of Airline. The anticipated Schedule of Rates, Fees and Charges shall be set forth and supported by a document prepared by the Authority.

7.3 So long as Airline has been notified per above, the implementation of the upcoming Schedule of Rentals and Charges will be effective on the first day of the Fiscal Year.

7.4 Each Airline operating at the Airport shall be responsible for paying those rates and charges itemized below in the amounts specified in the Schedule of Rates, Fees and Charges in Section 8 below:

7.4.1 Preferential Use Space - Each Airline shall pay the Authority for its use of the assigned, Preferential Use Space in the Terminal.

7.4.2 Joint Use Space – Each Airline shall pay the Authority its share of rentals on Joint Use Space used by Airline in common with other airline tenants.

7.4.3 Landing Fees –For its use of the airfield, apron and appurtenant facilities, Airline shall pay a landing fee for each and every aircraft landed by the Airline at the Airport except as otherwise noted herein.

7.4.4 Passenger Facility Charge. Airline shall comply with all of the applicable requirements contained in 14 CFR Part 158 and any amendments thereto. Airline shall pay the Authority the Passenger Facility Charge applicable to all of Airline’s revenue passengers enplaning at the Airport imposed by the Authority from time to time pursuant to applicable Federal law and regulations.

7.4.5 Other Fees and Charges. Airline shall also pay all miscellaneous charges assessed to and owed by Airline to the Authority including, but not limited to, the cost of utilities and services, employee parking fees, telecommunications charges, paging system fees, triturator fees, skycap services, preconditioned air and fixed ground power fees, security measures, such as key cards and identification badges and the like, common use fees and common equipment charges, and law enforcement fees (net of TSA reimbursement).

7.4.5.1 Such other fees and charges shall be detailed by the Authority in the Schedule of Rates, Fees and Charges.

Section 8. SCHEDULE OF RATES, FEES AND CHARGES

8.1 The Authority's 2023-2024 Schedule of Rates, Fees and Charges effective July 1, 2023 is attached hereto and incorporated herein by reference as Exhibit A.

Section 9. PAYMENT OF RENTALS, FEES AND CHARGES

9.1 Airlines shall pay for space rentals for Preferential Use Space and Joint Use Space, monthly, without invoice, demand, set-off, or deduction on or before the first (1st) day of each calendar month.

9.2 On or before the fifteenth (15th) day of each month, Airlines shall pay for their Landing Fees for the immediately preceding month.

9.3 Airlines shall report to the Authority on or before the fifteenth (15th) day of each month the Airlines actual operating activity for the prior month by submitting a written report. All such monthly reports shall be submitted on a standardized form provided by the Authority, such form shall act as the actual invoice.

9.4 Payment for all other fees and charges shall be invoiced by the Authority and shall be due upon receipt of the Authority’s invoice. Such payments shall be deemed delinquent if not received within thirty (30) calendar days of the date of such invoice.

9.5 Except as provided above, or if such payments or reporting is under dispute by Airline, Airline shall be in violation of this Ordinance if its payments and reporting information required above are not received by the Authority on or before the fifteenth (15th) day of the month in which they are due.

9.6 Security Deposit. If in the reasonable business discretion of the Authority, it is determined that the financial condition of Airline, at the beginning of air service at the Airport, or an incumbent Airline that has displayed an irregular payment history, then Airline may be required to submit a cash security deposit in

an amount not to exceed the equivalent of six (6) months estimated rentals, fees and charges.

9.6.1 In the event that the Authority determines a security deposit is required, the Airline shall deposit such sum with the Authority within thirty (30) days of being so notified by the Authority, and such sum shall be retained by Authority as security for the faithful performance of Airline's obligation hereunder.

9.6.2 The Authority shall have the right, but not the obligation, to apply said security deposit to the payment of any sum due to Authority which has not been paid in accordance with this Ordinance, including, but not limited to, reimbursement of any expenses incurred by Authority in curing any default of Airline, or to the cost of restoring the Assigned Space or its furnishings, fixtures or equipment to their original condition, reasonable wear and tear excepted.

9.6.3 In the event that all or any portion of the security deposit is so applied, the Airline shall promptly, upon demand by Authority, remit to Authority the amount of cash required to restore the security deposit to its original sum.

9.6.4 An Airline's failure to remit the amount of cash required to restore the security deposit in accordance with Section 9.6.3 above within ten (10) calendar days after its receipt of such demand shall constitute a breach of this Ordinance.

9.6.5 If said deposit shall not have been applied for any of the foregoing purposes, it shall be returned to Airline, without interest, within sixty (60) days of the Airline ceasing operation at the Airport. The Authority will not pay interest on any security deposit.

9.7 Airlines shall pay all rates, fees and charges established herein to the Authority monthly, without set-off, and except as specifically provided above, without invoice or demand therefore, in lawful money of the United States of America, by check payable to Authority delivered or mailed to the Authority or by wire transfer to the Authority.

Section 10. PENALTIES AND ENFORCEMENT

10.1 Unless otherwise specified herein, violation of any provision of this Airline Rates, Fees & Charges Ordinance shall be enforced in accordance with, and subject to the penalties specified in, this Section 10.

10.2 In addition to any civil or criminal penalties set out in this Section 10. or in any other Section or Subsection herein, this Airline Rates, Fees & Charges Ordinance may be enforced by an injunction, order of abatement, or other appropriate equitable remedy issuing from a court of competent jurisdiction.

10.3 This Airline Rates, Fees & Charges Ordinance may be enforced by one, all or a combination of the penalties and remedies authorized and prescribed in this Section 10, or elsewhere herein, except that any provision, the violation of which incurs a civil penalty, shall not be enforced by criminal penalties.

10.4 Except as otherwise specified herein, each day's continuing violation of any provision of the Airline Rates, Fees & Charges Ordinance is a separate and distinct offense.

10.5 A violation this Airline Rates, Fees & Charges Ordinance shall not be a misdemeanor or infraction under N.C. Gen. Stat. §14-4; however, civil penalties shall be assessed and civil citations issued for the administrative violation of any provision in accordance with Section 10.6 through 10.7 below.

10.6 The President & CEO shall authorize specific Authority personnel to enforce all administrative violations of this Airlines Rates, Fees & Charges Ordinance.

10.7 Upon any administrative violation of this Airline Rates, Fees & Charges Ordinance, personnel designated in accordance with Section 10.6 shall cause a civil citation to be issued to the violator.

10.7.1 All civil citations shall be hand-delivered to the violator or shall be mailed by first class mail addressed to the last known address of the violator. The violator shall be deemed to have been served upon hand-delivery or the mailing of the civil citation.

10.7.2 Unless otherwise expressly specified herein the civil penalty associated with each civil citation issued for an administrative violation of this Airline Rates, Fees & Charges Ordinance shall be as follows: By a fine of up to \$500.00.

10.8 Any person may submit, within ten (10) days of receipt of a civil violation, a written request that the President & CEO review the civil citation, in accordance with Sections 10.8.1.1 through 10.8.3 below.

10.8.1 A request to the President & CEO shall be in writing and shall be hand delivered to the Office of the President & CEO and must be signed for by and employee of the Authority, or shall be mailed to the President & CEO by certified mail, return receipt requested.

10.8.2 A request to the President & CEO must specify in detail all of the reasons why the civil citation should be modified or withdrawn and must provide a mailing address for the President & CEO to submit a response to the request.

10.8.3 Within ten (10) days of receipt of a request in accordance with Section 10.8.1, the President & CEO shall mail a written decision to the requesting party at the address provided.

10.8.4 Unless a written request for review in accordance with Section 10.8.1 above, civil penalties issued via civil citation for an administrative violation of any Section of this Airport Rates, Fees and Charges Ordinance shall be due and payable to the Authority within 30 days of receipt.

10.8.5 If a written request for review is appealed and the civil citation is not withdrawn, payment of the civil penalty shall be due and payable to the Authority within 30 days of issuance of the President & CEO's written decision to the violator.

10.8.6 Unless other provided, if the violator fails to respond to a citation within 30 days of issuance and pay the fine prescribed therein, the Authority may institute a civil action in the nature of a debt in the appropriate division of the state general court of justice to collect the fine owed.

Section 11. SEVERABILITY

11.1 If any provision, clause, section, or provision of this the Airline Rates, Fees & Charges Ordinance shall be held by a court of competent jurisdiction to be invalid, illegal or unenforceable, such

invalid, illegal or unenforceable provision shall be severed from the remainder of the Airline Rates, Fees & Charges Ordinance, and the remainder of shall be enforced and not be affected thereby.

Section 12. AMENDMENT.

12.1 The Authority reserves the right to amend the Airline Rates, Fees & Charges Ordinance, as well as the attached Schedule of Rates, Fees and Charges, at any time, by ordinance, after due notice and public hearing, in accordance with the Authority's Resolution No. __ establishing The Greater Asheville Regional Airport Authority's Policy and Procedure for the Adoption of Ordinances.

ADOPTED THIS the __ day of _____, 2023, after due notice and a public hearing, by the Greater Asheville Regional Airport Authority.

**GREATER ASHEVILLE REGIONAL
AIRPORT AUTHORITY**

By: _____
Brad Galbraith, Chair

ATTEST:

Ellen M. Heywood, Clerk to the Board

Exhibit A

Asheville Regional Airport

2023-2024 Fiscal Year

Schedule of Rates, Fees and Charges

SUMMARY TABLE**RESULTS**

(Fiscal Years Ending June 30)

	2022	2023	2024
Signatory Airline Rates & Charges:			
Terminal Building Rental Rate (per s.f.)	\$48.90	\$64.68	\$87.67
Passenger-Related Security Fee (per EP)	\$0.90	\$0.86	\$0.82
Landing Fee (per 1,000-lbs)	\$1.74	\$2.18	\$2.55
Ticket Counter & Queue Fee (per EP-unassigned)	\$0.41	\$0.37	\$0.40
Baggage Make-Up & Claim Fee (per bag)	\$1.23	\$1.14	\$1.22
Baggage Make-Up & Claim Fee (per airline)	\$13,417	\$17,745	\$24,051
Gate Area Charge per (enplaned pax)	\$0.90	\$1.21	\$1.33
Gate Area Fee (per airline)	\$34,274	\$45,331	\$61,440
Loading Bridge Fee (per depart.)	\$9.80	\$9.29	\$0.00
Turn Fees ¹			
Per Turn Fee for Exempt Carriers (0-70 seats)	\$277.00	\$310.00	\$449.00
Per Turn Fee for Exempt Carriers (71-135 seats)	\$330.00	\$369.00	\$518.00
Per Turn Fee for Exempt Carriers (136+ seats)	\$369.00	\$413.00	\$604.00
Average AVL CPE	\$6.02	\$6.12	\$6.50

¹ Includes use of holdroom, bag claim, bag make-up, passenger loading bridge, apron, tug drives, and ticket counter

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 1**AVIATION ACTIVITY**

(Fiscal Years Ending June 30)

	2022	2023	2024
<u>Enplaned Passengers:</u>			
Allegiant	300,000	440,000	450,000
American ¹	125,000	170,000	270,000
Delta	105,000	175,000	230,000
Jet Blue		4,080	4,500
Sun Country		11,500	15,500
Spirit	0	0	0
United	65,000	50,000	80,000
Total	595,000	850,580	1,050,000
<u>Estimated Checked Bags:</u>			
Allegiant	99,000	145,200	149,568
American ¹	48,750	66,300	104,656
Delta	65,100	108,500	142,870
Jet Blue		1,428	1,675
Sun Country		4,025	5,425
Spirit	0	0	0
United	33,800	26,000	41,821
Total	246,650	351,453	446,015
<u>Departures:</u>			
Allegiant	2,167	3,204	3,006
American ¹	2,589	3,125	3,394
Delta	1,901	2,081	2,552
Jet Blue		68	56
Sun Country		108	104
Spirit	0	0	0
United	1,704	1,100	1,311
Total	8,361	9,686	10,423
<u>Landed Weight (1,000-lb units):</u>			
Allegiant	308,227	452,425	428,913
American ¹	174,329	209,758	324,000
Delta	136,739	217,580	265,000
Jet Blue		6,446	5,455
Sun Country		15,000	15,000
Spirit	0	0	0
United	80,871	57,394	91,000
Total	700,166	958,603	1,129,368

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 2**TERMINAL SPACE (s.f.)**

(Fiscal Years Ending June 30)

	2022	2023	2024
<u>Preferential Space:</u> ¹			
Allegiant	1,526	1,396	1,396
American	2,297	2,436	2,436
Delta	2,609	2,609	2,609
JetBlue			330
Sun Country		267	267
United	1,593	1,593	1,350
CRJ		462	462
Total Preferential Space	8,186	8,763	8,850
<u>Joint Use Space:</u>			
Baggage Make-Up	3,192	3,192	3,192
Baggage Claim	4,124	4,124	4,124
Gates 1-3 Holdroom	8,517	8,517	8,517
Gates 4-7 Holdroom	6,751	6,751	6,751
Gates 4-7 Secure Enplanement Corridor	3,421	3,421	3,421
Total Joint Use Space	26,005	26,005	26,005
Total Airline Rented	34,191	34,768	34,855
<u>Other Rentable:</u>			
Ticket Counter (unassigned)	285	235	472
Queue (unassigned)	540	460	740
Vacant Airline Preferential Space	1,836	1,389	785
Concession Space	13,775	13,775	13,775
FAA Tower & Related Office Space	4,374	4,374	4,374
TSA Offices & Breakroom	1,933	1,933	1,933
TSA Passenger Security Screening	4,891	4,891	4,891
TSA Offices Adjacent to Passenger Screening	396	396	396
Total	28,030	27,453	27,366
Total Rentable Space	62,221	62,221	62,221
Public and Other Areas	45,628	45,628	45,628
Total Terminal Space	107,849	107,849	107,849

Note: Amounts may not add due to rounding.

¹ Includes ticket counter, queue, and office space.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 3**DEPRECIATION, AMORTIZATION, & CAPITAL OUTLAY**

(Fiscal Years Ending June 30)

		2022	2023	2024
<u>Depreciation:</u> ¹				
Gross Depreciation		\$4,700,000	\$5,400,000	\$5,400,000
Less: Grant & PFC Amortization		(3,200,000)	(3,800,000)	(3,800,000)
Net Depreciation	[A]	\$1,500,000	\$1,600,000	\$1,600,000
<u>By Cost Center (%):</u>				
Airfield Area	[B]	14.0%	14.0%	14.0%
Terminal Building	[C]	30.0%	30.0%	30.0%
Parking, Roadway, and Ground Trans.	[D]	33.0%	33.0%	33.0%
General Aviation Area	[E]	16.0%	16.0%	16.0%
Other Area	[F]	7.0%	7.0%	7.0%
Total		100.0%	100.0%	100.0%
<u>By Cost Center:</u>				
Airfield Area	[A*B]	\$210,000	\$224,000	\$224,000
Terminal Building	[A*C]	450,000	480,000	480,000
Parking, Roadway, and Ground Trans.	[A*D]	495,000	528,000	528,000
General Aviation Area	[A*E]	240,000	256,000	256,000
Other Area	[A*F]	105,000	112,000	112,000
Net Depreciation	[A]	\$1,500,000	\$1,600,000	\$1,600,000
<u>Amortization:</u>				
Gross Amortization		\$242,056	\$242,056	\$242,056
Less: Grant & PFC Amortization		(162,475)	(162,475)	(162,475)
Net Amortization	[G]	\$79,581	\$79,581	\$79,581

Table 3**DEPRECIATION, AMORTIZATION, & CAPITAL OUTLAY**

(Fiscal Years Ending June 30)

		2022	2023	2024
<u>By Cost Center (%):</u>				
Airfield Area	[H]	100.0%	100.0%	100.0%
Terminal Building	[I]	0.0%	0.0%	0.0%
Parking, Roadway, and Ground Trans.	[J]	0.0%	0.0%	0.0%
General Aviation Area	[K]	0.0%	0.0%	0.0%
Other Area	[L]	0.0%	0.0%	0.0%
Total		100.0%	100.0%	100.0%
<u>By Cost Center:</u>				
Airfield Area	[G*H]	\$79,581	\$79,581	\$79,581
Terminal Building	[G*I]	0	0	0
Parking, Roadway, and Ground Trans.	[G*J]	0	0	0
General Aviation Area	[G*K]	0	0	0
Other Area	[G*L]	0	0	0
Net Amortization	[G]	\$79,581	\$79,581	\$79,581
<u>Capital Outlay:</u>				
Capital Outlay	[M]	\$100,000	\$100,000	\$100,000
<u>By Cost Center (%):</u>				
Airfield Area	[N]	50.0%	50.0%	50.0%
Terminal Building	[O]	50.0%	50.0%	50.0%
<u>By Cost Center:</u>				
Airfield Area	[M*N]	\$50,000	\$50,000	\$50,000
Terminal Building	[M*O]	50,000	50,000	50,000
Capital Outlay	[M]	\$100,000	\$100,000	\$100,000

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 4**OPERATION AND MAINTENANCE EXPENSES**

(Fiscal Years Ending June 30)

		Budget	Budget	Budget
		2022	2023	2024
<u>By Category:</u>				
Personnel Services		\$6,915,740	\$8,946,137	\$10,684,903
Professional Services		\$280,450	\$486,400	\$701,700
Utilities		\$479,567	\$489,267	\$495,565
Promotional Activities		\$237,325	\$329,075	\$337,600
Maintenance and Repairs		\$243,800	\$280,700	\$304,700
Contracted Services		\$870,295	\$1,949,830	\$2,214,305
Insurance Expense		\$334,400	\$334,400	\$398,607
Materials and Supplies		\$378,450	\$491,500	\$656,890
Other Expenses		\$349,010	\$466,570	\$540,545
Total O&M Expenses	[A]	\$10,089,037	\$13,773,879	\$16,334,815
<u>By Cost Center (%):</u>				
Airfield Area	[B]	26.4%	25.8%	26.0%
Terminal Building	[C]	48.1%	45.9%	45.9%
Parking, Roadway, and Ground Trans.	[D]	11.5%	14.9%	14.6%
General Aviation Area	[E]	9.9%	9.6%	9.7%
Other Area	[F]	4.1%	3.9%	3.9%
Total		100.0%	100.0%	100.0%
<u>By Cost Center:</u>				
Airfield Area	[A*B]	\$2,665,092	\$3,547,914	\$4,245,524
Terminal Building	[A*C]	4,854,633	6,316,122	7,492,146
Parking, Roadway, and Ground Trans.	[A*D]	1,160,524	2,048,797	2,377,810
General Aviation Area	[A*E]	995,484	1,325,899	1,587,389
Other Area	[A*F]	413,304	535,147	631,946
Total O&M Expenses	[A]	\$10,089,037	\$13,773,879	\$16,334,815

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 5**LANDING FEE AND REVENUE**

(Fiscal Years Ending June 30)

		2022	2023	2024
<u>Airfield Requirement:</u>				
O&M Expenses		\$2,665,092	\$3,547,914	\$4,245,524
Less: Deicing Chemicals		(76,535)	(40,000)	(40,000)
O&M Reserve Requirement		(278,773)	441,411	348,805
Net Depreciation		210,000	224,000	224,000
Net Amortization		79,581	79,581	79,581
Capital Outlay		50,000	50,000	50,000
Debt Service		0	0	0
Debt Service Coverage (25%)		0	0	0
Total Requirement	[A]	\$2,649,366	\$4,302,906	\$4,907,910
<u>Landing Fee Credits:</u>				
Non-Airline Revenue	[B]	\$102,307	\$115,000	\$115,000
Other	[C]	0	0	0
Total Credits	[D=B+C]	\$102,307	\$115,000	\$115,000
Net Landing Fee Requirement	[E=A-D]	\$2,547,059	\$4,187,906	\$4,792,910
Airline Landed Weight	[F]	700,166	958,603	1,129,368
Airline Landing Fee (pre-Revenue Share)	[G=E/F]	\$3.64	\$4.37	\$4.24
Revenue Share Credit	[H]	\$1,327,560	\$2,094,340	\$1,917,078
Adjusted Airline Net Requirement	[I=E-H]	\$1,219,499	\$2,093,566	\$2,875,832
Airline Landing Fee	[J=I/F]	\$1.74	\$2.18	\$2.55
Airline Landing Fee Revenue	[K=F*J]	\$1,219,499	\$2,093,566	\$2,875,832

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 6**TERMINAL RENTAL RATE AND REVENUE**

(Fiscal Years Ending June 30)

		2022	2023	2024
<u>Terminal Requirement:</u>				
O&M Expenses		\$4,854,633	\$6,316,122	\$7,492,146
O&M Reserve Requirement		(462,618)	730,744	588,012
Net Depreciation		450,000	480,000	480,000
Net Amortization		0	0	0
Capital Outlay		50,000	50,000	50,000
Debt Service		0	0	0
Debt Service Coverage (25%)		0	0	0
Total Requirement	[A]	\$4,892,015	\$7,576,866	\$8,610,158
<u>Terminal Credits:</u>				
Passenger-Related Security Charges		\$533,724	\$731,739	\$857,503
AirIT Landside Expenses		16,463	16,463	16,463
Loading Bridge Fees		81,955	90,000	0
Total Terminal Credits	[B]	\$632,142	\$838,202	\$873,966
Net Requirement	[C=A-B]	\$4,259,873	\$6,738,664	\$7,736,191
Rentable Space (s.f.)	[D]	62,221	62,221	62,221
Terminal Rental Rate	[E=C/D]	\$68.46	\$108.30	\$124.33
Airline Rented Space (s.f.)	[F]	34,191	34,768	34,855
Airline Requirement	[G=E*F]	\$2,340,839	\$3,765,447	\$4,333,665
Revenue Share Credit	[H]	\$668,771	\$1,516,591	\$1,278,052
Adjusted Airline Requirement	[I=G-H]	\$1,672,068	\$2,248,856	\$3,055,613
Airline Rented Space (s.f.)	[F]	34,191	34,768	34,855
Adjusted Airline Terminal Rate	[J=I/F]	\$48.90	\$64.68	\$87.67
Airline Terminal Rentals	[K=F*J]	\$1,672,068	\$2,248,856	\$3,055,613

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 6A**LOADING BRIDGE OR RAMP FEE AND REVENUE**

(Fiscal Years Ending June 30)

		Budget		
		2022	2023	2024
<u>Loading Bridge Requirement:</u>				
Operating Expenses		\$81,955	\$90,000	\$0
Capital Outlay		0	0	0
Debt Service		0	0	0
Debt Service Coverage (25%)		0	0	0
Total Requirement	[A]	\$81,955	\$90,000	\$0
Total Departures	[B]	8,361	9,686	10,423
Loading Bridge Fee (per Departure)	[C=A/B]	\$9.80	\$9.29	\$0.00
Total Loading Bridge Revenue	[D=B*C]	\$81,955	\$90,000	\$0

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 6B**JOINT USE CHARGES**

(Fiscal Years Ending June 30)

		2022	2023	2024
Adjusted Signatory Airline Terminal Rate	[A]	\$48.90	\$64.68	\$87.67
<u>Joint Use Space (s.f.):</u>				
Baggage Make-Up	[B1]	3,192	3,192	3,192
Baggage Claim	[B2]	4,124	4,124	4,124
Gates 1-3 Holdroom	[C1]	8,517	8,517	8,517
Gates 4-7 Holdroom	[C2]	6,751	6,751	6,751
Gates 4-7 Secure Enplanement Corridor	[C23]	3,421	3,421	3,421
Joint Use Space		26,005	26,005	26,005
Baggage Make-Up & Claim Requirement	[D=A*(B1+B2)]	\$357,780	\$473,212	\$641,367
Gate Areas Requirement	[E=A*(C1+C2+C3)]	913,962	1,208,838	1,638,398
Total Joint Use Requirement	[G=D+E+F]	\$1,271,742	\$1,682,050	\$2,279,765
<u>Baggage Make-Up & Claim:</u>				
Baggage Make-Up & Claim Requirement (85%)	[H=D*0.85]]	\$304,113	\$402,230	\$545,162
Checked Bags	[I]	246,650	351,453	446,015
Baggage Make-Up & Claim Fee (per bag)	[J=H/I]	\$1.23	\$1.14	\$1.22
Baggage Make-Up & Claim Requirement (15%)	[K=D*0.15]	\$53,667	\$70,982	\$96,205
Number of Airlines	[L]	4	4	4
Baggage Make-Up & Claim Fee (per airline)	[M=K/L]	\$13,417	\$17,745	\$24,051
<u>Gate Area:</u>				
Gate Area Requirement (85%)	[N=E*85%]	\$776,868	\$1,027,512	\$1,392,638
Enplaned Passengers	[O]	866,000	850,580	1,050,000
Gate Area Charge per (enplaned pax)	[P=N/O]	\$0.90	\$1.21	\$1.33
Gate Area Requirement (15%)	[Q=E*15%]	\$137,094	\$181,326	\$245,760
Number of Airlines	[L]	4	4	4
Gate Area Fee (per airline)	[R=Q/L]	\$34,274	\$45,331	\$61,440
Total Joint Use Revenue	[G]	\$1,271,742	\$1,682,050	\$2,279,765

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 6C**TICKET COUNTER & QUEUE FEES (UNASSIGNED)**

(Fiscal Years Ending June 30)

		Budget		
		2022	2023	2024
Adjusted Signatory Airline Terminal Rate	[A]	\$48.90	\$64.68	\$87.67
<u>Ticket Counter and Queue Space (s.f.):</u>				
Ticket Counter		1,731	1,731	1,731
Queue Space		2,865	2,865	2,865
Ticket Counter and Queue Space	[B]	4,596	4,596	4,596
Ticket Counter and Queue Space Requirement	[C=A*B]	\$224,762	\$297,277	\$402,915
AirIT Landside Expenses	[D]	16,463	16,463	16,463
Ticket Counter and Queue Requirement	[E=C+D]	\$241,225	\$313,740	\$419,378
Enplaned Passengers	[F]	595,000	850,580	1,050,000
Ticket Counter & Queue Fee (unassigned)	[G=E/F]	\$0.41	\$0.37	\$0.40
Enplaned Passenger Use	[H]	0	0	0
Ticket Counter & Queue Fees (unassigned)	[I=G*H]	\$0	\$0	\$0

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 7**PASSENGER-RELATED SECURITY CHARGE**

(Fiscal Years Ending June 30)

		2022	2023	2024
Personnel-Related Security Cost	[A]	\$1,639,833	\$1,882,397	\$1,935,605
<u>Officer Deployment Hours:</u>				
Total Hours (18 Officers at 42 hrs/week; 2 officers at 40 hrs/week)		2,174	2,174	2,174
Holiday (11 Holidays)		(198)	(198)	(198)
Vacation (12 Days)		(216)	(216)	(216)
Training (8 hrs per month per officer)		(144)	(144)	(144)
Sick Leave (12 Days Allowed; 9 Days Average Used)		(162)	(162)	(162)
Available Hours/Officer	[B]	1,454	1,454	1,454
Number of Officers	[C]	20	20	20
Total Available Hours	[D=B*C]	29,072	29,072	29,072
Less: Admin Hours Total	[E]	(2,880)	(2,880)	(2,880)
Total Officer Deployment Hours	[F=D-E]	26,192	26,192	26,192
Personnel-Related Security Cost per Hour	[G=A/F]	\$62.61	\$71.87	\$73.90
<u>Passenger-Related Security Charge:</u>				
Terminal Airlines (18 hrs/day Security Checkpoint)		\$411,336	\$472,180	\$485,527
Contract Security - Exit Lane			\$60,000	\$60,000
Less: TSA Reimbursement		(116,800)	(116,800)	(116,800)
Net Personnel-Related Costs	[H]	\$294,536	\$415,380	\$428,727
TSA Passenger Security Screening Space (s.f.)	[I]	4,891	4,891	4,891
Terminal Rental Rate	[J]	\$48.90	\$64.68	\$87.67
Security Checkpoint Space Costs	[K=I*J]	\$239,188	\$316,359	\$428,776
Passenger-Related Security Charges	[L=H+K]	\$533,724	\$731,739	\$857,503
Enplaned Passengers	[M]	595,000	850,580	1,050,000
Passenger-Related Security Charges per Enplaned Passenger	[N=L/M]	\$0.90	\$0.86	\$0.82
Passenger-Related Security Charges	[O=M*N]	\$533,724	\$731,739	\$857,503

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 8**COST PER ENPLANED PASSENGER**

(Fiscal Years Ending June 30)

		2022	2023	2024
<u>Airline Revenue:</u>				
Terminal Rentals		\$1,672,068	\$2,248,856	\$3,055,613
Loading Bridge Fees		81,955	90,000	0
Landing Fees		1,219,499	2,093,566	2,875,832
Unassigned Ticket Counter Charges		0	0	0
Passenger Related Security Charges		533,724	731,739	857,503
Deicing Chemicals		76,535	40,000	40,000
Total	[A]	\$3,583,780	\$5,204,161	\$6,828,948
Enplaned Passengers	[B]	595,000	850,580	1,050,000
Cost Per Enplaned Passenger	[C=A/B]	\$6.02	\$6.12	\$6.50

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 9**PER TURN FEE FOR MARKET SHARE EXEMPT CARRIERS**

(Fiscal Years Ending June 30)

		2022	2023	2024
<u>Per Turn Requirement:</u>				
Joint Use Cost ¹		\$1,271,742	\$1,682,050	\$2,279,765
Loading Bridge Cost		81,955	90,000	0
Unassigned Ticket Counter Cost		241,225	313,740	419,378
Passenger Related Security Charge Cost		533,724	731,739	857,503
Deicing Chemicals Cost		76,535	40,000	40,000
Total	[A]	\$2,205,179	\$2,857,529	\$3,596,646
Total Departures	[B]	8,361	9,686	10,423
Average Per Turn Cost	[C=A/B]	\$263.75	\$295.02	\$345.07
Per Turn Fee for Exempt Carriers (0-70 seats)	[D=C*130%]	\$277.00	\$310.00	\$449.00
Per Turn Fee for Exempt Carriers (71-135 seats)	[E=C*150%]	\$330.00	\$369.00	\$518.00
Per Turn Fee for Exempt Carriers (136+ seats)	[F=C*175%]	\$369.00	\$413.00	\$604.00

Note: Amounts may not add due to rounding.

¹ Includes the cost of baggage areas and gate areas.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)



MEMORANDUM

TO: Members of the Airport Authority

FROM: Janet Burnette, Chief Financial Officer

DATE: March 10, 2023

ITEM DESCRIPTION – New Business Item B

Approval of the Authority's Preliminary Fiscal Year 2023/2024 Budget

BACKGROUND

Airport staff is requesting that the Authority Board approve the Proposed Preliminary Fiscal Year 2023/2024 Budget and allow the budget to remain available for public inspection for a minimum of 10 days. The Fiscal Year 2023/2024 Budget will then be presented to the Authority Board for final adoption at its next scheduled meeting.

ISSUES

None.

ALTERNATIVES

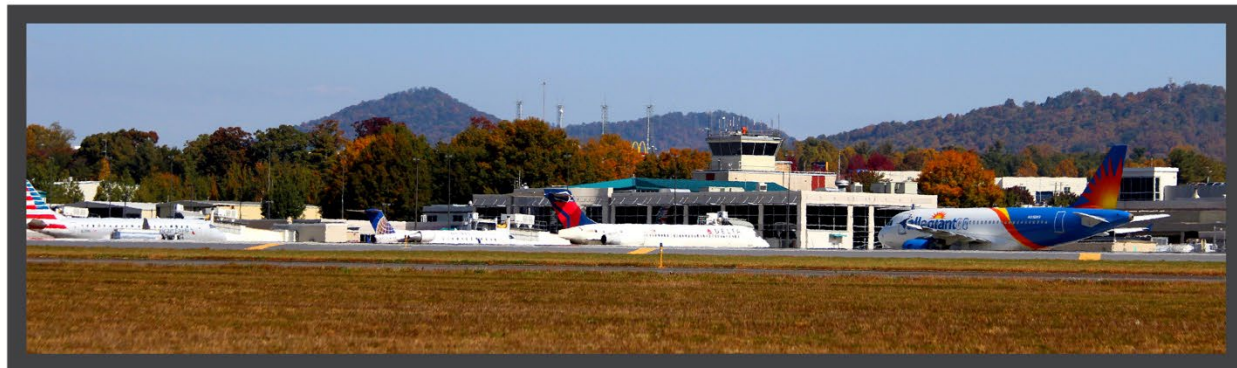
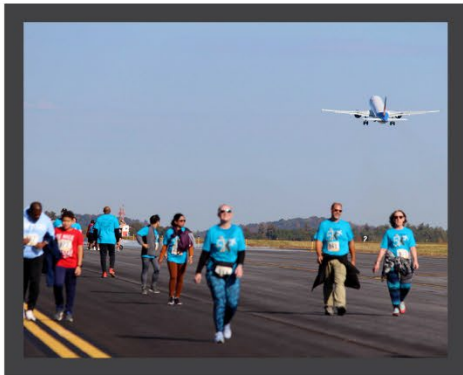
None recommended.

FISCAL IMPACT

No fiscal impact until adopted.

RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to (1) approve the Proposed Preliminary Fiscal Year 2023/2024 Budget; and (2) accept public comment on the Proposed Fiscal Year 2023/2024 Budget during the next 10 days.



Asheville
REGIONAL AIRPORT

**PROPOSED 2023/2024
BUDGET**

Greater Asheville Regional Airport Authority
March 10, 2023



Agenda



General Statistics



Proposed FY 2023/2024 Operating Budget



Proposed FY 2023/2024 Capital Budget



Proposed FY 2023/2024 Reserve Funds



Proposed FY 2023/2024 Estimated Cash Balance

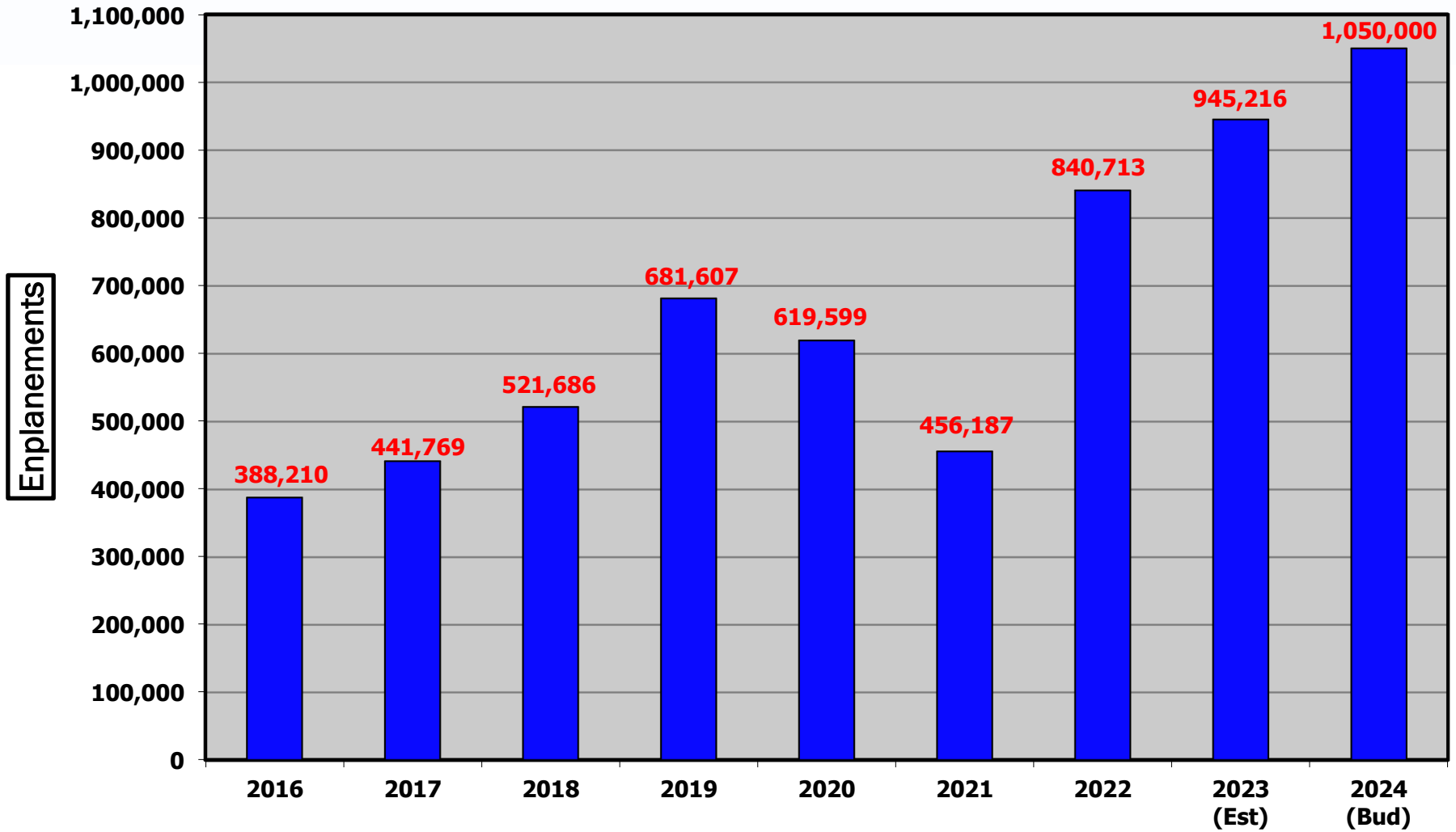


Proposed FY 2023/2024 Supplemental Fees



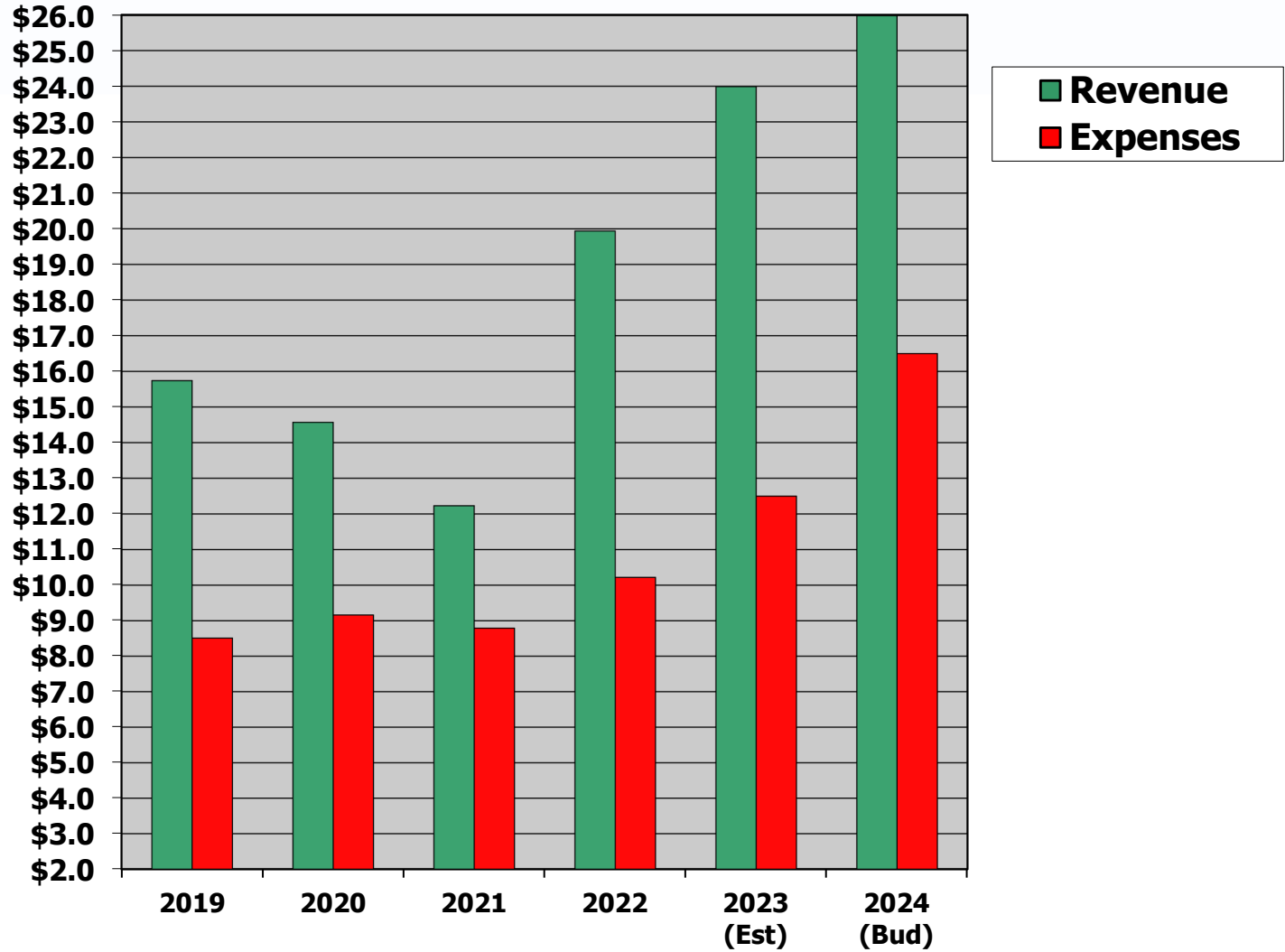
Questions and Comments

Passenger Traffic



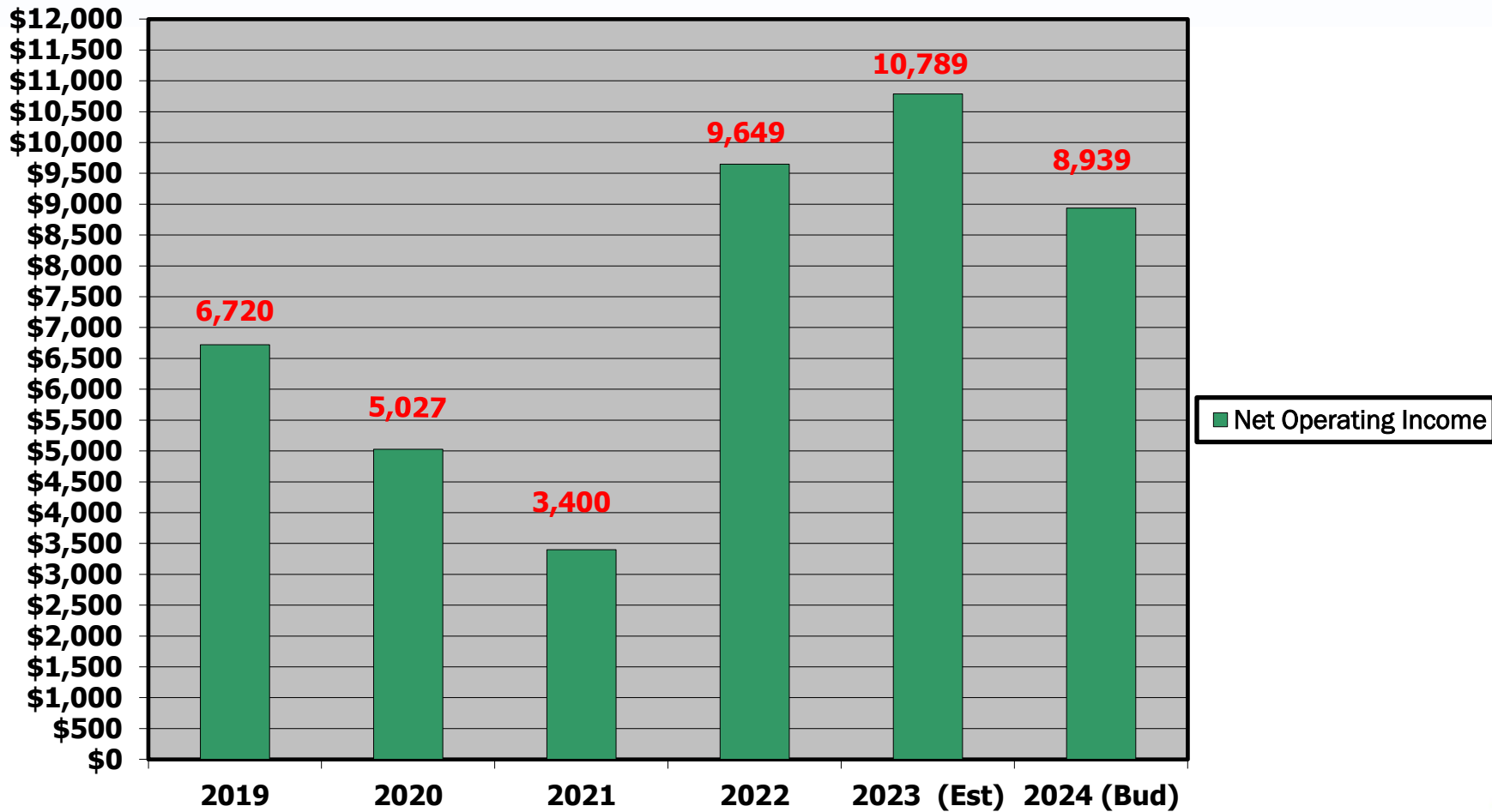
Operating Revenues/Expenses

Millions of Dollars

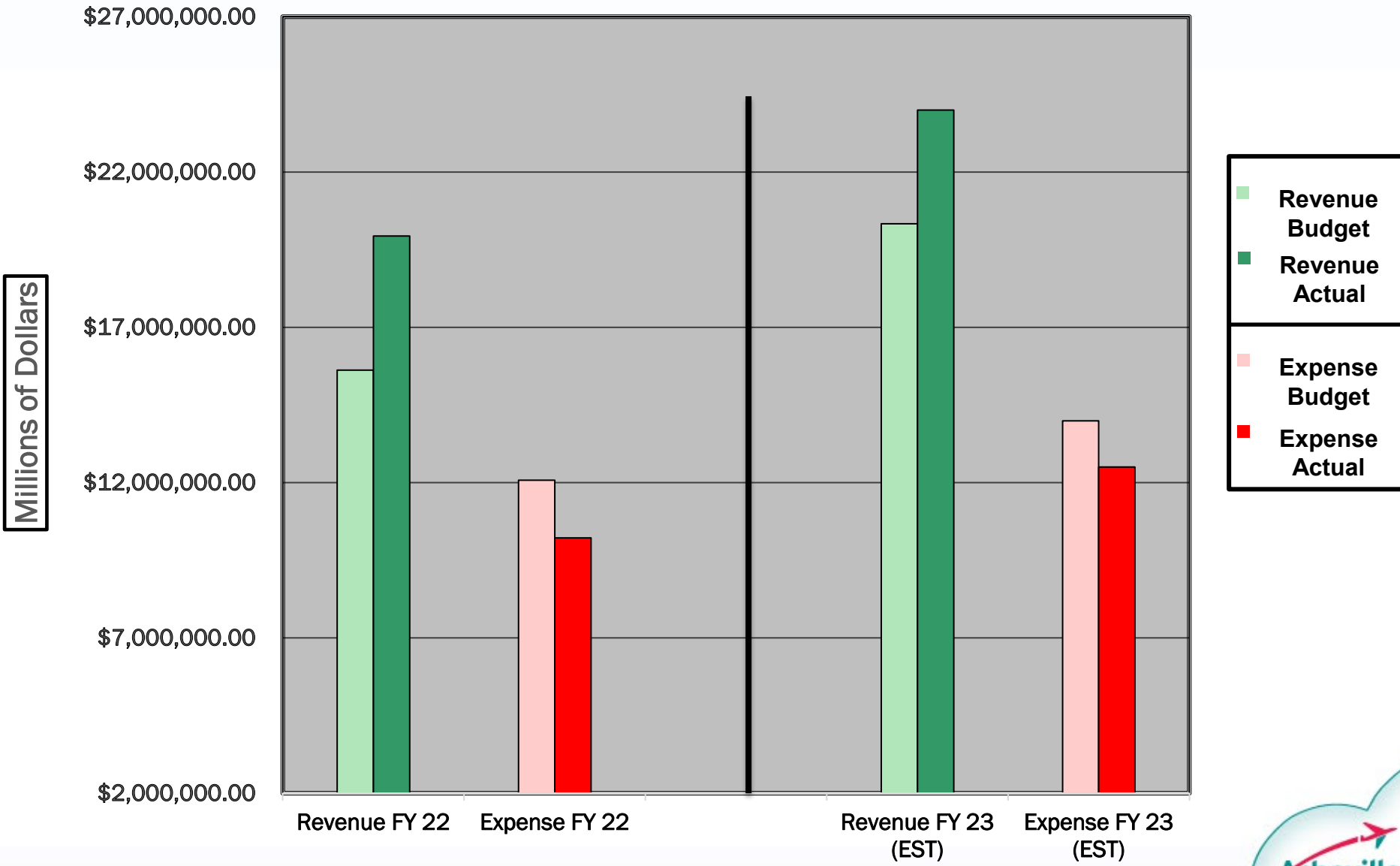


Net Operating Income

Thousands of Dollars



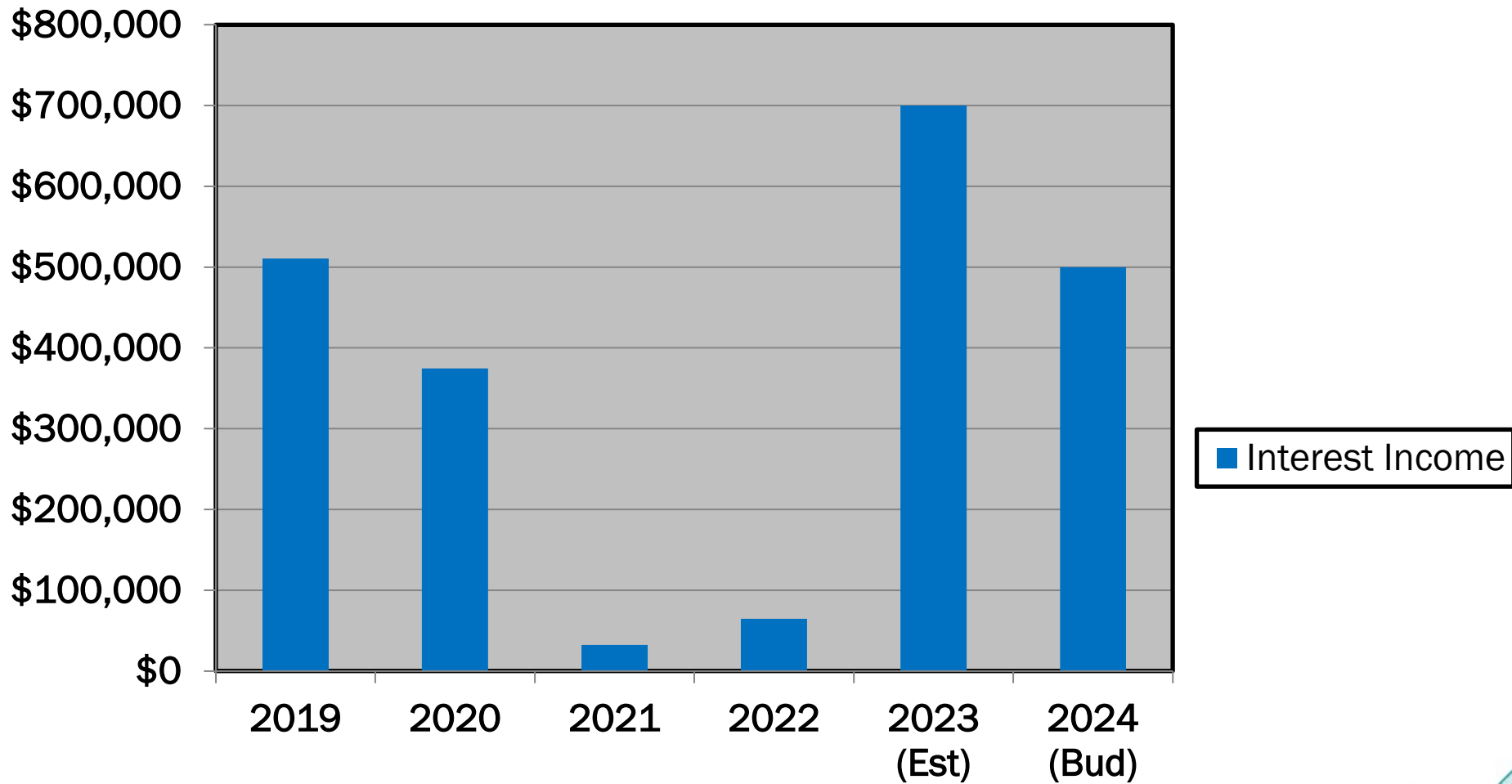
Operating Revenues/Expenses – Budget/Actual



Millions of Dollars



Interest Income



Proposed Operating Budget

Basic Operating Budget Assumptions

OPERATING REVENUES:

- **Passenger enplanements – 1,050,000**
- **Airline revenue is conservative using the rates by ordinance model.**
- **Ground transportation revenue increase due to increase in fees, enplanements and new agreement with TURO.**
- **Food and Beverage revenue increase due increase in enplanements.**
- **Airline landing fees and security fees increase due to increase in enplanements.**
- **Parking revenue increase due to increase in fees and enplanements.**

Basic Operating Budget Assumptions (cont'd)

OPERATING EXPENSES:

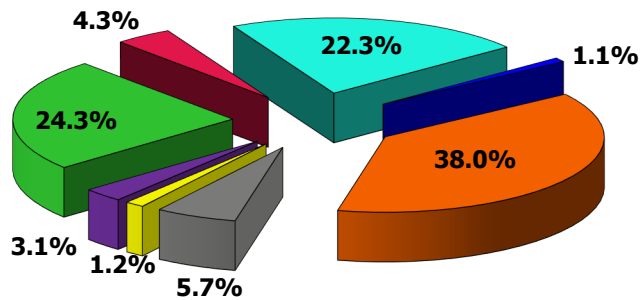
- **Salary adjustment pool budgeted at 10.0%, with anticipation of 6.0% cost of living and maximum of 4.0% merit salary increases.**
- **Increase in personnel services due to salary adjustments and addition of 15 FTEs.**
- **Increase in professional services due to contracts for temporary help and SMS consulting services.**
- **Increase in contractual services due to increase in parking management and shuttle services.**
- **Increase in operating supplies due to increase in enplanements.**

Proposed Operating Budget

	Budget Amounts			Percent Change
	FY2022/2023	FY2023/2024	Difference	
<u>Revenues</u>				
Operating Revenues	\$20,305,529	\$25,441,017	\$ 5,135,488	25.3%
Investment Income	25,000	500,000	475,000	1900.0%
Total Operating & Investment Revenues	20,330,529	25,941,017	5,610,488	27.6%
<u>Expenses</u>				
Operating Expenses	13,940,679	16,451,615	2,510,936	18.0%
Total Operating Expenses	13,940,679	16,451,615	2,510,936	18.0%
Net Operating & Investment Income	\$ 6,389,850	\$ 9,489,402	\$ 3,099,552	48.5%

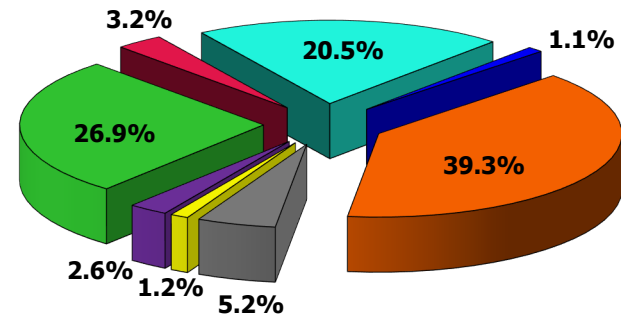
Sources of Operating Revenue

FY 2023 (Est)



■ Airline - 24.3%	■ Concession - 4.3%
■ Rental Car - 22.3%	■ Ground Transp - 1.1%
■ Parking - 38.0%	■ FBO - 5.7%
■ Other - 1.2%	■ Building & Land - 3.1%

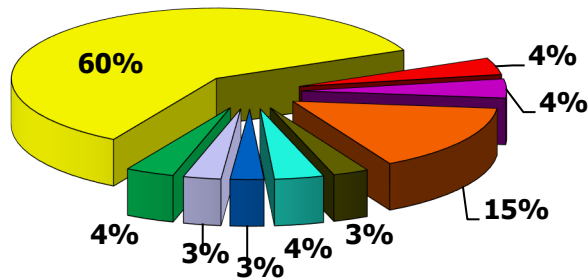
FY 2024 (Bud)



■ Airline - 26.9	■ Concession - 3.2%
■ Rental Car - 20.5%	■ Ground Transp - 1.1%
■ Parking - 39.3%	■ FBO - 5.2%
■ Other - 1.2%	■ Building & Land - 2.6%

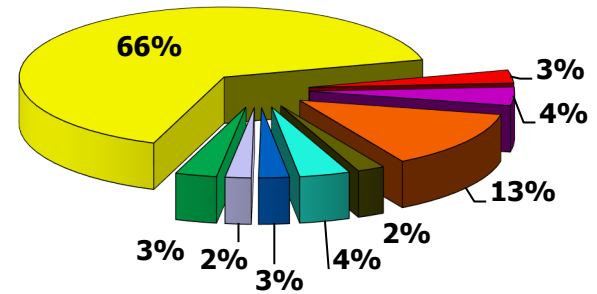
Operating Expenses by Category

FY 2023 (Est)



- Salaries/Benefits - 60%
- Utilities - 4%
- Professional Serv - 4%
- Contractual Serv - 15%
- Repairs/Maint - 3%
- Supplies - 4%
- Insurance - 3%
- Promotional Activ - 3%
- Other - 4%

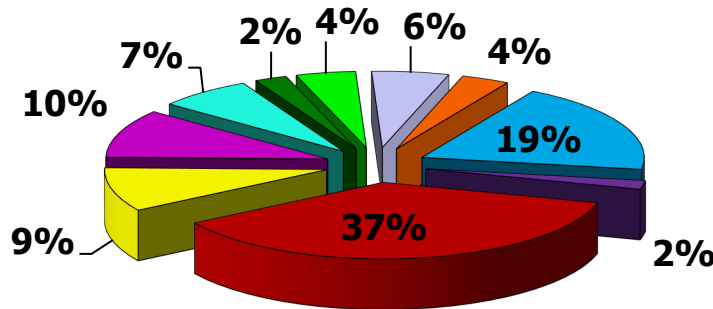
FY 2024 (Bud)



- Salaries/Benefits-66%
- Utilities - 3%
- Professional Serv - 4%
- Contractual Serv - 13%
- Repairs/Maint - 2%
- Supplies - 4%
- Insurance - 3%
- Promotional Activ - 2%
- Other - 3%

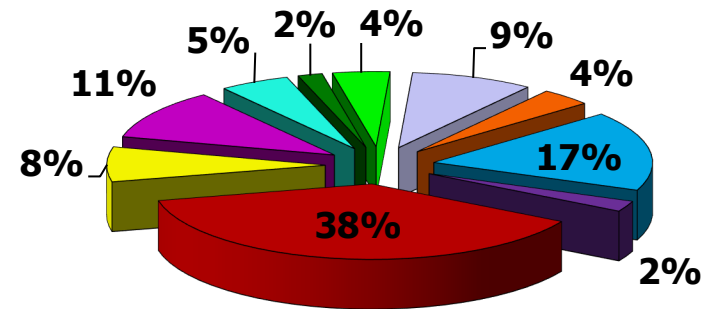
Operating Expenses By Department

FY 2023 (Est)



- Public Safety - 19%
- Properties & Contracts - 2%
- Ops & Maintenance - 37%
- Executive - 9%
- Information Technology - 10%
- Marketing & PR - 7%
- Guest Services - 2%
- Finance - 4%
- Administration - 6%
- Planning - 4%

FY 2024 (Bud)



- Public Safety - 17%
- Properties & Contracts - 2%
- Ops & Maintenance - 38%
- Executive - 8%
- Information Technology - 11%
- Marketing & PR - 5%
- Guest Services - 2%
- Finance - 4%
- Administration - 9%
- Planning - 4%



Proposed Capital Budget

Carry-Over Capital Projects

Description	Amount	Estimated Spending Through	Estimated Balance to	FAA & TSA	NC DOT	PFCs Currently	Airport
	Authorized	6/30/2023	Carryover	Grants	Grants	Approved	Funds
Terminal Rehab/Expansion Design	35,561,970	25,000,000	10,561,970	1,000,000			9,561,970
Terminal & ATC Tower Constr	261,800,000	20,000,000	241,800,000	55,783,712	7,000,000		179,016,288
Air Traffic Control Tower - Design	5,000,000	4,000,000	1,000,000				1,000,000
Fuel Farm Perimeter Road	250,000		250,000				250,000
TOTAL CARRYOVER	\$ 302,611,970	\$ 49,000,000	\$253,611,970	\$56,783,712	7,000,000		\$ 189,828,258

Represents current estimated amounts. Related contracts requiring Board approval will be presented to the Board before implementation.

Proposed Capital Budget

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
CAPITAL BUDGET
FISCAL YEAR 2023/2024**

Description	Total	Funding Source				
		FAA-AIP Entitlements	FAA-AIP Discretionary	NCDOT Grants	Currently Approved PFCs	Airport Funds
<u>Capital Improvements (1)</u>						
South Parking Lot	\$7,790,000					\$7,790,000
Parking Guidance System	650,000					650,000
Garage Repairs	325,000					325,000
CONRAC Concrete Repairs	100,000					100,000
Conference Room Improvements	45,000					45,000
Total Capital Improvements	\$8,910,000					\$8,910,000

(1) All purchases of Capital Improvements will be presented to the Authority Board for final approval before implementation unless otherwise authorized by the Authority Board.

Proposed Capital Budget

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
CAPITAL BUDGET
FISCAL YEAR 2023/2024**

Description	Total	Funding Source				
		FAA- AIP Entitlements	FAA- AIP Discretionary	NCDOT Grants	Currently Approved PFCs	Airport Funds
<u>Equipment and Small Capital Outlay</u>						
Filing Cabinet	6,000					6,000
Two-Post Lift	30,000					30,000
FOD Device	15,000					15,000
ALIS System	65,000					65,000
Pressure Washer	15,000					15,000
Total Equipment and Small Capital Outlay	\$ 131,000					\$ 131,000

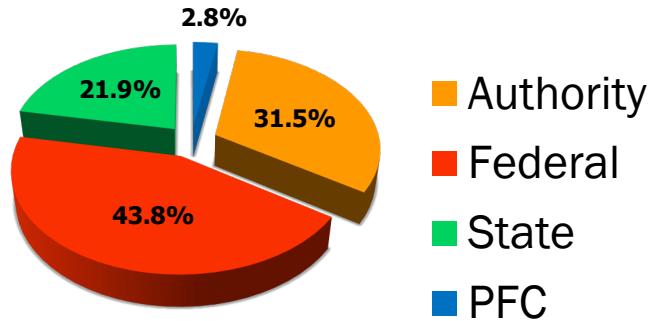
Proposed Capital Budget (cont'd)

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
CAPITAL BUDGET
FISCAL YEAR 2023/2024**

Description	Total	Funding Source				
		FAA- AIP Entitlements	FAA- AIP Discretionary	NCDOT Grants	Currently Approved PFCs	Airport Funds
<u>Renewal and Replacement</u>						
Communications Refresh (Phase 2)	30,000					30,000
Vehicle Replacements	205,300					205,300
Fencing	50,000					50,000
SCBA Packs	41,200					41,200
Portable Radios	56,517					56,517
Total Renewal and Replacement	383,017					383,017
Total	\$ 9,424,017					\$ 9,424,017

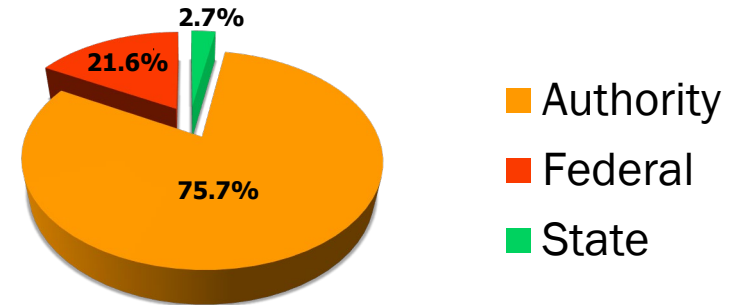
Capital Funding Sources

FY 2023 (Est)



Authority's Contribution - \$10,524,138

FY 2024 (Bud)



Authority's Contribution - \$199,252,275

Reserve Funds

Operations & Maintenance Reserve

- **Description and Justification**
 - Established to cover fluctuations in cash flow and provide quick access to additional operational cash.
- **Equivalent to 6 months of budgeted FY 2023/2024 operating expenses.**
 - \$8,250,808 for FY 2023/2024

Emergency Repair Reserve

- **Description and Justification**
 - Established to cover emergency repairs and provide ready access to the required cash.
- **\$650,000 for FY 2023/2024**

Estimated Cash Balance

Cash Balance

	<u>Amount</u>	
Estimated Cash & Investment Balance at June 30, 2023		\$400,000,000
Plus: Net Operating & Investment Revenues		9,439,402
Less Other Costs:		
Business Development Costs	(400,000)	
Contingency	(100,000)	
Debt Service	<u>(20,494,884)</u>	(20,994,884)
Plus Non-Operating Revenues:		
Bond Interest	11,500,000	
Passenger Facility Charges	3,800,000	
Customer Facility Charges	<u>2,200,000</u>	17,500,000
Plus Capital Contributions:		
Federal Grants – AIP/BIL/TSA	56,783,712	
NC DOT Grants	<u>7,000,000</u>	63,783,712

Cash Balance (cont'd)

Less Capital Costs:

Capital Improvements	(8,910,000)	
Equipment and Small Capital Outlay Fund	(131,000)	
Renewal and Replacements	(383,017)	
Carryover Projects From FY2022	<u>(253,611,970)</u>	(263,035,987)

Estimated Cash & Investment Balance at June 30, 2024		<u>206,692,243</u>
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Estimated Restricted Cash at June 30, 2024		60,000,000
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Reserves:

Operations & Maintenance Reserve (6 Months)		8,250,808
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Emergency Repair Reserve		650,000
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Estimated Unrestricted Undesignated Cash & Investments at June 30, 2024		<u>\$ 137,791,435*</u>
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*Cash balance is estimate including all bond funding. Additional terminal construction costs will be added during the 4th quarter of FY2022/2023. Once this amount is determined, the estimated cash balance for June 30,2024 will be reduced.

Supplemental Fees

Proposed FY 2023/2024 Fees

	FY 2022/2023 Current Fees		FY 2023/2024 Proposed Fees	
	Cost	Per	Cost	Per
Maintenance				
Scissor Lift	\$ 100.00	day	\$ 100.00	day
Large ADA Ramp Rental	\$ 100.00	use	\$ 100.00	use
Air Stair Rental	\$ 100.00	use	\$ 100.00	use
Volvo Wheel Loader	\$ 150.00	use	\$ 150.00	use
Fork-lift	\$ 100.00	use	\$ 100.00	use
Pallet Jack	\$ 50.00	use	\$ 50.00	use
Tenant Sweeper	\$ 125.00	hour	\$ 125.00	hour
Service Truck	\$ 50.00	hour	\$ 50.00	hour
Backhoe	\$ 100.00	hour	\$ 100.00	hour
Lighted X	\$ 200.00	day	\$ 200.00	day
Light Tower	\$ 150.00	day	\$ 150.00	day
Paint Stripper	\$ 100.00	hour	\$ 100.00	hour
Large Aircraft Removal Dolly	\$ 200.00	day	\$ 200.00	day
Small Aircraft Removal Dolly	\$ 100.00	day	\$ 100.00	day
Aircraft Jack	\$ 100.00	use	\$ 100.00	use
Cores	\$ 40.00	each	\$ 40.00	each
Keys	\$ 12.00	each	\$ 12.00	each
Large Dump Truck	\$ 200.00	hour	\$ 200.00	hour
Small Broom	\$ 200.00	hour	\$ 200.00	hour
Large Broom	\$ 300.00	hour	\$ 300.00	hour
Pressure Washer	\$ 125.00	hour	\$ 125.00	hour
Maintenance Labor Rate (1)	\$ 75.00	hour	\$ 80.00	hour
Security Escort Rate (1)	\$ 75.00	hour	\$ 80.00	hour

Proposed FY 2023/2024 Fees (cont'd)

	FY 2022/2023 Current Fees		FY 2023/2024 Proposed Fees	
	Cost	Per	Cost	Per
<u>Department of Public Safety</u>				
ARFF Apparatus for 1500 gal. or greater	\$ 250.00	hour	\$ 250.00	hour
ARFF Apparatus for less than 1500 gal.	\$ 150.00	hour	\$ 150.00	hour
Command, Police, and Ops support vehicles	\$ 100.00	hour	\$ 100.00	hour
Aircraft recover dolly	\$ 150.00	day	\$ 150.00	day
DPS Labor Rate (1)	\$ 75.00	hour	\$ 80.00	hour
Mutual Aid Agencies collected on their behalf		as incurred		as incurred
Replacement charges for AVL equipment/supplies		as incurred		as incurred
<u>Information Technology (IT) Department</u>				
IT Labor Rate - Non-Network (1)	\$ 75.00	hour	\$ 80.00	hour
IT Labor Rate - Network Related (1)	\$ 110.00	hour	\$ 110.00	hour
Dark Fiber per strand per 0-1000 ft	\$ 20.00	month	\$ 20.00	month
Dark Fiber per strand per 0-2000 ft	\$ 22.00	month	\$ 22.00	month
Dark Fiber per strand per 0-3000 ft	\$ 24.00	month	\$ 24.00	month
Telephone Service – Per Telephone Number	\$ 50.00	month	\$ 50.00	month
Fax Service – Per Fax Machine/Phone Number	\$ 22.13	month	\$ 22.13	month
Cisco IP Phone – Model 7911G	\$ 5.67	month	\$ 5.67	month
Cisco IP Phone – Model 7945G	\$ 11.57	month	\$ 11.57	month
Cisco 1 Port Analog Line Converter-ATA186	\$ 4.86	month	\$ 4.86	month
Cisco 2 Port Analog Line Converter VG202	\$ 22.13	month	\$ 22.13	month
AirIT Shared Use Network Charge – Per Airline	\$ 50.00	month	\$ 50.00	month

Notes:

(1) One Hour Minimum, Minimum of 3 hours charged after regular business hours.

Proposed FY 2023/2024 Fees (cont'd)

Identification Badge Fees and Charges	FY 2022/2023 Current Fees		FY 2023/2024 Proposed Fees	
	Cost	Per	Cost	Per
Initial Badge Issuance				
SIDA Badge	\$ 80.00		\$ 90.00	
Non-SIDA Badge	\$ 45.00		\$ 50.00	
Renewal of Badge				
SIDA Badge	\$ 80.00		\$ 90.00	
Non-SIDA Badge	\$ 45.00		\$ 50.00	
Lost Badge Replacement				
SIDA Badge (4)	\$ 90.00 / \$ 105.00		\$ 90.00 / \$ 105.00	
Non-SIDA Badge (5)	\$ 65.00 / \$ 80.00		\$ 65.00 / \$ 80.00	
Damaged Badge				
SIDA Badge (6)	\$ 45.00 / \$ 55.00	-	\$ 45.00/\$ 55.00	
Non-SIDA Badge (6)	\$ 45.00 / \$ 55.00	-	\$ 45.00/\$ 55.00	
Security Escort Training	\$ 60.00		\$ 80.00	
Lock-out Service	\$ 60.00		\$ 80.00	
PIN Reset	\$ 20.00		\$ 20.00	

Notes:

- (4) \$90.00 for the first replacement badge, \$105.00 for the second replacement badge.
(5) \$65.00 for the first replacement badge, \$80.00 for the second replacement badge.
(6) \$45.00 for a damaged badge, \$55.00 if badge damaged due to negligence.

Proposed FY 2023/2024 Fees (cont'd)

	FY 2022/2023 Current Fees		FY 2023/2024 Proposed Fees	
	Cost	Per	Cost	Per
Parking and Ground Transportation				
Parking				
Daily	\$ 2.00	hour	\$ 2.00	hour
	\$ 10.00	day	\$ 12.00	day
	\$ 60.00	week	\$ 72.00	week
Parking Garage	\$ 2.00	hour	\$ 2.00	hour
	\$ 13.00	day	\$ 15.00	day
	\$ 78.00	week	\$ 90.00	week
Hourly	\$ 1.00	1/2 hour	\$ 2.00	hour
	\$ 25.00	day	\$ 30.00	day
Employee Parking Rate	\$ 70 / \$ 60	new/renewal	\$ 70 / \$ 60	new/renewal
Commuter Parking Rate	\$ 300 / \$ 285	new/renewal	\$ 300 / \$ 285	new/renewal
Non-Tenant Aviation Commuter	\$ 900.00	annual	\$ 900.00	annual
Fines	up to \$1,000	day	up to \$1,000	day
Ground Transportation				
Charter Bus Company (1-2 buses) (8)	\$ 1000.00	annual	\$ 1000.00	annual
Charter Bus Company (3-4 buses) (8)	\$ 2500.00	annual	\$ 2500.00	annual
Charter Bus Company (5 or more buses) (8)	\$ 4000.00	annual	\$ 4000.00	annual
Airport Ground Transportation Permit (9)	\$ 50.00	annual	\$ 50.00	annual
Airport Ground Transportation Pick-up Fee (9)	\$ 2.50	per trip	\$ 3.00	per trip
Transp. Network Company (TNC) Pick-up Fee	\$ 2.50	per trip	\$ 3.00	per trip
Transp. Network Company (TNC) Drop-off Fee	\$.50	per trip	\$.50	per trip
Off-Airport Rental Car Fee	10.00%	of gross revenue	10.00%	of gross revenue

Notes:

- (8) Companies with a vehicle fleet of charter coach vehicles with seating capacity greater than 20 seats.
 (9) All Ground Transportation operators except TNCs and charter bus companies

QUESTIONS?

March 10, 2023

BUDGET MESSAGE

To: Members of the Greater Asheville Regional Airport Authority

From: Lew S. Bleiweis, A.A.E., President & CEO

The attached budget for the fiscal year ending June 30, 2024 has been prepared with special consideration given to the safeguarding of the Greater Asheville Regional Airport Authority's assets and the reliability of the Authority's financial records, while maintaining the flexibility to allow the airport staff the tools to provide outstanding service to our passengers and tenants and the general public.

We are custodians of public funds and public funds should not be convenient to spend. With this in mind, every employee will follow the requirements of the Authority's Policies and Procedures and the approved budget when purchasing goods and services.

The intended goals of the operations set forth in the attached budget are to continue the excellent safety record at the Asheville Regional Airport and to provide the best facilities possible to enhance the growth of the Airport and to thereby benefit the entire community served by the Airport.

As construction of the new terminal is underway, staff is also planning for the anticipated growth in traffic. This includes an increase in staffing levels and other costs reflected in this budget.

The following narrative contains brief explanations and insights related to the preparation of this budget:

ASSUMPTIONS

Based on airline estimates, passenger enplanements are projected to be 1,050,000 in FY24.

Total revenue is projected to increase significantly with the budgeted increase in enplanements.

Budgeted operating expenses are expected to increase 17.9%. A salary adjustment pool of 10.0% is budgeted with the anticipation of 6.0% cost of living increases and a maximum of 4.0% for merit increases. Fifteen additional staff positions are also included.

OPERATING REVENUE

Investment Income:

Funds available for investment will increase, so total investment earnings are expected to increase.

Space Rent-Non Airline:

All line items listed are at the lease rates in effect for the new fiscal year.

Space Rent-Airline:

Airline space rentals are based on the FY23/24 rates.

Concessions:

Revenue from food and beverage sales budgeted to increase due to increase in enplanements. The other line items are based on current agreements and/or historical averages.

Auto Parking:

Public parking is budgeted to increase with increase in fees and enplanements.

Rental Car-Car Rentals:

Rental car concessions budgets are based on amounts in approved agreement.

Rental Car-Facility Rent:

Budget estimates are based on the rental car agreements. The contracts provide that these facility rents be increased annually by the greater of the CPI or 3.5%. The Common Area Maintenance (CAM) fees are based on those included in the Operations Department budget.

Commercial Ground Transportation:

The revenues from ground transportation fees are budgeted to increase due to the increase in enplanements, fee increases and the new agreement that allows TURO to operate at the airport. Employee parking is based on staff estimates.

Landing Fees:

Landing fees are estimated based on landed weights projected by the airlines. Landing fees are charged based on 1,000 pounds of airlines gross landed weight.

FBOs:

The FBO fees are based on the current agreements with Signature Flight Support.

Building Leases:

All estimates are backed by current leases in place and anticipated amendments due to the terminal construction project.

Land Leases:

All estimates are backed by current leases in force.

Other Leases/Fees:

LEO services are based on actual hours and the \$20 hourly rate currently contracted with TSA. Airline security fees are budgeted to increase with the budgeted increase in LEO personnel costs. Telecommunication fees are based on estimated tenant usage of Authority provided phone, data and cable service. Other items are estimates based on historical data.

OPERATING EXPENSES**Personnel Services:**

Payroll costs are based on current salaries for all employees, plus estimated longevity bonuses. Staff is proposing a salary adjustment pool of 10.0% for FY2023/2024, with the anticipation of 6.0% cost of living increase and a maximum of 4.0% merit increase. The cost of living increase also applies to salary grade ranges. Overtime is estimated by department vice presidents based on historical amounts. Benefits are estimated for each benefit type to better manage benefit costs. Total benefits are averaged at approximately 60% of payroll. Budgeted FTEs for FY2023/2024 increase by 15 positions.

Professional Services:

Professional services are estimated by staff based on services necessary for continuing operations.

Contractual Services:

Contractual services include the cost of the parking management, parking shuttle services, maintenance agreements, uniform cleaning services, and other contractual services. Budgeted amounts are estimated based on agreements and/or historical data.

Travel and Training:

The estimate for employee training and various educational conferences has been prepared by each department vice president using known facts and historical information. Much of this budget is due to training which is either required or considered vital for airport management.

Communications and Freight:

Telecommunications and postage expense are estimated by staff using known facts and historical information.

Rents and Leases:

The estimate for rents and leases is based on current copier and postage machine lease agreements.

Insurance:

The costs of business insurance premiums are based on estimates obtained by staff.

Utility Services:

Utility services are estimated based on the latest historical data.

Repairs and Maintenance:

This line item, the timing and amount of which is always difficult to predict, has been estimated by the Vice President of Operations and Maintenance and other staff to account for repairs and maintenance anticipated for FY2023/2024.

Printing and Binding:

This estimate is based on known needs and historical data.

Promotional Activities:

These activities represent media advertising, community sponsorships, and tenant and employee events, and are based on planned activities for FY2023/2024. This year's budget includes \$52,000 for the Runway 5K, with revenue to offset this cost.

Other Current Charges and Obligation:

This estimate includes bank fees, in-house advertising expenses, legal notices and advertising, and Board meeting expenses. It is estimated based on historical data.

Operating Supplies:

This estimate is prepared by each department vice president based on known events and historical data.

Books, Publications, Subscriptions, Memberships:

This estimate is prepared by each department vice president using historical data and known events and facts.

EMERGENCY REPAIR

This is an estimate to cover any unplanned, emergency repairs. The amount is based on historical costs.

CONTINGENCY

This is an estimate to cover any unknown expense. The amount is determined by the President & CEO.

CAPITAL BUDGET

The capital budget items were generated by the department vice presidents and include capital improvement projects in the approved five-year capital improvement plan for FY2023/2024. Explanations and justifications for new capital projects are included on the Capital Budget Request sheets.

The terminal and air traffic control tower construction projects have been included in the capital budget. Staff is working to acquire the second issuance of bond funding for these projects. This funding is expected to be obtained during spring 2023 and in place by the beginning of the FY23/24 budget year.

Any capital improvement project will be subject to final approval by the Board prior to project initiation, in accordance with the Authority's Policies and Procedures.

DEBT SERVICE

Debt service represents payments required by our bond agreements for the parking garage and the terminal and air traffic control tower projects.

BUSINESS DEVELOPMENT

Business development represents costs to provide incentives for advertising, waiver of fees, etc. to airlines for new air service as well as new commercial business development opportunities.

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
2023-2024
BUDGET ORDINANCE**

BE IT ORDAINED by the Greater Asheville Regional Airport Authority that, pursuant to Section 159-13 of the General Statutes of North Carolina, the 2023-2024 Budget Ordinance of the Airport Authority is hereby set forth as follows:

Section 1. The following amounts are hereby appropriated for the operation of the Greater Asheville Regional Airport Authority for the fiscal year beginning July 1, 2023 and ending June 30, 2024 in accordance with the following schedules:

EXPENDITURES

Administration Department	\$ 1,489,534
Planning Department	626,930
Executive Department	1,228,190
Finance Department	697,167
Guest Services Department	297,920
Information Technology Department	1,786,676
Marketing Department	855,247
Operations Department	6,275,514
Properties & Contracts	376,147
Public Safety Department	2,818,290
Emergency Repair Costs	50,000
Carry-over Capital Expenditures from Prior Year	253,611,970
Capital Improvement	8,910,000
Equipment and Small Capital Outlay	131,000
Renewal and Replacement	383,017
Business Development	400,000
Debt Service	20,494,884
Contingency	100,000
Total Expenditures	<u><u>\$300,532,486</u></u>

Section 2. It is estimated that the following revenues will be available for the fiscal year beginning July 1, 2023 and ending June 30, 2024.

REVENUES

Administration (Interest Income)	\$ 500,000
Terminal	10,357,741
Airfield	3,066,689
General Aviation	1,330,664
Parking Lot	10,265,000
Other	420,924
Bond Interest	11,500,000
Passenger Facility Charges	3,800,000
Customer Facility Charges	2,200,000
Federal Grants (including AIP/BIL)	41,783,712
Federal Grants (TSA funds)	15,000,000
NC Department of Transportation Grants	7,000,000
Transfer from GARAA Cash/Investments	193,307,757
Total Revenues	<u><u>\$300,532,486</u></u>

Section 3. The Budget Officer is hereby authorized to transfer appropriations as contained herein under the following conditions:

- a. He may transfer amounts between line item expenditures within a budget ordinance line item without limitation and without a report being required. These changes should not result in increased recurring obligations such as salaries.
- b. He may transfer amounts up to \$76,000 from contingency appropriations to other budget ordinance line items within the same fund. He must make an official report on such transfers at the next regular meeting of the board.
- c. He may approve any type of procurement up to \$76,000 (spending authority). This spending authority is to be adjusted annually using CPI index.

Section 4. This Budget Ordinance shall be entered in the minutes of the Greater Asheville Regional Airport Authority and within five (5) days after its adoption copies shall be filed with the Finance Officer, the Budget Officer and the Clerk to the Board of the Greater Asheville Regional Airport Authority as described in G.S. 159-13.

Section 5. This ordinance shall become effective on July 1, 2023.

Adopted this ____ day of April, 2023

Brad Galbraith, Chair

Attested by:

Ellen Heywood, Clerk to the Board

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
OPERATING SUMMARY
FY 2023/2024 BUDGET**

	Budget Amounts			Percent Change
	FY2022/2023	FY2023/2024	Difference	
<u>Revenues</u>				
Operating Revenues	\$ 20,305,529	\$ 25,441,017	\$ 5,135,488	25.3%
Investment Income	25,000	500,000	\$ 475,000	1900.0%
Total Operating & Investment Revenues	20,330,529	25,941,017	5,610,488	27.6%
<u>Expenses</u>				
Operating Expenses	13,990,679	16,501,615	\$ 2,510,936	17.9%
Total Operating Expenses	13,990,679	16,501,615	2,510,936	17.9%
Net Operating & Investment Income	\$ 6,339,850	\$ 9,439,402	\$ 3,099,552	48.9%

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
REVENUE BUDGET ANALYSIS FOR FISCAL YEAR 2023-2024

Revenue Sources	Historical, Actual Revenue			FY 2022-2023			Proposed Budget Fiscal Year 2023-2024	Difference Est FY22-23 To Budget FY23-24	Difference Bud FY22-23 To Budget FY23-24	% Change Bud FY22-23 To Budget FY23-24
	Fiscal Year 2019-2020	Fiscal Year 2020-2021	Fiscal Year 2021-2022	Fiscal Year 2022-2023 Budget	12/31/22 FYTD Actual Revenue	Projection for Full Fiscal Year				
Investment Income										
Interest Income	\$ 374,504	32,371	64,739	25,000	\$ 414,647	700,000	500,000	(200,000)	475,000	1900.0%
Total Investment Income	374,504	32,371	64,739	25,000	414,647	700,000	500,000	(200,000)	475,000	1900.0%
Terminal Space Rentals - Non-Airline										
FAA Tower Rent	163,013	166,273	192,314	200,722	100,361	200,722	200,722	(0)	(0)	0.0%
TSA Space	89,793	91,589	93,420	95,289	47,252	94,504	97,195	2,691	1,906	2.0%
American Tower Corp	2,879	3,211	3,324	3,331	1,707	3,414	3,431	17	100	3.0%
Federal Express	60	60	60	60	-	60	60	-	-	0.0%
Total Terminal Space Rentals - Non-Airline	255,745	261,133	289,118	299,402	149,320	298,700	301,408	2,708	2,006	0.7%
Terminal Space Rentals - Airline										
Loading Bridge Fees (includes FGP & PC Air)	79,322	69,607	96,779	83,610	49,479	93,357	-	(93,357)	(83,610)	-100.0%
Gate Area (per enplanement)	776,506	606,476	735,621	1,010,350	610,496	1,151,879	1,369,900	218,021	359,550	35.6%
Gate Area (per airline)	120,832	120,832	137,096	181,324	90,662	181,324	245,760	64,436	64,436	35.5%
Bag Makeup (per bag)	267,053	183,990	389,018	365,082	221,800	418,491	535,478	116,987	170,396	46.7%
Bag Makeup (per airline)	47,300	47,300	53,668	70,980	35,490	70,980	96,204	25,224	25,224	35.5%
American (Counter/Office/Queue)	123,762	123,762	117,988	157,560	78,780	157,560	213,564	56,004	56,004	35.5%
Delta Air Lines (Counter/Office/Queue)	140,573	140,573	127,580	168,750	84,375	168,750	228,731	59,981	59,981	35.5%
United/SkyWest/Continental (Counter/Office/Queue)	85,831	85,831	76,907	103,035	43,659	87,318	118,355	31,037	15,320	14.9%
Allegiant (Counter/Office/Queue)	71,714	71,714	69,854	90,293	45,147	90,293	122,387	32,094	32,094	35.5%
Sun Country			9,792	17,270	8,635	17,270	23,408	6,138	6,138	35.5%
JetBlue					7,530	15,060	28,931	13,871	28,931	0.0%
CRJ Aviation		1,446	21,003	29,882	14,941	29,882	40,504	10,622	10,622	35.5%
Common Use (Counter/Queue)	-	-	231	-	567	567	-	(567)	-	0.0%
Turn Fees	105,229	3,436	40,037	70,048	58,956	111,238	96,600	(14,638)	26,552	37.9%
Airline Waived Fees	(16,038)	(22,028)	(20,367)	-	(21,598)	(21,598)	-	21,598	-	0.0%
Total Terminal Space Rentals - Airline	1,850,716	1,437,730	1,886,806	2,348,184	1,328,919	2,572,370	3,119,821	547,451	771,637	32.9%
Concessions										
Food & Beverage, Gift, Info	318,253	208,731	491,873	425,000	293,638	554,034	525,000	(29,034)	100,000	23.5%
Advertising	324,095	208,917	365,686	200,000	203,466	383,898	225,000	(158,898)	25,000	12.5%
Brochure Sales	42,282	37,973	48,900	-	28,325	53,443	45,000	(8,443)	45,000	0.0%
Merchandise Sales	-	-	-	2,000	-	-	-	-	(2,000)	-100.0%
Guest Services	4,085	3,089	3,425	3,500	2,605	4,915	3,500	(1,415)	-	0.0%
Art in the Airport	3,179		771	-	765	1,391	-	(1,391)	-	0.0%
Optiwash Station	1,131	490	961	750	735	1,387	1,000	(387)	250	33.3%
FuelRod	1,006	930	3,996	5,500	1,325	2,500	2,500	-	(3,000)	-54.5%
Immaculate Cleaning	438	890	1,376	1,200	885	1,670	1,200	(470)	-	0.0%
Sanitary Machines	56	41	17	-	-	-	-	-	-	0.0%
ATM	516	300	349	300	242	300	300	-	-	0.0%
Total Concessions	695,041	461,361	917,354	638,250	531,986	1,003,538	803,500	(200,038)	165,250	25.9%
Auto Parking										
Public Parking	5,231,961	3,182,193	7,700,376	7,500,000	4,694,824	8,858,158	10,000,000	1,141,842	2,500,000	33.3%
Commuter Parking	42,891	40,452	43,877	20,000	(194)	-	-	-	(20,000)	-100.0%
Total Auto Parking	5,274,852	3,222,645	7,744,253	7,520,000	4,694,630	8,858,158	10,000,000	1,141,842	2,480,000	33.0%
Rental Car										
Rental Car - Car Rentals										
Avis MAG (Avis/Budget FY2020)	341,151	-		297,762	148,881	297,762	1,065,451	767,689	767,689	257.8%
Hertz MAG (Dollar/Thrifty FY2020)	330,108	-		338,125	169,063	338,125	509,842	171,717	171,717	50.8%
Enterprise MAG (National/Alamo FY2020)	392,652	-		864,113	432,056	864,113	1,952,677	1,088,564	1,088,564	126.0%

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
REVENUE BUDGET ANALYSIS FOR FISCAL YEAR 2023-2024

Revenue Sources	Historical, Actual Revenue			FY 2022-2023			Proposed Budget Fiscal Year 2023-2024	Difference Est FY22-23 To Budget FY23-24	Difference Bud FY22-23 To Budget FY23-24	% Change Bud FY22-23 To Budget FY23-24
	Fiscal Year 2019-2020	Fiscal Year 2020-2021	Fiscal Year 2021-2022	Fiscal Year 2022-2023 Budget	FYTD Actual Revenue 12/31/22	Projection for Full Fiscal Year				
Avis %	112,265	506,631	1,183,835	800,000	570,327	1,076,089	300,000	(776,089)	(500,000)	-62.5%
Hertz %	36,107	403,590	566,491	200,000	231,344	436,498	260,000	(176,498)	60,000	30.0%
Enterprise %	146,055	1,462,062	2,169,641	1,500,000	765,628	1,444,581	370,000	(1,074,581)	(1,130,000)	-75.3%
Subtotal Car Rentals	2,203,794	2,372,283	3,919,967	4,000,000	2,317,299	4,457,168	4,457,970	802	457,970	11.4%
Rental Car - Facility Rent										
Avis (Counter & Office) (Avis/Budget FY2020)	28,294	28,294	29,281	30,305	15,152	30,304	31,364	1,060	1,059	3.5%
Hertz (Counter & Office)	37,647	62,792	64,983	67,254	33,627	67,254	69,605	2,351	2,351	3.5%
Enterprise (Counter & Office)	30,832	58,092	60,119	62,220	31,110	62,220	64,396	2,176	2,176	3.5%
Avis (Ready/Return) (Avis/Budget FY2020)	15,048	15,048	19,263	19,937	9,969	19,938	28,099	8,161	8,162	40.9%
Dollar/Thrifty (Ready/Return)	4,950	-	-	-	0	-	-	-	-	0.0%
Hertz (Ready/Return)	21,186	26,136	21,313	22,058	11,029	22,058	15,806	(6,252)	(6,252)	-28.3%
Enterprise (Ready/Return)	23,430	47,520	51,233	53,025	26,512	53,024	60,589	7,565	7,564	14.3%
Vanguard/National/Alamo (Ready/Return)	24,090	-	-	-	-	-	-	-	-	0.0%
Budget (Ready/Return)	-	-	0	-	-	-	-	-	-	0.0%
Avis (Service Facility) (Avis/Budget FY2020)	37,406	43,072	44,687	45,764	23,151	46,302	47,918	1,616	2,154	4.7%
Dollar/Thrifty (Service Facility)	19,755	-	-	-	-	-	-	-	-	0.0%
Hertz (Service Facility)	69,991	99,526	103,258	105,746	53,495	106,990	110,722	3,732	4,976	4.7%
Enterprise (Service Facility)	59,089	97,853	101,523	103,969	52,596	105,192	108,862	3,670	4,893	4.7%
Vanguard/National/Alamo (Service Facility)	52,772	-	-	-	-	-	-	-	-	0.0%
Avis CAM fee (Avis/Dollar FY2020)	8,823	5,528	6,290	4,551	2,276	4,552	4,797	245	246	5.4%
Dollar/Thrifty	7,543	-	-	-	-	-	-	-	-	0.0%
Hertz CAM fee	13,569	12,773	14,533	10,517	5,259	10,518	11,086	568	569	5.4%
Enterprise CAM fee	17,939	12,558	14,289	10,342	5,170	10,340	10,902	562	560	5.4%
Vanguard/National/Alamo CAM fee	11,881	-	-	-	-	-	-	-	-	0.0%
Waived rent	-	(52,005)	-	-	-	-	-	-	-	0.0%
Common Area Maintenance (Service Facility)	-	37,500	75,000	75,000	37,385	74,770	75,000	230	-	0.0%
Subtotal Facility Rent	536,650	494,687	605,772	610,688	306,731	613,462	639,146	25,684	28,458	4.7%
Total Rental Car	2,740,444	2,866,970	4,525,739	4,610,688	2,624,030	5,070,630	5,097,116	26,486	486,428	10.6%
Commercial Ground Transportation										
Employee Parking	32,770	26,730	47,417	15,000	9,445	15,000	15,000	-	-	0.0%
Ground Transportation Fees	182,774	94,028	164,462	175,000	126,752	239,155	250,000	10,845	75,000	42.9%
Total Commercial Ground Transportation	215,544	120,758	211,879	190,000	136,197	254,155	265,000	10,845	75,000	39.5%
Landing Fees										
Delta Air Lines	223,590	214,951	344,677	474,324	276,197	521,126	675,750	154,624	201,426	42.5%
SkyWest / United	113,090	88,683	134,930	125,119	91,636	172,898	232,050	59,152	106,931	85.5%
Allegiant	461,796	445,122	671,195	986,287	455,588	859,600	1,093,728	234,128	107,441	10.9%
American	284,406	290,887	428,534	457,272	379,656	716,332	826,200	109,868	368,928	80.7%
Spirit	59,455	-	-	-	-	-	-	-	-	0.0%
Jet Blue	-	-	-	14,053	13,557	14,053	13,911	(142)	(142)	-1.0%
Sun Country	-	-	21,861	32,700	19,136	36,106	38,250	2,144	5,550	17.0%
Elite	1,549	243	-	-	-	-	-	-	-	0.0%
Charter Fees / General	-	2,999	3,830	-	-	-	-	-	-	0.0%
Airline Landing Fees Waived	(11,812)	-	(15,152)	-	(54,062)	(54,062)	-	54,062	-	0.0%
Total Landing Fees	1,132,074	1,042,885	1,589,875	2,089,755	1,181,708	2,266,053	2,879,889	613,835	790,134	37.8%
FBOs										
Percentage Fee	32,726	30,793	40,824	45,000	26,142	49,325	50,000	675	5,000	11.1%
T-Hangar	89,324	90,566	90,253	90,566	38,409	76,818	76,818	-	(13,748)	-15.2%
Bulk Hangar #1	125,285	127,027	164,569	127,027	129,850	259,700	259,700	-	132,673	104.4%
Bulk Hangar #2	236,209	239,493	264,742	239,493	154,000	308,000	308,000	-	68,507	28.6%
Land Rent	490,090	497,660	529,902	518,142	259,257	502,361	502,361	-	(15,781)	-3.0%
Apron Rent	1,163	3,488	3,488	3,488	1,794	3,784	3,784	-	296	8.5%

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
REVENUE BUDGET ANALYSIS FOR FISCAL YEAR 2023-2024

	Historical, Actual Revenue			FY 2022-2023			Proposed Budget Fiscal Year 2023-2024	Difference Est FY22-23 To Budget FY23-24	Difference Bud FY22-23 To Budget FY23-24	% Change Bud FY22-23 To Budget FY23-24
	Fiscal Year 2019-2020	Fiscal Year 2020-2021	Fiscal Year 2021-2022	Fiscal Year 2022-2023 Budget	12/31/22 FYTD Actual Revenue	Projection for Full Fiscal Year				
Revenue Sources										
Leased Percentage Fee			1,741	-	-	-	-	-	-	0.0%
Waived rent		(80,378)	-	-	-	-	-	-	-	0.0%
Fuel Flowage Fee	66,600	86,899	107,006	115,000	59,357	111,994	115,000	3,006	-	0.0%
Subtotal FBOs	1,041,397	995,548	1,202,525	1,138,716	668,809	1,311,982	1,315,664	3,681	176,948	15.5%
Belle Aircraft Maintenance										
Percentage Fee	10,713	12,656	11,343	7,500	11,065	16,877	15,000	(1,877)	7,500	100.0%
Total FBOs/SASOs	1,052,110	1,008,204	1,213,868	1,146,216	679,874	1,328,859	1,330,664	1,804	184,448	16.1%
Building Leases										
Rental Houses	21,133	24,115	25,242	25,977	13,214	27,103	27,777	675	1,800	6.9%
Airport Support Bldg	42,599	42,289	7,048	-	-	-	-	-	-	0.0%
Lacy Griffin Building (WNC Aviation)	20,906	20,937	21,919	22,008	11,791	23,739	23,897	157	1,889	8.6%
Allegiant - Hangar/Bldg	-	-	95,070	105,070	56,860	113,719	117,131	3,411	12,061	11.5%
Cargo Building (Allegiant)	32,136	32,184	8,046	-	-	-	-	-	-	0.0%
Total Building Leases	116,774	119,525	157,325	153,055	81,865	164,561	168,804	4,243	15,749	10.3%
Land Leases										
Pasture Rent & Misc Land Leases	2,033	25,917	17,554	1,200	-	-	600	600	(600)	-50.0%
NCSU	100	170	170	100	-	100	100	-	-	0.0%
Lamar (Billboard)	3,500	7,427	7,426	7,318	-	7,318	7,649	331	331	4.5%
US Forest Service - Tanker	12,828	12,049	12,648	12,765	6,751	13,686	13,871	184	1,106	8.7%
Land Lease Hangar Area - Allegiant	-	-	14,812	14,812	8,028	16,056	16,538	482	1,726	11.7%
Land Lease - DreamCatcher/Broadmoor	-	-	69,333	90,000	71,603	143,703	94,000	(49,703)	4,000	4.4%
Waddell/Triangle Stop	36,057	36,057	39,061	36,057	18,028	36,056	39,362	3,306	3,305	9.2%
Waddell - Fuel Fee	18,913	22,558	27,389	26,000	14,243	28,486	26,000	(2,486)	-	0.0%
Golf Center	9,966	-	(11,959)	-	-	-	-	-	-	0.0%
Total Land Leases	83,397	104,178	176,434	188,252	118,653	245,406	198,120	(47,286)	9,868	5.2%
Other Leases/Fees										
LEO Services (TSA)	116,800	116,800	117,120	116,800	68,480	116,800	116,800	-	-	0.0%
Security Fee (Airlines)	382,458	298,672	735,621	718,100	433,906	818,691	844,600	25,909	126,500	17.6%
Security Fee (Rental Car)	96,612	114,867	106,967	122,827	61,413	122,826	126,296	3,470	3,469	2.8%
Security Fee (ID Media)	49,465	49,307	73,985	50,000	43,185	50,000	70,000	20,000	20,000	40.0%
Telecommunication Fees (Voice/Data)	67,033	59,667	71,927	60,000	31,011	55,000	65,000	10,000	5,000	8.3%
Sale of Assets	-	-	-	-	-	-	-	-	-	0.0%
Misc	63,515	906,185	16,904	2,000	8,425	8,425	2,000	(6,425)	-	0.0%
Tenant Services/Assessment Fees	-	2,028	2,029	-	-	-	-	-	-	0.0%
Annual Event Fees/Sponsorships (Runway 5K)	-	-	35,207	52,000	56,611	56,611	52,000	(4,611)	-	0.0%
Total Other Leases	775,883	1,547,526	1,159,760	1,121,727	703,031	1,228,353	1,276,696	48,343	154,969	13.8%
Total Revenue	\$ 14,567,084	\$ 12,225,286	\$ 19,937,150	\$ 20,330,529	\$ 12,644,860	23,990,784	\$ 25,941,017	\$ 1,950,233	\$ 5,610,488	27.6%
								8.1%	27.6%	

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
EXPENSE BUDGET ANALYSIS FOR FISCAL YEAR 2023-2024

	Historical, Actual Expenses			FY 2022-2023			Proposed Budget Fiscal Year 2023-2024	Difference Est FY22-23 To Budget FY23-24	Difference Bud FY22-23 To Budget FY23-24	% Change Bud FY22-23 To Budget FY23-24
	Fiscal Year 2019-2020	Fiscal Year 2020-2021	Fiscal Year 2021-2022	Fiscal Year 2022-2023 Budget	FYTD Actual Expenses 12/31/22	Projection for Full Fiscal Year				
Expenses										
PERSONNEL SERVICES										
Regular Salaries	\$ 3,818,557	\$ 3,916,405	\$ 4,272,209	\$ 5,694,649	\$ 2,457,758	4,915,516	\$ 6,330,690	\$ 1,415,174	\$ 636,041	11.2%
Overtime	55,599	71,832	105,555	115,900	39,939	116,045	115,900	(145)	-	0.0%
Salary Adjustment/Bonus Pool	-	-	-	-	-	-	671,546	671,546	671,546	0.0%
Internship	-	-	-	-	-	-	-	-	-	0.0%
LEO Special Separation Allowance	24,122	27,808	-	42,742	18,325	42,742	39,705	(3,037)	(3,037)	-7.1%
Longevity	54,427	61,042	69,171	69,352	34,872	70,294	82,351	12,057	12,999	18.7%
Unemployment Claims	426	2,805	4,246	14,000	2,194	14,000	8,000	(6,000)	(6,000)	-42.9%
Holiday Pay	14,700	15,566	13,833	18,410	16,216	16,244	27,340	11,096	8,930	48.5%
Bonus	-	-	136,979	-	-	-	-	-	-	0.0%
Auto Allowance	33,400	33,000	31,200	33,600	17,200	35,200	62,400	27,200	28,800	85.7%
Rewards Program	-	-	-	4,000	-	4,000	4,000	-	-	0.0%
Gym Membership Reimbursements	2,138	1,040	555	14,000	100	14,000	-	(14,000)	(14,000)	-100.0%
Service Awards	1,215	1,813	1,280	1,625	425	1,625	2,575	950	950	58.5%
Candidate Referral	-	-	500	2,000	1,000	2,000	2,000	-	-	0.0%
Retiree Health	60,058	35,518	(33,588)	43,931	21,812	43,624	64,128	20,504	20,197	46.0%
Benefits	1,887,969	1,936,135	1,974,796	3,008,728	1,115,417	2,235,631	3,391,068	1,155,437	382,340	12.7%
Total Personnel Services	5,952,611	6,102,964	6,576,736	9,062,937	3,725,258	7,510,921	10,801,703	3,290,782	1,738,766	19.2%
OPERATING EXPENSES										
Professional Services										
Professional Services - General	217,556	236,651	200,653	288,750	61,398	231,300	397,750	166,450	109,000	37.7%
Professional Services - Legal	176,820	148,952	166,813	80,000	54,375	105,000	75,000	(30,000)	(5,000)	-6.3%
Artwork and Creative Production	16,523	9,551	16,390	35,800	1,968	30,000	40,000	10,000	4,200	11.7%
Surveys, Reports & Data	18,923	-	142	24,500	-	24,500	3,000	(21,500)	(21,500)	-87.8%
Physicals & Drug Screens	5,950	5,760	1,697	6,000	825	4,150	6,000	1,850	-	0.0%
Fit for Duty Physicals	-	-	2,375	6,800	1,805	6,800	6,800	-	-	0.0%
Website Maintenance	536	981	1,455	6,550	990	6,550	6,550	-	-	0.0%
Auditors	22,500	34,500	35,675	38,000	17,950	35,000	41,600	6,600	3,600	9.5%
Temporary Help	-	-	52,854	50,000	15,243	100,000	125,000	25,000	75,000	150.0%
Total Professional Services	458,808	436,395	478,054	536,400	154,554	543,300	701,700	158,400	165,300	30.8%
Contractual Services										
Computer Technical Support	21,391	-	-	-	-	-	-	-	-	0.0%
Landscaping	9,420	9,420	-	-	-	-	86,400	86,400	86,400	0.0%
Parking Management Contract	463,541	261,287	408,692	579,364	279,880	575,000	665,022	90,022	85,658	14.8%
Parking Management Shuttle	76,714	-	289,799	396,952	169,842	397,000	416,398	19,398	19,446	4.9%
Other Contractual Services	380,858	424,385	472,513	886,914	429,073	873,320	959,235	85,915	72,321	8.2%
Elevator Maintenance Contract	8,361	8,611	9,634	11,000	5,270	11,000	10,000	(1,000)	(1,000)	-9.1%
Fire Alarm Systems Contract	15,312	13,809	24,526	15,600	10,489	35,000	17,250	(17,750)	1,650	10.6%
Exit Lane Security	-	-	36,263	60,000	13,757	55,000	60,000	5,000	-	0.0%
Total Contractual Services	975,597	717,512	1,241,427	1,949,830	908,311	1,946,320	2,214,305	267,985	264,475	13.6%
Travel and Training										
Travel & Per Diem	96,375	33,918	119,693	179,780	47,395	188,520	217,580	29,060	37,800	21.0%
Training & Education	19,583	7,971	37,081	41,950	5,873	45,200	53,300	8,100	11,350	27.1%
Total Travel and Training	115,958	41,889	156,774	221,730	53,268	233,720	270,880	37,160	49,150	22.2%
Communications and Freight										
Postage	5,021	4,070	5,127	5,000	2,724	5,000	5,000	-	-	0.0%
Express Mail Delivery	463	292	698	1,000	217	1,000	1,000	-	-	0.0%
Telecommunications	50,569	57,822	38,959	52,200	15,770	53,675	51,700	(1,975)	(500)	-1.0%
Online Services	-	-	-	-	-	-	-	-	-	0.0%
Total Communications and Freight	56,053	62,184	44,784	58,200	18,711	59,675	57,700	(1,975)	(500)	-0.9%
Rentals and Leases										
Rentals & Leases	14,253	15,765	20,872	18,710	10,788	18,710	20,510	1,800	1,800	9.6%
Total Rentals and Leases	14,253	15,765	20,872	18,710	10,788	18,710	20,510	1,800	1,800	9.6%
Insurance										

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
EXPENSE BUDGET ANALYSIS FOR FISCAL YEAR 2023-2024**

	Historical, Actual Expenses			FY 2022-2023			Proposed Budget Fiscal Year 2023-2024	Difference Est FY22-23 To Budget FY23-24	Difference Bud FY22-23 To Budget FY23-24	% Change Bud FY22-23 To Budget FY23-24
	Fiscal Year 2019-2020	Fiscal Year 2020-2021	Fiscal Year 2021-2022	Fiscal Year 2022-2023 Budget	12/31/22 FYTD Actual Expenses	Projection for Full Fiscal Year				
Expenses										
Property & Casualty	66,733	84,043	93,307	90,000	103,552	103,552	119,085	15,533	29,085	32.3%
General Liability	33,000	35,310	37,411	45,000	44,637	44,637	53,564	8,927	8,564	19.0%
Auto Liability	19,622	22,862	23,818	27,000	21,471	21,471	27,000	5,529	-	0.0%
Other Insurance & Bonds	47,328	186,239	50,478	72,400	64,666	64,666	77,000	12,334	4,600	6.4%
Worker's Compensation Insurance	110,826	63,982	114,590	100,000	96,346	96,346	121,958	25,612	21,958	22.0%
Total Insurance	277,509	392,436	319,604	334,400	330,672	330,672	398,607	67,935	64,207	19.2%
Utility Services										
Electric Service	322,953	297,566	308,181	359,817	134,621	359,000	379,315	20,315	19,498	5.4%
Gas Service	31,568	34,125	40,649	39,500	15,218	39,500	41,250	1,750	1,750	4.4%
Water/Sewer Service	52,708	34,143	59,034	89,950	29,004	85,000	75,000	(10,000)	(14,950)	-16.6%
Total Utility Services	407,229	365,834	407,864	489,267	178,843	483,500	495,565	12,065	6,298	1.3%
Repairs and Maintenance										
Other Repairs & Maintenance	17,865	13,586	43,138	30,200	11,101	30,200	35,200	5,000	5,000	16.6%
Terminal, Buildings and Grounds	155,947	136,093	168,131	162,000	68,109	160,000	177,000	17,000	15,000	9.3%
Permits, Licenses and Fees	850	1,560	900	1,000	100	1,000	1,000	-	-	0.0%
Vehicles and Heavy Equipment	78,501	95,956	62,284	67,500	44,074	65,000	71,500	6,500	4,000	5.9%
Airport and Airfield Equipment	8,753	7,126	30,884	20,000	13,864	20,000	20,000	-	-	0.0%
Total Repairs and Maintenance	261,916	254,321	305,337	280,700	137,248	276,200	304,700	28,500	24,000	8.6%
Printing & Binding										
Printing & Binding	13,826	3,911	6,193	11,450	3,386	10,450	9,950	(500)	(1,500)	-13.1%
Total Printing & Binding	13,826	3,911	6,193	11,450	3,386	10,450	9,950	(500)	(1,500)	-13.1%
Promotional Activities										
Radio	7,200	12,858	6,000	18,000	6,000	18,000	18,000	-	-	0.0%
Billboards	22,675	-	-	24,000	-	12,000	22,000	10,000	(2,000)	-8.3%
Print	12,869	2,625	5,887	6,100	-	6,100	6,000	(100)	(100)	-1.6%
Web Advertising	59,804	14,023	103,353	137,550	15,626	137,550	139,950	2,400	2,400	1.7%
Air Service Development	6,238	4,845	12,326	12,300	4,382	12,000	12,300	300	-	0.0%
Other Promotional Events/Sponsorships	6,363	7,040	7,200	9,000	5,000	13,375	14,000	625	5,000	55.6%
Community Events/Exhibits/Sponsorships	33,913	17,797	58,665	93,200	8,453	93,200	32,400	(60,800)	(60,800)	-65.2%
Runway SK Expenses	-	-	-	-	46,927	46,927	52,000	5,073	52,000	0.0%
Employee/Tenant Events	16,525	9,209	15,035	25,425	16,061	27,825	36,450	8,625	11,025	43.4%
Wellness	3,264	1,614	4,124	3,500	1,549	3,500	4,500	1,000	1,000	28.6%
Total Promotional Activities	168,851	70,011	212,590	329,075	103,998	370,477	337,600	(32,877)	8,525	2.6%
Other Current Charges and Obligations										
Legal Notices & Advertising	845	197	1,147	6,750	185	5,750	4,000	(1,750)	(2,750)	-40.7%
Credit Card & Bank Fees	44,052	42,482	69,452	64,700	38,997	72,000	84,500	12,500	19,800	30.6%
Recruiting Expense	-	-	824	2,100	-	-	2,100	2,100	-	0.0%
Other Current Charges & Obligations	8,056	1,672	3,554	8,500	1,383	6,630	13,600	6,970	5,100	60.0%
In Terminal Advertising	6,450	575	1,490	1,225	1,744	1,744	1,225	(519)	-	0.0%
Total Other Current Charges and Obligations	59,403	44,926	76,467	83,275	42,309	88,124	105,425	19,301	22,150	26.6%
Operating Supplies										
Office Supplies	6,874	6,176	6,465	7,000	3,229	7,000	8,000	1,000	1,000	14.3%
Vehicle Fuel	36,462	35,950	84,024	45,000	53,672	55,000	75,000	20,000	30,000	66.7%
Shop Supplies	1,063	1,363	1,011	3,000	997	3,000	3,000	-	-	0.0%
Other Operating Supplies	75,142	48,038	50,598	92,050	32,677	83,965	165,850	81,885	73,800	80.2%
Art Program Supplies	1,152	90	1,520	1,000	627	1,000	1,000	-	-	0.0%
Promotional Supplies	12,238	7,536	18,066	18,000	3,616	15,000	18,000	3,000	-	0.0%
Holiday Decorations	1,575	302	150	1,000	986	1,000	1,000	-	-	0.0%
Chemicals and Safety	984	(562)	(10,152)	48,000	34,720	46,500	48,000	1,500	-	0.0%
Small Tools and Equipment	6,384	7,415	5,356	19,000	14,218	18,500	23,500	5,000	4,500	23.7%
Custodial Supplies	46,347	11,626	31,447	42,000	10,865	45,000	45,000	-	3,000	7.1%
Custodial Consumables	64,401	39,826	58,843	77,500	43,899	90,000	100,000	10,000	22,500	29.0%
Operating Furniture, Fixtures, Equipment and Software	65,018	26,677	63,227	99,550	31,464	82,950	107,480	24,530	7,930	8.0%

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
EXPENSE BUDGET ANALYSIS FOR FISCAL YEAR 2023-2024

	Historical, Actual Expenses			FY 2022-2023			Proposed Budget Fiscal Year 2023-2024	Difference Est FY22-23 To Budget FY23-24	Difference Bud FY22-23 To Budget FY23-24	% Change Bud FY22-23 To Budget FY23-24
	Fiscal Year 2019-2020	Fiscal Year 2020-2021	Fiscal Yr 2021-2022	Fiscal Year 2022-2023 Budget	12/31/22 FYTD Actual Expenses	Projection for Full Fiscal Year				
Expenses										
Uniforms	13,225	12,512	10,656	19,400	5,220	19,000	26,060	7,060	6,660	34.3%
Firefighter Equipment	1,460	11,976	4,123	19,000	8,066	17,125	35,000	17,875	16,000	84.2%
Total Operating Supplies	332,325	208,925	325,334	491,500	244,256	485,040	656,890	171,850	165,390	33.7%
Books, Publications, Subscriptions & Memberships										
Books, Publications, Compact Disks, Videos & Subscriptions	6,488	4,249	4,425	9,370	3,362	10,209	9,570	(639)	200	2.1%
Dues & Memberships	57,549	61,327	46,705	62,515	39,164	57,855	65,190	7,335	2,675	4.3%
Licenses and Certification Fees	280	120	320	1,320	-	1,120	1,320	200	-	0.0%
Total Books, Publications, Subscriptions & Mem.	64,317	65,696	51,450	73,205	42,526	69,184	76,080	6,896	2,875	3.9%
Emergency Repair	6,272	9,957	-	50,000	75,717	75,717	50,000	(25,717)	-	0.0%
TOTAL SERVICES & MATERIALS	3,212,317	2,689,762	3,646,750	4,927,742	2,304,587	4,991,089	5,699,912	710,823	772,170	15.7%
TOTAL OPERATING EXPENSES, INCLUDING EMERGENCY REPAIR EXPENSE	\$ 9,164,928	\$ 8,792,726	\$ 10,223,486	\$ 13,990,679	\$ 6,029,845	\$ 12,502,010	\$ 16,501,615	\$ 4,001,605	\$ 2,510,936	17.9%
								32.0%	17.9%	

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

ASHEVILLE REGIONAL AIRPORT

Administrative

BASIC OPERATING BUDGET

FY 2023-2024

Department #	15		

New World Account Numbers	Description	Item Amount	Summary Amount
PERSONNEL SERVICES			
10.15.10.100.500000	Salaries - Admin	158,950	158,950
10.15.10.100.502000	Salary Adjustment Pool	671,546	671,546
10.15.10.100.503000	Longevity	-	-
10.15.10.100.504000	Unemployment Claims	8,000	8,000
10.15.10.100.506000	Holiday Pay	541	541
10.15.10.100.507000	Auto Allowance	4,800	4,800
10.15.10.100.507100	Rewards Program	4,000	4,000
10.15.10.100.507200	Gym Membership Reimbursements	-	-
10.15.10.100.507300	Service Awards	2,575	2,575
10.15.10.100.507500	Candidate referral	2,000	2,000
10.15.10.100.521000	Retiree Health	64,128	64,128
	<u>Benefits:</u>		69,687
10.15.10.100.510000	FICA Taxes	14,093	
10.15.10.100.511000	LGERS retirement	20,489	
10.15.10.100.511200	401k	7,947	
10.15.10.100.520000	Group Insurance	17,406	
10.15.10.100.522000	Dental	712	
10.15.10.100.523000	Vision	138	
10.15.10.100.524000	Life Insurance	678	
10.15.10.100.525000	Disability	1,592	
10.15.10.100.530000	Tuition Reimbursement	5,000	
10.15.10.100.531000	Cell Phone Allowance	1,632	
		-	986,227
OPERATING EXPENSES			
10.15.10.100.600000	Professional Services - General		27,750
	ACI-NA Annual Compensation Survey	250	
	Infinisource - COBRA Administration	1,500	
	Employee Benefits Broker Fee	26,000	
10.15.10.100.604000	Physicals and Drug Screens		6,000
	Physicals & Drug Screens	4,850	
	DOT Physicals	550	
	Custodial Vaccinations	600	
10.15.10.100.605000	Fit for Duty Physicals		6,800
	Fit for Duty Physicals	6,800	

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT
Administrative
BASIC OPERATING BUDGET
FY 2023-2024

New World Account Numbers	Description	Item Amount	Summary Amount
Department #	15		
10.15.10.100.620000	Travel, Per Diem, Conference Registration HR Conference	6,000	6,000
10.15.10.100.621000	Training & Education HR Training/HR Laws Update/HR Education	10,000	10,000
10.15.10.100.700000	Postage Postage	5,000	5,000
10.15.10.100.701000	Express Mail Delivery Express mail (includes IT shipments)	1,000	1,000
10.15.10.100.740000	Rentals and Leases Neopost postage machine rental	510	510
10.15.10.100.750000	Property Insurance Property insurance Equipment Floater	106,844 12,241	119,085
10.15.10.100.751000	General Liability General liability insurance	53,564	53,564
10.15.10.100.751500	Auto Liability Auto liability insurance	27,000	27,000
10.15.10.100.752000	Other Insurance and Bonds Public officials insurance Police professional liability insurance Inland marine Crime insurance Cyber liability Commercial line fees	26,696 23,645 - 763 9,896 16,000	77,000
10.15.10.100.752500	Worker's Compensation Insurance Workers' compensation insurance	121,958	121,958
10.15.10.100.630000	Printing & Binding Printing and Binding	200	200
10.15.10.100.646000	Community Events/Exhibits/Sponsorships United Way campaign	-	-
10.15.10.100.647000	Employee/Tenant Appreciation Employee events (holiday lunches, picnic, etc.) Employee flowers (funeral/hospital) Employee holiday gift cards (90 @100) Employee retirement	9,000 1,000 9,000 2,000	21,000
10.15.10.100.648000	Wellness Wellness Fit bit replacements	2,000 2,500	4,500
10.15.10.100.650000	Legal Notices & Placements Employment advertising/legal notices	2,000	2,000

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

ASHEVILLE REGIONAL AIRPORT

Administrative

BASIC OPERATING BUDGET

FY 2023-2024

Department #	15		

New World Account Numbers	Description	Item Amount	Summary Amount
10.15.10.100.654000	Recruiting Expenses		2,100
	Recruiting events and expenses	-	
	Applicant travel	2,100	
10.15.10.100.667000	Office Supplies		8,000
	Office supplies	8,000	
10.15.10.100.661500	Operating Supplies		2,000
	Administrative supplies	2,000	
10.15.10.100.665500	Operating Furniture, Fixtures, Equipment and Software Greater than \$100 & up to \$5,000		-
	HR furniture & equipment	-	
10.15.10.100.670000	Dues & Memberships		1,840
	SHRM	245	
	WNCHR	295	
	WCI	1,300	
10.15.10.100.671000	Books, Publications, Compact Disks, Videos & Subscriptions		-
	HR Books/Publications	-	
TOTAL OPERATING EXPENSES			503,307
SECTION TOTAL			1,489,534

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
Administrative
Fiscal Year 2023/2024
Variance Analysis

Acct #	Description	FY 2024 Budget	FY2023 Budget				FY2023 Estimated Actual				FY2022 Actual			FY 2021 Actual
			FY 2023 Budget	Increase/Decrease		FY 2023 Actual 6 Months	FY 2023 Estimate	Increase/Decrease		FY 2022 Actual	Increase/Decrease			
				Amount	Percent			Amount	Percent		Amount	Percent		
500000	Salaries	158,950	168,565	(9,615)	-5.70%	76,575	153,150	5,800	3.79%	99,702	59,248	59.43%	139,463	
502000	Salary Adjustment Pool	671,546	0	671,546	100%	0	0	671,546	100%	0	671,546	100%	0	
503000	Longevity	0	0	0	100%	0	0	0	100%	0	0	100%	749	
504000	Unemployment Claims	8,000	14,000	(6,000)	-42.86%	2,194	14,000	(6,000)	-42.86%	4,246	3,754	88.41%	2,805	
506000	Holiday Pay	541	433	108	24.94%	433	433	0	0%	216	325	150.46%	433	
507000	Auto Allowance	4,800	2,400	2,400	100.00%	0	0	4,800	100%	1,200	3,600	300.00%	2,400	
507100	Rewards Program	4,000	4,000	0	0.00%	0	4,000	0	0.00%	0	4,000	100%	0	
507200	Gym Membership Reimbursements	0	14,000	(14,000)	-100.00%	100	14,000	(14,000)	-100.00%	555	(555)	-100.00%	1,040	
507300	Service Awards	2,575	1,625	950	58.46%	425	1,625	950	58.46%	1,280	1,295	101.17%	1,813	
507500	Candidate referral	2,000	2,000	0	0.00%	1,000	2,000	0	0.00%	500	1,500	300.00%	100	
521000	Retiree Health	64,128	43,931	20,197	45.97%	21,812	43,624	20,504	47.00%	35,145	28,983	82.47%	35,518	
510000	FICA Taxes	14,093	14,517	(424)	-2.92%	6,001	12,002	2,091	17.42%	8,194	5,899	71.99%	10,556	
511000	LGERS retirement	20,489	19,798	691	3.49%	9,296	18,592	1,897	10.20%	11,809	8,680	73.50%	14,221	
511200	401k	7,947	7,850	97	1.24%	3,829	7,658	289	3.77%	5,154	2,793	54.19%	6,931	
520000	Medical & ACA Reinsurance Fees	17,406	49,401	(31,995)	-64.77%	8,735	17,470	(64)	-0.37%	14,570	2,836	19.46%	30,283	
522000	Dental	712	2,652	(1,940)	-73.15%	360	720	(8)	-1.11%	595	117	19.66%	1,254	
523000	Vision Insurance	138	155	(17)	-10.97%	69	138	0	0.00%	81	57	70.37%	140	
524000	Life Insurance	678	759	(81)	-10.67%	282	564	114	20.21%	409	269	65.77%	739	
525000	Disability	1,592	1,485	107	7.21%	603	1,206	386	32.01%	808	784	97.03%	1,477	
530000	Tuition Reimbursement	5,000	3,500	1,500	42.86%	0	3,500	1,500	42.86%	0	5,000	100%	0	
531000	Cell Phone Allowance	1,632	1,632	0	0.00%	711	1,632	0	0.00%	1,161	471	40.57%	1,548	
	Total Benefits	69,687	101,749	(32,062)	-31.51%	29,886	63,482	6,205	9.77%	42,781	26,906	62.89%	67,149	
	Total Personnel Services	986,227	352,703	633,524	179.62%	132,425	296,314	689,913	232.83%	185,625	795,131	428.35%	251,470	
600000	Professional Services - General	27,750	1,750	26,000	1485.71%	16,036	16,300	11,450	70.25%	11,991	15,759	131.42%	220	
604000	Physicals and Drug Screens	6,000	6,000	0	0.00%	825	4,150	1,850	44.58%	1,697	4,303	253.57%	5,760	
605000	Fit for Duty Physicals	6,800	6,800	0	0.00%	1,805	6,800	0	0.00%	2,375	4,425	186.32%	0	
616000	Other Contractual Services	0	0	0	0%	0	0	0	0%	0	0	0%	0	
620000	Travel, Per Diem, Conference Registration	6,000	3,000	3,000	100.00%	0	3,000	3,000	100.00%	0	6,000	100%	452	
621000	Training & Education	10,000	1,000	9,000	900.00%	0	1,000	9,000	900.00%	0	10,000	100%	0	
700000	Postage	5,000	5,000	0	0.00%	2,724	5,000	0	0.00%	5,127	(127)	-2.48%	4,070	
701000	Express Mail Delivery	1,000	1,000	0	0.00%	218	1,000	0	0.00%	698	302	43.27%	292	
740000	Rentals and Leases	510	510	0	0.00%	176	510	0	0.00%	383	127	33.16%	438	
750000	Property and Casualty Insurance	119,085	90,000	29,085	32.32%	103,552	103,552	15,533	15.00%	93,307	25,778	27.63%	84,043	
751000	General Liability	53,564	45,000	8,564	19.03%	44,637	44,637	8,927	20.00%	37,411	16,153	43.18%	35,310	
751500	Auto Liability	27,000	27,000	0	0.00%	21,471	21,471	5,529	25.75%	23,818	3,182	13.36%	22,862	
752000	Other Insurance & Bonds	77,000	72,400	4,600	6.35%	64,666	64,666	12,334	19.07%	50,478	26,522	52.54%	186,239	
752500	Worker's Compensation Insurance	121,958	100,000	21,958	21.96%	96,346	96,346	25,612	26.58%	114,590	7,368	6.43%	63,982	
630000	Printing & Binding	200	200	0	0.00%	0	200	0	0.00%	514	(314)	-61.09%	0	
646000	Other Community Events/Exhibits/Sponsorship	0	500	(500)	-100.00%	0	500	(500)	-100.00%	726	(726)	-100.00%	228	
647000	Employee/Tenant Appreciation	21,000	11,125	9,875	88.76%	11,584	13,125	7,875	60.00%	7,795	13,205	169.40%	8,730	
648000	Wellness	4,500	3,500	1,000	28.57%	1,548	3,500	1,000	28.57%	4,124	376	9.12%	1,614	
650000	Legal Notices & Advertising	2,000	2,750	(750)	-27.27%	185	2,750	(750)	-27.27%	1,110	890	80.18%	97	
654000	Recruiting Expenses	2,100	2,100	0	0.00%	0	2,000	100	5.00%	824	1,276	154.85%	0	
667000	Office Supplies	8,000	7,000	1,000	14.29%	3,229	7,000	1,000	14.29%	6,465	1,535	23.74%	6,176	
661500	Operating Supplies	2,000	2,000	0	0.00%	0	2,000	0	0.00%	1,513	487	32.19%	1,203	
665500	Operating Furniture, Fixtures and Equipment	0	0	0	100%	0	0	0	100%	0	0	100%	0	
670000	Dues & Memberships	1,840	1,560	280	17.95%	229	1,560	280	17.95%	430	1,410	327.91%	1,554	
671000	Books & Publications	0	0	0	100%	0	0	0	100%	0	0	100%	0	
	Total Services & Mat'ls.	503,307	390,195	113,112	28.99%	369,231	401,067	102,240	25.49%	365,376	137,931	37.75%	423,270	
	Department Total	1,489,534	742,898	746,636	100.50%	501,656	697,381	792,153	113.59%	551,001	933,062	169.34%	674,740	

Comments:

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

ASHEVILLE REGIONAL AIRPORT

Executive

BASIC OPERATING BUDGET

FY 2023-2024

New World Account Numbers	Description	Item Amount	Summary Amount
PERSONNEL SERVICES			
10.30.10.100.500000	Salaries	607,014	607,014
10.30.10.100.503000	Longevity	18,702	18,702
10.30.10.100.506000	Holiday Pay	812	812
10.30.10.100.506500	Bonus	-	-
10.30.10.100.507000	Auto Allowance	19,800	19,800
	<u>Benefits:</u>		248,912
10.30.10.100.507400	Allocated Benefits	1,000	
10.30.10.100.510000	FICA Taxes	50,447	
10.30.10.100.511000	LGERS retirement	80,655	
10.30.10.100.511100	457 Retirement	12,216	
10.30.10.100.511200	401k	31,286	
10.30.10.100.520000	Medical	60,793	
10.30.10.100.522000	Dental	2,793	
10.30.10.100.523000	Vision	277	
10.30.10.100.524000	Life Insurance	1,770	
10.30.10.100.525000	Disability	4,411	
10.30.10.100.531000	Cell Phone Allowance	3,264	
			895,240
OPERATING EXPENSES			
10.30.10.100.600000	Professional Services - General		71,000
	Kilpatrick Townsend	30,000	
	Korn & Ferry	1,000	
	Various	40,000	
10.30.10.100.601000	Professional Services - Legal		75,000
	Paltra, Straus, Robinson & Moore	75,000	
10.30.10.100.620000	Travel, Per Diem, Conference Registration		105,300
	AAAE Annual Conf (2)	7,000	
	AAAE Aviation Issues Conf	10,000	
	AAAE National Airports Conf (NAC)	7,000	
	ACI - AAAE Spring Legislative Conf	1,800	
	ACI Annual Conf	6,000	
	ACI Business of Airports Conf	3,000	
	ACI Regional Assembly - World Board (2)	25,000	
	ACI Winter Board Meeting / CEO Forum	3,800	
	Allegiant Conf	4,000	
	Board Travel	15,000	
	Chamber InterCity Visit	2,200	
	FAA and Other Meetings (2)	3,000	

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**ASHEVILLE REGIONAL AIRPORT****Executive****BASIC OPERATING BUDGET****FY 2023-2024**

Department #	30			

New World Account Numbers	Description	Item Amount	Summary Amount
	Farnborough Air Show	8,000	
	NCAA Annual Conf/Legislative Reception (2)	2,000	
	SE Region Directors Retreat	1,000	
	ACI Small Airports/Jumpstart	2,500	
	SEC-AAAE Annual Conf (2)	4,000	
10.30.10.100.621000	Training & Education		1,500
	General Professional Development (2)	1,500	
10.30.10.100.630000	Printing & Binding		250
	General	250	
10.30.10.100.645000	Other Promotional Events/Sponsorships		12,500
	Chamber 5x5 Sponsorship	5,000	
	NCAA Conference	2,500	
	Chamber InterCity Visit	2,500	
	SEC-AAAE Annual Conference Sponsorship	2,500	
10.30.10.100.647000	Employee/Tenant Appreciation		3,000
	Tenant Lunch	3,000	
10.30.10.100.651000	Other Current Charges and Obligations		12,100
	Board/Business Reception	5,000	
	Business Meeting Expenses	2,500	
	Misc Board Expenses	4,600	
10.30.10.100.661500	Operating Supplies		650
	Misc Supplies	400	
	Veryfi Software	250	
10.30.10.100.662500	Promotional Items		1,500
	Special Promo Items	1,500	
10.30.10.100.665500	Operating Furniture, Fixtures, Equipment and Software Greater than \$100 & up to \$5,000		750
	Admin Equipment	750	
10.30.10.100.670000	Dues & Memberships		48,900
	AAAE Annual Membership (2)	550	
	ACI / AAAE Airport Membership	30,000	
	NCAA Annual Membership (2)	80	
	SEC-AAAE Annual Membership (2)	70	
	Swelbar Zhong Consultancy	3,000	
	HCPED	1,200	
	Keystone	13,800	
	WNC Pilots Association	200	
10.30.10.100.671000	Books, Publications, Compact Disks, Videos & Subscriptions		500
	General Subscriptions	500	
			332,950
			1,228,190

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

Executive

Fiscal Year 2023/2024

Variance Analysis

Acct #	Description	FY2023 Budget				FY2023 Estimated Actual				FY2022 Actual			FY2021
		FY 2024 Budget	FY 2023 Budget	Increase/Decrease		FY 2023 Actual 6 Months	FY 2023 Estimate	Increase/Decrease		FY 2022 Actual	Increase/Decrease		FY 2021 Actual
				Amount	Percent			Amount	Percent		Amount	Percent	
500000	Salaries	607,014	560,233	46,781	8.35%	280,007	560,014	47,000	8.39%	529,577	77,437	14.62%	524,461
503000	Longevity	18,702	15,548	3,154	20.29%	2,250	15,548	3,154	20.29%	15,730	2,972	18.89%	12,792
506000	Holiday Pay	812	650	162	24.92%	622	650	162	24.92%	622	190	30.55%	419
506500	Bonus	0	0	0	100%	0	0	0	100%	2,707	(2,707)	-100.00%	0
507000	Auto Allowance	19,800	12,600	7,200	57.14%	8,700	17,400	2,400	13.79%	15,000	4,800	32.00%	12,600
507400	Allocated Benefits	1,000	1,000	0	0.00%	0	0	1,000	100%	0	1,000	100%	0
510000	FICA Taxes	50,447	43,207	7,240	16.76%	10,157	20,314	30,133	148.34%	30,220	20,227	66.93%	27,810
511000	LGERS retirement	80,655	68,235	12,420	18.20%	34,266	68,532	12,123	17.69%	57,528	23,127	40.20%	45,653
511100	457 Retirement	12,216	9,526	2,690	28.24%	6,242	12,484	(268)	-2.15%	10,337	1,879	18.18%	8,472
511200	401k	31,286	27,056	4,230	15.63%	14,113	28,226	3,060	10.84%	25,142	6,144	24.44%	22,260
520000	Medical	60,793	65,419	(4,626)	-7.07%	28,945	57,890	2,903	5.01%	58,223	2,570	4.41%	52,528
522000	Dental	2,793	3,128	(335)	-10.71%	1,397	2,794	(1)	-0.04%	2,793	0	0.00%	2,728
523000	Vision Insurance	277	310	(33)	-10.65%	104	208	69	33.17%	207	70	33.82%	202
524000	Life Insurance	1,770	1,614	156	9.67%	814	1,628	142	8.72%	1,596	174	10.90%	1,759
525000	Disability	4,411	3,663	748	20.42%	2,179	4,358	53	1.22%	3,625	786	21.68%	4,162
531000	Cell Phone Allowance	3,264	3,264	0	0.00%	1,506	3,264	0	0.00%	2,949	315	10.68%	2,437
	Total Benefits	248,912	226,422	22,490	9.93%	99,723	199,698	49,214	24.64%	192,620	56,292	29.22%	168,011
	Total Personnel Services	895,240	815,453	79,787	9.78%	391,302	793,310	101,930	12.85%	756,256	138,669	18.34%	718,283
600000	Professional Services - General	71,000	111,000	(40,000)	-36.04%	500	86,000	(15,000)	-17.44%	88,374	(17,374)	-19.66%	137,271
601000	Professional Services - Legal	75,000	80,000	(5,000)	-6.25%	54,375	105,000	(30,000)	-28.57%	166,813	(91,813)	-55.04%	148,952
620000	Travel, Per Diem, Conference Registration	105,300	73,750	31,550	42.78%	38,353	95,420	9,880	10.35%	70,648	34,652	49.05%	20,730
621000	Training & Education	1,500	1,500	0	0.00%	695	1,500	0	0.00%	0	1,500	100%	0
702000	Online Services	0	0	0	100%	0	0	0	100%	751	(751)	-100.00%	1,037
630000	Printing & Binding	250	250	0	0.00%	0	250	0	0.00%	0	250	100%	0
645000	Promotional Events/Sponsorships	12,500	7,500	5,000	66.67%	5,000	11,875	625	5.26%	7,200	5,300	73.61%	2,000
647000	Employee/Tenant Appreciation	3,000	2,000	1,000	50.00%	0	2,500	500	20.00%	2,480	520	20.97%	0
651000	Other Current Charges & Obligations	12,100	8,500	3,600	42.35%	1,383	6,630	5,470	82.50%	3,554	8,546	240.46%	1,672
661500	Operating Supplies	650	350	300	85.71%	25	615	35	5.69%	314	336	107.01%	552
662500	Promotional Items	1,500	1,500	0	0.00%	1,108	1,500	0	0.00%	0	1,500	100%	0
665500	Operating Furniture, Fixtures and Equipment	750	750	0	0.00%	0	0	750	100%	752	(2)	-0.27%	151
670000	Dues & Memberships	48,900	48,400	500	1.03%	36,417	44,162	4,738	10.73%	35,278	13,622	38.61%	49,348
671000	Books & Publications	500	500	0	0.00%	1,659	1,659	(1,159)	-69.86%	501	(1)	-0.20%	501
	Total Services & Mat'ls.	332,950	336,000	(3,050)	-0.91%	139,515	357,111	(24,161)	-6.77%	376,665	(43,715)	-11.61%	362,214
	Department Total	1,228,190	1,151,453	76,737	6.66%	530,817	1,150,421	77,769	6.76%	1,132,921	94,954	8.38%	1,080,497

Comments:

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT**

Finance

BASIC OPERATING BUDGET

FY 2023-2024

Department #	40		

New World Account Numbers	Description	Item Amount	Summary Amount
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PERSONNEL SERVICES			
10.40.10.100.500000	Salaries	361,636	361,636
10.40.10.100.503000	Longevity	4,645	4,645
10.40.10.100.506000	Holiday Pay	1,083	1,083
10.40.10.100.507000	Auto Allowance	4,800	4,800
	<u>Benefits:</u>		169,128
10.40.10.100.510000	FICA Taxes	28,567	
10.40.10.100.511000	LGERS Retirement	47,214	
10.40.10.100.511200	401k	18,314	
10.40.10.100.520000	Medical	64,725	
10.40.10.100.522000	Dental	3,364	
10.40.10.100.523000	Vision	277	
10.40.10.100.524000	Life Insurance	1,431	
10.40.10.100.525000	Disability	3,604	
10.40.10.100.531000	Cell Phone Allowance	1,632	
			541,292

OPERATING EXPENSES			
10.40.10.100.600000	Professional Services - General		21,000
	Tyler Tech, GCR, Landrum Brown	6,000	
	Actuary Report-Retiree Health / LEO SSA	15,000	
10.40.10.100.607000	Auditing Services		41,600
	Annual Financial Audit	32,900	
	Audit - Major Programs	3,000	
	Bond Arbitrage Services	2,700	
	Pension Examination	3,000	
10.40.10.100.620000	Travel, Per Diem, Conference Registration		6,000
	ACI Conference	3,500	
	Civix or New World Conference	2,500	
10.40.10.100.621000	Training & Education		700
	CPE	700	
10.40.10.100.653000	Credit Card Fees & Bank Charges		84,500
	Credit Card Fees	3,500	
	Trustee Fees	15,000	
	Bank Charges	66,000	
10.40.10.100.661500	Operating Supplies		700
	Check stock, Envelopes, W-2 forms, etc	700	

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

ASHEVILLE REGIONAL AIRPORT

Finance

BASIC OPERATING BUDGET

FY 2023-2024

Department #	40		
New World Account Numbers	Description	Item Amount	Summary Amount
10.40.10.100.665500	Operating Furniture, Fixtures, Equipment and Software Greater than \$100 & up to \$5,000		500
	Finance Equipment	500	
10.40.10.100.670000	Dues & Memberships		755
	AICPA	295	
	NCACPA - 2	460	
10.40.10.100.671000	Books, Publications, Compact Disks, Videos & Subscriptions		-
	Professional Books & Subscriptions	-	
10.40.10.100.672000	Licenses & Certifications		120
	CPA Certificate Renewal - 2	120	
			155,875
			697,167

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
FINANCE
Fiscal Year 2023/2024
Variance Analysis

Acct #	Description	FY 2024 Budget	FY2023 Budget		FY2023 Estimated Actual				FY2022 Actual			FY 2021	
			FY 2023 Budget	Increase/Decrease		FY 2023 Actual 6 Months	FY 2023 Estimate	Increase/Decrease		FY 2022 Actual	Increase/Decrease		FY 2021 Actual
				Amount	Percent			Amount	Percent		Amount	Percent	
500000	Salaries	361,636	306,687	54,949	17.92%	144,420	288,840	72,796	25.20%	264,605	97,031	36.67%	241,070
503000	Longevity	4,645	4,389	256	5.83%	4,645	4,645	0	0.00%	3,872	773	19.96%	3,797
506000	Holiday Pay	1,083	650	433	66.62%	650	650	433	66.62%	650	433	66.69%	650
506500	Bonus		0	0	100%	0	0	0	100%	2,707	(2,707)	-100.00%	0
507000	Auto Allowance	4,800	2,400	2,400	100.00%	400	1,600	3,200	200.00%	0	4,800	100%	2,400
510000	FICA Taxes	28,567	22,537	6,030	26.76%	11,397	22,794	5,773	25.33%	19,079	9,488	49.73%	17,742
511000	LGERS retirement	47,214	36,607	10,607	28.98%	18,096	36,192	11,022	30.45%	28,860	18,354	63.60%	24,388
511200	401k	18,314	14,515	3,799	26.17%	7,453	14,906	3,408	22.86%	12,610	5,704	45.23%	11,900
520000	Medical	64,725	51,116	13,609	26.62%	19,786	39,572	25,153	63.56%	41,806	22,919	54.82%	48,252
522000	Dental	3,364	2,442	922	37.76%	1,085	2,170	1,194	55.02%	2,104	1,260	59.89%	2,297
523000	Vision Insurance	277	232	45	19.40%	103	206	71	34.47%	193	84	43.52%	192
524000	Life Insurance	1,431	1,138	293	25.75%	489	978	453	46.32%	995	436	43.82%	1,165
525000	Disability	3,604	2,244	1,360	60.61%	1,131	2,262	1,342	59.33%	1,968	1,636	83.13%	2,307
531000	Cell Phone Allowance	1,632	1,632	0	0.00%	690	1,632	0	0.00%	1,380	252	18.26%	1,401
	Total Benefits	169,128	132,463	36,665	27.68%	60,230	120,712	48,416	40.11%	108,995	60,133	55.17%	109,644
	Total Personal Services	541,292	446,589	94,703	21.21%	210,345	416,447	124,845	29.98%	380,829	160,463	44.88%	357,561
600000	Professional Services - General	21,000	15,000	6,000	40.00%	954	10,000	11,000	110.00%	13,790	7,210	52.28%	8,640
607000	Auditors	41,600	38,000	3,600	9.47%	17,950	35,000	6,600	18.86%	35,675	5,925	16.61%	34,500
620000	Travel, Per Diem, Conference Registration	6,000	5,000	1,000	20.00%	0	4,500	1,500	33.33%	5,387	613	11.38%	178
621000	Training & Education	700	700	0	0.00%	644	700	0	0.00%	413	287	69.49%	389
653000	Bank Charges & Credit Card Fees	84,500	64,700	19,800	30.60%	33,785	72,000	12,500	17.36%	69,452	15,048	21.67%	42,482
661500	Operating Supplies	700	700	0	0.00%	424	700	0	0.00%	314	386	122.93%	429
665500	Operating Furniture, Fixtures and Equipment	500	500	0	0.00%	0	500	0	0.00%	0	500	100%	0
670000	Dues & Memberships	755	755	0	0.00%	0	755	0	0.00%	577	178	30.85%	550
671000	Books & Publications	0	0	0	100%	0	0	0	100%	0	0	100%	0
672000	Licenses & Certifications	120	120	0	0.00%	0	120	0	0.00%	120	0	0.00%	120
	Total Services & Mat'ls.	155,875	125,475	30,400	24.23%	53,757	124,275	31,600	25.43%	125,728	30,147	34.54%	87,288
	Department Total	697,167	572,064	125,103	21.87%	264,102	540,722	156,445	28.93%	506,557	190,610	42.85%	444,849

Comments:

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT**

Finance

CAPITAL BUDGET / PERSONNEL REQUEST

FY 2023-2024

JUSTIFICATION SCHEDULE

<input type="checkbox"/>	Capital Improvement		
<input type="checkbox"/>	Equipment and Small Capital Outlay	Fund	GARAA
<input type="checkbox"/>	Renewal and Replacement	Department Number	40
<input checked="" type="checkbox"/>	Personnel Request	Cost Center	0

DESCRIPTION & JUSTIFICATION

Description	Amount
Procurement Specialist	\$ 100,582

Finance is requesting a position to assist and oversee the procurement process for the airport. This position will work closely with all departments by researching and finding best pricing. They will develop, solicit and review Requests for Proposals. The position will also be responsible for reviewing or preparing purchase contracts to ensure compliance with all applicable polices.

Salary: \$60,000
Benefits 40,582

Note: If this request relates to recently approved personnel, please complete the following:

TITLE: Procurement Specialist

HIRE DATE:

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT**

Guest Services

BASIC OPERATING BUDGET

FY 2023-2024

Department #	50		
New World Account Numbers	Description	Item Amount	Summary Amount
PERSONNEL SERVICES			
10.50.10.100.500000	Salaries	216,138	216,138
10.50.10.100.503000	Longevity	3,690	3,690
10.50.10.100.505000	Overtime	2,400	2,400
10.50.10.100.506000	Holiday Pay	1,895	1,895
10.50.10.100.506500	Bonus	-	-
10.50.10.100.507000	Auto Allowance	3,000	3,000
	<u>Benefits:</u>		
10.50.10.100.510000	FICA Taxes	17,385	53,462
10.50.10.100.511000	LGERS retirement	17,184	
10.50.10.100.511200	401k	6,665	
10.50.10.100.520000	Medical	8,703	
10.50.10.100.522000	Dental	712	
10.50.10.100.523000	Vision	138	
10.50.10.100.524000	Life Insurance	549	
10.50.10.100.525000	Disability	1,151	
10.50.10.100.531000	Cell Phone Allowance	975	
			280,585
OPERATING EXPENSES			
10.50.10.100.620000	Travel, Per Diem, Conference Registration		2,250
	AAAE Customer Service Symposium	2,250	
10.50.10.100.621000	Training & Education		1,000
	Ambassador (airport volunteers) training & materials	500	
	PAWS training & materials	500	
10.50.10.100.630000	Printing & Binding		2,000
	Ground Transportation Cards	1,500	
	Paws for Passengers Trading Cards	500	
10.50.10.100.647000	Employee/Tenant Appreciation		7,200
	Tenant customer service incentives	2,700	
	Volunteer appreciation - annual banquet, snacks	4,500	
10.50.10.100.652000	In Terminal Advertising		1,225
	Business development / meetings	225	
	Cleaning / R&M	500	
	Supplies	500	
10.50.10.100.665500	Operating Furniture, Fixtures, Equipment and Software		350
	Greater than \$100 & up to \$5,000		
	Misc equipment	350	

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT**

Guest Services

BASIC OPERATING BUDGET

FY 2023-2024

Department #	50			
New World Account Numbers	Description	Item Amount	Summary Amount	
10.50.10.100.666500	Uniforms		3,000	
	Apparel for Guest Services staff / volunteers	1,500		
	Pet therapy program supplies / uniforms	1,500		
10.50.10.100.670000	Dues & Memberships		310	
	AAAE	275		
	AAAE - SE Chapter	35		
			17,335	
			297,920	

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
GUEST SERVICES
Fiscal Year 2023/2024
Variance Analysis

Acct #	Description	FY2023 Budget				FY2023 Estimated Actual				FY2022 Actual			FY 2021
		FY 2024 Budget	FY 2023 Budget	Increase/Decrease		FY 2023 Actual 6 Months	FY 2023 Estimate	Increase/Decrease		FY 2022 Actual	Increase/Decrease		FY 2021 Actual
				Amount	Percent			Amount	Percent		Amount	Percent	
500000	Salaries	216,138	219,385	(3,247)	-1.48%	104,804	209,608	6,530	3.12%	163,016	53,122	32.59%	142,343
500016	Longevity	3,690	3,310	380	11.48%	2,193	3,310	380	11.48%	2,710	980	36.16%	2,670
500020	Overtime	2,400	2,400	0	0.00%	2,432	2,432	(32)	-1.32%	3,282	(882)	-26.87%	2,824
500023	Holiday Pay	1,895	1,516	379	25.00%	1,516	1,516	379	25.00%	1,516	379	25.00%	1,516
506500	Bonus	0	0	0	100%	0	0	0	100%	10,828	(10,828)	-100.00%	0
507000	Auto Allowance	3,000	3,000	0	0.00%	1,500	3,000	0	0.00%	3,000	0	0.00%	3,000
500050	FICA Taxes	17,385	16,486	899	5.45%	8,633	17,266	119	0.69%	13,907	3,478	25.01%	11,599
500070	LGERS retirement	17,184	15,904	1,280	8.05%	8,749	17,498	(314)	-1.79%	12,647	4,537	35.87%	9,898
500080	401k	6,665	6,306	359	5.69%	3,603	7,206	(541)	-7.51%	5,527	1,138	20.59%	4,826
500160	Medical	8,703	9,354	(651)	-6.96%	4,144	8,288	415	5.01%	8,288	415	5.01%	16,021
500260	Dental	712	797	(85)	-10.66%	178	356	356	100.00%	355	357	100.56%	735
500265	Vision Insurance	138	155	(17)	-10.97%	35	70	68	97.14%	69	69	100.00%	109
500360	Life Insurance	549	521	28	5.37%	226	452	97	21.46%	471	78	16.56%	497
500460	Disability	1,151	825	326	39.52%	438	876	275	31.39%	731	420	57.46%	787
500500	Cell Phone Allowance	975	975	0	0.00%	450	975	0	0.00%	900	75	8.33%	900
	Total Benefits	53,462	51,323	2,139	4.17%	26,456	52,987	475	0.90%	42,895	10,567	24.63%	45,372
	Total Personnel Services	280,585	280,934	(349)	-0.12%	138,901	272,853	7,732	2.83%	227,247	53,263	23.44%	197,725
608000	Temporary help	0	0	0	100%	0	0	0	100%	139	(139)	-100.00%	0
650000	Travel, Per Diem, Conference Registration	2,250	2,250	0	0.00%	0	2,250	0	0.00%	2,068	182	8.80%	0
651000	Training & Education	1,000	1,000	0	0.00%	606	1,000	0	0.00%	0	1,000	100%	0
730000	Printing & Binding	2,000	2,000	0	0.00%	773	2,000	0	0.00%	1,029	971	94.36%	0
740115	Employee/Tenant Appreciation	7,200	7,200	0	0.00%	1,252	7,200	0	0.00%	1,153	6,047	524.46%	366
750200	In Terminal Advertising	1,225	1,225	0	0.00%	1,744	1,744	(519)	-29.76%	1,490	(265)	-17.79%	574
771000	Operating Furniture, Fixtures and Equipment	350	350	0	0.00%	0	350	0	0.00%	27	323	1196.30%	0
771500	Uniforms	3,000	3,000	0	0.00%	842	3,000	0	0.00%	824	2,176	264.08%	383
780100	Dues & Memberships	310	310	0	0.00%	0	310	0	0.00%	310	0	0.00%	310
	Total Services & Mat'ls.	17,335	17,335	0	0.00%	5,217	17,854	(519)	-2.91%	7,040	10,434	148.21%	1,633
	Department Total	297,920	298,269	(349)	-0.12%	144,118	290,707	7,213	2.48%	234,287	63,697	27.19%	199,358

Comments

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT
Information Technology
BASIC OPERATING BUDGET
FY 2023-2024

Department # 60

New World Account Numbers	Description	Item Amount	Summary Amount
PERSONNEL SERVICES			
10.60.10.100.500000	Salaries	633,257	633,257
10.60.10.100.503000	Longevity	4,631	4,631
10.60.10.100.506000	Holiday Pay	2,166	2,166
10.60.10.100.506500	Bonus	-	-
10.60.10.100.507000	Auto Allowance	4,800	4,800
	Benefits:		312,807
10.60.10.100.510000	FICA Taxes	49,365	
10.60.10.100.511000	LGERS retirement	82,224	
10.60.10.100.511200	401k	31,894	
10.60.10.100.520000	Medical	122,442	
10.60.10.100.522000	Dental	8,100	
10.60.10.100.523000	Vision	553	
10.60.10.100.524000	Life Insurance	2,550	
10.60.10.100.525000	Disability	5,909	
10.60.10.100.531000	Cell Phone Allowance	9,770	
			957,661
OPERATING EXPENSES			
10.60.10.100.600000	Professional Services - General		25,000
	Professional Services - Application Support and Consulting	15,000	
	Low Voltage Cabling	10,000	
10.60.10.100.606000	Website Maintenance		6,550
	Website Maintenance / Support	1,500	
	Website Hosting	2,000	
	Network Solutions - Domain Name / SSL Renewals	2,000	
	Code Guard Website Backups	1,050	
10.60.10.100.616000	Other Contractual Services		249,450
	AAAE - Digicast Training Subscription	4,700	
	AAAE - IET Annual Support	4,800	
	Adobe Acrobat Standard Subscriptions	5,500	
	Adobe Creative Cloud Subscription	2,000	
	APC - Battery Backup Service Agreement	2,500	
	AutoCad - Annual Subscription (Planning, Dev, IT, Ops)	1,300	
	Artic Wolf Network Monitoring	26,000	
	Axon - Body/In Car Cameras SLA	-	
	Barracuda - Network Backup Appliance Maintenance Agreement	-	
	BlueBeam Annual Subscription	770	
	BOSS Helpdesk Software	3,200	
	Cisco - SmartNet Support Agreement (Network/VoIP)	17,000	
	Cisco WebEx Subscriptions	4,900	
	Eaton - Battery Backup Service Agreement	3,300	
	GCR-Airport IQ - Annual Service Agreement	35,900	
	Harris Integrated Solutions - HVAC SLA	1,200	
	Infortel / ISI - Call Accounting Service Agreement	4,400	
	Internet Fax Service (1 line)	110	
	Keystone - Key Mgmt SLA	-	
	Carolina Recording - Voice Recorder SLA	3,600	
	Microsoft Defender for Office 365 (100 users)	2,600	
	Microsoft Office 365 Subscriptions (100 Users)	29,500	
	Microsoft Azure PII Licenses (100 Users)	11,700	

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT
Information Technology
BASIC OPERATING BUDGET
FY 2023-2024

Department # 60

New World Account Numbers	Description	Item Amount	Summary Amount	
	Microsoft Defender for EndPoint	11,300		
	Nutanix- Backup Virtual Server Appliance Support Agreement (Primary)	-		
	Nutanix- Backup Virtual Server Appliance Support Agreement (Backup)	14,800		
	PaloAlto Firewall Annual Support / License Subscriptions	11,250		
	Polycom / MS Teams - RealConnect Service	1,050		
	Polycom Conference Unit Support Contract	470		
	Remote Access Software - LogMeIn - PCI Network	900		
	Remote Access Software - ScreenConnect	800		
	Smartsheets - SLA Management Software Agreement	600		
	Solarwinds - Network Syslog / CatTools / NMS	6,400		
	Spatco - GasBoy Service Agreement	2,400		
	Tyler Technologies - ERP Service Agreement	22,000		
	VMWare - Annual Support Agreement	12,500		
10.60.15.100.616000	Other Contractual Services-Terminal			264,280
	Amadeus - EASE Master Service Agreement	65,000		
	Atmosphere TV Annual Subscription	500		
	ComNet - FIDS Annual Service Agreement	16,000		
	Honeywell - Access Control Maintenance Agreement	46,300		
	IED Public Address System - Annual Support Agreement	16,000		
	MSS - Security System Support / Maintenance	37,000		
	Milestone - Security Video Management Agreement	-		
	OAG - FIDS, PASSUR Data Feed and Flight Maps	13,600		
	Pandora - Terminal Music	380		
	PASSUR - Gate Management Software Agreement	64,000		
	Vaisala - Runway Scan System Software Agreement	5,500		
10.60.10.100.620000	Travel, Per Diem, Conference Registration		8,000	
	ACI - Business Information Technology Conference	3,000		
	GSX / ASIS	3,000		
	NCAA - North Carolina Airport Association Conference	1,000		
	Airport Collaboration / Visit	1,000		
10.60.10.100.621000	Training & Education		5,000	
	IT Training / Certifications	5,000		
10.60.10.100.651000	Other Current Charges and Obligations		500	
	Business Meeting Expenses	500		
10.60.10.100.702000	Telecommunications		51,700	
	AT&T - Analog Lines	1,500		
	AT&T - AVL Mobile Data Plans	5,800		
	AT&T Long Distance	2,100		
	AT&T - VoIP Telephone Circuits	17,000		
	Charter - Backup Internet Circuit (100Mb)	1,600		
	Charter - Cable TV	3,700		
	Fire Panel Monitoring (Maintenance, RAC)	1,000		
	Cisco - 8841 IP Phones (Qty:15)	3,000		
	Cisco ATA191 (Qty: 20)	2,500		
	ERC Broadband - Primary Internet Circuit (1000MB)	13,500		
10.60.10.100.740000	Rentals and Leases			20,000
	Sharp - Office Copiers / Printers	20,000		
10.60.10.100.760000	General Repairs and Maintenance		7,000	
	Audio / Visual Equipment Repairs	5,000		
	Radio / Telex Repairs	2,000		
10.60.15.100.760000	General Repairs and Maintenance - Terminal		25,000	
	EASE Repairs and Maintenance	3,000		
	FIDS Repairs & Maintenance	2,000		

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT
Information Technology
BASIC OPERATING BUDGET
FY 2023-2024

Department #	60			

New World Account Numbers	Description	Item Amount	Summary Amount
	Door Repairs	5,000	
	Public Address Repairs	5,000	
	Security System Repairs, Maintenance and Inventory	10,000	
10.60.10.100.661500	Operating Supplies		40,300
	Apparel - Staff	400	
	APC 15kVa Battery Replacement	10,000	
	CyberPower IDF Battery Replacements	5,000	
	Operating Supplies	14,000	
	Plotter Ink Cartridges and Print Heads	2,400	
	Small Tools, Equipment, Inventory	7,000	
	UPS Battery Backup Units (Client Computers)	1,500	
10.60.15.100.661500	Operating Supplies-Terminal		45,000
	EASE Stock - Boarding Passes, Bag Tags, Toner, Paper	45,000	
10.60.10.100.665500	Operating Furniture, Fixtures, Equipment and Software		75,200
	Greater than \$100 & up to \$5,000		
	Dell Toughbooks (2)	10,000	
	Employee Desktops (18)	27,000	
	Employee Laptops (10)	27,000	
	Microsoft SQL 2022 (2)	10,000	
	Office Furniture	1,200	
10.60.15.100.665500	Operating Furniture, Fixtures, Equipment and Software - Terminal		5,000
	Greater than \$100 & up to \$5,000		
	EASE - Repairs and Maintenance	-	
	FIDS/Digital Marketing System Computers	5,000	
10.60.10.100.670000	Dues & Memberships		925
	NCAA	50	
	CBT Nuggets	875	
10.60.10.100.671000	Books, Publications, & Subscriptions		110
	Books & Subscriptions	110	
			829,015
			1,786,676

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
Information Technology
Fiscal Year 2023/2024
Variance Analysis

Acct #	Description	FY 2024 Budget	FY2023 Budget				FY2023 Estimated Actual				FY2022 Actual			FY 2021
			FY 2023 Budget	Increase/Decrease		FY 2023 Actual 6 Months	FY 2023 Estimate	Increase/Decrease		FY 2022 Actual	Increase/Decrease		FY 2021 Actual	
				Amount	Percent			Amount	Percent		Amount	Percent		
500000	Salaries	633,257	556,882	76,375	13.71%	199,168	398,336	234,921	58.98%	343,686	289,571	84.25%	318,512	
503000	Longevity	4,631	2,685	1,946	72.48%	2,833	2,833	1,798	63.47%	4,858	(227)	-4.67%	3,669	
505000	Overtime		0			113	113							
506000	Holiday Pay	2,166	1,516	650	42.88%	1,300	1,300	866	66.62%	1,083	1,083	100.00%	1,083	
506500	Bonus	0	0	0	100%	0	0	0	100%	10,828	(10,828)	-100.00%	0	
507000	Auto Allowance	4,800	2,400	2,400	100.00%	1,200	2,400	2,400	100.00%	2,400	2,400	100.00%	2,400	
510000	FICA Taxes	49,365	40,888	8,477	20.73%	15,391	30,782	18,583	60.37%	26,352	23,013	87.33%	24,592	
511000	LGERS retirement	82,224	66,850	15,374	23.00%	24,537	49,074	33,150	67.55%	38,790	43,434	111.97%	33,593	
511200	401k	31,894	26,507	5,387	20.32%	10,105	20,210	11,684	57.81%	16,956	14,938	88.10%	16,373	
520000	Medical	122,442	140,748	(18,306)	-13.01%	25,422	50,844	71,598	140.82%	55,723	66,719	119.73%	50,680	
522000	Dental	8,100	7,746	354	4.57%	1,369	2,738	5,362	195.84%	3,091	5,009	162.05%	3,142	
523000	Vision Insurance	553	542	11	2.03%	166	332	221	66.57%	316	237	75.00%	318	
524000	Life Insurance	2,550	2,320	230	9.91%	717	1,434	1,116	77.82%	1,364	1,186	86.95%	1,699	
525000	Disability	5,909	4,248	1,661	39.10%	1,585	3,170	2,739	86.40%	2,505	3,404	135.89%	3,124	
531000	Cell Phone Allowance	9,770	6,189	3,581	57.86%	2,805	6,189	3,581	57.86%	5,481	4,289	78.25%	5,744	
	Total Benefits	312,807	296,038	16,769	5.66%	82,097	164,773	148,034	89.84%	152,978	159,829	104.48%	141,665	
	Total Personnel Services	957,661	859,521	94,559	11.00%	286,711	569,755	384,438	67.47%	513,433	439,939	85.69%	464,929	
600000	Professional Services - General	25,000	21,000	4,000	19.05%	5,129	21,000	4,000	19.05%	15,515	9,485	61.13%	7,070	
606000	Website Maintenance	6,550	6,550	0	0.00%	990	6,550	0	0.00%	1,455	5,095	350.17%	981	
616000	Other Contractual Services	513,730	461,120	52,610	11.41%	245,097	461,120	52,610	11.41%	299,889	213,841	71.31%	328,340	
620000	Travel, Per Diem, Conference Registration	8,000	7,500	500	6.67%	2,113	7,000	1,000	14.29%	4,234	3,766	88.95%	3,704	
621000	Training & Education	5,000	5,000	0	0.00%	203	4,000	1,000	25.00%	0	5,000	100%	439	
651000	Other Current Charges and Obligations	500	0	500	100%	0	0	500	100%	0	500	100%	0	
702000	Telecommunications	51,700	52,200	(500)	-0.96%	14,845	52,200	(500)	-0.96%	33,111	18,589	56.14%	51,027	
740000	Rentals and Leases	20,000	18,200	1,800	9.89%	10,611	18,200	1,800	9.89%	20,489	(489)	-2.39%	15,327	
760000	General Repairs and Maintenance	32,000	27,000	58,300	215.93%	9,140	27,000	58,300	215.93%	42,340	42,960	101.46%	12,169	
661500	Operating Supplies	85,300	48,300	31,900	66.05%	6,638	40,000	40,200	100.50%	18,812	61,388	326.32%	24,305	
665500	Operating Furniture, Fixtures and Equipment	80,200	85,000	(4,800)	-5.65%	28,244	70,000	10,200	14.57%	49,116	31,084	63.29%	21,885	
670000	Dues & Memberships	925	925	0	0.00%	40	500	425	85.00%	593	332	55.99%	799	
671000	Books & Publications	110	110	0	0.00%	0	90	20	22.22%	126	(16)	-12.70%	160	
	Total Services & Mat'ls.	829,015	732,905	144,310	19.69%	323,050	707,660	169,555	23.96%	485,680	391,535	80.62%	466,206	
	Department Total	1,786,676	1,592,426	238,869	15.00%	609,761	1,277,415	553,993	43.37%	999,113	831,474	83.22%	931,135	

Comments:

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT

Information Technology

CAPITAL BUDGET / PERSONNEL REQUEST

FY 2023-2024

JUSTIFICATION SCHEDULE

<input type="checkbox"/>	Capital Improvement		
<input type="checkbox"/>	Equipment and Small Capital Outlay	Fund	GARAA
<input type="checkbox"/>	Renewal and Replacement	Department Number	60
<input checked="" type="checkbox"/>	Personnel Request		

DESCRIPTION & JUSTIFICATION

Description **Amount**

IT Systems Engineer/Manager \$144,521

The Airport has experienced significant growth in recent years. As a result, there is a need for mid-level management within the Information Technology Department to supervise daily operations and coordinate future projects/initiatives. The recommended salary for this position is \$95,000 / Pay Grade 24.

Salary \$95,000
Benefits \$49,521

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT
Marketing & Public Relations
BASIC OPERATING BUDGET
FY 2023-2024

Department #	70			
New World Account Numbers	Description	Item Amount	Summary Amount	
PERSONNEL SERVICES				
10.70.10.100.500000	Salaries	250,711	250,711	
10.70.10.100.503000	Longevity	5,867	5,867	
	Overtime	-	-	
10.70.10.100.506000	Holiday Pay	812	812	
10.70.10.100.506500	Bonus	-	-	
10.70.10.100.507000	Auto Allowance	6,000	6,000	
	<u>Benefits:</u>		121,972	
10.70.10.100.510000	FICA Taxes	20,166		
10.70.10.100.511000	LGERS retirement	33,073		
10.70.10.100.511200	401k	12,829		
10.70.10.100.520000	Medical	46,539		
10.70.10.100.522000	Dental	3,008		
10.70.10.100.523000	Vision	207		
10.70.10.100.524000	Life Insurance	1,050		
10.70.10.100.525000	Disability	2,493		
10.70.10.100.531000	Cell Phone Allowance	2,607		
				385,362
OPERATING EXPENSES				
10.70.10.100.600000	Professional Services - General			74,000
	Crisis Comms Firm - Retainer	24,000		
	Air service development consulting - Ailevon	50,000		
10.70.10.100.602000	Artwork and Creative Production			40,000
	Creative production (video & graphics support)	10,000		
	Drone photography - terminal project	6,000		
	Website development, maintenance	24,000		
10.70.10.100.603000	Surveys, Reports & Data			3,000
	Customer satisfaction surveys	3,000		
10.70.10.100.620000	Travel, Per Diem, Conference Registration			27,700
	AAAE Annual Conf June - 2024	3,200		
	ACI Jumpstart - June 2024	3,200		
	ACI MarComCX conference (2)	7,000		
	Airline meeting travel expenses	1,800		
	Allegiant Air annual meeting - Spring 2024	2,000		
	MarcommCX steering meeting - A Ingle (meeting only)	1,000		
	Roundtable and one other air service meeting	5,000		
	Routes Americas Air Service Conference - Feb 2024	4,500		

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**ASHEVILLE REGIONAL AIRPORT****Marketing & Public Relations****BASIC OPERATING BUDGET****FY 2023-2024**

New World Account Numbers	Description	Item Amount	Summary Amount
Department #	70		
10.70.10.100.621000	Training & Education		750
	Social media on-line training - H Pfeffer	750	
10.70.10.100.760000	General Repairs and Maintenance		1,200
	Piano tuning - 12x year	1,200	
10.70.10.100.630000	Printing & Binding		4,000
	In-terminal displays & PR materials - general	1,500	
	Miscellaneous projects - annual report, brochures, etc.	2,500	
10.70.10.100.640000	Radio		18,000
	Misc. radio - BRPR, Speaking of Travel	18,000	
10.70.10.100.641000	Billboards		22,000
	Billboard leases (outdoor, cinema screen, etc.)	22,000	
10.70.10.100.642000	Print		6,000
	Asheville Visitor Guide	2,800	
	Henderson County Visitor Guide	3,200	
10.70.10.100.644000	Web Advertising		139,950
	Business to business marketing via email/web/Constant Contact	24,000	
	Co Schedule monthly social media scheduling tool	950	
	Social media advertising	15,000	
	Web ads - geo/travel targeted - Sojern or other	100,000	
10.70.10.100.649000	Air Service Development		12,300
	Expedition Asheville event summer 2023	10,000	
	Fam tour costs - for network planner visits to AVL	2,000	
	Misc - thank you gifts, presentations, etc	300	
10.70.10.100.645000	Other Promotional Events/Sponsorships		1,500
	Restock sponsorship gifts - used for sponsor trades	1,500	
10.70.10.100.646000	Community Events/Exhibits/Sponsorships		32,400
	Asheville Chamber sponsorship & membership	12,000	
	Blue Ridge Honor Flight	1,200	
	Customer appreciation events	7,000	
	Henderson Chamber sponsorship	6,200	
	Inaugurals	3,000	
	Wings for Autism	3,000	
10.70.10.100.646100	Runway 5K Expenses		52,000
	Runway 5K (revenue offsets 100%)	52,000	
10.70.10.100.647000	Employee/Tenant Appreciation		4,500
	Internal employee & tenant PR - mini events/prizes	1,000	
	Tenant lunch	2,000	
	Volunteer appreciation	1,500	
10.70.10.100.662000	Art Program Supplies		1,000
	Supplies, promotional materials	1,000	

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

ASHEVILLE REGIONAL AIRPORT

Marketing & Public Relations

BASIC OPERATING BUDGET

FY 2023-2024

Department #	70			
New World Account Numbers	Description	Item Amount	Summary Amount	
10.70.10.100.662500	Promotional Items		16,500	
	Apparel - PR staff special events	500		
	Apparel - promo and staff	2,500		
	Birthday box promo	2,000		
	Company store items - at least 100% offset via sales	4,000		
	Employee appreciation promo	1,500		
	General promo - large items (special purposes)	2,000		
	General promo - small items	1,500		
	PAX appreciation events - promo	2,500		
10.70.10.100.663000	Holiday Decorations		1,000	
	New décor/replacement lights, supplies	1,000		
10.70.10.100.665500	Operating Furniture, Fixtures, Equipment and Software Greater than \$100 & up to \$5,000		1,200	
	New department iphone (used for social/camera/video)	1,200		
	Mobile LCDs	-		
10.70.10.100.670000	Dues & Memberships		4,125	
	AAAE Annual Conf June - 2024	275		
	Haywood Chamber	580		
	Hendersonville Chamber	850		
	Jackson Chamber	210		
	Madison Chamber	300		
	McDowell Chamber	205		
	Mitchell County Chamber	350		
	NCAA	45		
	Polk Chamber	360		
	Rutherford Chamber	250		
	SEC AAAE	35		
	Transylvania/Brevard Chamber	385		
	Yancey Chamber	280		
10.70.10.100.671000	Books, Publications, Compact Disks, Videos & Subscriptions		6,760	
	ASCAP music license (for all music in airport)	1,260		
	BMI Music License (for all music in airport)	1,260		
	Citizen-Times online subscription	60		
	Shutterstock - enhanced license images	2,000		
	Shutterstock - monthly image packs	1,680		
	Stock music & on-line voice overs	500		
			469,885	
			855,247	

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
Marketing & Public Relations
Fiscal Year 2023/2024
Variance Analysis

Acct #	Description	FY2023 Budget				FY2023 Estimated Actual				FY2022 Actual			FY 2021
		FY 2023 Budget	Increase/Decrease		FY 2023 Actual 6 Months	FY 2023 Estimate	Increase/Decrease		FY 2022 Actual	Increase/Decrease		FY 2021 Actual	
			Amount	Percent			Amount	Percent		Amount	Percent		
500000	Salaries	250,711	255,444	(4,733)	-1.85%	119,515	239,030	11,681	4.89%	186,066	64,645	34.74%	165,939
503000	Longevity	5,867	4,982	885	17.76%	5,266	5,266	601	11.41%	4,617	1,250	27.07%	4,546
505000	Overtime	0	0	0	100%	0	0	0	100%	0	0	100%	0
506000	Holiday Pay	812	650	162	24.92%	650	650	162	24.92%	433	379	87.53%	433
506500	Bonus	0	0	0	100%	0	0	0	100%	2,707	(2,707)	-100.00%	0
507000	Auto Allowance	6,000	3,600	2,400	66.67%	1,800	3,600	2,400	66.67%	3,000	3,000	100.00%	3,600
510000	FICA Taxes	20,166	18,934	1,232	6.51%	9,536	19,072	1,094	5.74%	14,236	5,930	41.65%	13,257
511000	LGERS retirement	33,073	30,647	2,426	7.92%	15,148	30,296	2,777	9.17%	21,173	11,900	56.20%	17,675
511200	401k	12,829	12,152	677	5.57%	6,239	12,478	351	2.81%	9,248	3,581	38.72%	8,618
520000	Medical	46,539	58,754	(12,215)	-20.79%	21,150	42,300	4,239	10.02%	30,263	16,276	53.78%	19,928
522000	Dental	3,008	3,370	(362)	-11.74%	1,085	2,170	838	38.62%	1,830	1,178	64.37%	1,481
523000	Vision Insurance	207	233	(26)	-11.16%	103	206	1	0.49%	139	68	48.92%	133
524000	Life Insurance	1,050	1,096	(46)	-4.20%	433	866	184	21.25%	714	336	47.06%	833
525000	Disability	2,493	2,119	374	17.65%	944	1,888	605	32.04%	1,426	1,067	74.82%	1,664
531000	Cell Phone Allowance	2,607	2,607	0	0.00%	1,140	2,607	0	0.00%	2,355	252	10.70%	2,355
	Total Benefits	121,972	129,912	(7,940)	-6.11%	55,778	111,883	10,089	9.02%	81,384	40,588	49.87%	65,944
	Total Personnel Services	385,362	394,588	(9,226)	-2.34%	183,009	360,429	24,933	6.92%	278,207	106,903	38.43%	240,462
600000	Professional Services - General	74,000	48,000	26,000	54.17%	25,049	48,000	26,000	54.17%	44,776	29,224	65.27%	48,500
602000	Artwork and Creative Production	40,000	35,800	4,200	11.73%	1,968	30,000	10,000	33.33%	16,390	23,610	144.05%	9,551
603000	Surveys, Reports & Data	3,000	24,500	(21,500)	-87.76%	0	24,500	(21,500)	-87.76%	142	2,858	2012.68%	0
620000	Travel, Per Diem, Conference Registration	27,700	26,700	1,000	3.75%	3,219	25,000	2,700	10.80%	20,856	6,844	32.82%	4,397
621000	Training & Education	750	400	350	87.50%	0	400	350	87.50%	149	601	403.36%	0
702000	Telecommunications	0	0	0	100%	925	925	(925)	-100.00%	41	(41)	-100.00%	957
760000	General Repairs and Maintenance	1,200	1,200	0	0.00%	1,020	1,200	0	0.00%	646	554	85.76%	0
630000	Printing & Binding	4,000	5,000	(1,000)	-20.00%	2,387	5,000	(1,000)	-20.00%	3,820	180	4.71%	3,541
640000	Radio	18,000	18,000	0	0.00%	6,000	18,000	0	0.00%	6,000	12,000	200.00%	12,858
641000	Billboards	22,000	24,000	(2,000)	-8.33%	0	12,000	10,000	83.33%	0	22,000	100%	0
642000	Print	6,000	6,100	(100)	-1.64%	0	6,100	(100)	-1.64%	5,887	113	1.92%	2,625
644000	Web Advertising	139,950	137,550	2,400	1.74%	15,626	137,550	2,400	1.74%	103,353	36,597	35.41%	14,023
649000	Air Service Development	12,300	12,300	0	0.00%	4,382	12,000	300	2.50%	12,326	(26)	-0.21%	4,845
645000	Promotional Events/Sponsorships	1,500	1,500	0	0.00%	0	1,500	0	0.00%	0	1,500	100%	5,040
646000	Other Community Events/Exhibits/Sponsorships	32,400	92,700	(60,300)	-65.05%	8,454	92,700	(60,300)	-65.05%	57,939	(25,539)	-44.08%	17,569
646100	Runway 5K Expenses	52,000	0	52,000	100%	46,927	46,927	5,073	10.81%				
647000	Employee/Tenant Appreciation	4,500	4,500	0	0.00%	3,224	4,500	0	0.00%	2,498	2,002	80.14%	0
662000	Art Program	1,000	1,000	0	0.00%	627	1,000	0	0.00%	1,521	(521)	-34.25%	90
662500	Promotional Items	16,500	16,500	0	0.00%	2,508	13,500	3,000	22.22%	18,066	(1,566)	-8.67%	7,536
663000	Holiday Decorations	1,000	1,000	0	0.00%	986	1,000	0	0.00%	150	850	566.67%	302
665500	Operating Furniture, Fixtures and Equipment	1,200	3,500	(2,300)	-65.71%	2,307	3,000	(1,800)	-60.00%	0	1,200	100%	146
670000	Dues & Memberships	4,125	4,125	0	0.00%	219	4,125	0	0.00%	4,214	(89)	-2.11%	4,315
671000	Books & Publications	6,760	6,760	0	0.00%	789	6,760	0	0.00%	2,952	3,808	129.00%	2,874
	Total Services & Mat'ls.	469,885	471,135	(1,250)	-0.27%	126,617	495,687	(25,802)	-5.21%	301,726	116,159	38.50%	139,169
	Department Total	855,247	865,723	(10,476)	-1.21%	309,626	856,116	(869)	-0.10%	579,933	223,062	38.46%	379,631

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

ASHEVILLE REGIONAL AIRPORT

Operations

BASIC OPERATING BUDGET

FY 2023-2024

Department #	80		
New World Account Numbers	Description	Item Amount	Summary Amount
PERSONNEL SERVICES			
10.80.15.100.500000	Salaries	2,123,796	2,123,796
10.80.15.100.503000	Longevity	21,336	21,336
10.80.15.100.505000	Overtime	45,000	45,000
10.80.15.100.506000	Holiday Pay	11,369	11,369
10.80.15.100.506500	Bonus	-	-
10.80.15.100.507000	Auto Allowance	4,800	4,800
	<u>Benefits:</u>		1,332,928
10.80.15.100.510000	FICA Taxes	168,960	
10.80.15.100.511000	LGERS retirement	282,308	
10.80.15.100.511200	401k	109,507	
10.80.15.100.520000	Medical	692,875	
10.80.15.100.522000	Dental	39,626	
10.80.15.100.523000	Vision	2,836	
10.80.15.100.524000	Life Insurance	10,627	
10.80.15.100.525000	Disability	22,112	
10.80.15.100.531000	Cell Phone Allowance	4,077	
			3,539,229
OPERATING EXPENSES			
	Professional Services		-
	Professional Services	-	
10.80.15.100.608000	Temporary Help		125,000
	Temporary Help	125,000	
10.80.60.100.611000	Landscaping		86,400
	Landside Contract	86,400	
10.80.80.100.612000	Parking Management Contract		665,022
	Payroll, Benefits & Operating Expenses	588,638	
	Management Fee	76,384	
10.80.80.100.613000	Parking Management - Shuttle Service		416,398
	Shuttle Services	416,398	
10.80.15.100.616000	Other Contractual Services		78,400
	Automatic Door Contract	3,000	
	Fire Sprinkler Inspections/Backflow/Halation	7,000	
	Halon Fire Suppression Inspection	1,500	
	Load Bank Generator Test	-	
	Pest Control	2,000	
	Uniform Cleaning & Mats (Maintenance & Janitor	21,000	
	Waste Removal & Recycling	27,500	
	Window Washing	16,400	

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

ASHEVILLE REGIONAL AIRPORT

Operations

BASIC OPERATING BUDGET

FY 2023-2024

Department #	80		
New World Account Numbers	Description	Item Amount	Summary Amount
10.80.20.100.616000	Other Contractual Services		102,500
	Loading Bridge Maintenance Contract	-	
	MSE Wall Monitoring	12,500	
	Rubber Removal	75,000	
	Wildlife Program	15,000	
10.80.60.100.616000	Other Contractual Services		65,595
	Rental Car Custodial	58,845	
	RAC Pest Control	750	
	RAC Waste Removal and Recycling	6,000	
10.80.80.100.616000	Other Contractual Services		21,500
	Pressure Washing of Garage Exterior	4,000	
	Garage Inspection	17,500	
10.80.15.100.614000	Elevator Maintenance Contract		10,000
	Elevator Maintenance Contract	10,000	
10.80.15.100.615000	Fire Alarm Systems Contract		17,250
	Fire Alarm Systems-Infinity & Monitoring fees	1,750	
	Fire Alarm Systems	15,500	
10.80.15.100.620000	Travel, Per Diem, Conference Registration		20,180
	AAAE Conference	3,000	
	AGTA Annual Conference	1,900	
	Annual Snow Symposium (2)	5,000	
	ARFF Vehicle Maintenance (Rosenbauer)	2,500	
	ASOCS 139 APP Conference	1,500	
	Business Meeting Expense	500	
	FAA Conference (2)	1,780	
	NCAA Conference (2)	2,500	
	SEC Annual Conference	1,500	
10.80.15.100.621000	Training & Education		12,500
	AAAE	500	
	ACE (3)	7,500	
	ASOS (2)	3,500	
	Professional Development	1,000	
	Electricity - All Locations		379,315
10.80.80.100.712500	Electricity Parking Garage		
	61 Terminal Dr (9100-8373-3259 324747987)	31,500	
10.80.15.100.715000	Electricity TA8918 Terminal 208		
	61 Terminal Dr (9100 8373 4713 8350457)	126,000	
10.80.15.100.710500	Electricity TH4698 Landside Restaurant & GRAA Storage areas		
	61 Terminal Dr (9100 8373 2555 324748071)	5,200	
	Airsides Restaurant and Freezer	17,500	
10.80.20.100.714500	Electricity TR2714 DPS Bldg New		
	136 Wright Brother Way (9100 8373 4135 3247	18,900	

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT
Operations
BASIC OPERATING BUDGET
FY 2023-2024

New World Account Numbers	Description	Item Amount	Summary Amount
Department #	80		
10.80.20.100.713000	Electricity TK0203 Maint Bldgs 15 Aviation Way (9100 8373 3473 324748069)	10,500	41,250
10.80.20.100.715500	Electricity W10456 Vgate-8AW 21 Aviation Way (9100 8373 4937 325573147)	425	
10.80.20.100.710000	Electricity S93746 GA Sewer Lift 1 Aviation Way (9100 8373 2357 322839998)	790	
10.80.20.100.712000	Electricity TF3027 480V TAFRDP 61 Terminal Dr (9100 8373 3259 324747986)	131,750	
10.80.60.100.711500	Electricity RAC CAM S83383 87 Rental Car Dr (9100 8373 3001 83460554)	12,600	
10.80.80.100.711000	Electricity TH6583 WBW St Light Wright Brothers Way (9100 8373 2802 3584493)	5,800	
10.80.80.100.713500	Electricity YT5631 LowerOverflow (9100 8373 3671 325587666)	2,650	
10.80.80.100.716000	Electricity Shuttle Lot Shuttle Lot (9100 8373 4375 332950622)	6,800	
10.80.80.100.716500	Electricity Shuttle Lot Gravel Portion 11 Airport Park Dr (9101 3449 9857)	1,000	
10.80.20.100.714000	Electricity TJ0142 134 Wright Brothers Way (9100 8373 3861 3228)	7,900	
10.80.15.100.721500	Nat Gas 635822 Terminal 61 Terminal Dr (3-1981-0349-9500)	18,750	75,000
10.80.20.100.721000	Nat Gas 568135 Operations Office Bldg A (East) 15 Aviation Way (2-2100-7146-7120)	10,400	
10.80.20.100.722000	Nat Gas 446155 Main Bldg B (West) 15 Aviation Way (8-1981-0349-9521)	4,200	
10.80.20.100.720000	Nat Gas 508999/509070 DPS Bldg New 136 Wright Brothers Way (2-2101-0054-6410)	4,700	
10.80.20.100.720500	Nat Gas 134 Wright Brothers Way (2-21010-1438-6501)	3,200	
10.80.15.100.733000	Water 11946022/12642942 Term 61 Terminal Dr (2111887-1140018)	40,900	
10.80.20.100.731000	Water - Deicing Truck Water Station 61 Terminal Dr (2111887-103231)	1,500	
	Water 47313873 Maint Bldg A E 15 Aviation Way (2111879-1339978)	-	
10.80.20.100.730000	Water 102059 Public Saf Bldg-New (211887/102059) 136 Wright Brothers Way (1264268/13942887)	5,100	

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

ASHEVILLE REGIONAL AIRPORT

Operations

BASIC OPERATING BUDGET

FY 2023-2024

New World Account Numbers	Description	Item Amount	Summary Amount
Department #	80		
10.80.20.100.733500	Water 11459507/70162311 New Maint Bldg (East) 15 Aviation Way (2111887-1580708)	4,000	
10.80.60.100.734000	Water 11946005/70182576 RAC 65 Rental Car Dr (2293169-1587918)	22,000	
10.80.80.100.731500	Water 1013844 Toll Plaza Office 70 Terminal Dr	-	
10.80.80.100.732000	Water Garage (2111887/104501) 61 Terminal Dr	-	
10.80.20.100.732500	Water (2111887/1139948) 134 Wright Brothers Way	1,500	
10.80.15.100.761000	Terminal, Buildings and Grounds		63,500
	Baggage Belts	5,000	
	Equipment Rental	5,000	
	Floor Maintenance	5,000	
	General Repairs	15,000	
	Hardware/Equipment	8,000	
	HVAC Repairs	7,500	
	Roofing Maintenance	3,000	
	Sewer Cleanout & Repair	2,500	
	Terminal & Grounds Lighting Fixtures and Bulbs	12,500	
10.80.20.100.761000	Terminal, Buildings and Grounds Loading Bridges, PC Air/GPUs	-	-
10.80.60.100.761000	Terminal, Buildings and Grounds Misc Repairs - Facility	70,000	80,000
	RAC Light Poles, Fencing, Backflow/Fire Line & B	10,000	
10.80.80.100.761000	Terminal, Buildings and Grounds Light Poles, Fencing	3,000	26,000
	Lime, Fertilizer, Mulch & Plants	15,000	
	Pavement Maintenance Program	8,000	
10.80.90.100.761000	Terminal, Buildings and Grounds Rental Homes/Tenants	7,500	7,500
10.80.20.100.770500	Permits, Licenses & Fees Permits, Licenses & Fees	1,000	1,000
10.80.15.100.770000	Vehicles and Heavy Equipment Landside Vehicles & Heavy Equipment	18,000	18,000
10.80.20.100.770000	Vehicles and Heavy Equipment Airfield vehicles & heavy equipment	47,500	53,500
	Authority vehicle tax & tags	6,000	
10.80.20.100.771000	Airport and Airfield Equipment Airfield Lighting, Runway Painting, & Electrical Va	20,000	20,000
10.80.15.100.630000	Printing & Binding Printing & Binding, Forms/Permits	2,000	2,000

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

ASHEVILLE REGIONAL AIRPORT

Operations

BASIC OPERATING BUDGET

FY 2023-2024

Department #	80		
New World Account Numbers	Description	Item Amount	Summary Amount
10.80.15.100.647000	Employee/Tenant Appreciation		750
	Employee/Conference Hosting/Snow Team Food	750	
10.80.15.100.660000	Vehicle Fuel		75,000
	Vehicle Fuel	75,000	
10.80.15.100.661000	Shop Supplies		3,000
	Shop Supplies	3,000	
10.80.15.100.661500	Operations Supplies		42,500
	Finger Print/Badging	22,000	
	Operating Supplies	17,500	
	Rap Back Program	3,000	
10.80.15.100.663500	Chemicals & Safety		46,500
	Chemicals & Safety	4,000	
	De-icing Chemicals	40,000	
	Safety Program Supplies	2,500	
10.80.15.100.664000	Small Tools and Equipment		22,000
	Drone Set Up and Operations	3,000	
	Small Tools & Equipment	15,000	
	Visitor Badge Software Package	4,000	
10.80.15.100.664500	Custodial Supplies		45,000
	Cleaning Supplies/Mop Heads/Trash Can Liners e	45,000	
10.80.15.100.665000	Custodial Consumables		100,000
	Soap/Paper Towels/Toilet Paper/Seat Covers	100,000	
10.80.15.100.665500	Operating Furniture, Fixtures, Equipment and Software		3,000
	Greater than \$100 & up to \$5,000		
		3,000	
10.80.15.100.666500	Uniforms		6,900
	Clothing	3,000	
	Employee Shoe Allowance	1,500	
	PPE	2,000	
	Prescription Safety Glasses	400	
10.80.15.100.670000	Dues & Memberships		2,125
	AAAE-4	1,100	
	AGTA	500	
	NCAA Annual Dues-7	280	
	SEC-7	245	
10.80.15.100.671000	Books, Publications, Compact Disks, Videos & Subscriptions		500
	Misc books & publications	500	
10.80.15.100.672000	Licenses & Certifications		1,200
	CDL Licenses (2)	1,000	
	NC Fire Sprinkler Licenses	200	
			2,736,285
			6,275,514

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
Operations
Fiscal Year 2023/2024
Variance Analysis

Acct #	Description	FY2023 Budget				FY2023 Estimated Actual				FY2022 Actual			FY 2021 Actual
		FY 2024 Budget	FY 2023 Budget	Increase/Decrease		FY 2023 Actual 6 Months	FY 2023 Estimate	Increase/Decrease		FY 2022 Actual	Increase/Decrease		
				Amount	Percent			Amount	Percent		Amount	Percent	
500000	Salaries	2,123,796	1,805,998	317,798	17.60%	687,452	1,374,904	748,892	54.47%	1,211,857	911,939	75.25%	1,127,125
503000	Longevity	21,336	19,942	1,394	6.99%	7,239	19,942	1,394	6.99%	20,473	863	4.22%	16,609
505000	Overtime	45,000	45,000	0	0.00%	29,434	45,000	0	0.00%	76,250	(31,250)	-40.98%	44,267
506000	Holiday Pay	11,369	7,147	4,222	59.07%	5,414	5,414	5,955	109.99%	4,548	6,821	149.98%	5,631
506500	Bonus	0	0	0	100%	0	0	0	100%	56,307	(56,307)	-100.00%	0
507000	Auto Allowance	4,800	2,400	2,400	100.00%	1,200	2,400	2,400	100.00%	2,400	2,400	100.00%	2,400
510000	FICA Taxes	168,960	135,509	33,451	24.69%	54,151	108,302	60,658	56.01%	97,697	71,263	72.94%	86,619
511000	LGERS retirement	282,308	221,870	60,438	27.24%	87,816	175,632	106,676	60.74%	144,682	137,626	95.12%	120,474
511200	401k	109,507	87,974	21,533	24.48%	36,169	72,338	37,169	51.38%	63,153	46,354	73.40%	58,656
520000	Medical	692,875	606,530	86,345	14.24%	146,086	292,172	400,703	137.15%	291,248	401,627	137.90%	262,482
522000	Dental	39,626	32,766	6,860	20.94%	7,864	15,728	23,898	151.95%	15,359	24,267	158.00%	15,565
523000	Vision Insurance	2,836	2,479	357	14.40%	776	1,552	1,284	82.73%	1,498	1,338	89.32%	1,632
524000	Life Insurance	10,627	8,604	2,023	23.51%	2,691	5,382	5,245	97.45%	5,690	4,937	86.77%	7,273
525000	Disability	22,112	13,603	8,509	62.55%	5,365	10,730	11,382	106.08%	10,012	12,100	120.85%	10,923
531000	Cell Phone Allowance	4,077	4,077	0	0.00%	2,533	4,077	0	0.00%	4,821	(744)	-15.43%	4,071
	Total Benefits	1,332,928	1,113,412	219,516	19.72%	343,451	685,913	647,015	94.33%	636,560	696,368	109.40%	570,095
	Total Personnel Services	3,539,229	2,993,899	545,330	18.21%	1,074,190	2,133,573	1,405,656	65.88%	2,005,995	1,533,978	76.47%	1,763,727
600000	Professional Services	0	0	0	100%	0	0	0	100%	0	0	100%	0
608000	Temporary Help	125,000	50,000	75,000	150.00%	15,243	100,000	25,000	25.00%	52,714	72,286	137.13%	0
611000	Landscaping	86,400	0	86,400	100%	0	0	86,400	100%	0	86,400	100%	9,420
612000	Parking Management Contract	665,022	579,364	85,658	14.78%	279,880	575,000	90,022	15.66%	408,692	256,330	62.72%	261,286
613000	Parking Management - Shuttle	416,398	396,952	19,446	4.90%	169,842	397,000	19,398	4.89%	289,799	126,599	43.69%	0
616000	Other Contractual Services	267,995	255,334	12,661	4.96%	143,345	250,000	17,995	7.20%	164,201	103,794	63.21%	89,118
614000	Elevator Maintenance Contract	10,000	11,000	(1,000)	-9.09%	5,270	11,000	(1,000)	-9.09%	9,634	366	3.80%	8,611
615000	Fire Alarm Systems Contract	17,250	15,600	1,650	10.58%	10,489	35,000	(17,750)	-50.71%	24,526	(7,276)	-29.67%	13,809
616200	Exit Lane Security	0	0	0	100%	0	0	0	100%	36,263	(36,263)	-100.00%	0
620000	Travel, Per Diem, Conference Registration	20,180	20,180	0	0.00%	2,269	20,000	180	0.90%	7,763	12,417	159.95%	2,931
621000	Training & Education	12,500	10,500	2,000	19.05%	845	20,000	(7,500)	-37.50%	22,272	(9,772)	-43.88%	0
702000	Telecommunications	0	0	0	100%	0	550	(550)	-100.00%	1,689	(1,689)	-100.00%	2,737
710000	Electricity - All	379,315	359,817	19,498	5.42%	134,620	359,000	20,315	5.66%	308,180	71,135	23.08%	297,566
720000	Natural Gas - All	41,250	39,500	1,750	4.43%	15,218	39,500	1,750	4.43%	40,650	600	1.48%	34,125
730000	Water - All	75,000	89,950	(14,950)	-16.62%	29,005	85,000	(10,000)	-11.76%	59,034	15,966	27.05%	34,143
761000	Terminal, Buildings and Grounds	177,000	162,000	15,000	9.26%	68,110	160,000	17,000	10.63%	168,131	8,869	5.28%	136,093
770500	Permits, Licenses & Fees	1,000	1,000	0	0.00%	100	1,000	0	0.00%	900	100	11.11%	1,560
770000	Vehicles and Heavy Equipment	71,500	67,500	4,000	5.93%	44,074	65,000	6,500	10.00%	62,284	9,216	14.80%	95,956
771000	Airport and Airfield Equipment	20,000	20,000	0	0.00%	13,864	20,000	0	0.00%	30,885	(10,885)	-35.24%	7,126
630000	Printing & Binding	2,000	2,000	0	0.00%	226	1,500	500	33.33%	829	1,171	141.25%	370
647000	Employee/Tenant Appreciation	750	600	150	25.00%	0	500	250	50.00%	1,109	(359)	-32.37%	113
660000	Vehicle Fuel	75,000	45,000	30,000	66.67%	53,672	55,000	20,000	36.36%	84,024	(9,024)	-10.74%	35,950
661000	Shop Supplies	3,000	3,000	0	0.00%	998	3,000	0	0.00%	1,011	1,989	196.74%	1,363
661500	Operating Supplies	42,500	32,500	10,000	30.77%	22,688	32,500	10,000	30.77%	23,944	18,556	77.50%	14,086
663500	Chemicals & Safety	46,500	46,500	0	0.00%	34,099	45,000	1,500	3.33%	(11,975)	58,475	-488.31%	(2,718)
664000	Small Tools and Equipment	22,000	17,500	4,500	25.71%	12,967	17,000	5,000	29.41%	3,919	18,081	461.37%	3,860
664500	Custodial Supplies	45,000	42,000	3,000	7.14%	10,865	45,000	0	0.00%	31,447	13,553	43.10%	11,626
665000	Custodial Consumables	100,000	77,500	22,500	29.03%	43,899	90,000	10,000	11.11%	58,843	41,157	69.94%	39,826
665500	Operating Furniture, Fixtures and Equipment	3,000	3,000	0	0.00%	0	3,000	0	0.00%	8,473	(5,473)	-64.59%	816
666500	Uniforms	6,900	4,900	2,000	40.82%	1,363	4,500	2,400	53.33%	1,386	5,514	397.84%	3,335
670000	Dues & Memberships	2,125	2,125	0	0.00%	315	1,750	375	21.43%	850	1,275	150.00%	600
671000	Books & Publications	500	500	0	0.00%	825	200	300	150.00%	0	500	100%	0
672000	Licenses & Certifications	1,200	1,200	0	0.00%	0	1,000	200	20.00%	200	1,000	500.00%	0
	Total Services & Mat'ls.	2,736,285	2,357,022	379,263	16.09%	1,114,091	2,438,000	298,285	12.23%	1,891,677	844,608	44.65%	1,103,708
	Department Total	6,275,514	5,350,921	924,593	17.28%	2,188,281	4,571,573	1,703,941	37.27%	3,897,672	2,378,586	61.03%	2,867,435

Comments:

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT**

Operations

**CAPITAL BUDGET / PERSONNEL REQUEST
FY 2023-2024**

JUSTIFICATION SCHEDULE

<input type="checkbox"/>	Capital Improvement		
<input type="checkbox"/>	Equipment and Small Capital Outlay	Fund	GARAA
<input type="checkbox"/>	Renewal and Replacement	Department Number	80
<input checked="" type="checkbox"/>	Personnel Request		

DESCRIPTION & JUSTIFICATION

Description	Amount
Additional Operations Personnel	\$ 410,765

Requesting to add 5 positions to the Operations Department in order to start building staff to operate the communications center on a 24/7 basis. Adding dedicated employees to the communication center will provide better service to airport tenants, employees, and users of the airport. Consistency would also improve with dedicated staffing. This is an initial request to start staffing dedicated communications personnel. In future FYs, another request will be made to add the appropriate staff without using OPS personnel to back fill during call outs. The anticipated annual cost would be \$390,165.00 which would break down to approximately \$226,600.00 for payroll and \$184,165.00 for benefits.

NOTE: If this request relates to recently approved personnel, please complete the following:

TITLE: OPS Specialist

HIRE DATE:

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT**

Operations

CAPITAL BUDGET / PERSONNEL REQUEST
FY 2023-2024

JUSTIFICATION SCHEDULE

_____	Capital Improvement		
_____	Equipment and Small Capital Outlay	Fund	GARAA
_____	Renewal and Replacement	Department Number	80
X	Personnel Request		

DESCRIPTION & JUSTIFICATION

Description	Amount
Additional Custodial Personnel	\$ 68,705

Requesting to add a Floor Technician position to the Custodial staff. The position requested is necessary as the airport continues to grow and opportunities to properly maintain the various floors around the campus are restricted to night time cleaning efforts. It would be anticipated the individual hired would have a work schedule of 7 p.m. until 4 a.m. The anticipated annual cost would be \$68,705.00 which would break down to approximately \$34,608.00 for payroll and \$34,097.00 for benefits.

NOTE: If this request relates to recently approved personnel, please complete the following:

TITLE: Custodian

HIRE DATE:

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT**

Operations

CAPITAL BUDGET / PERSONNEL REQUEST
FY 2023-2024

JUSTIFICATION SCHEDULE

<input type="checkbox"/>	Capital Improvement		
<input type="checkbox"/>	Equipment and Small Capital Outlay	Fund	GARAA
<input type="checkbox"/>	Renewal and Replacement	Department Number	80
<input checked="" type="checkbox"/>	Personnel Request		

DESCRIPTION & JUSTIFICATION

Description	Amount
Additional Maintenance Personnel	\$ 149,823

Requesting to add a Mechanics Helper and an Administrative Assistant to the maintenance staff. The mechanic helper is requested to assist with the airport fleet especially the smaller pieces of equipment. The Administrative Assistant is requested to assist in the day to day maintenance activities. These activities will include fielding telephone calls, maintenance requests, and maintaining a work order system. The anticipated annual cost would be \$149,823.00 which would break down to approximately \$79,104.00 for payroll, \$37,904.00 for Mechanic Helper and \$41,200.00 for Admin Assistant. The balance of \$70,719.00 would apply to benefits.

NOTE: If this request relates to recently approved personnel, please complete the following:

TITLE: Mechanic Helper and Administrative Assistant

HIRE DATE:

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY			
ASHEVILLE REGIONAL AIRPORT			
Planning			
BASIC OPERATING BUDGET			
FY 2023-2024			
-			
Department #	20		
New World	Description	Item	Summary
Account Numbers		Amount	Amount
PERSONNEL SERVICES			
10.20.10.100.500000	Salaries	199,599	295,164
10.20.75.100.500000	Salaries - Safety	95,565	
10.20.10.100.503000	Longevity	2,094	5,316
10.20.75.100.503000	Longevity - Safety	3,222	
10.20.10.100.505000	Overtime	500	500
10.20.10.100.506000	Holiday Pay	541	812
10.20.75.100.506000	Holiday Pay - Safety	271	
10.20.10.100.507000	Auto Allowance	4,800	4,800
	Benefits:		143,913
10.20.10.100.510000	FICA Taxes	15,969	
10.20.75.100.510000	FICA Taxes - Safety	7,605	
10.20.10.100.511000	LGERS Retirement	26,063	
10.20.75.100.511000	LGERS Retirement - Safety	12,734	
10.20.10.100.511200	401k	10,110	
10.20.75.100.511200	401k - Safety	4,939	
10.20.10.100.520000	Medical	39,298	
10.20.75.100.520000	Medical - Safety	16,766	
10.20.10.100.522000	Dental	2,167	
10.20.75.100.522000	Dental - Safety	641	
10.20.10.100.523000	Vision	161	
10.20.75.100.223000	Vision - Safety	69	
10.20.10.100.524000	Life Insurance	810	
10.20.75.100.524000	Life Insurance - Safety	384	
10.20.10.100.525000	Disability	1,987	
10.20.75.100.525000	Disability - Safety	946	
10.20.10.100.531000	Cell Phone Allowance	1,632	
10.20.75.100.531000	Cell Phone Allowance - Safety	1,632	
			450,505
OPERATING EXPENSES			
10.20.10.100.600000	Professional Services - General		154,000
	Annual RCP Pipe Inspection & Report	35,000	
	DBE/ACDBE 3 Year Plan Update	9,000	
	Surveys, Reports, Consultant Svcs, Misc.	35,000	
	SMS Consultant Services	75,000	
10.20.10.100.620000	Travel, Per Diem, Conference Registration		5,250
	Airport Planning, Design, Constr. Symposium	2,500	
	FAA & Other Meetings	1,500	
	NCAA Annual Conference	1,250	

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY			
ASHEVILLE REGIONAL AIRPORT			
Planning			
BASIC OPERATING BUDGET			
FY 2023-2024			
-			
Department #	20		
New World Account Numbers	Description	Item Amount	Summary Amount
10.20.10.100.621000	Training & Education		4,000
	Professional Development (ADA/DBE/Misc. Cert.)	4,000	
10.20.10.100.702000	Telecommunications/Online Services		-
	Internet Broadband Services	-	
10.20.10.100.630000	Printing & Binding		500
	Development Marketing Materials & Supplies	500	
10.20.10.100.651000	Other Current Charges and Obligations		500
	Business Meeting Expenses	500	
10.20.10.100.661500	Operating Supplies		500
	General Supplies	500	
10.20.10.100.665500	Operating Furniture, Fixtures, Equipment and Software		750
	Greater than \$100 & up to \$5,000		
	Operating Furniture, Fixtures, Equip up to \$5K	750	
10.20.10.100.670000	Dues & Memberships		2,150
	AAAE	275	
	AIA Document Membership	1,500	
	DBE, ADA & Other	300	
	NCAA	40	
	SEC - AAAE	35	
SAFETY			
10.20.75.100.620000	Travel, Per Diem, Conference Registration		6,050
	Confined Space - Staff Training	800	
	Fall Protection - Staff Training	400	
	Fundamentals of Industrial Hygiene	2,600	
	Hazard Communication - Staff Training	400	
	Job Safety Analysis - Staff Training	550	
	OSHA - 10 Hour General Industry	1,300	
10.20.75.100.621000	Training and Education		1,750
	Professional Development	500	
	Supervisor Safety Development Program	920	
	Training Materials	330	
10.20.75.100.661500	Operating Supplies		450
	Safety Glasses, Vests, 79E, etc.	450	
10.20.75.100.670000	Dues and Memberships		525
	National Safety Council	450	
	NCAA	40	
	SEC-AAAAE	35	
			176,425
			626,930

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

Planning

Fiscal Year 2023/2024

Variance Analysis

Acct #	Description	FY 2024 Budget	FY2023 Budget				FY2023 Estimated Actual				FY2022 Actual			FY 2021
			FY 2023 Budget	Increase/Decrease		FY 2023 Actual 6 Months	FY 2023 Estimate	Increase/Decrease		FY 2022 Actual	Increase/Decrease		FY 2021 Actual	
				Amount	Percent			Amount	Percent		Amount	Percent		
500000	Salaries	295,164	280,907	14,257	5.08%	130,911	261,822	33,342	12.73%	240,568	54,596	22.69%	177,343	
500016	Longevity	5,316	4,763	553	11.61%	5,017	5,017	299	5.96%	4,583	733	15.99%	4,493	
500020	Overtime	500	500	0	0.00%	0	500	0	0.00%	0	500	100%	0	
500023	Holiday Pay	812	650	162	24.92%	650	650	162	24.92%	650	162	24.92%	853	
506500	Bonus	0	0	0	100%	0	0	0	100%	2,709	(2,709)	-100.00%	0	
507000	Auto Allowance	4,800	0	4,800	100%	0	0	4,800	100%	0	4,800	100%	0	
507100	Rewards Program	0	0	0	100%	0	0	0	100%	0	0	100%	0	
500050	FICA Taxes	23,574	20,613	2,961	14.36%	10,281	20,562	3,012	14.65%	18,649	4,925	26.41%	17,100	
500070	LGERS retirement	38,797	33,698	5,099	15.13%	16,502	33,004	5,793	17.55%	28,266	10,531	37.26%	23,549	
500080	401k	15,049	13,362	1,687	12.63%	6,796	13,592	1,457	10.72%	12,353	2,696	21.82%	11,477	
500160	Medical	56,064	52,090	3,974	7.63%	22,949	45,898	10,166	22.15%	46,323	9,741	21.03%	39,538	
500260	Dental	2,808	2,442	366	14.99%	1,085	2,170	638	29.40%	2,180	628	28.81%	2,051	
500265	Vision Insurance	230	233	(3)	-1.29%	103	206	24	11.65%	208	22	10.58%	192	
500360	Life Insurance	1,194	1,095	99	9.04%	460	920	274	29.78%	1,017	177	17.40%	1,260	
500460	Disability	2,933	2,110	823	39.00%	1,033	2,066	867	41.97%	1,971	962	48.81%	2,205	
500500	Cell Phone Allowance	3,264	3,264	0	0.00%	1,506	3,264	0	0.00%	3,012	252	8.37%	3,440	
	Total Benefits	143,913	128,907	15,006	11.64%	60,715	121,682	22,231	18.27%	113,979	29,934	26.26%	100,812	
	Total Personnel Services	450,505	415,727	34,778	8.37%	197,293	389,671	60,834	15.61%	362,489	88,016	24.28%	283,501	
604000	Professional Services - General	154,000	77,000	77,000	100.00%	14,064	35,000	119,000	340.00%	19,056	134,944	708.14%	34,551	
620000	Travel, Per Diem, Conference Registration	5,250	6,800	(1,550)	-22.79%	518	3,000	2,250	75.00%	2,025	3,225	159.26%	1,524	
621000	Training & Education	4,000	3,000	1,000	33.33%	841	2,000	2,000	100.00%	0	4,000	100%	80	
662000	Telecommunications	0	0	0	100%	0	0	0	100%	1,925	(1,925)	-100.00%	114	
630000	Printing & Binding	500	500	0	0.00%	0	0	500	100%	0	500	100%	0	
651000	Other Current Charges and Obligations	500												
661500	Operating Supplies	500	500	0	0.00%	127	500	0	0.00%	67	433	646.27%	12	
771000	Operating Furniture, Fixtures and Equipment	750	750	0	0.00%	127	400	350	87.50%	0	750	100%	0	
670000	Dues & Memberships	2,150	650	1,500	230.77%	1,028	1,028	1,122	109.14%	2,095	55	2.63%	315	
	Safety			0	100%	0	0	0	100%	0	0	100%	0	
620000	Travel, Per Diem, Conference Registration	6,050	5,750	300	5.22%	0	2,000	4,050	202.50%	0	6,050	100%	0	
621000	Training & Education	1,750	1,750	0	0.00%	0	0	1,750	100%	0	1,750	100%	259	
630000	Printing & Binding	0	0	0	100%	0	0	0	100%	0	0	100%	0	
661500	Operating Supplies	450	450	0	0.00%	0	400	50	12.50%	1,159	(709)	-61.17%	0	
670000	Dues & Memberships	525	525	0	0.00%	0	525	0	0.00%	40	485	1212.50%	1,095	
	Total Services & Mat'ls.	176,425	97,675	78,250	80.11%	16,705	44,853	131,072	292.23%	26,367	149,558	567.22%	37,950	
	Department Total	626,930	513,402	113,028	22.02%	213,998	434,524	191,906	44.16%	388,856	237,574	61.10%	321,451	

Comments:

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT
Properties & Contracts
BASIC OPERATING BUDGET
FY 2023-2024

Department #	85		
New World Account Numbers	Description	Item Amount	Summary Amount
PERSONNEL SERVICES			
10.85.10.100.500000	Salaries	199,249	199,249
10.85.10.100.503000	Longevity	2,380	2,380
10.85.10.100.506000	Holiday Pay	541	541
10.85.10.100.507000	Auto Allowance	4,800	4,800
	<u>Benefits:</u>		104,177
10.85.10.100.510000	FICA Taxes	15,858	
10.85.10.100.511000	LGERS Retirement	25,990	
10.85.10.100.511200	401k	10,081	
10.85.10.100.520000	Medical	45,899	
10.85.10.100.522000	Dental	2,368	
10.85.10.100.523000	Vision	138	
10.85.10.100.524000	Life Insurance	702	
10.85.10.100.525000	Disability	1,509	
10.85.10.100.531000	Cell Phone Allowance	1,632	
			311,147
OPERATING EXPENSES			
10.85.10.100.600000	Professional Services - General		25,000
	Misc. appraisals	15,000	
	Misc. expenses for due diligence studies on development	10,000	
10.85.10.100.616000	Other Contractual Services		12,200
	CoStar Real Estate Market Analysis - STR	10,200	
	Vending machines relocation & painting	2,000	
10.85.10.100.620000	Travel, Per Diem, Conference Registration		19,500
	ACI - Business of Airports (2)	6,000	
	ACI Chief Revenue Officer Conference	3,000	
	AXN - Airport Experience Conference	3,500	
	Business Development Conference/Site Visits	3,000	
	NBAA Conference or GA-Cargo Development Conference	4,000	
10.85.10.100.621000	Training & Education		3,000
	FAA ACDBE training	3,000	
10.85.10.100.630000	Printing & Binding		1,000
	Marketing materials - land development (brochures)	1,000	
10.85.10.100.650000	Legal Notices & Placements		2,000
	Advertising: RFPs (Local/Nat'l) development	2,000	
10.85.10.100.651000	Other Current Charges and Obligations		500
	Business meeting expenses	500	
10.85.10.100.661500	Operating Supplies		250
	Misc. supplies	250	

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT
Properties & Contracts
BASIC OPERATING BUDGET
FY 2023-2024

Department #	85		
New World Account Numbers	Description	Item Amount	Summary Amount
10.85.10.100.665500	Operating Furniture, Fixtures, Equipment and Software Greater than \$100 & up to \$5,000		-
10.85.10.100.670000	Dues & Memberships		350
	AAAE	275	
	AAAE SE	35	
	NCAA Chapter	40	
10.85.10.100.671000	Books, Publications, Compact Disks, Videos & Subscriptions		1,200
	ARN Factbook	1,200	
			65,000
			376,147

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
PROPERTIES & CONTRACTS
Fiscal Year 2023/2024
Variance Analysis

Acct #	Description	FY 2024 Budget	FY2023 Budget		FY2023 Estimated Actual				FY2022 Actual			FY 2021	
			FY 2023 Budget	Increase/Decrease		FY 2023 6 Months	FY 2023 Estimate	Increase/Decrease		FY 2022 Actual	Increase/Decrease		FY 2021 Actual
				Amount	Percent			Amount	Percent		Amount	Percent	
500000	Salaries	199,249	124,434	74,815	60.12%	59,499	118,998	80,251	67.44%	104,066	95,183	91.46%	102,422
503000	Longevity	2,380	0	2,380	100%	0	0	2,380	100%	0	2,380	100%	0
506000	Holiday Pay	541	217	324	149.31%	216	216	325	150.46%	217	324	149.80%	217
507000	Auto Allowance	4,800	2,400	2,400	100.00%	1,200	2,400	2,400	100.00%	2,400	2,400	100.00%	2,400
510000	FICA Taxes	15,858	9,091	6,767	74.44%	4,538	9,076	6,782	74.72%	8,038	7,820	97.29%	7,446
511000	LGERS retirement	25,990	14,615	11,375	77.83%	7,223	14,446	11,544	79.91%	12,173	13,817	113.51%	10,146
511200	401k	10,081	5,795	4,286	73.96%	2,975	5,950	4,131	69.43%	5,321	4,760	89.46%	4,947
520000	Medical	45,899	24,404	21,495	88.08%	10,928	21,856	24,043	110.01%	21,986	23,913	108.76%	19,604
522000	Dental	2,368	1,326	1,042	78.58%	592	1,184	1,184	100.00%	1,184	1,184	100.00%	1,139
523000	Vision Insurance	138	77	61	79.22%	35	70	68	97.14%	69	69	100.00%	66
524000	Life Insurance	702	383	319	83.29%	190	380	322	84.74%	402	300	74.63%	261
525000	Disability	1,509	828	681	82.25%	463	926	583	62.96%	841	668	79.43%	958
531000	Cell Phone Allowance	1,632	1,632	0	0.00%	690	1,632	0	0.00%	1,380	252	18.26%	1,380
	Total Benefits	104,177	58,151	46,026	79.15%	27,634	55,520	48,657	87.64%	51,394	52,783	102.70%	45,947
	Total Personnel Services	311,147	185,202	125,945	68.00%	88,549	177,134	134,013	75.66%	158,077	153,070	101.38%	150,986
600000	Professional Services - General	25,000	15,000	10,000	66.67%	0	15,000	10,000	66.67%	7,150	17,850	249.65%	400
616000	Contractual Services	12,200	10,200	2,000	19.61%	0	10,200	2,000	19.61%	1,162	11,038	949.91%	0
620000	Travel, Per Diem, Conference Registration	19,500	17,500	2,000	11.43%	500	15,000	4,500	30.00%	4,639	14,861	320.35%	0
621000	Training & Education	3,000	4,000	(1,000)	-25.00%	0	1,500	1,500	100.00%	3,770	(770)	-20.42%	50
630000	Printing & Binding	1,000	1,500	(500)	-33.33%	0	1,500	(500)	-33.33%	0	1,000	100%	0
650000	Legal Notices & Placements	2,000	4,000	(2,000)	-50.00%	0	3,000	(1,000)	-33.33%	37	1,963	5305.41%	100
651000	Other Current Charges and Obligations	500											
661500	Operating Supplies	250	250	0	0.00%	0	250	0	0.00%	31	219	706.45%	0
665500	Operating Furniture, Fixtures and Equipment	0	700	(700)	-100.00%	0	700	(700)	-100.00%	0	0	100%	0
670000	Dues & Memberships	350	350	0	0.00%	40	350	0	0.00%	315	35	11.11%	385
671000	Books & Publications	1,200	1,000	200	20.00%	0	1,000	200	20.00%	0	1,200	100%	625
	Total Services & Mat'ls.	65,000	54,500	10,000	18.35%	540	48,500	16,000	32.99%	17,104	47,396	3038.21%	1,560
	Department Total	376,147	239,702	135,945	56.71%	89,089	225,634	150,013	66.49%	175,181	200,466	131.41%	152,546

Comments:

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT**

Properties & Contracts

**CAPITAL BUDGET / PERSONNEL REQUEST
FY 2023-2024**

JUSTIFICATION SCHEDULE

<input type="checkbox"/>	Capital Improvement	
<input type="checkbox"/>	Equipment and Small Capital Outlay	GARAA
<input type="checkbox"/>	Renewal and Replacement	85
<input checked="" type="checkbox"/>	Personnel Request	

DESCRIPTION & JUSTIFICATION

Fund	Description	Amount
GARAA	Business Development & Property Manager	\$122,238

New FTE for Business Development and Property Management.

This position will assist with property management, research and analysis needed to actively manage existing tenants and operators to ensure that revenue streams are maintained and lease performance issues by the tenant and the Authority are addressed.

A staff person with in-depth expertise, and focused attention will assist in pursuing and developing new business opportunities.

Salary \$77,250
Benefits 44,988

NOTE: If this request relates to recently approved personnel, please complete the following:

TITLE: Business Development & Property Manager

HIRE DATE: 7/1/2023

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY			
ASHEVILLE REGIONAL AIRPORT			
Public Safety			
BASIC OPERATING BUDGET			
FY 2023-2024			
Department #	90		
New World Account Numbers		Item Amount	Summary Amount
PERSONNEL SERVICES			
10.90.20.100.500000	Salaries	1,484,775	1,484,775
10.90.20.100.503000	Longevity	15,784	15,784
10.90.20.100.505000	Overtime	68,000	68,000
10.90.20.100.506000	Holiday Pay	7,309	7,309
10.90.20.100.506500	Bonus	-	-
10.90.20.100.507000	Auto Allowance	4,800	4,800
10.90.20.100.511300	LEO Special Separation Allowance	39,705	39,705
	Benefits:		834,082
10.90.20.100.510000	FICA Taxes	121,001	
10.90.20.100.511000	LGERS retirement	216,304	
10.90.20.100.511200	401k	78,428	
10.90.20.100.520000	Medical	372,365	
10.90.20.100.522000	Dental	20,680	
10.90.20.100.523000	Vision	1,730	
10.90.20.100.524000	Life Insurance	6,852	
10.90.20.100.525000	Disability	14,355	
10.90.20.100.531000	Cell Phone Allowance	2,367	
			2,454,455
OPERATING EXPENSES			
10.90.20.100.616000	Other Contractual Services		165,310
	AED Inspection	660	
	AFFF remediation - ARFF trucks	10,000	
	Fire Extinguisher Service	6,300	
	Police Info Computer (NCIC) & Mobile Data	1,200	
	Range Membership	550	
	SCBA Compressor Testing	1,500	
	SCBA Inspection	1,100	
	Security Services Contract	144,000	
10.90.20.100.616200	Other Contractual Services		60,000
	Exit Lane Security	60,000	
10.90.20.100.620000	Travel, Per Diem, Conference Registration		11,350
	AAAE Chief's Conference	2,500	
	AAAE Emergency Preparedness Conference	2,500	
	ARFF Working Group	2,500	
	Business Meeting Expenses	600	
	NC Association of Chiefs of Police	750	
	ALEAN Conference (Spring)	2,500	
10.90.20.100.621000	Training & Education		13,100
	FAR 139 Compliance (Live burn, drills, etc)	10,000	
	Fire & LEO Local Training (Community Colleges)	1,500	
	Professional Development (AMF, AFO, LEO)	1,600	

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT
Public Safety
BASIC OPERATING BUDGET
FY 2023-2024

New World Account Numbers		Item Amount	Summary Amount
10.90.20.100.702000	Online Services		-
	Broadband Service for Laptops	-	
10.90.20.100.760000	General Repairs and Maintenance		2,000
	Maintenance	2,000	
10.90.20.100.661500	Operating Supplies		33,500
	First Aid Supplies	3,500	
	FFF	26,000	
	Training Supplies (ammunition, foam, etc)	4,000	
10.90.20.100.663500	Chemicals & Safety		1,500
	Chemicals & Safety	1,500	
10.90.20.100.664000	Small Tools and Equipment		1,500
	Small Tools & Equipment	1,500	
10.90.20.100.665500	Operating Furniture, Fixtures, Equipment and Software Greater than \$100 & up to \$5,000		20,730
	Beds w/frames and mattresses (8)	7,520	
	Portable Radios (airfield) w/accessories (14)	7,210	
	Radio Equipment	4,000	
	Station Furniture	2,000	
10.90.20.100.666500	Uniforms		16,160
	Bullet Resistant Vests (3)	3,900	
	Duty Boots	2,200	
	Uniforms (Police and Fire Class A and Utility)	10,060	
10.90.20.100.666000	Firefighter Equipment		35,000
	Turnout Gear & SCBA Masks (Replacement)	19,000	
	Turnout Gear & SCBA Masks (New Positions)	16,000	
10.90.20.100.670000	Dues & Memberships		3,185
	AAAE (2)	550	
	ALEAN	450	
	ARFFWG	150	
	Buncombe Co Fire Chief's Assoc	150	
	Buncombe Co FF Assoc	300	
	Henderson Co FF Assoc	150	
	International Assoc of Chief's of Police	300	
	NC Assoc of Rescue Squads and EMS	450	
	NC Association of Chief's of Police	200	
	NC Fire Chiefs Association	100	
	NCAA	45	
	NFPA Membership	305	
	SECAAAE	35	
10.90.20.100.671000	Books, Publications, Compact Disks, Videos & Subscriptions		500
	Books, Publications. Compact Disks, Videos & Subscrip.	500	
			363,835
			2,818,290

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
Public Safety
Fiscal Year 2023/2024
Variance Analysis

Acct #	Description	FY 2024 Budget	FY2023 Budget		FY2023 Estimated Actual				FY2022 Actual			FY2021	
			FY 2023 Budget	Increase/Decrease		FY 2023 Actual 6 Months	FY 2023 Estimate	Increase/Decrease		FY 2022 Actual	Increase/Decrease		FY 2021 Actual
				Amount	Percent			Amount	Percent		Amount	Percent	
500000	Salaries	1,484,775	1,416,114	68,661	4.85%	655,407	1,310,814	173,961	13.27%	1,129,067	355,708	31.50%	977,727
503000	Longevity	15,784	13,733	2,051	14.93%	5,428	13,733	2,051	14.93%	12,328	3,456	28.03%	11,718
505000	Overtime	68,000	68,000	0	0.00%	7,960	68,000	0	0.00%	26,023	41,977	161.31%	24,742
506000	Holiday Pay	7,309	4,981	2,328	46.74%	4,765	4,765	2,544	53.39%	3,898	3,411	87.51%	4,331
506500	Bonus	0	0	0	100%	0	0	0	100%	48,186	(48,186)	-100.00%	0
507000	Auto Allowance	4,800	2,400	2,400	100.00%	1,200	2,400	2,400	100.00%	1,800	3,000	166.67%	1,800
511300	LEO Special Separation Allowance	39,705	42,742	(3,037)	-7.11%	18,325	42,742	(3,037)	-7.11%	64,060	(24,355)	-38.02%	64,225
510000	FICA Taxes	121,001	108,162	12,839	11.87%	51,175	102,350	18,651	18.22%	91,224	29,777	32.64%	75,366
511000	LGERS retirement	216,304	186,082	30,222	16.24%	86,207	172,414	43,890	25.46%	137,139	79,165	57.73%	106,113
511200	401k	78,428	70,273	8,155	11.60%	33,440	66,880	11,548	17.27%	57,049	21,379	37.47%	49,115
520000	Medical	372,365	366,118	6,247	1.71%	140,712	281,424	90,941	32.31%	237,556	134,809	56.75%	194,516
522000	Dental	20,680	20,510	170	0.83%	8,388	16,776	3,904	23.27%	14,147	6,533	46.18%	12,116
523000	Vision Insurance	1,730	1,782	(52)	-2.92%	739	1,478	252	17.05%	1,632	98	6.00%	1,251
524000	Life Insurance	6,852	5,914	938	15.86%	2,564	5,128	1,724	33.62%	4,759	2,093	43.98%	5,280
525000	Disability	14,355	9,143	5,212	57.01%	5,082	10,164	4,191	41.23%	7,553	6,802	90.06%	8,350
531000	Cell Phone Allowance	2,367	2,367	0	0.00%	1,140	2,367	0	0.00%	2,280	87	3.82%	1,830
	Total Benefits	834,082	770,351	63,731	8.27%	329,447	658,981	175,101	26.57%	553,339	280,743	50.74%	453,937
	Total Personnel Services	2,454,455	2,318,321	136,134	5.87%	1,022,532	2,101,435	353,020	16.80%	1,838,701	615,754	33.49%	1,538,480
616000	Other Contractual Services	165,310	160,260	5,050	3.15%	40,298	152,000	13,310	8.76%	7,261	158,049	2176.68%	6,927
616200	Exit Lane Security	60,000	60,000	0	0.00%	13,757	55,000			0	60,000	100%	
620000	Travel, Per Diem, Conference Registration	11,350	11,350	0	0.00%	423	11,350	0	0.00%	2,073	9,277	447.52%	0
621000	Training & Education	13,100	13,100	0	0.00%	2,039	13,100	0	0.00%	10,478	2,622	25.02%	6,754
702000	Telecommunications/Online Services	0	0	0	100%	0	0	0	100%	1,441	(1,441)	-100.00%	1,950
760000	General Repairs and Maintenance	2,000	2,000	0	0.00%	941	2,000	0	0.00%	151	1,849	1224.50%	1,416
661500	Operating Supplies	33,500	7,000	26,500	378.57%	2,774	7,000	26,500	378.57%	4,444	29,056	653.83%	7,451
663500	Chemicals & Safety	1,500	1,500	0	0.00%	621	1,500	0	0.00%	1,824	(324)	-17.76%	2,156
664000	Small Tools and Equipment	1,500	1,500	0	0.00%	1,251	1,500	0	0.00%	1,436	64	4.46%	3,555
665500	Operating Furniture, Fixtures and Equipment	20,730	5,000	15,730	314.60%	786	5,000	15,730	314.60%	4,860	15,870	326.54%	3,680
666500	Uniforms	16,160	11,500	4,660	40.52%	3,015	11,500	4,660	40.52%	8,447	7,713	91.31%	8,793
666000	Firefighter Equipment	35,000	19,000	16,000	84.21%	8,066	17,125	17,875	104.38%	4,123	30,877	748.90%	11,976
670000	Dues & Memberships	3,185	2,790	395	14.16%	876	2,790	395	14.16%	2,003	1,182	59.01%	2,057
671000	Books & Publications	500	500	0	0.00%	90	500	0	0.00%	847	(347)	-40.97%	90
	Total Services & Mat'ls.	363,835	295,500	68,335	23.13%	74,937	280,365	78,470	27.99%	49,388	314,447	636.69%	56,805
	Department Total	2,818,290	2,613,821	204,469	7.82%	1,097,469	2,381,800	431,490	18.12%	1,888,089	930,201	49.27%	1,595,285

Comments:

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT**

Public Safety

CAPITAL BUDGET / PERSONNEL REQUEST
FY 2023-2024

JUSTIFICATION SCHEDULE

_____	Capital Improvement		
_____	Equipment and Small Capital Outlay	Fund	GARAA
_____	Renewal and Replacement	Department Number	90
X _____	Personnel Request	Cost Center	20

DESCRIPTION & JUSTIFICATION

Description	Amount
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Four additional Firefighters beginning January 1, 2024	\$ 176,992
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AVL anticipates increasing to an ARFF Index C in late first quarter or early second quarter of calendar year 2024. FAR Part 139 requires that an Index C airport be able to respond two ARFF vehicles, one within three minutes and the second within four minutes of any alert. To meet this requirement, two ARFF certified personnel must be at the Public Safety Facility ready to respond. To maintain adequate law enforcement and EMS coverage, it is necessary to add one additional firefighter per shift beginning January 1, 2024

Salary \$22,000/FF (1/2 year) - Total \$88,000
Benefits \$18,248/FF (1/2 year) - Total \$72,992
Associated gear \$4,000/FF - Total \$16,000

NOTE:

TITLE: Firefighter

HIRE DATE: January 1, 2024

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
FY2023/2024 PROJECTED CAPITAL CARRYOVER**

Description	Amount Authorized	Estimated Spending Through 6/30/2023	Estimated Balance to Carryover	FAA-AIP Grants	NC DOT Grants	TSA Grants	PFCs Currently Approved	Airport Funds
Terminal Rehab/Expansion - Design	35,561,970	25,000,000	10,561,970	1,000,000	-	-	-	9,561,970
Air Traffic Control Tower - Design	5,000,000	4,000,000	1,000,000	-	-	-	-	1,000,000
Fuel Farm Perimeter Road	250,000	-	250,000	-	-	-	-	250,000
Terminal & ATC Tower Construction	261,800,000	20,000,000	241,800,000	40,783,712	7,000,000	15,000,000	-	179,016,288
TOTAL CARRYOVER	\$ 302,611,970	\$ 49,000,000	\$ 253,611,970	\$ 41,783,712	\$ 7,000,000	\$ 15,000,000	\$ -	\$ 189,828,258

Related contracts requiring Board approval will be presented to the Board before implementation.

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
CAPITAL BUDGET
FISCAL YEAR 2023/2024**

Description	Total	Funding Source			
		FAA-AIP Grants	NCDOT Grants	Currently Approved PFCs	Airport Funds
<u>Capital Improvements (1)</u>					
Conference Room Improvements	45,000				45,000
Parking Guidance System	650,000				650,000
CONRAC Concrete	100,000		-		100,000
Garage Repairs	325,000				325,000
South Parking Lot	7,790,000				7,790,000
Total Capital Improvements	8,910,000	-	-	-	8,910,000
<u>Equipment and Small Capital Outlay</u>					
Filing cabinet	6,000				6,000
Two-Post Lift	30,000				30,000
FOD Device	15,000				15,000
ALIS System	65,000				65,000
Pressure Washer	15,000				15,000
					-
Total Equipment and Small Capital Outlay	131,000	-	-	-	131,000
<u>Renewal and Replacement</u>					
Communications Refresh - Phase 2	30,000				30,000
Vehicle Replacements	205,300				205,300
Fencing	50,000				50,000
SCBA Packs	41,200				41,200
Portable Radios	56,517				56,517
Total Renewal and Replacement	383,017	-	-	-	383,017
Total	\$ 9,424,017	\$ -	\$ -	\$ -	\$ 9,424,017

(1) All purchases of Capital Improvements will be presented to the Authority Board for final approval before implementation unless otherwise authorized by the Authority Board.

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT**

Information Technology

CAPITAL BUDGET / PERSONNEL REQUEST
FY 2023-2024

JUSTIFICATION SCHEDULE

<input checked="" type="checkbox"/>	Capital Improvement		
<input type="checkbox"/>	Equipment and Small Capital Outlay	Fund	ARA
<input type="checkbox"/>	Renewal and Replacement	Department Number	60
<input type="checkbox"/>	Personnel Request	Cost Center	0

DESCRIPTION & JUSTIFICATION

Description	Amount
Conference Room Improvements	\$ 45,000

The meeting spaces within the Department of Public Safety and Airport Maintenance facilities lack modern technology to support virtual meetings effectively. It is the recommendation of the Information Technology Department to upfit our conference rooms with digital displays, room automation, and adequate audio / microphone technologies to support today's meeting requirements.

NOTE: If this request relates to recently approved personnel, please complete the following:

TITLE:

HIRE DATE:

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT**

Information Technology

CAPITAL BUDGET / PERSONNEL REQUEST

FY 2023-2024

JUSTIFICATION SCHEDULE

<input checked="" type="checkbox"/>	Capital Improvement	Fund	ARA
<input type="checkbox"/>	Equipment and Small Capital Outlay	Department Number	60
<input type="checkbox"/>	Renewal and Replacement	Cost Center	0
<input type="checkbox"/>	Personnel Request		

DESCRIPTION & JUSTIFICATION

Description	Amount
Parking Guidance	\$ 650,000

The Airport parking facilities frequently operate at full capacity. Staff feels a parking guidance system would significantly improve operations and provide a added convenience to our customers.

NOTE: If this request relates to recently approved personnel, please complete the following:

TITLE:

HIRE DATE:

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT**

Operations

**CAPITAL BUDGET / PERSONNEL REQUEST
FY 2023-2024**

JUSTIFICATION SCHEDULE

<input checked="" type="checkbox"/>	Capital Improvement		
<input type="checkbox"/>	Equipment and Small Capital Outlay	Fund	GARAA
<input type="checkbox"/>	Renewal and Replacement	Department Number	80
<input type="checkbox"/>	Personnel Request		

DESCRIPTION & JUSTIFICATION

Description	Amount
Replace CONRAC Concrete	\$ 100,000

Airport Maintenance is requesting funds to repair and or replace concrete at the Rental Car Service Facility. Many pavement areas around the facility, especially the ramps to the service areas, are deteriorating. Total cost to repair and replace concrete is approximately \$100,000.00.

NOTE: If this request relates to recently approved personnel, please complete the following:

TITLE:

HIRE DATE:

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT**

Operations

CAPITAL BUDGET / PERSONNEL REQUEST
FY 2023-2024

JUSTIFICATION SCHEDULE

<input checked="" type="checkbox"/>	Capital Improvement		
<input type="checkbox"/>	Equipment and Small Capital Outlay	Fund	GARAA
<input type="checkbox"/>	Renewal and Replacement	Department Number	80
<input type="checkbox"/>	Personnel Request		

DESCRIPTION & JUSTIFICATION

Description	Amount
Garage Repairs	\$ 325,000

The airport parking garage has been open since late 2017. A recent inspection of the garage was conducted and found several areas that need repair. Most repairs are minor such as replacement of joint sealants, traffic coating, and restriping of the parking stalls. Estimates to complete this work is \$325,000.00.

NOTE: If this request relates to recently approved personnel, please complete the following:

TITLE:

HIRE DATE:

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT**

Planning

CAPITAL BUDGET / PERSONNEL REQUEST

FY 2023-2024

JUSTIFICATION SCHEDULE

<input checked="" type="checkbox"/>	Capital Improvement		
<input type="checkbox"/>	Equipment and Small Capital Outlay	Fund	GARAA
<input type="checkbox"/>	Renewal and Replacement	Department Number	20
<input type="checkbox"/>	Personnel Request	Cost Center	0

DESCRIPTION & JUSTIFICATION

Description	Amount
South Parking Lot Construction	\$ 7,790,000

Construction of a new parking lot that will create approximately 500-600 spaces. This project cost includes modifications to Rental Car Road, parking gate access system, bus shelters, all necessary stream mitigation, necessary stormwater improvements in the ROFA, and all associated permitting.

NOTE:

TITLE:

HIRE DATE:

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT**

Administration

CAPITAL BUDGET / PERSONNEL REQUEST

FY 2023-2024

JUSTIFICATION SCHEDULE

<input type="checkbox"/>	Capital Improvement		
<input checked="" type="checkbox"/>	Equipment and Small Capital Outlay	Fund	GARAA
<input type="checkbox"/>	Renewal and Replacement	Department Number	15
<input type="checkbox"/>	Personnel Request	Cost Center	0

DESCRIPTION & JUSTIFICATION

Description	Amount
Filing cabinet	\$ 6,000

Administration & HR is requesting one, additional fire-rated filing cabinet to house employee files (new hires, terminations, workers compensation, FMLA, I-9, etc.). We are currently at capacity with the current fire-rated filing cabinets. A new cabinet will accommodate additional employee files, especially as we anticipate growth over the next several years.

NOTE:

TITLE:

HIRE DATE:

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT**

Operations

CAPITAL BUDGET / PERSONNEL REQUEST
FY 2023-2024

JUSTIFICATION SCHEDULE

<input type="checkbox"/>	Capital Improvement		
<input checked="" type="checkbox"/>	Equipment and Small Capital Outlay	Fund	GARAA
<input type="checkbox"/>	Renewal and Replacement	Department Number	80
<input type="checkbox"/>	Personnel Request		

DESCRIPTION & JUSTIFICATION

Description	Amount
-------------	--------

Install Two Post Lift	\$ 30,000
-----------------------	-----------

Airport Maintenance is requesting to add a two post lift in one of the main shop bays to safely and more efficiently maintain smaller vehicles and equipment. Total cost to install is approximately \$30,000.00.

NOTE: If this request relates to recently approved personnel, please complete the following:

TITLE:

HIRE DATE:

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT**

Operations

CAPITAL BUDGET / PERSONNEL REQUEST
FY 2023-2024

JUSTIFICATION SCHEDULE

<input type="checkbox"/>	Capital Improvement		
<input checked="" type="checkbox"/>	Equipment and Small Capital Outlay	Fund	GARAA
<input type="checkbox"/>	Renewal and Replacement	Department Number	80
<input type="checkbox"/>	Personnel Request		

DESCRIPTION & JUSTIFICATION

Description	Amount
FOD Device	\$ 15,000

Airport Operations is requesting to purchase a device to assist in gathering FOD on airport movement and non movement surfaces. This request is based on the duplex bar system manufactured by FOD BOSS. The cost to purchase with freight is approximately \$15,000.00.

NOTE: If this request relates to recently approved personnel, please complete the following:

TITLE:

HIRE DATE:

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT**

Operations

CAPITAL BUDGET / PERSONNEL REQUEST
FY 2023-2024

JUSTIFICATION SCHEDULE

<input type="checkbox"/>	Capital Improvement		
<input checked="" type="checkbox"/>	Equipment and Small Capital Outlay	Fund	GARAA
<input type="checkbox"/>	Renewal and Replacement	Department Number	80
<input type="checkbox"/>	Personnel Request		

DESCRIPTION & JUSTIFICATION

Description	Amount
ALIS System	\$ 65,000

Airport Maintenance is requesting to purchase a system to assist with the maintenance of the airfield lighting system. The FAA requires the torquing of the airfield in pavement lights be recorded and tracked for appropriate tightness. This system would assist in providing the proper documentation to the FAA during the annual 139 inspection time frame. The cost to purchase to include training is approximately \$65,000.00.

NOTE: If this request relates to recently approved personnel, please complete the following:

TITLE:

HIRE DATE:

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT**

Operations

CAPITAL BUDGET / PERSONNEL REQUEST
FY 2023-2024

JUSTIFICATION SCHEDULE

<input type="checkbox"/>	Capital Improvement		
<input checked="" type="checkbox"/>	Equipment and Small Capital Outlay	Fund	GARAA
<input type="checkbox"/>	Renewal and Replacement	Department Number	80
<input type="checkbox"/>	Personnel Request		

DESCRIPTION & JUSTIFICATION

Description	Amount
Pressure Washer	\$ 15,000

Maintenance is requesting to install a wall mounted pressure washer system to assist in cleaning of the airport's vehicle fleet and equipment. Total amount requested to install the wall mounted pressure washer is \$15,000.00

NOTE: If this request relates to recently approved personnel, please complete the following:

TITLE:

HIRE DATE:

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT**

Information Technology

**CAPITAL BUDGET / PERSONNEL REQUEST
FY 2023-2024**

JUSTIFICATION SCHEDULE

<input type="checkbox"/>	Capital Improvement		
<input type="checkbox"/>	Equipment and Small Capital Outlay	Fund	ARA
<input checked="" type="checkbox"/>	Renewal and Replacement	Department Number	60
<input type="checkbox"/>	Personnel Request	Cost Center	0

DESCRIPTION & JUSTIFICATION

	Description	Amount
0	Airport Communications Refresh-Phase 2	\$ 30,000

Airport Communications plays a vital role in our day to day / emergency operations. The Airport's Communication Center is equipped to control and monitor numerous systems to include the Airport's security system, voice recorder, crash phone, and several radio frequencies for FAA/surrounding municipalities. The Information Technology Department replaced many of these systems in FY23 however, not all systems were replaced due to rising costs of goods and services. It is the recommendation of the Information Technology Department to replace the remaining equipment in FY24.

NOTE: If this request relates to recently approved personnel, please complete the following:

TITLE:

HIRE DATE:

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT**

Operations

**CAPITAL BUDGET / PERSONNEL REQUEST
FY 2023-2024**

JUSTIFICATION SCHEDULE

<u> </u>	Capital Improvement		
<u> </u>	Equipment and Small Capital Outlay	Fund	GARAA
<u> X </u>	Renewal and Replacement	Department Number	80
<u> </u>	Personnel Request		

DESCRIPTION & JUSTIFICATION

Description	Amount
Vehicles	\$ 205,300

Airport Maintenance is requesting to add a service vehicle to the existing fleet. This vehicle is needed to support new and existing positions within the department. Specifically, to service the rental car facility and help support the daily needs of the shop. Cost includes upfitting the vehicle with the proper equipment and accessories to support the needs of the department. Total cost would be \$50,000.00.

Airport Maintenance is also requesting \$100,000.00 to replace the oldest vehicles in the airport fleet. Due to supply chain issues, specific vehicles have not been identified until availability is determined. All vehicle manufacturers have limited windows to order heavy duty trucks, thus reducing what can be replaced within the airport fleet. Once vehicle availability is known, specific vehicles will be identified and reviewed prior to purchase.

DPS is requesting to add 1 law enforcement patrol vehicle for approximately \$55,300. Cost includes upfitting the vehicle with the proper equipment and accessories to support the needs of the department.

NOTE: If this request relates to recently approved personnel, please complete the following:

TITLE:

HIRE DATE:

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT

Operations

CAPITAL BUDGET / PERSONNEL REQUEST
FY 2023-2024

JUSTIFICATION SCHEDULE

_____	Capital Improvement		
_____	Equipment and Small Capital Outlay	Fund	GARAA
<u> X </u>	Renewal and Replacement	Department Number	80
_____	Personnel Request		

DESCRIPTION & JUSTIFICATION

Description	Amount
Fencing	\$ 50,000

Airport Maintenance is requesting to replace 1000 linear feet of split rail fencing around the paid parking lots that would match the latest section installed this past budget cycle. The overwhelming majority of the existing fence is deteriorating and warped. Total Cost \$50,000.

NOTE: If this request relates to recently approved personnel, please complete the following:

TITLE:

HIRE DATE:

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT

Public Safety

CAPITAL BUDGET / PERSONNEL REQUEST

FY 2023-2024

JUSTIFICATION SCHEDULE

_____	Capital Improvement		
_____	Equipment and Small Capital Outlay	Fund	GARAA
<u> X </u>	Renewal and Replacement	Department Number	<u> 90 </u>
_____	Personnel Request	Cost Center	20

DESCRIPTION & JUSTIFICATION

Description	Amount
SCBA Pack w/accessories	\$ 41,200

Phase 2 of 2. Purchase of 5 Scott 4.5 SCBA units for replacement of older units that have reached end of service life. The cost is \$8,240 per unit with mask and voice amplifier included.

NOTE:

TITLE:

HIRE DATE:

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT**

Public Safety

CAPITAL BUDGET / PERSONNEL REQUEST
FY 2023-2024

JUSTIFICATION SCHEDULE

<u> </u>	Capital Improvement		
<u> </u>	Equipment and Small Capital Outlay	Fund	GARAA
<u> X </u>	Renewal and Replacement	Department Number	90
<u> </u>	Personnel Request	Cost Center	20

DESCRIPTION & JUSTIFICATION

Description	Amount
Portable Radios w/accessories	\$ 56,517

Phase 2 of 2. Replace 35 Authority portable radios and purchase 10 new portable radios for estimated increase in Authority personnel. The current cost per portable radio is \$1,210 and includes radio, battery, charger, antenna, and speaker microphone. Replacements include DPS (22), Operations (7), Authority staff (6). The price does not include a possible trade in discount of approximately \$3,750. **Used radio value will decrease over time.** Replace 2 six bay charging units and purchase 1 additional six bay charging unit. The cost per six bay charging unit is \$689. The price does not include a trade in discount of approximately \$50.

NOTE:

TITLE:

HIRE DATE:

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ESTIMATED CASH & INVESTMENT BALANCE
As of June 30, 2023

		Amount
Estimated Cash & Investment Balance at June 30, 2023		\$ 400,000,000
Plus: Net Operating & Investment Revenues		9,439,402
Less Other Costs:		
Business Development Costs	(400,000)	
Contingency	(100,000)	
Debt Service	(20,494,884)	(20,994,884)
Plus Non-Operating Revenues:		
Bond Interest	11,500,000	
Passenger Facility Charges	3,800,000	
Customer Facility Charges	2,200,000	17,500,000
Plus Capital Contributions:		
Federal Grants - AIP/BIL Funds	41,783,712	
TSA Grant	15,000,000	
NC DOT Grants	7,000,000	63,783,712
Less Capital Costs:		
Capital Improvements	(8,910,000)	
Equipment and Small Capital Outlay Fund	(131,000)	
Renewal and Replacements	(383,017)	
Carryover Projects From FY2023	(253,611,970)	(263,035,987)
Estimated Cash & Investment Balance at June 30, 2024		206,692,243
Estimated Restricted Cash at June 30, 2024		60,000,000
Reserves:		
Operations & Maintenance Reserve (6 Months)		8,250,808
Emergency Repair Reserve		650,000
Estimated Unrestricted Undesignated Cash & Investments at June 30, 2024		\$ 137,791,435 *

* Cash balance is estimate including all bond funding. However, additional terminal construction costs will be added during the 4th quarter of FY2022/2023. Once this amount is determined, the estimated cash balance at June 30, 2024 will be reduced.

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
SUPPLEMENTAL FEES AND CHARGES
FY 2023/2024 ANNUAL BUDGET**

	FY 2022/2023 Current Fees			FY 2023/2024 Proposed Fees		
	Cost		Per	Cost		Per
<u>Maintenance</u>						
Scissor Lift	\$	100.00	day	\$	100.00	day
Large ADA Ramp Rental	\$	100.00	use	\$	100.00	use
Air Stair Rental	\$	100.00	use	\$	100.00	use
Volvo Wheel Loader	\$	150.00	use	\$	150.00	use
Fork-lift	\$	100.00	use	\$	100.00	use
Pallet Jack	\$	50.00	use	\$	50.00	use
Tenant Sweeper	\$	125.00	hour	\$	125.00	hour
Service Truck	\$	50.00	hour	\$	50.00	hour
Backhoe	\$	100.00	hour	\$	100.00	hour
Lighted X	\$	200.00	day	\$	200.00	day
Light Tower	\$	150.00	day	\$	150.00	day
Paint Stripper	\$	100.00	hour	\$	100.00	hour
Large Aircraft Removal Dolly	\$	200.00	day	\$	200.00	day
Small Aircraft Removal Dolly	\$	100.00	day	\$	100.00	day
Aircraft Jack	\$	100.00	use	\$	100.00	use
Cores	\$	40.00	each	\$	40.00	each
Keys	\$	12.00	each	\$	12.00	each
Large Dump Truck	\$	200.00	hour	\$	200.00	hour
Small Broom	\$	200.00	hour	\$	200.00	hour
Large Broom	\$	300.00	hour	\$	300.00	hour
Pressure Washer	\$	125.00	hour	\$	125.00	hour
Maintenance Labor Rate (1)	\$	75.00	hour	\$	80.00	hour
Security Escort Rate (1)	\$	75.00	hour	\$	80.00	hour
<u>Department of Public Safety</u>						
ARFF Apparatus for 1500 gal. or greater	\$	250.00	hour	\$	250.00	hour
ARFF Apparatus for less than 1500 gal.	\$	150.00	hour	\$	150.00	hour
Command, Police, and Ops support vehicles	\$	100.00	hour	\$	100.00	hour
Aircraft recover dolly	\$	150.00	day	\$	150.00	day
DPS Labor Rate (1)	\$	75.00	hour	\$	80.00	hour
Mutual Aid Agencies collected on their behalf			as incurred			as incurred
Replacement charges for AVL equipment/supplies			as incurred			as incurred
<u>Information Technology (IT) Department</u>						
IT Labor Rate - Non-Network (1)	\$	75.00	hour	\$	80.00	hour
IT Labor Rate - Network Related (1)	\$	110.00	hour	\$	110.00	hour
Dark Fiber per strand per 0-1000 ft	\$	20.00	month	\$	20.00	month
Dark Fiber per strand per 0-2000 ft	\$	22.00	month	\$	22.00	month
Dark Fiber per strand per 0-3000 ft	\$	24.00	month	\$	24.00	month
Telephone Service - Per Telephone Number	\$	50.00	month	\$	50.00	month
Fax Service - Per Fax Machine/Phone Number	\$	22.13	month	\$	22.13	month
Cisco IP Phone - Model 7911G	\$	5.67	month	\$	5.67	month
Cisco IP Phone - Model 7945G	\$	11.57	month	\$	11.57	month
Cisco 1 Port Analog Line Converter-ATA186	\$	4.86	month	\$	4.86	month
Cisco 2 Port Analog Line Converter-VG202	\$	22.13	month	\$	22.13	month
Amadeus Shared Use Network Charge - Per Airline	\$	50.00	month	\$	50.00	month

Notes:

(1) One Hour Minimum, Minimum of 3 hours charged after regular business hours.

Identification Badge Fees and Charges	FY 2022/2023 Current Fees		FY 2023/2024 Proposed Fees	
	Cost	Per	Cost	Per
Initial Badge Issuance				
SIDA Badge	\$ 80.00		\$ 90.00	
Non-SIDA Badge	\$ 45.00		\$ 50.00	
Renewal of Badge				
SIDA Badge	\$ 80.00		\$ 90.00	
Non-SIDA Badge	\$ 45.00		\$ 50.00	
Lost Badge Replacement				
SIDA Badge (4)	\$ 90.00 / \$ 105.00		\$ 90.00 / \$ 105.00	
Non-SIDA Badge (5)	\$ 65.00 / \$ 80.00		\$ 65.00 / \$ 80.00	
Damaged Badge				
SIDA Badge (6)	\$ 45.00 / \$ 55.00		\$ 45.00 / \$ 55.00	
Non-SIDA Badge (6)	\$ 45.00 / \$ 55.00		\$ 45.00 / \$ 55.00	
Security Escort Training	\$ 60.00		\$ 80.00	
Lock-out Service	\$ 60.00		\$ 80.00	
PIN Reset	\$ 20.00		\$ 20.00	

Notes:

- (4) \$90.00 for the first replacement badge, \$105.00 for the second replacement badge.
- (5) \$65.00 for the first replacement badge, \$80.00 for the second replacement badge.
- (6) \$45.00 for a damaged badge, \$55.00 if badge damaged due to negligence.

Parking

Daily	\$ 2.00	hour	\$ 2.00	hour
	\$ 10.00	day	\$ 12.00	day
	\$ 60.00	week	\$ 72.00	week
Parking Garage	\$ 2.00	hour	\$ 2.00	hour
	\$ 13.00	day	\$ 15.00	day
	\$ 78.00	week	\$ 90.00	week
Hourly	\$ 1.00	1/2 hour	\$ 2.00	hour
	\$ 25.00	day	\$ 30.00	day
Employee Parking Rate	\$ 70 / \$60	new/renewal	\$ 70 / \$60	new/renewal
Commuter Parking Rate	\$ 300 / \$285	new/renewal	\$ 300 / \$285	new/renewal
Non-Tenant Aviation Commuter	\$ 900.00	annual	\$ 900.00	annual
Fines	up to \$1,000	day	up to \$1,000	day

Ground Transportation

Charter Bus Company (1-2 buses) (8)	\$ 1,000.00	annual	\$ 1,000.00	annual
Charter Bus Company (3-4 buses) (8)	\$ 2,500.00	annual	\$ 2,500.00	annual
Charter Bus Company (5 or more buses) (8)	\$ 4,000.00	annual	\$ 4,000.00	annual
Airport Ground Transportation Permit (9)	\$ 50.00	annual	\$ 50.00	annual
Airport Ground Transportation Pick-up Fee (9)	\$ 2.50	per trip	\$ 3.00	per trip
Transp. Network Company (TNC) Pick-up Fee	\$ 2.50	per trip	\$ 3.00	per trip
Transp. Network Company (TNC) Drop-off Fee	\$ 0.50	per trip	\$ 0.50	per trip
Off-Airport Rental Car Fee	10.00%	of gross revenue	10.00%	of gross revenue

Notes:

- (8) Companies with a vehicle fleet of 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: Janet Burnette, Chief Financial Officer

DATE: February 3, 2023

ITEM DESCRIPTION – New Business Item C

Approval of Bond Issuance

BACKGROUND

As part of a multi-phase bond plan of finance for the new terminal building and air traffic control tower, the Authority previously issued its 2022A Bonds in June 2022. The Authority's bond counsel, Womble Bond Dickinson (US) LLP, has prepared the necessary documents for the second bond issue (the 2023 Bonds) for the project. The attached Bond Order to be adopted by the Authority Board (1) approves the attached bond financing documents in substantially final form; (2) approves the issuance of the 2023 Bonds pending LGC approval; and (3) authorizes the Chairman of the Authority Board, the President and CEO and the CFO to execute the necessary documents on the bond sale and closing date.

With respect to the attached draft financing documents, Series Indenture, No. 3 includes the specific details of the 2023 Bonds. The Preliminary Official Statement is the securities offering document for potential investors in the 2023 Bonds. The Bond Order provides for the Authority Board's approval of these two documents along with any other documents necessary for the sale and issuance of the 2023 Bonds. The Bond Purchase Agreement is the contract between the Authority, the Underwriters of the 2023 Bonds and the LGC pursuant to which the Underwriters agree to buy the 2023 Bonds.

ISSUES

None

New Business – Item C



ALTERNATIVES

None

FISCAL IMPACT

As outlined in the bond documents

RECOMMENDED ACTION

It is respectfully requested that the Greater Asheville Regional Airport Authority Board resolve to adopt the attached Bond Order (1) approving the bond financing documents in substantially final form; (2) approving the issuance of the 2023 Bonds pending LGC approval; and (3) authorizing the Chairman of the Authority Board, the President and CEO and the CFO to execute the necessary documents on the bond sale and closing date.

EXTRACTS FROM MINUTES OF THE
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

A regular meeting of the Board of Directors of the Greater Asheville Regional Airport Authority was held in the Board Room of the Greater Asheville Regional Airport Authority Offices, located on the second floor of the Airport, 61 Terminal Drive, Suite 1, Fletcher, North Carolina, the regular place of meeting, at 8:30 a.m. on March 10, 2023.

Present: _____

Absent: _____

Also Present: _____

* * * * *

_____ introduced the following order the title of which was read and a copy of which had been previously distributed to each Member:

ORDER AUTHORIZING THE ISSUANCE AND SALE BY THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY OF AIRPORT SYSTEM REVENUE BONDS (AMT), SERIES 2023 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$175,000,000 TO FINANCE VARIOUS CAPITAL IMPROVEMENTS AT THE ASHEVILLE REGIONAL AIRPORT AND PAYING CERTAIN ASSOCIATED EXPENSES; AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH

BE IT ORDERED by the Greater Asheville Regional Airport Authority (the “Authority”):

Section 1. The Authority does hereby find and determine as follows:

(a) The Authority has heretofore executed and delivered an Amended and Restated General Trust Indenture, dated as of June 1, 2022 (the “General Indenture”), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), authorizing the issuance of revenue bonds thereunder for the purpose of financing or refinancing the costs of improvements at the Asheville Regional Airport (the “Airport”) as further provided therein.

(b) There exists a need at the Airport for various capital improvements including, without limitation, (i) the expansion and modernization of its existing terminal, (ii) expansion and modernization of ticket lobby, TSA screening, baggage claim and concessions areas, (iii) improvements to existing supporting infrastructure, (iv) construction of a centralized energy plant, (v) renovation of the remaining portion of the existing terminal building, and (vi) construction of a new air traffic control tower (the “Project”).

(c) As part of a multi-phase plan of finance to pay the costs of the Project, the Authority has previously issued its \$185,000,000 Airport System Revenue Bonds (AMT), Series 2022A (the “Series 2022A Bonds”).

(d) The Authority has determined to issue its Greater Asheville Regional Airport Authority Airport System Revenue Bonds (AMT), Series 2023 (the “Series 2023 Bonds”) for the purpose of providing funds, together with other available funds including the proceeds of the Series 2022A Bonds, to (i) pay costs of the Project, (ii) pay capitalized interest with respect to the Bonds, (iii) fund a debt service reserve fund or purchase a debt service reserve fund policy for the Bonds and (iv) pay certain other fees and expenses associated with the issuance of such revenue bonds including, without limitation, a bond insurance premium.

(e) The Authority has made application to the North Carolina Local Government Commission (the “Commission”) for approval of the issuance of the Series 2023 Bonds in accordance with G.S. 159-86 and, pursuant to Section 7 hereof, is requesting the sale of the Series 2023 Bonds by private negotiated sale to the underwriters thereof.

(f) The Authority proposes to sell the Series 2023 Bonds to an underwriting group consisting of Siebert Williams Shank & Co., LLP and Raymond James & Associates, Inc. (the “Underwriters”), pursuant to the provisions of the Bond Purchase Agreement (hereinafter defined), at such prices determined by the Commission, subject to the approval of the Authority.

(g) There have been presented to the Authority at this meeting forms of the following documents relating to the issuance and sale of the Bonds:

(1) Series Indenture, Number 3, to be dated as of May 1, 2023 (the “Series Indenture”), between the Authority and the Trustee, pursuant to which the Series 2023 Bonds would be issued;

(2) Bond Purchase Agreement, to be dated the date of execution and delivery thereof (the “Bond Purchase Agreement”), among the Authority, the Commission and Siebert Williams Shank & Co., LLP, as representative of the Underwriters, relating to the sale of the Series 2023 Bonds; and

(3) Preliminary Official Statement, to be dated the date of delivery thereof (the “Preliminary Official Statement”), relating to the sale and offering of the Series 2023 Bonds.

(h) The Authority has determined that the issuance and sale of the Series 2023 Bonds in the manner provided in this order is in the best interests of the Authority.

Section 2. Capitalized words and terms used in this order and not defined herein shall have the same meanings given such words and terms in the General Indenture and the Series Indenture.

Section 3. Pursuant to the provisions of The State and Local Government Revenue Bond Act, as amended (the “Act”), particularly G.S. 159-88, the Authority hereby authorizes the issuance of the Series 2023 Bonds for the purposes described above in an aggregate principal amount of not to exceed \$175,000,000. The exact amount of Series 2023 Bonds to be issued shall be determined by the Chair, the President and Chief Executive Officer and the Chief Financial Officer of the Authority (collectively, the “Authority Officials”) at the time the Series 2023 Bonds are sold to the Underwriters and shall be an amount sufficient, together with any other available funds, to pay the amounts specified in subsection (d) of Section 1 above.

The Series 2023 Bonds shall bear interest and mature at such times and in such amounts as shall be set forth in the General Indenture and the Series Indenture, subject to the provisions of this order, such rates, maturities and amounts to be determined by the Authority Officials at the time the Series 2023 Bonds are sold to the Underwriters. The final maturity of the Series 2023 Bonds shall not be later than December 31, 2053. The true interest cost of the Series 2023 Bonds shall not exceed 7.00% per annum.

Section 4. The Series 2023 Bonds shall be subject to optional and mandatory sinking fund redemption at the times, upon the terms and conditions, and at the prices determined by the Authority Officials, such redemption terms to be set forth in the Series Indenture.

Section 5. The proceeds of the Series 2023 Bonds shall be applied as provided in the Series Indenture.

Section 6. The Series 2023 Bonds shall be secured as provided in the General Indenture and the Series Indenture.

Section 7. The Commission is hereby requested to sell and award the Series 2023 Bonds to the Underwriters in a negotiated sale on behalf of the Authority, subject to the approval of the Authority, in accordance with the terms and provisions set forth in the Bond Purchase Agreement. Each of the Authority Officials is hereby designated to approve on behalf of the Authority the sale of the Series 2023 Bonds to the Underwriters for such purchase price and upon such terms and conditions as such officer shall determine, subject to the provisions of this order. Each of the Authority Officials is hereby authorized and directed in the name and on behalf of the Authority to execute and deliver the Bond Purchase Agreement in substantially the form presented, together with such changes, additions and deletions as the person executing the Bond Purchase Agreement, with the advice of counsel, may deem necessary and appropriate, such execution and delivery to be conclusive evidence of the approval and authorization in all respects of the form and content thereof.

Section 8. The form, terms and provisions of the Series Indenture, including the form of the Series 2023 Bonds set forth therein, are hereby approved, and each of the Authority Officials is hereby authorized and directed to execute and deliver the Series Indenture in substantially the form presented, together with such changes, additions and deletions as such persons, with the

advice of counsel, may deem necessary and appropriate, including, without limitation, changes, additions and deletions necessary to incorporate the final terms of the Series 2023 Bonds as set forth in the Bond Purchase Agreement and to incorporate certain terms and provisions required by the rating agencies, such execution and delivery to be conclusive evidence of the approval and authorization in all respects of the form and content thereof. The Chair of the Authority and the Clerk to the Board or any deputy or assistant Clerk to the Board are hereby authorized and directed to execute and deliver the Series 2023 Bonds in substantially the form presented, together with such changes, additions and deletions as such persons, with the advice of counsel, may deem necessary and appropriate, including, without limitation, changes, additions and deletions necessary to incorporate the final terms of the Series 2023 Bonds.

Section 9. The Preliminary Official Statement relating to the offering for sale of the Series 2023 Bonds is hereby approved. The Authority hereby authorizes and approves the use and distribution of the Preliminary Official Statement in substantially the form presented in connection with the offering for sale of the Series 2023 Bonds by the Underwriters. The Authority authorizes and consents to the preparation and distribution of a final Official Statement, in substantially the form of the Preliminary Official Statement, together with such changes as are necessary to reflect the final terms of the Series 2023 Bonds. The Authority Officials are each hereby authorized and directed to deliver the Official Statement such delivery to be conclusive evidence of the approval and authorization in all respects of the form and content thereof.

Section 10. The Authority Officials are each hereby authorized to take such action as is necessary to obtain a policy of municipal bond insurance for the Series 2023 Bonds (the “Bond Insurance Policy”) or a surety bond or other qualified reserve fund substitute to fund the debt service reserve fund for the Series 2022A Bonds or the Series 2023 Bonds (the “Surety Bond”) if such officer determines that procuring a Bond Insurance Policy or a Surety Bond is in the best interest of the Authority. The premium for the Bond Insurance Policy or the Surety Bond shall be paid from the proceeds of the Series 2023 Bonds or other available funds of the Authority. The Authority Officials are each hereby authorized and directed to execute and deliver any documentation necessary for the procurement of the Bond Insurance Policy or the Surety Bond.

Section 11. On March 11, 2022, the Board adopted a resolution making certain findings (the “Findings Resolution”) required by the Commission related to the Series 2022A Bonds and the Series 2023 Bonds. The Board does hereby ratify and affirm the findings set forth in Section 1 of the Findings Resolution as of the date hereof with respect to the Project and the Series 2023 Bonds assuming the issuance of the Series 2023 Bonds in an aggregate principal amount not to exceed \$175,000,000. The Board hereby ratifies and approves the filing of an application with the Commission for the approval of the issuance of the Series 2023 Bonds for the purposes set forth in Section 1(d) hereof in an aggregate principal amount not to exceed \$175,000,000. Except as otherwise noted with respect to the Underwriters described in Section 1(f) hereof, the professionals described in Section 5 of the Findings Resolution will continue to serve in the same capacities for the Series 2023 Bonds.

Section 12. Each of the Authority Officials, the Clerk to the Board and any assistant or deputy Clerk to the Board of the Authority is authorized and directed (without limitation except as may be expressly set forth in this order) to take such action and to execute and deliver the

Series Indenture, the Series 2023 Bonds, the Bond Purchase Agreement and such certificates, agreements, instruments, opinions or other documents as they, with the advice of counsel, may deem necessary or appropriate to effect the transactions contemplated by this order, the General Indenture, the Series Indenture and the Bond Purchase Agreement, including, without limitation, any documents related to the investment of the proceeds of the Series 2022A Bonds and the Series 2023 Bonds. The Clerk to the Board and any assistant or deputy Clerk to the Board for the Authority hereinafter provided for is hereby authorized to affix the seal to such instruments and attest the same. The Clerk to the Board and any assistant or deputy Clerk to the Board for the Authority is further authorized to certify the authenticity of such records of the Authority as shall be required in connection with the issuance of the Series 2023 Bonds and the fulfillment of the terms of the Bond Purchase Agreement in connection therewith.

The officers of the Authority and the agents and employees of the Authority are hereby authorized and directed to do all acts and things required of them by the provisions of this order, the Series 2023 Bonds, the General Indenture, the Series Indenture and the Bond Purchase Agreement for the full, punctual and complete performance of the terms, covenants, provisions and agreements of the same, including all administrative actions as shall be required to be taken after the issuance of the Series 2023 Bonds. The officers of the Authority are authorized to take such actions as may be necessary or desirable in order to permit or qualify the offering of the Series 2023 Bonds in any jurisdiction the Underwriters may request.

Section 13. This order shall take effect immediately upon its adoption.

Upon motion of _____, seconded by _____, the foregoing order entitled “ORDER AUTHORIZING THE ISSUANCE AND SALE BY THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY OF AIRPORT SYSTEM REVENUE BONDS (AMT), SERIES 2023 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$175,000,000 TO FINANCE VARIOUS CAPITAL IMPROVEMENTS AT THE ASHEVILLE REGIONAL AIRPORT AND PAYING CERTAIN ASSOCIATED EXPENSES; AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH” was adopted by the following vote:

Ayes: _____

Noes: _____

* * * * *

I, Ellen M. Heywood, Clerk to the Board of Directors of the Greater Asheville Regional Airport Authority, DO HEREBY CERTIFY that the foregoing is a true copy of so much of the proceedings of said Authority at a regular meeting held on March 10, 2023, as it relates in any way to the adoption of the foregoing order and that said proceedings are recorded in the minutes of said Authority.

WITNESS my hand and the official seal of the Authority this 10th day of March, 2023.

[SEAL]

Clerk to the Board

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,

as Trustee

SERIES INDENTURE, NUMBER 3

Dated as of
May 1, 2023

*Greater Asheville Regional Airport Authority
Airport System Revenue Bonds (AMT), Series 2023*

SERIES INDENTURE, NUMBER 3
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SERIES INDENTURE, NUMBER 3

THIS SERIES INDENTURE, NUMBER 3 dated as of May 1, 2023 (the “*Series Indenture*,” and together with the General Indenture and any supplements and amendments thereto and hereto made in accordance therewith and herewith, this “*Indenture*”), is by and between the **GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY** (the “*Authority*”), a body corporate and politic of the State of North Carolina, and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, the trustee (the “*Trustee*”), acting through its corporate trust offices in Jacksonville, Florida, duly organized and existing under the laws of the United States of America, being authorized to accept and execute trusts of the character herein set out.

WITNESSETH:

WHEREAS, the Authority proposes to issue a series of bonds hereunder (the “*2023 Bonds*”) and under that certain Amended and Restated General Trust Indenture dated as of June 1, 2022 (the “*General Indenture*”) between the Authority and the Trustee, and to apply the proceeds of the 2023 Bonds to (a) pay the cost of certain improvements to the Authority’s Airport System (the “*Project*”), (b) fund the interest accruing on the 2023 Bonds during construction of the Project, (c) fund a debt service reserve fund for the 2023 Bonds and (d) pay the fees and expenses incurred in connection with the sale and issuance of the 2023 Bonds;

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein it is agreed as follows:

ARTICLE I
DEFINITIONS

Except as provided herein, all defined terms contained in Section 1.1 of the General Indenture will have the same meanings in this Series Indenture. In addition, the following words and terms, unless the context otherwise requires, have the following meanings:

“*Authenticating Agent*” means The Bank of New York Mellon Trust Company, N.A. or any successor thereto.

“*Authorized Denomination*” means \$5,000 or any integral multiple thereof.

“*Electronic Means*” shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

“*General Indenture*” means the Amended and Restated General Trust Indenture, dated as of June 1, 2022, between the Authority and the Trustee, and any amendments and supplements thereto.

[“*Insurer*” means _____, or any successor thereto or assignee thereof.]

“*Interest Payment Date*” means each **[July]** 1 and **[January]** 1, beginning **[January]** 1, 20__.

“*Mail*” means first-class United States mail, postage prepaid.

“*Owner,*” when used in this Series Indenture, means a registered owner of a 2023 Bond.

“*Parity Reserve Account*” shall mean the Parity Reserve Account of the Reserve Fund created by the General Indenture, which secures the 2023 Bonds, the 2022A Bonds, the 2016A Bond and any additional Bonds that may hereafter be secured by the Parity Reserve Account on a *pari passu* basis.

“*Paying Agent*” means The Bank of New York Mellon Trust Company, N.A., and any successor thereto.

“*Project*” means, collectively, any or all of those items described in Exhibit C hereto, which are financed, together with other available funds, from the proceeds of the 2023 Bonds.

[“*Policy*” means the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the 2023 Bonds when due.]

“*Record Date*” means the 15th day of the month next preceding the Interest Payment Date.

“*Redemption Date*” means the date on which 2023 Bonds have been called for redemption or are to be redeemed pursuant to this Series Indenture.

“*Redemption Price*” means, with respect to any 2023 Bond, the principal amount thereof plus accrued interest to the Redemption Date.

“*Series Indenture*” means this Series Indenture, Number 3 and any supplements and amendments hereto made in accordance herewith.

“*Tax Certificate*” means the Tax Certificate dated as of May 1, 2023 by the Authority related to the 2023 Bonds.

“*2016A Bond*” means the Greater Asheville Regional Airport Authority Airport System Revenue Bond, Series 2016A.

“*2022A Bonds*” means the Greater Asheville Regional Airport Authority Airport System Revenue Bonds, Series 2022A.

“*2023 Bonds*” means the Greater Asheville Regional Airport Authority Airport System Revenue Bonds (AMT), Series 2023 to be issued under the Indenture.

“*2023 Capitalized Interest Account*” means the account by that name in the Construction Fund created under Section 5.2.

“*2023 Construction Account*” means the account by that name in the Construction Fund created under Section 5.2.

“*Underwriters*” mean Siebert Williams Shank & Co., LLC and Raymond James & Associates, Inc., as underwriters of the 2023 Bonds.

[END OF ARTICLE I]

ARTICLE II

THE 2023 BONDS

Section 2.1 Authorized Amount of Bonds. No 2023 Bond may be issued under the provisions of the Indenture except in accordance with this Article. The total principal amount of 2023 Bonds that may be issued is hereby expressly limited to \$ _____, except as provided in Sections 3.4 and 3.5 of the General Indenture.

Section 2.2 Issuance of Bonds. The 2023 Bonds will be designated “Greater Asheville Regional Airport Authority Airport System Revenue Bonds (AMT), Series 2023.” The 2023 Bonds will be issuable as fully registered bonds in any Authorized Denomination. The 2023 Bonds will be numbered from R-1 consecutively upwards. The 2023 Bonds will be substantially in the form set forth in Exhibit A, with such appropriate variations, omissions and insertions as are permitted or required by the Indenture.

Section 2.3 Delivery of 2023 Bonds. Before the delivery by the Trustee of any of the 2023 Bonds, the items required under Section 2.4 of the General Indenture must be filed with the Trustee.

Section 2.4 Details of 2023 Bonds; Payment.

(a) The 2023 Bonds will mature on [July] 1 of the years and in the amounts and will bear interest (computed on the basis of a 360-day year of twelve 30-day months) as follows:

<u>YEAR OF</u> <u>MATURITY</u>	<u>PRINCIPAL</u> <u>AMOUNT</u>	<u>INTEREST</u> <u>RATE</u>	<u>YEAR OF</u> <u>MATURITY</u>	<u>PRINCIPAL</u> <u>AMOUNT</u>	<u>INTEREST</u> <u>RATE</u>
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(b) Both the principal of and the interest on the 2023 Bonds are payable in any lawful coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. Each 2023 Bond shall bear interest until its principal sum has been paid, but if such 2023 Bond has matured or has been called for redemption and the Redemption Date has occurred and funds are available for the payment thereof in full in accordance with the terms of the Indenture, such 2023 Bond shall then cease to bear interest as of the maturity date or Redemption Date. The 2023 Bonds will be dated as of the date of their initial delivery, except that 2023 Bonds issued in exchange for or on the registration of transfer of 2023 Bonds will be dated as of the Interest Payment Date preceding the day of authentication thereof, unless (1) the date of such authentication precedes [December 15, 20__], in which case they will be dated as of the date of their initial delivery, (2) the date of such authentication is between the Record Date and an Interest Payment Date, in which case they will be dated as of such following Interest Payment Date or (3) the date of such authentication is an Interest Payment Date to which interest on the 2023 Bonds has been paid in full or duly provided for in accordance with the terms of the Indenture, in which case they will be dated as of such Interest Payment Date; except that if, as shown by the records of the Paying Agent, interest on the 2023 Bonds is in default, the 2023 Bonds executed and delivered in exchange for or on registration of transfer of the 2023 Bonds

will be dated as of the date to which interest on the 2023 Bonds has been paid in full. If no interest has been paid on the 2023 Bonds, the 2023 Bonds executed and delivered in exchange for or on the registration of transfer of the 2023 Bonds will be dated the date of initial authentication and delivery thereof.

(c) The 2023 Bonds will be delivered by means of a book-entry system with no physical distribution of definitive 2023 Bonds made to the public. One definitive 2023 Bond for each maturity is to be delivered to The Depository Trust Company (“DTC”) and immobilized in the custody of the Trustee on behalf of DTC. A book-entry system will be employed, evidencing ownership of the 2023 Bonds in denominations of \$5,000 or any integral multiple thereof, with transfers of beneficial ownership effected on the records of DTC and its participants (the “DTC Participants”) pursuant to rules and procedures established by DTC.

Each DTC Participant will be credited in the records of DTC with the amount of such DTC Participant’s interest in the 2023 Bonds. Beneficial ownership interests in the 2023 Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the “Beneficial Owners.” The Beneficial Owners will not receive definitive 2023 Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner will be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its 2023 Bonds. Transfers of ownership interests in the 2023 Bonds will be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE 2023 BONDS, THE TRUSTEE SHALL TREAT CEDE & CO. AS THE ONLY OWNER OF THE 2023 BONDS FOR ALL PURPOSES UNDER THE INDENTURE, INCLUDING RECEIPT OF ALL PRINCIPAL AND PREMIUM, IF ANY, AND INTEREST ON THE 2023 BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE TRUSTEE TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THE INDENTURE.

Payments of principal, interest and premium, if any, on the 2023 Bonds, so long as DTC is the only Owner of the 2023 Bonds, will be paid by the Trustee directly to DTC or its nominee, Cede & Co., as provided in the Blanket Letter of Representations dated May 2, 2022 from the Authority to DTC (the “Letter of Representation”). DTC will remit such payments to DTC Participants, and such payments thereafter will be paid by DTC Participants to the Beneficial Owners. The Trustee and the Authority are not and will not be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

If (a) DTC determines not to continue to act as securities depository for the 2023 Bonds or (b) the Trustee and the Authority determine to discontinue the book entry system in accordance with DTC’s rules and the Authority fails to identify another qualified securities depository to replace DTC, the Authority will deliver fully registered definitive 2023 Bonds to DTC in the denomination of \$5,000 or integral multiples thereof as such Owner may request.

THE AUTHORITY AND THE TRUSTEE HAVE NO RESPONSIBILITY OR OBLIGATION WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (B) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE 2023 BONDS; (C) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO OWNERS; (D) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE 2023 BONDS; OR (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR ITS NOMINEE, CEDE & CO., AS OWNER.

(d) The 2023 Bonds and any premiums on the redemption thereof prior to maturity are payable in any lawful coin or currency of the United States of America, at the designated corporate trust office of the Trustee on presentation and surrender. Interest on the 2023 Bonds will be paid by the Trustee by check or draft mailed on the Interest Payment Date to each Owner as its name and address appear on the register kept by the Trustee at the close on the fifteenth day next preceding an Interest Payment Date. At the written request of any Owner of at least \$1,000,000 in aggregate principal amount of the 2023 Bonds and while a book-entry system is in place with respect to the 2023 Bonds, principal and interest may be payable by wire transfer at the address specified in writing by the Owner by the Record Date. CUSIP number identification with appropriate dollar amounts for each CUSIP number shall accompany all payments of principal of, premium, if any, and interest on any 2023 Bond, whether by check or by wire transfer.

(e) The Trustee is appointed as the Paying Agent and Authenticating Agent for the 2023 Bonds.

Section 2.5 Arbitrage and Tax Covenants. The Authority covenants that it will not take or permit, or omit to take or cause to be taken, any action that would adversely affect the exclusion from gross income of the recipient thereof for federal income tax purposes of the interest on the 2023 Bonds, and, if it should take or permit, or omit to take or cause to be taken, any such action, the Authority will take or cause to be taken all lawful actions within its power necessary to rescind or correct such actions or omissions promptly upon having knowledge thereof. The Authority acknowledges that the continued exclusion of interest on the 2023 Bonds from the Owner's gross income for federal income tax purposes depends, in part, on compliance with the arbitrage limitations imposed by Section 148 of the Code. The Authority covenants that it will comply with all the requirements of Section 148 of the Code, including the rebate requirements, and that it will not permit at any time any of the proceeds of the 2023 Bonds or other funds under their control be used, directly or indirectly, to acquire any asset or obligation, the acquisition of which would cause the 2023 Bonds to be "arbitrage bonds" for purposes of Section 148 of the Code. The Authority covenants that it will comply and will direct the Trustee to comply with the investment instructions in the Tax Certificate.

Section 2.6 Notification of LGC and Rating Agency. The Trustee hereby agrees to promptly notify the North Carolina Local Government Commission (the "LGC"), Moody's, if the 2023 Bonds are rated by Moody's, S&P, if the 2023 Bonds are rated by S&P, Fitch, if the 2023 Bonds are rated by Fitch, and Kroll, if the 2023 Bonds are rated by Kroll, at the address set forth in Section 8.6, of (1) any appointment of a successor Trustee, other than a successor by corporate acquisition, (2) any amendment or supplement to the Indenture, (3) any provision for payment of the 2023 Bonds in accordance with Article X of the General Indenture and (4) the giving of notice of the call for redemption of any 2023 Bonds under Section 3.2.

[END OF ARTICLE II]

ARTICLE III

REDEMPTION OF 2023 BONDS

Section 3.1 Optional Redemption of the 2023 Bonds. The 2023 Bonds maturing on or before [July] 1, 20__ are not subject to redemption prior to maturity. The 2023 Bonds maturing on or after [July] 1, 20__ will be subject to redemption, at the option of the Authority, from any funds that may be available for such purpose, either in whole or in part on any date on or after [July] 1, 20__, at a Redemption Price equal to 100% of the principal amount thereof, plus accrued interest to the Redemption Date.

Section 3.2 Mandatory Sinking Fund Redemption. The 2023 Bonds maturing on [July] 1, 20__ (the “20__ Term Bonds”) are subject to mandatory sinking fund redemption at the redemption price of 100% of the principal amount thereof, without premium, in amounts and on the dates as follows:

REDEMPTION DATE [(JULY 1)]	PRINCIPAL AMOUNT	REDEMPTION DATE [(JULY 1)]	PRINCIPAL AMOUNT
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*Maturity

The 2023 Bonds maturing on [July] 1, 20__ (the “20__ Term Bonds” and, together with the 20__ Term Bonds, the “Term Bonds”) are subject to mandatory sinking fund redemption at the redemption price of 100% of the principal amount thereof, without premium, in amounts and on the dates as follows:

REDEMPTION DATE [(JULY 1)]	PRINCIPAL AMOUNT	REDEMPTION DATE [(JULY 1)]	PRINCIPAL AMOUNT
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*Maturity

At its option, to be exercised on or before the 45th day next preceding any mandatory redemption date, the Authority may (a) deliver to the Trustee for cancellation, Term Bonds or portions thereof (in Authorized Denominations) in any aggregate principal amount desired, or (b) receive a credit in respect of its mandatory redemption obligation for the Term Bonds (in Authorized Denominations) which prior to said date have been purchased or redeemed (otherwise than through mandatory redemption pursuant to this Section) and cancelled by the Trustee and not theretofore applied as a credit against any mandatory redemption obligation. Each such Term Bond or portion thereof so delivered or previously purchased or redeemed and cancelled by the Trustee shall be credited by the Trustee at 100% of the principal amount thereof against the obligation of the Authority to redeem the Term Bonds on such mandatory redemption date, and any excess over such amount shall be credited against future mandatory redemption obligations in chronological order, unless otherwise designated by the Authority, and the principal amount of the Term Bonds so to be redeemed shall be accordingly reduced.

The Authority will on or before the 45th day next preceding each such mandatory redemption date furnish the Trustee with its certificate indicating whether or not and to what extent the provisions of

(a) and (b) of the preceding paragraph are to be availed of with respect to such mandatory redemption payment.

Section 3.3 Notice of Redemption. Notice of redemption will be given by the Trustee not less than 30 days nor more than 60 days before the Redemption Date (1) to the LGC by Mail or facsimile transmission, (2)(a) to DTC or its nominee by registered or certified mail at the address provided to the Trustee by DTC or as otherwise permitted by DTC's rules and procedures or (b) if DTC or its nominee is no longer the Owner of the 2023 Bonds, by Mail to the then-registered Owners of 2023 Bonds to be redeemed at the last address shown on the registration books kept by the Trustee and (3) to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format as prescribed by the MSRB.

Notwithstanding anything herein to the contrary, the only remedy for failure by the Trustee to post any notice with the MSRB via its electronic format is an action by the holders of the 2023 Bonds in mandamus for specific performance or similar remedy to compel performance.

Neither the failure to mail the notice nor any defect in any notice mailed shall affect the sufficiency of the proceeding for the redemption of any 2023 Bonds as to which no such defect or failure occurred. Such notice must (1) specify the 2023 Bonds to be redeemed, the Redemption Date, the Redemption Price and the place or places where amounts due on such redemption must be payable (which must be the principal office of the Paying Agent) and if less than all of the 2023 Bonds are to be redeemed, the numbers of the 2023 Bonds and the portions of 2023 Bonds to be redeemed, (2) if sufficient money is not then on deposit in the Debt Service Fund to pay the full Redemption Price of the 2023 Bonds, state that the proposed optional redemption is conditioned on there being sufficient money on deposit in the Debt Service Fund to pay the Redemption Price of the 2023 Bonds called for redemption, and (3) state that on the Redemption Date, the 2023 Bonds to be redeemed will cease to bear interest. The Authority may revoke any optional redemption for which notice has been given on written instruction to the Trustee delivered in sufficient time for the Trustee to give notice thereof at least five days before the Redemption Date (or if DTC or its nominee is the registered Owner of the 2023 Bonds, such shorter time as permitted by DTC's rules and procedures) to the persons to whom and in the manner in which the notice of redemption was given.

The actual receipt by any Owner of a 2023 Bond of notice of redemption is not a condition precedent to redemption, and failure to receive notice shall not affect the validity of the proceedings for the redemption of the 2023 Bonds or the cessation of interest on the Redemption Date. Notice of redemption of the 2023 Bonds shall be given by the Trustee at the expense of the Authority.

If money is on deposit in the Debt Service Fund to pay the Redemption Price of the 2023 Bonds called for redemption and premium, if any, thereon on a Redemption Date, 2023 Bonds or portions thereof thus called and provided for as hereinabove specified will not bear interest after such Redemption Date and will not be considered to be Outstanding or to have any other rights under the Indenture other than the right to receive payment. No payment of principal will be made by the Paying Agent on any 2023 Bonds or portions thereof called for redemption until such 2023 Bonds or portions thereof have been delivered for payment or cancellation or the Paying Agent has received the items required by Section 3.5 of the General Indenture with respect to any mutilated, lost, stolen or destroyed 2023 Bonds.

Section 3.4 Selection of 2023 Bonds To Be Redeemed. If less than all of the 2023 Bonds are called for redemption under Section 3.1, the Authority shall determine the maturities and amounts thereof to be redeemed. If a book-entry system through DTC is used for determining beneficial ownership of the 2023 Bonds and less than all the 2023 Bonds of any maturity are called for redemption, DTC shall select the 2023 Bonds to be redeemed pursuant to its rules and procedures or, if the book-entry system through DTC or any other securities depository for determining beneficial ownership of the 2023 Bonds has been

discontinued, the Trustee shall select the 2023 Bonds to be redeemed by lot in such manner at the Trustee in its discretion may deem proper, but, in any event, the portion of any 2023 Bond to be redeemed must be in an Authorized Denomination.

If a 2023 Bond subject to redemption is in a denomination larger than the minimum Authorized Denomination, a portion of such 2023 Bond may be redeemed, but only in a principal amount such that the unredeemed portion of such 2023 Bond is equal to an Authorized Denomination. For any 2023 Bond in a denomination of more than the minimum Authorized Denomination, the Trustee shall treat each such 2023 Bond as representing a single 2023 Bond in the minimum Authorized Denomination plus that number of 2023 Bonds that is obtained by dividing the remaining principal amount of such 2023 Bond by the minimum Authorized Denomination.

If it is determined that one or more, but not all, of the Authorized Denominations of principal amount represented by any 2023 Bond is to be called for redemption, then, on notice of intention to redeem such Authorized Denominations of principal amount of such 2023 Bond, the Owner of such 2023 Bond, on surrender of such 2023 Bond to the Paying Agent for payment of the principal amount of such 2023 Bond, will be entitled to receive new 2023 Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such 2023 Bond. New 2023 Bonds representing the unredeemed balance of the principal amount of such 2023 Bonds will be issued to the Owner thereof without charge therefor.

If the Owner of any 2023 Bond of a denomination greater than the amount being redeemed fails to present such 2023 Bond to the Paying Agent for payment and exchange as aforesaid, such 2023 Bond will, nevertheless, become due and payable on the date fixed for redemption to the extent of the denomination being redeemed and to that extent only.

Section 3.5 *No Partial Redemption After Default.* Anything in the Indenture to the contrary notwithstanding, if an Event of Default occurs and is continuing hereunder there will be no redemption of less than all of the 2023 Bonds Outstanding.

Section 3.6 *Payment of Redemption Price.* Subject to the Authority's option to revoke a redemption as set forth in Section 3.3, the Authority will cause to be deposited in the Debt Service Fund, solely out of the Trust Estate, an amount sufficient to pay the Redemption Price of 2023 Bonds to be redeemed on the Redemption Date, and such 2023 Bonds will be deemed to be paid within the meaning of Article X of the General Indenture.

[END OF ARTICLE III]

ARTICLE IV

AMENDMENTS

This Series Indenture and the rights and obligations of the Authority and the Owners may be modified or amended at the same times, in the same manner and for the same purposes as the General Indenture, but if the modification or amendment affects only the 2023 Bonds, the percentage to be applied under Section 7.3 of the General Indenture will be applied only to the Outstanding 2023 Bonds.

Before the Authority and the Trustee enter into any supplemental indenture pursuant to this Section, there must have been delivered to the Trustee and the Authority an opinion of Bond Counsel stating that such supplemental indenture is authorized or permitted by the Indenture, complies with the terms hereof, will, upon the execution and delivery thereof, be valid and binding upon the Authority in accordance with its terms and will not adversely affect the federal income tax status of the 2023 Bonds.

The Authority will send a copy of all supplemental indentures to be executed and delivered under Section 7.3 of the General Indenture or for the purpose of issuing additional bonds under Section 6.8 of the General Indenture to Moody's, if the 2023 Bonds are rated by Moody's, S&P, if the 2023 Bonds are rated by S&P, Fitch, if the 2023 Bonds are rated by Fitch, and Kroll, if the 2023 Bonds are rated by Kroll, at least 10 days before the effective date thereof.

Notwithstanding anything in the General Indenture or this Series Indenture to the contrary, (1) any initial purchaser, underwriter or remarketing agent holding any 2023 Bonds or another Series of the Bonds issued after the issuance of the 2023 Bonds may, regardless of its intent to sell or distribute such Bonds in the future, consent as the Owner of such Bonds to any amendment or supplemental indenture as required or permitted by this Article, including any amendment or supplemental indenture that adversely affects the interests of other Owners, and (2) any such holder providing its consent under this Section is not entitled to receive, nor is the Authority required to provide, any prior notice or other documentation regarding such amendment or supplemental indenture.

[END OF ARTICLE IV]

ARTICLE V

APPLICATION OF BOND PROCEEDS; FUNDS AND ACCOUNTS; INVESTMENTS

Section 5.1 Application of Bond Proceeds and Other Funds. On delivery of the 2023 Bonds to the Underwriters, the Underwriters will transfer \$_____, which is equal to \$_____, the par amount of the 2023 Bonds, plus an original issue premium in the amount of \$_____, less the Underwriters' discount in the amount of \$_____ [and less an amount of \$_____ being paid to the Insurer as payment of the premium for the Policy], to the Trustee on behalf of the Authority. On receipt of the aggregate amount of \$_____ from the Underwriter, the Trustee will deposit \$_____ to the 2023 Construction Account, \$_____ to the 2023 Capitalized Interest Account of the Construction Fund and \$_____ to the Parity Reserve Account.

Section 5.2 Funds and Accounts. The Authority hereby establishes and creates (a) a "2023 Construction Account" and a "2023 Capitalized Interest Account" within the Construction Fund to keep the proceeds of the 2023 Bonds so deposited separate from the proceeds of any other series of Bonds issued under the General Indenture and (b) the Parity Reserve Account of the Reserve Fund. The Trustee shall disburse money in the 2023 Construction Account and the 2023 Capitalized Interest Account in the manner set forth in Section 5.3 below and money in the Parity Reserve Account as provided in Section 5.4 below.

Section 5.3 Application of 2023 Construction Account and the 2023 Capitalized Interest Account.

- (a) The 2023 Construction Account will be applied for any of the following purposes:
 - (1) the payment of Costs of Issuance related to the 2023 Bonds;
 - (2) the payment of all other Costs of Construction; and
 - (3) transfer to the Debt Service Fund to make up any deficiency therein in accordance with the priorities established in Section 5.4 of the General Indenture.
- (b) The Trustee is directed to transfer the following amounts, without further direction or requisition, on the following dates from the 2023 Capitalized Interest Account of the Construction Fund to the Debt Service Fund to pay interest on the 2023 Bonds:

<u>DATE</u>	<u>AMOUNT</u>
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(c) Earnings from the investment of money in the 2023 Account of the Construction Fund will be retained in such account. On completion of the Project as described in sub-section (e), the 2023 Construction Account shall be closed and the balance in the 2023 Construction Account will be transferred to the Trustee and deposited in the Debt Service Fund and applied to the next payment(s) due on the 2023 Bonds; provided, however, that if the Trustee receives a certificate of an Authorized Authority Representative directing that the proceeds be applied to pay the cost of other components of the

Project or any other capital project of the Authority accompanied by an opinion of Bond Counsel addressed to the Trustee to the effect that such application will not violate the laws of the State, including the Act, and will not cause the interest on the 2023 Bonds to be includable in the gross income of the owners thereof for purposes of federal income taxation (to the extent so intended), then the Trustee shall apply the remaining moneys in the 2023 Construction Account to the purposes so directed. Investment earnings on the 2023 Capitalized Interest Account of the Construction Fund will be transferred to the 2023 Construction Account to be used to pay costs of the Project during construction of the Project. On the last date on which money in the 2023 Capitalized Interest Account is to be used to pay interest on the 2023 Bonds in accordance with this Section, the Trustee will transfer the balance in the 2023 Capitalized Interest Account to be applied to the next payment due on the 2023 Bonds, unless the Trustee has received prior written instructions from the Authorized Authority Representative to transfer such money to the 2023 Construction Account because the Project has not yet been completed.

(d) On the filing from time to time with the Trustee of a requisition substantially in the form of Exhibit B attached hereto, signed by an Authorized Authority Representative and, as to disbursements other than for Costs of Issuance, stating by general classification the purpose for which each disbursement is to be made and that such work was actually performed, such service was actually rendered or such materials, supplies or equipment actually delivered, installed or fabricated, the Trustee will make or cause to be made a disbursement from the 2023 Construction Account, as directed, for the payment of such Costs of Construction.

(e) On the completion of all extensions, additions and capital improvements to, or the acquisition, renewal or replacement of capital assets of, or purchasing and installing new equipment for the Airport System financed with the proceeds of the 2023 Bonds, the Authority will deliver a certificate to the Trustee stating the fact and date of such completion and stating that all of the Costs of Construction have been determined and paid (or that all of such Costs of Construction have been paid less specified claims which are subject to dispute and for which a retention in the 2023 Construction Account is to be maintained in the full amount of such claims until such dispute is resolved). On the receipt by the Trustee of such certificate, the Trustee will retain in the 2023 Construction Account the sum or sums equal to the amount estimated by the Authority to be necessary for payment of the items of Costs of Construction payable that are not then due and payable.

Section 5.4. Parity Reserve Account. Moneys held in the Parity Reserve Account shall be used for the purpose of paying principal of and interest on 2023 Bonds, the 2022A Bonds, the 2016A Bond and any subsequent series of Bonds secured by the Parity Reserve Account if, on any date on which principal is due and payable or any Interest Payment Date of any 2023 Bonds, 2022A Bonds, 2016A Bond or any subsequent series of Bonds secured by the Parity Reserve Account, the amounts in the Debt Service Fund for that Series of Bonds participating in the Parity Reserve Account are insufficient to pay in full the amount then due on such Series of Bonds. The Authority reserves the right to provide that a future Series of Bonds participate in the Parity Reserve Account on a parity basis with the 2023 Bonds, the 2022A Bonds and the 2016A Bond; provided that there is deposited in the Parity Reserve Account an additional amount of money or a Qualified Reserve Fund Substitute, or a combination thereof, to bring the Reserve Requirement to an amount equal to the Reserve Requirement on all Bonds participating in the Parity Reserve Account on the date of issuance of such new series of Bonds. In such event, the Trustee may establish separate sub-accounts within the Parity Reserve Account for the sole purpose of tracking the proceeds of each Series of Bonds secured by the Parity Reserve Account; provided, however, that the participating Series of Bonds shall remain secured by the entire Parity Reserve Account.

Notwithstanding anything herein to the contrary, for so long as the 2016A Bond is secured by the Parity Reserve Account of the Reserve Fund, the Aggregate Annual Debt Service and the then-

Outstanding stated principal amount of the 2016A Bond shall not be taken into account in calculating the Parity Reserve Requirement.

Except as provided in this paragraph, all the provisions of Section 5.7 of the General Indenture regarding the Reserve Fund, including provisions regarding the valuation of investments therein, the reporting of such valuations by the Trustee and the transfer of any excess amount or the replenishment of any deficiency in the Reserve Fund (whether on account of a transfer from the Reserve Fund to the Debt Service Fund or on account of a valuation), shall be in accordance with the provisions of Section 5.7 of the General Indenture and are hereby incorporated by reference as if fully set forth herein. If, upon any valuation, the value of the Parity Reserve Account exceeds the Reserve Requirement, the excess amount, including investment earnings, shall be withdrawn and deposited by the Trustee (a) during construction of the Project, into the 2023 Construction Account to be used to pay costs of the Project and (b) following completion of the Project, into the Airport System Operating Fund, unless otherwise directed by the Authority.

Section 5.5. Debt Service Fund Deposits. On or before the 25th day of the month preceding each Interest Payment Date for the 2023 Bonds, the Authority shall transfer to the Trustee from the Airport System Operating Fund an amount such that (after taking into consideration amounts then on deposit in the Debt Service Fund and amounts derived from Passenger Facility Charges or State and federal grant moneys allocated to pay Interest) there will be in the Debt Service Fund an amount equal to the Interest due on the next Interest Payment Date. Such amounts shall be applied to pay Interest on the 2023 Bonds on the Interest Payment Date in accordance with Section 5.3 of the General Indenture. On or before the 25th day of the month preceding each Principal Payment Date for the 2023 Bonds, the Authority shall transfer to the Trustee from the Airport System Operating Fund an amount such that (after taking into consideration amounts then on deposit in the Debt Service Fund and amounts derived from Passenger Facility Charges or State and federal grant moneys allocated to pay Principal due with respect to the Bonds) there will be in the Debt Service Fund an amount equal to the Principal due on the next Principal Payment Date. Such amounts shall be applied to pay Principal on the 2023 Bonds on the Interest Payment Date in accordance with Section 5.3 of the General Indenture.

[END OF ARTICLE V]

ARTICLE VI

CONTINUING DISCLOSURE COVENANT

The Authority agrees, in accordance with Rule 15c2-12 (the “*Rule*”) promulgated by the Securities and Exchange Commission (the “*SEC*”) and for the benefit of the Owners and the Beneficial Owners of the 2023 Bonds, as follows, to provide to the Municipal Securities Rulemaking Board (the “*MSRB*”):

(1) by not later than seven months after the end of each Fiscal Year, beginning with the Fiscal Year ending June 30, 2023, the audited financial statements of the Authority for the preceding Fiscal Year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or if such audited financial statements are not then available, unaudited financial statements of the Authority for such Fiscal Year to be replaced subsequently by audited financial statements to the Authority to be delivered within 15 days after such audited financial statements become available for distribution;

(2) by not later than seven months after the end of each Fiscal Year, beginning with the Fiscal Year ending June 30, 2023, the financial and statistical data as of a date not earlier than the end of the preceding Fiscal Year for the type of information included in the Official Statement dated April __, 2023 relating to the 2023 Bonds (the “*Official Statement*”) to the extent such items are not included in the audited financial statements referred to in (1) above: “THE AIRPORT – General” (table contained therein on annual passenger enplanements), – Airport Facilities” – Parking Facilities” (number of parking spots), – Passenger Air Carriers” (table contained therein showing annual enplaned passengers by airline), – Debt Service Coverage Ratio and Cost Per Enplanement;

(3) in a timely manner, not in excess of 10 business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the 2023 Bonds:

(a) principal and interest payment delinquencies;

(b) non-payment related defaults, if material;

(c) unscheduled draws on the debt service reserves reflecting financial difficulties;

(d) unscheduled draws on any credit enhancements reflecting financial difficulties;

(e) substitution of any credit or liquidity providers, or their failure to perform;

(f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2023 Bonds or other material events affecting the tax status of the 2023 Bonds;

(g) modification of the rights of the Beneficial Owners of the 2023 Bonds, if material;

(h) call of any of the 2023 Bonds except for a mandatory sinking fund redemption, if material, and tender offers;

(i) defeasance of any of the 2023 Bonds;

(j) release, substitution or sale of any property securing repayment of the 2023 Bonds, if material;

(k) rating changes;

(l) bankruptcy, insolvency, receivership or similar event of the Authority;

(m) the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material;

(n) the appointment of a successor or additional trustee, or the change in the name of a trustee, if material;

(o) incurrence of a financial obligation of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Authority, any of which affect security holders, if material; and

(p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Authority, any of which reflect financial difficulties; and

(4) in a timely manner, notice of a failure of the Authority to provide required annual financial information described in (a) or (b) above on or before the date specified.

For purposes of this Article, “*financial obligation*” means (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of either clause (a) or (b) above. The term “*financial obligation*” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

The Authority agrees to provide all documents described in this Article in an electronic format as prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

The Authority agrees that its undertaking under this Article is intended to be for the benefit of the Owners and the Beneficial Owners of the 2023 Bonds and is enforceable by the Trustee (but only upon the Trustee being indemnified to its satisfaction for all fees, costs and expenses, including attorney’s fees, costs and expenses, in connection with such enforcement) or by any of them, including an action for specific performance of the Authority’s obligations under this Article, but a failure to comply will not be an event of default under Section 9.1 of the General Indenture and will not result in acceleration of the payment of the 2023 Bonds. An action must be instituted, had and maintained in the manner provided in this paragraph for the benefit of all of the Owners and Beneficial Owners of the 2023 Bonds.

The Authority may modify from time to time, consistent with the Rule, the information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Authority, but:

(1) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Authority;

(2) the information to be provided, as modified, would have complied with the requirements of the Rule as of the date of the Official Statement, after taking into account any amendments or interpretations of the Rule as well as any changes in circumstances;

(3) any such modification does not materially impair the interest of the Owners or the Beneficial Owners, as determined by Bond Counsel or by the approving vote of the Owners of a majority in principal amount of the 2023 Bonds pursuant to Section 7.3 of the General Indenture.

Any annual financial information containing modified operating data or financial information will explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

The provisions of this Article terminate on payment, or provision having been made for payment in a manner consistent with the Rule, in full of the principal of and interest on the 2023 Bonds.

The Authority may discharge its undertakings described above by transmitting the documents or notices referred to above in a manner subsequently authorized or required by the SEC in lieu of the manner described above.

[END OF ARTICLE VI]

ARTICLE VII

MISCELLANEOUS

Section 7.1 Parties Interested Herein. Nothing in this Series Indenture expressed or implied is intended or will be construed to confer on, or to give to any person other than the Authority, the Trustee, the Paying Agent and the Owners, any right, remedy or claim under or by reason of this Series Indenture or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this Series Indenture contained by and on behalf of the Authority or the Trustee will be for the sole and exclusive benefit of the Authority, the Trustee, the Paying Agent and the Owners.

Section 7.2 Titles, Headings, Captions, Etc. The titles, captions and headings of the articles, sections and subdivisions of this Series Indenture have been inserted for convenience of reference only and will in no way modify or restrict any of the terms or provisions hereof.

Section 7.3 Severability. If any provision of this Series Indenture is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

Section 7.4 Governing Law. This Series Indenture is governed by and to be construed in accordance with the laws of the State of North Carolina, without regard to conflict of law principles. To the extent permitted by applicable law, jurisdiction for the resolution of any conflict arising from this Series Indenture shall lie exclusively with the General Court of Justice of the State of North Carolina, Buncombe County, or the U.S. District Court for the Western District of North Carolina. Any attempt to contravene this Section is an express violation of this Series Indenture.

Section 7.5 Execution in Counterparts. This Series Indenture may be executed in several counterparts, each of which is an original and all of which constitute but one and the same instrument.

Section 7.6 Notices. All notices, certificates or other communications will be sufficiently given and will be deemed given when delivered or mailed by certified or registered mail, postage prepaid, as follows: if to the Authority, to the Greater Asheville Regional Airport Authority, 61 Terminal Drive, Suite 1, Fletcher, North Carolina 28732, Attention: Director of Finance; if to the LGC, to the North Carolina Local Government Commission, 3200 Atlantic Avenue, Longleaf Building, Raleigh, North Carolina 27604, Attention: Secretary; if to the Trustee, to The Bank of New York Mellon Trust Company, N.A., 4655 Salisbury Road, Suite 300, Jacksonville, Florida 32256 Attention: Corporate Trust Division; if the 2023 Bonds are rated by Moody's, to Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, Public Finance Group - 23rd Floor, New York, New York 10007; if the 2023 Bonds are rated by S&P, to S&P Global Ratings, 55 Water Street, New York, New York 10041; if the 2023 Bonds are rated by Fitch, then to Fitch, Inc., One State Street Plaza, New York, New York 10004; and if the 2023 Bonds are rated by Kroll, then to KBRA, 805 Third Avenue, 29th Floor, New York, New York 10022. Subject to Section 11.7 of the General Indenture, notices may also be given by Electronic Means to be immediately followed by written notice as set forth above. The Authority and the Trustee, may, by written notice, designate any further or different addresses to which subsequent notices, certificates or other communications will be sent.

[Section 7.7 Payments under the Policy. Notwithstanding any provision in this Series Indenture or the General Indenture to the contrary, the following provisions set forth in this Section shall govern so long as the Policy is in effect and the Insurer has not failed to perform its obligations under the Policy:

(a) If, on the third Business Day prior to the related scheduled interest payment date or principal payment date (“Payment Date”) there is not on deposit with the Trustee, after making all transfers and deposits required under the Series Indenture, moneys sufficient to pay the principal of and interest on the 2023 Bonds due on such Payment Date, the Trustee shall give notice to the Insurer and to its designated agent (if any) (the “Insurer's Fiscal Agent”) by telephone or teletype of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the 2023 Bonds due on such Payment Date, the Trustee shall make a claim under the Policy and give notice to the Insurer and the Insurer’s Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the 2023 Bonds and the amount required to pay principal of the 2023 Bonds, confirmed in writing to the Insurer and the Insurer’s Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Policy.

(b) The Trustee shall designate any portion of payment of principal on 2023 Bonds paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of 2023 Bonds registered to the then current Owner of the 2023 Bonds, whether DTC or its nominee or otherwise, and shall issue a replacement 2023 Bond to the Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to Authorized Denominations); provided that the Trustee’s failure to so designate any payment or issue any replacement 2023 Bond shall have no effect on the amount of principal or interest payable by the Authority on any 2023 Bond or the subrogation rights of the Insurer.

(c) The Trustee shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any 2023 Bond. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

(d) Upon payment of a claim under the Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Owners of 2023 Bonds referred to herein as the “Policy Payments Account” and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Policy in trust on behalf of Owners of 2023 Bonds and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Owners of 2023 Bonds in the same manner as principal and interest payments are to be made with respect to the 2023 Bonds under the sections hereof regarding payment of 2023 Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments.

(e) Notwithstanding anything in this Series Indenture or the General Indenture to the contrary, the Authority agrees to pay to the Insurer from Net Revenues of the Airport System (i) a sum equal to the total of all amounts paid by the Insurer under the Policy (the “Insurer Advances”); and (ii) interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum (collectively, the “Insurer Reimbursement Amounts”). “Late Payment Rate” means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase

Bank) plus 3%, and (ii) the then applicable highest rate of interest on the 2023 Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Authority hereby covenants and agrees that the Insurer Reimbursement Amounts are secured by a lien on and pledge of the Trust Estate and a pledge of Net Revenues of the Airport System and payable from such Net Revenues of the Airport System on a parity with debt service due on the 2023 Bonds.

(f) Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Policy Payments Account following a 2023 Bond payment date shall promptly be remitted to the Insurer.

(g) The Insurer shall, to the extent it makes any payment of principal of or interest on the 2023 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding (as defined below)), as provided and solely from the sources stated in this Series Indenture, the General Indenture and the 2023 Bonds. Each obligation of the Authority to the Insurer under the Series Indenture and the General Indenture shall survive discharge or termination of such documents.

(h) The Authority hereby agrees to pay or reimburse, from Net Revenues of the Airport System, the Insurer any and all charges, fees, costs and expenses that the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in the Series Indenture or the General Indenture or any other transaction document; (ii) the pursuit of any remedies under the Indenture or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the General Indenture, the Series Indenture or any other Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with the General Indenture, the Series Indenture or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Insurer to honor its obligations under the Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Series Indenture or any other Related Document.

(i) After payment of reasonable expenses of the Trustee, the application of funds realized upon default shall be applied to the payment of expenses of the Authority or rebate only after the payment of past due and current debt service on the 2023 Bonds and amounts required to restore the Parity Reserve Account to the Parity Reserve Requirement.

(j) The Insurer shall be entitled to pay principal or interest on the 2023 Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Authority (as such terms are defined in the Policy) and any amounts due on the 2023 Bonds as a result of acceleration of the maturity thereof, whether or not the Insurer has received a Notice of Nonpayment (as such terms are defined in the Policy) or a claim upon the Policy.]

[Section 7.8 Covenants with Respect to the Insurer. Notwithstanding any provision in this Series Indenture or the General Indenture to the contrary, the following provisions set forth in this Section shall govern so long as the Policy is in effect and the Insurer has not failed to perform its obligations under the Policy:

(a) The Insurer shall be deemed to be the sole holder of the 2023 Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the 2023 Bonds insured by it are entitled to take pursuant to this Series Indenture pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee. In furtherance thereof and as a term of this Series Indenture and each 2023 Bond, each Owner of 2023 Bonds appoints the Insurer as its agent and attorney-in-fact and agrees that the Insurer may at any time during the continuation of any proceeding by or against the Authority under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an “Insolvency Proceeding”) direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a “Claim”), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, each Owner of 2023 Bonds delegates and assigns to the Insurer, to the fullest extent permitted by law, the rights of each Owner of 2023 Bonds in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. The Trustee acknowledges such appointment, delegation and assignment by each Owner of 2023 Bonds for the Insurer’s benefit, and agrees to cooperate with the Insurer in taking any action reasonably necessary or appropriate in connection with such appointment, delegation and assignment. Remedies granted to the Owners of 2023 Bonds shall expressly include mandamus.

(b) No maturity of any 2023 Bond shall be accelerated without the consent of the Insurer and in the event the maturity of any 2023 Bond is accelerated, the Insurer may elect, in its sole discretion, to pay accelerated principal, and interest accrued on such principal, to the date of acceleration (to the extent unpaid by the Authority) and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Insurer’s obligations under the Policy with respect to such 2023 Bonds shall be fully discharged.

(c) The cure period of 30-days provided for in Section 9.1(c) of the General Indenture may not be extended beyond 30 days without the prior written consent of the Insurer. Pursuant to Section 9.1 of the General Indenture, no grace period is permitted for payment defaults. Unless the Insurer otherwise directs, upon the occurrence and continuance of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default, any 2023 Bond proceeds on deposit in the Construction Fund or subaccount thereof shall not be disbursed, but shall instead be applied to the payment of debt service or redemption of the 2023 Bonds to the extent the 2023 Bonds are subject to optional redemption.

(d) Any amendment, supplement, modification to, or waiver of, the General Indenture, this Series Indenture or any other Related Document, that requires the consent of the Owners of the 2023 Bonds or adversely affects the rights and interests of the Insurer shall be subject to the prior written consent of the Insurer. Notwithstanding the foregoing or any other provision of this Series Indenture to the contrary, the amendment of the General Indenture in the form of the Amended and Restated General Trust Indenture, dated as of June 1, 2022, between the Authority and the Trustee, shall not require the consent of the Insurer and shall become effective upon the issuance of the 2023 Bonds and the consent of the initial Beneficial Owners of the 2023 Bonds as described in Section 7.14 hereof.

(e) The rights granted to the Insurer under the Series Indenture or any other Related Document to request, consent to or direct any action are rights granted to the Insurer in

consideration of its issuance of the Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Owners of 2023 Bonds and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the Owners of the 2023 Bonds or any other person is required in addition to the consent of the Insurer.

(f) The Insurer shall be provided with the following information by the Authority or Trustee, as the case may be:

(i) annual audited financial statements within 210 days (or such longer period agreed to by Insurer) after the end of the Authority's Fiscal Year (together with a certification of the Authority that it is not aware of any default or Event of Default under the General Indenture or the Series Indenture), and the Authority's annual budget within 30 days after the approval thereof together with such other information, data or reports as the Insurer shall reasonably request from time to time;

(ii) notice of any draw upon the Parity Reserve Account within two (2) Business Days after knowledge thereof other than (A) withdrawals of amounts in excess of the Parity Reserve Requirement and (B) withdrawals in connection with a refunding of 2023 Bonds;

(iii) notice of any default known to the Trustee or Authority within five Business Days after knowledge thereof;

(iv) prior notice of the advance refunding or redemption of any of the 2023 Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(v) notice of the resignation or removal of the Trustee and the appointment of, and acceptance of duties by, any successor thereto;

(vi) notice of the commencement of any proceeding by or against the Authority commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");

(vii) notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the 2023 Bonds;

(viii) a full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents;

(ix) all reports, notices and correspondence to be delivered to Owners of 2023 Bonds under the terms of the Related Documents; and

(x) a copy of any filing made with the MSRB pursuant to the continuing disclosure undertaking set forth in Article VI hereof, simultaneously with the furnishing of such information to the MSRB.

(h) The notice address of the Insurer is: Assured Guaranty Municipal Corp., 1633 Broadway, New York, New York 10019, Attention: Managing Director – Surveillance, Re: Policy No. 222108-N, Telephone: (212) 974- 0100. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent

to the attention of the General Counsel and shall be marked to indicate “URGENT MATERIAL ENCLOSED.”

(i) The Insurer shall have the right to receive such additional information as it may reasonably request. The Authority will permit the Insurer to discuss the affairs, finances and accounts of the Authority or any information the Insurer may reasonably request regarding the security for the 2023 Bonds with appropriate officers of the Authority and will use commercially reasonable efforts to enable the Insurer to have access to the facilities, books and records of the Authority on any business day upon reasonable prior notice.

(j) The Trustee shall notify the Insurer of any failure of the Authority to provide notices, certificates and other information under the Series Indenture.

(k) Notwithstanding satisfaction of the other conditions to the issuance of additional Bonds set forth in the General Indenture, no such issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (2) to the extent such additional Bonds are to be secured by the Parity Reserve Account, unless the Parity Reserve Account is fully funded at the Parity Reserve Requirement (including the proposed issue) upon the issuance of such additional Bonds, in either case unless otherwise permitted by the Insurer.

(l) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under this Series Indenture would adversely affect the security for the 2023 Bonds or the rights of the Owners of 2023 Bonds, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Policy. No contract shall be entered into or any action taken by which the rights of the Insurer or security for or sources of payment of the 2023 Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer.

(m) Any interest rate exchange agreement, cap, collar or similar arrangement (each, a “Swap Agreement”), entered into by the Authority with amounts due thereunder payable on parity with the 2023 Bonds, shall be acceptable to the Insurer.

(n) The prior written consent of the Insurer shall be a condition precedent to the deposit of any Qualified Reserve Fund Substitute provided in lieu of a cash deposit into the Parity Reserve Account, if any. Notwithstanding anything to the contrary set forth in this Series Indenture, amounts on deposit in the amount of the Parity Reserve Requirement in the Parity Reserve Account shall be applied solely to the payment of debt service due on the 2023 Bonds and other Bonds secured thereby.

(o) Pursuant to the General Indenture, the Insurer shall constitute a Credit Provider and the Policy shall constitute a Credit Facility for the purposes of such document.]

[*Section 7.9 Third Party Beneficiary.* To the extent that the Series Indenture or the General Indenture confers on or gives or grants to the Insurer any right, remedy or claim under or by reason of the General Indenture or the Series Indenture, the Insurer is hereby explicitly recognized as being a third-party beneficiary and may enforce any such right, remedy or claim conferred, given or granted under such documents.]

Section 7.10 Defeasance of 2023 Bonds. Notwithstanding any provision in this Series Indenture or the General Indenture to the contrary, the following provisions set forth in this

Section shall govern so long as the Policy is in effect and the Insurer has not failed to perform its obligations under the Policy:

(a) If the principal or interest due with respect to the 2023 Bonds shall be paid by the Insurer pursuant to the Policy, the 2023 Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Authority, and the assignment and pledge of the Trust Estate and all covenants, agreements and other obligations of the Authority to the Owners shall continue to exist and shall run to the benefit of the Insurer, and the Insurer shall be subrogated to the rights of such Owners including, without limitation, any rights that such Owners may have in respect of securities law violations arising from the offer and sale of the 2023 Bonds.

(b) Only (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of the Insurer, pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, or (5) subject to the prior written consent of the Insurer, securities eligible for "AAA" defeasance under then existing criteria of S & P or any combination thereof, shall be used to effect defeasance of the 2023 Bonds unless the Insurer otherwise approves.

(c) To accomplish defeasance, the Authority shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other verification firm as shall be acceptable to the Insurer ("Accountant") verifying the sufficiency of the escrow established to pay the 2023 Bonds in full on the maturity or redemption date ("Verification"), (ii) an Escrow Deposit Agreement (which shall be acceptable in form and substance to the Insurer), (iii) an opinion of nationally recognized bond counsel to the effect that the 2023 Bonds are no longer "Outstanding" under the General Indenture and (iv) a certificate of discharge of the Trustee with respect to the 2023 Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Authority, Trustee and Insurer. The Insurer shall be provided with final drafts of the above-referenced documentation not less than five Business Days prior to the funding of the escrow.

(d) 2023 Bonds shall be deemed Outstanding under the General Indenture unless and until they are in fact paid and retired or the above criteria are met.

Section 7.11 Payments Due on Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Series Indenture, is not a Business Day, such payment may be made or act performed or right exercised on the next day that is a Business Day with the same force and effect as if done on the nominal date provided in this Series Indenture.

Section 7.12 No Broker Confirmations. The Authority agrees that broker confirmations of investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered by the Trustee.

Section 7.13 E-Verify. The Trustee understands that "E-Verify" is a federal program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal

law in accordance with Section 64-25(5) of the General Statutes of North Carolina, as amended. The Trustee uses E-Verify to verify the work authorization of its employees in accordance with Section 64-26(a) of the General Statutes of North Carolina, as amended. The Trustee will require that any subcontractor that it uses in connection with the transactions contemplated by this Series Indenture certify to such subcontractor's compliance with E-Verify.

[END OF ARTICLE VII]

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the Authority and the Trustee have caused this Series Indenture to be executed in their respective names and their seal, if any, to be hereto affixed and, where needed, attested by their duly authorized officials or officers, all as of the date first above written.

**GREATER ASHEVILLE REGIONAL AIRPORT
AUTHORITY**

[SEAL]

By: _____
Brad Galbraith
Chair

ATTEST:

By: _____
Ellen M. Heywood
Clerk to the Board

[SIGNATURES CONTINUED ON THE FOLLOWING PAGE]

[COUNTERPART SIGNATURE PAGE TO THE SERIES INDENTURE, NUMBER 3]

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee**

By: _____

Name: Terence Rawlins

Title: Vice President

EXHIBIT A

FORM OF 2023 BOND

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
AIRPORT SYSTEM REVENUE BOND (AMT)
SERIES 2023**

No. R-____ \$ _____

INTEREST RATE	DATED DATE	MATURITY DATE	CUSIP
_____%		[July] 1,	

REGISTERED OWNER: CEDE & Co.

PRINCIPAL AMOUNT: _____ DOLLARS

The Greater Asheville Regional Airport Authority (the “*Authority*”), a body corporate and politic of the State of North Carolina (the “*State*”), for value received, promises to pay, but solely from the sources and in the manner hereinafter provided, to the Owner named above the Principal Amount stated above on the Maturity Date set forth above (or earlier as hereinafter described), and to pay such Owner at his address as it appears on the register kept by The Bank of New York Mellon Trust Company, N.A., the Trustee and registrar for the 2023 Bonds, at the close of business on the 15th day of the month preceding each hereinafter-described Interest Payment Date (each, a “*Record Date*”), interest on such Principal Amount at the Interest Rate set forth above from the Interest Payment Date next preceding the date hereof unless (1) the date hereof precedes **[December 15, 2023]**, in which case this 2023 Bond will be dated as of the Dated Date, (2) the date hereof is between the Record Date and any **[July] 1** and **[January] 1**, beginning **[January] 1, 20__** (each, an “*Interest Payment Date*”), in which case this 2023 Bond will be dated as of such following Interest Payment Date or (3) the date hereof is any Interest Payment Date to which date interest on the 2023 Bonds has been paid in full or duly provided for in accordance with the terms of the Indenture, in which case this 2023 Bond will be dated from such Interest Payment Date; except that if, as shown by the records of the Paying Agent, interest on this 2023 Bond is in default, this 2023 Bond will be dated as of the date to which interest on this 2023 Bonds has been paid in full. If no interest has been paid on this 2023 Bond, this 2023 Bond will be dated the date of initial authentication and delivery thereof. Both principal and interest and any premium on the redemption before the maturity of all or part hereof are payable in lawful coin or currency of the United States of America.

THE 2023 BONDS ARE SPECIAL OBLIGATIONS OF THE AUTHORITY. THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE 2023 BONDS ARE NOT PAYABLE FROM THE GENERAL FUNDS OF THE AUTHORITY, NOR DO THEY CONSTITUTE A LEGAL OR EQUITABLE PLEDGE, CHARGE, LIEN, OR ENCUMBRANCE UPON ANY OF ITS PROPERTY OR UPON ANY OF ITS INCOME, RECEIPTS, OR REVENUES EXCEPT THE FUNDS WHICH ARE PLEDGED UNDER THE INDENTURE (HEREINAFTER DEFINED). NEITHER THE CREDIT NOR THE TAXING POWER OF THE STATE OR THE AUTHORITY ARE PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE 2023 BONDS, AND NO OWNER OF THIS 2023 BOND HAS THE RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER BY THE STATE OR THE AUTHORITY OR THE FORFEITURE OF ANY OF ITS PROPERTY IN CONNECTION WITH ANY DEFAULT.

The 2023 Bonds will be delivered by means of a book-entry system with no physical distribution of definitive 2023 Bonds made to the public. One definitive 2023 Bond for each maturity will be delivered to The Depository Trust Company (“*DTC*”) and immobilized in the custody of the Trustee on behalf of DTC. A book-entry system will be employed, evidencing ownership of the 2023 Bonds in Authorized Denominations (hereinafter defined) with transfers of beneficial ownership effected on the records of DTC and its participants (the “*DTC Participants*”) pursuant to rules and procedures established

by DTC. Each DTC Participant will be credited in the records of DTC with the amount of such DTC Participant's interest in the 2023 Bonds. Beneficial ownership interests in the 2023 Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "*Beneficial Owners*." The Beneficial Owners will not receive definitive 2023 Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner will be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its 2023 Bonds. Transfers of ownership interests in the 2023 Bonds will be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE OWNER OF THE 2023 BONDS, THE TRUSTEE SHALL TREAT CEDE & CO. AS THE ONLY OWNER OF THE 2023 BONDS FOR ALL PURPOSES UNDER THE INDENTURE, INCLUDING RECEIPT OF ALL PRINCIPAL AND PREMIUM, IF ANY, AND INTEREST ON THE 2023 BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE TRUSTEE TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THE INDENTURE.

Payments of principal, interest and premium, if any, on the 2023 Bonds, so long as DTC is the only Owner of the 2023 Bonds, will be paid by the Trustee directly to DTC or its nominee, Cede & Co., as provided in the Blanket Letter of Representations dated May 2, 2022 from the Authority to DTC (the "*Letter of Representation*"). DTC will remit such payments to DTC Participants, and such payments thereafter will be paid by DTC Participants to the Beneficial Owners. The Trustee and the Authority are not and will not be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

If (a) DTC determines not to continue to act as securities depository for the 2023 Bonds or (b) the Trustee and the Authority determine to discontinue the book entry system in accordance with DTC's rules and the Authority fails to identify another qualified securities depository to replace DTC, the Authority will deliver fully registered definitive 2023 Bonds to each Beneficial Owner in the denomination of \$5,000 or integral multiples thereof as such Owner may request.

The Authority, the Paying Agent and the Trustee have no responsibility or obligation with respect to (a) the accuracy of any records maintained by DTC; (b) the payment by DTC of any amount in respect of the principal of and premium, if any, and interest on the 2023 Bonds; (c) the delivery or timeliness of delivery by DTC of any notice due to any Beneficial Owner which is required or permitted under the terms of the Indenture (hereinafter defined) to be given to the Owners; (d) the selection of Owners to receive payments in the event of any partial redemption of the 2023 Bonds; or (e) any consent given or other action taken by DTC, or its nominee.

This Bond is one of an issue of Bonds designated "*Greater Asheville Regional Airport Authority Airport System Revenue Bonds (AMT), Series 2023*" (the "*2023 Bonds*") issued under an Amended and Restated General Trust Indenture, dated as of June 1, 2022, between the Authority and the Trustee, as amended from time to time (the "*General Indenture*"), and Series Indenture, Number 3, dated as of May 1, 2023 (the "*Series Indenture*" and, together with the General Indenture and all amendments and supplements thereto, being hereinafter referred to collectively as the "*Indenture*"), between the Authority and the Trustee. Unless the context indicates otherwise, all capitalized, undefined terms used herein have the meanings ascribed to them in the Indenture.

The 2023 Bonds are being issued to (a) pay the cost of certain improvements to the Authority's Airport System (the "*Project*"), (b) fund the interest accruing on the 2023 Bonds during construction of the Project, (c) fund a debt service reserve fund for the 2023 Bonds and (d) pay the fees and expenses incurred in connection with the sale and issuance of the 2023 Bonds.

The 2023 Bonds will be on parity with existing Bonds issued and outstanding under the General Indenture and any additional Bonds (collectively, the "*Bonds*") issued by the Authority under the General

Indenture. The Bonds, together with interest thereon, are special obligations of the Authority payable solely from Revenues (except to the extent paid out of moneys attributable to Bond proceeds or the income from the temporary investment thereof and, under certain circumstances, proceeds from insurance and condemnation awards) after payment of the Current Expenses of the Airport System and constitute a valid claim of the respective Owners thereof only against the funds and other moneys held by the Trustee for the benefit of the Owners of the Bonds, which amounts are pledged and assigned pursuant to the Indenture for the equal and ratable payment of the Bonds and will be used for no other purpose than to pay the principal of, premium, if any, and interest on the Bonds, except as may be otherwise expressly authorized in the Indenture. The 2023 Bonds, the Authority's Airport System Revenue Bonds (AMT), Series 2022A and Airport System Revenue Bond, Series 2016A, and any Additional Bonds issued under the General Indenture, are parity obligations under the General Indenture.

Pursuant to the Indenture the Authority has, for the benefit of the Owners of the Bonds, assigned the Authority's rights to all Net Revenues and to any and all money and securities in all of the funds and accounts held by the Trustee established under the Indenture to the Trustee in trust. The 2023 Bonds are additionally secured by a pledge, charge and lien upon the funds in the Parity Reserve Account.

Reference is made to the Indenture for a more complete statement of the provisions thereof and of the rights of the Authority, the Trustee and the Owners of the Bonds. Copies of the Indenture are on file and may be inspected at the corporate trust office of the Trustee in Jacksonville, Florida. The proposed amendments to the General Indenture notated on the face of this 2023 Bond have been made available and copies thereof are on file and may be inspected at the designated office of the Trustee in Jacksonville, Florida, during normal business hours of the Trustee. By the purchase and acceptance of this Bond, the Owner hereof signifies assent to all of the provisions of the aforementioned documents, including the amendment and restatement of the General Indenture as noted above.

This 2023 Bond is issued and the Indenture were made and entered into under and pursuant to the Constitution and laws of the State, and particularly in conformity with the provisions, restrictions and limitations of General Statutes of North Carolina Section 159-80 *et seq.*, as amended.

This 2023 Bond is exchangeable on the presentation and surrender hereof at the corporate trust office of the Registrar for a 2023 Bond or 2023 Bonds of other Authorized Denominations. On surrender for registration of transfer, duly endorsed for transfer or accompanied by an assignment duly executed by the Owner hereof or his or her attorney duly authorized in writing, the Trustee will authenticate and deliver in the name of the transferee or transferees a new fully registered 2023 Bond or 2023 Bonds. The Trustee may require the payment by any Owner requesting registration of transfer or exchange of 2023 Bonds of any tax, fee or other governmental charge required to be paid with respect to such registration of transfer or exchange. The Trustee is not required to register the transfer of or exchange any 2023 Bonds selected, called or being called for redemption in whole or in part. The person in whose name this 2023 Bond is registered will be deemed and regarded as the absolute owner hereof for all purposes, and payment of this 2023 Bond will be made only to or on the written order of the Owner hereof to his or her legal representative. All such payments will be valid and effectual to satisfy and discharge this 2023 Bond to the extent of the sum or sums paid.

The 2023 Bonds maturing on or before **[July]** 1, 20__ are not subject to redemption prior to maturity. The 2023 Bonds maturing on or after **[July]** 1, 20__ will be subject to redemption, at the option of the Authority, from any funds that may be available for such purpose, either in whole or in part on any date on or after **[July]** 1, 20__, at a Redemption Price equal to 100% of the principal amount thereof, plus accrued interest to the Redemption Date.

The 2023 Bonds maturing on **[July]** 1, 20__ (the “20__ Term Bonds”) are subject to mandatory sinking fund redemption at the redemption price of 100% of the principal amount thereof, without premium, in amounts and on the dates as follows:

REDEMPTION DATE [(JULY 1)]	PRINCIPAL AMOUNT	REDEMPTION DATE [(JULY 1)]	PRINCIPAL AMOUNT
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*Maturity

The 2023 Bonds maturing on **[July]** 1, 20__ (the “20__ Term Bonds” and, together with the 20__ Term Bonds, the “Term Bonds”) are subject to mandatory sinking fund redemption at the redemption price of 100% of the principal amount thereof, without premium, in amounts and on the dates as follows:

REDEMPTION DATE [(JULY 1)]	PRINCIPAL AMOUNT	REDEMPTION DATE [(JULY 1)]	PRINCIPAL AMOUNT
---	-----------------------------------	---	-----------------------------------

*Maturity

At its option, to be exercised on or before the 45th day next preceding any mandatory redemption date, the Authority may (a) deliver to the Trustee for cancellation, Term Bonds or portions thereof (in Authorized Denominations) in any aggregate principal amount desired, or (b) receive a credit in respect of its mandatory redemption obligation for the Term Bonds (in Authorized Denominations) which prior to said date have been purchased or redeemed (otherwise than through mandatory redemption pursuant to this Section) and cancelled by the Trustee and not theretofore applied as a credit against any mandatory redemption obligation. Each such Term Bond or portion thereof so delivered or previously purchased or redeemed and cancelled by the Trustee shall be credited by the Trustee at 100% of the principal amount thereof against the obligation of the Authority to redeem the Term Bonds on such mandatory redemption date, and any excess over such amount shall be credited against future mandatory redemption obligations in chronological order, unless otherwise designated by the Authority, and the principal amount of the Term Bonds so to be redeemed shall be accordingly reduced.

The Authority will on or before the 45th day next preceding each such mandatory redemption date furnish the Trustee with its certificate indicating whether or not and to what extent the provisions of (a) and (b) of the preceding paragraph are to be availed of with respect to such mandatory redemption payment.

Notice of redemption will be given by the Trustee not less than 30 days nor more than 60 days before the Redemption Date (1) to the North Carolina Local Government Commission by Mail or facsimile transmission, (2)(a) to DTC or its nominee by registered or certified mail at the address provided to the Trustee by DTC or as otherwise permitted by DTC’s rules and procedures or (b) if DTC or its nominee is no longer the Owner of the 2023 Bonds, by Mail to the then-registered Owners of 2023 Bonds to be redeemed at the last address shown on the registration books kept by the Trustee and (3) to the Municipal Securities Rulemaking Board (the “MSRB”) in an electronic format as prescribed by the MSRB.

Notwithstanding anything herein to the contrary, the only remedy for failure by the Trustee to post any notice with the MSRB via its electronic format is an action by the holders of the 2023 Bonds in mandamus for specific performance or similar remedy to compel performance.

Such notice must (1) specify the 2023 Bonds to be redeemed, the Redemption Date, the Redemption Price and the place or places where amounts due on such redemption must be payable (which must be the principal office of the Paying Agent) and if less than all of the 2023 Bonds are to be redeemed, the numbers of the 2023 Bonds and the portions of 2023 Bonds to be redeemed, (2) state that on the Redemption Date, the 2023 Bonds to be redeemed will cease to bear interest and (3) if the redemption is conditional on the occurrence of one or more events, what the conditions for redemption are and the manner in which Owners will be notified if the conditions precedent to a redemption do not occur. Neither the failure to mail the notice nor any defect in any notice mailed shall affect the sufficiency of the proceeding for the redemption of any 2023 Bonds as to which no such defect or failure occurred.

If less than all of the 2023 Bonds are called for optional redemption described above, the Authority shall determine the maturities and amounts thereof to be redeemed. If a book-entry system through DTC is used for determining beneficial ownership of the 2023 Bonds and less than all the 2023 Bonds of any maturity are called for redemption, DTC shall select the 2023 Bonds to be redeemed pursuant to its rules and procedures or, if the book-entry system through DTC or any other securities depository for determining beneficial ownership of the 2023 Bonds has been discontinued, the Trustee shall select the 2023 Bonds to be redeemed by lot in such manner at the Trustee in its discretion may deem proper, but, in any event, the portion of any 2023 Bond to be redeemed must be in an Authorized Denomination.

If a 2023 Bond subject to redemption is in a denomination larger than the minimum Authorized Denomination, a portion of such 2023 Bond may be redeemed, but only in a principal amount such that the deemed portion of such 2023 Bond is equal to an Authorized Denomination. For any 2023 Bond denomination of more than the minimum Authorized Denomination, the Trustee shall treat each such 2023 Bond as representing a single 2023 Bond in the minimum Authorized Denomination plus that number of 2023 Bonds that is obtained by dividing the remaining principal amount of such 2023 Bond by the minimum Authorized Denomination.

If it is determined that one or more, but not all, of the 2023 Bonds are to be called for redemption, then, on notice of intention to redeem such 2023 Bonds, the Owner of such 2023 Bond, on surrender of such 2023 Bond to the Paying Agent for payment of the principal amount of the 2023 Bond, will be entitled to receive new 2023 Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such 2023 Bond. New 2023 Bonds representing the unredeemed balance of the principal amount of such 2023 Bonds will be issued to the Owner thereof without charge therefor.

If the Owner of any 2023 Bond of a denomination greater than the amount being redeemed fails to present such 2023 Bond to the Paying Agent for payment and exchange as aforesaid, such 2023 Bond will, nevertheless, become due and payable on the date fixed for redemption to the extent of the denomination being redeemed and to that extent only.

The Indenture permits amendment thereto on the agreement of the Authority and the Trustee and with the approval of the registered Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding. The Indenture also contains provisions permitting the Authority and the Trustee to enter into amendments to the Indenture without the consent of the Owners of the Bonds for certain purposes.

Any consent or request by the Owner of this 2023 Bond is conclusive and binding on such Owner and on all future Owners of this 2023 Bond and of any 2023 Bond issued on the transfer of this 2023 Bond whether or not notation of such consent or request is made on this 2023 Bond.

This 2023 Bond is issued with the intent that the laws of the State of North Carolina govern its legality, validity, enforceability and construction, without regard to conflict of law principles.

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this 2023 Bond and the execution of the Indenture have happened, existed and have been performed as so required.

This 2023 Bond is not valid or obligatory for any purpose or be entitled to any benefit or security under the Indenture until it has been authenticated by the execution by the Authenticating Agent (as defined in the Indenture) of the certificate of authentication endorsed hereon.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY has caused this 2023 Bond to be executed with the manual or facsimile signatures of the Chair of the Authority and the Clerk to the Board of the Authority, and has caused the Authority's official seal or a facsimile thereof to be impressed or imprinted hereon.

**GREATER ASHEVILLE REGIONAL AIRPORT
AUTHORITY**

[SEAL]

By: _____
Brad Galbraith
Chair

ATTEST:

By: _____
Ellen M. Heywood
Clerk to the Board

[SIGNATURES CONTINUED ON THE FOLLOWING PAGE]

[COUNTERPART SIGNATURE PAGE TO THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
AIRPORT SYSTEM REVENUE BOND (AMT), SERIES 2023]

The issue hereof has been approved under the provisions of The State and Local Government
Revenue Bond Act.

Sharon G. Edmundson
Secretary of the Local Government Commission

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Greater Asheville Regional Airport Authority Airport System Revenue Bonds (AMT), Series 2023 designated herein issued under the provisions of the within-mentioned Indenture.

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee**

By: _____
Authorized Signatory

Date of Authentication: _____

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto:

(Please print or typewrite Name, Address,
including Zip Code, and Federal Taxpayer Identification or
Social Security Number of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney to register the transfer of the within Bond on the books kept for registration thereof,
with full power of substitution in the premises.

Dated: _____

Signature guaranteed by:

NOTICE: Signature must be guaranteed by a participant of the Securities Transfer Agent Medallion Program (“*STAMP*”) or similar program.

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration, enlargement or any change whatever.

TRANSFER FEE MAY BE REQUIRED

STATEMENT OF INSURANCE

[Text to come]

EXHIBIT B

FORM OF REQUISITION – 2023 BONDS

The Bank of New York Mellon Trust Company, N.A.
Attention: Corporate Trust Department

Re: Disbursement from the 2023 Construction Account of the Construction Fund (the “2023 Construction Account”) relating to the Greater Asheville Regional Airport Authority Airport System Revenue Bonds (AMT), Series 2023

Dear _____:

Under Section 5.3 of Series Indenture, Number 3 dated as of May 1, 2023 (the “Third Series Indenture”) between the Greater Asheville Regional Airport Authority and The Bank of New York Mellon Trust Company, N.A., as trustee, we hereby request you to disburse from the 2023 Construction Account as follows:

- The amount to be disbursed is \$_____.
- The name and address of the person, firm or corporation to whom the disbursement should be made is as follows:

- The purpose of the disbursement is to _____.
- The disbursement herein requested is for service actually rendered.
- The disbursement is / is not (circle one) related to a Cost of Issuance.

Dated this ___ day of _____, _____.

**GREATER ASHEVILLE REGIONAL AIRPORT
AUTHORITY**

By: _____
Authority Representative

EXHIBIT C

THE PROJECT

The Project consists of all costs for the design, engineering, acquisition, construction, renovation and equipping of various capital improvements to the Airport System including, without limitation, (i) the expansion and modernization of the existing terminal, (ii) expansion and modernization of ticket lobby, TSA screening, baggage claim and concessions areas, (iii) improvements to existing supporting infrastructure, (iv) construction of a centralized energy plant, (v) renovation of the remaining portion of the existing terminal building, and (vi) construction of a new air traffic control tower.

Additional costs of the Project are being or may be paid from the proceeds of other bond issues by the Authority, PFCs, State and federal grants, Net Revenues and other funds available to the Authority.

[Red Herring Language] THIS PRELIMINARY OFFICIAL STATEMENT AND THE INFORMATION CONTAINED HEREIN ARE SUBJECT TO COMPLETION OR AMENDMENT IN A FINAL OFFICIAL STATEMENT. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the 2023 Bonds (as defined herein) offered hereby in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of that jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED APRIL __, 2023

New Issue/Book-Entry-Only

Ratings: Kroll: ___
Moody's: ___
(See "RATINGS" herein)

In the opinion of Womble Bond Dickinson (US) LLP, Bond Counsel, which is based on existing law and assumes continuing compliance by the Authority (as defined below) with certain covenants to comply with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the 2023 Bonds will not be includable in the gross income of the owners thereof for purposes of federal income taxation, except for any owner of a 2023 Bond who is a "substantial user" of the facilities financed with the proceeds of the 2023 Bonds or a "related person" of a "substantial user" (as such terms are defined in the Code). Bond Counsel is of the further opinion that interest on the 2023 Bonds will be exempt from all State of North Carolina income taxes. See "TAX TREATMENT" herein for a further discussion regarding the tax treatment of ownership and receipt of interest on the 2023 Bonds, including the alternative minimum tax treatment resulting from such ownership and receipt of interest.

\$ _____*

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
Airport System Revenue Bonds (AMT)
Series 2023

Dated: Date of Delivery

Due: [July] 1, as shown on the inside cover

The bonds offered hereby (the "2023 Bonds") will be special obligations of the Greater Asheville Regional Airport Authority (the "Authority"), secured by and payable from the Net Revenues (as defined herein) of the Authority's Airport System (as defined herein) and, under certain circumstances, the proceeds of the 2023 Bonds, investment earnings and certain net insurance and other proceeds. The 2023 Bonds are being issued for the purpose of providing funds, together with other available funds, to (a) pay the cost of certain improvements to the Airport System, consisting of the expansion and modernization of the existing terminal building as described herein (the "Project"), (b) fund the interest accruing on the 2023 Bonds during construction of the Project, (c) fund a debt service reserve fund and (d) pay the fees and expenses incurred in connection with the sale and issuance of the 2023 Bonds. **Neither the faith and credit nor the taxing power of the Authority is pledged for the payment of principal of or interest on the 2023 Bonds, and no registered owner of the 2023 Bonds has the right to compel the exercise of the taxing power by the Authority or the forfeiture of any of its property other than Net Revenues in connection with any default on the 2023 Bonds. The Authority has no taxing power.**

The 2023 Bonds will be initially issued as fully registered bonds and when delivered will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"). DTC will act as the initial securities depository for the 2023 Bonds. Individual

purchases of the 2023 Bonds by the beneficial owners will be made in denominations of \$5,000 or any whole multiple thereof. So long as Cede & Co. is the registered owner of the 2023 Bonds, as nominee for DTC, references herein to registered owners or Owners shall mean Cede & Co. and shall not mean the beneficial owners of the 2023 Bonds. So long as Cede & Co. is the registered owner of the 2023 Bonds, the principal of and interest on the 2023 Bonds are payable by the Trustee (as defined herein) to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to the DTC participants for subsequent disbursement to the beneficial owners. See Appendix F hereto.

Interest on the 2023 Bonds will be payable on **[July]** 1 and **[January]** 1, beginning _____ 1, 20__, at the rates shown on the inside front cover hereof.

The 2023 Bonds are subject to optional and mandatory sinking fund redemption as described herein.

The 2023 Bonds are offered subject to prior sale, when, as and if issued and accepted by the Underwriters, subject to the approval of their validity and certain other matters by Womble Bond Dickinson (US) LLP, Raleigh, North Carolina, Bond Counsel. Certain legal matters will be passed upon for the Authority by Patla, Straus, Robinson & Moore, P.A., Asheville, North Carolina, Authority Counsel, and for the Underwriters by Butler Snow LLP, Richmond, Virginia, counsel to the Underwriters. PFM Financial Advisors LLC, Orlando, Florida, is acting as financial advisor to the Authority in connection with the sale and issuance of the 2023 Bonds. Landrum & Brown, Cincinnati, Ohio, has prepared the consultant's report included in Appendix B hereto. It is expected that delivery of the 2023 Bonds will be made through the facilities of DTC on or about May __, 2023.

Siebert Williams Shank & Co., LLC

Raymond James

April __, 2023

* Preliminary; subject to change.

MATURITY SCHEDULE*

<u>Due</u> <u>[July] 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP No.**</u>
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* Preliminary; subject to change.

** CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the Authority, the North Carolina Local Government Commission (the “Commission”) or the Underwriters and are included solely for the convenience of the holders of the 2023 Bonds. Neither the Authority, the Commission nor the Underwriters is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the 2023 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2023 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the 2023 Bonds.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representation other than those contained in this Official Statement in connection with the offering described herein, and, if given or made, such other information or representation must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the 2023 Bonds offered hereby, nor shall there be any offer or solicitation of such offer or sale of the 2023 Bonds in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Neither the delivery of this Official Statement nor the sale of any of the 2023 Bonds implies that the information herein is correct as of any date subsequent to the date thereof.

The information contained herein has been obtained from the Authority, the Commission and other sources believed to be reliable. The information contained herein is subject to change after the date of this Official Statement, and this Official Statement speaks only as of its date.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or hyperlinks contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Rule 15c2-12 ("Rule 15c2-12") promulgated by the Securities and Exchange Commission.

This Official Statement is deemed to be a final official statement with respect to the 2023 Bonds within the meaning of Rule 15c2-12, except, when it is in preliminary form, for the omission of certain pricing and other information authorized to be omitted by Rule 15c2-12.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2023 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

This Official Statement contains forecasts, projections, and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward looking statements. These forward-looking statements speak only as of the date of this Official Statement. The Authority disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Authority's expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

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NORTH CAROLINA
DEPARTMENT OF STATE TREASURER



Dale R. Folwell, CPA
STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA

LOCAL GOVERNMENT COMMISSION
STATE AND LOCAL GOVERNMENT FINANCE DIVISION
SHARON EDMUNDSON, DEPUTY TREASURER

**Official Statement
of the North Carolina Local Government Commission
Concerning**

\$ _____*
**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
Airport System Revenue Bonds (AMT)
Series 2023**

INTRODUCTION

The purpose of this Official Statement, which includes the appendices, is to provide certain information in connection with the issuance by the Greater Asheville Regional Airport Authority (the “Authority”) of its \$ _____* Airport System Revenue Bonds (AMT), Series 2023 (the “2023 Bonds”). The 2023 Bonds are being issued pursuant to an Amended and Restated General Trust Indenture, dated as of June 1, 2022 (the “General Indenture”), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), and a Series Indenture, Number 3, dated as of May 1, 2023 (the “Third Series Indenture”), between the Authority and the Trustee. Pursuant to the General Indenture, the Authority has heretofore issued the following series of bonds: (a) \$15,750,000 Airport System Revenue Bond, Series 2016A (the “2016A Bond”), \$13,645,000 of which is currently Outstanding, (b) \$5,250,000 Taxable Airport System Revenue Bond, Series 2016B (the “2016B Bond”), which is no longer Outstanding, and (c) \$185,000,000 Airport System Revenue Bonds (AMT), Series 2022A (the “2022A Bonds”), all of which are currently outstanding. The 2016A Bond and the 2016B Bond were privately placed with Raymond James Capital Funding, Inc. (“RJCF”), and RJCF continues to hold the 2016A Bond.

This introduction provides certain limited information to serve as a guide to the Official Statement and is expressly qualified by the Official Statement as a whole. Investors should make a full review of the entire Official Statement and the documents summarized or described herein.

Capitalized terms used herein and not otherwise defined shall have the same meanings given such terms in the General Indenture and Third Series Indenture unless otherwise indicated. For the definition of certain terms used herein and a summary of certain provisions of the General Indenture and the Third Series Indenture, see Appendix C hereto.

Authorization. The 2023 Bonds are being authorized and issued under Chapter 121 of the 2012 North Carolina Session Laws, as amended, and The State and Local Government Revenue Bond Act,

* Preliminary; subject to change.

Article 5 of Chapter 159, as amended, of the General Statutes of North Carolina (collectively, the “Act”) and a bond order adopted by the Authority on March 10, 2023. The issuance of the 2023 Bonds has been approved by the North Carolina Local Government Commission (the “Commission”). See Appendix D for certain information concerning the Commission and its functions.

Purpose. The 2023 Bonds are being issued for the purpose of providing funds, together with other available funds including the proceeds of the 2022A Bonds, to (a) pay the cost of certain improvements to the Authority’s Airport System (as defined herein), consisting of the expansion and modernization of the existing terminal building as further described under “THE PROJECT” herein (the “Project”), (b) fund the interest accruing on the 2023 Bonds during construction of the Project, (c) fund a debt service reserve fund and (d) pay the fees and expenses incurred in connection with the sale and issuance of the 2023 Bonds.

Security. The 2023 Bonds will be special obligations of the Authority, secured by and payable from the Net Revenues of the Airport System (as defined below), and, under certain circumstances, the proceeds of the 2023 Bonds, investment earnings and certain net insurance and other proceeds. The Airport System means the Asheville Regional Airport (the “Airport”), located in Henderson and Buncombe Counties, North Carolina, including all related and ancillary facilities whether or not directly related to the air transportation of people and goods, and any other airport hereafter owned and operated by the Authority and designated as part of the Airport System in a Supplemental Indenture. The 2023 Bonds will be additionally secured by certain funds and accounts created under the General Indenture and the Third Series Indenture, including the Parity Reserve Account as described herein. The General Indenture provides that the 2023 Bonds will be secured by a pledge of the Net Revenues on a parity with the outstanding 2022A Bonds and 2016A Bond and any additional bonds hereafter issued under the General Indenture (the 2016A Bond, the 2022A Bonds, the 2023 Bonds and any such additional bonds being collectively referred to herein as the “Bonds”). See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS” herein.

Details of Bonds. The 2023 Bonds will be dated as of the date of delivery thereof. Interest on the 2023 Bonds will be payable on [July] 1 and [January] 1, beginning _____ 1, 20__, at the rates shown on the inside front cover hereof. Principal of the 2023 Bonds will be payable, subject to prior redemption as described herein, on [July] 1 in the years and amounts shown on the inside front cover hereof.

The 2023 Bonds will be issued as fully registered bonds in book-entry-only form, without physical delivery of bond certificates to the beneficial owners of the 2023 Bonds. The Trustee will make payment of principal of and interest on the 2023 Bonds to The Depository Trust Company (“DTC”), which will in turn remit such payment to its participants for subsequent distribution to the beneficial owners of the 2023 Bonds. Individual purchases of the 2023 Bonds by the beneficial owners will be made in denominations of \$5,000 or whole multiples thereof. See Appendix F hereto for a further description of DTC and its book-entry-only system.

Consideration of Bond Insurance. All or a portion of the 2023 Bonds may be insured pursuant to a financial guaranty insurance policy to be delivered on the date of delivery of the 2023 Bonds. See “CONSIDERATION OF PURCHASE OF BOND INSURANCE” herein.

The Airport and the Authority. The Authority operates the Airport, which is located approximately 15 miles south of Asheville, North Carolina. The Airport, which is designated as a “small hub” by the FAA, is used daily by scheduled commercial airline traffic, as well as general aviation, including business aviation and privately owned/operated aircraft, military aircraft, and aircraft used in flight training activities. See “THE AIRPORT” and “THE AUTHORITY” for particular information regarding the Airport and the Authority.

Tax Status. See “TAX TREATMENT” herein.

Professionals. Siebert Williams Shank & Co., LLC, New York, New York, and Raymond James & Associates, Inc., Richmond, Virginia (the “Underwriters”), are underwriting the 2023 Bonds. Womble Bond Dickinson (US) LLP, Raleigh, North Carolina, is serving as Bond Counsel. Butler Snow LLP, Richmond, Virginia, is serving as counsel to the Underwriters. Patla, Straus, Robinson & Moore, P.A., Asheville, North Carolina, is Authority Counsel. The Bank of New York Mellon Trust Company, N.A., Jacksonville Florida, is serving as the Trustee. PFM Financial Advisors LLC, Orlando, Florida, is serving as financial advisor to the Authority in connection with the sale and issuance of the 2023 Bonds. Landrum & Brown, Cincinnati, Ohio, has prepared the consultant’s report included in Appendix B hereto. It is expected that delivery of the 2023 Bonds will be made through the facilities of DTC on or about May __, 2023.

Continuing Disclosure. The Authority will undertake in the Third Series Indenture to provide certain annual financial information and operating data and to provide notice of certain material events. See “CONTINUING DISCLOSURE” herein.

The COVID-19 Pandemic. The worldwide outbreak of a highly contagious, upper respiratory tract illness caused by a novel strain of coronavirus (“COVID-19”) caused significant disruptions to domestic and international air travel, including both passenger traffic and cargo operations at airports. Airports in the United States, including the Airport, were acutely impacted by the reductions in passenger volumes and flights, as well as by the broader economic shutdown resulting from the COVID-19 pandemic. See “THE AIRPORT - Recent Developments Related to COVID-19 Pandemic” below and Appendix B hereto for more information on the impact of the COVID-19 pandemic on the Airport’s operations and finances.

Authority Financial Statements. The Authority’s basic financial statements have been audited by independent certified public accountants for each Fiscal Year through June 30, 2022. The Authority’s basic financial statements and the notes thereto, drawn from the Authority’s annual financial report for the Fiscal Year ended June 30, 2022, are included as Appendix A to this Official Statement.

Certain Investment Considerations. The 2023 Bonds may not be suitable for all investors and may involve investment risk. Prospective purchasers of the 2023 Bonds should read this entire Official Statement, including “RISK FACTORS AND INVESTMENT CONSIDERATIONS.” Such section contains a discussion of certain risks relating to the 2023 Bonds, the Authority, the Airport and the airline industry.

THE 2023 BONDS

Authorization

The 2023 Bonds will be issued pursuant to the General Indenture and the Third Series Indenture. The 2023 Bonds will be issued pursuant to the Act and an order adopted by the Authority on March 10, 2023.

The issuance of the 2023 Bonds received the required approval of the Commission on April 4, 2023. The Commission is a division of the State Treasurer’s office charged with general oversight of local government finance in North Carolina. Its approval is required for all local government bond issues and substantially all other local government financing arrangements in North Carolina. In determining whether to allow bonds to be issued under the Act, the Commission has been given wide statutory

discretion to consider the local government's capability to repay the amount financed from the pledged revenue sources and the local government's general compliance with State budget and finance laws. Under the Act, the Commission is also responsible, with the issuing unit's approval, for selling bonds issued pursuant to the Act. See Appendix D hereto for additional information on the Commission and its powers and duties.

General

The 2023 Bonds will be dated as of the date of delivery thereof, will bear interest from their date payable on each **[July]** 1 and **[January]** 1, beginning _____ 1, 20__, at the rates shown on the inside front cover hereof and will mature, subject to prior redemption as described below, on **[July]** 1 in the years and amounts shown on the inside front cover hereof. The 2023 Bonds will be issued as fully registered bonds and will be subject to the provisions of the book-entry-only system described below. Individual purchases of the 2023 Bonds by the beneficial owners will be made in denominations of \$5,000 or whole multiples thereof.

The 2023 Bonds will be issued as fully registered bonds in book-entry-only form without physical delivery of bonds to the beneficial owners of the 2023 Bonds. The Trustee will make payments of principal of and interest on the 2023 Bonds to DTC, which will in turn remit such payments to DTC participants for subsequent distribution to the beneficial owners of the 2023 Bonds as of the record date for such payments, which shall be the fifteenth day of the calendar month (whether or not a business day) next preceding the payment date. See Appendix F hereto for more information regarding DTC and its book-entry-only system.

Redemption Provisions

Optional Redemption. The 2023 Bonds maturing on or before **[July]** 1, 20__ are not subject to redemption prior to maturity. The 2023 Bonds maturing on or after **[July]** 1, 20__ will be subject to redemption, at the option of the Authority, from any funds that may be available for such purpose, either in whole or in part on any date on or after **[July]** 1, 20__, at a Redemption Price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, in the manner provided in the Third Series Indenture.

Mandatory Sinking Fund Redemption. The 2023 Bonds maturing on **[July]** 1, 20__, are subject to mandatory sinking fund redemption, at a redemption price equal to the principal amount to be redeemed plus accrued interest, if any, to the redemption date, without premium, on **[July]** 1, in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>
-------------	---------------

*Maturity.

The 2023 Bonds maturing on **[July]** 1, 20__, are subject to mandatory sinking fund redemption, at a redemption price equal to the principal amount to be redeemed plus accrued interest, if any, to the redemption date, without premium, on **[July]** 1, in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>
-------------	---------------

*Maturity.

Redemption Provisions. Notice of redemption will be given by the Trustee not less than 30 days nor more than 60 days before the Redemption Date (1) to the Commission by Mail or facsimile transmission, (2)(a) to DTC or its nominee by registered or certified mail at the address provided to the Trustee by DTC or as otherwise permitted by DTC's rules and procedures or (b) if DTC or its nominee is no longer the Owner of the 2023 Bonds, by Mail to the then-registered Owners of 2023 Bonds to be redeemed at the last address shown on the registration books kept by the Trustee and (3) to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format as prescribed by the MSRB. Neither the failure to mail the notice nor any defect in any notice mailed shall affect the sufficiency of the proceeding for the redemption of any 2023 Bonds as to which no such defect or failure occurred.

Such notice must (1) specify the 2023 Bonds to be redeemed, the Redemption Date, the Redemption Price and the place or places where amounts due on such redemption must be payable (which must be the principal office of the Paying Agent) and if less than all of the 2023 Bonds are to be redeemed, the numbers of the 2023 Bonds and the portions of 2023 Bonds to be redeemed, (2) if sufficient money is not then on deposit in the Debt Service Fund to pay the full Redemption Price of the 2023 Bonds, state that the proposed optional redemption is conditioned on there being sufficient money on deposit in the Debt Service Fund to pay the Redemption Price of the 2023 Bonds called for redemption, and (3) state that on the Redemption Date, the 2023 Bonds to be redeemed will cease to bear interest. The Authority may revoke any optional redemption for which notice has been given on written instruction to the Trustee delivered in sufficient time for the Trustee to give notice thereof before the Redemption Date (or if DTC or its nominee is the registered Owner of the 2023 Bonds, such shorter time as permitted by DTC's rules and procedures) to the persons to whom and in the manner in which the notice of redemption was given.

The actual receipt by any Owner of a 2023 Bond of notice of redemption is not a condition precedent to redemption, and failure to receive notice will not affect the validity of the proceedings for the redemption of the 2023 Bonds or the cessation of interest on the Redemption Date.

If less than all of the 2023 Bonds are called for redemption, the Authority will determine the maturities and amounts thereof to be redeemed. If a book-entry system through DTC is used for determining beneficial ownership of the 2023 Bonds and less than all the 2023 Bonds of any maturity are called for redemption, DTC will select the 2023 Bonds to be redeemed pursuant to its rules and procedures or, if the book-entry system through DTC or any other securities depository for determining beneficial ownership of the 2023 Bonds has been discontinued, the Trustee will select the 2023 Bonds to be redeemed by lot in such manner at the Trustee in its discretion may deem proper, but, in any event, the portion of any 2023 Bond to be redeemed must be in an Authorized Denomination.

If moneys are on deposit in the Debt Service Fund to pay the Redemption Price of the 2023 Bonds called for redemption and premium, if any, thereon on a redemption date, 2023 Bonds or portions

thereof so called for redemption as provided above will not bear interest after such redemption date and will not be considered Outstanding or as having any other rights under the General Indenture other than the right to receive payment. If a portion of a 2023 Bond is called for redemption, a new 2023 Bond in principal amount equal to the unredeemed portion thereof will be issued to the Owner thereof upon surrender thereof.

SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS

General

The 2023 Bonds will be special obligations of the Authority, secured by and payable from the Net Revenues of the Airport System and, under certain circumstances, the proceeds of the 2023 Bonds, investment earnings and certain net insurance and other proceeds. The 2023 Bonds are not payable from the Authority's general funds and do not constitute a legal or equitable pledge, charge, lien or encumbrance on any of the Authority's property or on any of its income, receipts or revenues, except for the Net Revenues and other funds pledged to their payment. Neither the credit nor the taxing power of the Authority is pledged for the payment of principal of, premium, if any, or interest on the 2023 Bonds, and no Owner of the 2023 Bonds has the right to compel the exercise of the taxing power by the Authority or the forfeiture of any of its property other than Net Revenues in connection with any default on the 2023 Bonds. The Authority has no taxing power.

Pledge of Net Revenues

The Net Revenues of the Airport System are pledged to the payment of, and as security for the 2023 Bonds, the 2022A Bonds, the 2016A Bond and any other Bonds hereafter issued under the General Indenture. Net Revenues for any particular period means the excess of Revenues over Current Expenses. Revenues means all rates, tolls, fees, rentals, or other charges or other money received by the Authority in connection with the ownership, management and operation of the Airport System, and all parts thereof, including Customer Facility Charges and amounts received from the investment of money in any Fund or Account (but not including amounts received from interest or other investment income earned in the Construction Fund and, during the construction period, the Reserve Fund), all as calculated in accordance with generally accepted accounting principles, but will NOT include (1) net proceeds of insurance or condemnation awards or other extraordinary items, (2) any amounts collected by the Authority representing sales or use taxes which may be required by law or agreement to be paid to the State or a governmental unit thereof, (3) any interest rate subsidy received by the Authority from the United States Treasury pursuant to the Code, (4) any proceeds or any gain or loss from the extinguishment of debt or the sale, exchange or other disposition of capital assets, (5) any Transfer, (6) any Special Facilities Revenue or (7) any amounts otherwise included under this definition as Revenues but not permitted by law to be pledged under the General Indenture. Current Expenses generally means the Authority's current expenses for the operation, maintenance and current repair of the Airport System as calculated in accordance with generally accepted accounting principles except as otherwise provided in the General Indenture, except that Current Expenses do not include (a) any allowance for depreciation or replacements of capital assets of the Airport System, (b) money payable as interest on the Bonds or on Subordinate Indebtedness or Other Indebtedness, (c) money deposited or transferred to the Reserve Fund, if any, pursuant to the applicable Series Indenture, (d) any loss from extinguishment of debt or the sale, exchange or other disposition of capital assets, (e) any accrued expenses for other post-retirement benefits not resulting in (i) payments of such benefits to current or future retired employees or (ii) deposits of funds into an irrevocable trust for the purpose of making future payments of such benefits to current or future retired employees and (f) for purposes of compliance with the Rate Covenant and the additional Bonds covenant as more particularly described below under "Rate Covenant" and "Additional Bonds and

Other Obligations Secured by or Payable from Net Revenues,” any current expenses of operation, maintenance and current repair of the Airport System to the extent actually paid from federal or state grants awarded for such any such purpose and not constituting Revenues. See Appendix C for complete definitions of Revenues and Current Expenses.

The definition of Revenues excludes Passenger Facility Charges and grants and other charges authorized by Federal and/or State laws or regulations to be assessed to fund specific programs at the Airport System or to pay debt service, except to the extent designated as Revenues in a Series Indenture. The Authority has not designated PFCs or the above-described grants as “Revenues.” See “—Treatment of Passenger Facility Charges and Federal and State Grant Funds” below.

Rate Covenant

Under the General Indenture, before the beginning of each Fiscal Year, the Authority is required to fix, establish or maintain or cause to be fixed, established and maintained such rates and charges for the provision of services of the Airport System, and to revise or cause to be revised the same, as necessary, as will produce:

(a) Revenues that are at least equal in such Fiscal Year to the total of (1) the Current Expenses budgeted for such Fiscal Year, as may be amended from time to time, plus (2) 100% of the Aggregate Annual Debt Service on the Bonds to become due during that Fiscal Year plus (3) 100% of the remaining deposits required by flow of funds described below under “Funds and Accounts and Flow of Funds – Airport System Operating Fund”; and

(b) Net Revenues, together with any Transfer, that are at least equal in such Fiscal Year to 125% of the Aggregate Annual Debt Service on the Bonds to become due during that Fiscal Year.

“*Transfer*” means an amount for each Fiscal Year for which the calculation is made that is the sum of the following amounts for the Airport System Operating Fund and Surplus Fund:

(1) Airport System Operating Fund: the amount in the Airport System Operating Fund on the first Business Day of the Fiscal Year that would be available to pay Current Expenses of the Authority or to make any required payments or deposits to pay or secure the payment of the principal, purchase price or redemption premium of and interest on the Outstanding Bonds, less any amounts credited to the Surplus Fund from the Airport System Operating Fund as of the last Business Day of such Fiscal Year;

(2) Surplus Fund: the amount, if any, in the Surplus Fund on the last Business Day of the Fiscal Year, plus any amounts withdrawn from the Surplus Fund during that Fiscal Year to pay Current Expenses of the Authority or to make any required payments or deposits to pay or secure the payment of the principal, purchase price or redemption premium of and interest on the Outstanding Bonds;

provided, however, that, for purposes of complying with the Rate Covenant or the additional Bonds covenant set forth in the General Indenture, the amount of any Transfer for a Fiscal Year will not exceed 25% of Aggregate Annual Debt Service on the Outstanding Bonds in such Fiscal Year.

If the Authority fails to meet the Rate Covenant for any Fiscal Year as of the last day of such Fiscal Year (on the basis of actual revenues and expenditures as set forth in the General Indenture), the Authority is required to take all action necessary to increase Revenues and decrease Current Expenses as necessary to satisfy the Rate Covenant in the following Fiscal Year, including promptly retaining a Consultant to make recommendations as to a revision of rates, fees and charges and possible reductions in expenses which result in satisfying the Rate Covenant in the following Fiscal Year. See “Rate Covenant”

in Appendix C for a description of the remedies if the Authority fails to meet the Rate Covenant in multiple years.

The Authority may not render free services except as permitted under FAA regulations; all users, including political subdivisions and public bodies (State or federal) who receive services from the Airport System will pay therefor at the established rates, fees and charges. The rates, fees and charges need not be uniform.

The Authority is required to deliver to the Trustee an audited calculation demonstrating compliance with the rate covenant within 180 days after the end of each Fiscal Year.

Treatment of Passenger Facility Charges and Federal and State Grant Funds

Federal legislation allows public agencies controlling commercial service airports with regularly scheduled service and enplaning 2,500 or more passengers annually to charge each enplaning passenger using the airport a facility charge referred to as a “passenger facility charge” or a “PFC.” Under current law the maximum PFC that may be charged by qualifying airports is \$4.50 on each enplaning passenger. Public agencies wishing to impose and use PFCs are required to apply to the FAA for authority to charge the PFCs and meet the requirements specified in the legislation and regulations issued by the FAA. The purpose of PFCs is to develop additional capital funding resources for the expansion of the national airport system. PFCs are available to airports to finance specific eligible projects that (1) preserve or enhance capacity, safety or security of the national air transportation system, (2) reduce noise resulting from an airport or (3) furnish opportunities for enhanced competition among air carriers. **[The FAA has approved the Authority’s collection and use of approximately \$71.3 million of PFCs to finance various projects. As of February 28, 2023, the Authority had collected approximately \$__ million of its total approved collection and had disbursed approximately \$__ million on approved projects. The current estimated charge expiration date is _____, 20__.**

In anticipation of the Project, in 2022, the Authority planned to submit a new PFC application for an additional \$100 million of PFCs for use on various projects including the Project. Upon further review, the Authority determined to split the application into two separate applications—one filed in 2022 for \$25 million and one filed in 2023 for \$75 million. The Authority’s application for \$25 million was approved on June 27, 2022 and is included in the total of \$71.3 million of PFCs referenced in the prior paragraph. The Authority has submitted the second PFC application for \$75 million of PFCs for FAA review and anticipates a final determination later in 2023. [Does the new application change the expiration date from the prior paragraph?]

Additionally, the Authority receives federal and state grant funds for various projects and as relief from the impacts of the COVID-19 pandemic. Some of such funds may be used to pay debt service on the Authority’s indebtedness. The General Indenture allows the Authority to exclude from the calculation of Current Expenses (for purposes compliance with its the rate covenant and for compliance with the requirements under the General Indenture for issuing additional Bonds) any current expenses of operation, maintenance and current repair of the Airport System to the extent actually paid from federal or state grants awarded for such any such purpose and not constituting Revenues.

The Authority has not designated and, at present, does not intend to designate PFCs or the above-described federal and state grant funds (the “Grant Funds”) as “Revenues” under the General Indenture, but the General Indenture provides that if PFCs or Grant Funds have either been applied to pay debt service on the Bonds or if PFCs or Grant Funds have been irrevocably committed to pay principal and interest on Bonds, then the principal and interest paid or to be paid from the PFCs or Grant Funds is

excluded in calculating the Authority's compliance with its the rate covenant and for compliance with the requirements under the General Indenture for issuing additional Bonds. See "Rate Covenant" above and the definition of "Aggregate Annual Debt Service" in Appendix C.

[To be updated.] [Assuming that the FAA approves the Authority's above-described application for an additional \$75 million of PFCs, the Authority plans to apply a portion of the collected PFCs to pay principal and interest on the 2022A Bonds and the 2023 Bonds as permitted by the General Indenture. The Authority also plans to apply a portion of certain Grant Funds anticipated to be appropriated by the North Carolina General Assembly to pay principal and interest on the 2022A Bonds and the 2023 Bonds as permitted by the General Indenture. See Section 5.9 and Exhibit E of the Consultant's Report in Appendix B to the Official Statement for more information on the Authority's planned use of PFCs and Grant Funds to pay debt service on the 2022A Bonds and the 2023 Bonds. In the event the FAA application is not approved or the Grant Funds are not appropriated or otherwise available as contemplated in the Consultant's Report, the Authority would have to pay debt service on the 2022A Bonds and the 2023 Bonds from other available funds of the Authority and may have to increase airline rates and charges to pay debt service. See "RISK FACTORS AND INVESTMENT CONSIDERATIONS – Availability of Sources of Funding."]

Funds and Accounts and Flow of Funds

Pursuant to the General Indenture, the Authority has established the following funds:

- (1) Airport System Operating Fund,
- (2) PFC Revenue Fund;
- (3) Debt Service Fund,
- (4) Construction Fund,
- (5) Reserve Fund,
- (6) Operating and Maintenance Reserve Fund, and
- (7) Surplus Fund.

The Debt Service Fund, the Construction Fund and the Reserve Fund are held by the Trustee. The remaining funds are held by one or more financial institutions determined from time to time by the Authority. For administrative convenience, each fund may be subdivided by the Authority or the Trustee in separate accounts with appropriate identification.

The moneys and securities held in the Debt Service Fund, the Construction Fund, the Operating and Maintenance Reserve Fund and the Reserve Fund are pledged under the General Indenture to secure payment of the Bonds. The moneys and securities held in the Airport System Operating Fund, the PFC Revenue Fund and the Surplus Fund are not pledged to secure payment of the Bonds. However, to the extent that there is a deficiency at any time in the Debt Service Fund, the Authority is required to cure such deficiency from moneys held in the Airport System Operating Fund, the Surplus Fund, the applicable account of the Reserve Fund, if any, and the Construction Fund and in the manner provided in the General Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS - Funds and Accounts and Flow of Funds – Debt Service Fund" herein.

If the Authority fails to satisfy the Rate Covenant and the Revenues continue to be insufficient to meet the Rate Covenant by the following Fiscal Year beginning on the July 1 twelve months after the beginning of the Fiscal Year during which the Authority failed to meet such Rate Covenant, the Trustee may, at the written direction of a majority of the registered Owners of the Bonds and on receiving indemnity satisfactory to the Trustee, and without an Event of Default having occurred and if in the second such year Net Revenues is less than 110% Aggregate Annual Debt Service on the Bonds, take possession of the Airport System Operating Fund and administer the application thereof. If the Trustee does so, it may disburse money in the Airport System Operating Fund in such manner as it may determine, notwithstanding the provisions of the General Indenture. If the Authority fails to satisfy the Rate Covenant and the Revenues continue to be insufficient to meet the Rate Covenant by the second Fiscal Year beginning on the July 1 twenty-four months after the beginning of the Fiscal Year during which the Authority failed to satisfy such Rate Covenant, an Event of Default will be deemed to have occurred and the Trustee may, at the written direction of a majority of the registered Owners of the Bonds and on receiving indemnity satisfactory to the Trustee, take possession of the Airport System Operating Fund. If the Trustee does so, it may disburse money in the Airport System Operating Fund in such manner as it may determine, notwithstanding the provisions of the General Indenture. The Trustee shall relinquish possession of the Airport System Operating Fund only on the delivery of a written Certificate of the Consultant, retained by the Authority pursuant to the General Indenture, or an Accountant certifying the Authority's compliance with the Rate Covenant. See "Rate Covenant" and "Remedies on Default" in Appendix C.

Airport System Operating Fund. The Authority is required to deposit all Revenues in the Airport System Operating Fund. The Authority will cause disbursements to be made from the Airport System Operating Fund as follows:

- (1) Directly to the Persons entitled thereto at any time as may be required, the amount required to pay the Current Expenses as shown in the Annual Budget for the current Fiscal Year;
- (2) To the Debt Service Fund, on or before the 25th day of the month preceding each Interest Payment Date, an amount such that (after taking into consideration amounts then on deposit in the Debt Service Fund allocated to pay Interest) there will be in the Debt Service Fund an amount equal to the Interest due on the next Interest Payment Date;
- (3) To the Debt Service Fund, on or before the 25th day of the month preceding each Principal Payment Date, an amount such that (after taking into consideration amounts then on deposit in the Debt Service Fund allocated to pay Principal due with respect to the Bonds) there will be in the Debt Service Fund an amount equal to the Principal due on the next Principal Payment Date;
- (4) At any time as may be required, to the provider of any Qualified Reserve Fund Substitute in satisfaction of the then-current obligations of the Authority incurred in connection therewith;
- (5) At any time as may be required, to the Trustee for deposit in the Reserve Fund, if any, (a) the amount necessary for the balance therein to equal the Reserve Requirement, but if the Revenues are insufficient therefor, to each account of the Reserve Fund pro rata on the basis of the Reserve Requirement for each Series of Bonds secured by an account of the Reserve Fund or (b) if the Reserve Fund is less than 90% of the Reserve Requirement as a result of a valuation of investments therein, the amount necessary for the balance therein to equal the Reserve Requirement; but the Authority is not required to transfer in any month more than an amount such that if the same amount were deposited in equal monthly installments over the subsequent 11 months, the Reserve Fund would equal the Reserve Requirement;

(6) At any time as may be required, to the Debt Service Fund, the amount necessary to make up any deficiencies therein in accordance with the priorities established by the General Indenture;

(7) To the Operating and Maintenance Reserve Fund, an amount sufficient to equal two months of Current Expenses as shown in the Annual Budget;

(8) At any time as may be required, to the Persons entitled to payment of any principal, premium, if any, or interest on any Subordinate Indebtedness in any amount necessary to pay the principal, premium or interest then due and owing;

(9) At any time as may be required, to the Persons entitled to payment with respect to any Other Indebtedness, an amount equal to the payment then due and owing;

(10) On the first day of each Fiscal Year, to the Surplus Fund, the balance remaining in the Airport System Operating Fund as of the last day of the preceding Fiscal Year after reserving an amount sufficient to pay the Current Expenses for the first two months of that Fiscal Year as shown in the Annual Budget.

Debt Service Fund. Amounts held in the Debt Service Fund will be used first to pay the interest on and then the principal or Redemption Price of all Bonds Outstanding under the General Indenture, all on a pro rata basis. If on any Interest Payment Date or Principal Payment Date, there is a deficiency in the Debt Service Fund, the amount of such deficiency will be made up from the following funds in the following order or priority: (1) Airport System Operating Fund, (2) Surplus Fund, (3) the account of the Reserve Fund securing a particular Series of Bonds to the extent such deficiency is attributable to such Series of Bonds and (4) Construction Fund.

Reserve Fund. The General Indenture establishes the Reserve Fund and provides that the related series indenture for each series of Bonds will establish the provisions for use of the Reserve Fund including whether the Reserve Fund is to be used for such series. In the event that any such series of Bonds is secured by the Reserve Fund, the Authority will designate whether the Bonds are secured by the Parity Reserve Account on a parity basis with other Bonds or by a Series Reserve Account securing only that particular Series of Bonds.

The 2023 Bonds will be secured by the Parity Reserve Account. The Parity Reserve Account also secures the 2022A Bonds and the 2016A Bond. The Authority may provide that future series of Bonds may participate in the Parity Reserve Account on a parity basis with the 2023 Bonds, the 2022A Bonds and the 2016A Bond, provided that there is deposited in the Parity Reserve Fund the Parity Reserve Requirement required by the General Indenture.

The Parity Reserve Requirement means an amount, as of any time of calculation, equal to the lesser of (1) maximum Aggregate Annual Debt Service on the Bonds secured or to be secured by the Parity Reserve Account, (2) 125% of the Average Aggregate Annual Debt Service on the Bonds secured or to be secured by the Parity Reserve Account, or (3) 10% of the then-Outstanding stated principal amount of all Series of the Bonds secured by the Parity Reserve Account, provided, however, that if any Series of the Bonds secured by the Parity Reserve Account has original issue discount or premium that exceeds 2% of the stated redemption price at maturity plus any original issue premium attributable exclusively to underwriter's compensation, the initial offering prices to the public must be used in lieu of the stated principal amount for purposes of the 10% limitation (but in no event shall the amount of proceeds of a Series of Bonds used to fund a deposit to the Parity Reserve Account exceed 10% of the stated principal amount of such Series of Bonds).

Notwithstanding the foregoing, for so long as the 2016A Bond is secured by the Parity Reserve Account, the Aggregate Annual Debt Service and the then-Outstanding stated principal amount of the 2016A Bond shall not be taken into account in calculating the Parity Reserve Requirement.

After the issuance of the 2023 Bonds, the Parity Reserve Requirement will be \$ _____, which is the maximum Aggregate Annual Debt Service for the 2022A Bonds and the 2023 Bonds without taking into account any debt service associated with the 2016A Bond.

The Trustee will transfer amounts held in the appropriate account in the Reserve Fund to the Debt Service Fund to make up any deficiency therein with respect to any Series of Bonds secured by that account in the Reserve Fund, in accordance with the order of priorities set forth in the General Indenture; but if a Qualified Reserve Fund Substitute is in place, the Trustee will first use money on hand in the appropriate account in the Reserve Fund and then use money made available by the provider of the Qualified Reserve Fund Substitute. If more than one Qualified Reserve Fund Substitute is in place with respect to an account in the Reserve Fund, the Trustee shall draw on those Qualified Reserve Fund Substitutes pro rata. Not less than 10 days before the need therefor or such longer period of time as may be required pursuant to the Qualified Reserve Fund Substitute, the Trustee will cause appropriate notice to be given to the provider of such Qualified Reserve Fund Substitute of the need for funds to make up any deficiency in the Reserve Fund.

See Appendix C for a complete description of the provisions of the General Indenture regarding the Reserve Fund.

Construction Fund. Certain proceeds of the 2023 Bonds will be deposited in the Construction Fund held by the Trustee at closing. Amounts deposited in the Construction Fund, including investment earnings on the Construction Fund during construction of the Project, will be used to pay a portion of the costs of the Project, and Capitalized Interest on the 2023 Bonds during construction of the Project or will be transferred to the Debt Service Fund to make up any deficiency therein in accordance with the priorities described under the subheading “Debt Service Fund” above. Amounts on deposit in the Construction Fund are subject to a lien and charge in favor of the Owners of all Outstanding Bonds pending the application of such amounts to pay costs of the Project and other lawful charges against the Construction Fund.

Operating and Maintenance Reserve Fund. There will be deposited in the Operating and Maintenance Reserve Fund, all amounts required to be deposited therein pursuant to the General Indenture or any Series Indenture and any other amount available therefor and determined by the Authority to be deposited therein. Money held in the Operating and Maintenance Reserve Fund is to be applied solely to pay Current Expenses to the extent funds available in the Airport System Operating Fund are insufficient therefor.

Surplus Fund. Money held in the Surplus Fund will be applied in the following order of priority: (1) first, to the Airport System Operating Fund to make up any deficiency therein to meet the obligations therefor; (2) second, to the Debt Service Fund to make up any deficiency therein in accordance with the order of priorities described above under “Debt Service Fund”; (3) third, to pay the Persons entitled thereto a termination payment under a Derivative Agreement; (4) fourth, to the Persons entitled to payment of any principal, premium, if any, or interest on any Subordinate Indebtedness, an amount equal to the principal, premium or interest then due and owing; (5) fifth, to the entities entitled to payment with respect to any Other Indebtedness, an amount equal to the payment then due and owing; and (6) sixth, for any lawful purpose from time to time authorized by the Authority.

PFC Revenue Fund. Under the General Indenture, the Authority will deposit all Passenger Facility Charges as received by the Authority into the PFC Revenue Fund, except for any Passenger Facility Charges that have been designated as “Revenues” as provided in the definition of Revenues in the General Indenture, in which event the Passenger Facility Charges designated as Revenues shall be deposited to the Airport System Operating Fund. Amounts deposited to the PFC Revenue Fund are not Revenues and are not subject to the provisions of the General Indenture regarding Revenues.

Additional Bonds and Other Obligations Secured by or Payable from Net Revenues

The 2023 Bonds are secured by a pledge on the Net Revenues on a parity with the 2022A Bonds and the 2016A Bond. Under the conditions and limitations set forth in the General Indenture and without the approval or consent of the Owners of any Outstanding Bonds, the Authority may issue additional Bonds secured by a pledge of the Net Revenues on a parity with the 2016A Bond, the 2022A Bonds and the 2023 Bonds. In addition, the Authority may incur Subordinate Indebtedness and Other Indebtedness to be paid from Revenues of the Airport System as provided in the General Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS – Additional Bonds and Other Obligations Secured by or Payable from Net Revenues” in Appendix C hereto.

Events of Default and Remedies; No Acceleration

Events of Default under the General Indenture and related remedies are described in the summary of certain provisions of the General Indenture in Appendix C, in particular under the caption “DEFAULTS AND REMEDIES.” The occurrence of an Event of Default does not grant any right to accelerate payment of the Bonds to either the Trustee, the Owners of the 2023 Bonds or the Owners of any other Bonds. The Trustee is authorized to take certain actions upon the occurrence of an Event of Default, including proceedings to enforce the obligations of the Authority under the General Indenture.

CONSIDERATION OF PURCHASE OF BOND INSURANCE

The Authority is considering the purchase of a financial guaranty insurance policy (the “Policy”) from a financial guaranty insurance company to insure the timely payment of the principal of and interest on the 2023 Bonds. The Authority will make its determination concerning the purchase of a Policy based on market conditions at the time the 2023 Bonds are sold.

If the Authority decides to purchase a Policy, reference should be made to the final Official Statement with regard to (a) identification of the maturities of the 2023 Bonds to be insured, (b) information regarding any such Policy and (c) information regarding the issuer of such Policy. Furthermore, if the Authority decides to purchase a Policy, the Third Series Indenture will be modified as required by the issuer of such Policy to include certain provisions and covenants required by such issuer. Reference should be made to the final Official Statement with regard to any such covenants that may be material to the purchasers of the 2023 Bonds.

Any 2023 Bonds insured by a Policy will be rated on the basis of the issuance of such Policy. Any 2023 Bonds not insured by the Policy will be rated as shown on the cover page hereof. See “RATINGS” herein.

THE PROJECT

General

Prior to the onset of the COVID-19 pandemic, the Airport experienced six straight years of record growth in passenger enplanements, including a 43% increase in passengers in calendar year 2019. A passenger demand forecast completed in 2018 identified continued growth at a moderate rate through 2038. In connection with the forecast, in order to meet the demand of enplanements at the time of the forecast, approximately 90,000 square feet of additional space and four more gates with boarding bridges were identified as necessary. The report called for an additional 160,000 square feet of space to meet the long-range demand of the Airport. By the end of 2019, however, the Airport had already exceeded the total passenger demand forecast for 2038. The Authority subsequently undertook the design and planning process for the expansion and modernization of its existing terminal building (the “Project”) to meet growing passenger demand. Although passenger enplanements were adversely impacted by the COVID-19 pandemic, the Authority is proceeding with the Project to accommodate future demand.

As part of the Project, the existing single level 113,000 square foot terminal building will be expanded to approximately 276,000 square feet of public space on two levels. The Project will expand the number of loading gates from seven to 12 gates equipped with passenger boarding bridges which will meet the FAA’s planning criteria for the Airport’s current passenger demand. In addition to gate expansion, the Project will also include:

- Expansion and modernization of ticket lobby, TSA screening, baggage claim and concessions areas;
- Improvements to existing supporting infrastructure;
- Construction of a centralized energy plant;
- Renovation of the remaining portion of the existing terminal building; and
- Construction of a new air traffic control tower.

Construction and Phasing

[Section to be updated.]

The Authority has entered into a Construction Manager at Risk contract agreement, dated December 11, 2020 (the “Project Contract”), with Hensel Phelps Construction Company (the “Construction Manager”) to serve in the role of General Contractor for all of the components of the Project except for the air traffic control tower component (the “Air Traffic Control Tower Component”). See the last paragraph of this section for more information on the Air Traffic Control Tower Component. These portions of the Project will be constructed in phases over several years with completion anticipated during the first calendar quarter of 2026. Enabling construction (including utility relocations) was awarded in January 2022 and is underway.

Under the Project Contract, work will be completed in five different work packages (a “Work Package”) spread over three Component Guaranteed Maximum Price (“CGMP”) amendments. Each of the first two CGMPs will consist of one Work Package. The third CGMP will consist of three Work Packages. The first CGMP (which covers Work Package 1) has been bid and awarded in the amount of \$6,215,900 and will be paid with available funds of the Authority. The second CGMP covering Work Package 2 is presently in the bid process and is expected to be awarded in the June/July 2022 timeframe. This Work Package has an estimated value of approximately \$60,000,000. The third CGMP will include Work Packages 3, 4 and 5 and will be bid by the Construction Manager during the third quarter of 2022,

with an estimated value of \$172,000,000. The expected award date for the final CGMP is in the September/October 2022 timeframe.

Since the terminal project is being delivered utilizing the Construction Manager at Risk delivery method, once each CGMP is agreed upon, no additional changes to the contract price are anticipated unless the Authority requests or otherwise agrees to a modification of the scope of work for that portion of the terminal project. Each CGMP will include line-item values for both contractor and owner contingencies that may be necessary during the course of construction. However, the contractor may, in general, not utilize its contingency without the Authority's advance approval. Additionally, given recent concerns over inflationary price increases in the construction industry resulting from COVID-related supply chain issues, additional and separate cost escalation contingencies are also being included in each final agreed upon CGMP. Traditional change orders should only be necessary if the Authority authorizes a modification to the scope of any CGMP as noted above.

The Air Traffic Control Tower Component is a component of the Project but being designed, bid and built separately from the remainder the Project. For this component, a traditional design/bid/build delivery method is being utilized. This project includes construction of a new air traffic control tower, base building with equipment and administrative spaces, and a new Terminal Radar Approach Control ("TRACON") facility within the base building. The Authority selected and entered into a contract for the design and construction administration services for the Air Traffic Control Tower Component with the consulting firm Pond and Company, Inc. on March 12, 2021. At the present time, overall design of the project has exceeded the 50 percent milestone, with completion of construction documents and a public bidding process anticipated late in the third quarter of calendar year 2022. Given construction will be awarded to the lowest responsive and responsible bidder, the Authority will establish a contingency fund for this project at the time it is approved and awarded by the Authority Board. Change orders and use of contingency funds will require advance approval of the Authority's Executive Director and/or Authority Board. Construction of the facility is expected to begin in the December 2022 timeframe, with 12-14 months for construction of the tower and other related structures. An additional period for installation and upfit of the facility with specialized air traffic equipment by the Federal Aviation Administration will be required before the facility can be commissioned. Commissioning of the facility is presently scheduled for the second or third quarter of 2024.

Cost and Funding Sources

[Section to be updated.]

The Authority anticipates the total Project cost to be approximately \$_____. The Authority will use the proceeds of the 2022A Bonds and the 2023 Bonds and federal and State grant funds to pay for the costs of the Project. A portion of the above-described federal grant funding in the amount of \$_____ will come from the Airport Terminal Program created by the Bipartisan Infrastructure Law ("BIL Funding") enacted in 2021. **[The financial projections included in the Consultant's Report as Appendix B hereto do not reflect the receipt of any BIL Funding and assume the issuance of the full amount of the 2022B Bonds.]**

The design, planning, pricing, phasing, scope and construction of the Project are all subject to considerable risks and uncertainty outside the Authority's control. See "RISK FACTORS AND INVESTMENT CONSIDERATIONS" and, specifically, " – CIP Costs and Schedule" therein.

ESTIMATED SOURCES AND USES OF FUNDS

The Authority estimates the sources and uses for the 2023 Bonds to be as follows:

Sources:

Par Amount of 2023 Bonds	
Net Original Issue Premium/Discount	

Total	\$ _____

Uses:

Project Costs	
Capitalized Interest	
Deposit to Parity Reserve Account	
Costs of Issuance ¹	_____
Total	\$ _____

¹ Includes underwriters' discount, legal fees, printing costs, rating agency fees, financial advisor fees, fees and expenses of the Trustee and miscellaneous fees and expenses.

ANNUAL DEBT SERVICE REQUIREMENTS

The following table sets forth for each Fiscal Year ending June 30, the amounts required for the payment of debt service related to the 2023 Bonds, the 2022A Bonds and the 2016A Bond.

Fiscal Year Ending June 30,	<u>2023 Bonds</u>		<u>2022A Bonds</u>		2016A Bonds ¹	<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>		
2023				\$10,658,659	\$1,701,116	
2024				9,838,763	1,703,253	
2025				9,838,763	1,704,554	
2026				9,838,763	1,700,019	
2027			\$3,550,000	9,838,763	1,704,766	
2028			3,725,000	9,661,263	1,703,558	
2029			3,910,000	9,475,013	1,701,513	
2030			4,105,000	9,279,513	1,703,631	
2031			4,310,000	9,074,263	<u>1,704,794</u>	
2032			4,530,000	8,858,763		
2033			4,755,000	8,632,263		
2034			4,990,000	8,394,513		
2035			5,240,000	8,145,013		
2036			5,505,000	7,883,013		
2037			5,780,000	7,607,763		
2038			6,070,000	7,318,763		
2039			6,385,000	7,000,088		
2040			6,720,000	6,664,875		
2041			7,075,000	6,312,075		
2042			7,445,000	5,940,638		
2043			7,835,000	5,549,775		
2044			8,270,000	5,118,850		
2045			8,725,000	4,664,000		
2046			9,200,000	4,184,125		
2047			9,710,000	3,678,125		
2048			10,245,000	3,144,075		
2049			10,805,000	2,580,600		
2050			11,400,000	1,986,325		
2051			12,025,000	1,359,325		
2052			<u>12,690,000</u>	<u>697,950</u>		
2053						
Total			<u>\$185,000,000</u>	<u>\$203,224,672</u>	<u>\$15,327,204</u>	

¹ Includes principal and interest. Payments due on July 1 are treated as made in the prior fiscal year.

Note: Totals may not foot due to rounding.

THE AUTHORITY

[To be inserted.]

THE AIRPORT

[To be inserted.]

AIRPORT CONSULTANT’S REPORT

In connection with the issuance of the 2022A Bonds, Landrum & Brown, Incorporated (the “Consultant”) prepared its Airport Consultant’s Report, dated as of May 12, 2022 (the “2022A Report”). In connection with the issuance of the 2023 Bonds, the Consultant has prepared a Letter, dated March __, 2022 (the “2023 Letter” and, together with the 2022A Report, the “Airport Consultant’s Report”) to supplement and update the 2022A Report to (a) confirm the assumptions and findings contained in the 2022A Report and (b) provide updated forecasts based on recent trends, data and information related to the operations of the Airport since the date of the 2022A Report. Both the 2023 Letter and the 2022A Report are included in Appendix B hereto and should be read in their entirety.

The forecasted operating results for the Fiscal Years ending June 30, 2023 through 2030 contained therein are based on certain assumptions discussed in the Airport Consultant’s Report. Certain of these assumptions may not materialize and unforeseen events and circumstances may occur subsequent to the date of the Airport Consultant’s Report. Therefore, there will usually be differences between the forecasted operating results and the actual operating results and these differences may be material.

The following table, derived from the Airport Consultant’s Report included as Appendix B, shows the projected debt service coverage ratios for the Fiscal Years ending June 30, 2023 to 2030, inclusive. See the Airport Consultant’s Report included as Appendix B for the assumptions and notes related to the information provided in the table below.

	<u>Fiscal Year Ending June 30,</u>							
	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Total Revenue								
Current Expenses								
Net Revenue (a)								
Debt Service								
Less: PFCs								
Less: State Grant Funds								
Net Debt Service (b)								
Debt Service Coverage								
Ratio (a)/(b)								

RISK FACTORS AND INVESTMENT CONSIDERATIONS

The following section describes certain risk factors affecting the payment of, and security for, the 2023 Bonds. The following discussion is not meant to be an exhaustive list of the risks associated with the purchase of the 2023 Bonds and does not necessarily reflect the relative importance of the various risks. Potential investors are advised to consider the following specific factors along with all other information described or referenced elsewhere in this Official Statement in evaluating an investment in the 2023 Bonds.

The COVID-19 Pandemic and Other Public Health Concerns

Due to the discretionary nature of business and personal travel spending, air transportation demand and, by extension, the Authority's Net Revenues, are heavily influenced by numerous economic factors as well as health and security concerns. For example, the current COVID-19 pandemic and the economic impacts thereof have had a significant and adverse impact on the demand for air travel and the airline industry. The COVID-19 pandemic has resulted in substantial financial challenges for airlines serving the Airport, including substantial financial losses and announcements warning of layoffs or reduction in workforce. While the Airport has in the past seen passenger traffic return after or grow through airline bankruptcies and consolidations and other events affecting the airline industry, the COVID-19 pandemic is an unprecedented event and its near-term and long-term effects on the airline industry cannot be predicted with any certainty, including the prospect of prolonged downsizing of aircraft fleets and associated levels of capacity. Other structural changes to the industry also result from the impact of airline consolidations, optimization of route structures, low cost carriers, internet travel web sites and carriers reorganizing under the U.S. Bankruptcy Code. See "RISK FACTORS AND INVESTMENT CONSIDERATIONS – Effect of Airline Bankruptcies," below.

The COVID-19 pandemic has had and likely will continue to have substantial adverse effects on passenger traffic and Airport operations and financial performance. The dynamic nature of the COVID-19 pandemic and the prospect of future disease outbreaks or other widespread health concerns leads to many uncertainties, so the Authority cannot predict: (i) the scope, duration or extent of the current COVID-19 pandemic, or another outbreak or pandemic, (ii) any additional or future restrictions or warnings related to air travel, gatherings or any other activities, or the duration or extent to which airlines will reduce services at the Airport, or whether airlines will cease operations at the Airport or shut down, in response to such restrictions or warnings; (iii) what additional short or long-term effects the restrictions and warnings imposed as a result of the COVID-19 pandemic or future health concerns may have on air travel (including to and from the Airport), the retail and services provided by Airport concessionaires, Airport costs or Airport revenues; (iv) to what extent the COVID-19 pandemic or a future outbreak or pandemic may disrupt the local, State, national or global economy, manufacturing or supply chain, and if any such disruption may adversely impact Airport-related construction, the cost, sources of funds, schedule or implementation of the Airport's CIP (including the Project), or other Airport operations; (v) the extent to which the COVID-19 pandemic or a future outbreak or pandemic, or the resultant disruption to the local, State, national or global economy, may result in changes in demand for air travel, or have an impact on the airlines or concessionaires serving the Airport, or the airline and travel industry, generally; (vi) whether or to what extent the Authority may amend, adjust, or make other changes to the Authority's arrangements with its tenants and concessionaires; (vii) whether any of the foregoing will have a material adverse effect on the finances and operations of the Authority; or (viii) the extent or duration of telecommuting and the possibility of increased utilization of video conferencing by businesses and others after the COVID-19 pandemic which may reduce demand for business travel.

The Authority cannot predict the extent and duration of changes in air traffic volume as a result of the COVID-19 pandemic and its associated economic impacts. It is possible that air travel behavior and patterns may be permanently altered after the COVID-19 pandemic has ended as a result of residents' and businesses' telecommuting experiences during the outbreak. In particular, such experiences may result in a permanent decline in business travel, the extent of which is currently unknown.

Prospective investors should assume that the restrictions and limitations related to COVID-19, and the current upheaval to the air travel industry and the national and global economies, will continue at least over the near term and may be repeated in the future and that recovery may be prolonged, adversely impacting Airport revenues. Future outbreaks, pandemics or other events outside the Authority's control

may further reduce demand for travel, which in turn could cause a decrease in passenger activity at the Airport and declines in Authority revenues.

For a more detailed discussion of the impact of the COVID-19 pandemic on the Airport, see “THE AIRPORT - Recent Developments Related to the COVID-19 Pandemic” above and Appendix B hereto for more information on the impact of the COVID-19 pandemic on the Airport’s operations and finances.

General Factors Affecting Air Transportation Demand

The Authority’s ability to collect Net Revenues depends significantly on the level of aviation activity and enplaned passenger traffic at the Airport. There are numerous factors which affect air traffic generally and air traffic at the Airport more specifically. Demand for air travel is influenced by factors such as (i) the growth of or decline in the population and economy of the Air Service Area, (ii) national, regional and international economic conditions, (iii) national and international political conditions, including the imposition of regulations and tariffs, acts of war, terrorism or sabotage, and unpredictable events; (iv) the price of airfare, (v) the level of competition from surrounding airports, (vi) availability of airline service and route networks to the Airport, (vii) the occurrence of accidents involving commercial passenger aircraft, (viii) currency exchange rates, (ix) the occurrence of natural and man-made disasters, (x) the availability of business travel substitutes including video conferencing and streaming technology, and (xi) public health concerns including the occurrence of pandemics such as the COVID-19 pandemic.

With the globalization of business and the increased importance of international trade and tourism, the U.S. economy has become more closely tied to worldwide economic, political, and social conditions. As a result, international economics, trade balances, currency exchange rates, political relationships, and hostilities all influence passenger traffic at U.S. airports. Recessions in the U.S. economy in 2001 and 2008-2009 and the COVID-19 pandemic in 2020-2021 have been accompanied by high unemployment and reduced discretionary income, contributing to reduced airline travel demand. Sustained future increases in passenger traffic at the Airport will depend on stable international conditions, recovery from the COVID-19 pandemic, and national and global economic growth. No assurance can be given with respect to the levels of aviation activity that will be achieved at the Airport in future Fiscal Years.

General Factors Affecting the Airline Industry

Future traffic at the Airport is sensitive to all the factors listed above in “RISK FACTORS AND INVESTMENT CONSIDERATIONS – General Factors Affecting Air Transportation Demand.” In addition, it is sensitive to factors particularly affecting the airline industry. The airline industry is highly cyclical and is characterized by intense competition, high operating and capital costs, and varying demand. Passenger and cargo volumes are very sensitive to general and localized economic trends, and passenger traffic varies substantially with seasonal travel patterns. The profitability of the airline industry can fluctuate dramatically from quarter to quarter and from year to year, even in the absence of catastrophic events.

Some of the factors that may materially affect the airline industry, and by extension, the Authority and the Airport include (i) the availability and price of aviation fuel and other necessary supplies, (ii) the costs of maintaining and upgrading aging aircraft fleets, (iii) the capacity of the national air transportation system and limits to airport infrastructure, (iv) price competition, especially competitive pricing facilitated by mergers, consolidations, affiliations, or discharge of obligations through bankruptcy, (v) the cost and availability of financing and the level of access to liquidity and the capital markets, (vi) the cost of keeping pace technological changes, (vii) the cost and availability of employees, (viii) labor

relations within the airline industry, (ix) pilot and other labor shortages, and (x) the costs of regulatory compliance.

As a result of these and other factors, many airlines have in the past operated at a loss, filed for bankruptcy, restructured their businesses, reduced costs, laid off workers, renegotiated labor agreements, reduced or consolidated routes, ceased operations and/or merged with other airlines. Airline consolidation, capacity discipline, economic conditions, and relatively stable fuel prices had in recent years contributed to success and record profitability of the airlines from 2010 through 2019. However, those profits were substantially impacted by the effects of the COVID-19 pandemic on global travel demand. The Authority cannot currently predict whether recovery from the COVID-19 pandemic will be accompanied by renewed disruptions in the airline industry, including further airline consolidation and effects on service patterns. Any such actions, among others, could have a material impact on the Airport and the Authority's ability to collect Net Revenues in amounts sufficient to pay debt service on the Bonds.

Federal Funding; Impact of Federal Sequestration

On October 3, 2018, Congress passed a five-year reauthorization bill for the FAA, known as the "FAA Reauthorization Act of 2018," which was signed into law on October 5, 2018 by the President. The FAA Reauthorization Act of 2018, among other things, authorizes the FAA's programs for five federal fiscal years, and increases funding for the Airport Improvement Program ("AIP"). The AIP provides federal capital grants to support airport infrastructure, including entitlement grants (determined by formulas based on passenger, cargo, and general aviation activity levels) and discretionary grants (allocated on the basis of specific set asides and the national priority ranking system). Between 2007 and the prior reauthorization bill in 2012, there were 23 short-term extensions of the FAA's authority and a two-week partial shutdown of the FAA in summer 2011. There can be no assurance that Congress will enact, and the President will sign, future FAA reauthorization acts or provide for additional extensions before the current authorization expires. Failure to adopt such legislation may have a material adverse impact on the AIP grant program and the Airport. In addition, the AIP could be affected by the automatic across-the-board spending cuts known as sequestration, described in more detail below. The Authority is unable to predict the level of available AIP funding it may receive. If there is a reduction in the amount of AIP grants awarded to the Authority, such reduction could (i) increase by a corresponding amount the capital expenditures that the Authority would need to fund from other sources (including operating revenues, additional Bonds, or others), (ii) result in adjustments to the Authority's capital improvement plan, or (iii) extend the timing for completion of certain projects.

Federal funding received by the Authority and aviation operations at the Airport could be adversely affected by any future implementation of sequestration, a budgetary feature first introduced in the Budget Control Act of 2011. Sequestration could adversely affect FAA and TSA budgets and operations, and the availability of certain federal grant funds typically received annually by the Authority. This may cause the FAA or TSA to implement furloughs of its employees and hiring freezes and may result in flight delays and cancellations.

Growth of Low-Cost Carriers

A low-cost carrier or ultra-low-cost carrier (each an "LCC" or "ULCC") is an airline that generally has lower fares for customers and which is able to take advantage of an operating cost structure that is significantly lower than the cost structures of the network carriers. These lower costs can include lower labor costs, a streamlined aircraft fleet and more efficient operations. Because of these lower cost structures, LCCs/ULCCs can conceivably remain profitable while offering lower fares to the traveling public.

Over the last decade, as larger U.S. carriers consolidated and became more focused on capacity discipline, the ticket prices for their flights began to increase. LCCs/ULCCs emerged in markets where passenger levels were significant enough that the LCCs/ULCCs could overcome any barrier to entry. The low cost structure of the LCCs/ULCCs stimulated traffic and budget conscious travelers to emerge as an underserved segment of the traveling public. Allegiant Air, having enplaned the largest share of passengers at the Airport in each fiscal year 2018 through 2021, is generally considered an ultra-low-cost-carrier.

There can be no assurance that the LCCs/ULCCs will continue to maintain such levels in the future. The continued presence of the LCCs/ULCCs serving at the Airport, and the levels at which such airlines might provide service at the Airport, are a function of a variety of factors, including: airline fares and competition; airline industry economics, including labor costs and the price of aviation fuel; capacity of the Airport and competition from other airports; and the strength of the origin and destination market at the Airport. Most of these factors are beyond the control of the Authority. Accordingly, no assurance can be given as to the levels of aviation activity that the LCCs/ULCCs will provide at the Airport.

See “THE AIRPORT – Passenger Air Carriers” above for a discussion of the LCCs/ULCCs, including Allegiant Air, operating at the Airport.

Termination of Airline Operating Agreements

The terms of the airline operating agreements provide that either party may terminate the agreement on sixty (60) calendar days’ notice to the other party. Although the Authority expects to maintain its operating agreements with the airlines presently operating at the Airport, the Authority can give no assurances that it and the airlines then servicing the Airport will maintain operating agreements that will permit the Authority to recover from the airlines, through rates, fees and charges, amounts sufficient to pay debt service on Bonds or to otherwise meet its obligations under the General Indenture.

Aviation Security Concerns

Concerns about the safety of airline travel and the effectiveness of security precautions, particularly in the context of international hostilities and the potential for terrorist acts may influence passenger travel behavior and air travel demand. Travel behavior may be affected by anxieties about the safety of flying and by the inconveniences and delays associated with more stringent security screening procedures, both of which may give rise to the avoidance of air travel generally and the switching from air to surface travel. With enactment of the Aviation and Transportation Security Act (“ATSA”) in November 2001, the TSA was created and established different and improved security processes and procedures at United States airports. ATSA mandates certain individual, cargo and baggage screening requirements, security awareness programs for airport personnel and deployment of explosive detection devices. ATSA also permits the deployment of air marshals on all flights and requires air marshals on all “high-risk” flights. The federal government controls aviation industry security requirements, which can significantly impact the economics of the industry. Additional security requirements due to unexpected events could increase costs directly and indirectly to the industry and could have an adverse effect on passenger demand.

Cybersecurity

The Authority and airlines rely on electronic systems and technologies to conduct operations. Computer networks and data transmission and collection are vital to the safe and efficient operations of the Airport, the airlines that serve the Airport and other tenants of the Airport. Despite security measures,

information technology and infrastructure of the Airport, any of the airlines serving the Airport or any other tenants at the Airport may be vulnerable to attacks by outside or internal hackers, or breached by employee error, negligence or malfeasance. Any such breach or attack could compromise systems and the information stored thereon. Any such disruption or other loss of information could result in a disruption in the efficiency of the operation of the Airport and/or the airlines serving the Airport and the services provided at the Airport, thereby adversely affecting the ability of the Airport to generate revenue. The Authority maintains a security posture designed to deter cyber-attacks, has engaged consultants to assist in its cybersecurity, and is committed to deterring attacks on its electronic systems and responding to such attacks to minimize their impact on operations. However, no assurances can be given that the Authority's security measures will prevent cyber-attacks, and no assurances can be given that any cyber-attacks, if successful, will not have a material adverse effect on the operations or financial condition of the Authority.

Cost of Aviation Fuel

Airline profitability is significantly affected by the price of aviation fuel. Fuel is the largest single cost component for most airline operations, and therefore an important and uncertain determinant of an air carrier's operating economics. Any increase in fuel prices causes an increase in airline operating costs. Fuel prices continue to be susceptible to, among other factors, political unrest in various parts of the world, Organization of Petroleum Exporting Countries' policy, increased demand for fuel caused by rapid growth of economies such as China and India, the levels of fuel inventory maintained by certain industries, the amounts of reserves maintained by governments, currency fluctuations, disruptions to production and refining facilities, disruptions in delivery systems such as pipelines, and weather. The cost of aviation fuel has fluctuated in the past in response to changes in demand for and supply of oil worldwide. Significant fluctuations and prolonged increases in the cost of aviation fuel historically have had an adverse impact on air transportation industry profitability, causing airlines to reduce capacity, fleet and personnel as well as to increase airfares and institute fuel, checked baggage and other extra surcharges, all of which may decrease demand for air travel.

Effect of Airline Bankruptcies

Since 2000, numerous airlines have filed for, and emerged from, bankruptcy protection, including several that have operations at the Airport. Additional bankruptcies, liquidations or major restructurings of other airlines could occur. It is not possible to predict the future impact on the Airport of any future bankruptcies, liquidations or major restructurings of airlines.

If a bankruptcy case is filed with respect to an airline operating at the Airport, the Airline Agreement with respect to the debtor airline will be treated as an executory contract or unexpired lease pursuant to Section 365 of the United States Bankruptcy Code (the "Bankruptcy Code"). Under Section 365, a trustee in bankruptcy or the airline as debtor-in-possession might reject the Airline Agreement to which such airline is a party, in which case, among other things, the rights of that airline to continued possession of the facilities subject to the Airline Agreement (including gates and boarding areas) would terminate. Such facilities could ultimately be leased by the Authority to other airlines. The Authority's ability to lease such facilities to other airlines may depend on the state of the airline industry in general, on the nature and extent of the increased capacity at the Airport, if any, resulting from the airline's bankruptcy, and on the need for such facilities by other airlines. The rejection of the Airline Agreement in connection with the bankruptcy of an airline operating at the Airport may result in a reduction of the Authority's Net Revenues and an increase in the costs per enplaned passenger for the other airlines at the Airport. In addition, in any airline bankruptcy the Authority may be required to repay landing fees, terminal rentals and other amounts paid by the airline to the Authority during the 90-day period prior to the date of the bankruptcy filing. Such payments are considered "preferential" and are avoidable in a

bankruptcy case pursuant to Section 547 of the Bankruptcy Code. The Authority would, however, likely have defenses to any claim brought under Section 547 of the Bankruptcy Code, including that the subject payments were made in the ordinary course of business or that the Authority provided subsequent new value to the airline.

Also, under the Bankruptcy Code, any rejection of the Airline Agreement could result in the Authority holding a claim for rents and other items that would have accrued in the future, which claim would rank as that of a general unsecured creditor of an airline, in addition to pre-bankruptcy amounts owed.

The act authorizing PFCs provides that PFCs collected by the airlines constitute a trust fund held for the beneficial interest of the eligible agency imposing the PFCs, except for any handling fee or retention of interest collected on unremitted proceeds. In addition, federal regulations require airlines to account for PFCs separately and to disclose the existence and amount of funds regarded as trust funds for financial statements. The airlines, however, are permitted to commingle PFC collections with other revenues and are also entitled to retain interest earned on PFCs until such PFCs are remitted. Federal legislation requires airlines in bankruptcy to segregate PFCs into a separate account for the benefit of eligible agencies. While this requirement should provide some protection for airports in connection with PFCs collected by airlines in bankruptcy, prior to its enactment, bankruptcy courts have not universally treated PFCs collected by the airlines as trust funds. Therefore, the Authority cannot predict how a bankruptcy court might rule on this matter in the event of a bankruptcy filing by an airline operating at the Airport. It is possible that the Authority could be held to be an unsecured creditor with respect to unremitted PFCs held by an airline that has filed for bankruptcy protection. Additionally, the Authority cannot predict whether the airline that files for bankruptcy protection would have properly accounted for the PFCs owed to the Authority or whether the bankruptcy estate would have sufficient moneys to pay the Authority in full for the PFCs owed by such airline.

The cessation of operations by a carrier with significant operations at the Airport would have a material adverse effect on operations, Airport revenues and the cost to the other airlines of operating at the Airport.

Regulations Affecting the Airport

The operations of the Authority and its ability to generate revenues are affected by a variety of legislative, legal, contractual, statutory, regulatory and practical restrictions, including restrictions in the Federal Aviation Act, provisions of the Airline Agreements, PFC legislation, and extensive federal legislation and regulations applicable to all airports. It is not possible to predict whether future restrictions or limitations on the Airport's operation will be imposed, whether future legislation or regulation will affect anticipated federal funding or PFC collection, whether additional requirements will be funded by the federal government or require funding by the Authority, or whether such restrictions, legislation or regulations would adversely affect Net Revenues.

The FAA has jurisdiction over flying operations generally, including personnel, aircraft, ground facilities and other technical matters, as well as certain environmental matters. Environmental regulations of general applicability (such as hazardous waste handling and disposition requirements, underground storage tank rules, stormwater permitting requirements, and the like) which are enforced by the Federal Environmental Protection Agency and the North Carolina Department of Environmental Quality, not FAA, apply to the Airport; compliance with those requirements may impose costs from time to time.

Environmental and Climate Change Considerations

The State of North Carolina is susceptible to the effects of extreme weather events and natural disasters including floods, hurricanes and tornados, which could result in negative economic impacts. The occurrence of such extreme weather events could damage the local infrastructure that provides essential services to the Airport.

Additionally, climate change concerns are shaping laws and regulations at the federal and state levels that could have a material adverse effect on the operations of the Authority and on the airlines operating at the Airport. Studies report that airplane emissions equal approximately 12% of all U.S. transportation and more than 3% of total U.S. greenhouse gas emissions. Although the United States Environmental Protection Agency (the “EPA”) does not currently regulate greenhouse gas (“GHG”) emissions from aircrafts, it could do so in the future. When drafting aircraft emission regulations, the EPA must consult with the Administrator of the FAA and the Secretary of Transportation, and such regulations must not significantly increase noise or adversely affect safety. The President may also disapprove if the Secretary of Transportation advises that the regulations create a hazard to aircraft safety. The Authority can provide no assurance as to the likelihood or potential impact of any such future proposed or enacted regulations.

In 2014, the Authority entered into an arrangement with Duke Energy pursuant to which Duke Energy provided the Authority with 4,000,000 tons of coal ash from the Duke Energy Asheville Plant for use as structural fill in three separate areas on an airfield project at the Airport. As part of the project, in the first area completed, a liner system was placed under the coal ash and 5-6 feet of soil cap placed on top. The other two areas included a cap liner on top of the coal ash, which fully encapsulated the material stored in those cells. A similar soil cap was also placed on top of these areas.

In 2017, the North Carolina Department of Environmental Quality (“DEQ”) issued a Notice of Violation to Duke Energy with respect to the permit for the coal ash structural fill facility (the “Coal Ash Facility”) located at the Airport. DEQ found that water seeping from the first of the coal ash storage areas (which did not include a cap liner) contained contaminants of concern. Such a violation may subject Duke Energy and the Authority to civil penalties and injunctive relief under North Carolina law. Upon receipt of such Notice of Violation, Duke Energy began work with the U.S. Army Corps of Engineers to repair the Coal Ash Facility by better encapsulating the contents. **[To be updated.] [During the first quarter of 2022, Duke Energy, which is responsible for the remediation efforts, had completed its plans, designs, and permitting process for improvements to the area of concern. Work is scheduled to begin during the second quarter of 2022 to remove the soil cap from this site and install a cap liner system similar to that which exists on the other two storage cells. The soil cap will then be replaced over the new cap liner system, and other storm water improvements will be completed to the site as well. This work is being undertaken to satisfy the requirements of the North Carolina DEQ and close out the Notice of Violation.]**

Capacity and Availability of National Air Traffic Control and Airport Systems

Demands on the national air traffic control system and the unavailability of key components of the system at certain times may cause aircraft groundings, delays, and restrictions, both on the number of aircraft movements in certain air traffic routes and on the number of landings and takeoffs at certain airports. These groundings, delays, and restrictions affect airline schedules and passenger traffic nationwide. Increasing demands on the national air traffic control and airport systems and system unavailability for periods of time due to unexpected technical issues could cause increased delays and restrictions in the future.

Growth of Transportation Network Companies and other Technological Innovations

A significant source of non-airline revenues is generated from ground transportation activity, including use of on-Airport parking facilities, rental car transactions, and fees paid upon entry to the Airport by taxi, limousine, and transportation network companies such as Uber and Lyft (“TNCs”). TNCs connect paying passengers with drivers who provide the transportation using their own commercial and non-commercial vehicles. The popularity of TNCs has increased because of the increasing number of areas where TNCs operate, the convenience of requesting a ride through a mobile application, the ability to pay for this service without providing cash or other payment to the hired driver, and competitive pricing.

New technologies (such as autonomous vehicles and connected vehicles) and innovative business strategies in established markets such as commercial ground transportation and car rental may continue to occur and may result in further changes in Airport passengers’ choice of ground transportation mode. Although the Authority makes every effort to anticipate demand shifts, there may be times when the Authority’s expectations differ from actual outcomes. In such event, revenue from one or more ground transportation modes may be lower than expected. The Authority cannot predict with certainty what impact such new technologies, innovations in ground transportation or new business strategies will have over time on revenues from non-airline sources such as parking, rental cars and other ground transportation services.

Availability of Sources of Funding

The Authority’s capital improvement plan assumes that Federal and State grants and other sources of funds (including PFCs) will be received in certain amounts and at certain times to pay certain capital project costs and to pay debt service on Bonds. No assurance can be given that these sources of funds actually will be available in the amounts or on the schedule assumed. The assumptions with respect to entitlement and discretionary funding, although considered reasonable by the Authority, are inherently subject to certain uncertainties and contingencies. For example, certain of the Grant Funds benefit airports in the State, and the Authority intends to apply such funds to pay debt service on Bonds (including the 2023 Bonds). These funds are subject to appropriation by the North Carolina General Assembly. The General Assembly may determine not to appropriate such funds to North Carolina airports, including the Airport. Actual entitlement and/or discretionary funding levels and timing may vary and such differences may be material.

To the extent that any portion of the funding assumed in the plan of finance for capital projects at the Airport or debt service on the 2023 Bonds is not available as anticipated, the Authority may be required to issue additional Bonds to pay the costs of such capital projects or to increase airline rates and charges to pay debt service on the 2023 Bonds and to fund the required coverage thereon. The Authority may also ultimately decide not to proceed with certain capital projects or may proceed with them on a different schedule.

The amount of PFC revenue collected for the Airport in past years has varied, and in future years will vary, based upon the actual number of passenger enplanements at the Airport. No assurance can be given that any level of enplanements will be realized. The adverse impact of decreased enplanements could be direct or indirect. For example, PFC shortfalls could result in increases in terminal rentals or other rates and charges at the Airport, thereby negatively impacting the airlines’ desire to operate at the Airport. Furthermore, under the terms of the PFC Acts (as defined below), the FAA may terminate the Authority’s authority to impose a PFC as described in the following section.

THE AUTHORITY CAN GIVE NO ASSURANCES THAT PFCs AND GRANT FUNDS WILL BE AVAILABLE IN AN AMOUNT SUFFICIENT TO PAY DEBT SERVICE ON THE 2023 BONDS OR TO OTHERWISE MEET THE AUTHORITY'S OBLIGATIONS UNDER THE GENERAL INDENTURE.

Availability of PFCs

Pursuant to the Aviation Safety and Capacity Expansion Act of 1990 (P.L. 101-508), the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (P.L. 106-181) and the 2003 FAA Reauthorization Act (collectively, the "PFC Acts"), the FAA has approved the Authority's applications to require airlines to collect and remit to the Authority a \$4.50 PFC on each enplaning revenue passenger at the Airport. PFCs are an important element of the Authority's funding for its capital improvement program but PFC revenues are not part of the security pledged to support payment of the 2023 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS – Treatment of Passenger Facility Charges and Federal and State Grant Funds."

The PFC Acts provide that PFCs collected by the airlines constitute a trust fund held for the beneficial interest of the eligible agency (i.e., the Authority) imposing the PFCs, except for any handling fee or retention of interest collected on unremitted proceeds. In addition, federal regulations require airlines to account for PFC collections separately and to disclose the existence and amount of funds regarded as trust funds for financial statements. Airlines are permitted, however, to commingle PFC collections with other revenues and also are entitled to retain interest earned on PFC collections until such PFC collections are remitted.

In 2003, the Vision 100 – Century of Aviation Reauthorization Act ("Vision 100") became effective. Vision 100 requires an airline that files for bankruptcy protection, or that has an involuntary bankruptcy proceeding commenced against it, to segregate passenger facility revenue in a separate account for the benefit of the eligible agencies entitled to such revenue. Prior to the amendments made by Vision 100 to allow PFCs collected by airlines to constitute a trust fund, at least one bankruptcy court indicated that the PFC revenues held by an airline in bankruptcy would not be treated as a trust fund and would instead be subject to the general claims of the unsecured creditors of such airline.

The Authority cannot predict whether an airline that files for bankruptcy protection would have properly accounted for the PFCs or whether the bankruptcy estate would have sufficient moneys to pay the Authority in full for the PFCs owed by such airline.

Under the terms of the PFC Acts, the FAA may terminate the Authority's authority to impose a PFC if the Authority's PFC revenues are not being used for approved projects in accordance with the FAA's approval, the PFC Acts or the regulations promulgated thereunder, or if the Authority otherwise violates the PFC Acts or regulations. The FAA may also terminate the Authority's authority to impose a PFC for a violation by the Authority of the Airport Noise and Capacity Act. The PFC termination provisions contained in the regulations provide both informal and formal procedural safeguards. In addition, although the FAA's PFC regulations require Collecting Carriers (as defined in the PFC Acts) to account for PFC collections separately, and indicate that such funds are to be regarded as trust funds held by the Collecting Carriers for the beneficial interest of the public agency imposing the PFC, recent bankruptcy court decisions indicate that in a bankruptcy proceeding involving a Collecting Carrier, it is likely that PFCs will not be treated as trust funds and that airports are not entitled to any priority over other creditors of the Collecting Carrier as to such funds.

CIP Costs and Schedule

The estimated costs of, and the projected schedule for, the projects in the CIP for the Airport, including the Project, depend on various sources of funding and are subject to many uncertainties. The ability of the Authority to complete these projects within the current budgets and on the current schedules may be adversely affected by various factors including: (1) estimating errors, (2) design and engineering errors, (3) changes to the scope of the projects, (4) delays in contract awards, (5) material and/or labor shortages, (6) delays due to airline operational needs, (7) unforeseen site conditions, (8) adverse weather conditions, (9) contractor defaults, (10) labor disputes, (11) inflation, (12) litigation, and (13) environmental issues.

No assurance can be given that the costs of these projects will not exceed the current budget for these projects or that the completion will not be delayed beyond the currently projected completion dates. Any schedule delays or cost increases could result in the need to issue additional Bonds. The issuance of additional Bonds may result in increased costs per enplaned passenger to the airlines. At present, the Authority is unable to estimate the costs associated with each of the risks identified above and the total impact of these risks if such events were to occur. In addition, the Authority may ultimately decide not to proceed with certain capital projects or may proceed with them on a different schedule.

Limitation of Remedies

Under the terms of the General Indenture, Events of Default are limited to such actions which may be taken at law or in equity. In the event of a default in the payment of principal of or interest on the 2023 Bonds, the remedies available to the owners of the 2023 Bonds upon a default are in many respects dependent upon judicial action, which is often subject to discretion and delay under existing constitutional law, statutory law, and judicial decisions, including the federal Bankruptcy Code. The rights of the owners of the 2023 Bonds and the enforceability of the Authority's obligation to make payments on the 2023 Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights under existing law or under laws enacted in the future and may also be subject to the exercise of judicial discretion under certain circumstances. The opinion of Bond Counsel delivered at the time of the initial issuance of the 2023 Bonds will provide that the rights of the holders of the 2023 Bonds under the General Indenture and under the 2023 Bonds and the enforceability of such rights may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore and hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases. See Appendix E hereto.

Risk of Future Legislative or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the North Carolina General Assembly. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the 2023 Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the 2023 Bonds will not have an adverse effect on the tax status of the interest on the 2023 Bonds or the market value or marketability of the 2023 Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the 2023 Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

Additionally, investors in the 2023 Bonds should be aware that future legislative actions (including federal income tax reform) may retroactively change the treatment of all or a portion of the interest on the 2023 Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the 2023 Bonds may be affected and the ability of holders to sell their 2023 Bonds in the secondary market may be reduced. The 2023 Bonds are not subject to special mandatory redemption, and the interest rates on the 2023 Bonds are not subject to adjustment, in the event of any such change in the tax treatment of interest on the 2023 Bonds.

CONTINUING DISCLOSURE

In the Third Series Indenture, the Authority will undertake, in accordance with Rule 15c2-12 (“Rule 15c2-12”) promulgated by the Securities and Exchange Commission (the “SEC”) and for the benefit of the Owners and the beneficial owners of the 2023 Bonds, as follows, to provide to the MSRB the following:

(a) by not later than seven months after the end of each Fiscal Year, beginning with the Fiscal Year ending June 30, 2023, the audited financial statements of the Authority for the preceding Fiscal Year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or if such audited financial statements are not then available, unaudited financial statements of the Authority for such Fiscal Year to be replaced subsequently by audited financial statements to the Authority to be delivered within 15 days after such audited financial statements become available for distribution;

(b) by not later than seven months after the end of each Fiscal Year, beginning with the Fiscal Year ending June 30, 2023, the financial and statistical data as of the date not earlier than the end of the preceding Fiscal Year for the type of information included under the following headings in this Official Statement to the extent such items are not included in the audited financial statements referred to in (a) above: “THE AIRPORT – General” (table contained therein on annual passenger enplanements), – Airport Facilities” – Parking Facilities” (number of parking spots), – Passenger Air Carriers” (table contained therein showing annual enplaned passengers by airline), – Debt Service Coverage Ratio and Cost Per Enplanement;

(c) in a timely manner, not in excess of 10 business days after the occurrence of the event, notice of any of the following events with respect to the 2023 Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on the debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2023 Bonds or other material events affecting the tax status of the 2023 Bonds;

- (7) modification of the rights of the beneficial owners of the 2023 Bonds, if material;
- (8) call of any of the 2023 Bonds except for a mandatory sinking fund redemption, if material, and tender offers;
- (9) defeasance of any of the 2023 Bonds;
- (10) release, substitution, or sale of any property securing repayment of the 2023 Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Authority;
- (13) the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material;
- (14) the appointment of a successor or additional trustee or the change in the name of a trustee, if material;
- (15) incurrence of a financial obligation of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Authority, any of which affect security holders, if material; and;
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Authority, any of which reflect financial difficulties; and

(d) in a timely manner, notice of a failure of the Authority to provide required annual financial information described in (a) or (b) above on or before the date specified.

At present, Section 159-34 of the General Statutes of North Carolina requires the Authority's financial statements to be prepared in accordance with generally accepted accounting principles and to be audited in accordance with generally accepted auditing standards.

"Financial obligation" means (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of either clause (a) or (b) above. The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

Pursuant to the Third Series Indenture, the Authority will agree to provide all documents described above in an electronic format as prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

The Authority agrees in the Third Series Indenture that its undertaking described above is intended to be for the benefit of the Owners and the beneficial owners of the 2023 Bonds and is enforceable by the Trustee or by any of them, including an action for specific performance of the

Authority's described above, but a failure to comply will not be an Event of Default under the General Indenture and will not result in acceleration of the payment of the 2023 Bonds. An action must be instituted, had and maintained in the manner provided in this paragraph for the benefit of all of the Owners and beneficial owners of the 2023 Bonds.

The Authority may modify from time to time, consistent with Rule 15c2-12, the information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Authority, but:

- (1) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Authority;
- (2) the information to be provided, as modified, would have complied with the requirements of Rule 15c2-12 as of the date of this Official Statement, after taking into account any amendments or interpretations of Rule 15c2-12 as well as any changes in circumstances;
- (3) any such modification does not materially impair the interest of the Owners or the beneficial owners, as determined by nationally recognized bond counsel or by the approving vote of the Owners of a majority in principal amount of the 2023 Bonds pursuant to the General Indenture as may be amended from time to time.

Any annual financial information containing modified operating data or financial information will explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

The undertaking described above will terminate upon payment, or provision having been made for payment in a manner consistent with Rule 15c2-12, in full of the principal of and interest on all of the 2023 Bonds.

The Authority has not failed to comply in any material respect with any previous continuing disclosure undertaking pursuant to Rule 15c2-12.

LEGAL MATTERS

Legal matters related to the authorization, execution, sale and delivery of the 2023 Bonds are subject to the approval of Womble Bond Dickinson (US) LLP, Raleigh, North Carolina, Bond Counsel. Certain legal matters will be passed upon for the Authority by Patla, Straus, Robinson & Moore, P.A., Asheville, North Carolina, Authority Counsel, and for the Underwriters by Butler Snow LLP, Richmond Virginia, counsel to the Underwriters.

LITIGATION

No litigation is now pending or, to the best of the Authority's knowledge, threatened, against or affecting the Authority seeking to restrain or enjoin the adoption, authorization, execution or delivery of the 2023 Bonds, the General Indenture or the Third Series Indenture, or contesting the validity or the authority or proceedings for the adoption, authorization, execution or delivery of the 2023 Bonds, the General Indenture or the Third Series Indenture, or the Authority's creation, organization or corporate existence, or the title of any of the Authority's present officers to their respective offices, or the

Authority's authority to carry out its obligations thereunder, or which would have a material adverse effect on the Authority's condition, financial or otherwise.

TAX TREATMENT

Opinion of Bond Counsel

In the opinion of Bond Counsel, under existing law and assuming continuing compliance by the Authority with certain covenants to comply with the requirements of the Code, regarding, among other matters, the use, expenditure and investment of the proceeds of the 2023 Bonds, and the timely payment of certain investment earnings to the United States Treasury, interest on the 2023 Bonds will not be includable in the gross income of the owners thereof for purposes of federal income taxation (except for any owner of a 2023 Bond who is a "substantial user" of the facilities refinanced with the proceeds of the 2023 Bonds or a "related person" of a "substantial user" (as such terms are defined in the Code)).

Bond Counsel is also of the opinion that interest on the 2023 Bonds will be treated as a preference item for purposes of the federal alternative minimum tax imposed by the Code.

In addition, in the opinion of Bond Counsel, under existing law, interest on the 2023 Bonds will be exempt from all State of North Carolina income taxes.

Original Issue Premium

The initial public offering prices of the 2023 Bonds maturing on **[July]** 1, _____ (the "Premium Bonds"), are greater than the amounts payable at maturity. The difference between (a) the initial offering prices to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents, wholesalers or other intermediaries) at which a substantial amount of each maturity of the Premium Bonds is sold and (b) the principal amount payable at maturity of such Premium Bonds constitutes original issue premium. In general, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond based on the owner's yield over the remaining term of the Premium Bond, determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such Premium Bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period and subtract such bond premium from the owner's basis in such Premium Bond. If the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost.

Owners and prospective purchasers of Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences in connection with the ownership and disposition of Premium Bonds.

Original Issue Discount

The initial public offering prices of the 2023 Bonds maturing on [July] 1, _____ (the “Discount Bonds”) are less than the amounts payable at maturity. An amount not less than the difference between the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents, wholesalers or other intermediaries) of the Discount Bonds and the amounts payable at maturity constitutes original issue discount. Under existing federal income tax law and regulations, the original issue discount on a Discount Bond is interest not includable in the gross income of an owner who purchases such Discount Bond in the original offering at the initial public offering price thereof and holds it to maturity, and such owner will not realize taxable gain upon payment of such Discount Bond at maturity. Owners who purchase Discount Bonds at a price other than the initial offering price or who do not purchase Discount Bonds in the initial public offering should consult their tax advisors with respect to the consequences of the ownership of such Discount Bonds. An owner who purchases a Discount Bond in the initial offering at the initial offering price and holds such Discount Bond to maturity is deemed under existing federal tax laws and regulations to accrue original issue discount on a constant yield basis under Section 1288 of the Code from the date of original issue. An owner’s adjusted basis in a Discount Bond is increased by accrued original issue discount for purposes of determining gain or loss on sale, exchange or other disposition of such Discount Bond. Accrued original issue discount may be taken into account as an increase in the amount of tax-exempt interest received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Owners and prospective purchasers of Discount Bonds should consult their own tax advisors regarding the calculation of accrued original issue discount for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the ownership or disposition of Discount Bonds.

Other Tax Consequences

Ownership or transfer of, or the accrual or receipt of interest on, the 2023 Bonds may result in collateral federal, State of North Carolina, other state or local tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, taxpayers who may be eligible for the federal earned income tax credit, and taxpayers subject to franchise, estate, inheritance, gift or capital gains taxes. Prospective purchasers of the 2023 Bonds should consult their tax advisors as to any such possible tax consequences. Except to the extent covered in its legal opinion, Bond Counsel expresses no opinion regarding any such collateral tax consequences.

No assurance can be given that future legislation, including amendments to the Code or interpretations thereof, if enacted into law, or certain litigation or judicial decisions, if upheld, will not contain provisions or produce results which could, directly or indirectly, reduce the benefit of the excludability of interest on the 2023 Bonds from gross income for federal income tax purposes.

The Internal Revenue Service (the “Service”) has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the 2023 Bonds.

Interest paid on tax-exempt obligations, such as the 2023 Bonds, will be subject to information reporting in a manner similar to interest paid on taxable obligations. Although such reporting requirement does not, in and of itself, affect the excludability of interest with respect to the 2023 Bonds from gross income for federal income tax purposes, such reporting requirement causes the payment of interest with respect to the 2023 Bonds to be subject to backup withholding if such interest is paid to beneficial owners who (a) are not “exempt recipients,” and (b) either fail to provide certain identifying information (such as the beneficial owner’s taxpayer identification number) in the required manner or have been identified by the Service as having failed to report all interest and dividends required to be shown on their income tax returns. Generally, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. Amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or credit against such beneficial owner’s federal income tax liability provided the required information is furnished to the Service.

LEGALITY FOR INVESTMENT

Section 159-140 of the General Statutes of North Carolina provides that the 2023 Bonds are securities in which all public officers and public bodies of the State of North Carolina and its political subdivisions and agencies and all insurance companies, trust companies, investment companies, banks, savings banks, building and loan associations, savings and loan associations, credit unions, pension or retirement funds, other financial institutions engaged in business in the State of North Carolina, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them, and the 2023 Bonds are securities which may properly and legally be deposited with and received by any State of North Carolina or municipal officer or any agency or political subdivision of the State for any purpose for which the deposit of bonds, notes or obligations of the State is now or may hereafter be authorized by law.

RATINGS

Moody’s Investors Service (“Moody’s”) and Kroll Bond Rating Agency, Inc. (“Kroll”) have assigned to the 2023 Bonds the respective ratings set forth on the front cover hereof. Further explanation of the significance of such ratings may be obtained from Moody’s and Kroll. The Authority has provided to Moody’s and Kroll certain information that has not been included in this Official Statement. The ratings are not a recommendation to buy, sell or hold the 2023 Bonds and should be evaluated independently. There is no assurance that such ratings will not be withdrawn or revised downward by Moody’s and Kroll. Such action may have an adverse effect on the market price of the 2023 Bonds. Neither the Authority nor the Underwriter has undertaken any responsibility after the issuance of the 2023 Bonds to assure maintenance of the ratings or to oppose any such revision or withdrawal.

UNDERWRITING

The Underwriters have entered into a Bond Purchase Agreement to purchase all of the 2023 Bonds, if any of such 2023 Bonds are to be purchased, at a purchase price equal to 100% of the principal amount thereof, plus a net original issue premium of \$_____ and less an underwriters’ discount of \$_____. The obligation of the Underwriters to pay for such 2023 Bonds is subject to certain terms and conditions set forth in the Bond Purchase Agreement.

The Underwriters may offer and sell the 2023 Bonds to certain dealers (including dealers depositing the 2023 Bonds into investment trusts) and others at prices lower than the initial public

offering prices stated on the cover page hereof. The public offering prices may be changed from time to time by the Underwriters.

In the ordinary course of their various business activities, the Underwriters and their affiliates, officers, directors, and employees may purchase sell or hold a broad array of investments and may actively trade securities, derivatives, loans, commodities, currencies, credit default swaps, and other financial instruments for their own account and for the accounts of customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments of the Authority, the Commission or their affiliates (whether directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Authority, the Commission or their affiliates. The Underwriters and their affiliates also may communicate independent investment recommendations, market advice or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and at any time may hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments. In addition, in the ordinary course of their businesses, the Underwriters and their affiliates may engage in transactions with and perform services for, the Authority, the Commission and their affiliates for which they received or will receive customary fees and expenses.

FINANCIAL ADVISOR

PFM Financial Advisors LLC is serving as Financial Advisor to the Authority in connection with the issuance of the 2023 Bonds.

MISCELLANEOUS

Members of the Commission staff have participated in the preparation of this Official Statement and other documents related to the issuance of the 2023 Bonds, but the Commission and its staff assume no responsibility for the accuracy or completeness of any representation or statement in this Official Statement other than those made in Appendix D hereto.

The Commission and the Authority have each duly authorized the delivery of this Official Statement.

APPENDIX A
FINANCIAL INFORMATION OF THE AUTHORITY

APPENDIX B
AIRPORT CONSULTANT'S REPORT

APPENDIX C

SUMMARY OF THE GENERAL INDENTURE AND THIRD SERIES INDENTURE

APPENDIX D

THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION

APPENDIX D

THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION

The Local Government Commission (the “Commission”) is composed of nine members: the State Treasurer, the Secretary of State, the State Auditor, the Secretary of Revenue and five others by appointment (three by the Governor, one by the General Assembly upon recommendation of the President Pro Tempore of the Senate and one by the General Assembly upon recommendation of the Speaker of the House of Representatives). The State Treasurer serves as Chairman and selects the Secretary of the Commission, who heads the administrative staff serving the Commission.

A major function of the Commission is the approval, sale and delivery of substantially all North Carolina local government bonds and notes. A second key function is monitoring certain fiscal and accounting standards prescribed for units of local government by The Local Government Budget and Fiscal Control Act. In addition, the Commission furnishes, upon request, on-site assistance to units of local government concerning existing financial and accounting systems as well as aid in establishing new systems. Further, educational programs and materials are provided for local officials concerning finance and cash management.

Before any unit of local government can incur bonded indebtedness, the proposed bond issue must be approved by the Commission. In determining whether to give such approval the Commission may consider, among other things, the unit’s debt management procedures and policies, its compliance with The Local Government Budget and Fiscal Control Act and its ability to service the proposed debt. All general obligation issues are customarily sold on the basis of formal sealed bids submitted at the Commission’s offices in Raleigh and are subsequently delivered to the successful bidder by the Commission. The Commission maintains records for all units of local government of principal and interest payments coming due on bonded indebtedness in the current and future years and monitors the payment by the units of local government of debt service through a system of monthly reports.

As a part of its role in assisting and monitoring the fiscal programs of units of local government, the Commission attempts to ensure that the units of local government follow generally accepted accounting principles, systems and practices. The Commission’s staff also counsels the units of local government in treasury and cash management, budget preparation and investment policies and procedures. Educational programs, in the form of seminars or classes, are also provided by the Commission in order to accomplish these tasks. The monitoring of the financial systems of units of local government is accomplished through the examination and analysis of the annual audited financial statements and other required reports. The Local Government Budget and Fiscal Control Act requires each unit of local government to have its accounts audited annually by a certified public accountant or by an accountant certified by the Commission as qualified to audit local government accounts. A written contract must be submitted to the Secretary of the Commission for his approval prior to the commencement of the audit.

The Commission has the statutory authority to impound the books and records of any unit of local government and assume full control of all its financial affairs (a) when the unit defaults on any debt service payment or, in the opinion of the Commission, will default on a future debt service payment if the financial policies and practices of the unit are not improved or (b) when the unit persists, after notice and warning from the Commission, in willfully or negligently failing or refusing to comply with the provisions of The Local Government Finance Act. When the Commission takes action under this authority, the Commission is vested with all of the powers of the governing board of the unit of local government as to the levy of taxes, expenditure of money, adoption of budgets and all other financial powers conferred upon such governing board by law.

In addition, if a unit of local government fails to pay any installment of principal or interest on its outstanding debt on or before its due date and remains in default for 90 days, the Commission may take such action as it deems advisable to investigate the unit's fiscal affairs, consult with its governing board and negotiate with its creditors in order to assist the unit in working out a plan for refinancing, adjusting or compromising such debt. When a plan is developed that the Commission finds to be fair and equitable and reasonably within the ability of the unit of local government to meet, the Commission will enter an order finding that the plan is fair, equitable and within the ability of the unit to meet and will advise the unit to take the necessary steps to implement such plan. If the governing board of the unit declines or refuses to do so within 90 days after receiving the Commission's advice, the Commission may enter an order directing the unit to implement such plan and may apply for a court order to enforce such order. When a refinancing plan has been put into effect, the Commission has the authority (a) to require any periodic financial reports on the unit's financial affairs that the Secretary deems necessary and (b) to approve or reject the unit's annual budget ordinance. The governing board of the unit of local government must also obtain the approval of the Secretary of the Commission before adopting any annual budget ordinance. The power and authority granted to the Commission as described in this paragraph will continue with respect to a defaulting unit of local government until the Commission is satisfied that the unit has performed or will perform the duties required of it in the refinancing plan and until agreements made with the unit's creditors have been performed in accordance with such plan.

APPENDIX E

PROPOSED FORM OF OPINION OF BOND COUNSEL

APPENDIX F

DTC'S BOOK-ENTRY-ONLY SYSTEM

DTC'S BOOK-ENTRY-ONLY SYSTEM

Beneficial ownership interests in the 2023 Bonds will be available only in a book-entry system. The actual purchasers of the 2023 Bonds (the "Beneficial Owners") will not receive physical bonds representing their interests in the 2023 Bonds purchased. So long as The Depository Trust Company ("DTC") or its nominee is the registered owner of the 2023 Bonds, references in this Official Statement to the Owners of the 2023 Bonds shall mean DTC or its nominee and shall not mean the Beneficial Owners.

THE FOLLOWING DESCRIPTION OF DTC, ITS PROCEDURES AND RECORD KEEPING WITH RESPECT TO BENEFICIAL OWNERSHIP INTERESTS IN THE 2023 BONDS, PAYMENT OF INTEREST AND OTHER PAYMENTS WITH RESPECT TO THE 2023 BONDS TO DTC PARTICIPANTS OR TO BENEFICIAL OWNERS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE 2023 BONDS AND/OR OTHER TRANSACTIONS BY AND BETWEEN DTC, DTC PARTICIPANTS AND BENEFICIAL OWNERS IS BASED ON INFORMATION FURNISHED BY DTC.

DTC will act as securities depository for the 2023 Bonds. The 2023 Bonds will be registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond for each maturity of the 2023 Bonds will be registered in the name of Cede & Co., as nominee for DTC, each in the aggregate principal amount of such maturity and will be deposited with DTC. SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE 2023 BONDS, AS DTC'S PARTNERSHIP NOMINEE, REFERENCE HEREIN TO THE OWNERS OR REGISTERED OWNERS OF THE 2023 BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE 2023 BONDS.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers; banks trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2023 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2023 Bonds on DTC's records. The ownership interest of each actual purchaser of the 2023 Bonds defined above is in turn to be recorded on the Direct and Indirect

Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2023 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial owners will not receive physical bonds representing their ownership interests in 2023 Bonds, except in the event that use of the book-entry system for the 2023 Bonds is discontinued.

To facilitate subsequent transfers, all 2023 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2023 Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not affect any change in beneficial ownership. DTC has no knowledge of the identities of the actual Beneficial Owners of the 2023 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2023 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the 2023 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the 2023 Bonds, such as redemptions, defaults and proposed amendments to the security documents. For example, Beneficial Owners of the 2023 Bonds may wish to ascertain that the nominee holding the 2023 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2023 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the 2023 Bond to be prepaid.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the 2023 Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting and voting rights to those Direct Participants to whose accounts the 2023 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

BECAUSE DTC IS TREATED AS THE OWNER OF THE 2023 BONDS FOR SUBSTANTIALLY ALL PURPOSES UNDER THE BOND ORDER AND SERIES INDENTURE, BENEFICIAL OWNERS MAY HAVE A RESTRICTED ABILITY TO INFLUENCE IN A TIMELY FASHION REMEDIAL ACTION OR THE GIVING OR WITHHOLDING OR REQUESTED CONSENTS OR OTHER DIRECTIONS. IN ADDITION, BECAUSE THE IDENTITY OF BENEFICIAL OWNERS IS UNKNOWN TO THE AUTHORITY OR TO DTC, IT MAY BE DIFFICULT TO TRANSMIT INFORMATION OF POTENTIAL INTEREST TO BENEFICIAL OWNERS IN AN EFFECTIVE AND TIMELY MANNER. BENEFICIAL OWNERS SHOULD MAKE APPROPRIATE ARRANGEMENTS WITH THEIR BROKER OR DEALER REGARDING DISTRIBUTION OF INFORMATION REGARDING THE 2023 BONDS THAT MAY BE TRANSMITTED BY OR THROUGH DTC.

Principal and interest payments on the 2023 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority on each payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participants and not of DTC (nor its nominee) or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the Authority's responsibility, disbursement of such payments to Direct Participants is DTC's responsibility, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants. **THE AUTHORITY CANNOT AND DOES NOT GIVE ASSURANCE THAT DIRECT AND INDIRECT PARTICIPANTS WILL PROMPTLY TRANSFER PAYMENTS TO BENEFICIAL OWNERS.**

DTC may discontinue providing its services as securities depository with respect to the 2023 Bonds at any time by giving reasonable notice to the Authority. Under such circumstances, in the event that a successor depository is not obtained, physical bonds are required to be printed and delivered. The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, physical bonds will be printed and delivered to DTC.

THE AUTHORITY HAS NO RESPONSIBILITY OR OBLIGATION TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT, OR THE MAINTENANCE OF ANY RECORDS; (2) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE 2023 BONDS, OR THE SENDING OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT TO THE 2023 BONDS, OR THE SENDING OR ANY TRANSACTION STATEMENTS; (3) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE BOND ORDER AND SERIES INDENTURE TO BE GIVEN TO OWNERS; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENTS UPON ANY PARTIAL REDEMPTION OF THE 2023 BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR ITS NOMINEE AS THE REGISTERED OWNER OF THE 2023 BONDS, INCLUDING ANY ACTION TAKEN PURSUANT TO AN OMNIBUS PROXY.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources the Authority believes to be reliable, but the Authority takes no responsibility for accuracy thereof.

BOND PURCHASE AGREEMENT

Relating to

\$ _____
Greater Asheville Regional Airport Authority
Airport System Revenue Bonds (AMT)
Series 2023

April __, 2023

Local Government Commission
Raleigh, North Carolina

Greater Asheville Regional Airport Authority
Fletcher, North Carolina

Ladies and Gentlemen:

Siebert Williams Shank & Co., LLC, on behalf of itself and as representative (the “Representative”) of Raymond James & Associates, Inc. (collectively, with the Representative, the “Underwriters”) hereby offers to enter into this Bond Purchase Agreement (the “Purchase Agreement”) with the Local Government Commission, a division of the Department of the State Treasurer of the State of North Carolina (the “LGC”), and the Greater Asheville Regional Airport Authority (the “Authority”). The Underwriters are making this offer subject to the acceptance by the LGC and approval by the Authority on or before 5:00 p.m., Raleigh North Carolina time, on the date hereof. On acceptance of this offer by the LGC and approval of this offer and the LGC’s acceptance thereof by the Authority, this Purchase Agreement will be binding on the LGC, the Authority and the Underwriters. The Underwriters may withdraw this offer upon written notice delivered by the Representative to the President and Chief Executive Officer of the Authority at any time before the LGC accepts and the Authority approves this Purchase Agreement. Terms used but not defined in this Purchase Agreement are defined in the Indentures (as defined in Section 2 below).

1. **Agreement to Purchase and Sell the Bonds.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriters hereby agree to purchase from the LGC and the Authority, and the LGC and the Authority hereby agree to sell and deliver to the Underwriters, all (but not less than all) of the Greater Asheville Regional Airport Authority Airport System Revenue Bonds (AMT), Series 2023 (the “Bonds”), at the purchase price of \$ _____ (the “Purchase Price”), representing the aggregate principal amount of the Bonds of \$ _____, [plus][less] [net] original issue [premium][discount] of \$ _____, less an Underwriters’ discount of \$ _____, such delivery, payment and other actions contemplated hereby to take place at the Closing (as defined herein).

The Authority and the LGC acknowledge and agree that: (i) the primary role of the Underwriters, as underwriters, is to purchase securities, for resale to investors, in an arm’s length commercial transaction among the Authority, the LGC and the Underwriters; (ii) the Underwriters have financial and other interests that differ from those of the Authority and the LGC; (iii) the Underwriters are acting solely as principals and are not acting as municipal advisors, financial advisors or fiduciaries to the Authority and the LGC and have not assumed any advisory or fiduciary responsibility to the Authority or the LGC with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto

(irrespective of whether the Underwriters have provided other services or are currently providing other services to the Authority or the LGC on other matters); (iv) the only obligations the Underwriters have to the Authority and the LGC with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement; and (v) the Authority and the LGC have consulted their own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent each has deemed appropriate. It is understood that the Authority has engaged PFM Financial Advisors, LLC, to serve as the Authority's municipal advisor in this transaction.

2. **Description and Purpose of the Bonds.** The Bonds shall be issued pursuant to The State and Local Government Revenue Bond Act, Article 5, as amended, of Chapter 159 of the General Statutes of North Carolina (the "Act"), an order adopted by the Authority on March 10, 2023 (the "Order"), an Amended and Restated General Trust Indenture, dated as of June 1, 2022 (the "General Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), and a Series Indenture, Number 3, dated as of May 1, 2023 (the "Third Series Indenture"), between the Authority and the Trustee (the General Indenture and the Third Series Indenture are herein collectively referred to as the "Indentures"). The Bonds shall mature in the years, bear interest, be purchased at the prices and for the yields, and be subject to redemption at the times and in the amounts, all as set forth in Schedule I attached hereto. The Bonds shall be secured under the provisions of the Act and the Indentures. The other details and particulars of the Bonds, including, without limitation, the use of the proceeds thereof, shall be described in the Official Statement (as defined below).

3. **Delivery of the Official Statement and Other Documents.**

(a) The LGC and the Authority have caused to be delivered to the Underwriters copies of the Preliminary Official Statement dated April __, 2023, which, together with the cover page and appendices thereto, is herein referred to as the "Preliminary Official Statement." It is acknowledged by the LGC and the Authority that the Underwriters may deliver the Preliminary Official Statement and the Official Statement in electronic format over the internet or in printed paper form. The LGC hereby deems the Preliminary Official Statement final as of its date and as of the date hereof for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12" or the "Rule"), except for any information which is permitted to be omitted therefrom in accordance with paragraph (b)(1) thereof.

(b) Within seven (7) business days from the date hereof, and in any event not later than three (3) business days before the Closing Date (as defined herein), the LGC and the Authority shall deliver or cause to be delivered to the Underwriters at least two copies of a final Official Statement relating to the Bonds dated the date hereof (such Official Statement, including the cover page, and all appendices attached thereto, together with all information previously permitted to have been omitted by Rule 15c2-12 and any amendments or supplements and statements incorporated by reference therein or attached thereto, as have been approved by the LGC, the Authority, Bond Counsel and the Representative, is referred to herein as the "Official Statement"), duly executed by the President and Chief Executive Officer of the Authority, and such additional conformed copies of the Official Statement as the Representative may reasonably request in sufficient quantities to comply with Rule 15c2-12 and with rules of the Municipal Securities Rulemaking Board ("MSRB") and to meet potential customer requests for copies of the Official Statement. The Underwriters agree to file a copy of the Official Statement, including any amendments or supplements thereto prepared by the LGC, with the MSRB on its Electronic Municipal Markets Access ("EMMA") system. The Official Statement shall be in substantially the same form as the Preliminary Official Statement and, other than information previously permitted to have been omitted by Rule 15c2-12, the LGC and the Authority shall only make such other additions, deletions and revisions in the Official Statement which are approved by the Representative. Delivery of such copies of the Official Statement

shall constitute the Authority's approval and authorization thereof for use in connection with the public offering and sale by the Underwriters of the Bonds. The LGC and the Authority hereby agree to deliver or cause to be delivered to the Underwriters an electronic copy of the Official Statement in a form that permits the Underwriters to satisfy their obligations under the rules and regulations of the MSRB and the U.S. Securities and Exchange Commission ("SEC"). The LGC and the Authority each hereby ratify, confirm and approve the use and distribution (electronically or otherwise) by the Underwriters on or before the date hereof of the Preliminary Official Statement and hereby authorizes the Underwriters to use the Official Statement and the Indentures in connection with the public offering and sale of the Bonds. The Preliminary Official Statement as supplemented by the retail and institutional order period wires has been "deemed final" by the Authority for purposes of Rule 15c2-12 as of the date thereof except for such omissions as permitted by Rule 15c2-12.

(c) The Authority also authorizes and ratifies the references in the Preliminary Official Statement and in the Official Statement to the Indentures, and the use by the Underwriters of copies of the same, together with the following documents in connection with the public offering and sale of the Bonds: (i) the Letter of Landrum & Brown, Incorporated (the "Airport Consultant"); and (ii) the audited financial statements of the Authority for the fiscal year ended June 30, 2022.

(d) During the period commencing on the date hereof and ending twenty-five (25) days from the end of the underwriting period (as defined below), the LGC or the Authority shall notify the Representative if any event shall occur, including, but not limited to, any material adverse change in the financial position, results of operations or condition, financial or otherwise, of the Authority, and of which the Authority has knowledge, that would cause the Official Statement to contain an untrue or incorrect statement or material fact or to omit to state a material fact which should be included therein for the purpose for which the Official Statement is to be used or which is necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. If, in the reasonable opinion of the Representative, such event requires an amendment or supplement to the Official Statement, the Authority will at its expense promptly amend or supplement the Official Statement in any form and manner jointly approved by the Authority, the LGC and the Representative. Anything in this Section to the contrary notwithstanding, in no event shall the Authority or the LGC be under any obligation to perform any continuing due diligence or monitoring to determine if any event described in this Section has occurred subsequent to the end of the underwriting period. The "end of the underwriting period" means the Closing Date unless the Representative advises the Authority and the LGC in writing on such Closing Date that, as of such date, there remains an unsold balance of the Bonds, in which case the "end of the underwriting period" means the date as of which the Representative notifies the Authority and the LGC that the Underwriters, directly or as a syndicate, no longer retain an unsold balance of the Bonds for sale to the public; however, in no event shall the "end of the underwriting period" extend beyond the date sixty (60) days from the Closing Date.

(e) In order to assist the Underwriters in complying with Rule 15c2-12, the Authority will undertake, pursuant to the Third Series Indenture, to provide annual financial information and notices of the occurrence of certain enumerated events (the "Continuing Disclosure Undertaking"). A description of the Continuing Disclosure Undertaking is set forth in the Preliminary Official Statement and the Official Statement.

4. **Public Offering.** The Underwriters agree to make a bona fide public offering of the Bonds of each maturity at a price not in excess of the initial offering price set forth with respect to such maturity on the inside cover page of the Official Statement; provided, however, after such bona fide public offering the Underwriters may change such prices to the extent that the Underwriters deem necessary or desirable, in their sole discretion, in connection with the marketing of the Bonds (subject to the requirements of

Section 5 hereof), and may offer and sell the Bonds to certain dealers, unit investment trusts and money market funds, certain of which may be sponsored or managed by one or more of the Underwriters, at prices lower than the public offering prices or yields greater than the yields set forth therein (subject to the requirements of Section 5 hereof). As used in this paragraph, the term “public” means the general public of investors who are purchasing for their own account as ultimate purchasers and does not include bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers, including any of the Underwriters, any affiliates or affiliated accounts of any of the Underwriters, or dealers (including dealer banks and dealers depositing the Bonds into investment trusts).

5. **Establishment of Issue Price.**

(a) The Representative, on behalf of the Underwriters, agrees to assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at Closing an “issue price” or similar certificate, substantially in the form attached hereto as Exhibit D, together with the supporting pricing wires or equivalent communications, with such modifications as may be deemed appropriate or necessary, in the reasonable judgment of the Representative, the Authority and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) Except as otherwise set forth in Schedule I attached hereto, the Authority represents that it will treat the first price at which 10% of each maturity of the Bonds (the “10% Test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% Test). If, as of the date hereof, the 10% Test has not been satisfied as to any maturity of the Bonds for which the Authority has elected to utilize the 10% Test, the Representative agrees to promptly report to the Authority the prices at which Bonds of that maturity or maturities have been sold by the Underwriters to the public. That reporting obligation shall continue until the earlier of the date upon which the 10% Test has been satisfied as to the Bonds of that maturity or maturities or the Closing Date.

(c) The Representative confirms that the Underwriters have offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Schedule I attached hereto, except as otherwise set forth therein. Schedule I also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% Test has not been satisfied and for which the Authority and the Representative, on behalf of the Underwriters, agrees that the restrictions set forth in the next sentence shall apply (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriters will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Representative confirms that:

(1) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the Bonds to the

public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it until either all Bonds of that maturity allocated to it have been sold or it is notified by the Representative that the 10% Test has been satisfied as to the Bonds of that maturity and (ii) to comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative and as set forth in the related pricing wires, and

(B) to promptly notify the Representative of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below),

(C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public.

(2) any agreement among underwriters and any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it until either all Bonds of that maturity allocated to it have been sold or it is notified by the Representative or such Underwriter that the 10% Test has been satisfied as to the Bonds of that maturity and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative or the Underwriter and as set forth in the related pricing wires.

The Authority acknowledges that, in making the representations set forth in this Section, the Representative will rely on (i) the agreement of each Underwriter to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the third-party distribution agreement and the related pricing wires. The Authority further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement to comply with its agreement regarding the hold-the-offering-price rule, if applicable to the Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(e) The Underwriters acknowledge that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Section. Further, for purposes of this Section:

- (i) “public” means any person other than an underwriter or a related party to an underwriter,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),
- (iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “sale date” means the date of execution of this Purchase Agreement by all parties.

6. **Representations and Warranties of the LGC.** The LGC makes the following representations and warranties to the Underwriters, all of which survive the delivery of the Bonds:

(a) The LGC is duly organized and validly existing as a division of the Department of the State Treasurer of the State of North Carolina, vested with the rights and powers conferred on it pursuant to Chapter 159 of the General Statutes of North Carolina, as amended.

(b) The LGC has full power and authority to approve the issuance and provide for the sale of the Bonds as provided in this Purchase Agreement, and the LGC has taken or will take all action required by the Act or other applicable laws in connection therewith.

(c) The LGC has duly authorized the execution and delivery of this Purchase Agreement and has taken or will take all action necessary or appropriate to carry out the sale and delivery of the Bonds to the Underwriters.

(d) The execution and delivery of this Purchase Agreement and the performance by the LGC of its obligations hereunder are within the powers of the LGC and, to the best of the LGC’s knowledge, will not conflict with or constitute a breach or result in a violation of (1) any federal or North Carolina constitutional or statutory provision, (2) any agreement or other instrument to which the LGC is a party or by which it is bound, or (3) any order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the LGC.

(e) The LGC has duly approved and authorized the Preliminary Official Statement and the Official Statement and the execution, delivery and distribution of the Official Statement in connection with the public offering and sale of the Bonds.

(f) No consent, approval, authorization or order of any governmental or regulatory authority, other than the approvals of the Authority as herein required, is required to be obtained by the LGC as a condition precedent to the issuance or sale of the Bonds or the execution and delivery of the Official Statement or this Purchase Agreement or the performance by the LGC of its obligations hereunder; provided, however, that no representation or warranty is expressed as to any action required under federal or North Carolina or other state securities or blue sky laws in connection with the offering or sale of the Bonds by the Underwriters.

(g) There is no litigation or any other proceeding before any court or governmental body or agency pending or, to the knowledge of the LGC, threatened against or involving the LGC to restrain or enjoin the issuance or delivery of the Bonds or the execution or delivery by the LGC of this Purchase Agreement and the performance of its obligations hereunder.

7. **Representations and Warranties of the Authority.** The Authority makes the following representations and warranties to the Underwriters, all of which survive the delivery of the Bonds:

(a) The Authority is a public body duly organized and validly existing under the Constitution and laws of the State of North Carolina, particularly Chapter 121, 2012 North Carolina Session Laws, as amended (the “Enabling Act”), and is authorized pursuant to the provisions of the Enabling Act and the Act to (1) issue the Bonds for the purposes set forth in the Official Statement and (2) secure the Bonds in the manner provided in the Indentures.

(b) The Authority (1) has full legal right, power and authority to execute and deliver this Purchase Agreement and the Third Series Supplement (collectively, the “Bond Documents”), to issue and deliver the Bonds to the Underwriters as provided herein and to carry out and consummate all the transactions and undertakings described in the Official Statement or contemplated by the General Indenture or the Bond Documents, including, without limitation, the Continuing Disclosure Undertaking, and (2) has complied with all provisions of applicable law, including the Enabling Act and the Act, in all material matters relating to such transactions and undertakings.

(c) By all necessary official action of the Authority prior to or concurrently with the acceptance hereof, the Authority has duly authorized all necessary action to be taken by it for (1) the execution and delivery by the Authority of the Bond Documents and the issuance and sale of the Bonds, (2) the approval, execution and delivery of, and the performance by the Authority of the obligations on its part, contained in the Bonds and the Bond Documents, (3) the approval, distribution and use of the Preliminary Official Statement and the approval, execution, distribution and use of the Official Statement for use by the Underwriters in connection with the public offering of the Bonds and (4) the consummation by it of all other transactions and undertakings, including, without limitation, the Continuing Disclosure Undertaking, described in the Official Statement, the Bond Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the Authority in order to carry out, give effect to, and consummate the transactions described herein and in the Official Statement.

(d) This Purchase Agreement has been duly authorized, executed and delivered and constitutes a legal, valid and binding agreement of the Authority enforceable against the Authority in accordance with its terms, except as enforcement of the foregoing may be limited

by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles.

The Bond Documents, when duly executed and delivered (and assuming due authorization, execution and delivery of such documents by the other parties thereto), will constitute legal, valid and binding agreements of the Authority enforceable against the Authority in accordance with their respective terms, except as enforcement of the foregoing may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles.

(e) The Bonds, when issued, delivered and paid for, in accordance with the Bond Documents and the General Indenture, will have been duly authorized, executed, issued and delivered by the Authority and will constitute the valid and binding obligations of the Authority, enforceable against the Authority in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights. On the issuance, authentication and delivery of the Bonds as aforesaid, the Third Series Indenture will provide, for the benefit of the holders of the Bonds, from time to time, the legally valid and binding pledge of and lien it purports to create as set forth in the Indentures.

(f) The Bonds will be in substantially the form set forth in the Third Series Indenture.

(g) All material leases, use agreements and similar instruments utilized by the Authority in connection with the operation of the Airport System have been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery by the other parties thereto, constitute valid and binding agreements of the Authority enforceable in accordance with their respective terms, except as enforcement of the foregoing may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles.

(h) The execution and delivery of the Bond Documents, the issuance and delivery of the Bonds and compliance with the provisions of each do not and will not conflict with or constitute on the part of the Authority a violation of, breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or by which the Authority or any of its property is bound, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Authority or any of its activities or properties, and such action will not result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or other assets of the Authority under the terms of any such law, agreement, instrument, order, rule or regulation, except as provided or permitted by the Bonds and the Bond Documents.

(i) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the approval or adoption, as applicable, of the Bond Documents, the issuance of the Bonds or the due

performance by the Authority of its obligations under the Bond Documents, and the Bonds, have been or will be obtained at or prior to Closing.

(j) Subject to the provisions of the Indentures, the Authority has the legal authority to apply and will apply the proceeds derived from the sale of the Bonds to the purposes specified in the Third Series Indenture, including for payment or reimbursement of Authority expenses incurred in connection with the negotiation, marketing, issuance and delivery of the Bonds to the extent required in Section 9 of this Purchase Agreement, and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds. The Bonds and the Indentures conform to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement under the captions “**THE 2023 BONDS**” and “**SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS.**” The proceeds of the sale of the Bonds will be applied generally as described in the Preliminary Official Statement and the Official Statement under the captions “**THE PROJECT**” and “**ESTIMATED SOURCES AND USES OF FUNDS.**”

(k) The Authority is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States relating to the issuance of the Bonds or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or to which the Authority or any of its property or assets is otherwise subject, and no event which would have a material and adverse effect upon the financial condition of the Authority has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Authority under any of the foregoing.

(l) The Authority has delivered the Preliminary Official Statement to the Underwriters and has deemed the Preliminary Official Statement to be a final official statement within the meaning of the Rule, except for the omission of the offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings, the presence of credit enhancement and other terms of the securities depending on such matters, and the Authority deems the Official Statement to be a final official statement for the purposes of the Rule;

(m) The Preliminary Official Statement was, as of its date, and the Official Statement is, as of the date of this Purchase Agreement and as it may be supplemented or amended, will be, as of the Closing Date, true and correct in all material respects; and the Preliminary Official Statement and the Official Statement did not and do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(n) At the time of the Authority’s acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to Section 3(d) of this Purchase Agreement) at all times subsequent thereto during the period up to and including the date of Closing, the Official Statement does not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

If the Official Statement is supplemented or amended pursuant to Section 3(d) of this Purchase Agreement, at the time of each supplement or amendment thereto and (unless

subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto and before “end of the underwriting period,” as defined in the Rule, the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which made, not misleading.

(o) The financial statements of, and other financial information regarding the Authority in the Preliminary Official Statement and in the Official Statement fairly present the financial position and results of the Authority as of the dates and for the periods therein set forth. The financial statements of the Authority have been prepared in accordance with generally accepted accounting principles consistently applied, and except as noted in the Preliminary Official Statement and in the Official Statement, the other historical financial information set forth in the Preliminary Official Statement and in the Official Statement has been presented on a basis consistent with that of the Authority’s audited financial statements included in the Preliminary Official Statement and in the Official Statement. Subsequent to the respective dates of the most recent financial statements included in the Preliminary Official Statement and the Official Statement, there has been no material adverse change in the financial position or results of operations of the Authority except as set forth or contemplated in the Preliminary Official Statement and the Official Statement.

(p) The Authority has not failed during the previous five years to comply in all material respects with any previous undertakings in a written continuing disclosure contract or agreement under Rule 15c2-12.

(q) Between the date hereof and the date of Closing, the Authority will not issue any bonds, notes or other obligations for borrowed money which will materially and adversely affect the transactions contemplated by the Official Statement, and subsequent to the respective dates as of which information is given by the Official Statement and up to and including the date of Closing, the Authority has not incurred and will not incur any material liabilities, direct or contingent, nor will there be any adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the Authority, except as described in the Official Statement.

(r) The Authority will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Underwriters may reasonably request (1) to (i) qualify the Bonds for offer and sale under the securities laws or regulations of such states and other jurisdictions of the United States as the Underwriters may designate, and (ii) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and (2) continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that in no event is the Authority obligated to take any action that would subject it to general service of process in any jurisdiction where it is not now so subject, or qualify it to do business in any such jurisdiction, it being understood that the Authority is not responsible for compliance with or the consequences of failure to comply with applicable state securities laws and regulations. The Authority will advise the Underwriters immediately upon receipt by the Authority of any written notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation of any proceeding for that purpose.

(s) No consent, approval, authorization or order of, or filing or registration with, any court or governmental agency or body is required for the issuance, delivery or sale of the Bonds

or the consummation of the other transactions contemplated by this Purchase Agreement, except as may be required under the blue sky or other securities laws or regulations of any jurisdiction in connection with the offering and sale of the Bonds by the Underwriters, or if any such consent, approval or authorization is required, the Authority will obtain it before the date of Closing and will provide evidence to the Underwriters that the same has been obtained.

(t) Any certificate signed by an authorized officer of the Authority and delivered to the Underwriters is deemed a representation and warranty of the Authority to the Underwriters as to the statements made therein.

(u) Except to the extent disclosed in the Preliminary Official Statement and the Official Statement, there is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of the Authority, threatened against the Authority: (1) affecting the existence of the Authority or the titles of its officers to their respective offices, (2) affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds, (3) in any way contesting or affecting the validity or enforceability of the Bonds, the General Indenture or the Bond Documents, (4) contesting the tax treatment of the interest on the Bonds as described in the Official Statement, (5) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or (6) contesting the powers of the Authority or any authority for the issuance of the Bonds or the execution and delivery of the Bond Documents, nor, to the best knowledge of the Authority, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds, the General Indenture or the Bond Documents.

8. **Closing.** At 10:00 a.m., Raleigh, North Carolina time, on May __, 2023, or at such other time or on such earlier or later date as we mutually agree upon (the “Closing Date”), the LGC and the Authority shall deliver or cause to be delivered through the facilities of The Depository Trust Company (“DTC”) in New York, New York or at such other place specified by the Underwriters, the Bonds duly executed and authenticated, and at the offices of Womble Bond Dickinson (US) LLP in Raleigh, North Carolina, the other documents hereinafter mentioned (such event referred to herein as the “Closing”). It is anticipated that a CUSIP identification number will be placed on the Bonds, but neither the failure to print such number on the Bonds nor any error with respect thereto constitutes cause for a failure or refusal by the Underwriters to accept delivery of and payment for the Bonds in accordance with the terms of this Purchase Agreement. On such delivery of the Bonds, the Underwriters shall pay the Purchase Price in immediately available funds to the order of the State Treasurer.

The Representative shall have the right to delay the Closing Date if, subsequent to the date hereof, and at any time prior to the Closing Date, a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred. The Closing Date shall be rescheduled to a date mutually agreed upon by the Authority, the LGC and the Representative once the material disruption has been alleviated.

The Bonds shall be made available to the Underwriters at least one (1) business day before the Closing Date for purposes of inspection.

9. **Conditions Precedent.** The Underwriters have entered into this Purchase Agreement in reliance upon the representations and agreements of the LGC and the Authority contained herein and the performance by the LGC and the Authority of their obligations hereunder, both as of the date hereof and as of the Closing Date.

(a) The Underwriters' obligations under this Purchase Agreement are and shall be subject to the following further conditions:

(i) The representations of the LGC and the Authority contained herein shall be true, complete and correct in all material respects on the date of acceptance hereof and on and as of the Closing Date.

(ii) At the time of the Closing, the Official Statement, the Order, the Indentures and the Continuing Disclosure Undertaking shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Representative.

(iii) The LGC and the Authority shall perform or have performed all of its obligations required under or specified in the Order, the Bond Documents, the General Indenture, and the Official Statement to be performed at or prior to the Closing.

(iv) The LGC shall have delivered or caused to be delivered to the Underwriters final Official Statements by the time, and in the numbers, required by Section 3 of this Purchase Agreement.

(v) As of the date hereof and at the time of Closing, all necessary official action of the LGC and the Authority relating to the Bond Documents, the General Indenture, and the Official Statement shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect.

(vi) After the date hereof, up to and including the time of the Closing, there shall not have occurred any change in or particularly affecting the LGC, the Authority, the Act, the Authorizing Resolution, the Indentures or the Revenues as the foregoing matters are described in the Official Statement, which in the reasonable professional judgment of the Representative materially impairs the investment quality of the Bonds.

(b) On or before the date of the Closing, the Underwriters have received the following documents in form and substance satisfactory to the Underwriters:

(1) the approving opinion of Bond Counsel, dated as of the date of Closing, relating to the Bonds substantially in the form attached as APPENDIX E to the Official Statement, together with a letter of Bond Counsel, dated as of the date of Closing and addressed to the Underwriters, consenting to the Underwriters' reliance on such opinion;

(2) a supplemental opinion of Bond Counsel, dated as of the date of Closing and addressed to the Underwriters, in substantially the form attached hereto as Exhibit A;

(3) an opinion of counsel to the Authority, dated as of the date of Closing and addressed to the Underwriters, in substantially the form attached hereto as Exhibit B;

(4) an opinion of counsel to the Underwriters, dated as of the date of Closing and addressed to the Underwriters, in substantially the form attached hereto as Exhibit C;

(5) a copy of the Official Statement executed on behalf of the LGC and the Authority by duly authorized representatives thereof;

(6) a certificate, dated as of the date of Closing, signed by an Authority official satisfactory to the Underwriters, to the effect that the representations and warranties of the

Authority set forth in this Purchase Agreement are true, accurate and complete as of the date of this Purchase Agreement and as of the date of Closing and the conditions to be complied with and obligations to be performed by the Authority hereunder on or prior to the date of Closing have been complied with and performed.

(7) a copy of the necessary resolutions of the LGC, certified by the Secretary or Deputy Secretary thereof, authorizing the LGC to sell the Bonds and to execute and deliver this Purchase Agreement and the Official Statement;

(8) a specimen Bond;

(9) copies, certified by appropriate officials of the Authority satisfactory to the Underwriters, of all proceedings of the Authority relating to approvals or authorizations for the Bonds, the execution and delivery of the Bond Documents and the Official Statement and authorizing the use of the Official Statement by the Underwriters in connection with the offering and sale of the Bonds;

(10) a certified copy of the General Indenture;

(11) an executed copy of the Third Series Indenture;

(12) the Report of the Airport Consultant, together with the consent of the Airport Consultant to the inclusion of such Report in the Preliminary Official Statement and the Official Statement, including a certificate duly executed by appropriate officials of the Airport Consultant in form and substance satisfactory to the Representative, to the effect that (i) the contents of such Report were accurate as of the date of such Report and reflected events occurring through that date; and (ii) to the best of their knowledge, the information in such Report does not contain any untrue statements of a material fact, or omit to state any material facts which were known as of the date of such Report, and would have been necessary to be stated therein for the purposes of which they were used or to make the statements therein, in light of the circumstances under which they were made, not misleading;

(13) evidence that the Authority shall have received long-term ratings for the Bonds of not less than ["Baa2"] by Moody's Investors Service and not less than ["A+"] by Kroll Bond Rating Agency, which ratings shall have remained in effect and shall not have been downgraded on or prior to the Closing;

(14) a certificate of The Bank of New York Mellon Trust Company, N.A. ("BONY"), as trustee, dated the date of the Closing, substantially to the effect that (A) BONY has been duly organized and is validly existing as a national association in good standing under the laws of the United States of America with power and authority to act as trustee for the benefit of the registered owners of the Bonds pursuant to the terms of the Indentures; and (B) the Third Series Indenture has been duly authorized, executed and delivered by BONY and constitutes the legal, valid and binding agreement of BONY, enforceable in accordance with its terms, except to the extent that enforcement thereof may be limited by applicable bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally or by general equitable principles;

(15) evidence that the LGC fees have been paid;

(16) a non-arbitrage certificate, dated the Closing Date, signed by the President and Chief Executive Officer of the Authority or his designee, in a form acceptable to the Underwriters,

setting forth, among other things, sufficient facts, estimates and circumstances (including covenants of and by the Authority) in existence on the Closing Date, to support the conclusion that (i) it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and the regulations, temporary regulations and proposed regulations promulgated with respect thereto, and stating that (ii) to the best knowledge of the Authority, there after no other facts, estimates, or circumstances that would materially affect such expectations; and

(17) such additional certificates (including appropriate tax certificates, no-litigation certificates, and incumbency certificates), opinions, proceedings, instruments or other documents as the Representative, Bond Counsel or counsel to the Underwriters may reasonably request to evidence compliance by the Authority with legal requirements, the truth and accuracy as of the date of the Closing of all representations herein contained, the excludability from gross income for federal and state income tax purposes of amounts received as interest by owners of the Bonds, and the due performance or satisfaction by the Authority at or prior to such date of all agreements then to be performed and all conditions then to be satisfied as contemplated under this Purchase Agreement.

All representations, warranties and agreements of the LGC and the Authority set forth in this Purchase Agreement remain operative and in full force and effect regardless of (a) any investigation made by or on behalf of the Underwriters or any person controlling the Underwriters and (b) acceptance of and payment for the Bonds by the Underwriters.

10. **Termination.** If the LGC or the Authority shall be unable to satisfy the conditions of the Underwriters’ obligations contained in this Purchase Agreement or if the Underwriters’ obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be cancelled by the Representative at, or at any time before, the time of the Closing. Notice of such cancellation shall be given by the Representative to the LGC and the Authority in writing, or by telephone confirmed in writing. The performance by the LGC and the Authority of any and all conditions contained in this Purchase Agreement for the benefit of the Underwriters may be waived by the Representative.

The Underwriters shall also have the right, before the time of Closing, to cancel their obligations to purchase the Bonds, by written notice by the Representative to the LGC and the Authority, if between the date hereof and the time of Closing:

(a) any event shall have occurred on or after the date hereof which either (i) in the sole judgment of the Representative, materially adversely affects the market price of marketability or ability to enforce contracts for the sale of any portion of the Bonds at the contemplated offering prices by the Underwriters of the Bonds, or (ii) makes untrue or incorrect in any material respect, as of the time of such event, any statement or information contained in the Official Statement or which is not reflected in the Official Statement but should be reflected therein in order to make the statements and information set forth therein not misleading in any material respect, notwithstanding the Underwriters’ approval of any amendment or supplement prior to its distribution; or

(b) any new restriction transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the SEC, or any other federal or state agency or the Congress of the United State, or by Executive Order; or

(c) legislation shall be introduced in, enacted by, reported out of committee, or recommended for passage by either House of the Congress, or recommended to the Congress or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation is proposed for consideration by either such committee by any member thereof or presented as an option for consideration by either such committee by the staff or such committee or by the staff of the Joint Committee on Taxation of the Congress of the United States, or a bill to amend the Code (which, if enacted, would be effective as of a date prior to the Closing) shall be filed in either House, or a decision by a court of competent jurisdiction shall be rendered, or a regulation or filing shall be issued or proposed by or on behalf of the Department of the Treasury or the Internal Revenue Service of the United States, or other agency of the federal government, or a release or official statement shall be issued by the President, the Department of the Treasury or the Internal Revenue Service of the United States, in any such case with respect to or affecting (directly or indirectly) the taxation of interest received on obligations of the general character of the Bonds which, in the opinion of the Representative, materially adversely affects the market for the Bonds or the sale, at the contemplated offering prices (or yields), by the Underwriters of the Bonds; or

(d) a stop order, ruling, regulation, proposed regulation or statement by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the Bonds are in violation or would be in violation of any provisions of the Securities Act of 1933, as amended (the “Securities Act”), the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”); or

(e) an order, decree or injunction of any court of competent jurisdiction, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Preliminary Official Statement or the Official Statement, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws as amended and then in effect; or

(f) any litigation shall be instituted or be pending at the time of the Closing to restrain or enjoin the issuance, sale or delivery of the Bonds, or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the Bond Documents, the General Indenture or the Continuing Disclosure Undertaking; or the existence or powers of the Authority with respect to its obligations under the Bond Documents, the General Indenture or the Continuing Disclosure Undertaking; or

(g) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the SEC, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under the Securities Act or that the Indentures are not exempt from qualification under or other requirements of the Trust Indenture Act, or that the issuance, offering or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect; or

(h) (i) there shall have occurred any outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war occurs; or (ii) the occurrence of any other calamity or crisis or any change in the financial, political or economic conditions in the United States or elsewhere, if the effect of any such event specified in clause (i) or (ii), in the judgment of the Underwriters, makes it impractical or inadvisable to proceed with the offering or the delivery of the Bonds on the terms and in the manner contemplated in the Preliminary Official Statement; or

(i) there shall have occurred a general suspension of trading, minimum or maximum prices for trading shall have been fixed and be in force or maximum ranges or prices for securities shall have been required on the New York Stock Exchange or other national stock exchange whether by virtue of a determination by that Exchange or by order of the SEC or any other governmental agency having jurisdiction or any national securities exchange shall have: (i) imposed additional material restrictions not in force as of the date hereof with respect to trading in securities generally, or to the Bonds or similar obligations; or (ii) materially increased restrictions now in force with respect to the extension of credit by or the charge to the net capital requirements of Underwriters or broker-dealers such as to make it, in the judgment of the Representative, impractical or inadvisable to proceed with the offering of the Bonds as contemplated in the Official Statement; or

(j) a general banking moratorium shall have been declared by federal or New York or North Carolina state authorities or a major financial crisis or a material disruption in commercial banking or securities settlement or clearing services shall have occurred such as to make it, in the judgment of the Representative, impractical or inadvisable to proceed with the offering of the Bonds as contemplated in the Official Statement; or

(k) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by, any governmental body, department or agency in the State of North Carolina, or a decision by any court of competent jurisdiction within the State of North Carolina shall be rendered that, in the Representative's judgment, would have a material adverse effect on the market price of the Bonds; or

(l) there shall have occurred or any notice shall have been given of any intended downgrading, suspension, withdrawal or negative change in credit watch status by any national rating service to any of the Authority's obligations, including, without limitation, the Bonds.

11. **Indemnification.** (a) To the fullest extent permitted by applicable law, the Authority agrees to indemnify and hold harmless the Underwriters and the LGC against any and all losses, damages, expenses (including reasonable legal and other fees and expenses), liabilities or claims (or actions in respect thereof), to which the Underwriters, the LGC or the other persons described in subsection (b) of this Section may become subject under any federal or state securities laws or other statutory law or at common law or otherwise, caused by or arising out of or based upon any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact contained in the Preliminary Official Statement or the Official Statement or caused by any omission or alleged omission from the Preliminary Official Statement or the Official Statement of any material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading unless such untrue statement or misleading statement, such alleged untrue statement or alleged misleading statement, or such omission or alleged omission was made in reliance on and in conformity with information furnished to the Authority by the Underwriters expressly for use in the Preliminary Official Statement or the Official Statement, including any amendment thereto.

(b) The indemnity provided under this Section will extend on the same terms and conditions to each officer, director, member, employee, agent or attorney of the Underwriters and the LGC, and each

person, if any, who controls the Underwriters and the LGC within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (“indemnified party”). Such indemnity will also extend, without limitation, to any and all expenses whatsoever reasonably incurred by any indemnified party in connection with investigating, preparing for or defending against, or providing evidence, producing documents or taking any other reasonable action in respect of, any loss, damage, expense, liability or claim referred to in subsection (a) of this section (or action in respect thereof), whether or not resulting in any liability, and will include the aggregate amount paid in settlement of any litigation, commenced or threatened, or of any claim whatsoever as set forth herein, if such settlement is effected with the written consent of the Authority. Neither the officers, members, agents nor employees of the LGC is personally liable for the performance of any obligation under this Purchase Agreement.

(c) Within a reasonable time after an indemnified party under subsections (a) and (b) of this Section has been served with the summons or other first legal process or has received written notice of the threat of a claim in respect of which an indemnity may be claimed, such indemnified party must, if a claim for indemnity in respect thereof is to be made against the Authority under this Section, notify the Authority in writing of the commencement thereof; but the omission to so notify the Authority will not relieve it from any liability that it may have to any indemnified party other than pursuant to subsections (a) and (b) of this Section. The Authority is entitled to participate at its own expense in the defense, and if the Authority so elects within a reasonable time after receipt of such notice, or as all indemnified parties seeking indemnification in such notice so direct, the Authority will assume the defense of any suit brought to enforce any such claim, and such defense will be conducted by counsel chosen promptly by the Authority and reasonably satisfactory to the indemnified party; provided, however, that, if the defendants in any action include an indemnified party and the Authority, or include more than one indemnified party, and any such indemnified party has been advised by its counsel that there may be legal defenses available to such indemnified party that are different from or additional to those available to the Authority or another indemnified party, and that in the reasonable opinion of such counsel are sufficient to make it undesirable for the same counsel to represent such indemnified party and the Authority, or another indemnified party, such indemnified party will have the right to employ separate counsel in such action (and the Authority will not be entitled to assume the defense thereof on behalf of such indemnified party), and in such event the reasonable fees and expenses of such counsel will be borne by the Authority. Nothing contained in this subsection (c) precludes any indemnified party, at its own expense, from retaining additional counsel to represent such party in any action with respect to which indemnity may be sought from the Authority hereunder. The LGC has the right to employ separate counsel in any such action and participate in the investigation and defense thereof, and the reasonable fees and expenses of such counsel are to be paid by the Authority.

(d) If the indemnification provided for in subsections (a) and (b) of this Section is unavailable to or insufficient to hold harmless and indemnify any indemnified party in respect of any losses, damages, expenses, liabilities, or claims (or actions in respect thereof) referred to therein, or if the indemnified party failed to give the notice required under subsection (c) of this Section, then the Authority, on the one hand, and the indemnified party, on the other hand, will contribute to the amount paid or payable by the indemnified party as a result of such losses, damages, expenses, liabilities or claims (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Authority on the one hand and the indemnified party on the other hand from the offering of the Bonds. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law, then the Authority on the one hand and the indemnified party on the other hand will contribute to such amount paid or payable by the indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Authority on the one hand and the indemnified party on the other in connection with the statements or omissions that resulted in such losses, damages, expenses, liabilities or claims (or actions in respect thereof), as well as any other relevant equitable considerations. The relative

benefits received by the Authority on the one hand and the indemnified party on the other hand will be deemed to be in such proportion so that the indemnified party is responsible for that portion represented by the percentage that the underwriting discount payable to the Underwriters hereunder (i.e., the excess of the aggregate public offering price for the Bonds as set forth on the cover page of the Official Statement over the price to be paid by the Underwriters to the Authority upon delivery of the Bonds as specified in Section 1) bears to the aggregate public offering price as described above, and the Authority is responsible for the balance. The relative fault will be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Authority on the one hand or the indemnified party on the other hand and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

If an indemnified party has knowledge of a claim subject to the contribution provided by this subsection, such indemnified party agrees, within a reasonable time of obtaining such knowledge, to convey notice of such claim to the Authority. It is agreed and understood that if the indemnified party fails, under the circumstances set forth in the preceding sentence, to convey the above-referenced notice to the Authority, then the Authority will not be obligated to provide contribution pursuant to this subsection.

The Authority, the LGC and the Underwriters agree that it would not be just and equitable if contribution pursuant to this subsection were determined by any method of allocation that does not take account of the equitable considerations referred to in this subsection. The amount paid or payable by an indemnified party as a result of the losses, damages, expenses, liabilities or claims (or actions in respect thereof) referred to in this subsection will be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim.

The indemnity and contribution provided by this Section is in addition to any other liability that the Authority may otherwise have hereunder, at common law or otherwise, and is provided solely for the benefit of the indemnified party, and its respective successors, assigns and legal representatives, and no other person will acquire or have any right under or by virtue of such provisions of this Purchase Agreement.

12. **Expenses.** The Underwriters shall be under no obligation to pay and the Authority shall pay or cause to be paid the expenses and costs of the LGC and the Authority incident to the performance of their respective obligations hereunder, including, without limitation, (i) the fees and disbursements of counsel to the Authority, Bond Counsel, Disclosure Counsel (if any), the Trustee and its counsel, independent auditors and any other experts or consultants retained by the Authority or the LGC, (ii) the costs of printing or reproduction and signing of the Bonds, the Bond Documents, the General Indenture and the Official Statement and any supplements or amendments thereto, (iii) charges of rating agencies for the ratings of the Bonds, and (iv) all other costs connected to the issuance of the Bonds except costs specifically described below. Unless the Authority and the Representative otherwise agree, the Authority or the LGC shall pay for all incidental costs (including, but not limited to, meals, transportation, lodging, and entertainment of Authority or LGC personnel) incurred by or on behalf of the Authority or the LGC in connection with the marketing, issuance and delivery of the Bonds.

The Underwriters shall pay (i) the cost of preparation and printing of the Blue Sky memorandum to be used by them and the cost, if any, of printing this Purchase Agreement; (ii) all advertising expenses incurred by them in connection with the public offering of the Bonds; (iii) the fees and disbursements of counsel to the Underwriters, and (iv) all other expenses incurred by them in connection with their public offering and distribution of the Bonds.

13. **Use of Documents.** The LGC and the Authority hereby authorize the Underwriters to use, in connection with the public offering and sale of the Bonds, this Purchase Agreement, the Preliminary Official Statement, the Official Statement, the Bond Documents and the General Indenture, and the information contained herein and therein.

14. **Qualification of Securities.** The LGC and the Authority will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Representative may reasonably request to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Representative may designate and to provide for the continuance of such qualification; provided, however, that the LGC and the Authority will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any state.

15. **Notices.** Any notice or other communication to be given under this Purchase Agreement may be given by delivering the same in writing by registered or certified mail to the following addresses:

Local Government Commission
Long Leaf Building
3200 Atlantic Avenue
Raleigh, North Carolina 27604
Attention: Secretary

Greater Asheville Regional Airport Authority
61 Terminal Drive, Suite 1
Fletcher, North Carolina 28732
Attention: President and Chief Executive Officer

Siebert Williams Shank & Co., LLC
100 Wall Street, 18th Floor
New York, New York 10005
Attention: Senior Managing Director & Head of Transportation

16. **Benefit.** This Purchase Agreement is made solely for the benefit of the LGC, the Authority and the Underwriters (including their successors or assigns) and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. Except as otherwise expressly provided herein, all of the agreements and representations of the LGC and the Authority contained in this Purchase Agreement and in any certificates delivered pursuant hereto shall remain operative and in full force and effect regardless of: (i) any investigation made by or on behalf of the Underwriters; (ii) delivery of and payment for the Bonds hereunder; or (iii) any termination of this Purchase Agreement, other than pursuant to Section 10.

17. **Attorneys' Fees.** In the event of a dispute arising under this Purchase Agreement, the prevailing party shall have the right to collect from the other party its reasonable costs and necessary disbursements and attorneys' fees incurred in enforcing this Purchase Agreement.

18. **E-Verify.** The Underwriters and all their respective subcontractors shall comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes, "Verification of Work Authorization" ("E-Verify"), and will provide documentation or sign affidavits or any other documents requested by the Authority demonstrating such compliance. The Underwriters acknowledge that failure to

comply with such law shall be deemed a breach of this Purchase Agreement and may render this Purchase Agreement void.

19. **Governing Law.** This Purchase Agreement is governed by, and to be construed in accordance with, the laws of the State of North Carolina.

20. **Counterparts.** This Purchase Agreement may be executed in several counterparts, each of which shall be deemed an original hereof.

[Signature pages follow]

This Purchase Agreement is effective on the execution of the acceptance and approval hereof by duly authorized representatives of the LGC and the Authority and is valid and enforceable as of the time of such acceptance.

Very truly yours,

SIEBERT WILLIAMS SHANK & CO., LLC,
as Representative of the Underwriters

By: _____
Sewon Kim
Senior Managing Director

[Signatures continued on following pages]

Signature Page - 1

Counterpart Signature Page to the Bond Purchase Agreement
relating to the Greater Asheville Regional Airport Authority
Airport System Revenue Bonds (AMT), Series 2023

Accepted:

LOCAL GOVERNMENT COMMISSION

By: _____
[Sharon Edmundson]
Secretary

[Signatures continued on following page]

Signature Page - 2

Counterpart Signature Page to the Bond Purchase Agreement
relating to the Greater Asheville Regional Airport Authority
Airport System Revenue Bonds (AMT), Series 2023

Approved:

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

By: _____
Lew Bleiweis
President and Chief Executive Officer

Signature Page - 3

Counterpart Signature Page to the Bond Purchase Agreement
relating to the Greater Asheville Regional Airport Authority
Airport System Revenue Bonds (AMT), Series 2023

DETAILS OF THE BONDS**Principal Amounts, Interest Rates, Prices and Yields
Optional and Mandatory Redemption**

Due (July 1)	Amount	Rate	Yield	Price	Type of Bond	10% Sold?
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[Mark any Hold-The-Price Maturities]

Redemption Provisions

Optional Redemption. The 2023 Bonds maturing on or before July 1, 20__ are not subject to redemption prior to maturity. The 2023 Bonds maturing on or after July 1, 20__ will be subject to redemption, at the option of the Authority, from any funds that may be available for such purpose, either in whole or in part on any date on or after July 1, 20__, at a Redemption Price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, in the manner provided in the Third Series Indenture.

Mandatory Sinking Fund Redemption. The 2023 Bonds maturing on July 1, 20__, are subject to mandatory sinking fund redemption, at a redemption price equal to the principal amount to be redeemed plus accrued interest, if any, to the redemption date, without premium, on July 1, in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>
-------------	---------------

(final maturity)

[Form of Supplemental Opinion of Bond Counsel]

May __, 2023

Siebert Williams Shank & Co., LLC,
as representative of the Underwriters
New York, New York

\$ _____
Greater Asheville Regional Airport Authority
Airport System Revenue Bonds (AMT)
Series 2023

Ladies and Gentlemen:

We have served as bond counsel to the Greater Asheville Regional Airport Authority (the “Authority”) in connection with the issuance of the above-referenced bonds (collectively, the “Bonds”). The Bonds are being purchased today by Siebert Williams Shank & Co., LLC, on behalf of itself and as representative of Raymond James & Associates, Inc. (collectively, the “Underwriters”), pursuant to a Bond Purchase Agreement, dated April __, 2023 (the “Bond Purchase Agreement”), among the Local Government Commission (the “LGC”), the Authority and the Underwriters. Capitalized terms used herein and not otherwise defined have the meaning given such terms in the Bond Purchase Agreement.

On the basis of such examination as we have deemed necessary for the purpose of expressing the opinions set forth below, we are of the opinion, as of the date hereof and under existing law, that:

1. The LGC is validly existing as a division of the Department of the State Treasurer of the State of North Carolina.

2. The LGC has power and authority to approve the issuance of the Bonds and to sell the same as provided in the Bond Purchase Agreement, and the LGC has taken all action required in connection therewith.

3. The adoption by the LGC of the resolution approving the issuance and sale of the Bonds and authorizing the execution and delivery of the Bond Purchase Agreement (the “LGC Resolution”), the approval by the LGC of the issuance and sale of the Bonds and the execution and delivery by the LGC of the Bond Purchase Agreement and compliance with the provisions thereof, under the circumstances contemplated thereby, (a) to the best of our knowledge after due inquiry, do not and will not in any material respect conflict with or constitute on the part of the LGC a breach of or default under any agreement or other instrument to which the LGC is a party, which would affect the validity or delivery of the Bonds and (b) do not and will not conflict with, violate or result in a breach of any federal or North Carolina constitutional or statutory provision, which would affect the validity or delivery of the Bonds.

4. No further consent, authorization or order of any governmental or regulatory authority of the State is required to be obtained as a condition precedent for the LGC to sell the Bonds or for the execution and delivery by the LGC or the Authority of the Bond Purchase Agreement, except that we

express no opinion as to any regulatory requirement applicable to the Underwriters or any action required under state securities or blue sky laws in connection with the offering and sale of the Bonds by the Underwriters.

5. The Bond Purchase Agreement has been authorized, executed and delivered by the LGC and the Authority and, assuming due authorization, execution and delivery thereof by the Underwriters, is a legal, valid and binding agreement of the LGC and the Authority enforceable against the LGC and the Authority in accordance with its terms, except that the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent conveyance, moratorium or other similar laws affecting creditors' rights generally from time to time in effect and by general equitable principles. We note, however, that the covenants of the Authority in the Bond Purchase Agreement relating to indemnification and contribution are given to the extent permitted by law, and we express no opinion with respect to whether such covenants are permitted by law.

6. The Authority has duly adopted a bond order authorizing the issuance of the Bonds.

7. All authorizations, approvals, consents or orders of any governmental entity or any other person, association or corporation required for the valid issuance of the Bonds, the execution or delivery by the Authority of the Bond Purchase Agreement and the Third Series Indenture (collectively, the "Bond Documents") and any other transactions and undertakings effected or contemplated thereby, including, without limitation, the Continuing Disclosure Undertaking, have been obtained, except that we express no opinion as to any action required under state securities or blue sky laws in connection with the offering and sale of the Bonds by the Underwriters.

8. The issuance of the Bonds, the execution and delivery of the Bond Documents and compliance with the provisions of each will not conflict with or constitute a violation or breach of or default under any applicable law, rule or regulation of the United States or of the State of North Carolina or of any department, division, agency or instrumentality thereof.

9. The LGC and the Authority have authorized, executed and delivered the Official Statement and have consented to the distribution (electronically or otherwise) of the Official Statement in connection with the offering and sale of the Bonds.

10. The statements contained (a) in the Preliminary Official Statement dated April __, 2023 (the "Preliminary Official Statement"), as of its date and as of the date of the Bond Purchase Agreement, under the headings "INTRODUCTION," "THE 2023 BONDS" (except for provisions related to the Book-Entry System) and "SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS," "THE PROJECT," "CONTINUING DISCLOSURE" and in APPENDICES C and E to the Preliminary Official Statement, insofar as such statements purport to summarize certain provisions of the Bonds and the Indentures or opinions we have rendered, fairly summarize such provisions or opinions, (b) in the Official Statement dated April __, 2023 (the "Official Statement"), as of its date and as of the date hereof, under the headings "INTRODUCTION," "THE 2023 BONDS" (except for provisions related to the Book-Entry System) and "SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS," "THE PROJECT," "CONTINUING DISCLOSURE" and in APPENDICES C and E to the Official Statement, insofar as such statements purport to summarize certain provisions of the 2023 Bonds and the Indentures or opinions we have rendered, fairly summarize such provisions or opinions and (c) the statements in the Preliminary Official Statement, as of its date and as of the date of the Bond Purchase Agreement, and in the Official Statement, as of its date and as of the date hereof, under the heading "TAX TREATMENT" and the statements related thereto on the cover page of the Preliminary Official Statement and the Official Statement are true and accurate.

11. The Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Indentures are exempt from qualification as indentures under the Trust Indenture Act of 1939, as amended.

We have on the date hereof rendered our approving legal opinion regarding, among other matters, the authorization, execution and delivery of the Bonds and the tax treatment of interest thereon. You may rely on such opinion as is if it were addressed to you.

This opinion is furnished by us for your sole benefit in connection with your offering and sale of the Bonds, and no other person or entity may rely upon this opinion without our prior written consent.

Respectfully submitted,

[Form of Opinion of Counsel to the Authority]

May __, 2023

Siebert Williams Shank & Co., LLC,
as representative of the Underwriters
New York, New York

\$ _____
Greater Asheville Regional Airport Authority
Airport System Revenue Bonds (AMT)
Series 2023

Ladies and Gentlemen:

We have served as counsel to the Greater Asheville Regional Airport Authority (the “Authority”) and have served in such capacity in connection with the execution and delivery on the date hereof of the above-referenced bonds (the “Bonds”). The Bonds are being purchased on the date hereof by Siebert Williams Shank & Co., LLC, on behalf of itself and as representative of Raymond James & Associates, Inc. (collectively, the “Underwriters”), pursuant to a Bond Purchase Agreement, dated April __, 2023 (the “Bond Purchase Agreement”), among the Local Government Commission (the “LGC”), the Authority and the Underwriters. Capitalized terms used herein and not otherwise defined have the meaning given such terms in the Bond Purchase Agreement.

We deliver this Opinion of Counsel pursuant to Section 9(b)(3) of the Bond Purchase Agreement.

In connection with this Opinion, we have also examined originals or copies of such other documents, instruments, certificates and records as we have considered appropriate in order to render our opinions contained herein. Where we have considered it appropriate, as to certain facts we have relied, without investigation or analysis of any underlying data contained therein, upon certificates or other comparable documents of public officials or the Authority.

In rendering the opinions set forth herein, we have assumed, among other things, the legal capacity of all natural persons, the genuineness of all signatures not signed in our presence, the authenticity of all documents submitted to us as originals, that all documents submitted to us as copies conform with the originals thereof, and that the Bond Documents constitute the legal, valid and binding obligation of the parties thereto other than the Authority, enforceable in accordance with their respective terms.

The phrases “to our knowledge” and “known to us” mean conscious awareness of lawyers in the primary lawyer group of our firm of factual matters such lawyers recognize as being relevant to the opinion or confirmation so qualified. “Primary lawyer group” means any lawyer in this firm (i) who signs this opinion letter, (ii) is actively involved in negotiating or documenting the loan represented by the Bond Documents, or (iii) solely as to information relevant to a particular opinion or factual confirmation issue, who is primarily responsible for providing the response concerning the particular opinion or issue.

On the basis of such examination as we have deemed necessary for the purpose of expressing the opinions set forth below, and subject to the foregoing and the further limitations and qualifications hereinafter stated, we are of the opinion, as of the date hereof and under existing law, that:

1. The Authority is a public body duly organized and validly existing under the Constitution and laws of the State of North Carolina. The Authority has duly adopted a bond order on March 10, 2023, authorizing the issuance of the Bonds.

2. To our knowledge after due inquiry, the Authority is not in breach of or default under any applicable law or administrative regulation of the State of North Carolina or the United States or any applicable judgment or decree or administrative ruling or any agreement, resolution, certificate or other instrument to which the Authority is a party or is otherwise subject, which breach or default would in any way materially adversely affect the transactions contemplated by the Bond Documents or the General Indenture, and no event has occurred and is continuing which with the passage of time or giving of notice, or both, would constitute such a breach of or default thereunder.

3. To our knowledge after due inquiry, there is no action, suit, proceeding, inquiry or investigation at law or in equity before any court, public board or body pending or threatened wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Bond Purchase Agreement or which, in any way, would adversely affect the validity of the Bond Documents, the General Indenture, the Bonds or the exemption of interest on the Bonds from taxation as described in the Official Statement.

4. The issuance of the Bonds, the execution and delivery of the Bond Documents and compliance with the provisions of each will not, to the best of our knowledge after due inquiry, conflict with or constitute a violation or breach of any applicable order, judgment or decree of any court or other governmental agency or body or any bond, note, loan agreement, resolution, certificate, agreement or other instrument to which the Authority is a party or by which the Authority or its property is bound.

5. The Authority has duly authorized and delivered the Preliminary Official Statement dated April __, 2023 (the "Preliminary Official Statement") and has duly authorized, executed and delivered the Official Statement dated April __, 2023 (the "Official Statement") and has approved the use of the Preliminary Official Statement and the Official Statement in connection with the offering and sale of the Bonds.

6. The statements contained in the Preliminary Official Statement, as of its date and as of the date of the Bond Purchase Agreement, and the Official Statement, as of its date and as the date hereof, under the headings "THE AUTHORITY," "THE AIRPORT" and "LITIGATION" did not and do not to our knowledge contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

The opinions expressed above are subject to the following qualifications and limitations.

A. We do not express any opinions as to the enforceability of any provisions contained in the Bond Documents or the General Indenture that (a) purport to excuse a party from liability for its own acts; (b) purport to make void any act done in contradiction thereof; (c) purport to authorize a party to act in its sole discretion; (d) require waivers or amendments to be made only in writing; (e) purport to effect waivers of constitutional, statutory or equitable rights or the effect of applicable laws; (f) impose liquidated damages, penalties or forfeiture; or (g) purport to indemnify a party for its own negligence or willful

misconduct. Indemnification provisions in the Bond Documents or the General Indenture are subject to and may be rendered unenforceable by applicable law or public policy, including applicable securities law.

B. We do not express any opinions as to the enforceability of any provisions contained in the Bond Documents or the General Indenture purporting to require a party thereto to pay or reimburse attorney's fees incurred by another party, or to indemnify another party therefor, which may be limited by applicable statutes and decisions relating to the collection and award of attorney's fees, including but not limited to the North Carolina General Statutes §6-21.2.

C. We do not express an opinion as to the enforceability of any provision contained in the Bond Documents or the General Indenture purporting to waive the right of a jury trial.

D. This Opinion of Counsel is delivered solely for your benefit in connection with consummation of the transactions contemplated by the Bond Documents and may not be used or relied upon by any other person or for any other purpose without our prior written consent in each instance. Our opinions set out herein are as of the date hereof, and we undertake no obligation to advise you of any changes of applicable law or any other matters that may come to our attention after the date hereof that may affect our opinions express herein.

E. The opinions set forth herein are limited to matters governed by the laws of the State of North Carolina and the federal laws of the United States, and no opinion is expressed herein as to the laws of any other jurisdiction. We express no opinion concerning any matter respecting or affected by any laws other than laws that any lawyer in North Carolina exercising customary professional diligence would reasonably recognize as being directly applicable to the Authority, the Bond Documents, or the General Indenture.

We have furnished this opinion for your sole benefit in connection with your offering and sale of the Bonds, and no other person or entity may rely upon this opinion without our prior written consent.

Respectfully submitted,

[Form of Opinion of Counsel to the Underwriters]

May __, 2023

Siebert Williams Shank & Co., LLC,
as representative of the Underwriters
New York, New York

\$ _____
Greater Asheville Regional Airport Authority
Airport System Revenue Bonds (AMT)
Series 2023

Ladies and Gentlemen:

We have acted as underwriters' counsel to Siebert Williams Shank & Co., LLC, as representative (the "Representative") of the underwriters (the "Underwriters") under the Bond Purchase Agreement dated April __, 2023 (the "Bond Purchase Agreement"), among the Local Government Commission (the "LGC"), the Greater Asheville Regional Airport Authority (the "Authority") and the Representative with respect to the above-referenced bonds (the "Bonds"). Each capitalized term used herein and not otherwise defined has the meaning ascribed to it in the Bond Purchase Agreement.

We have, as such counsel, reviewed originals or copies identified to our satisfaction of the Indentures, the Preliminary Official Statement dated April __, 2023 with the respect to the Bonds (the "Preliminary Official Statement"), the Official Statement dated April __, 2023 with respect to the Bonds (the "Official Statement"), the Bond Purchase Agreement, certificates of the Authority and others, the opinions referred to in Section 9(b) of the Bond Purchase Agreement and such other records, opinions and documents, and we have made such investigations of law as we have deemed appropriate as a basis for the conclusions hereinafter expressed.

In arriving at the conclusions hereinafter expressed, we are not expressing any opinion or view on, and are assuming and relying on, the validity, accuracy and sufficiency of the records, documents, certificates and opinions referred to above, including the accuracy of all factual matters represented and legal conclusions contained therein. We have assumed that all records, documents, certificates and opinions that we have reviewed, and the signatures thereto, are genuine.

We are not passing on and do not assume any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Preliminary Official Statement and the Official Statement and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. However, in our capacity as your counsel, we met in conferences with your representatives and representatives of the Authority, counsel to the Authority, and Womble Bond Dickinson (US) LLP, as bond counsel, during which conferences the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed. On the basis of our participation in the above-mentioned conferences, and in reliance thereon and on the records, documents, certificates and opinions referenced above, we advise you that, during the course of our representation of you as the Underwriters

on this matter, no information came to the attention of the attorneys in our firm rendering legal services in connection with such representation which caused us to believe that the Preliminary Official Statement, as of its date and as of the date of the Bond Purchase Agreement, or the Official Statement, as of its date and as of the date of this letter (except for the Appendices thereto, any financial statements, development plans, engineering, demographic, economic, and financial or statistical data and any statements of trends, forecasts, numbers, estimates and assumptions, and any expressions of opinion, including opinions as to the federal tax status of the Bonds, and information concerning The Depository Trust Company and its procedures contained in the Preliminary Official Statement or the Official Statement and its Appendices, as to each of which we express no opinion or view), contained or contain any untrue statement of a material fact or omitted or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Furthermore, we are of the opinion that in connection with the offering and sale of the Bonds, (i) the Continuing Disclosure Undertaking satisfies the requirements of Rule 15c2-12 of the Securities and Exchange Commission, (ii) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and (iii) the Indentures need not be qualified under the Trust Indenture Act of 1939, as amended.

We are furnishing this letter to you pursuant to Section 9(b)(4) of the Bond Purchase Agreement solely for your benefit as Underwriters, and we disclaim any obligation to update this letter. This letter is not to be used, circulated, quoted or otherwise referred to or relied upon for any purpose or by any other person without our prior written consent in each such instance.

Very truly yours,

[Form of Issue Price Certificate]

\$ _____
Greater Asheville Regional Airport Authority
Airport System Revenue Bonds (AMT)
Series 2023

ISSUE PRICE CERTIFICATE

The undersigned, as the duly authorized representative of Siebert Williams Shank & Co., LLC (the “Representative”), on behalf of itself and Raymond James & Associates, Inc. (together, the “Syndicate”), hereby certifies as set forth below, based upon its records and information, with respect to the above-captioned obligations (collectively, the “Bonds”).

1. **Sale of the General Rule Maturities.** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. **Initial Offering Price of the Hold-the-Offering-Price Maturities.**

(a) The Syndicate offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, the Representative has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, the Syndicate would neither offer nor sell any of the unsold Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. No information has come to the attention of the Representative than any underwriter has offered or sold any unsold Bonds of any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. **Defined Terms.**

(a) “General Rule Maturities” means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) “Hold-the-Offering-Price Maturities” means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) “Holding Period” means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale

Date, or (ii) the date on which the Syndicate has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) “Issuer” means the Greater Asheville Regional Airport Authority.

(e) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate means any two or more persons who have greater than 50% common ownership, directly or indirectly.

(g) “Sale Date” means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is April __, 2023.

(h) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

4. **Disclaimer.** The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Womble Bond Dickinson (US) LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. Notwithstanding anything set forth herein, the Representative is not engaged in the practice of law and makes no representation as to the legal sufficiency of the factual matters set forth herein.

SIEBERT WILLIAMS SHANK & CO., LLC,
as Representative of the Underwriters

By: _____

Name: _____

Title: _____

Dated: May __, 2023

SCHEDULE A

**SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL
OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**

Due (July 1)	Amount	Rate	Yield	Price	Type of Bond	10% Sold?
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General Rule Maturities: _____

Hold the Offering Price Rule Maturities: _____

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION
(Attached)

THE AUTHORITY

Organization and Governance

The Asheville Regional Airport Authority was established in 1980 by the provisions of North Carolina law for intergovernmental cooperation between units of local government and by an Agreement of November 29, 1979 between the County of Buncombe (“Buncombe County”) and the City of Asheville (the “City”) for the management, operation, and maintenance of the Asheville Regional Airport (the “Airport”). On June 28, 2012, the General Assembly of North Carolina passed Session Law 2012-121 (the “GARAA Act”) that changed the structure of the entity to an independent airport authority with more regional representation and governance. The law also changed the official name to the Greater Asheville Regional Airport Authority (the “Authority”). Pursuant to the 2012 law, the agreement with Buncombe County and the City is no longer applicable.

The Authority is governed by a board (the “Authority Board”) consisting of seven members: two registered voters of Buncombe County appointed by the Board of Commissioners of Buncombe County; two registered voters of the City appointed by the City Council; two registered voters of Henderson County, North Carolina (“Henderson County”) appointed by the Board of Commissioners of Henderson County; and one member appointed by the other six members of the Authority Board. Members of the Authority Board serve staggered four-year terms. Any member may serve a total of two consecutive terms, after which said member may not be reappointed to the Authority until four years after his or her most recent appointment. The Authority Board establishes the policies under which the Airport is operated and establishes and collects rates and charges to cover the financial obligations it incurs in developing, operating and maintaining the Airport.

The Authority has many of the same powers as a North Carolina local governmental unit with some notable exceptions. First, the Authority has no power to impose any taxes. Second, unless the power of eminent domain is required by federal law or federal regulation, the Authority may not exercise the power of eminent domain. If a federal law or federal regulation does require the Authority to have the power to exercise eminent domain, it may only do so for public use for an airport purpose or purposes, and any eminent domain proceeding must be authorized either by the City, Buncombe County or Henderson County, based on the location of the property being proposed for eminent domain. In no case, however, may the Authority use the power of eminent domain for purposes not necessary for the operation of the Airport.

The Authority employs a President and Chief Executive Officer who serves as the chief administrator and executive officer of the Authority. The President and Chief Executive Officer manages the Airport under the Authority Board’s control.

Employees

As of December 31, 2022, the Authority had a full-time staff of 83.5. In addition, the Authority employs part-time law enforcement officers (in addition to its full time force) to provide law enforcement presence at the Transportation Security Administration (the “TSA”) passenger security checkpoints. The majority of the cost of maintaining this checkpoint security force is reimbursable from the TSA, with the balance of the cost paid by the airlines. Full time employees include public safety officers, firefighters, operations specialists, maintenance workers, accountants, marketing and guest services officers and telecommunication and information technology specialists.

None of the employees of the Authority are represented by a collective bargaining agreement. The Authority is not aware of any active organizing effort among its employees and is precluded by State statute from entering into collective bargaining agreements with employees. Management believes the relationship between Authority and its employees is generally positive.

Authority Board

The current members of the Authority Board, the expiration of their terms, the governmental unit appointing the members and their business affiliation are set forth below:

<u>Authority Board Members</u>	<u>Term Expires (June)</u>	<u>Appointing Unit</u>	<u>Principal Business Affiliation</u>
Brad Gailbraith, <i>Chair</i>	2026	City	Vice President – Community Development, Biltmore Farms
George Erwin, Jr., <i>Vice Chair</i>	2023	Henderson County	Retired - Executive Director, North Carolina Association of Chiefs of Police; Retired Henderson County Sheriff
Nathan Kennedy	2026	Henderson County	Vice President and Commercial Banker, Truist Financial
Susan Russo Klein	2023	City	Partner, Roberts & Stevens Attorneys at Law
Britt Lovin	2025	Board-Appointed	Vice President and General Manager, Andy Oxy Co.
Carl H. Ricker, Jr.	2024	Buncombe County	Chairman and Founder, Azalea Management Real Estate Development Company
Robby Russell	2026	Buncombe County	Commercial Lender, First National Bank of Pennsylvania

Authority Administration

The following are the names, backgrounds and duties of certain management personnel of the Authority.

Low Bleiweis, A.A.E, President and Chief Executive Officer. Mr. Bleiweis serves as President and Chief Executive Officer of the Authority. He has been with the Authority since 2008 and has led the organization since 2009. He has over 30 years of experience in the aviation industry with the majority of his time focused on airport management, including areas of properties, operations, maintenance, purchasing, and risk management.

During his tenure, Asheville Regional Airport has grown from a non-hub airport to a thriving small hub airport with over one million annual passengers, the Authority’s fund balance has increased and several large-scale capital expansion projects have been completed, including the construction of the airport’s first parking garage. Prior to joining the Authority, he worked for the Louisville Regional Airport Authority in Louisville, Kentucky, where he held several positions including Director of Properties. Mr. Bleiweis also held several positions with the Kansas City Aviation Department, Kansas City, Missouri and the Roanoke Regional Airport Commission, Roanoke, Virginia.

Mr. Bleiweis is currently serving as Airport Council International North America's (ACI-NA) Past-Chair, after completing his two-year term as Chair. He has served as Chair of the ACI-NA U.S. Policy Board, a member of ACI World Governing Board, a Member of the Board of Directors for American Association of Airport Executives (AAAE), and President of the Southeast Chapter AAAE. He is an Accredited Airport Executive (A.A.E.) by the American Association of Airport Executives. He received his Bachelor of Science degree in aviation business administration/airport management from Embry-Riddle Aeronautical University.

Michael A. Reisman, A.A.E., Chief Operating Officer. Mr. Reisman serves as Chief Operating Officer of the Authority. He has served with the Authority since January 2011 and has been in the airport management profession for over 35 years. Previously, he served at multiple airports including roles as the Airport Manager, Director of Operations, Maintenance and Security, and in other operational positions. Mr. Reisman has served as a member on numerous national and regional professional boards and committees, including the American Association of Airport Executives, President of the Southeast Chapter of the American Association of Airport Executives, President of the Colorado Airport Operators Association, Convention and Visitors Bureau Board Chairman, Chamber of Commerce Board, Governors Transportation Task Force and others.

During his tenure with the airport, Mr. Reisman has directly managed and overseen every major capital construction and planning project the airport has undertaken, including the airfield re-development project, the new public safety facility, the new parking garage, terminal building renovations, apron expansion and reconstruction projects, utility infrastructure projects, terminal infrastructure study, two airport master plans and many others. He is an Accredited Airport Executive (A.A.E.) by the American Association of Airport Executives, and holds a bachelor's degree in professional aeronautics from Embry-Riddle Aeronautical University, with concentrations in airport management and air traffic control technology.

John Coon, A.A.E., Vice President – Operation and Maintenance. Mr. Coon, an accredited airport executive, has over 35 years of experience in aviation management and joined the Authority in February 2016. Mr. Coon was born in Northern Michigan and has worked at both commercial and general aviation airports in Michigan, Indiana, Kentucky and Georgia. Mr. Coon has a bachelor's degree in aviation management from Western Michigan University and a master's degree of business administration from Anderson University.

Tina Kinsey, A.A.E., Vice President – Marketing, Public Relations and Air Service Development. With more than 30 years of experience in marketing and business development, the most recent 13 years in the airport industry, Ms. Kinsey has specific expertise in marketing, market research, business planning and development, public relations, media relations and crisis communications. She holds a bachelor's degree in speech communication and business administration from Berry College in Georgia, and a master's degree in speech communication from Colorado State University.

Ms. Kinsey served as Chair of the Airports Council International – North America Marketing Steering Committee in 2019, and as the President of the North Carolina Airports Association in 2018-2019. She is also an Accredited Airport Executive (A.A.E.) with the American Association of Airport Executives. She serves on local boards and committees, most recently appointed to the Four Seasons Hospice Board in western North Carolina.

Janet Burnette, Chief Financial Officer. Ms. Burnette has served in her current role since 2014. She holds a bachelor's degree in accounting and a master's degree in business administration, both from Western Carolina University, and is licensed in North Carolina as a certified public accountant.

Ms. Burnette has more than 35 years of experience in finance including more than 20 years serving in senior management positions. She has extensive experience overseeing organizational budgets and has administered the funding of various construction projects. Throughout her professional career, she has been responsible for the preparation of annual financial statements which were audited by independent certified public accountants. Each of these audits resulted in clean, unqualified opinions.

THE AIRPORT

General

The Authority owns and is responsible for the operation of the Airport, which is located approximately 15 miles south of the Asheville central business district along the southern border of Buncombe County and northern border of Henderson County, at the intersection of Interstate 26 and State Highway NC 280. The Airport is located approximately 10 miles south of Interstate 40. The Airport encompasses approximately 900 acres. The Airport, which is designated as a “small hub” by the FAA, is used daily by scheduled commercial airline traffic, as well as general aviation, including business aviation and privately owned/operated aircraft, military aircraft, and aircraft used in flight training activities.

Approximately 300 of the Airport’s 900 acres are developed. The Airport has one primary runway, two parallel taxiways and a series of connector taxiways. The Airport’s existing terminal building was originally constructed in 1960 and, following multiple modular expansions over years, has approximately 113,000 square feet of public space. The existing terminal building includes five passenger boarding gates with boarding bridges and two ground loading passenger gates. As described under “THE PROJECT,” most of the existing terminal building will be replaced in connection with the construction of the Project.

Between 2015 and 2019, the Airport was one of the top three fastest growing small hub airports in the country based on the number of enplaned passengers. As with the rest of the aviation industry, the Airport felt the significant impacts of the COVID-19 pandemic. Through the pandemic, however, the Airport maintained most of its routes (some with lower frequencies) and even added new routes. The Airport’s passenger traffic, measured relative to pre-pandemic passenger traffic levels, was consistently above the national average for such period during the COVID-19 pandemic. The Airport’s passenger traffic is now operating at levels in excess of pre-pandemic levels. As of January 2023, approximately 30 daily flights depart from the Airport, connecting the Airport’s service area to 25 non-stop domestic destinations. For the fiscal year ended June 30, 2022, the Airport saw a record number of enplanements in excess of 840,000. See “THE AIRPORT—Recent Developments Related to COVID-19 Pandemic” below.

The following table shows the passenger enplanements at the Airport by all airlines over the last six fiscal years and certain information for the six-month period ended December 31, 2022 compared to prior periods:

Fiscal Year Ended <u>June 30,</u>	<u>Enplanements</u>	<u>Annual Change</u>
2017	441,769	--
2018	521,686	18.1
2019	681,607	30.7
2020	619,599	-9.1
2021	456,187	-26.4
2022	840,713	84.3

<u>July through December</u>	<u>Enplanements</u>	<u>Percentage Change</u>
2019 (FY 2020)	448,308	--
2020 (FY 2021)	183,117	-59.2%
2021 (FY 2022)	442,945	141.9
2022 (FY 2023)	522,526	18.0

The following table shows the monthly passenger enplanements at the Airport from July 2019 to December 2022:

	<u>Enplaned Passengers</u>					<u>Percent Change from 2019</u>			
	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>
July	55,728	81,749	27,034	91,609	98,914	46.7%	-51.5%	64.4%	77.5
August	53,775	75,825	27,853	71,735	90,425	41.0	-48.2	33.4	68.2
September	44,766	69,344	25,151	65,120	78,697	54.9	-43.8	45.5	75.8
October	60,054	81,495	38,732	85,762	96,632	35.7	-35.5	42.8	60.9
November	56,905	69,003	34,804	65,431	78,734	21.3	-38.8	15.0	38.4
December	49,594	70,892	29,543	63,288	79,124	42.9	-40.4	27.6	59.5
January	45,770	58,017	22,658	41,920		26.8	-50.5	-8.4	
February	43,707	52,746	22,977	47,636		20.7	-47.4	9.0	
March	60,805	31,418	39,029	67,677		-48.3	-35.8	11.3	
April	61,230	1,210	48,371	70,179		-98.0	-21.0	14.6	
May	71,960	7,717	62,546	79,946		-89.3	-13.1	11.1	
June	77,313	20,183	77,489	90,410		-73.9	0.2	16.9	
Total	681,607	619,599	456,187	840,713		-9.1	-33.1	23.3	

See “THE AIRPORT—Recent Developments Related to COVID-19 Pandemic” below and Appendix B hereto for more information on the impact of the COVID-19 Pandemic on the Airport’s passenger traffic during the fiscal years ended June 30, 2020 and 2021.

Air Service Area

The Airport serves as the primary airport for the Asheville metropolitan area and the surrounding counties in the mountains of North Carolina. The Asheville-Brevard CSA (“CSA”) is made up of the five counties in and around Asheville. The Airport considers the five counties making up the CSA and six additional counties its air service area (the “Air Service Area”). The 2021 population estimate of the Air Service Area is estimated to be approximately 711,595 based on data compiled by Woods & Poole, Economics, Inc. The Airport is the westernmost major airport in North Carolina and draws significant users travelling for tourism and leisure.

Asheville is located in Buncombe County and serves as the center for government, commercial, financial, medical, recreational and entertainment activities for the region. Asheville’s natural and architectural features, moderate climate, outdoor recreation activities, as well as the “foodie” culture and local brewery and distillery businesses, drive the City’s rankings by third party publications as one of the best places to live, work, play and retire in the United States. The region is a leading leisure destination and is home to the Biltmore Estate, the Grove Park Inn, the Blue Ridge Parkway, the Pisgah National Forest, the Great Smoky Mountain National Park as well as many State parks. There are over 30,000 homeowners that have a second home in the Asheville area. The Greenville-Spartanburg International Airport located in Greer, South Carolina, which primarily serves the “upstate” area of South Carolina, is approximately 58 miles southeast of the Airport and is the closest airport with similar levels of service. The Tri-Cities Regional Airport located in Kingsport, Tennessee, which primarily serves the Tri-Cities area of Tennessee and Virginia, is approximately 89 miles north of the Airport. The Tri-Cities Regional Airport provides limited direct flights, with most of the flights going to American Airlines and Delta Air Lines hubs. The Airport is located approximately 104 miles west of Charlotte Douglas International Airport in Charlotte, North Carolina.

The following table shows the estimated population in the Air Service Area and North Carolina of the dates set forth:

<u>Year</u>	<u>Air Service Area</u>	<u>State</u>
2010	665,426	9,574,586
2015	681,585	9,965,419
2020	707,280	10,457,177
2021	711,595	10,551,162

Source: Woods & Poole Economics, Inc. (2021).

The following tables show the major employers in Buncombe County and Henderson County, the two counties adjacent to the Airport:

<u>BUNCOMBE COUNTY</u>		
<u>Employer</u>	<u>Industry</u>	<u>Employees</u>
Mission Health Hospital	Health Care & Social Assistance	1000+
Ingles Markets, Inc.	Retail Trade	1000+
Buncombe County Board of Education	Educational Services	1000+
Veterans Administration	Health Care & Social Assistance	1000+
Biltmore Workforce Management Inc.	Arts, Entertainment, & Recreation	1000+
County of Buncombe	Public Administration	1000+
City of Asheville	Public Administration	1000+
Wal-Mart Associates Inc.	Retail Trade	1000+
Eaton Corporation	Manufacturing	500-999
Kendro Laboratory Products LP	Manufacturing	500-999
A-B Tech	Educational Services	500-999
UNC Asheville	Education Services	500-999
Mountain Area Education Center	Health Care & Social Assistance	500-999
Asheville City Schools	Educational Services	500-999
State of NC Dept. of Health and Human	Public Administration	500-999
Teletch Services Corporation	Other Services	500-999
Mission Health Community Multispecialty Providers LLC	Health Care & Social Assistance	500-999
Parallon Enterprises LLC/HCA	Health Care & Social Assistance	500-999
Lowes Home Centers Inc.	Retail Trade	500-999
Fastmed Urgent Care PC	Health Care & Social Assistance	500-999
M B Haynes Corp	Construction	500-999
Omni Hotels Management Corp.	Accommodation & Food Services	500-999
Wilsonart LLC	Manufacturing	500-999
Borgwarner Turbo Systems Inc.	Manufacturing	500-999
U.S. Postal Service	Transportation & Warehousing	250-499

HENDERSON COUNTY

<u>Employer</u>	<u>Industry</u>	<u>Employees</u>
Henderson County Board of Public Education	Educational Services	1000+
Margaret R. Pardee Memorial Hospital	Health Care & Social Assistance	1000+
Ingles Markets, Inc.	Retail Trade	1000+
Park Ridge Health	Health Care & Social Assistance	1000+
County of Henderson	Public Administration	500-999
Wal-Mart Associates Inc.	Retail Trade	500-999
Meritor Heavy Vehicle Systems LLC	Manufacturing	250-499
Continental Automotive Systems Inc.	Manufacturing	250-499
Hospice of Henderson County LLC	Health Care & Social Assistance	250-499
Blue Ridge Community College	Educational Services	250-499
Sierra Nevada Brewing Co.	Manufacturing	250-499
UPM – Raflatac Inc.	Manufacturing	250-499
City of Hendersonville	Public Administration	250-499
Carolina Village Inc.	Health Care & Social Assistance	250-499
Current Lighting Employee Co. LLC	Wholesale Trade	250-499
Blue Ridge Community Health Service	Health Care & Social Assistance	250-499
Lionbridge Global Solutions Inc.	Professional, Scientific & Technical Services	100-249
Flexcare LLC	Administrative & Support	100-249
Kimberly Clark Corp	Manufacturing	100-249
Mau Workforce Solutions	Administrative & Support	100-249
Manual Woodworkers and Weavers Inc.	Manufacturing	100-249
Westrock Services LLC	Manufacturing	100-249
Hunter Corporation	Retail Trade	100-249
US Postal Service	Transportation & Warehousing	100-249
FedEx Ground Package System Inc.	Transportation & Warehousing	100-249

Source: Asheville Area Chamber of Commerce (2022).

The Department of Commerce, Division of Labor and Economic Analysis has estimated the percentage of unemployment in the CSA, the State and the United States to be as follows:

<u>Month</u>	<u>CSA¹</u>	<u>State</u>	<u>United States</u>
January 2021	5.5%	6.0%	6.8%
February 2021	5.1	5.6	6.6
March 2021	4.1	4.6	6.2
April 2021	3.9	4.4	5.7
May 2021	4.0	4.5	5.5
June 2021	4.4	4.9	6.1
July 2021	4.0	4.6	5.7
August 2021	3.8	4.4	5.3
September 2021	3.2	3.8	4.6
October 2021	3.1	3.7	4.3
November 2021	2.9	3.4	3.9
December 2021	2.6	3.2	3.7
January 2022	3.1	3.8	4.4
February 2022	3.1	3.7	4.1
March 2022	2.9	3.6	3.8
April 2022	2.8	3.4	3.3
May 2022	3.1	3.6	3.6
June 2022	3.4	4.1	3.8
July 2022	3.0	3.7	3.8
August 2022	3.2	3.9	3.8
September 2022	2.7	3.3	3.3
October 2022	3.3	3.9	3.4
November 2022	3.1	3.8	3.4
December 2022			3.3
January 2023			
February 2023			

¹ Separate data for the total Air Service Area is not available.

Source: United States Department of Commerce, Bureau of Economic Analysis (latest data available).

Per capita personal income figures for the Air Service Area, the State and the United States are presented in the following table:

<u>Year</u>	<u>Air Service Area</u>	<u>State</u>	<u>United States</u>
2010	\$33,013	\$37,582	\$42,497
2015	36,739	40,807	47,265
2020	41,951	45,849	53,178
2021	41,445	45,412	52,768

Source: Woods & Poole Economics, Inc. (2021).

For more information on the Air Service Area, see the Consultant's Report in Appendix B to the Official Statement.

Airport Facilities

Airfield. In 2014, the Authority undertook a multi-phase construction project to redevelop and upgrade its existing airfield. This project was completed in 2020 resulting in a new runway, a new parallel taxiway and improvements to all other taxiways. The airfield now consists of a single 8,000-foot-long and 150-foot-wide runway, two parallel taxiways, and a series of connector taxiways. The runway is equipped with high intensity runway lighting systems, centerline lighting, and touchdown zone lights. Precision instrument landing systems are installed on both ends of the runway for approaches during instrument flight rules conditions. The Airport facilities are capable of handling takeoffs and landings of most aircraft currently in commercial use.

Passenger Terminal Facilities. The Airport's existing terminal building was originally constructed in 1960 and, following multiple modular expansions over the years, has approximately 113,000 square feet of public space. The existing terminal building includes five passenger boarding gates with boarding bridges and two ground loading passenger gates. In addition to the airline gates, the terminal building includes the Authority's administrative offices, ticket counter and office, storage and other required spaces for airlines, concessions and rental car providers. As described under "THE AIRPORT," most of the existing terminal building will be replaced in connection with the construction of the Project.

Certain arrangements of the Authority with airlines and concessionaires with respect to the use of the passenger terminals are described under "THE AIRPORT – Airport Revenues" below.

Parking Facilities. There are approximately 2,357 public parking spaces located in surface lots and a five-story garage at the Airport. The garage, which opened in 2017, includes four levels of public parking and one level dedicated to rental car operations providing 224 ready/return spaces. As the described under "THE AIRPORT – Airport Revenues" below, the Airport's parking facilities (other than the rental car and employee parking) are managed by LAZ Parking Georgia, LLC. **[Insert discussion of additional surface lot parking.]**

Rental Car Facilities. Three automobile rental companies operating eight rental car brands have a presence at the Airport serving customers from the Airport's consolidated rental care service facility located remote from the terminal and on a dedicated floor of the parking garage. Certain arrangements of the Authority with the rental car companies are described under "THE AIRPORT – Airport Revenues" below.

Other Airport Facilities. Various other facilities are located at the Airport, including general aviation facilities, on-Airport rental car service centers, fuel storage facilities, aircraft rescue, firefighting and public safety facilities, service station and maintenance facilities and an air traffic control tower located on top of the terminal building. The existing air traffic control tower will be replaced as part of the Project.

Cargo Facilities. There are no cargo facilities at the Airport.

Fixed Based Operator. There is one Fixed Base Operator ("FBO") at the Airport which is Signature Flight Support Corporation, and the term of the lease expires March 31, 2049. The services provided are aircraft maintenance repair, fueling services to general aviation as well as the commercial air carriers. Revenues paid to the Authority include ground rent, hangar rent, overflow ramp rent, fuel facilities, and a percentage of gross fee of five percent for all non-aeronautical services and/or products, a five percent of gross receipts for all into-plane fueling services for airline fueling, and fuel flowage fee of five cents per gallon of fuel delivered.

Passenger Air Carriers

As of January 1, 2023, the Airport was served by the following airlines:

Allegiant Air
 American Airlines
 Delta Air Lines
 JetBlue
 Sun Country Airlines
 United Airlines

In addition to the service provided by the airlines listed, a number of airlines have affiliations with other regional and commuter airlines that operate as part of the system of the mainline airline and that provide service at the Airport. American Airlines, Delta Air Lines and United Airlines have such arrangements under which service is provided at the Airport by regional affiliates.

For the fiscal year ended June 30, 2022, origin and destination (O&D) passengers accounted for 99.7% of the passenger traffic at the Airport. As of December 2022, the Airport currently serves 25 domestic destinations through nonstop service with an average of approximately 30 daily departing flights. At present, the Airport serves domestic traffic and does not serve international traffic.

The following table shows recent enplaned passenger data in thousands by airline (including their affiliates), and the percentage of total enplanements represented thereby, for each fiscal year ended June 30, 2022:

<u>Airline</u>	<u>(In Thousands)</u>									
	<u>2018</u>		<u>2019</u>		<u>2020</u>		<u>2021</u>		<u>2022</u>	
Allegiant Air	175	33.5%	274	40.3%	270	43.6%	222	48.6%	391	46.5%
American Airlines	117	22.4	144	21.2	146	23.6	126	27.5	208	24.7
Delta Air Lines	146	28.0	149	21.9	111	18.0	74	16.3	163	19.4
United Airlines	82	15.7	73	10.8	60	9.7	35	7.6	69	8.1
Spirit Airlines ¹	0	0	40	5.8	31	5.0	0	0	0	0
Elite Airways ¹	2	0.3	1	0.1	2	0.1	0	0	0	0
JetBlue Airways	0	0	0	0	0	0	0	0	1	0.1
Sun Country Airlines	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>	<u>1.2</u>
Total	522	100%	682	100%	620	100%	457	100%	841	100%

¹ Ceased operation at the Airport in 2020.

Note: Totals may not foot due to rounding.

The following table shows the major destinations (all are which are non-stop) for travel originating at the Airport by average daily O&D enplaned passengers for the calendar year ended December 31, 2022:

<u>Rank</u>	<u>Destination</u>
1.	Fort Lauderdale
2.	St. Petersburg
3.	Sanford (Orlando Area)
4.	Newark
5.	Punta Gorda
6.	Chicago/O'Hare
7.	Orlando
8.	Denver
9.	Baltimore
10.	Tampa

In 2022, carriers serving the Airport added routes and frequencies: as follows

- Allegiant Air started providing year-round service to Denver and Chicago-Midway. Service to these airports were previously only seasonal.
- American Airlines added new nonstop service to Austin, Texas; Boston, Massachusetts; and Miami, Florida. American also increased its frequency of service to New York, New York (LGA), and to Washington, D.C. (DCA).
- Delta Air Lines grew service in 2022 with a sixth daily flight to Atlanta, Georgia (ATL); larger aircraft for flights to Minneapolis, Minnesota (MSP) and expanded frequency to New York, New York (LGA).
- JetBlue entered the market in 2022 with summer seasonal service (5x/week) to Boston, Massachusetts.
- United Airlines expanded its seasonal daily service to Newark, New Jersey (EWR) to year-round service.

For 2023, carriers serving the Airport have announced the following:

- American Airlines will expand its nonstop seasonal service to New York, New York (LGA) to year-round service.
- Delta Air Lines will add frequency for its Minneapolis, Minnesota (MSP) route.
- JetBlue will increase frequency to daily for its summer seasonal nonstop to Boston, Massachusetts.

Allegiant Air initiated service at the Airport in 2011. Since that time, the Airport has been Allegiant Air's fifth fastest growing market. For the fiscal year ended June 30, 2022, Allegiant Air accounted for 46.5% of the Airport's enplanements. Allegiant Air currently serves 17 markets non-stop from the Airport catering to passengers originating from Asheville in addition to passengers travelling to the area for vacation and leisure. Allegiant Air also has a maintenance base in Asheville with four overnighing aircraft, with plans to increase this number, and more than 75 employees calling the Asheville area home. Allegiant Air's continued growth at the Airport throughout the COVID-19 pandemic has helped to limit the pandemic-induced reduction in the Airport's total flight capacity.

The Project will increase the total number of gates at the Airport from seven to 12 gates. The Authority anticipates that this expansion will foster continued capacity growth at the Airport.

Airport Revenues

This section provides information on the various sources of revenue at the Airport. For more information on the various sources of revenue including the impact of the COVID-19 pandemic, see the Airport Consultant's Report in Appendix B to the Official Statement.

Parking Revenues. The Airport offers short-term hourly lot parking, long-term structured parking, economy daily parking at surface lot, and a recently opened economy daily parking lot with shuttle service. Parking rates are set based upon level of service. Current rates for parking are as follows:

	<u>Daily Maximum Rate</u>
Hourly	\$25
Garage Parking	\$13
Daily Lot	\$10
Shuttle Lot	\$10

There are no off-Airport parking providers, except for certain hotels that offer stay and park services.

The Airport's parking facilities (other than rental car and employee parking) are managed by LAZ Parking Georgia, LLC, which the Authority compensates according to a fixed monthly payment schedule plus a per transaction payment for each paid vehicle transaction after the first 170,000 in a fiscal year.

For the fiscal year ended June 30, 2022, parking revenues accounted for approximately 35.3% of the total operating revenue, including CFCs, of the Authority.

Airline Generated Revenues. The GARAA Act grants the Authority the power to "[c]harge and collect fees, royalties, rents, and/or other charges, including fuel flowage fees, for the use and/or occupancy of property owned, leased, subleased, or otherwise controlled or operated by the Authority or for services rendered in the operation" of the Airport. Pursuant to such authorization, the Authority has adopted an Airline Rates, Fees & Charges Ordinance (the "Rate Ordinance") under which the Authority establishes a schedule of rates, fees and charges at the beginning of each fiscal year. The Authority maintains an operating agreement with each airline operating at the Airport. The terms of the airline operating agreements provide that either party may terminate the agreement on sixty (60) calendar days' notice to the other party. See "RISK FACTORS AND INVESTMENT CONSIDERATIONS – Termination of Airline Operating Agreements."

Pursuant to the Rate Ordinance, airline rates and charges are developed under a commercial compensatory rate making methodology. Prior to the establishment of the Schedule of Rates, Fees and Charges each fiscal year, the Authority notifies the airlines in writing of the anticipated Schedule of Rates, Fees and Charges to be in effect for the upcoming fiscal year. The Authority then meets with airlines to present the Schedule of Rates, Fees and Charges, expenses and capital charges used in the calculation, and to address any questions or concerns raised by the airlines. So long as the airline has been notified as described above, the new schedule will be implemented on the first day of the new fiscal year.

Each airline operating at the Airport is responsible for paying the following rates and charges:

- Terminal rents for preferential (areas in the terminal assigned to the airline) and joint use space (baggage make-up, baggage claim and gate area);
- Landing fees for the use of the airfield, apron and appurtenant facilities; and

- Other fees and charges (passenger security charges and loading bridge fees).

The cost base for calculating the terminal rental rate is defined as the sum of (1) operation and maintenance expenses allocated to the terminal building cost center, (2) the O&M reserve requirement for the terminal building cost center, (3) net depreciation, amortization and capital outlay allocated to the terminal building cost center, and (4) debt service payments on Authority debt incurred for airfield improvements, less any non-airline revenue credits applied by the Authority. Each airline's share of cost is derived by multiplying the rental rate by the airline's preferential use space and its share of joint use space as determined by a joint use formula.

The cost base for the calculation of landing fees is defined as the sum of (1) operation and maintenance expenses allocated to the airfield cost center, (2) the O&M reserve requirement for the airfield cost center, (3) net depreciation, amortization and capital outlay allocated to the airfield cost center, and (4) debt service payments on Authority debt incurred for airfield improvements, less any non-airline revenue credits applied by the Authority. These costs are charged to the individual carriers on the basis of landed weight.

Under the Rate Ordinance, the Authority may assess fees to recover certain other costs including, but not limited to, utilities and services, employee parking fees, telecommunications charges, paging system fees, triturator fees, skycap services, preconditioned air and fixed ground power fees, security measure costs, common use fees and common equipment charges, and law enforcement fees (net of TSA reimbursement). At present, the Authority assesses a passenger security charge on a per enplanement basis to recover passenger-related security checkpoint and security personnel costs net of TSA reimbursement, a loading bridge fee on a per departure basis to recover operating and capital costs associated with loading bridges, and certain per use fees for unassigned ticket counters and share exempt carriers.

Pursuant to the Rate Ordinance, terminal rents are due monthly without invoice, demand, set-off or deduction on before the first calendar day of the month. Landing fees for the immediately preceding month are due by the 15th day of the following month. Payments for other airline fees and charges are invoiced by the Authority and due upon receipt of the invoice.

For the fiscal year ended June 30, 2022, airline generated revenues accounted for approximately 19.3% of the total operating revenue, including CFCs, of the Authority.

Concession and Advertising Revenues. The Authority has contractual relationships with concessionaires for food and beverage, retail, advertising and various other miscellaneous services at the Airport. Contracts with various durations are in place for food/beverage, retail merchandise and services. The concession agreement for retail and food/beverage pays revenue to the Authority either as a minimum annual guarantee or a percentage of gross revenues, whichever is greater. The advertising program is managed in-house. Since the Authority took the program in-house over seven years ago, the Authority's advertising revenue has grown by over 200%.

For the fiscal year ended June 30, 2022, concession and advertising revenues accounted for approximately 4.2% of the total operating revenue, including CFCs, of the Authority.

Rental Car Revenues. Three automobile rental companies operating eight rental car brands (Alamo, Avis, Budget, Dollar, Enterprise, Hertz, National, and Thrifty) provide service at the Airport under agreements having terms ending June 30, 2030. The Airport's consolidated rental car service facility, constructed in 2008, is remote from the terminal and provides the rental car agencies a centralized location to quickly service vehicles in between rentals. The rental car companies also have a dedicated floor of the Airport's parking garage for pick-ups and returns. Under the terms of the agreements between the Authority

and the companies operating on the Airport property, the Authority realizes a concession fee of 10% of gross automobile rental revenues, subject to minimum annual guarantees. In addition, the companies operating at the Airport also pay facility rent, ground rent and maintenance and operations fees.

In 2004, the Authority began requiring the rental car companies at the Airport to charge a customer facility charge (“CFC”) to be used to pay, or to reimburse the Authority, for capital costs for construction and improvement of rental car facilities at the Airport. The CFC was initially \$2.00 per transaction day and subsequently increased to \$4.00 on May 1, 2007, and again to \$4.25 on December 10, 2010 where it currently stands. CFC revenues are included as “Revenues” under the terms of the Master Indenture. In the fiscal year ended June 30, 2022, CFCs represented approximately \$1.9 million in revenue to the Authority.

For the fiscal year ended June 30, 2022, rental car revenues, including CFCs, accounted for approximately 30.1% of the total operating revenue of the Authority.

Transportation Network Companies. Transportation Network Companies (“TNCs”) such as Uber and Lyft operate on Airport premises pursuant to a permitting regime. TNC permittees are assessed a fee-per-trip of \$2.50 per pick-up and \$0.50 per drop-off. TNCs conducted approximately 86,000 trips in the fiscal year ended June 30, 2022, representing approximately \$110,000 in revenue to the Authority.

PFCs. As discussed under “SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS—Treatment of Passenger Facility Charges and Federal and State Grant Funds,” the Authority collects PFCs. PFCs collected were \$2.6 million, \$2.3 million and \$3.7 million, respectively, in the fiscal years ended June 30, 2020, 2021 and 2022. The Authority has not designated PFCs as “Revenues” under the General Indenture, but the Authority intends to use PFCs to pay debt service on the 2023 Bonds.

Financial Information

The financial statements of the Authority for the Fiscal Year ended June 30, 2022 have been audited by certified public accountants. Copies of these financial statements containing the unqualified report of the independent certified public accountants are available in the office of Director of Finance and Accounting, Greater Asheville Regional Airport Authority, 61 Terminal Drive, Suite 1, Fletcher, North Carolina 28732. Attached hereto in Appendix A is the Management Discussion and Analysis and the Basic Financial Statements of the Authority and the notes thereto, taken from the audited Annual Financial Report of the Authority for the fiscal year ended June 30, 2022.

The following table presents the Authority’s Summary of Operations for the fiscal years ended June 30, 2020, 2021 and 2022, derived from the Authority’s audited financial statements included in Appendix A.

	Fiscal Year Ended June 30,		
	2020	2021	2022
Operating revenues			
Terminal	\$6,089,973	\$5,505,373	\$7,828,418
Airfield	1,298,340	1,205,993	1,790,168
General Aviation	1,052,110	1,008,205	699,991
Parking lot	5,490,396	3,343,403	7,956,131
Golf course ¹	-	1,698,388	293,179
Land use	200,170	223,704	310,313
Other	68,414	910,761	56,120
Total Operating Revenues	\$14,199,403	\$13,895,827	\$18,934,320
Operating Expenses			
Administration	\$1,294,039	\$811,486	\$484,939
Development	450,254	321,453	388,857
Executive	739,261	1,080,501	1,132,918
Finance	411,641	444,849	506,558
Guest services	213,532	199,358	234,287
Information technology	827,045	941,089	999,110
Marketing	563,073	379,631	579,931
Operations	3,324,897	2,867,437	3,897,678
Public safety	1,174,853	1,531,060	1,824,030
Business Development	150,000	111,846	223,850
Properties and contracts	166,334	152,547	175,181
Golf course ¹	-	1,405,623	172,652
CRRSA Grant			[170,126]
Depreciation	5,273,175	5,427,376	5,469,323
Total Operating Expenses	\$14,588,104	\$15,674,253	\$16,259,440
Operating Income (loss)	\$(388,701)	\$(1,778,426)	\$2,674,880
Non-Operating Revenue (Expenses)			
Passenger facility charges	\$2,598,307	\$2,301,153	\$3,781,512
Customer facility charges	1,752,173	1,507,251	1,932,909
Interest revenue	374,504	32,371	1,180,688
Gain on disposal of capital assets	32,315	90,000	38,300
Debt issuance costs			(911,966)
Interest expense	(423,951)	(390,798)	(358,263)
Total Non-Operating Revenues, net	\$4,333,348	\$3,539,977	5,663,180
Income Before Capital Contributions	\$3,944,647	\$1,761,551	8,338,060
Capital contributions	\$10,328,288	\$35,138,365²	\$22,256,157
Change in Net Position	\$14,272,935	\$36,899,916	\$30,594,217
Net Position, beginning of year	\$154,808,172	\$169,081,647	\$205,981,563
Net position, end of year	\$169,081,647	\$205,981,563	\$236,575,780

¹ In 2020, the Authority purchased Broadmoor Golf Links, an approximately 193-acre golf course adjacent to the Airport. See "Capital Improvement Program" below for more information.

² The increase is primarily due to an increase in Federal and State grant funds for runway and apron construction projects and terminal design project as well as approximately \$11.1 million from Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. Of such \$11.1 million, approximately \$6.4 million was used for operating expenses, \$3.0 million was used for construction projects and \$1.7 million was used for debt service.

Management’s Discussion and Analysis

Prior to the COVID-19 pandemic, the Authority had seen a number of consecutive years of record passenger growth with a record-breaking calendar year 2019, making the Airport one of the fastest growing airports in the United States. The Airport is mostly a leisure market-based airport and as such saw a climb in passenger traffic beginning the spring of 2021. For the fiscal year ended June 30, 2022, passenger numbers were 23.3% higher than the fiscal year ended June 30 2019 (pre-pandemic). The total net operating income before depreciation for the fiscal year ended June 30, 2022 was \$8.1 million. Capital contributions were \$22.2 million, with \$14.7 million in Federal and State grant funds for apron construction projects and terminal design project. Also, \$7.5 million of this amount was from the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act funding.

Authority management continues to increase non-aeronautical revenues to sustain long-term aviation growth at the airport. The Broadmoor Golf Links golf course was acquired at the beginning of fiscal year ended June 30, 2021 and by early in the following fiscal year, a contract had been negotiated for the long-term management of the golf course and development a four diamond, or equivalent, hotel and conference center to be constructed on the Broadmoor property. See” Capital Improvement Program” below. Staff completed a master land plan for non-aeronautical property owned by the Authority. The new plan provides a path for the types and locations of future development, with the associated non-aeronautical revenues that would be derived from such development. Authority staff continues to work with the local economic development authorities to attract domestic and international manufacturing opportunities to the local community.

Authority management will continue to improve the Airport and its facilities in a financially prudent manner, especially taking into consideration the impacts of COVID 19, maximizing Federal, State, and other revenues to minimize the Authority’s internal funding commitment, thereby maximizing the Authority’s return on its investments.

Budget Information for the Fiscal Year Ended June 30, 2023

The Authority's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the enterprise fund. All annual appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. The budget ordinance must be adopted by May 15 for the upcoming fiscal year, or the Authority board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

The budget for the fiscal year ended June 30, 2023 was adopted by the Authority board on April 8, 2022. The adopted budget included operating revenues totaling \$20,305,531 and operating expenses totaling \$13,940,679 resulting in net operating income of \$6,364,852.

The Authority staff typically uses a conservative approach when developing the annual budgets, so actual revenues are generally higher, and expenditures are lower than budgeted. As of November 30, 2022, net operating income was \$10,465,403, 51.5% of the budgeted amount for the fiscal year. Throughout the fiscal year ending June 30, 2023, passenger traffic has continued to increase, so annual fiscal year 2023 net operating income will likely be higher than budgeted amounts.

For the fiscal year ended June 30, 2023, the Authority has applied approximately \$3.8 million of grant funding from the American Rescue Plan Act of 2021, of which approximately \$3 million was used for operating expenses and \$0.8 million was used for debt service.

Debt Service Coverage

The following table sets forth a calculation of the Authority's debt service coverage ratio, calculated in accordance with the Master Indenture for each of the years ended June 30:

Year ended <u>June 30,</u>	<u>Revenues [a]¹</u>	<u>Current Expenses [b]¹</u>	<u>Net Revenues [c]= [a] – [b]</u>	<u>Debt Service [d]</u>	<u>Debt Service Coverage Ratio [c]/[d]</u>
2018	\$14,163,893	\$ 8,220,376	\$5,943,516	\$1,702,666	3.49
2019	17,506,311	8,697,771	8,808,540	1,701,197	5.18
2020	16,326,080	8,665,827	7,660,253	1,703,952	4.50
2021	15,435,450	10,637,675	4,797,775	1,687,775	2.84
2022	22,047,917	12,060,346	9,987,571	1,689,531	5.91

¹ Calculated as provided in the Master Indenture as described under "SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS – Rate Covenant." Revenues do not include PFCs but do include CFCs. Current Expenses exclude depreciation and amortization.

Liquidity

As of June 30, 2022, the days cash on hand for the Authority was **[804/814]** days, an increase compared to 399 days at June 30, 2021 and 482 days at June 30, 2020. Based upon unaudited, internally prepared information, at February 28, 2023, days cash on hand for the Authority was _____ days (unrestricted cash and investment balance (\$ _____) divided by budgeted costs of operations and maintenance excluding depreciation (\$ _____)).

Liquidity information is presented herein for informational purposes only. The General Indenture does not contain any covenants related to liquidity or requiring the Authority to maintain a certain level of days' cash on hand. The Authority Board has adopted an internal policy calling for the maintenance of 180 days cash on hand.

Cost Per Enplanement

The following table sets forth the airline cost per enplanement over the last seven years computed by the Authority:

<u>Fiscal Year Ended June 30,</u>	<u>Cost per Enplanement</u>
2016	\$7.69
2017	5.80
2018	5.92
2019	5.17
2020	5.44
2021	6.09
2022	5.01

Recent Developments Related to COVID-19 Pandemic

Airports in the United States, including the Airport, were acutely impacted by the reductions in passenger volumes and flights, as well as by the broader economic shutdown resulting from the COVID-19 pandemic. The pandemic adversely affected domestic and international travel and travel-related industries and has resulted in changed commuting patterns for both business and leisure.

The Airport, similar to other airports around the nation, saw declines in many financial and operating metrics subsequent to the outbreak of COVID-19. Passenger enplanements and parking revenues significantly declined beginning mid-March 2020. Rental car transactions and demand for parking and ground transportation services also decreased significantly. Domestic air travel throughout the nation was severely impacted by the COVID-19 pandemic. Based on enplanements reported by the airlines at the Airport, for the fiscal year ended June 30, 2020, enplanements declined by approximately 9% when compared to the fiscal year 2019 and for the fiscal year ended June 30, 2021, enplanements declined by approximately 33% when compared to the fiscal year 2019. While these decreases were substantial, the Airport was not as negatively impacted as the aviation industry as a whole. This is due in part to the Asheville area serving as a national destination for outdoor travel and leisure as well as Allegiant Air's continued growth at the Airport. The Authority experienced an increase in enplanement activity throughout calendar years 2021 and 2022 and is now operating at levels well above fiscal year 2019, the last pre-pandemic year. See "THE AIRPORT - General" for more information on monthly enplanements.

The United States government, the Federal Reserve Board and foreign governments took legislative and regulatory actions and implemented measures to mitigate the broad disruptive effects of the COVID-19 pandemic. The Coronavirus Aid, Relief, and Economic Safety Act (the "CARES Act"), approved by the United States Congress and signed by the President on March 27, 2020, is one of the legislative actions to address the crisis created by the COVID-19 pandemic and includes among its relief measures direct aid for airports as well as direct aid, loans and loan guarantees for passenger and cargo airlines.

Provisions of the CARES Act, which provide \$10 billion of assistance to airports, include the following: (i) \$3.7 billion to be allocated among all commercial service airports throughout the nation based on calendar year 2018 enplanements for all commercial service airports, (ii) \$3.7 billion to be allocated among all commercial service airports based on a formula that includes as its factors the fiscal year 2018 debt service for a given airport as a percentage of the combined debt service for all commercial service airports, and the airport's ratio of unrestricted reserves to respective debt service, (iii) \$2 billion to be apportioned in accordance with the Airport Improvement Program entitlement formulas, subject to CARES Act formula revisions, (iv) \$500 million to pay a federal share of the costs of making grants under the Further Consolidated Appropriations Act, 2020 (Public Act 116-94), with unused amounts to be distributed to airports according to the allocations described in (i) and (ii), and (iii) \$100 million reserved for general aviation airports.

The Authority filed for and was awarded CARES Act funds totaling \$14,409,270. The airport sponsor may use these funds for any purpose for which airport revenues may be lawfully used. CARES Act grant recipients have been advised to follow the FAA's Policy and Procedures Concerning the Use of Airport Revenues ("Revenue Use Policy"), 64 Federal Register 7696 (64 FR 7696), as amended by 78 Federal Register 55330 (78 FR 55330). The Revenue Use Policy defines permitted uses of airport revenue. In addition to the detailed guidance in the Revenue Use Policy, the CARES Act states the funds may not be used for any purpose not related to the airport. Additionally, by accepting this grant, the Authority agreed to continue to employ, through December 31, 2020, at least 90 percent of the number of individuals employed by the Authority as of March 27, 2020. As a condition of receiving Federal assistance under this award, the Authority must comply with certain Federal audit requirements requiring that entities that expend \$750,000 or more in Federal awards to conduct a single or program specific audit for that year. These funds

were fully utilized by the Authority in the fiscal years ended June 30, 2021 and 2022 with the final draw conducted in December 2021. The Authority used these funds to reimburse the Airports for general operating expenses, debt service and reimbursement of a prior construction project.

The Authority also received in total \$4,059,068 in funding relief under the Airport Coronavirus Response Grant Program. These grants were used in full in fiscal year 2022 to reimburse the Airport for general operating expenses and debt service. Additionally, the Authority was awarded \$173,598 for concessionaires to provide relief from rent and minimum annual guarantees obligations to each eligible airport concession.

The Authority received \$8,473,025 from the third round of funding under the American Rescue Plan Act of 2021. Such funds are being used primarily to reimburse general operating expenses and provide some concessionaire relief in 2022 and 2023.

The Authority cannot predict all of the on-going or future impacts of the COVID-19 pandemic or another outbreak or pandemic. See “RISK FACTORS AND INVESTMENT CONSIDERATIONS - The COVID-19 Pandemic and Other Public Health Concerns.”

SEE APPENDIX B HERETO FOR MORE DETAILED INFORMATION ON THE IMPACT OF THE COVID-19 PANDEMIC ON THE AIRPORT’S OPERATIONS AND FINANCES.

Sustainability, Environmental, Social and Governance (ESG) Measures

The Authority defines sustainability as the responsibility to operate the Airport in a manner that ensures future generations will enjoy the same environment that the employees and passengers of the Airport experience today. The Authority adopted an environmental and sustainability policy on June 11, 2010. This plan focuses on improving the energy efficiency of operations and facilities by:

1. reducing energy consumption by 80% by 2050 and implementing alternative energy options to further reduce the Airport’s carbon footprint;
2. implementing best practices for managing stormwater at the Airport;
3. exploring ways to partner with local and regional efforts for conservation and greenway opportunities along the French Broad River; and
4. encouraging voluntary compliance with the policy by tenants of the Authority.

More recently, the Authority committed to join Airports Council International’s plan to reduce its carbon footprint to zero by 2050.

To accomplish these goals, the Authority is currently undertaking an update to its airport master plan. A sustainability plan is a component of this master plan update. A completed version should be completed by the first quarter of 2023.

Insurance

The Authority currently maintains property insurance for property not insured by others with per occurrence and aggregate limits totaling \$95.5 million, excess of a \$10,000 retention. The property insurance policies contain certain specific sub-limits, and the primary layer contains a self-insured retention

of \$10,000. The property insurance policies also include coverage for business interruption that pays certain fixed costs, including the annual debt service payments on the Authority's indebtedness, in the event revenues are lost due to damage or loss to an asset. The Authority maintains a \$10 million aggregate limit for named windstorm(s), excess the \$100,000 retention, with a per location, per occurrence wind deductible. The policy provides open-perils protection as opposed to specifically named-perils protection on a replacement cost basis which includes coverage for boiler and machinery, and loss of business income up to the policy limit per occurrence, with certain sub limits resulting from a covered property loss, including covered terrorism losses. Renovations to existing facilities not insured by others are included as covered losses under the Authority's current property insurance up to limits described herein. The Authority also maintains builders' risk insurance, when required for construction projects not covered by other property policies. It is expected that property insurance limits may be adjusted in the future, as is prudent in the airport industry and as insurance markets continue to evolve.

The Authority also maintains fiduciary liability, public official's liability, auto liability, storage tank, pollution liability, crime, public sector terrorism, and airport owners and operators' liability insurance. The Authority's airport liability insurance has a limit of \$1 billion annually including war and related exposures. The Authority maintains workers compensation insurance with statutory limits and associated employers' liability insurance. An independent risk management and insurance consultant also reviews the insurance policies.

The Authority requires its contractors and consultants to procure and maintain commercial general liability, auto, worker's compensation, and if applicable, professional liability and pollution liability coverage, on all projects and consulting assignments, in amounts commensurate with the scale and complexity of the work or services. Moreover, all construction projects are additionally secured by payment and performance bonds for the full contract value.

The Authority uses an independent risk management and insurance consultant who works with legal counsel in designing an insurance program which is in the best interest of the Authority, including evaluation, negotiation and recommendation of coverages and quotations.

Cybersecurity

[To be added.]

Pension

The Authority is a participating employer in the statewide Local Governmental Employees' Retirement System ("LGERS" or the "System"), a cost-sharing multiple-employer defined benefit pension plan, administered by the State. LGERS membership is comprised of general employees and local law enforcement officers ("LEO") of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report for the State of North Carolina. The State's Comprehensive Annual Financial Report includes financial statements and required supplementary information for LGERS.

The System provides, on a uniform System-wide basis, retirement and, at each employer's option, death benefits from contributions made by employers. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Authority employees

are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Authority's contractually required contribution rate for the year ended June 30, 2022, was 11.4% of compensation for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. The contribution rates for the fiscal year ending June 30, 2023 have been set at 12.1% for general employees. Contributions to the pension plan from the Authority were approximately \$475,241 for the year ended June 30, 2022.

Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service.

As of June 30, 2022, the Authority reported a liability of \$861,420 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021.

The Authority also administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the Authority's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service.

For information concerning the Authority's participation in the System and the Separation Allowance, see the Notes to the Basic Financial Statements of the Authority in Appendix A attached hereto.

Other Post-Employment Benefits

Under the terms of an Authority resolution, the Authority administers a single-employer defined benefit Health Care Plan. This Health Care Plan provides post-employment healthcare benefits to retirees of the Authority up to age 65, provided they participate in the LGERS, were hired prior to July 1, 2011, and were covered by the Authority's group health plan for the three years immediately preceding retirement. The Authority pays the full cost of coverage for these benefits through private insurers. Also, the Authority's retirees can purchase coverage for their dependents at the Authority's group rates. Employees hired on or after July 1, 2011, are not eligible for the Authority's post-employment healthcare benefits. Retirees who qualify for coverage receive the same benefits as active employees. Coverage for all retirees who are eligible for Medicare will no longer be eligible for post-employment healthcare benefits by the Authority.

The Authority has adopted Governmental Accounting Standards Board Statement No. 75 relating to the Accounting and Financial Reporting by Employers for Post-Employment Benefit Plans Other Than Pension Plans ("GASB 75"). GASB 75 requires governments to report a liability on the face of the financial statements for the OPEB that they provide. The Authority's total liability of \$1.24 million was measured as of June 30, 2020 and was determined by an actuarial valuation as of June 30, 2019. For the fiscal year ended June 30, 2022, the Authority recognized OPEB expense of \$65,753. As of June 30, 2022, the Authority reported \$477,830 as deferred outflows of resources and \$208,860 as deferred inflows of resources to OPEB.

For additional information concerning the Authority's OPEB obligations, see the Notes to the Basic Financial Statements of the Authority in Appendix A attached hereto.

Capital Improvement Program [Update as needed.]

The Authority has developed a capital improvement program covering the fiscal years ending June 30, 2023 through 2027 (the "Capital Improvement Program"). The Capital Improvement Program identifies airport capital improvements that are needed or desirable over the five-year horizon. The Capital Improvement Program includes expenditures on capital projects at the Airport of approximately \$40.9 million outside of the Project. Projects expected to be undertaken include reconstruction and expansion of the south general aviation apron, rental car facility repairs and replacement, rehabilitation of airfield taxiways and taxilanes, additional parking improvements, among other projects. Depending on circumstances and timing, the Authority may decide to defer or not to undertake the above-described projects. To the extent the Authority decides to proceed with projects included in the Capital Improvement Program, the projects would be funded from a combination of funds generated from Authority activities, PFCs, Airport Improvement Program grants-in-aid, grants from the State and other sources of funding. At present, the Authority does not have any specific plan to issue additional Bonds to finance any of the projects included in the Capital Improvement Program, but the Authority regularly continues to examine the condition of its general infrastructure and the need to meet the demands of the Airport's customers, and may utilize additional debt authorization in keeping with its objectives, subject to the provisions of the Master Indenture.

[To be updated.] In 2020, the Authority purchased Broadmoor Golf Links, an approximately 193-acre golf course. The property sits just across N.C. Highway 280 adjacent to the end of the Airport's runway. Approximately 75% of the property lies in a FEMA-recognized flood plain. The Authority has entered into a long-term lease agreement with a developer/operator to build a hotel and conference center on a six-acre portion of the property. The long-term ground lease between the Airport and DreamCatcher Broadmoor, LLC., for the operation of the 18-hole golf course, and the development and operation of a four-diamond hotel with conference center, expires January 13, 2074. The rent paid to the Airport is a fixed fee for the golf course with annual escalations. The rent paid to the Airport for the hotel site is ground rent, with annual escalations. In addition to the ground rent for the hotel site, beginning in year 2035, a percentage of gross receipts exceeding \$10,000,000 annually for the hotel operation will be paid to the Authority of 0.5% for ten years, and increase to 1% and will continue throughout the remaining lease term. Any development at the site must fit with the FAA's definition of compatible land use because of the site's proximity to an active runway.



MEMORANDUM

TO: Members of the Airport Authority

FROM: Janet Burnette, Chief Financial Officer

DATE: March 10, 2023

ITEM DESCRIPTION – New Business Item D

Approval of Audit Contract for Fiscal Year Ending June 30, 2023

BACKGROUND

In 2021, Authority Staff issued a Request for Proposal for audit services, for up to five years, and the Board chose Martin Starnes & Associates as the Authority's auditors. We have been pleased with their services and would now like to engage them for a third year. We are presenting a contract for auditing services with Martin Starnes & Associates for the annual audit for the fiscal year ended June 30, 2023.

ISSUES

None

ALTERNATIVES

The Board could elect to reject the current contract being presented by Martin Starnes & Associates and request staff to seek alternate firms to conduct the fiscal year end audit.

FISCAL IMPACT

The contract fee for services rendered by Martin Starnes & Associates is \$31,950. The expense for audit services will be paid from the FY2024 Finance Department budget.

New Business – Item D



RECOMMENDED ACTION

It is respectfully requested that the Greater Asheville Regional Airport Authority Board resolve to (1) approve the contract for audit services with Martin Starnes & Associates in the amount of \$31,950, and (2) authorize the Board Chair to execute the necessary documents.

Attachment

MARTIN STARNES

& ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

March 1, 2023

Greater Asheville Regional Airport Authority
Attn: Janet Burnette, CFO
61 Terminal Drive, Suite 1
Fletcher, NC 28732

The following represents our understanding of the services we will provide the Greater Asheville Regional Airport Authority.

You have requested that we audit the business-type activities of the Greater Asheville Regional Airport Authority as of June 30, 2023, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Greater Asheville Regional Airport Authority's basic financial statements as listed in the table of contents.

In addition, we will audit the entity's compliance over major federal and state award programs for the period ended June 30, 2023. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the entity's major federal and state award programs. The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

The objectives of our compliance audit are to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the entity complied in all material respects with the applicable compliance requirements and identify audit and reporting requirements specified in the governmental audit requirement that are supplementary to GAAS and *Government Auditing Standards*, if any, and perform procedures to address those requirements.

Accounting principles generally accepted in the United States of America require that certain supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis
- Law Enforcement Officers' Special Separation Allowance schedules
- Other Post-Employment Benefits' schedules
- Local Governmental Employees' Retirement System's schedules

Supplementary information other than RSI will accompany the Greater Asheville Regional Airport Authority's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

- Budgetary schedules
- Schedule of Expenditures of Federal and State Awards
- Passenger Facility Charge Program schedule(s)

Schedule of Expenditures of Federal and State Awards

We will subject the Schedule of Expenditures of Federal and State Awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the Schedule of Expenditures of Federal and State Awards is presented fairly in all material respects in relation to the financial statements as a whole.

Data Collection Form (if applicable)

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, Schedule of Expenditures of Federal and State Awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the Federal Audit Clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the Federal Audit Clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the *earlier* of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

Audit of the Financial Statements

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. As part of an audit of financial statements in accordance with GAAS and in accordance with *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Greater Asheville Regional Airport Authority's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the Greater Asheville Regional Airport Authority's basic financial statements. Our report will be addressed to the governing body of the Greater Asheville Regional Airport Authority. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason,

we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

Audit of Major Program Compliance

Our audit of the Greater Asheville Regional Airport Authority's major federal and state award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended, the Uniform Guidance, and the State Single Audit Implementation Act, and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance and the State Single Audit Implementation Act and other procedures we consider necessary to enable us to express such an opinion on major federal and state award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance and the State Single Audit Implementation Act require that we also plan and perform the audit to obtain reasonable assurance about whether material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal and state award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the entity's compliance based on the audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the entity's compliance with the requirements of the federal or state programs as a whole.

As part of a compliance audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Our procedures will consist of determining major federal and state programs and, performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs, and performing such other procedures as we consider necessary in the circumstances. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance and the State Single Audit Implementation Act.

Also, as required by the Uniform Guidance and the State Single Audit Implementation Act, we will obtain an understanding of the entity's internal control over compliance relevant to the audit in order to design and perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the entity's major federal and state award programs. Our tests will be less in scope

than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report. However, we will communicate to you, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal and state award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

Management's Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. For identifying, in its accounts, all federal and state awards received and expended during the period and the federal and State programs under which they were received;
4. For maintaining records that adequately identify the source and application of funds for federal and state funded activities;
5. For preparing the Schedule of Expenditures of Federal and State Awards (including notes and noncash assistance received) in accordance with the Uniform Guidance and State Single Audit Implementation Act;
6. For designing, implementing, and maintaining effective internal control over federal and state awards that provides reasonable assurance that the entity is managing federal and state awards in compliance with federal and state statutes, regulations, and the terms and conditions of the federal and state awards;
7. For identifying and ensuring that the entity complies with federal and state laws, statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal and state award programs, and implementing systems designed to achieve compliance with applicable federal and state statutes, regulations and the terms and conditions of federal and state award programs;
8. For disclosing accurately, currently and completely the financial results of each federal and state award in accordance with the requirements of the award;
9. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
10. For taking prompt action when instances of noncompliance are identified;
11. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
12. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
13. For submitting the reporting package and data collection form to the appropriate parties;
14. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
15. To provide us with:

- a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including the disclosures, and relevant to federal and state award programs, such as records, documentation, and other matters;
 - b. Additional information that we may request from management for the purpose of the audit;
 - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
 - d. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report (if applicable); and
 - e. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report (if applicable).
16. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year or period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
 17. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
 18. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
 19. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant roles in internal control and others where fraud could have a material effect on compliance;
 20. For the accuracy and completeness of all information provided;
 21. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
 22. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the Schedule of Expenditures of Federal and State Awards referred to above, you acknowledge and understand your responsibility (a) for the preparation of the Schedule of Expenditures of Federal and State Awards in accordance with the Uniform Guidance and the State Single Audit Implementation Act, (b) to provide us with the appropriate written representations regarding the Schedule of Expenditures of Federal and State Awards, (c) to include our report on the Schedule of Expenditures of Federal and State Awards in any document that contains the Schedule of Expenditures of Federal and State Awards and that indicates that we have reported on such schedule, and (d) to present the Schedule of Expenditures of Federal and State Awards with the audited financial statements, or if the schedule will not be presented with the audited financial statements, to make the audited basic financial statements readily available to the intended users of the Schedule of Expenditures of Federal and State Awards no later than the date of issuance by you of the schedule and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Nonattest Services

We will perform the following nonattest services:

- Draft of financial statements and footnotes
- Preparation of auditor portions of Data Collection Form (if applicable)
- Preparation of LGC's data input worksheet

We will not assume management responsibilities on behalf of the Greater Asheville Regional Airport Authority. However, we will provide advice and recommendations to assist management of the Greater Asheville Regional Airport Authority in performing its responsibilities.

The Greater Asheville Regional Airport Authority's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards.
- The nonattest services are limited to the services previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

Other Matters

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

During the course of the engagement, a portal will be in place for information to be shared, but not stored. Our policy is to terminate access to this portal after one year. The Authority is responsible for data backup for business continuity and disaster recovery, and our workpaper documentation is not to be used for these purposes.

Provisions of Engagement Administration and Fees

Paula Hodges is the engagement partner for the audit services specified in this letter. Her responsibilities include supervising Martin Starnes & Associates, CPAs, P.A.'s services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report. To ensure that our independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

Our fees for these services are as follows:

Audit Fee	\$ 28,750
Financial Statement Drafting	3,200
	<u>\$ 31,950</u>
Additional Fees:	
Charge per major program in excess of 3	<u>\$ 1,500</u>

Our invoices for these fees will be rendered in four installments as work progresses and are payable upon presentation. In accordance with our firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for non-payment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our reports. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use the Greater Asheville Regional Airport Authority's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

We want our clients to receive the maximum value for our professional services and to perceive that our fees are reasonable and fair. In working to provide you with such value, we find there are certain circumstances that can cause us to perform work in excess of that contemplated in our fee estimate.

Following are some of the more common reasons for potential supplemental billings:

Changing Laws and Regulations

There are many governmental and rule-making boards that regularly add or change their requirements. Although we attempt to plan our work to anticipate the requirements that will affect our engagement, there are times when this is not possible. We will discuss these situations with you at the earliest possible time in order to make the necessary adjustments and amendments in our engagement.

Incorrect Accounting Methods or Errors in Client Records

We base our fee estimates on the expectation that client accounting records are in order so that our work can be completed using our standard testing and accounting procedures. However, should we find numerous errors, incomplete records, or the application of incorrect accounting methods, we will have to perform additional work to make the corrections and reflect those changes in the financial statements.

Failure to Prepare for the Engagement

In an effort to minimize your fees, we assign you the responsibility for the preparation of schedules and documents needed for the engagement. We also discuss matters such as availability of your key personnel, deadlines, and work space. If your personnel are unable, for whatever reasons, to provide these items as previously agreed upon, it might substantially increase the work we must do to complete the engagement within the scheduled time.

Starting and Stopping Our Work

If we must withdraw our staff because of the condition of the client's records, or the failure to provide agreed upon items within the established timeline for the engagement, we will not be able to perform our work in a timely, efficient manner, as established by our engagement plan. This will result in additional fees, as we must reschedule our personnel and incur additional start-up costs.

Our fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our fees for such services range from \$85-\$390 per hour.

Government Auditing Standards require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued. We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

You agree to inform us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

At the conclusion of our audit engagement, we will communicate to management and those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of Martin Starnes & Associates, CPAs, P.A. and constitutes confidential information. However, we may be requested to make certain audit documentation available to the Local Government Commission, Office of the State Auditor, federal or state agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Martin Starnes & Associates, CPAs, P.A.'s personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and

agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm to the Contract to Audit Accounts for your consideration and files.

Please sign and return a copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements and compliance over major federal and state award programs, including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of the Greater Asheville Regional Airport Authority by:

Signature: _____

Title: _____

Date: _____

The of and	Governing Board Board of Directors
	Primary Government Unit Greater Asheville Regional Airport Authority
	Discretely Presented Component Unit (DPCU) (if applicable) N/A

Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)

and	Auditor Name Martin Starnes & Associates, CPAs, P.A.
	Auditor Address 730 13th Avenue Drive SE, Hickory, NC 28602

Hereinafter referred to as Auditor

for	Fiscal Year Ending 06/30/23	Date Audit Will Be Submitted to LGC 10/31/23
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Must be within four months of FYE

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business- type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types). The basic financial statements shall include budgetary comparison information in a budgetary comparison statement, rather than as RSI, for the General Fund and any annually budgeted Special Revenue funds.

2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards (GAGAS)* if the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period. The auditor shall perform a Single Audit if required by Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F (Uniform Guidance)* or the State Single Audit Implementation Act. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

Effective for audits of fiscal years beginning after June 30, 2023, the LGC will allow auditors to consider whether a unit qualifies as a State low-risk auditee based upon federal criteria in the Uniform Guidance §200.520(a), and (b) through (e) as it applies to State awards. In addition to the federal criteria in the Uniform Guidance, audits must have been submitted timely to the LGC. If in the reporting year, or in either of the two previous years, the unit reported a Financial Performance Indicator of Concern that the audit was late, then

the report was not submitted timely for State low-risk auditee status. Please refer to "Discussion of Single Audits in North Carolina" on the LGC's website for more information.

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.

4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC Staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Auditing Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC Staff within four months of fiscal year end. If it becomes necessary to amend the audit fee or the date that the audit report will be submitted to the LGC, an amended contract along with a written explanation of the change shall be submitted to the Secretary of the LGC for approval.

7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.

For GAAS or *Government Auditing Standards* audits, if an auditor issues an AU-C §260 report, commonly referred to as "Governance Letter," LGC staff does not require the report to be submitted unless the auditor cites significant findings or issues from the audit, as defined in AU-C §260.12 - .14. This would include issues such as difficulties encountered during the audit, significant or unusual transactions, uncorrected misstatements, matters that are difficult or contentious reviewed with those charged with governance, and other significant matters.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is also required for the Alternative Compliance Examination Engagement for auditing the Coronavirus State and Local Fiscal Recovery Funds expenditures as allowed by US Treasury. Approval is not required on audit contracts and invoices for system improvements and similar services of a non-auditing nature.
9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. This also includes any progress billings [G.S. 159-34 and 115C-447]. All invoices for audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.
10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).
11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC Staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC Staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.
12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.
13. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

14. The Auditor shall submit the report of audit in PDF format to LGC Staff. For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC. These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements and/or the compliance section, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC Staff.

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 30 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

18. Special provisions should be limited. Please list any special provisions in an attachment.

19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the primary government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.

20. The contract shall be executed, pre-audited (pre-audit requirement does not apply to hospitals), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.

21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.

22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.

24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.

26. E-Verify. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.

27. **Applicable to audits with fiscal year ends of June 30, 2020 and later.** For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Government Auditing Standards, 2018 Revision* (as applicable). Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, s/he must document and include in the audit workpapers how he/she reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.

28. **Applicable to audits with fiscal year ends of June 30, 2021 and later.** The auditor shall present the audited financial statements including any compliance reports to the government unit's governing body or audit committee in an official meeting in open session as soon as the audited financial statements are available but not later than 45 days after the submission of the audit report to the Secretary. The auditor's presentation to the government unit's governing body or audit committee shall include:

- a) the description of each finding, including all material weaknesses and significant deficiencies, as found by the auditor, and any other issues related to the internal controls or fiscal health of the government unit as disclosed in the management letter, the Single Audit or Yellow Book reports, or any other communications from the auditor regarding internal controls as required by current auditing standards set by the Accounting Standards Board or its successor;
- b) the status of the prior year audit findings;
- c) the values of Financial Performance Indicators based on information presented in the audited financial statements; and
- d) notification to the governing body that the governing body shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under 20 NCAC 03 .0508.

29. Information based on the audited financial statements shall be submitted to the Secretary for the purpose of identifying Financial Performance Indicators and Financial Performance Indicators of Concern. See 20 NCAC 03 .0502(c)(6).

30. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 17 for clarification).

31. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/state-and-local-government-finance-division/local-government-commission/submitting-your-audit>

32. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

33. Modifications to the language and terms contained in this contract form (LGC-205) are not allowed.

FEEES FOR AUDIT SERVICES

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and *Government Auditing Standards, 2018 Revision*. Refer to Item 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will be not be approved.

Financial statements were prepared by: Auditor Governmental Unit Third Party

If applicable: Individual at Governmental Unit designated to have the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the non-attest services and accept responsibility for the results of these services:

Name: Janet Burnette	Title and Unit / Company: CFO, Greater Asheville Regional Airport Authority	Email Address: jburnette@flyavl.com
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OR Not Applicable (Identification of SKE Individual on the LGC-205 Contract is not applicable for GAAS-only audits or audits with FYEs prior to June 30, 2020.)

2. Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter but may not be included in this contract or in any invoices requiring approval of the LGC. See Items 8 and 13 for details on other allowable and excluded fees.

3. The audit fee information included in the table below for both the Primary Government Fees and the DPCU Fees (if applicable) should be reported as a specific dollar amount of audit fees for the year under this contract. If any language other than an amount is included here, the contract will be returned to the audit form for correction.

4. Prior to the submission of the completed audited financial report and applicable compliance reports subject to this contract, or to an amendment to this contract (if required) the Auditor may submit interim invoices for approval for services rendered under this contract to the Secretary of the LGC, not to exceed 75% of the billings for the unit's last annual audit that was submitted to the Secretary of the LGC. All invoices for services rendered in an audit engagement as defined in 20 NCAC .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

PRIMARY GOVERNMENT FEES

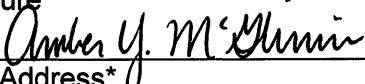
Primary Government Unit	Greater Asheville Regional Airport Authority
Audit Fee	\$ 28,750
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	\$ 1,500 per major program in excess of 3
Writing Financial Statements	\$ 3,200
All Other Non-Attest Services	\$

DPCU FEES (if applicable)

Discretely Presented Component Unit	N/A
Audit Fee	\$
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	\$
Writing Financial Statements	\$
All Other Non-Attest Services	\$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* Martin Starnes & Associates, CPAs, P.A.	
Authorized Firm Representative (typed or printed)* Amber Y. McGhinnis	Signature* 
Date* 03/01/23	Email Address* amcghinnis@msa.cpa

GOVERNMENTAL UNIT

Governmental Unit* Greater Asheville Regional Airport Authority	
Date Primary Government Unit Governing Board Approved Audit Contract* (G.S.159-34(a) or G.S.115C-447(a))	
Mayor/Chairperson (typed or printed)* Brad Galbraith, Chair	Signature*
Date	Email Address bgalbraith@biltmorefarms.com

Chair of Audit Committee (typed or printed, or "NA") Brad Galbraith	Signature
Date	Email Address bgalbraith@biltmorefarms.com

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1).
Not applicable to hospital contracts.

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

Primary Governmental Unit Finance Officer* (typed or printed) Janet Burnette, CFO	Signature*
Date of Pre-Audit Certificate*	Email Address* jburnette@flyavl.com

**SIGNATURE PAGE – DPCU
(complete only if applicable)**

DISCRETELY PRESENTED COMPONENT UNIT

DPCU*	
N/A	
Date DPCU Governing Board Approved Audit Contract* (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
DPCU Chairperson (typed or printed)*	Signature*
Date*	Email Address*

Chair of Audit Committee (typed or printed, or "NA")	Signature
N/A	
Date	Email Address

DPCU – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1).
Not applicable to hospital contracts.

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

DPCU Finance Officer (typed or printed)*	Signature*
N/A	
Date of Pre-Audit Certificate*	Email Address*

Remember to print this form, and obtain all required signatures prior to submission.

PRINT



Report on the Firm's System of Quality Control

To the Shareholders of Martin Starnes & Associates, CPAs, P.A. and the Peer Review Committee, Coastal Peer Review, Inc.

We have reviewed the system of quality control for the accounting and auditing practice of Martin Starnes & Associates, CPAs, P.A. (the firm) in effect for the year ended December 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and an audit of an employee benefit plan.

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Martin Starnes & Associates, CPAs, P.A. in effect for the year ended December 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Martin Starnes & Associates, CPAs, P.A. has received a peer review rating of *pass*.

Koonce, Wooten & Haywood, LLP

Koonce, Wooten & Haywood, LLP

May 4, 2021

Raleigh

4060 Barrett Drive
Post Office Box 17806
Raleigh, North Carolina 27619

919 782 9265
919 783 8937 FAX

Durham

3500 Westgate Drive
Suite 203
Durham, North Carolina 27707

919 354 2584
919 489 8183 FAX

Pittsboro

579 West Street
Post Office Box 1399
Pittsboro, North Carolina 27312

919 542 6000
919 542 5764 FAX

Smithfield

212 East Church Street
Post Office Box 2348
Smithfield, North Carolina 27577

919 934 1121
919 934 1217 FAX



MEMORANDUM

TO: Members of the Airport Authority

FROM: Jared Merrill
VP - Planning

DATE: March 10, 2023

ITEM DESCRIPTION – New Business Item E

Approve Contract Amendment #2 for Quality Assurance (QA) Special Inspections with Pond & Company, Inc. for the Air Traffic Control Tower (ATCT) and Associated Facilities Project

BACKGROUND

On March 12, 2021, the Airport Authority Board approved the contract for design and construction administration services for the ATCT and Associated Facilities Project with Pond and Company in the amount of \$4,157,923. Subsequently, on July 8, 2022 the Airport Board approved Amendment #1 to design the FAA requested additional 3,000 square feet of space in the base building in the amount of \$636,728.

Since the project has begun construction, it is necessary to start the Quality Assurance Special Inspections as required per the contract documents. These services will include subgrade evaluations, engineered fill testing, pre-drilling for pier foundations, drilled pier construction inspections, steel inspections, concrete sampling and testing, pre-cast concrete observations, metal framing observations, stone and asphalt testing, and all required reports.

Airport staff have negotiated with Pond for these services in the amount of \$236,250. This will bring the Pond contract to a total of \$5,030,901.

ISSUES

None.

New Business – Item E



ALTERNATIVES

This work is required to complete the project. This work could be contracted directly by the Authority to a third-party firm. However, this is not recommended.

FISCAL IMPACT

The total cost for these QA Special Inspections for the new ATCT and Associated Facilities is \$236,250.00. Based upon presently available project funds, this requires a budget amendment of \$65,000. Presently, the Authority's intent is to utilize Airport Funds for this work.

RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to (1) approve the contract Amendment #2 for the QA Special Inspections of the new ATCT and Associated Facilities with Pond & Company, Inc. in the amount of \$236,250.00; (2) amend the design project budget to a total of \$5,065,000; (3) authorize the President and CEO to execute the necessary documents; and (4) amend the FY2022/2023 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, 2023:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Capital Improvements	_____	\$65,000.00 _____
Totals	_____	\$65,000.00 _____



This will result in a net increase of \$65,000.00 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash	_____	\$65,000.00 _____
Totals	_____	\$65,000.00 _____

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 10th day of March 2023.

Brad Galbraith, Chair

Attested by:

Ellen Heywood, Clerk to the Board



3500 Parkway Lane, Suite 500
Peachtree Corners, Georgia 30092

T: 678.336.7740 | F: 678.336.7744
www.pondco.com

February 23, 2023

Mr. Jared Merrill, Planning Manager
Greater Asheville Regional Airport Authority
61 Terminal Drive, Suite 1
Fletcher, North Carolina 28732

**RE: Special Inspections
Air Traffic Control Tower (ATCT) and Associated Facilities Project
Asheville Regional Airport (AVL); Asheville, NC**

Dear Mr. Merrill,

As requested by the Greater Asheville Regional Airport Authority (GARAA), Pond & Company (Pond) has solicited a fee proposal from S&ME, Inc. (S&ME) to perform Special Inspections and Construction Materials Testing for the Airport Traffic Control Tower (ATCT) and Associated Facilities project at the Asheville Regional Airport (AVL). Pond reviewed this proposal and requested some reductions in the overall fee based on a clarification of the requested scope. The revised proposal from S&ME is attached for your review.

PROFESSIONAL FEES:

Pond proposes to accomplish the above services under a Lump Sum Task Order modification for the following amount.

Special Inspections and Construction Materials Testing	\$225,000
<u>Pond Contract and Subconsultant Management</u>	<u>\$11,250</u>
Total Fee	\$236,250

We look forward to the opportunity to continue our support for GARAA and the AVL Staff on this exciting project. Thank you for the confidence in Pond for your project and please advise should you have any questions related to this proposal.

Regards,

R. Chris Jenkins, PE, SE, LEED AP BD+C
Principal | Program Manager - Aviation

Architects
Engineers
Planners
Constructors



February 17, 2023

Pond & Company
3500 Parkway Lane, Suite 500
Peachtree Corners, GA 30092

Attention: Mr. Chris Jenkins

Reference: **Proposal for Special Inspections and Construction Materials Testing (Rev. 1)**
Asheville Airport – ATCT and TRACON Building
146 Westfeldt Road, Mills River, North Carolina
S&ME Proposal No. 204294A

Dear Mr. Jenkins:

S&ME, Inc. (S&ME) is pleased to have the opportunity to submit this proposal for the above referenced project. This proposal describes our understanding of the project, discusses the intended scope of our services, and presents the associated compensation for our services. The original proposal was revised as requested by the owner to state that payment for re-tests will be the responsibility of the contractor and to modify the number of budgeted site visits accordingly. Our Agreement for Services (Form AS-071) is attached to this proposal and is incorporated as part of the proposal by reference.

◆ Project Information

Our understanding of the project is based on the following:

- ◆ Phone correspondence between you and Mr. Matt McCurdy, with S&ME, Inc. between January 9, 2023 and February 16, 2023;
- ◆ Email link for project documents through Newforma File Transfer sent to Mr. Joseph Laps, with S&ME, Inc., on January 9, 2022;
- ◆ Construction Drawings – Volume 1 (Issued for Construction), prepared by Pond and Company and dated December 21, 2022;
- ◆ Project Manual Contract and Bid Documents – Specifications Volume 1 of 3 (Issued for Construction) prepared by Pond and Company and dated December 21, 2022;
- ◆ Geotechnical Exploration Report prepared by S&ME Inc. for this project (S&ME Project Number 204294), dated September 22, 2021, our foundation and earthwork recommendations for the project, and conversations with the project design team.

The Asheville Regional Airport is currently modernizing and expanding the existing airport terminal, in Fletcher, North Carolina. Based on the above information, we understand that this portion of the proposed expansion includes the construction of an approximately 126 feet tall Air Traffic Control Tower (ATCT) and a one-story Terminal Radar Approach Control (TRACON) building. Other site improvements include a generator yard, a dumpster enclosure, a new access road and parking area, concrete sidewalks, and associated site utility lines. The ATCT will be supported on a grid of 36 drilled pier deep foundations and a 5.5 ft. thick mass concrete pile cap, and



includes a concrete slab-on-grade, cast-in-place concrete foundation walls, pre-cast concrete walls for the shaft, and upper Console Access and CAB level structural steel framing and metal decking. The TRACON structure will be supported by shallow spread footings, with a concrete slab-on-grade, pre-cast concrete walls, structural steel framing, steel roof joists, and metal decking. Based on our review of the provided grading plans we understand that maximum cuts and fills to reach proposed grades appear to be on the order 5 feet.

We understand that the project will require Chapter 17 Special Inspections for a number of materials utilized. At the time of this proposal, the contractor's construction schedule has not been available to us.

◆ **Scope of Services**

Based on our understanding of the project, S&ME proposes to offer the following services as part of this proposal:

Chapter 17 Special Inspections and Construction Materials Testing

Subgrade Evaluations:

Our services will consist of an evaluation of the subgrade soils prior to proceeding with:

- Site grading activities in proposed building and pavement areas; and
- Aggregate base course stone placement in proposed building slab and pavement areas.

Our services will consist of visually evaluating subgrade soil conditions by proofrolling prior to fill placement or base course and construction of floor slabs to help identify soft / unstable areas which pump, rut, or deflect under passage of construction equipment. The evaluation could also consist of test pit observations, probing, and/or hand auger borings supplemented with Dynamic Cone Penetrometer testing. These services will also include observation of undercutting of the existing fill and of the subgrade soils when necessary.

Engineered Fill Testing:

Our services will consist of periodic classification and testing of compacted fill materials and observations of materials used, lift thicknesses, and randomly performing field density tests to estimate the compaction of the fill placed in the following locations:

- Building pad areas;
- Roadways;
- Parking lot; and
- Utility line trenches.

Density testing will be performed by nuclear density gauge, drive tube, or sand cone methods. In addition, we will perform classification tests and standard Proctor (ASTM D698) moisture-density relationships on the different materials used as fill, as necessary.



Pre-Drilling of Drilled Pier Foundations:

The construction set of specifications by Pond state that for Bearing Stratum Tests (Section 3.5.C.1.a), the geotechnical engineer shall utilize a drill rig to take undisturbed rock core samples from a minimum of 5 drilled pier locations prior to the production pier drilling to estimate the suitable drilled pier tip elevations. The rock recovery, rock quality designation (RQD), and evaluation results should be reported. The specifications also state that samples will be collected until the 50 ksf design bearing capacity is confirmed.

The pre-drilling effort will consist of drilling a boring to roller cone refusal at selected drilled pier locations and advancing the boring below refusal by coring rock. Roller cone refusal approximates drilled pier refusal. Depending upon the quality of rock recovered, two or more 5-foot runs of rock core will be obtained below the refusal depths of the boring and/or drilled pier bearing elevation. A geotechnical professional will classify drilled pier bearing materials and determine when conditions suitable for the 50 ksf design bearing pressure have been reached.

Estimated drilled pier and rock socket lengths range from approximately 50 to 70 feet in length below the existing ground surface elevations based on the initial three borings from 2021. We understand the drilled piers will require a minimum rock socket length of 4.5 feet into competent rock.

The borings should be drilled after the pad is graded and/or the selected pier locations and elevations are surveyed. We assume the contractor or the airport will provide a badged escort to our drill crew and staff. Our field professional will visit the site periodically to observe rock core samples, and determine pier termination elevations based on rock core recovery/rock quality designation thresholds established by S&ME.

The following scope of services is anticipated for drilled pier pre-drilling:

- Coordinate with contractor personnel to confirm surveying is complete and pre-drilling can commence. Have contractor personnel mark underground utilities that extend across the site, and have the planned pre-drilled pier locations marked in the field, as well as the previous borings, along with a reference ground surface elevation at each location.
- Mobilize an ATV-mounted drill rig and crew to the project site.
- At five drilled pier locations, advance a roller cone to refusal materials, then core the rock using NQ core equipment a minimum of 10 feet into the refusal materials. The retrieved rock core will be classified in the field and a determination as to whether 50 ksf end bearing materials were achieved (based on termination criteria established by S&ME), or if additional rock coring will be required. Additional rock core runs will continue until suitable end bearing materials are obtained. Boreholes will be backfilled with cuttings and a hole closure device at the ground surface. If needed, additional soil or bentonite chips can be used as backfill.
- Determine the approximate drilled pier tip elevation at the five locations based on the boring data referenced to the ground surface elevation provided by the contractor.
- Submit a spreadsheet of approximate drilled pier tip elevations for review by the project team.



Drilled Pier Construction Special Inspections and Observations:

Our services during drilled pier installation will include:

1. Attend a pre-installation conference with pertinent design, construction, and owner team members and S&ME representatives.
2. Observe drilling of drilled piers to the required tip elevation. Evaluate the materials encountered and that the rock sockets are installed in competent rock or if deeper drilling is required. Confirm the design shaft diameter, rock socket, and verticality measured by the contractor have been met. Maintain installation records for each drilled pier, which will include the following information:
 - Pier location and plumbness.
 - Ground surface elevation.
 - Pier toe (bottom) depth/elevation.
 - Pier length.
 - Auger and rock socket diameter.
 - Details of the reinforcing steel (number, size, and grade of longitudinal bars, size and spacing of transverse steel; outside diameter and length of cage).
 - Depth/Elevation to which reinforcing steel was placed.
 - Date/Time of beginning of drilling.
 - Date/Time of completion of drilling.
 - Use of proper concrete mix design.
 - Date/Time concrete was mixed, when concrete truck arrived at project site, copies of concrete batch tickets used for the pier construction, concrete pumping start/end times, and placement of reinforcing steel.
 - Weather conditions, including air temperature, at time of concrete placement.
 - Identification of concrete samples taken from the pier (see item 3 below).
 - Plastic concrete sampling and testing.
 - Admixtures or water added to the concrete on-site.
 - Other data pertinent to the pier installation.
3. Sample fresh concrete, perform slump and air content tests, measure the temperature of the concrete, and prepare laboratory-cured concrete specimens at the project-specified frequencies.
4. Observe concrete placement for proper techniques.
5. Laboratory-cure and perform compressive strength testing of concrete cylinders and report the results.

Foundation Bearing Material Evaluation:

Our services will consist of periodic visual observations of the foundation subgrade soils for the TRACON building, link building, mechanical yard, generator yard, and dumpster pad foundations prior to concrete placement. The near-surface bearing materials will then be evaluated with hand auger borings and dynamic cone penetration (DCP) testing for adequate bearing capacity and consistency with the project documents. Recommendations for removal and replacement of loose or soft foundation bearing soils (where necessary) will be provided based on the DCP test results and engineering judgment.



Reinforcing Steel Observations:

Prior to placement of concrete for the pile cap, foundations, walls, equipment pads, and floor slabs, our observations will consist of the following (periodic unless otherwise noted):

- Observation and documentation of reinforcing steel and welded wire fabric for correct layout, size, support, cleanliness, and clearance with respect to the structural drawings.

Concrete Sampling, Testing, and Observations:

Our services during reinforced concrete construction will consist of the following (periodic unless otherwise noted):

- Observation and documentation for the use of approved concrete mix designs;
- Observation of formwork, anchors, and bolts to be installed during concrete placement and hardened concrete;
- Continuous sampling of fresh concrete for slump, air content, temperature and unit weight tests, and preparing 4"x8" laboratory-cured concrete specimens for concrete placed in at a frequency determined by the specifications;
- Continuous observation of concrete placement for proper application techniques;
- Observation for maintenance of specified curing temperature and techniques; and
- Perform floor flatness and floor levelness testing of concrete slab-on-grade floors placed within the buildings, if required. The results of these tests will be compared to the project specification requirements.

Pre-Cast Concrete Observations:

Our services during pre-cast concrete construction will consist of the following:

- Periodic verification of precast member connections in accordance with structural drawings and precast construction drawings.
- Periodic verification of precast member bearing pad type and placement.
- Observe and document that the contractor is using the approved grout mix design(s).
- Periodic observation of grout placement operations to observe and document compliance with the NC Building Code and/or project document requirements; and
- Preparing any necessary grout specimens, to measure design strengths for conformance with the project specifications

Structural Steel Observations:

Our services during structural steel, steel joist, and metal decking construction will consist of the following:

- Collecting (from the general contractor, provided by the fabricator) material and welder certifications, and Certified Mill Test Reports for structural steel;



Proposal for Special Inspections and Construction Materials Testing (Rev. 1)

Asheville Airport – ATCT and TRACON Building

146 Westfeldt Road, Mills River, North Carolina

S&ME Proposal No. 204294A

- Collecting (from the general contractor, provided by the fabricator) a Certificate of Compliance at the completion of the fabrication of structural steel (for steel fabricators that are AISC “approved”). If the project steel fabricator is not an AISC approved fabricator, then steel shop inspections may be required per the NC Building Code, but are excluded from this proposal;
- Periodic observations of high strength bolts, nuts, washers, and structural steel to observe that the materials used are as specified in the project documents;
- Evaluations of high strength bolting;
 - ◆ Full tension and/or slip critical connections require a continuous observation;
 - ◆ Bearing type and/or non-slip critical connections are a periodic observation;
- Evaluations of welding and reinforcing steel;
 - ◆ Continuous observation of partial and full penetration welds, multi pass fillet welds and fillet welds $\geq 5/16$ ”;
 - ◆ Periodic observation of fillet welds $< 5/16$ ”;
- Periodic observations of steel frame joint details and metal decking to observe compliance with approved construction documents.

Cold-Formed Metal Framing Observations:

Our services during light gage steel framing construction will consist of the following:

- Periodic observation of framing connections and detail for conformance with the project documents;
- Periodic observation of roof and floor diaphragms for sheathing installation, bolted connections, screw pattern and blocking; and
- Periodic observation of shear walls for sheathing installation, bolted connections, screw pattern and blocking.

Aggregate Base Course (ABC) Stone Testing

- Evaluate stone base thickness (by digging a test hole or manually advancing a hand auger through the stone and measuring the depth with a tape measure).
- Perform nuclear density tests (ASTM D6938) to estimate the compaction of the material as outlined in the project specifications. In addition, Proctor moisture-density relationships can be performed on the aggregate base course or the density test results can be compared to the listed unit-weight values in the NCDOT database.
- Observe proofrolling performed by the contractor to check stability of pavement base course subgrade.

Asphalt Pavement Testing Services

- Observe placement of asphalt and perform density testing to measure the density of the material utilizing a nuclear gauge. Density test results will be compared to the theoretical maximum density or Rice density provided by the asphalt plant.



◆ Reporting

Field Reports

Field reports will be prepared by our technicians and draft copies can be provided to the on-site representative daily if requested. Formal reports summarizing our test results will be distributed according to a project distribution list directed by the Client after our Project Manager has reviewed them.

Discrepancies

Discrepancies are defined as deviations of material, installation, fabrication, erection, or placement of components and connections from the project design drawings, specifications, direction provided by the designers, or industry standards referenced in the project documents. A "deviation" identified and corrected in accordance with the design during the same shift under the observation of the same Special Inspector that identified the deviation will not be logged as a Discrepancy. If it is not corrected before the end of the shift, it will be logged as a Discrepancy.

A Discrepancy Notice will be prepared for each discrepancy on a standard form documenting the discrepancy and providing additional information. The Discrepancy Notice will be distributed to the project designer and construction team (typically the Contractor, Owner, Architect, SER, and Building Official).

We were informed by Mr. Jenkins that re-tests or re-inspections to clear up discrepancies will be the financial responsibility of the contractor. Therefore, we will track the cost of re-tested items separately from the cost of the initial tests.

Completion Report

At completion of the project, a Special Inspection Final Report can be issued indicating compliance of inspected items to the design documents to the best of the Special Inspectors' knowledge and belief. The Final Report will be signed and sealed by the Special Inspector Coordinator. The submittal is conditionally dependent on the previous scope of services being implemented and on all discrepancies having been resolved.

◆ Excluded Services

Without attempting to provide a complete list of all services or potential services that will be excluded from this proposal, the following services are specifically excluded. Some of these services can be performed by S&ME if desired; however, a separate proposal for these services would be required.

- Directing of any contractor's or subcontractor's work.
- Any aspect of site safety other than safety of S&ME employees.
- Providing a conformance letter for any fill if our services are requested on a part-time basis.
- Special Inspections or Construction Materials Testing of construction items not listed above.
- Exterior Insulation and Finish Systems observations.
- Sedimentation and erosion control inspections.
- Surveying.



◆ Client Responsibilities

We ask that you be responsible for the following:

- 1. Scheduling:** Provide us with the name of the individual who will be responsible for scheduling and directing our testing services. Provide, or instruct your appointed representative to provide, a minimum 24-hour notice for our services. When our services will be needed on weekends and/or holidays (Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving, Christmas Eve, Christmas Day, and New Year's Day), we require a minimum 72-hour notification.
- 2. On-Call Services:** When performing any of these services on an on-call (part-time) basis, S&ME will perform only those services specifically requested by your on-site personnel, as outlined in this proposal, and will not be responsible for services performed without our presence.
- 3. Periodic / Continuous:** Please specify if our services are being requested on a periodic or continuous basis. If periodic observations are requested, our formal documentation will identify our limited observations and testing and reflect that phases of the work were performed without S&ME's presence at the site.
- 4. All Applicable Plans, Specifications, and Construction Schedule:** Provide us with the most current project plans and specifications associated with the project. We should also be provided a copy of any updated construction schedules. We ask also that S&ME be included on distribution for any submittals, requests for information, or other construction related documentation.
- 5. Report Distribution:** Provide us with all applicable names and addresses for report distribution.

◆ Compensation

Based on our review of the project documents and our experience on similar projects, we suggest a budget of about **\$225,000** for the above scope of services. This budget is based on the assumptions shown on the attached Project Estimate Breakdown. Please note that our total fee is dependent on many factors and is significantly influenced by the actual construction schedule and efficiencies of scheduling our services. If the actual number of pre-drilled foundations requested, construction schedule, and/or our number of trips to the site is greater than that assumed, the total fee for our testing services will also vary. The actual construction schedule can be impacted by weather, number and severity of non-conformances which require retesting or re-inspection, and other factors that are beyond our control. If the assumptions we have made are exceeded, we will document the changes in formal change order requests. Any additional work that is approved would be invoiced based on the actual quantities of work performed and the attached Fee Schedule unit rates.

As previously stated, we understand that re-tests and re-inspections will be paid for by the contractor per the project specifications. **Therefore, our revised estimate has not accounted for re-testing or re-inspection of non-conformances identified in the field.** We will track the cost of any re-tested items separately from the cost of the initial tests so that this can be provided to the contractor.

Deviation from the Scope of Services specified herein whether by client direction or by S&ME recommendation and client approval may require an approved change order. If a change order is required, we will notify you of the change prior to conducting the work and will not perform the work without your prior authorization.



◆ Authorization

Our Agreement for Services, Form Number AS-071, is attached and is incorporated as a part of this proposal. Please indicate your acceptance of our proposal by signing the form and returning it to our office. If you elect to accept our proposal by issuing a purchase order, then please reference this proposal number and date. Your purchase order will be an acceptance of our Agreement for Services and an authorization to proceed with the performance of our services. The terms and conditions included in any purchase order shall not apply, as our agreement is for services that are not compatible with purchase order agreements.

If this proposal is transmitted to you via email, and if you choose to accept this proposal by email, your reply email acceptance will serve as your representation to S&ME that you have reviewed the proposal and the associated Agreement for Services (AS-071) and hereby accept both as written.

This proposal is solely intended for the basic services as described in the Scope of Services. The Scope of Services may not be modified or amended, unless the changes are first agreed to in writing by the Client and S&ME. Use of this proposal and resulting documents is limited to above-referenced project and client. No other use is authorized by S&ME, Inc.

◆ Closure

We appreciate the opportunity to continue to serve Pond and Company on this milestone project. Should you have any questions after reviewing this proposal, please do not hesitate to contact us at your convenience.

Sincerely,

S&ME, Inc.

Handwritten signature of Adam K. Michonski in blue ink.

Adam K. Michonski, P.E.
Construction Services Operations Manager

Handwritten signature of Matthew H. McCurdy in blue ink.

Matthew H. McCurdy, P.E.
Principal Engineer

Attachments: Fee Schedule – SI and CMT
Project Estimate Breakdown
AS-071 Agreement for Services

Attachments

FEE SCHEDULE - SPECIAL INSPECTIONS AND CONSTRUCTION SERVICES

S&ME, Inc.

AVL ATCT and TRACON Building - Proposal No. 20494A

Mills River, North Carolina

TECHNICIAN SERVICES

1	Engineering Technician (T-1, T-2), regular time, per hour.....	\$60.00
2	Senior Engineering Technician (T-3)/Special Inspector, regular time, per hour.....	\$65.00
3	Metals Technician (MT1-MT2), regular time, per hour.....	\$95.00
4	Trip Charge, per trip.....	\$15.00

PROFESSIONAL SERVICES

1	Staff Professional (Level P1 or P2), regular time, per hour.....	\$115.00
2	Project Professional (P3), regular time, per hour.....	\$125.00
3	Project Engineer (P4), regular time, per hour.....	\$145.00
4	Senior Engineer (P5), regular time, per hour.....	\$155.00
5	Principal Engineer (P6), regular time, per hour.....	\$185.00
6	Secretarial Services, regular time, per hour.....	\$55.00

MATERIAL TESTING SERVICES

1	Standard Proctor Compaction Test (ASTM D698), each.....	\$165.00
2	Modified Proctor Compaction Test (ASTM D1557), each.....	\$200.00
3	Unit Weight and Moisture Determination, each.....	\$55.00
4	Specific Gravity, each.....	\$55.00
5	ABC Stone Proctor Compaction Test, each.....	\$225.00
6	ABC Stone Gradation, each.....	\$150.00
7	Grain Size Tests (Wash 200 Sieve), each.....	\$95.00
8	Grain Size Tests (With Hydrometer), each.....	\$150.00
9	Atterberg Limits Test, each.....	\$95.00
10	Natural Moisture Content Test, each.....	\$15.00
11	Compressive Strength of concrete cylinders*, each.....	\$20.00
12	Compressive Strength of Grout Prisms (ASTM C1019), each.....	\$35.00
13	Compressive Strength of 2" cube samples (ASTM C109), each.....	\$20.00
14	Adhesion/Cohesion Testing of Fireproofing Materials, each.....	\$15.00
15	Density Testing of Fireproofing Materials, each.....	\$25.00

* There is a report and handling charge of \$30.00/set for concrete cylinders made and delivered to the laboratory by client or contractor.

MISCELLANEOUS EQUIPMENT

1	Nuclear Density Gauge rental, per day.....	\$40.00
2	Floor Flatness Equipment, per day.....	\$125.00
3	Ultrasonic Testing Equipment, per day.....	\$100.00
4	Drill-Rig and 2-Man Crew, per day.....	\$3,225.00

Note:

- A. Full-time work is defined as 40 hours per week or more
- B. Overtime rates will be 1.5 times the regular rate indicated for labor for engineering technicians
- C. Overtime includes all time in excess of 8 hours per day, Saturdays, Sundays & Holidays.



REVISED PROJECT ESTIMATE BREAKDOWN

Special Inspections and Construction Materials Testing
 Greater Asheville Airport ATCT and TRACON Project
 Mills River, North Carolina
 S&ME Proposal No. 204294A



The revised estimate (2/17/23) below is based on our geotechnical exploration services, the provided project plans and specifications, our correspondence with Mr. Brian Amor, with Kokolakis Construction, and experience with similar projects.

Task Description	Unit	Rate	Quantity	Cost
1. Sitework/Utility Backfill Testing				
<i>We assume that our technician (T2) will be required full-time (40 hours per week - 4 weeks) and part-time (three, 4-hour visits (average) per week for another 8 weeks) during the sitework phase. This will include subgrade evaluations for initial earthwork, fill placement observations and testing, and site utility installation backfill testing. We assume three 4-hour visits by the Project Professional (P3). We also assume that 3 modified Proctor tests will be required.</i>				
Engineering Technician (T2) - Full Time	Regular		256	hours \$60.00 \$15,360.00
Project Professional (P3) - Part Time	Regular		12	hours \$125.00 \$1,500.00
Modified Proctor Testing			3	each \$200.00 \$600.00
Nuclear Gauge Rental			44	days \$40.00 \$1,760.00
Trip Charge			48	trips \$15.00 \$720.00
			Subtotal	\$19,940.00
2. ATCT Drilled Pier Testing and Observations				
<i>We assume that prior to pier installation a drill-rig and a 2-man crew will be mobilized to the site to perform drilled pier bearing borings at a total of five pier locations (approximately 1 boring per day). We also assume 20 hours of onsite time and four additional trips will be required by a Project Professional (P3) during pre-drilling.</i>				
<i>We assume that our technician (T3) will be required full time (50 hours per week - 9 weeks) to observe and document drilling of piers, evaluate concrete reinforcing, test concrete, and transport/check-in concrete test cylinders. We also assume that 36 sets of 4, 6"x12" concrete cylinders will be cast for drilled pier construction. We assume that all concrete samples will be picked up during the next day of ongoing pier installation.</i>				
Daily Rate for Drill-Rig and 2-Man Crew	Equipment		5	each \$3,225.00 \$16,125.00
Project Professional (P3)	Regular		20	hours \$125.00 \$2,500.00
Senior Engineering Technician (T3) - Full Time	Regular		360	hours \$65.00 \$23,400.00
Senior Engineering Technician (T3) - Full Time	Overtime		90	hours \$97.50 \$8,775.00
Concrete Cylinders			144	each \$20.00 \$2,880.00
Trip Charge			49	trips \$15.00 \$735.00
			Subtotal	\$54,415.00
3. Foundation Evaluations				
<u>Generator Yard and Dumpster Pad</u>				
<i>We assume that four, 4-hour visits will be required for soil subgrade evaluations for the generator yard and dumpster pad structure.</i>				
<u>TRACON Building/Ramp/Mechanical Yard/Link Building</u>				
<i>We assume that eight, 4-hour visits will be required for soil subgrade evaluations for the TRACON building and ramp, mechanical yard, and link building foundations. We also assume four 3-hour visits by the Project Professional (P3).</i>				
Senior Engineering Technician (T3) - Full Time	Regular		64	hours \$65.00 \$4,160.00
Project Professional (P3) - Part Time	Regular		12	hours \$125.00 \$1,500.00
Trip Charge			16	trips \$15.00 \$240.00
			Subtotal	\$5,900.00

4. Concrete and Steel Reinforcement Observations and Testing

Generator Yard and Dumpster Pad

We assume a total of 8 concrete placements will be required for the generator yard (4, 4-hour visits) and dumpster pad (4, 4-hour visits) structure foundations, walls, and slab construction. We assume that prior to each placement an engineering technician will be required for 2 hours for steel reinforcement observations.

TRACON Building/Ramp/Mechanical Yard/Link Building

We assume a total of 25 concrete placements will be required for the TRACON building and ramp (18, 6-hour visits), Mechanical Yard (5, 6-hour visits), and Link building (2, 6-hour visits) construction. We assume that prior to each placement an engineering technician will be required for 3 hours (average) for steel reinforcement observations. We assume that two slab pours will require flatness and levelness testing and each will require a 6 hour site visit by a Staff Professional. We also assume four 3-hour visits by the Project Professional (P3).

ATCT Building - Pile Cap, Walls, and Elevated Slabs

We assume that a total of 8 concrete placements will be required for the ATAC pile cap (1, 12-hour visit), walls (3, 4-hour visits), and elevated slabs (2, 12-hour visits). We assume that prior to each placement an engineering technician will be required for 4 hours (average) for steel reinforcement observations. We also assume four 3-hour visits by the Project Professional (P3).

Concrete Cylinders

We assume that 60 sets of 16, 4"x8" concrete cylinders will be generated.

We assume that most samples will be picked up during the next placement. We assume that 25, 2-hour visits will be required by an engineering technician to transport and check-in Lab/Field Cured concrete cylinders.

Engineering Technician (T2) - Part-Time	Regular	340	hours	\$60.00	\$20,400.00
Engineering Technician (T2) - Part-Time	Overtime	12	hours	\$90.00	\$1,080.00
Engineering Technician (T1) - Sample Pickup	Regular	50	hours	\$60.00	\$3,000.00
Staff Professional (P1) - Floor Flatness Testing	Regular	12	hours	\$115.00	\$1,380.00
Project Professional (P3)	Regular	24	hours	\$125.00	\$3,000.00
Floor Flatness Testing Equipment, per day		2	each	\$125.00	\$250.00
Concrete Cylinders		960	each	\$20.00	\$19,200.00
Trip Charge		120	trips	\$15.00	\$1,800.00
				Subtotal	\$50,110.00

5. Structural Pre-Cast Concrete Walls

TRACON Building Walls

We assume that observations of pre-cast wall welded connections will require a total of five, 6-hour visits by our metals technician. In addition, we assume an additional five, 3-hour visits will be required for pre-cast wall base and joint grout sampling and testing.

ATCT Building Walls

We assume that observations of pre-cast wall welded connections will require a total of ten, 6-hour visits by our metals technician. In addition, we assume an additional five, 3-hour visits will be required for pre-cast wall base and joint grout sampling and testing.

Grout Cubes

We assume that 10 sets of 9, 2" cubes will be generated.

We assume that 5, 2 hour visits will be required by an engineering technician to transport and check-in grout cube samples.

Metals Technician	Regular	90	hours	\$95.00	\$8,550.00
Engineering Technician (T1) - Grout	Regular	40	hours	\$60.00	\$2,400.00
Grout Cubes		90	each	\$20.00	\$1,800.00
Trip Charge		30	trips	\$15.00	\$450.00
				Subtotal	\$13,200.00

6. Structural Steel Framing/Joists/Decking/Base Plate Grout Testing

TRACON Building

We assume that structural framing and metal decking will require a total of five, 6-hour visits by our metals technician. In addition, we assume an additional two, 3-hour visits will be required for column base plate grout sampling and testing.

ATCT Building

We assume that structural framing and metal decking will require a total of ten, 8-hour visits by our metals technician. In addition, we assume an additional two, 3-hour visits will be required for column base plate grout sampling and testing.

Column Base Plate Grout Cubes

We assume that four sets of 9, 2" cubes will be generated.

We assume that four, 2-hour visits will be required by an engineering technician to transport and check-in grout cube samples.

Metals Technician	Regular	110	hours	\$95.00	\$10,450.00
Engineering Technician (T1) - Grout	Regular	20	hours	\$60.00	\$1,200.00
Grout Cubes		36	each	\$20.00	\$720.00
Trip Charge		23	trips	\$15.00	\$345.00
				Subtotal	\$12,715.00

7. Cold-Formed Steel Framing

TRACON Building

We assume that cold-formed metal framing will require a total of 4, 8-hour visits by our metals technician.

ATCT Building

We assume that cold-formed metal framing will require a total of 4, 8-hour visits by our metals technician.

Metals Technician	Regular	64	hours	\$95.00	\$6,080.00
Trip Charge		8	trips	\$15.00	\$120.00
				Subtotal	\$6,200.00

8. Concrete Observations and Testing - Hardscapes/Sidewalks/Curb and Gutter

We assume a total of 4 concrete placements will be required for the sidewalk and curb and gutter construction. We assume three, 4-hour visits for subgrade evaluations and five, 4-hour visits for concrete placement observations and testing will be required.

Concrete Cylinders

We assume that 4 sets of 16, 4"x8" concrete cylinders will be generated.

We assume that 4, 2-hour visits will be required by an engineering technician to transport and check-in Lab/Field Cured concrete cylinders.

Engineering Technician (T2) - Part Time	Regular	32	hours	\$60.00	\$1,920.00
Engineering Technician (T1) - Sample Pickup	Regular	8	hours	\$60.00	\$480.00
Concrete Cylinders		64	each	\$20.00	\$1,280.00
Trip Charge		10	trips	\$15.00	\$150.00
				Subtotal	\$3,830.00

9. Aggregate Base Course and Asphalt Pavement Observations and Testing

We assume a total of five, 4-hour visits will be required for subgrade evaluations, five, 3-hour visits will be required for ABC stone testing, and three 10-hour visits will be required for hot-mix asphalt placement observations and density testing during roadway and parking lot construction.

Engineering Technician (T2) - Part Time	Regular	59	hours	\$60.00	\$3,540.00
Engineering Technician (T2) - Part Time	Overtime	6	hours	\$90.00	\$540.00
Nuclear Gauge Rental		8	days	\$40.00	\$320.00
Trip Charge		13	trips	\$15.00	\$195.00
				Subtotal	\$4,595.00

10. Project Management

Based on previous experience, we anticipate that project management, engineering, and report review will make up approximately 25% of the overall costs for the project.

Project Professional (P3) - Report Review / Submission / Engineering		225	hours	\$125.00	\$28,125.00
Project Engineer (P4) - Project Management / Engineering / Final Report		80	hours	\$145.00	\$11,600.00
Principal Engineer (P6) - Review / Consultation		60	hours	\$185.00	\$11,100.00
Administrator		55	hours	\$55.00	\$3,025.00
				Subtotal	\$53,850.00

Recommended Budget Estimate: \$224,755.00

parties without Consultant's specific written consent. Any acceptance by Client is limited to acceptance of the express terms set forth in this Agreement for Services.

3. **SCOPE OF SERVICES:** Unless otherwise stated in writing, Client assumes sole responsibility for determining whether the quantity and the nature of the services included in Consultant's proposal received by Client are adequate and sufficient for Client's intended purpose. Client shall communicate the provisions of this Agreement for Services to each and every third party to whom Client transmits any part of Consultant's work. Consultant shall have no duty or obligation to any third party except as specifically set forth in Consultant's proposal.

Consultant has provided Client with the Proposal identified under "Services to be Rendered." By signing below, Client agrees that Client or the Client's representative has examined Consultant's proposal, which includes a scope of work to be performed by Consultant, an opinion on the cost to perform Consultant's scope of work, and an opinion on the amount of time required to perform Consultant's scope of work along with any other documents, opinions, or advice prepared or provided by Consultant and Client agrees that Client is fully satisfied with Consultant's Proposal and Client obtained the advice of any other consultant(s) as the Client deems necessary to protect the Client's interests. Client also agrees by signing below it is responsible for requesting additional services not included in Consultant's proposal and if necessary, Client agrees it is responsible (even if delegated to a third party) for notifying and scheduling Consultant so Consultant can perform the Services. Consultant shall not be responsible for damages caused by services not performed due to any failure to request or schedule Consultant's Services. If project conditions change materially from those described to Consultant at the time of proposal, Consultant is entitled to a change order equitably adjusting its Services and fee.

Consultant shall not supervise, direct or have control over the Client's work nor have any responsibility for the construction means, methods, techniques, sequences or procedures selected by the Client's contractor and/or agents. These rights and responsibilities are solely those of the contractor or agent in accordance with its agreement with Client. Only Client has the right to reject or stop work of its contractor or agents. Consultant's presence on site does not in any way guarantee the completion, quality or performance of the work by any other party retained by Client. Consultant does not guarantee the performance of any contractor or agent of Client and shall not be responsible for such party's failure to perform its work in accordance with any applicable documents, including but not limited to, the plans and specifications or any applicable laws, codes, rules or regulations.

Any evaluations of the Client's budget for the project, and any preliminary or updated estimates of the cost of the work prepared by Consultant represent Consultant's judgment as a design professional familiar with the construction industry. It is recognized, however, that neither Consultant nor Client has control over the cost of the labor, materials or equipment, over the contractor's methods of determining bid prices, or over competitive bidding, market or negotiating conditions. Accordingly, Consultant does not warrant or represent that bids or negotiated prices will not vary from Client's budget for the project, or from any estimate of the cost of the work evaluation prepared or agreed to by Consultant.

4. **CHANGE ORDERS:** Client may request changes to the scope of Services by altering or adding to the Services to be performed. If Client so requests, Consultant will provide a change order proposal including Client's requested changes to the scope of Services for Client's review and approval. Following Client's approval, Client shall provide written acceptance and such Change Order Proposal shall become part of the Contract Documents and shall supersede any prior conflicting terms. If Client does not follow these procedures, but instead directs Consultant to perform changed or additional work without an executed change order, (1) the Services are changed according to Consultant's understanding of Client's direction; and (2) and Consultant will be paid for this work according to the current fee schedule plus fifteen percent (15%).
5. **PAYMENT:** Client will pay Consultant for Services and expenses in accordance with the Contract Documents. If prices for Services are not specified in the Contract Documents, Consultant's current fee schedule in effect for the type of services performed shall control. Unless otherwise agreed prior to the start of the Services, Consultant will submit invoices to Client monthly and a final invoice upon completion of Services. Payment is due upon receipt of the invoice unless otherwise agreed to in writing prior to the submittal of the invoice.

Invoices are past due 30 calendar days after the date of the invoice. Past due amounts are subject to a late fee of one and one-half percent per month (18 percent per annum) or the highest amount allowed by applicable law on the outstanding balance, whichever is less. Attorney's fees and other costs incurred in collecting past due amounts shall be paid by Client. The Client's obligation to pay under this Agreement is in no way dependent upon the Client's ability to obtain financing, payment from third parties, approval of governmental or regulatory agencies, or Client's successful completion of the Project. In addition, CONSULTANT reserves the right to suspend the performance of all services in any case where invoices remain unpaid more than sixty (60) days from the invoice date.

To verify the CLIENT's requirements for appropriate invoicing, the following information is requested.

CLIENT Accounts Payable contact name:

CLIENT Accounts Payable contact phone number:

CLIENT Accounts Payable email address:

Upon execution of this document, CONSULTANT will reach out to the contact provided to gather CLIENT's required information such as purchase order number, client project number, email address or website for invoice submission, monthly deadline for invoice submission, CLIENT legal entity name for invoicing, CLIENT address for invoicing, etc.

6. **STANDARD OF CARE**: Consultant and its agents, employees and subcontractors shall endeavor to perform the Services for Client with that degree of care and skill ordinarily exercised, under similar circumstances, by consultants practicing in the same discipline at the same time and location. In the event any portion of the Services fails to substantially comply with this standard of care obligation and Consultant is promptly notified in writing prior to one year after completion of such portion of the Services, Consultant will re-perform such portion of the Services, or if re-performance is impractical, Consultant will refund the amount of compensation paid to Consultant for such portion of the Services. **NOTWITHSTANDING ANY TERMS IN OR APPLICABLE TO THIS AGREEMENT, CONSULTANT MAKES NO WARRANTIES OR GUARANTEES, EXPRESS OR IMPLIED, RELATING TO CONSULTANT'S SERVICES OR WORK PRODUCT, AND CONSULTANT DISCLAIMS ANY IMPLIED WARRANTIES OR WARRANTIES IMPOSED BY LAW, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**
7. **LIMITATION OF LIABILITY**: Client and Consultant have evaluated the risks and rewards associated with this project, including Consultant's fee relative to the risks assumed, and agree to allocate certain of the associated risks. To the fullest extent permitted by law, Consultant's aggregate liability to Client, including that of Consultant's officers, directors, employees and agents, is cumulatively limited to \$100,000, hereinafter referred to as LIMITATION OF LIABILITY. This LIMITATION OF LIABILITY applies to all lawsuits, claims or actions, whether identified as arising in tort, INCLUDING NEGLIGENCE (WHETHER SOLE OR CONCURRENT), PROFESSIONAL ERROR OR OMISSIONS, BREACH OF WARRANTY (EXPRESS OR IMPLIED), NEGLIGENT MISREPRESENTATION, AND STRICT LIABILITY, contract, or other legal theory, including without limitation, Consultant's indemnity obligations to Client related to the Services provided in this Agreement and any continuation or extension of Consultant's Services.

By entering into this Agreement, Client acknowledges that this LIMITATION OF LIABILITY provision has been reviewed, understood and is a material part of this Agreement, and that Client has had an opportunity to seek legal advice regarding this provision.
8. **NO CONSEQUENTIAL DAMAGES**: In no event shall Consultant or Client be liable to the other for any special, indirect, incidental or consequential loss or damages, including, but not limited to, lost profits, damages for delay, or loss of use arising from or related to Services provided by Consultant.
9. **INSTRUMENTS OF SERVICE**: In connection with the performance of the Services, Consultant may deliver to Client reports, drawings, specifications, computer files, field data, notes, and other documents and instruments prepared by the Consultant reflecting Services provided and the results of such Services ("Instruments of

Service"). Statements made in Consultant's Instruments of Service are opinions based upon engineering judgment and are not to be construed as representations of fact. All Instruments of Service, other written documents, all original data gathered by Consultant and work papers produced by Consultant in the performance of or intrinsic to the Services included in the Services are, and shall remain, the sole and exclusive property of Consultant. Files shall be maintained in general accordance with Consultant's document retention policies and practices. Client shall indemnify, defend, and hold Consultant harmless from any and all claims, damages, or losses arising from any unauthorized reuse or modification of the Instruments of Service.

10. **SAFETY**: Consultant has no authority and no responsibility for general job safety and for the safety of persons who are not employed by Consultant. Should Client, or third parties, be conducting activities on the Site, then each shall have responsibility for their own safety and compliance with applicable safety requirements.
11. **SAMPLES**: Samples are consumed in testing or disposed of upon completion of tests (unless stated otherwise in the Services).
12. **HAZARDOUS MATERIALS**: Nothing contained within this agreement shall be construed or interpreted as requiring Consultant to assume the status of an owner, operator, generator, storer, transporter, treater or disposal facility as those terms appear within RCRA or within any Federal or State statute or regulation governing the generation, transportation, treatment, storage and disposal of pollutants. Client retains full responsibility for compliance with the provisions of RCRA and any other Federal or State statute or regulation governing the handling, treatment, storage and disposal of pollutants.
13. **CLIENT OBLIGATIONS**:
 - (a) Client warrants that all information provided to Consultant regarding the Project and Project location are complete and accurate to the best of Client's knowledge.
 - (b) Client agrees to furnish (or obtain from the Owner should the Client not be the Owner) Consultant, its agents, employees, and subcontractors a right-of-entry and any authorizations needed for Consultant to enter onto the project site to perform the Services included in this Agreement.
 - (c) Client recognizes that the performance of the Services included in this Agreement may cause alteration or damage to the Site. Client acknowledges that some site disturbance is inherent in the work for which Consultant will not be responsible. Should Client not be owner of the property, then Client agrees to notify the owner of the aforementioned possibility of unavoidable alteration and damage and Client shall arrange for the repair of any alteration and damage.
 - (d) Client agrees to disclose the identity of all utilities serving the Project Site, the presence and accurate location of hidden or obscured man-made objects known to Client that may be in Consultant's work area and the nature and location of any known or suspected hazardous materials that may exist on the property.
 - (e) The Client shall furnish, at the Client's expense, all information, requirements, reports, data, surveys and instructions required by this Agreement. The Consultant may use such information, requirements, reports, data, surveys and instructions in performing its services and is entitled to rely upon the accuracy and completeness thereof.
 - (f) In order to make informed decisions based on the Instruments of Service, Client's review and study of the Instruments of Service is vital to take full advantage of the consulting process. Client shall review in detail all Instruments of Service, including attachments and references therein, and in the event of questions or concerns, shall contact the project manager. Consultant provides information in the Instruments of Service which assists the Client and/or user in understanding and using the deliverable. The information includes direction on the extent to which the information can be relied on and applied to Client's decision-making process.
 - (g) Provide prompt written notice to CONSULTANT if CLIENT becomes aware of any fault or problem in the PROJECT, including any errors or omissions in CONSULTANT'S work.

(h) Client is responsible for reporting any releases of hazardous substances to appropriate government agencies as required by law. Client acknowledges that Consultant also may have reporting obligations under controlling law and regulations. Client waives any claim against Consultant and will indemnify and hold Consultant harmless from any claim, injury or loss arising from the discovery of unforeseen hazardous substances.

14. **CERTIFICATIONS:** Client understands and agrees that Consultant's Instruments of Services are limited to an expression of professional opinion based upon the Services performed by the Consultant and does not constitute a warranty or guarantee, either express or implied. In addition, Client agrees that Consultant will not be required to execute any document that would result in certifying, guaranteeing or warranting the existence of conditions whose existence the Consultant cannot reasonably ascertain.

15. **FAILURE TO FOLLOW RECOMMENDATIONS:** The Client agrees that it would be unfair to hold the Consultant liable for problems that may occur if the Consultant's recommendations are not followed. Accordingly, the Client waives any claim against the Consultant, and agrees to indemnify, and hold harmless the Consultant from any claim or liability for injury or loss that results from failure to implement the Consultant's recommendations or from implementation of the Consultant's recommendations in a manner that is not in strict accordance with them.

16. **TERMINATION:**

For Convenience - Upon written notice, Client or Consultant may terminate the performance of any further Services included in this Agreement if the terminating party determines termination is in the terminating party's interest. Upon receipt of a termination notice by either party, Consultant shall stop work on all Services included in this Agreement and deliver any Instruments of Service complete at that time to Client and Client shall pay Consultant within thirty (30) days for all Services performed up to the dispatch or receipt of the termination notice. Upon Termination for Convenience, Consultant and Client shall have no further rights or remedies other than those included in this paragraph.

For Cause –In the event of material breach of this Agreement, the party not breaching the Agreement may terminate it upon five (5) business days written notice delivered or mailed to the other party, which notice must identify the material breach. The Agreement may not be terminated for cause if the breaching party cures the breach within five (5) business days of receipt of the written notice. Upon Termination for Cause, Consultant shall stop work on all Services included in this Agreement and deliver any instruments of service complete at that time to Client and Client shall pay Consultant within thirty (30) days for all Services performed up to the termination. Upon Termination for Cause, Consultant and Client shall have no further rights or remedies other than those included in this paragraph.

17. **UNFORESEEN CONDITIONS OR OCCURRENCES:** If, during the performance of Services ,any unforeseen hazardous substance, material, element or constituent or other unforeseen or changed conditions or occurrences are encountered which, in Consultant's judgment, significantly affects or may affect the Services, the risk involved in providing the Services, or the recommended Scope of Services, Consultant will promptly notify Client. Subsequent to that notification, Consultant may: (a) If practicable, in Consultant's judgment and with approval of Client, complete the original Scope of Services in accordance with the procedures originally intended in the Proposal; (b) Agree with Client to modify the Scope of Services and the estimate of charges to include the previously unforeseen conditions or occurrences, such revision to be in writing and signed by the parties and incorporated into this Agreement; or (c) Terminate the Services effective on the date of notification pursuant to the terms of TERMINATION FOR CONVENIENCE.

18. **FORCE MAJEURE:** Consultant shall not be deemed to be in default of this Agreement to the extent that any delay or failure in the performance of the Scope of Work results from any causes beyond its reasonable control. For this purpose, such acts or events shall include, but are not limited to, storms, floods, unusually severe weather, epidemics, pandemics, quarantines, acts of government, civil disturbances, war, riot, strikes, lockouts or other industrial disturbances, and the inability within reasonable diligence to supply personnel, equipment, information or material to the Project. In the event that such acts or events occur, it is agreed that Consultant shall attempt to resume performance of the Services covered by this Agreement as soon as

reasonably possible. If the force majeure event adversely affects the scope or schedule, Client agrees to modify the Scope of Services and the estimate of charges, such revision to be in writing and signed by the parties and incorporated into this Agreement.

19. **INSURANCE**: Consultant shall maintain at its own expense, during the term of this Agreement, the following insurance: (1) Workers' Compensation providing statutory coverages required by the state where services are provided, (2) Employer's Liability with limits of \$1,000,000 each accident, (3) Commercial General Liability with limits of \$1,000,000 each occurrence / \$2,000,000 aggregate, (4) Commercial Automobile with limits of \$1,000,000 each accident, (5) Umbrella Excess Liability with limits of \$5,000,000 each occurrence and (6) Professional Liability with limits of \$1,000,000 each claim.
20. **INDEMNITY**: Consultant shall indemnify Client from and against damages, losses and judgments arising from claims by third parties, including reasonable attorneys' fees and expenses recoverable under applicable law, but only to the extent caused by the negligent acts, errors, or omissions of Consultant in the performance of services under this Agreement. Notwithstanding any terms in or applicable to this Agreement, it is understood and agreed that Consultant shall have no affirmative defense obligations.
21. **DISPUTE RESOLUTION**: In the event of a dispute between Consultant and Client with regard to any matter arising out of or related to this Agreement, the Parties will use their best efforts to resolve the dispute amicably using negotiation and mediation within fifteen (15) calendar days. If the dispute cannot be settled amicably, the Parties agree that the dispute shall be resolved by litigation in a court of competent jurisdiction within the State where project is located.
22. **ASSIGNMENT**: Neither party may assign this Agreement, in whole or in part, without the prior written consent of the other party.
23. **NO WAIVER**: No waiver by either party of any default by the other party in the performance of any provision of this Agreement shall operate as or be construed as a waiver of any future default, whether like or different in character.
24. **MISCELLANEOUS**: The validity, interpretation, and performance of this Agreement shall be governed by and construed in accordance with the laws of the state where project is located without regard to choice of law provisions. This Agreement represents the entire understanding and agreement between the parties hereto relating to the Services and supersedes any and all prior negotiations, discussions, and Agreements, whether written or oral, between the parties regarding same. No amendment or modification to this Agreement or any waiver of any provisions hereof shall be effective unless in writing, signed by both Parties. If any part of this Agreement is found to be unenforceable, then the parties' intent is to have such part rewritten to attain as close as possible the original intent of the unenforceable provision, and all remaining provisions shall continue in full force and effect.
25. **TIME BAR**: Notwithstanding any applicable state statute of repose or statute of limitation, the Parties agree that all legal actions by either party against the other concerning this Agreement or the work performed in relation to this Agreement, will become barred two (2) years from the time the party knew or should have known of the claim, or two (2) years after completion of Consultant's Services, whichever occurs earlier.
26. **NO DISCRIMINATION**: To the extent applicable, this contractor and subcontractor shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a) and the posting requirement under 29 CFR Part 471, appendix A to subpart A. These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability.
27. **NO THIRD PARTY LIABILITY**: Nothing in this Agreement or as a consequence of any of the Services provided gives any rights or benefits to anyone other than Client and Consultant. All duties and responsibilities

undertaken pursuant to this Agreement are for the sole and exclusive benefit of Client and Consultant and not for the benefit of any other party. No third party shall have the right to rely on the Instruments of Service without Consultant's prior written consent and the third party's agreement to be bound to the same terms and conditions as the Client.

28. **INDIVIDUAL LIABILITY:** CLIENT AGREES THAT CONSULTANT'S SERVICES WILL NOT SUBJECT CONSULTANT'S INDIVIDUAL EMPLOYEES, OFFICERS OR DIRECTORS TO ANY PERSONAL LIABILITY, AND THAT NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, CLIENT AGREES THAT ITS SOLE AND EXCLUSIVE REMEDY SHALL BE TO DIRECT OR ASSERT ANY CLAIM, DEMAND, OR SUIT ONLY AGAINST CONSULTANT.

CONSULTANT HEREBY ADVISES CLIENT THAT ITS PERFORMANCE OF THIS AGREEMENT IS EXPRESSLY CONDITIONED ON CLIENT'S ASSENT TO THE TERMS AND CONDITIONS DETAILED HEREIN.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representative.

CLIENT: _____

S&ME, Inc.

BY: _____
(Signature)

BY: _____
(Signature)

(Print Name / Title)

(Print Name / Title)

DATE: _____

DATE: _____

PROPOSAL NUMBER: _____

Client's FAXED or DIGITAL signature to be treated as original signature



MEMORANDUM

TO: Members of the Airport Authority
FROM: Lew Bleiweis, A.A.E., President & CEO
DATE: March 10, 2023

ITEM DESCRIPTION – Information Section Item A

January, 2023 Traffic Report – Asheville Regional Airport

SUMMARY

January, 2023 overall passenger traffic numbers were up 49.5% compared to the same period last year. Passenger traffic numbers reflect a 51.9% increase in passenger enplanements from January, 2022. Enplanements for Fiscal Year to Date total 593,428, which is a 21.0% increase over the same period last year.

AIRLINE PERFORMANCE

Allegiant Airlines: Year over Year passenger enplanements for Allegiant in January 2023 were up by 41.9%. There were 27 flight cancellations for the month.

American Airlines: American's January 2023 passenger enplanements represent a 57.9% increase over the same period last year. There were 3 flight cancellations for the month.

Delta Airlines: Enplanements for Delta in January 2023 increased by 59.9%. There were no flight cancellations for the month.

Sun Country: Sun Country saw an increase in enplanements by 118.1% compared to January, 2022. There were no flight cancellations for the month.

United Airlines: In January 2023, United Airlines saw an increase in enplanements by 60.2% over the same period last year. There was 1 flight cancellation for the month.

Monthly Traffic Report

Asheville Regional Airport

January, 2023



Category	Jan 2023	Jan 2022	Percentage Change	*CYTD-2023	**CYTD-2022	Percentage Change	*MOV12-2023	**MOV12-2022	Percentage Change
Passenger Traffic									
Enplaned	63,676	41,920	51.9%	63,676	41,920	51.9%	944,572	735,277	28.5%
Deplaned	59,441	40,452	46.9%	59,441	40,452	46.9%	934,966	731,731	27.8%
Total	123,117	82,372	49.5 %	123,117	82,372	49.5 %	1,879,538	1,467,008	28.1 %
Aircraft Operations									
Airlines	1,307	948	37.9%	1,307	948	37.9%	17,277	14,211	21.6%
Commuter/AirTaxi	504	469	7.5%	504	469	7.5%	9,991	12,629	-20.9%
Subtotal	1,811	1,417	27.8 %	1,811	1,417	27.8 %	27,268	26,840	1.6 %
GeneralAviation	3,245	2,986	8.7%	3,245	2,986	8.7%	47,276	45,154	4.7%
Military	221	461	-52.1%	221	461	-52.1%	4,900	4,629	5.9%
Subtotal	3,466	3,447	0.6 %	3,466	3,447	0.6 %	52,176	49,783	4.8 %
Total	5,277	4,864	8.5 %	5,277	4,864	8.5 %	79,444	76,623	3.7 %
Fuel Gallons									
FF-100LL	15,589	7,635	104.2%	15,589	7,635	104.2%	177,976	183,050	-2.8%
FF-JETA-GA	82,688	97,134	-14.9%	82,688	97,134	-14.9%	1,896,257	1,905,456	-0.5%
Subtotal	98,277	104,769	-6.2 %	98,277	104,769	-6.2 %	2,074,233	2,088,506	-0.7 %
FF-JETA-AL	624,242	425,258	46.8%	624,242	425,258	46.8%	8,967,447	7,865,521	14.0%
Subtotal	624,242	425,258	46.8 %	624,242	425,258	46.8 %	8,967,447	7,865,521	14.0 %
Total	722,519	530,027	36.3 %	722,519	530,027	36.3 %	11,041,680	9,954,027	10.9 %

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

**Previous Year does not include charter activity

Airline Enplanements, Seats, and Load Factors

Asheville Regional Airport

January, 2023



	Jan 2023	Jan 2022	Percentage Change	*CYTD-2023	**CYTD-2022	Percentage Change
Allegiant Air						
Enplanements	27,876	19,651	41.9%	27,876	19,651	41.9%
Seats	32,547	32,220	1.0%	32,547	32,220	1.0%
Load Factor	86.0 %	61.0 %	41.0%	86.0 %	61.0 %	41.0%
American Airlines						
Enplanements	15,862	10,048	57.9%	15,862	10,048	57.9%
Seats	22,562	15,055	49.9%	22,562	15,055	49.9%
Load Factor	70.0 %	67.0 %	4.5%	70.0 %	67.0 %	4.5%
Delta Air Lines						
Enplanements	14,565	9,109	59.9%	14,565	9,109	59.9%
Seats	15,392	16,696	-7.8%	15,392	16,696	-7.8%
Load Factor	95.0 %	55.0 %	72.7%	95.0 %	55.0 %	72.7%
Sun Country						
Enplanements	1,461	670	118.1%	1,461	670	118.1%
Seats	2,046	938	118.1%	2,046	938	118.1%
Load Factor	71.0 %	71.0 %	0.0%	71.0 %	71.0 %	0.0%
United Airlines						
Enplanements	3,912	2,442	60.2%	3,912	2,442	60.2%
Seats	4,784	2,960	61.6%	4,784	2,960	61.6%
Load Factor	82.0 %	83.0 %	-1.2%	82.0 %	83.0 %	-1.2%
Totals						
Enplanements	63,676	41,920	52.0%	63,676	41,920	52.0%
Seats	77,331	67,869	14.0%	77,331	67,869	14.0%
Load Factor	82.0 %	62.0 %	32.3%	82.0 %	62.0 %	32.3%

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

**Previous Year does not include charter activity

Note: Airline seats are estimated each month based on airline information. Reporting methodology updated in 2023, which may result in minor differences with previous years' numbers.

Airline Flight Completions Asheville Regional Airport January, 2023

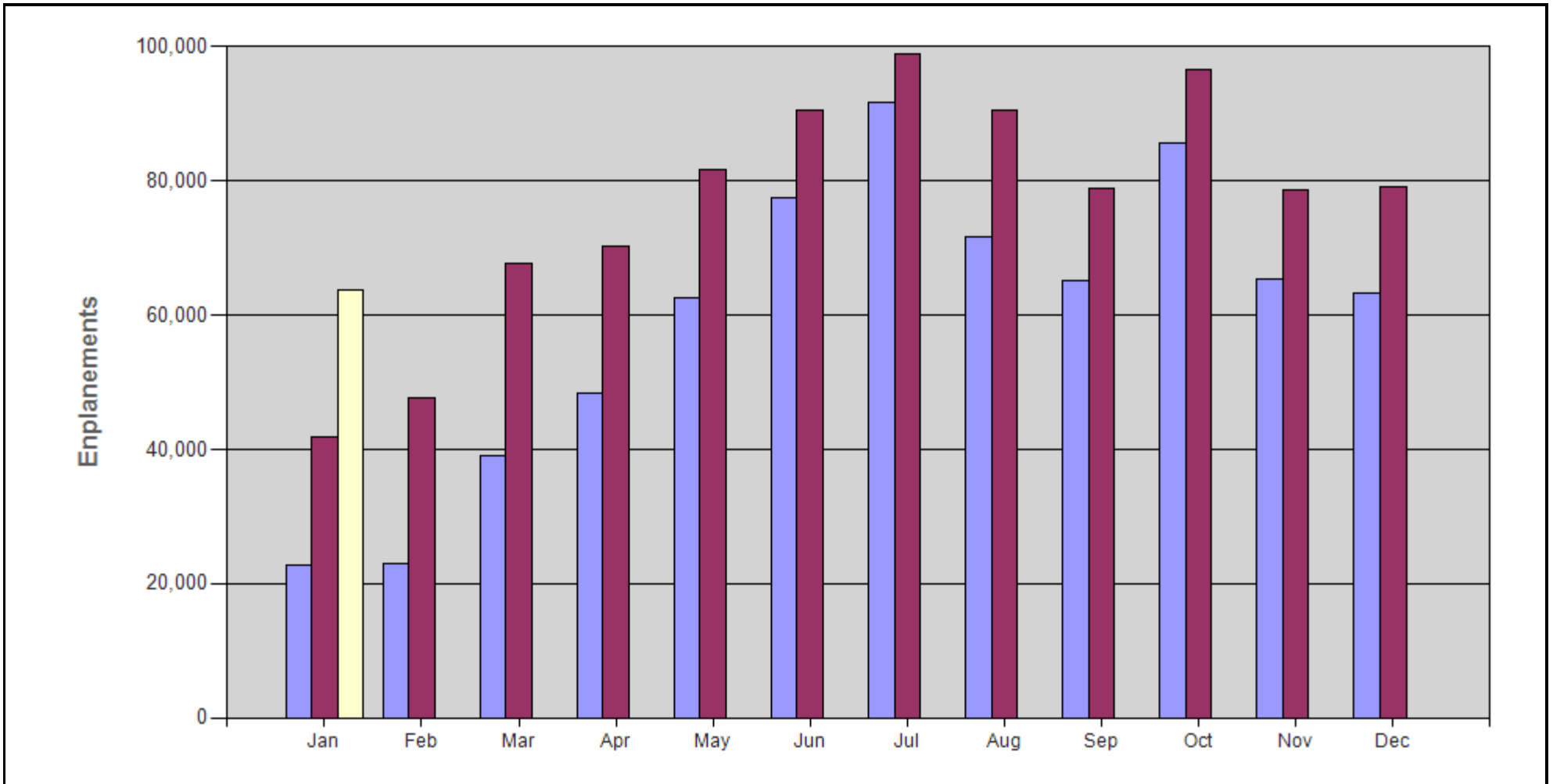


Airline	Scheduled Flights	Cancellations Due To				Total Cancellations	Percentage of Completed Flights
		Field	Mechanical	Weather	Other		
Allegiant Air	215	0	0	0	27	27	87.4%
American Airlines	262	0	0	3	0	3	98.9%
Delta Air Lines	208	0	0	0	0	0	100.0%
Sun Country	11	0	0	0	0	0	100.0%
United Airlines	94	0	1	0	0	1	98.9%
Total	790	0	1	3	27	31	96.1%

Monthly Enplanements By Year

Asheville Regional Airport

January, 2023

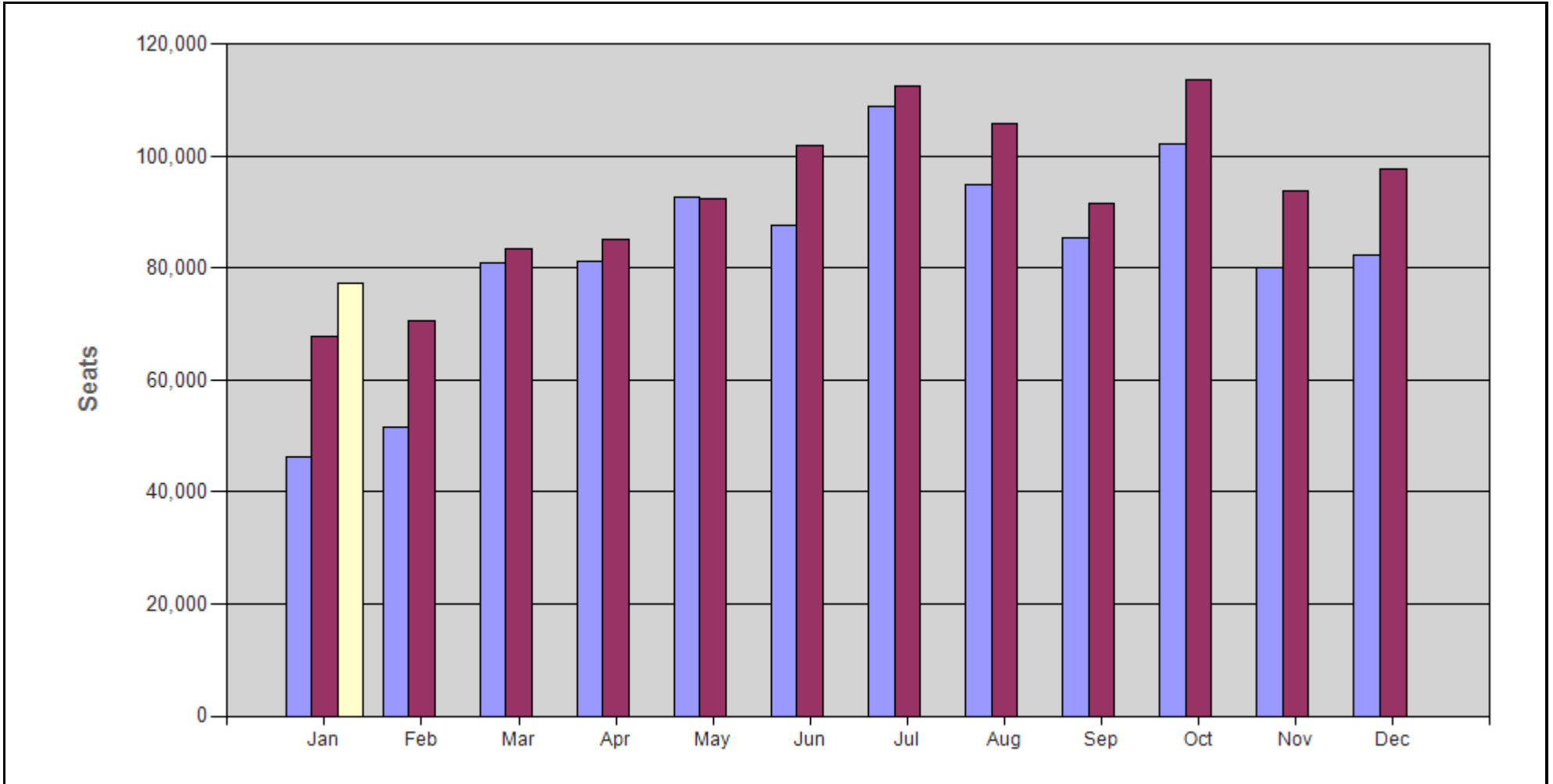


		1	2	3	4	5	6	7	8	9	10	11	12
	2021	22,658	22,977	39,029	48,371	62,546	77,489	91,609	71,735	65,120	85,762	65,431	63,288
	2022	41,920	47,636	67,677	70,365	81,758	90,545	99,028	90,425	78,972	96,632	78,734	79,124
	2023	63,676											

Monthly Seats By Year

Asheville Regional Airport

January, 2023

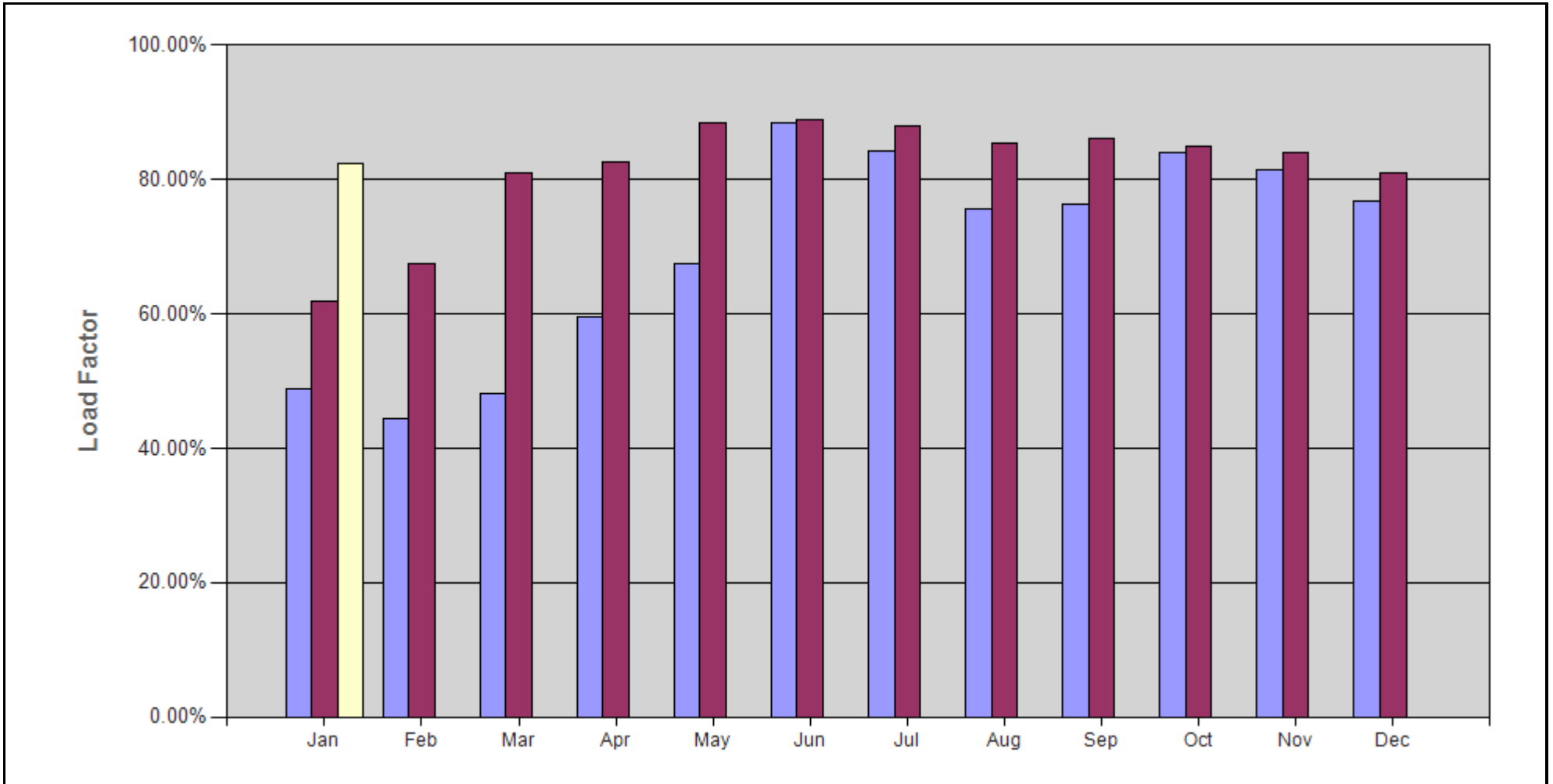


		1	2	3	4	5	6	7	8	9	10	11	12
	2021	46,325	51,620	80,905	81,345	92,780	87,651	108,793	94,971	85,335	102,158	80,261	82,435
	2022	67,869	70,496	83,511	85,136	92,519	101,932	112,645	105,748	91,648	113,656	93,729	97,734
	2023	77,331											

Monthly Load Factors By Year

Asheville Regional Airport

January, 2023

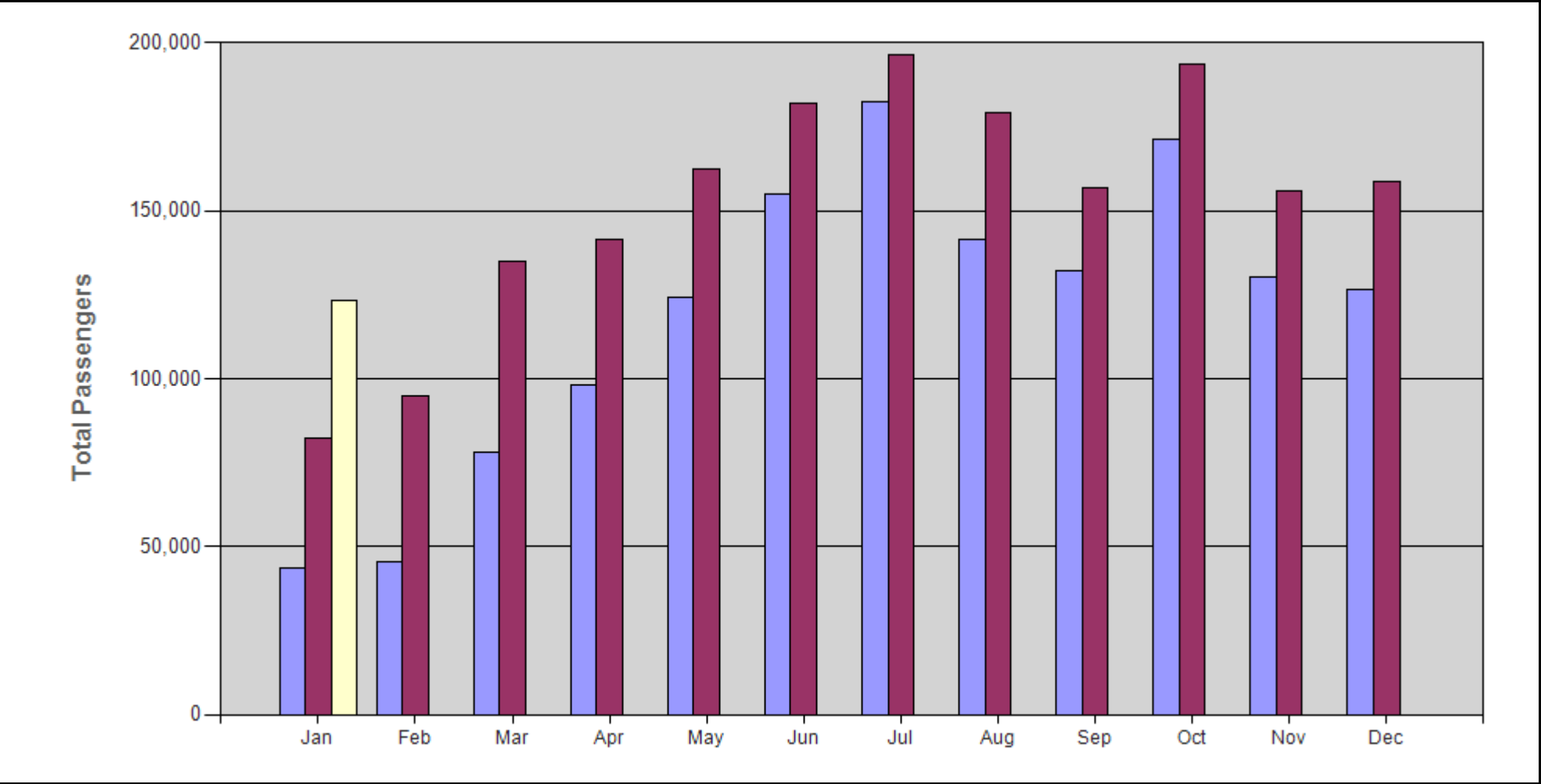


		1	2	3	4	5	6	7	8	9	10	11	12
	2021	48.91%	44.51%	48.24%	59.46%	67.41%	88.41%	84.20%	75.53%	76.31%	83.95%	81.52%	76.77%
	2022	61.77%	67.57%	81.04%	82.65%	88.37%	88.83%	87.91%	85.51%	86.17%	85.02%	84.00%	80.96%
	2023	82.34%											

Total Monthly Passengers By Year

Asheville Regional Airport

January, 2023

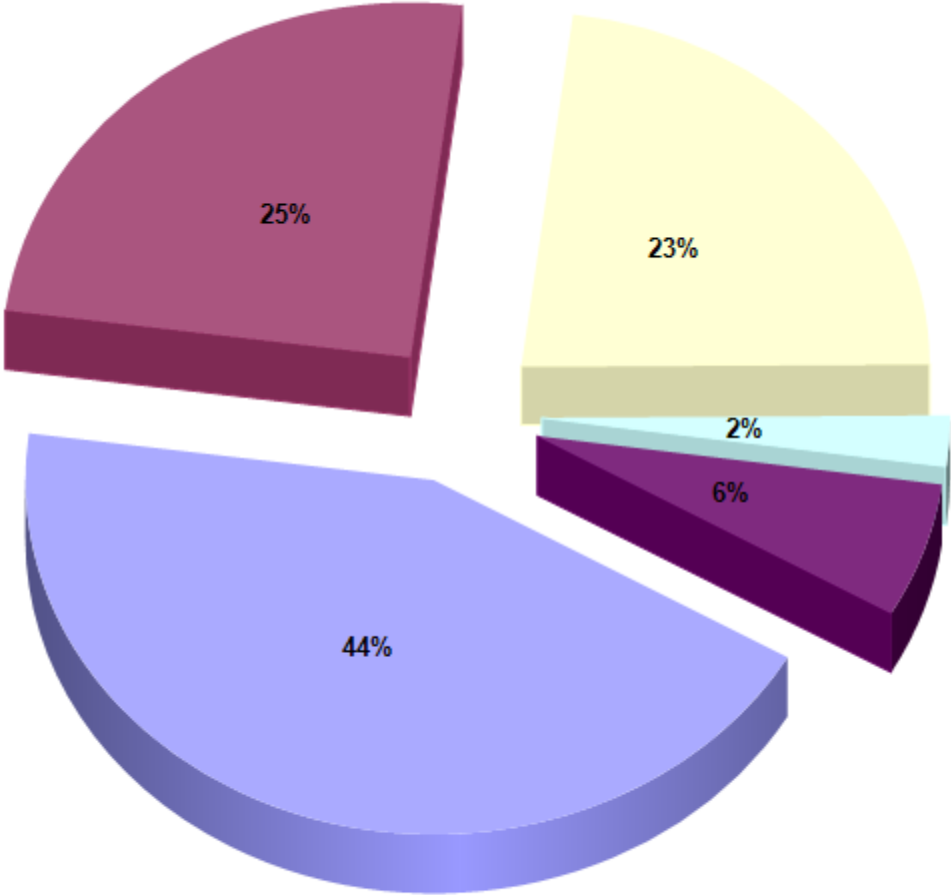


		1	2	3	4	5	6	7	8	9	10	11	12
	2021	43,630	45,617	77,862	97,905	124,151	154,749	182,470	141,577	132,022	171,476	130,131	126,676
	2022	82,372	94,697	135,068	141,232	162,241	181,885	196,507	179,330	157,040	193,883	156,006	158,532
	2023	123,117											

Airline Market Share Analysis (Enplanements)

Asheville Regional Airport

January, 2023



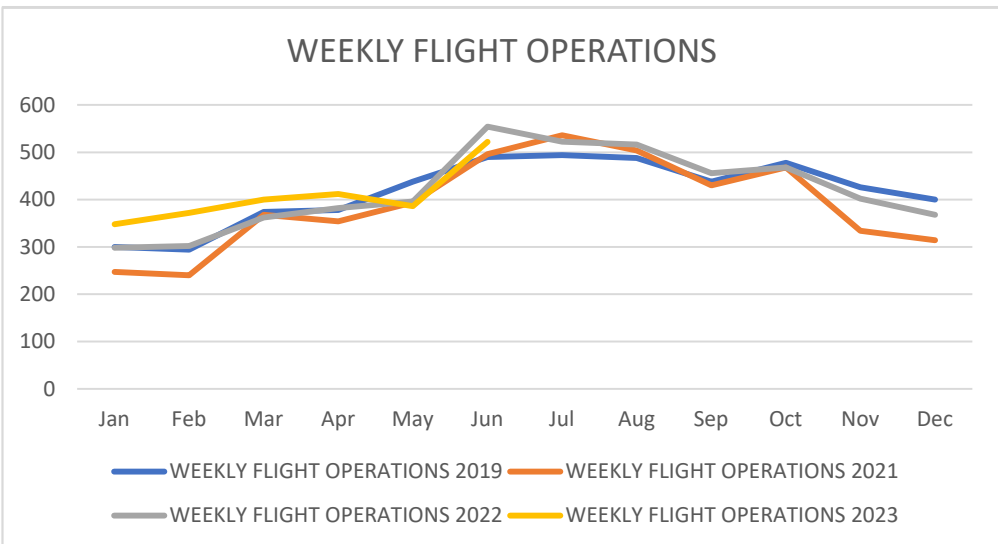
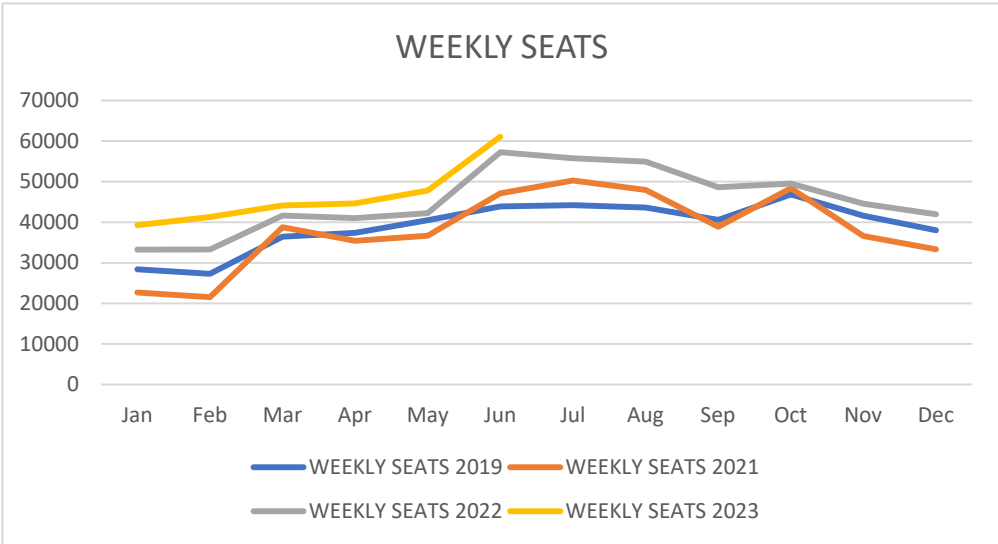
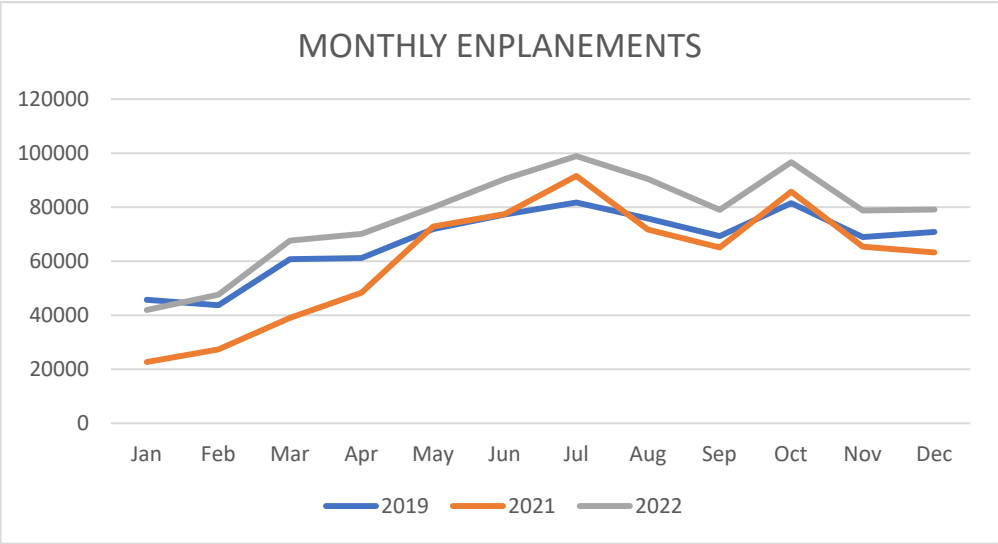
Allegiant Air American Airlines Delta Air Lines Sun Country United Airlines

AVL - Three month schedule Summary Report
 April 2023 to June 2023 vs. April 2022 to June 2022 vs. April 2021 to June 2021
 25-Feb-23

Mkt/Al	Travel Period		Apr 2023		Apr 2022		Apr 2021		Diff YoY		Percent Diff YoY		Diff 2YoY		Percent Diff 2YoY	
	Orig	Dest	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
AA	AUS-AVL	AUS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	AVL-AUS	AVL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	AVL-BOS	AVL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	BOS-AVL	BOS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	AVL-CLT	AVL	40	3,040	42	2,674	40	2,930	(2)	366	(4.8%)	13.7%	0	110	0.0%	3.8%
AA	CLT-AVL	CLT	40	3,040	42	2,674	40	2,930	(2)	366	(4.8%)	13.7%	0	110	0.0%	3.8%
AA	AVL-DCA	AVL	7	532	0	0	0	0	7	532	-	-	7	532	-	-
AA	DCA-AVL	DCA	7	532	0	0	0	0	7	532	-	-	7	532	-	-
AA	AVL-DFW	AVL	7	896	14	910	14	1,064	(7)	(14)	(50.0%)	(1.5%)	(7)	(168)	(50.0%)	(15.8%)
AA	DFW-AVL	DFW	7	896	14	910	14	1,064	(7)	(14)	(50.0%)	(1.5%)	(7)	(168)	(50.0%)	(15.8%)
AA	AVL-LGA	AVL	7	455	0	0	0	0	7	455	-	-	7	455	-	-
AA	LGA-AVL	LGA	7	455	0	0	0	0	7	455	-	-	7	455	-	-
AA	AVL-MIA	AVL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	MIA-AVL	MIA	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	AVL-ORD	AVL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	ORD-AVL	ORD	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	AVL-PHL	AVL	39	4,478	36	3,720	41	2,960	3	758	8.3%	20.4%	(2)	1,518	(4.9%)	51.3%
AA	PHL-AVL	PHL	39	4,478	36	3,720	41	2,960	3	758	8.3%	20.4%	(2)	1,518	(4.9%)	51.3%
AA	PHL-AVL	PHL	7	350	0	0	7	350	7	350	-	-	0	0	0.0%	0.0%
B6	AVL-BOS	AVL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
B6	BOS-AVL	BOS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
DL	ATL-AVL	ATL	39	4,478	36	3,720	41	2,960	3	758	8.3%	20.4%	(2)	1,518	(4.9%)	51.3%
DL	AVL-ATL	AVL	39	4,478	36	3,720	41	2,960	3	758	8.3%	20.4%	(2)	1,518	(4.9%)	51.3%
DL	AVL-DTW	AVL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
DL	DTW-AVL	DTW	0	0	0	0	0	0	0	0	-	-	0	0	-	-
DL	AVL-LGA	AVL	13	952	13	988	0	0	0	(36)	0.0%	(3.6%)	13	952	-	-
DL	LGA-AVL	LGA	13	952	13	988	0	0	0	(36)	0.0%	(3.6%)	13	952	-	-
DL	AVL-MSP	AVL	3	471	1	132	0	0	2	339	200.0%	256.8%	3	471	-	-
DL	MSP-AVL	MSP	3	471	1	132	0	0	2	339	200.0%	256.8%	3	471	-	-
G4	AUS-AVL	AUS	2	372	2	312	2	354	0	60	0.0%	19.2%	0	18	0.0%	5.1%
G4	AVL-AUS	AVL	2	372	2	312	2	354	0	60	0.0%	19.2%	0	18	0.0%	5.1%
G4	AVL-BOS	AVL	2	372	2	354	2	354	0	18	0.0%	5.1%	0	18	0.0%	5.1%
G4	BOS-AVL	BOS	2	372	2	354	2	354	0	18	0.0%	5.1%	0	18	0.0%	5.1%
G4	AVL-BWI	AVL	2	342	2	354	2	354	0	(12)	0.0%	(3.4%)	0	(12)	0.0%	(3.4%)
G4	BWI-AVL	BWI	2	342	2	354	2	354	0	(12)	0.0%	(3.4%)	0	(12)	0.0%	(3.4%)
G4	AVL-DEN	AVL	2	312	2	354	1	177	0	(42)	0.0%	(11.9%)	1	135	100.0%	76.3%
G4	DEN-AVL	DEN	2	312	2	354	1	177	0	(42)	0.0%	(11.9%)	1	135	100.0%	76.3%
G4	AVL-EWR	AVL	3	558	4	666	3	531	(1)	(108)	(25.0%)	(16.2%)	0	27	0.0%	5.1%
G4	EWR-AVL	EWR	3	558	4	666	3	531	(1)	(108)	(25.0%)	(16.2%)	0	27	0.0%	5.1%
G4	AVL-EYW	AVL	2	312	2	312	0	0	0	0	0.0%	0.0%	2	312	-	-
G4	EYW-AVL	EYW	2	312	2	312	0	0	0	0	0.0%	0.0%	2	312	-	-
G4	AVL-FLL	AVL	12	2,022	13	2,217	13	2,301	(1)	(195)	(7.7%)	(8.8%)	(1)	(279)	(7.7%)	(12.1%)
G4	FLL-AVL	FLL	12	2,022	13	2,217	13	2,301	(1)	(195)	(7.7%)	(8.8%)	(1)	(279)	(7.7%)	(12.1%)
G4	AVL-HOU	AVL	2	342	2	354	2	354	0	(12)	0.0%	(3.4%)	0	(12)	0.0%	(3.4%)
G4	HOU-AVL	HOU	2	342	2	354	2	354	0	(12)	0.0%	(3.4%)	0	(12)	0.0%	(3.4%)
G4	AVL-LAS	AVL	2	372	2	372	2	354	0	0	0.0%	0.0%	0	18	0.0%	5.1%
G4	LAS-AVL	LAS	2	372	2	372	2	354	0	0	0.0%	0.0%	0	18	0.0%	5.1%
G4	AVL-MDW	AVL	2	342	2	312	1	177	0	30	0.0%	9.6%	1	165	100.0%	93.2%
G4	MDW-AVL	MDW	2	342	2	312	1	177	0	30	0.0%	9.6%	1	165	100.0%	93.2%
G4	AVL-MSP	AVL	2	372	2	354	0	0	0	18	0.0%	5.1%	2	372	-	-
G4	MSP-AVL	MSP	2	372	2	354	0	0	0	18	0.0%	5.1%	2	372	-	-
G4	AVL-PBI	AVL	2	372	2	354	2	354	0	18	0.0%	5.1%	0	18	0.0%	5.1%
G4	PBI-AVL	PBI	2	372	2	354	2	354	0	18	0.0%	5.1%	0	18	0.0%	5.1%
G4	AVL-PGD	AVL	4	744	5	843	2	354	(1)	(99)	(20.0%)	(11.7%)	2	390	100.0%	110.2%
G4	PGD-AVL	PGD	4	744	5	843	2	354	(1)	(99)	(20.0%)	(11.7%)	2	390	100.0%	110.2%
G4	AVL-PIE	AVL	6	1,026	8	1,431	8	1,470	(2)	(405)	(25.0%)	(28.3%)	(2)	(444)	(25.0%)	(30.2%)
G4	PIE-AVL	PIE	6	1,026	8	1,431	8	1,470	(2)	(405)	(25.0%)	(28.3%)	(2)	(444)	(25.0%)	(30.2%)
G4	AVL-SFB	AVL	6	1,038	7	1,248	10	1,770	(1)	(210)	(14.3%)	(16.8%)	(4)	(732)	(40.0%)	(41.4%)
G4	SFB-AVL	SFB	6	1,038	7	1,248	10	1,770	(1)	(210)	(14.3%)	(16.8%)	(4)	(732)	(40.0%)	(41.4%)
G4	AVL-SRQ	AVL	2	372	1	156	2	354	1	216	100.0%	138.5%	0	18	0.0%	5.1%
G4	SRQ-AVL	SRQ	2	372	1	156	2	354	1	216	100.0%	138.5%	0	18	0.0%	5.1%
G4	AVL-VPS	AVL	0	0	2	312	0	0	(2)	(312)	(100.0%)	(100.0%)	0	0	-	-
G4	VPS-AVL	VPS	0	0	2	312	0	0	(2)	(312)	(100.0%)	(100.0%)	0	0	-	-
SY	AVL-MSP	AVL	2	372	2	372	0	0	0	0	0.0%	0.0%	2	372	-	-
SY	MSP-AVL	MSP	2	372	2	372	0	0	0	0	0.0%	0.0%	2	372	-	-
UA	AVL-EWR	AVL	7	476	7	350	0	0	0	126	0.0%	36.0%	7	476	-	-
UA	EWR-AVL	EWR	7	476	7	350	0	0	0	126	0.0%	36.0%	7	476	-	-
UA	AVL-IAD	AVL	0	0	0	0	12	600	0	0	-	-	(12)	(600)	(100.0%)	(100.0%)
UA	IAD-AVL	IAD	0	0	0	0	12	600	0	0	-	-	(12)	(600)	(100.0%)	(100.0%)
UA	AVL-ORD	AVL	21	1,050	14	700	11	550	7	350	50.0%	50.0%	10	500	90.9%	90.9%
UA	ORD-AVL	ORD	21	1,050	14	700	11	550	7	350	50.0%	50.0%	10	500	90.9%	90.9%
Total			412	44,684	378	40,302	354	35,424	34	4,382	9.0%	10.9%	58	9,260	16.4%	26.1%

Mkt/Al	Travel Period		May 2023		May 2022		May 2021		Diff YoY		Percent Diff YoY		Diff 2YoY		Percent Diff 2YoY	
	Orig	Dest	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
AA	AUS-AVL	AUS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	AVL-AUS	AUS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	AVL-BOS	BOS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	BOS-AVL	BOS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	AVL-CLT	CLT	40	4,200	50	5,564	47	3,286	(10)	646	(20.0%)	18.1%	(7)	924	-15%	28%
AA	CLT-AVL	CLT	40	4,210	50	5,564	47	3,286	(10)	646	(20.0%)	18.1%	(7)	924	-15%	28%
AA	AVL-DCA	AVL	7	532	7	532	1	65	0	0.0%	0.0%	6	467	600%	718%	
AA	DCA-AVL	DCA	7	532	7	532	1	65	0	0.0%	0.0%	6	467	600%	718%	
AA	AVL-DFW	DFW	7	896	14	987	14	1,064	(7)	(91)	(50.0%)	(9.2%)	(7)	(168)	-50%	-16%
AA	DFW-AVL	DFW	7	896	14	987	14	1,064	(7)	(91)	(50.0%)	(9.2%)	(7)	(168)	-50%	-16%
AA	AVL-LGA	LGA	7	466	0	0	1	65	7	466	-	-	6	401	600%	617%
AA	LGA-AVL	LGA	7	466	0	0	1	65	7	466	-	-	6	401	600%	617%
AA	AVL-MIA	MIA	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	MIA-AVL	MIA	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	AVL-ORD	ORD	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	ORD-AVL	ORD	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	AVL-PHL	PHL	11	550	0	0	6	300	11	550	-	-	5	250	83%	83%
AA	PHL-AVL	PHL	11	550	0	0	6	300	11	550	-	-	5	250	83%	83%
AA	AVL-BOS	BOS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
B6	BOS-AVL	BOS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
DL	AVL-ATL	ATL	39	4,290	32	3,520	48	3,310	7	770	21.9%	21.9%	(9)	980	-19%	30%
DL	ATL-AVL	ATL	39	4,290	32	3,520	48	3,310	7	770	21.9%	21.9%	(9)	980	-19%	30%
DL	AVL-LGA	LGA	13	916	13	988	7	490	0	(72)	0.0%	(7.3%)	6	426	86%	87%
DL	LGA-AVL	LGA	13	916	13	988	7	490	0	(72)	0.0%	(7.3%)	6	426	86%	87%
DL	AVL-MSP	MSP	3	471	1	110	0	0	2	361	200.0%	328.2%	3	471	-	-
DL	MSP-AVL	MSP	3	471	1	110	0	0	2	361	200.0%	328.2%	3	471	-	-
G4	AUS-AVL	AUS	2	372	2	312	2	354	0	60	0.0%	19.2%	0	18	0.0%	5.1%
G4	AVL-AUS	AUS	2	372	2	312	2	354	0	60	0.0%	19.2%	0	18	0.0%	5.1%
G4	AVL-BOS	BOS	2	372	2	342	2	354	0	30	0.0%	8.8%	0	18	0.0%	5.1%
G4	BOS-AVL	BOS	2	372	2	342	2	354	0	30	0.0%	8.8%	0	18	0.0%	5.1%
G4	AVL-BWI	BWI	3	558	2	372	2	354	1	186	50.0%	50.0%	1	204	50.0%	57.6%
G4	BWI-AVL	BWI	3	558	2	372	2	354	1	186	50.0%	50.0%	1	204	50.0%	57.6%
G4	AVL-DEN	DEN	2	342	2	372	2	354	0	(30)	0.0%	(8.1%)	0	(12)	0.0%	(3.4%)
G4	DEN-AVL	DEN	2	342	2	372	2	354	0	(30)	0.0%	(8.1%)	0	(12)	0.0%	(3.4%)
G4	AVL-EWR	EWR	2	372	2	372	2	354	0	0	0.0%	0.0%	0	18	0.0%	5.1%
G4	EWR-AVL	EWR	2	372	2	372	2	354	0	0	0.0%	0.0%	0	18	0.0%	5.1%
G4	AVL-EYW	EYW	2	312	2	312	0	0	0	0	0.0%	0.0%	2	312	-	-
G4	EYW-AVL	EYW	2	312	2	312	0	0	0	0	0.0%	0.0%	2	312	-	-
G4	AVL-FLL	FLL	12	2,127	11	1,869	12	2,124	1	258	9.1%	13.8%	0	3	0.0%	0.1%
G4	FLL-AVL	FLL	12	2,127	11	1,869	12	2,124	1	258	9.1%	13.8%	0	3	0.0%	0.1%
G4	AVL-HOU	HOU	2	342	0	0	2	354	2	342	-	-	0	(12)	0.0%	(3.4%)
G4	HOU-AVL	HOU	2	342	0	0	2	354	2	342	-	-	0	(12)	0.0%	(3.4%)
G4	AVL-LAS	LAS	2	372	2	372	2	354	0	0	0.0%	0.0%	0	18	0.0%	5.1%
G4	LAS-AVL	LAS	2	372	2	372	2	354	0	0	0.0%	0.0%	0	18	0.0%	5.1%
G4	AVL-MDW	MDW	2	342	2	342	2	354	0	0	0.0%	0.0%	0	(12)	0.0%	(3.4%)
G4	MDW-AVL	MDW	2	342	2	342	2	354	0	0	0.0%	0.0%	0	(12)	0.0%	(3.4%)
G4	AVL-MSP	MSP	0	0	2	342	0	0	(2)	(342)	(100.0%)	(100.0%)	0	0	-	-
G4	MSP-AVL	MSP	0	0	2	342	0	0	(2)	(342)	(100.0%)	(100.0%)	0	0	-	-
G4	AVL-PBI	PBI	2	372	2	372	2	354	0	0	0.0%	0.0%	0	18	0.0%	5.1%
G4	PBI-AVL	PBI	2	372	2	372	2	354	0	0	0.0%	0.0%	0	18	0.0%	5.1%
G4	AVL-PGD	PGD	4	744	4	705	2	354	0	39	0.0%	5.5%	2	390	100.0%	110.2%
G4	PGD-AVL	PGD	4	744	4	705	2	354	0	39	0.0%	5.5%	2	390	100.0%	110.2%
G4	AVL-PIE	PIE	7	1,302	7	1,302	6	1,116	0	0	0.0%	0.0%	1	186	16.7%	16.7%
G4	PIE-AVL	PIE	7	1,302	7	1,302	6	1,116	0	0	0.0%	0.0%	1	186	16.7%	16.7%
G4	AVL-SFB	SFB	6	1,047	7	1,257	8	1,374	(1)	(210)	(14.3%)	(16.7%)	(2)	(327)	(25.0%)	(23.8%)
G4	SFB-AVL	SFB	6	1,047	7	1,257	8	1,374	(1)	(210)	(14.3%)	(16.7%)	(2)	(327)	(25.0%)	(23.8%)
G4	AVL-SRQ	SRQ	2	372	2	342	2	354	0	30	0.0%	8.8%	0	18	0.0%	5.1%
G4	SRQ-AVL	SRQ	2	372	2	342	2	354	0	30	0.0%	8.8%	0	18	0.0%	5.1%
G4	AVL-VPS	VPS	0	0	2	312	0	0	(2)	(312)	(100.0%)	(100.0%)	0	0	-	-
G4	VPS-AVL	VPS	0	0	2	312	0	0	(2)	(312)	(100.0%)	(100.0%)	0	0	-	-
SV	AVL-MSP	MSP	2	372	2	372	0	0	0	0	0.0%	0.0%	2	372	-	-
SV	MSP-AVL	MSP	2	372	2	372	0	0	0	0	0.0%	0.0%	2	372	-	-
UA	AVL-EWR	EWR	7	470	7	350	0	0	0	120	0.0%	34.3%	7	470	-	-
UA	EWR-AVL	EWR	7	470	7	350	0	0	0	120	0.0%	34.3%	7	470	-	-
UA	AVL-IAD	IAD	0	0	0	0	12	600	0	0	-	-	(12)	(600)	(100.0%)	(100.0%)
UA	IAD-AVL	IAD	0	0	0	0	12	600	0	0	-	-	(12)	(600)	(100.0%)	(100.0%)
UA	AVL-ORD	ORD	21	1,372	14	700	13	650	7	672	50.0%	96.0%	8	722	61.5%	111.1%
UA	ORD-AVL	ORD	21	1,372	14	700	13	650	7	672	50.0%	96.0%	8	722	61.5%	111.1%
Total			418	47,786	386	40,840	394	36,676	32	6,946	8.3%	17.0%	24	11,110	6.1%	30.3%

Mkt/Al	Travel Period		Jun 2023		Jun 2022		Jun 2021		Diff YoY		Percent Diff YoY		Diff 2YoY		Percent Diff 2YoY	
	Orig	Dest	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
AA	AUS-AVL	AUS	0	0	1	76	0	0	(1)	(76)	(100.0%)	(100.0%)	0	0	-	-
AA	AVL-AUS	AUS	0	0	1	76	0	0	(1)	(76)	(100.0%)	(100.0%)	0	0	-	-
AA	AVL-BOS	BOS	0	0	1	76	1	76	(1)	(76)	(100.0%)	(100.0%)	(1)	(76)	(100.0%)	(100.0%)
AA	BOS-AVL	BOS	0	0	1	76	1	76	(1)	(76)	(100.0%)	(100.0%)	(1)	(76)	(100.0%)	(100.0%)
AA	AVL-CLT	CLT	47	4,768	54	4,027	48	3,040	(7)	739	(13.0%)	18.4%	(11)	1,726	(2.1%)	56.8%
AA	CLT-AVL	CLT	47	4,768	54	4,027	48	3,040	(7)	739	(13.0%)	18.4%	(11)	1,726	(2.1%)	56.8%
AA	AVL-DCA	DCA	7	532	9	684	7	532	(2)	(152)	(22.2%)	(22.2%)	0	0	0.0%	0.0%
AA	DCA-AVL	DCA	7	532	9	684	7	532	(2)	(152)	(22.2%)	(22.2%)	0	0	0.0%	0.0%
AA	AVL-DFW	DFW	7	1,090	15	1,140	21	1,596	(8)	(50)	(53.3%)	(4.4%)	(14)	(506)	(66.7%)	(31.7%)
AA	DFW-AVL	DFW	7	1,090	15	1,140	21	1,596	(8)	(50)	(53.3%)	(4.4%)	(14)	(506)	(66.7%)	(31.7%)
AA	AVL-LGA	LGA	7	532	1	76	1	65	6	456	600.0%	600.0%	6	467	600.0%	718.5%
AA	LGA-AVL	LGA	7	532	1	76	1	65	6	456	600.0%	600.0%	6	467	600.0%	718.5%
AA	AVL-MIA	MIA	7	532	7	532	0	0	0	0	0.0%	0.0%	7	532	-	-
AA	MIA-AVL	MIA	7	532	7	532	0	0	0	0	0.0%	0.0%	7	532	-	-
AA	AVL-ORD	ORD	8	520	7	532	7	455	1	(12)	14.3%	(2.3%)	1	65	14.3%	14.3%
AA	ORD-AVL	ORD	8	520	7	532	7	455	1	(12)	14.3%	(2.3%)	1	65	14.3%	14.3%
AA	AVL-PHL	PHL	14	726	7	455	13	691	7	271	100.0%	59.6%	1	35	7.7%	5.1%
AA	PHL-AVL	PHL	14	726	7	455	13	691	7	271	100.0%	59.6%	1	35	7.7%	5.1%
B6	AVL-BOS	BOS	7	700	3	300	0	0	4	400	133.3%	133.3%	7	700	-	-
B6	BOS-AVL	BOS	7	700	3	300	0	0	4	400	133.3%	133.3%	7	700	-	-
DL	AVL-ATL	ATL	41	4,510	35	3,850	43	3,178	6	660	17.1%	17.1%	(2)	1,332	(4.7%)	41.9%
DL	ATL-AVL	ATL	41	4,510	35	3,850	43	3,178	6	660	17.1%	17.1%	(2)	1,332	(4.7%)	41.9%
DL	AVL-LGA	LGA	13	946	13	915	7	532	0	31	0.0%	3.4%	6	414	85.7%	77.8%
DL	LGA-AVL	LGA	13	946	13	915	7	532	0	31	0.0%	3.4%	6	414	85.7%	77.8%
DL	AVL-MSP	MSP														





MEMORANDUM

TO: Members of the Airport Authority
 FROM: Janet Burnette, Chief Financial Officer
 DATE: March 10, 2023

ITEM DESCRIPTION – Information Section Item B

Greater Asheville Regional Airport – Explanation of Extraordinary Variances
 Month of January 2023

SUMMARY

Operating Revenues for the month of January were \$1,874,458, 11.4% over budget. Operating Expenses for the month were \$1,064,287, 9.1% under budget. As a result, Net Operating Revenues before Depreciation were \$810,171. Net Non-Operating Revenues were \$236,606, which includes \$819,897 in 2022A Bond interest expense to be paid from the Bond Capitalized Interest account semi-annually.

Year-to-date Operating Revenues were \$14,104,672, 19.1% over budget. Year-to-date Operating Expenses were \$7,107,546, 16.7% under budget. Year-to-date Net Operating Revenues before Depreciation were \$6,997,126. Net Non-Operating Revenues for the year were \$4,390,135.

REVENUES

Significant variations to budget for January were:

Concessions	\$50,766	95.45%	Advertising sales & enplanements over budget
Auto parking	\$126,582	20.25%	Enplanements over budget
Rental car rentals	(\$39,336)	(11.80%)	Car rentals dropped during month
Ground transportation	\$57,781	230.18%	Annual tenant parking invoiced during month
Land leases	\$12,571	51.43%	Annual billboard advertising invoiced



EXPENSES

Significant variations to budget for January were:

Professional services	(\$23,066)	(56.91%)	Minimal professional services
Contractual services	\$40,443	24.27%	I.T. contracts and wildlife services
Utilities	\$18,127	44.46%	Water & natural gas invoices during month
Operating supplies	(\$13,350)	(32.59%)	Supply purchases less than expected
Repairs & maintenance	\$20,706	128.61%	RAC compressors & parking garage cleaning
Business development	\$25,390	101.56%	JetBlue incentive

STATEMENT OF NET ASSETS

Significant variations to prior month were:

Cash and Cash Equivalents – Cash and Cash Equivalents decreased by \$11M mostly due to terminal, air traffic control tower and south apron projects and \$5.9M bond interest payment.

Prepaid Expenses – Prepaid Expenses increased by \$3.7M due to construction reimbursables payment to the FAA.

Construction in Progress – Construction in Progress increased by \$4.9M mostly due to the terminal, air traffic control tower and south apron construction projects.

Property and Equipment, Net – Property and Equipment, Net decreased by \$455K due to depreciation.

**ASHEVILLE REGIONAL AIRPORT
INVESTMENT AND INTEREST INCOME SUMMARY
As of January 31, 2023**

<u>Institution:</u>	<u>Interest Rate</u>	<u>Investment Amount</u>	<u>Monthly Interest</u>
Bank of America - Operating Account	1.60%	\$ 7,884,488	19,103
NC Capital Management Trust - Cash Portfolio		20,822,166	74,378
Petty Cash		200	
 <u>Restricted Cash:</u>			
Bank of America - PFC Revenue Account	1.60%	15,469,220	23,734
BNY Mellon		829,260	
NC Capital Mgt Trust - 2022A Construction		154,203,349	550,523
NC Capital Mgt Trust - 2022A Parity Reserve		13,633,349	48,699
NC Capital Mgt Trust - 2022A Capitalized Interest		24,686,684	89,778
 Total		 <u>\$ 237,528,716</u>	 <u>\$ 806,215</u>

Investment Diversification:

Banks	10%
NC Capital Management Trust	90%
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 January 31, 2023**

	Current Month	Prior Period
Cash and Investments Beginning of Period	\$ 248,692,712	\$ 246,418,512
Net Income/(Loss) Before Capital Contributions	591,000	2,358,018
Depreciation	455,777	455,777
Decrease/(Increase) in Receivables	423,673	(1,308,398)
Increase/(Decrease) in Payables	(5,374,748)	1,138,163
Decrease/(Increase) in Prepaid Expenses	(3,771,430)	-
Decrease/(Increase) in Fixed Assets	(4,909,682)	(3,653,166)
Principal Payments of Bond Maturities	-	-
Capital Contributions	1,421,414	3,283,806
Forfeiture Funding Increase	-	-
Prior period adjustment - Bond insurance	-	-
Increase(Decrease) in Cash	(11,163,996)	2,274,200
Cash and Investments End of Period	\$ 237,528,716	\$ 248,692,712

**ASHEVILLE REGIONAL AIRPORT
STATEMENT OF FINANCIAL POSITION
As of January 31, 2023**

	<u>Current Month</u>	<u>Last Month</u>
<u>ASSETS</u>		
Current Assets:		
Unrestricted Net Assets:		
Cash and Cash Equivalents	\$28,706,854	\$35,352,783
Accounts Receivable	552,201	975,157
Passenger Facility Charges Receivable	200,000	565,000
Refundable Sales Tax Receivable	221,986	178,766
Grants Receivable	2,535,810	2,214,747
Prepaid Expenses	6,747,134	2,975,704
GASB 87 Short-term Lease Receivable	1,624,751	1,624,751
Total Unrestricted Assets	<u>40,588,736</u>	<u>43,886,908</u>
Restricted Assets:		
Cash and Cash Equivalents	208,821,862	213,339,929
Total Restricted Assets	<u>208,821,862</u>	<u>213,339,929</u>
Total Current Assets	<u>249,410,598</u>	<u>257,226,837</u>
Noncurrent Assets:		
Construction in Progress	54,401,712	49,492,030
Net Pension Asset - LGERS	(689,136)	(689,136)
Benefit Payment - OPEB	477,830	477,830
Contributions in Current Year	1,401,569	1,401,569
GASB 87 Long-term Lease Receivable	16,387,282	16,387,282
Property and Equipment - Net	170,723,643	171,179,420
Total Noncurrent Assets	<u>242,702,900</u>	<u>238,248,995</u>
	<u>\$492,113,498</u>	<u>\$495,475,832</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Payable from Unrestricted Assets:		
Accounts Payable & Accrued Liabilities	\$106,451	\$28,117
Customer Deposits	88,018	88,018
Unearned Revenue	333,716	731,528
Construction Contract Retainages	715,740	715,740
Revenue Bond Payable - Current	1,375,000	1,375,000
GASB 87 Short-term Deferred Revenue	2,257,607	2,257,607
Interest Payable	847,066	5,902,336
Total Payable from Unrestricted Assets	<u>5,723,598</u>	<u>11,098,346</u>
Total Current Liabilities	<u>5,723,598</u>	<u>11,098,346</u>
Noncurrent Liabilities:		
Pension Deferrals - OPEB	208,860	208,860
Other Postemployment Benefits	2,616,865	2,616,865
Compensated Absences	655,090	655,090
Net Pension Obligation-LEO Special Separation Allowance	654,955	654,955
GASB 87 Long-term Deferred Revenue	16,011,357	16,011,357
Revenue Bond Payable - 2016 - Noncurrent	12,270,000	12,270,000
Revenue Bond Payable - 2022A - Noncurrent	196,939,329	196,939,329
Revenue Bond 2022A Issue Costs	0	0
Total Noncurrent Liabilities	<u>229,356,456</u>	<u>229,356,456</u>
Total Liabilities	<u>235,080,054</u>	<u>240,454,802</u>
Net Assets:		
Invested in Capital Assets	211,480,355	207,026,450
Restricted	208,821,862	213,339,929
Unrestricted	(163,268,773)	(165,345,349)
Total Net Assets	<u>257,033,444</u>	<u>255,021,030</u>
	<u>\$492,113,498</u>	<u>\$495,475,832</u>



Income Statement

Through 01/31/23
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	25,018.89	174,338.95	174,651.17	(312.22)	299,402.00	125,063.05
Terminal space rentals - airline	239,250.05	2,002,074.58	1,788,665.67	213,408.91	3,066,284.00	1,064,209.42
Landing fees	156,302.67	1,338,010.35	1,219,023.75	118,986.60	2,089,755.00	751,744.65
Concessions	103,953.61	635,940.36	372,312.50	263,627.86	638,250.00	2,309.64
Auto parking	751,581.93	5,446,406.06	4,375,000.00	1,071,406.06	7,500,000.00	2,053,593.94
Rental car - car rentals	293,997.53	2,611,296.36	2,333,333.33	277,963.03	4,000,000.00	1,388,703.64
Rental car - facility rent	61,871.73	430,017.41	427,883.75	2,133.66	733,515.00	303,497.59
Commerce ground transportation	75,280.95	211,283.46	122,500.00	88,783.46	210,000.00	(1,283.46)
FBOs	105,060.17	784,933.71	668,626.00	116,307.71	1,146,216.00	361,282.29
Building leases	4,306.15	29,310.67	27,991.25	1,319.42	47,985.00	18,674.33
Land leases	37,014.88	212,528.61	171,104.50	41,424.11	293,322.00	80,793.39
Other leases and fees	20,819.67	228,531.38	163,800.00	64,731.38	280,800.00	52,268.62
<i>Operating revenues Totals</i>	\$1,874,458.23	\$14,104,671.90	\$11,844,891.92	\$2,259,779.98	\$20,305,529.00	\$6,200,857.10
<i>Non-operating revenue and expense</i>						
Customer facility charges	124,962.75	1,285,863.00	1,166,666.67	119,196.33	2,000,000.00	714,137.00
Passenger facility charges	164,774.96	2,087,970.67	1,750,000.00	337,970.67	3,000,000.00	912,029.33
ARPA grant	.00	3,848,823.46	.00	3,848,823.46	.00	(3,848,823.46)
Interest revenue	806,214.92	3,927,680.15	14,583.33	3,913,096.82	25,000.00	(3,902,680.15)
Interest expense	(847,066.14)	(6,749,402.13)	.00	(6,749,402.13)	.00	6,749,402.13
Bond expense	(13,630.00)	(19,800.00)	.00	(19,800.00)	.00	19,800.00
P-card rebate	.00	6,299.91	.00	6,299.91	.00	(6,299.91)
Miscellaneous	1,350.00	2,700.00	.00	2,700.00	.00	(2,700.00)
<i>Non-operating revenue and expense Totals</i>	\$236,606.49	\$4,390,135.06	\$2,931,250.00	\$1,458,885.06	\$5,025,000.00	\$634,864.94
Capital contributions	1,421,414.22	12,256,198.80	.00	12,256,198.80	.00	(12,256,198.80)



Income Statement

Through 01/31/23

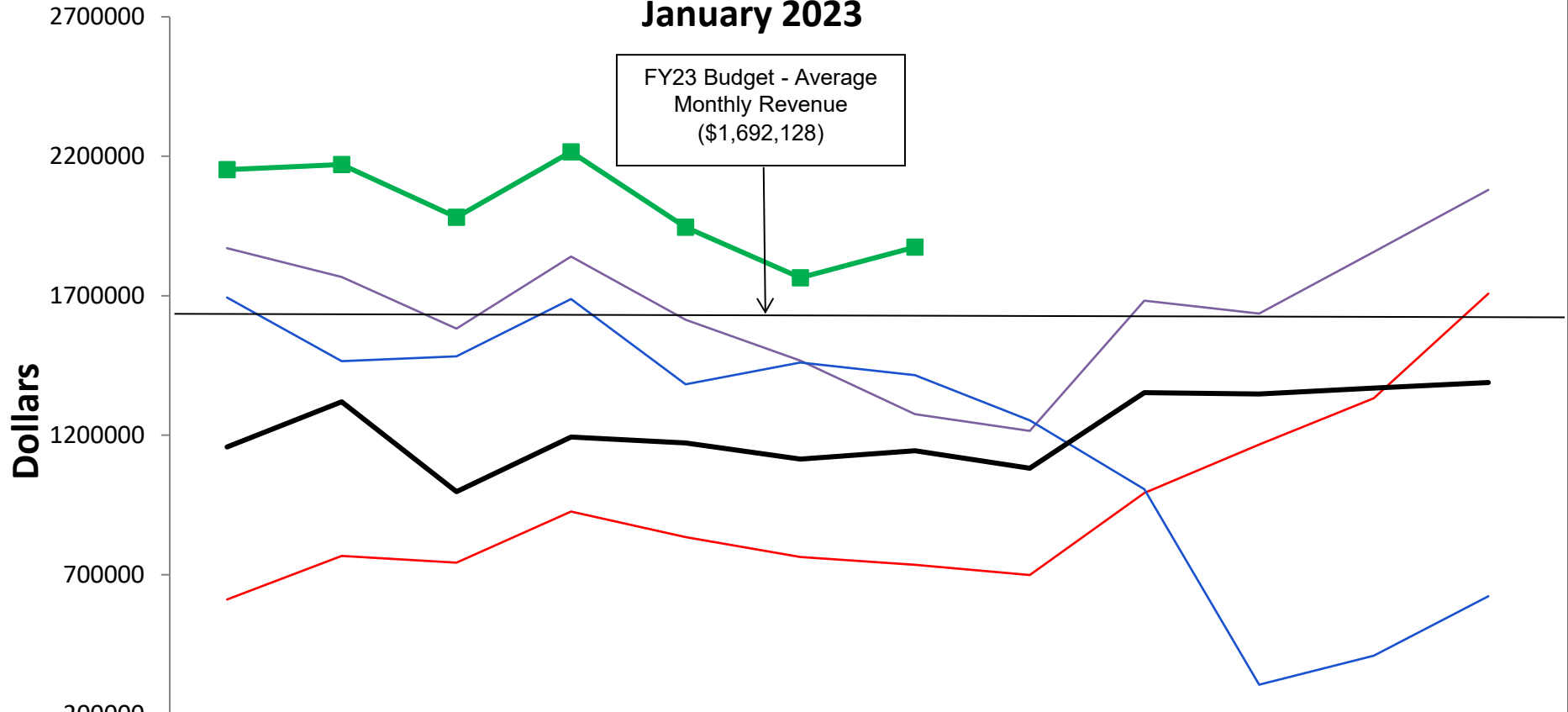
Summary Listing

Classification	MTD Actual Amount	YTD Actual Amount	YTD Budget Amount	YTD Variance	Annual Budget Amount	Budget Less YTD Actual
<i>Operating expenses</i>						
Personnel services	588,125.01	4,313,382.77	5,286,713.25	(973,330.48)	9,062,937.00	4,749,554.23
Professional services	17,467.39	156,778.89	283,733.33	(126,954.44)	486,400.00	329,621.11
Other contractual services	207,095.37	1,130,648.71	1,166,567.50	(35,918.79)	1,999,830.00	869,181.29
Travel and training	23,630.24	76,897.94	129,342.50	(52,444.56)	221,730.00	144,832.06
Communications	5,421.87	24,133.04	33,950.00	(9,816.96)	58,200.00	34,066.96
Utility services	58,899.58	237,742.52	285,405.75	(47,663.23)	489,267.00	251,524.48
Rentals and leases	1,637.07	12,424.65	10,914.17	1,510.48	18,710.00	6,285.35
Insurance	.00	330,671.68	334,400.00	(3,728.32)	334,400.00	3,728.32
Advertising, printing and binding	854.89	4,241.28	6,679.17	(2,437.89)	11,450.00	7,208.72
Promotional activities	19,656.96	123,655.24	191,960.42	(68,305.18)	329,075.00	205,419.76
Other current charges and obligations	5,677.52	47,986.44	48,577.08	(590.64)	83,275.00	35,288.56
Operating supplies	27,608.12	271,864.14	286,708.33	(14,844.19)	491,500.00	219,635.86
Publications, subscriptions, memberships, etc.	10,317.42	52,843.73	42,702.92	10,140.81	73,205.00	20,361.27
Repairs and maintenance	36,806.37	116,116.76	112,700.00	3,416.76	193,200.00	77,083.24
Small equipment	10,699.77	68,637.85	51,041.67	17,596.18	87,500.00	18,862.15
Contingency	.00	.00	58,333.33	(58,333.33)	100,000.00	100,000.00
Emergency repairs	.00	75,716.74	29,166.67	46,550.07	50,000.00	(25,716.74)
Business development	50,389.65	50,389.65	175,000.00	(124,610.35)	300,000.00	249,610.35
Bad debt expense	.00	13,414.54	.00	13,414.54	.00	(13,414.54)
<i>Operating expenses Totals</i>	\$1,064,287.23	\$7,107,546.57	\$8,533,896.08	(\$1,426,349.51)	\$14,390,679.00	\$7,283,132.43
<i>Depreciation</i>						
Depreciation	455,777.00	3,190,439.00	.00	3,190,439.00	.00	(3,190,439.00)
<i>Depreciation Totals</i>	\$455,777.00	\$3,190,439.00	\$0.00	\$3,190,439.00	\$0.00	(\$3,190,439.00)
Grand Totals						
REVENUE TOTALS	3,532,478.94	30,751,005.76	14,776,141.92	15,974,863.84	25,330,529.00	(5,420,476.76)
EXPENSE TOTALS	1,520,064.23	10,297,985.57	8,533,896.08	1,764,089.49	14,390,679.00	4,092,693.43
Grand Total Net Gain (Loss)	\$2,012,414.71	\$20,453,020.19	\$6,242,245.83	\$14,210,774.36	\$10,939,850.00	\$9,513,170.19

ASHEVILLE REGIONAL AIRPORT

Annual Operating Revenue by Month

January 2023



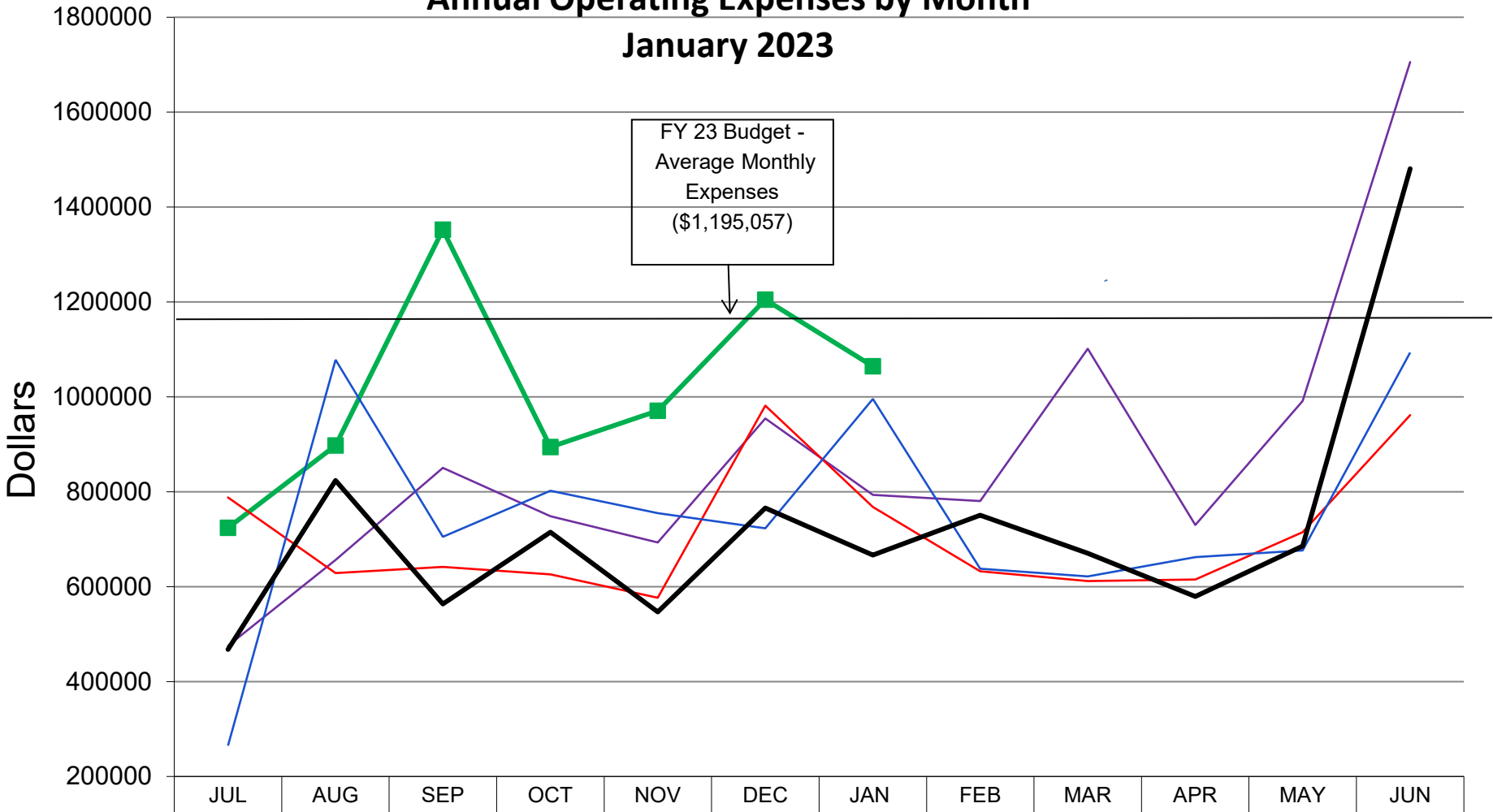
FY23 Budget - Average
Monthly Revenue
(\$1,692,128)

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
2023	2151973	2170060	1981276	2215944	1946150	1764811	1874458					
2022	1870783	1766994	1582459	1840835	1614185	1467415	1275749	1215598	1682310	1636179	1857453	2079519
2021	611290	767485	743365	926512	834587	763375	735131	699104	993500	1166582	1332640	1707683
2020	1693639	1465826	1482983	1688471	1382894	1461166	1414955	1253245	1006396	305847	409453	622404
2019	1157880	1319448	997702	1193707	1171956	1114742	1144401	1081933	1352795	1348310	1369108	1388974

ASHEVILLE REGIONAL AIRPORT

Annual Operating Expenses by Month

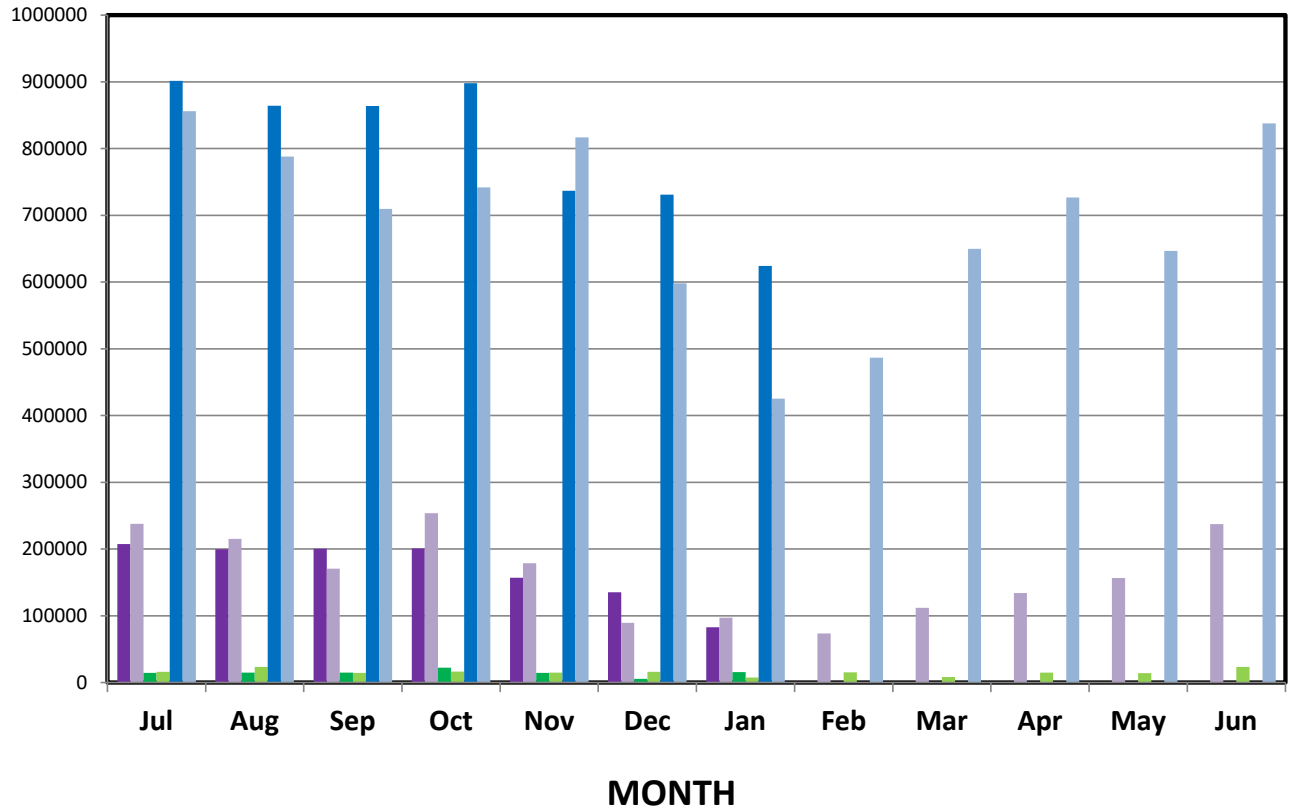
January 2023



	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
2023	723941	897398	1352214	894073	970953	1204680	1064287					
2022	475489	656101	850419	748420	692984	954472	793428	780593	1101373	730109	991519	1705678
2021	788272	628561	641559	625891	576630	981507	768156	632342	611610	614830	714835	961373
2020	264978	1077831	704819	802144	754800	722727	995620	637669	621479	662302	676330	1093523
2019	467701	823824	563350	714938	546502	766012	666544	750376	670406	579071	685414	1480804

**ASHEVILLE REGIONAL AIRPORT
FUEL SALES - GALLONS
January 2023**

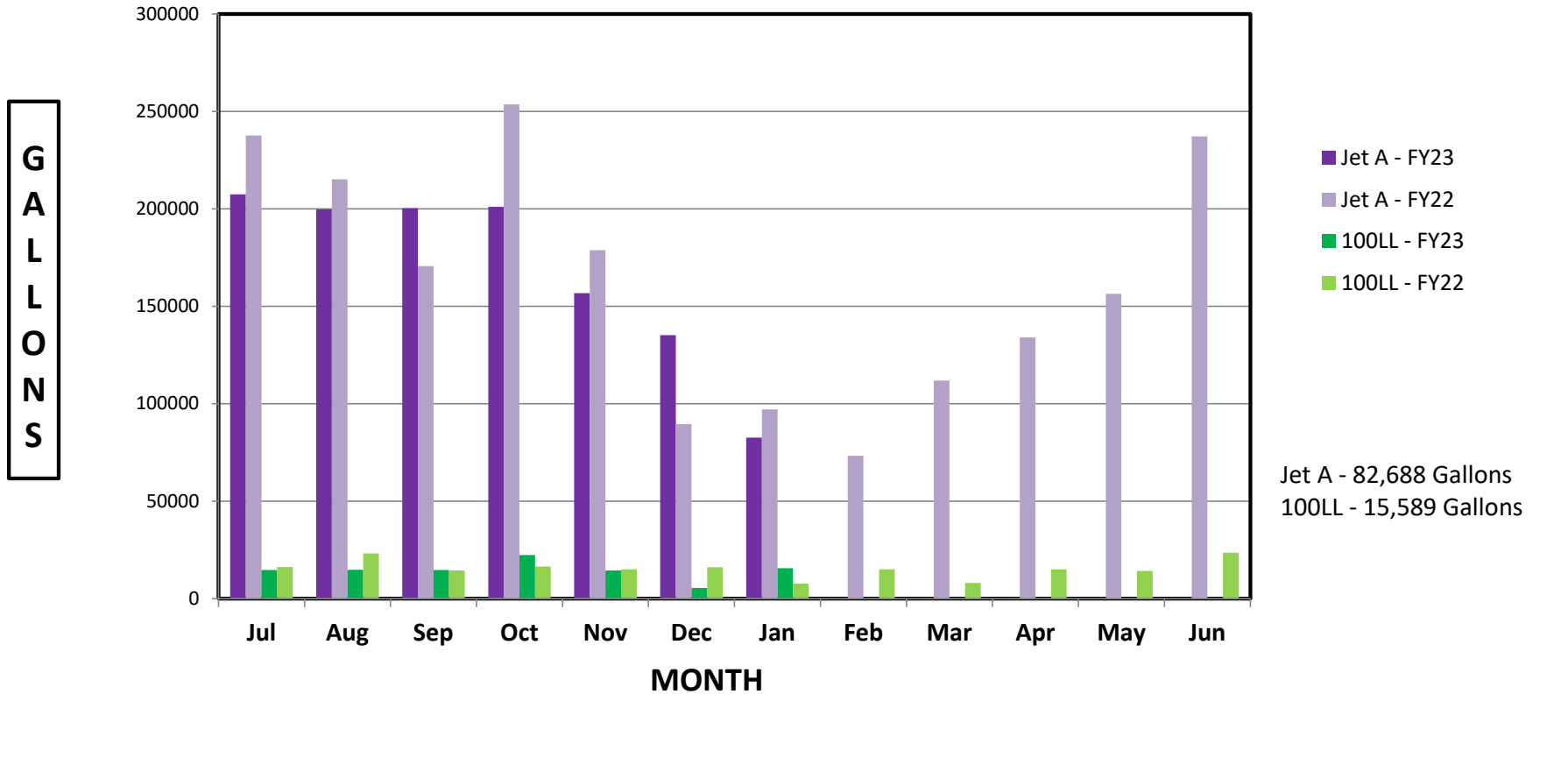
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- Jet A FY23
- Jet A FY22
- 100LL - FY23
- 100LL - FY22
- Airlines - FY23
- Airline - FY22

Jet A - 82,688 Gallons
100LL - 15,589 Gallons
Airline - 62,242 Gallons

**ASHEVILLE REGIONAL AIRPORT
GENERAL AVIATION FUEL SALES - GALLONS
January 2023**



Design Phase														
Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 03/01/2023)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 03/01/2023)	Start Date	End Date	Current Project Status (as of 03/01/2023)
1	Terminal Building Renovations	Phase 2 - Terminal Building Modernization Design	Gresham Smith	\$12,608,794.00	N/A	N/A	\$7,612,602.00	60.4%	\$20,221,396	68.3%	\$13,801,746	Nov-19	Dec-24	CA services continues.
2	Terminal Building Renovations	Program Management Services	Parsons Transportation Group, Inc.	\$1,329,368.36	N/A	N/A	\$0.00	0.0%	\$1,329,368	35.0%	\$465,306	May-22	Dec-26	Project management in process.
3	Air Traffic Control Tower	Design new facility	Pond Company	\$4,157,923.00	N/A	N/A	\$661,133.00	15.9%	\$4,819,056	65.3%	\$3,145,090	Mar-21	Jun-24	Project management in process.
4	Parking Lot D Restart	Continue design of parking lot across highway 280.	AVCON	\$25,000.00	N/A	N/A	\$0.00	0.0%	\$25,000	95.0%	\$23,737	Jun-21	Mar-23	Project management in process.
5	Rehabilitate South GA Apron	Design apron rehabilitation	Parrish and Partners	\$565,432.00	N/A	N/A	\$0.00	0.0%	\$565,432	90.3%	\$510,808	Jun-21	Dec-22	Project management in process.
6	Airport Master Plan	Update current Master Plan	CHA	\$989,004.00	N/A	N/A	\$0.00	0.0%	\$989,004	56.2%	\$556,050	Jul-21	May-23	Working Paper #3 is in process.
7	Stormwater Drainage Improvements	Identify deficiencies and design stormwater improvements	AVCON	\$205,000.00	N/A	N/A	\$0.00	0.0%	\$205,000	79.3%	\$162,540	Jan-22	Mar-23	Project management in process.
8	South Parking Lot	Enabling Pre-Construction work including design, tree removal and clearing.	AVCON	\$374,976.00	N/A	N/A	\$0.00	0.0%	\$374,976	19.0%	\$70,507	Jan-23	Apr-23	Design 60% is complete, expected to be 100% completion at end of March.

Construction Phase														
Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 03/01/2023)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 03/01/2023)	Start Date	End Date	Current Project Status (as of 03/01/2023)
1	Parking Lot D Restart	Construct parking lot across highway 280	AVCON Inc	Construction Cost	Chatham Civil Construction	\$297,567	\$69,305	23.30%	\$489,328	91.8%	\$336,837	Aug-21	Mar-23	Punch list items are scheduled to be completed by end of March.
2	Terminal Building Modernization - CMR Construction	CGMP-1 Utilities relocation \$6,215,900 CGMP-2 CEP and Equipment Purchase \$77,999,756	Gresham Smith	Construction Cost	Hensel Phelps	\$84,215,656.00	\$0	0.00%	\$84,215,656.00	17.0%	\$14,347,499	Jan-22	Dec-24	CEP vertical work has begun with structural steel. Temp south holdroom interior is nearing completion. Canopy for passengers is in construction.
3	Rehabilitate South GA Apron	Removal and replacement of pavement on South GA Apron	Parrish and Partners	Construction Cost	Independence Excavating	\$6,746,800	\$0	0.00%	\$7,421,480	73.6%	\$4,968,429	May-22	Dec-22	Contractor to complete punch list items in early Spring 2023.
4	Stormwater Improvements	Repair areas on property to drain efficiently	AVCON Inc.	Construction Cost	Nassiri Development	\$772,980	\$0	0.00%	\$795,278.00	79.0%	\$610,464	Oct-22	Mar-23	Phase 5 begins Feb 27th and expected to be fully complete by Mid-March.
5	Air Traffic Control Tower	Construction of ATCT and Base Building Facility	Pond	Construction Cost	J Kokolakis Contracting	\$44,344,052.00	\$0.00	0.00%	\$46,561,255.00	0%	\$0.00	Dec-22	Jun-24	Contractor mobilizing & security fence is being installed.
6	South Parking Lot	Enabling Pre-Construction work including tree removal, clearing, seeding and mulch.	AVCON	Construction Cost	Multiple Companies	\$200,000.00	\$0.00	0.00%	\$200,000.00	1%	\$1,200	Jan-23	Apr-23	Erosion & Sediment Control measures installed. Tree removal nearing completion.

*(bal of approved contract)

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**: President & CEO Supervision