



AGENDA

Asheville Regional Airport Authority Regular Meeting
Friday, February 11, 2011, 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 Recording Secretary prior to the agenda item being called by the Chairman.

- I. CALL TO ORDER:
- II. APPEARANCES: None
- III. PRESENTATIONS:
 - A. Redesigned Website – Tina Kinsey ([document](#))
 - B. Review and Summary of Runway Presentation – Lew Bleiweis ([document](#))
 - C. Airport Property Ownership – Lew Bleiweis ([document](#))
 - D. Proposed FY 2011/2012 Budget Presentation ([document](#))
- IV. FINANCIAL REPORT ([document](#))
- V. CONSENT AGENDA:
 - A. Approval of the Asheville Regional Airport Authority January 14, 2011 Regular Meeting Minutes ([document](#))
 - B. Approval of the Asheville Regional Airport Authority January 21, 2011 Special Meeting Minutes ([document](#))



VI. OLD BUSINESS:

- A. Approval of Lease Agreement with Landmark Aviation, Inc. for a Fixed Based Operation ([document](#))

VII. NEW BUSINESS:

- A. Approval of Airline Incentives for Vision Airlines ([document](#))
- B. Proposed FY10/11 Budget Amendment ([document](#))

VIII. DIRECTOR'S REPORT:

- A. Recap of Washington, DC trip
- B. Update of Westside Fill Tour
- C. PFC Application Update

IX. INFORMATION SECTION:

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

- A. December, 2010 Traffic Report ([document](#))
- B. December, 2010 Monthly Financial Report ([document](#))
- C. February, 2011 Development/Project Status Report ([document](#))
- D. Airport Facilities Review for Fourth Quarter ([document](#))
- E. Potential Board Items for the Next Regular Scheduled Meeting:

- Preliminary FY11/12 Budget

X. AUTHORITY MEMBERS' REPORTS:

XI. PUBLIC AND TENANTS' COMMENTS:



XII. CLOSED SESSION:

Pursuant to Subsections 143-318.11 (a) (3) and (6) of the General Statutes of North Carolina in order to consult with the Authority's Legal Counsel in order to preserve the attorney-client privilege and to consider personnel matters.

XIII. SERVICE RECOGNITION AWARD – CHARLES MCGRADY

XIV. WELCOME AND SWEARING IN OF NEW BOARD MEMBER – WILLIAM MOYER

XV. CALL FOR NEXT MEETING.

XVI. ADJOURNMENT.

Respectfully submitted,

Lew Bleiweis, A.A.E.
Airport Director

Approved:

David Hillier
Chairman

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Creative Review

New Tagline
Website & 50th logo
Ad Campaign



The anchor: tagline

Take the easy way out.

– Our position:

- AVL is “our” airport (the loyalty factor)
- Convenience
- Excellent experience/service
- Fares are getting “easier”



The anchor: tagline

Take the easy way out.

- Brand promise – supports mission of AVL
- Truthful
- Can apply to many messages
- Relevant to the traveler – “action oriented”



The campaign.

- Cohesive across platforms
- “Easy” and somewhat playful
- Customer-focused
- Subtle references to “home” & loyalty
- Tactical, too (fares, check us first)



Our new website.

<http://flyavl.com.178.purplecat.net/>



Television

Charter Media - Buncombe & Henderson
WLOS - Entire WNC dma (includes upstate SC)



Radio



“Let’s Take a Flight”
:30 second spot



“Take the Easy Way Out”
:15 second spot

:30 sec – SAGA stations, WTZQ, WHKP
:15 sec – Clear Channel stations (99.9 KISS)
Sponsorships – Public Radio (WNCW, WCQS)



Check AVL first.

flyavl.com



Outdoor

The smartest destination for any trip.



Digitals - Buncombe

Large Bulletin - Henderson

Posters - Henderson, McDowell, Transylvania



Outdoor

Take the easy way out.



Digitals - Buncombe
Large Bulletin - Henderson
Posters - Henderson, McDowell, Transylvania



Terminal Posters

**The cure for
that perplexed look
you're wearing.**

(Our Guest Services Center is
located in Baggage Claim.)



**Good day,
sunshine.**
(Non-stop to Orlando.)



Good day, Sunshine.

Starting at \$69 one-way, non-stop



Good day, Sunshine.

Starting at \$69 one-way, non-stop to Florida



Take the easy way out.



Click for the easiest fares around.

Web advertisements



destination for

The smartest destination for any trip

is Asheville Regional Airport.

Check fares and more



Web advertisements

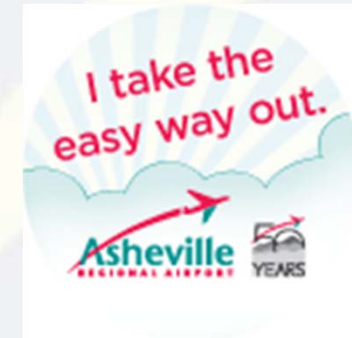


Other applications

- Specialty items
- Print ads
- E-mail signatures
- T-shirts
- Presentations



Luggage tags



"Campaign" buttons



Launch date: February 14





Runway 16-34 Pavement and Lighting Evaluation – Phase 1

March 12, 2010



IMPROVING YOUR WORLD



Elements To Be Discussed

- **Project Overview**
- **Runway Construction History**
- **Runway Evaluation**
- **Options/Phasing**
- **Cost Estimate(s)**
- **Recommendation**
- **Next Step**

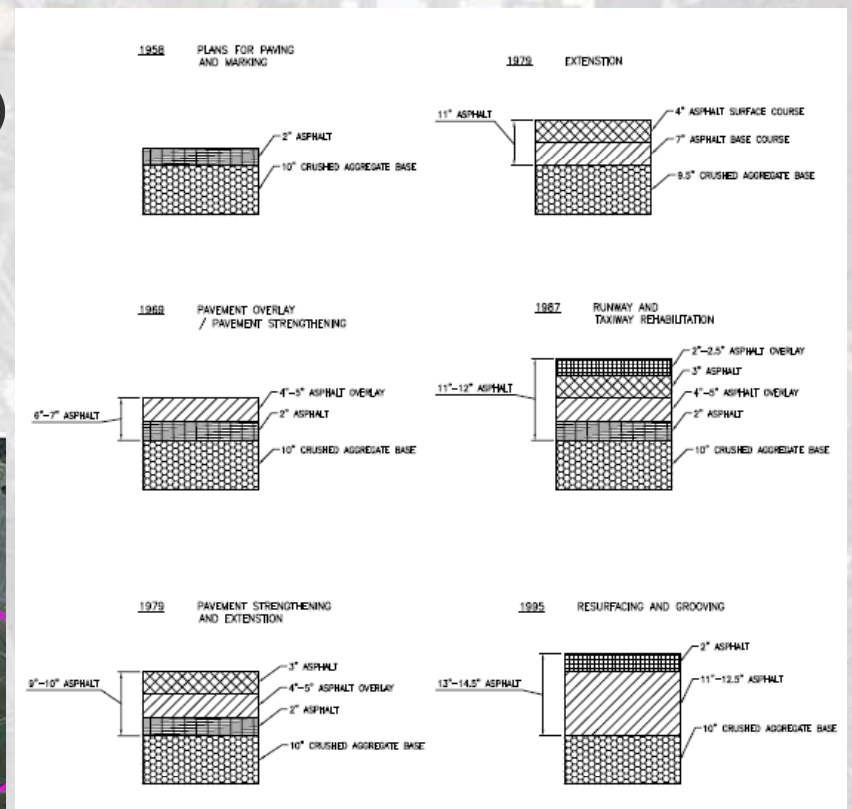


Project Overview

- **Runway 16-34 Showing Signs of Distress**
 - Runway Pavement
 - Airfield Lighting
 - FAA Design Standards Evaluation
- **Project Purpose to Determine Rehabilitation or Reconstruction**
 - Pavement Evaluation (PCI, NDT and Geotechnical)
 - Airfield Lighting and NAVAID Evaluation
 - FAA Standards

Runway Construction History

- Initial Construction 1958 (6,500 ft x 150 ft)
- Runway Extension 1979 (1,500 ft x 150 ft)
- Four Overlays (1969, 1979, 1987, 1995)
- Runway Has Never Been Reconstructed



Runway Evaluation

- **Pavement Evaluation**
 - ➔ Visual Inspection/Pavement Condition Index
 - ➔ Non-Destructive Testing
 - ➔ Geotechnical Testing
- **Airfield Lighting and NAVAID Evaluation**
 - ➔ Lighting
 - ➔ Signage
 - ➔ NAVAIDs
- **FAA Standards Evaluation**

Pavement Evaluation

- **Pavement Condition Index**

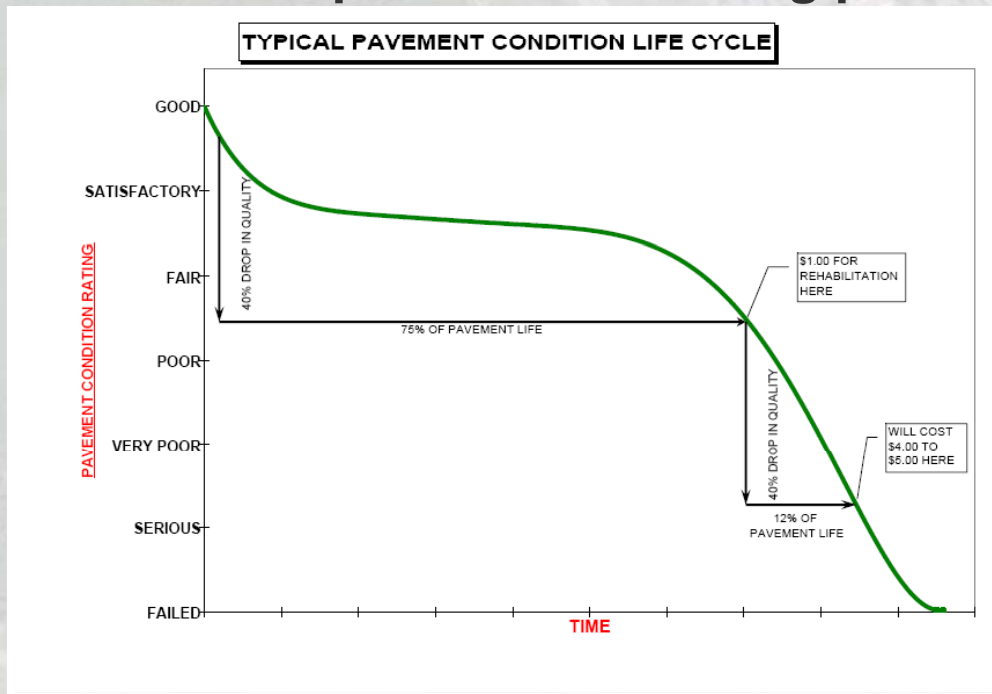
- Determined by visual inspection of the pavement surface conditions
- Identifies the category and quantity of pavement distresses
 - Climate (block cracking, long.-trans. cracks)
 - Load (alligator cracking, rutting)
 - Other (oil spill, jet blast erosion)
- Tool for airport pavement management

PCI Rating System	
Range	Condition
86-100	Excellent
71-85	Very Good
56-70	Good
41-55	Fair
26-40	Poor
11-25	Very Poor
0-10	Failed

Source: Roy D. McQueen, 2009

Pavement Evaluation

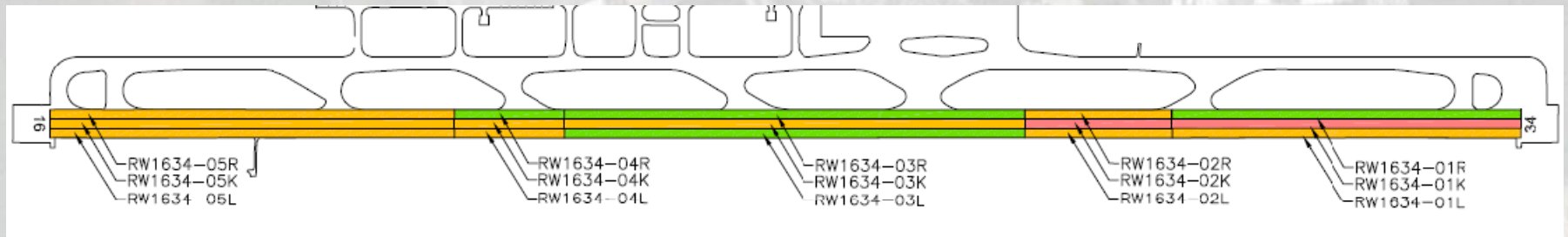
- **Typical Pavement Condition Life Cycle**
 - 40% quality loss in first 75% of pavement life
 - 40% quality loss in next 12% of pavement life
 - Cost impact of maintaining pavement



Source: Roy D. McQueen, 2009

Pavement Evaluation

2008 PCI Results



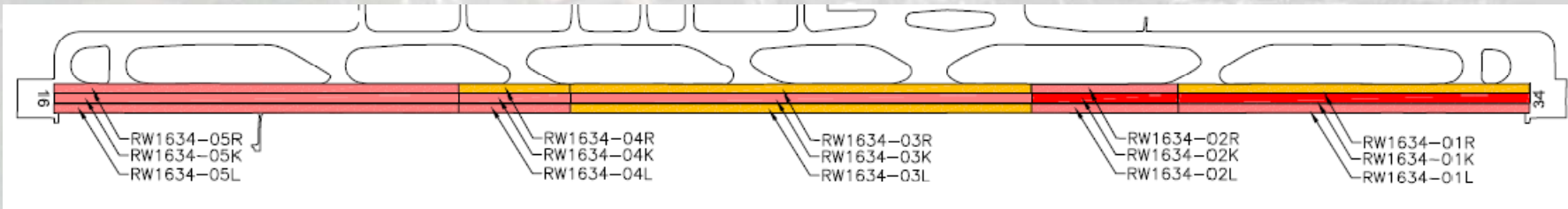
Branch ID	Section ID	Last Const. Date	Surface	True Area (SqFt)	Inspection Date	Age At Inspection	PCI 2008	PCI 1995
RW1634 (Runway 16-34)	01K	06/01/1995	AC	95,000	12/02/2008	13	37	
RW1634 (Runway 16-34)	01L	06/01/1995	AC	95,000	12/02/2008	13	50	79
RW1634 (Runway 16-34)	01R	06/01/1995	AC	95,000	12/02/2008	13	56	
RW1634 (Runway 16-34)	02K	06/01/1995	AC	40,000	12/02/2008	13	36	
RW1634 (Runway 16-34)	02L	06/01/1995	AC	40,000	12/02/2008	13	49	75
RW1634 (Runway 16-34)	02R	06/01/1995	AC	40,000	12/02/2008	13	46	
RW1634 (Runway 16-34)	03K	06/01/1995	AC	125,000	12/02/2008	13	48	
RW1634 (Runway 16-34)	03L	06/01/1995	AC	125,000	12/02/2008	13	56	78
RW1634 (Runway 16-34)	03R	06/01/1995	AC	125,000	12/02/2008	13	59	
RW1634 (Runway 16-34)	04K	06/01/1995	AC	30,000	12/02/2008	13	41	
RW1634 (Runway 16-34)	04L	06/01/1995	AC	30,000	12/02/2008	13	53	76
RW1634 (Runway 16-34)	04R	06/01/1995	AC	30,000	12/02/2008	13	56	
RW1634 (Runway 16-34)	05K	06/01/1995	AC	110,000	12/02/2008	13	42	
RW1634 (Runway 16-34)	05L	06/01/1995	AC	110,000	12/02/2008	13	53	77
RW1634 (Runway 16-34)	05R	06/01/1995	AC	110,000	12/02/2008	13	55	



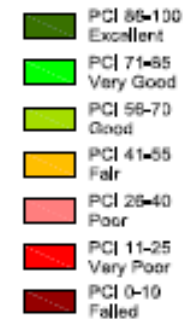
Source: Roy D. McQueen, 2009

Pavement Evaluation

2013 PCI Projection



Network ID	Branch ID	Section ID	Current	Jan-09	Jan-10	Jan-11	Jan-12	Jan-13
AVL	RW1634	01K	37	37	33	29	25	22
AVL	RW1634	01L	50	50	46	42	38	35
AVL	RW1634	01R	56	56	52	48	44	41
AVL	RW1634	02K	36	36	32	28	24	21
AVL	RW1634	02L	49	49	45	41	37	34
AVL	RW1634	02R	46	46	42	38	34	31
AVL	RW1634	03K	48	48	44	40	36	33
AVL	RW1634	03L	56	56	52	48	44	41
AVL	RW1634	03R	59	59	55	51	47	44
AVL	RW1634	04K	41	41	37	33	29	26
AVL	RW1634	04L	53	53	49	45	41	38
AVL	RW1634	04R	56	56	52	48	44	41
AVL	RW1634	05K	42	42	38	34	30	27
AVL	RW1634	05L	53	53	49	45	41	38
AVL	RW1634	05R	55	55	51	47	43	40



Source: Roy D. McQueen, 2009

Pavement Evaluation Results

- **Pavement Condition Index (PCI) Summary**

- **Stresses identified are typically climate stresses (not load)**
- **1995 PCI Average = 77 (Very Good Condition)**
- **2008 PCI Average = 50 (Fair Condition)**
- **2013 PCI Average Projection = 35 (Poor Condition)**

PCI Rating System	
Range	Condition
86-100	Excellent
71-85	Very Good
56-70	Good
41-55	Fair
26-40	Poor
11-25	Very Poor
0-10	Failed

Source: Roy D. McQueen, 2009

Pavement Testing

- **Non-Destructive Testing**

- Measures structural properties of the pavement section by simulating moving aircraft loads
- Conducted 250 tests
- Provided recommended design CBR



FWD

- **Geotechnical Testing**

- Measures structural properties of pavement section
- 39 borings
- Provided recommended design CBR
- Provided soil properties



CBR Test

Pavement Testing Results

- **Non-Destructive Testing**

- ➔ Recommended CBR Value of 14 (15.4 with 1.6% Standard Deviation)
- ➔ NDT Results indicate the Subgrade will accommodate existing and projected aircraft operations.
- ➔ NDT recommendation is to mill and overlay. Depth of mill to include previous 1995 overlay thickness (2-1/2 to 3-inches)

- **Geotechnical Testing**

- ➔ Three In Situ CBR tests (12, 29, and 35)
- ➔ Recommended CBR Value of 17
- ➔ Geotechnical Engineering recommendation is to mill and overlay 2-1/2 to 3-inches

Pavement Evaluation Summary

- **Pavement Condition Index**
 - Surface distresses are typically environmental in nature
 - Pavement projected to be in “poor” condition by 2013
- **Non-Destructive Testing**
 - Pavement structure is sound
 - Reconstruction not required
 - Mill and Overlay recommended
- **Geotechnical Testing**
 - Pavement structure is sound
 - Reconstruction not required
 - Mill and overlay not recommended

Airfield Electrical System Evaluation

- **Airfield Lighting Circuits**

- Measured for “insulation resistance”. The higher the resistance to ground, the better the circuit.

- 25,000 ohms recommended for new circuits

- Runway Edge Lights: 750 to 1,000 ohms at 1,000V

- Centerline Lights: 0 ohms at 1,000V

- Taxiway Lights: 100 to 300 ohms at 1,000V

- Touchdown Zone Lights: 1,000,000 ohms at 1,000V

- Low resistance readings indicate degradation of the cable, transformers, and/or connectors.

- Different voltage cables share conduit. Not allowed per the NEC



**Manhole with 5,000V
and 600V Cable
(Per NEC)**



**Manhole with 5,000V
and 600V Cable
(Asheville)**

Airfield Electrical System Evaluation

- **Runway & Taxiway Edge Lights**
 - Pitting of globes and fixtures due to jet blast.
 - Water accumulation in base cans
 - Rusted base plates due to age
 - Stake mounted taxiway edge lights



Water Accumulation in Base Can



Rusted Base Plate



Stake Mounted Edge Light

Airfield Electrical System Evaluation

- **Runway Centerline Lights**

- Old style fixture
- **Difficult to obtain replacement parts**
- Water accumulation in base cans
- Spacer rings have been added to meet pavement surface
- Bolts missing or sheared



Existing Centerline Light



Water Accumulation

Airfield Electrical System Evaluation

- **Touchdown Zone Lights (TDZ)**
 - Water accumulation in base cans
 - Spacer rings have been added to meet pavement surface



Existing TDZ Lights



Water Accumulation

Preliminary Recommendations

Airfield Electrical System Evaluation

- **Airfield Lighting Circuits**

- Replace All Wiring and Transformers to all circuits except TDZ
- Separate 600V and 5,000V wiring per NEC code (AC 150/5340-30D)

- **Runway Edge Lighting**

- Replace fixtures, globes, lamps, base plates, and isolation transformers
- Replace L-824 5,000V cable

- **Runway Centerline Lighting**

- Replace L-824 5,000V cable
- Replace light fixtures, cabling and isolation transformers
- Remove and replace spacer rings with new adjustable base cans (rehab. only)

- **Touchdown Zone Lighting**

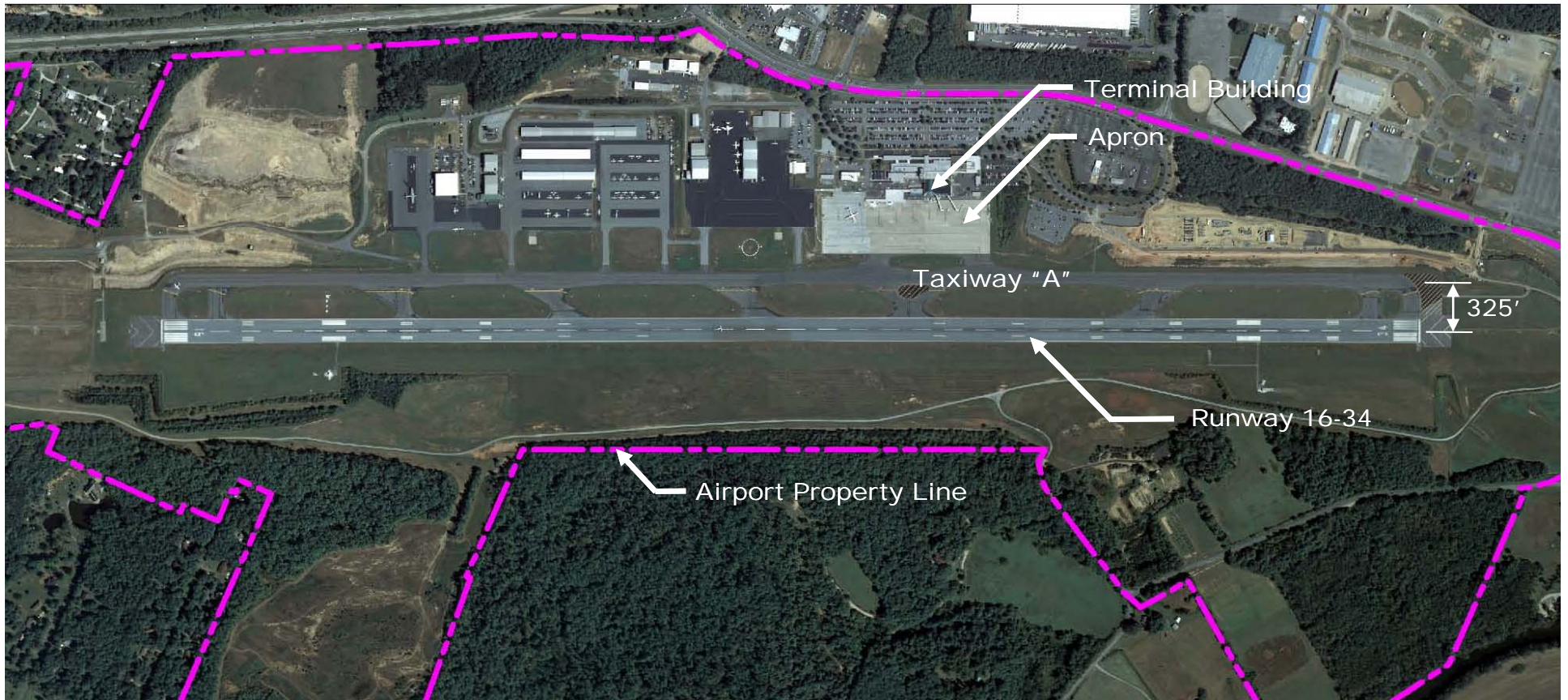
- Install drains in all TDZ base cans (rehab. only)
- Remove and replace spacer rings with new adjustable base cans (rehab. only)

Preliminary Recommendations

Airfield Electrical System Evaluation

- **Taxiway Edge Lighting**
 - ➔ Replace 5,000 volt L-824 cabling
 - ➔ Replace stake mounted fixtures with base cans and conduit
 - ➔ Replace fixtures, globes, lamps, base plate and isolation transformers
- **Signage**
 - ➔ Replace 5,000 volt L-824 cabling
 - ➔ Install new isolation transformers
 - ➔ Install new sign panels

FAA Design Standard Evaluation



FAA Design Standard Evaluation

Table 2-2. Runway Separation Standards for aircraft approach categories C & D 7/

ITEM	DIM 1/	AIRPLANE DESIGN GROUP					
		I	II	III	IV	V	VI
Visual runways and runways with not lower than 3/4-statue mile (1200m) approach visibility minimums							
Runway Centerline to:							
Parallel Runway Centerline	H	Refer to paragraphs 207 and 208					
Holdline		250ft 75m	250ft 75m	250ft 75m	250ft 75m	250ft 6/ 75m	280ft 6/ 85m
Taxiway/Taxilane/ Centerline 2/	D	300ft 90m	300ft 90m	400ft 120m	400ft 120m	3/ 3/	500ft 150m
Aircraft Parking Area	G	400ft 120m	400ft 120m	500ft 150m	500ft 150m	500ft 150m	500ft 150m
Helicopter Touchdown Pad		Refer to Advisory Circular 150/5390-2					
Runways with lower than 3/4-statue mile (1200m) approach visibility minimums							
Runway Centerline to:							
Parallel Runway Centerline	H	Refer to paragraphs 207 and 208					
Holdline		250ft 75m	250ft 75m	250ft 75m	250ft 6/ 75m	280ft 6/ 85m	280ft 6/ 85m
Taxiway/Taxilane/ Centerline 2/	D	400ft 120m	400ft 120m	400ft 120m	400ft 120m	3/ 4/ 3/ 4/	5/ 5/
Aircraft Parking Area	G	500ft 150m	500ft 150m	500ft 150m	500ft 150m	500ft 150m	500ft 150m
Helicopter Touchdown Pad		Refer to Advisory Circular 150/5390-2					

Group III Runway/Taxiway Separation 400'. Existing Runway 16-34 and Taxiway "A" Separation is 325-feet.

Source: FAA AC 150/5300-13, Table 2.2

FAA Design Standard Evaluation

- **Signage**
 - Non-Luminescent Panels (FAA Requirement)
 - Cracked Panels due to age/elements
 - No black outline (FAA AC 150/5340-18E)



**Mandatory Hold Sign
(No black outline)**



**Distance Remaining Sign
(Non-Luminescent Panel)**



**Runway Exit Sign
(Cracked Panel)**



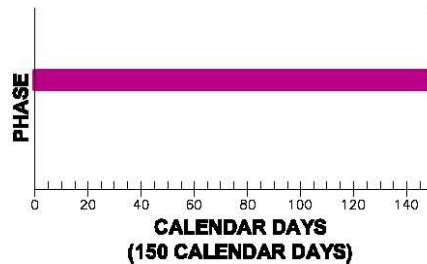
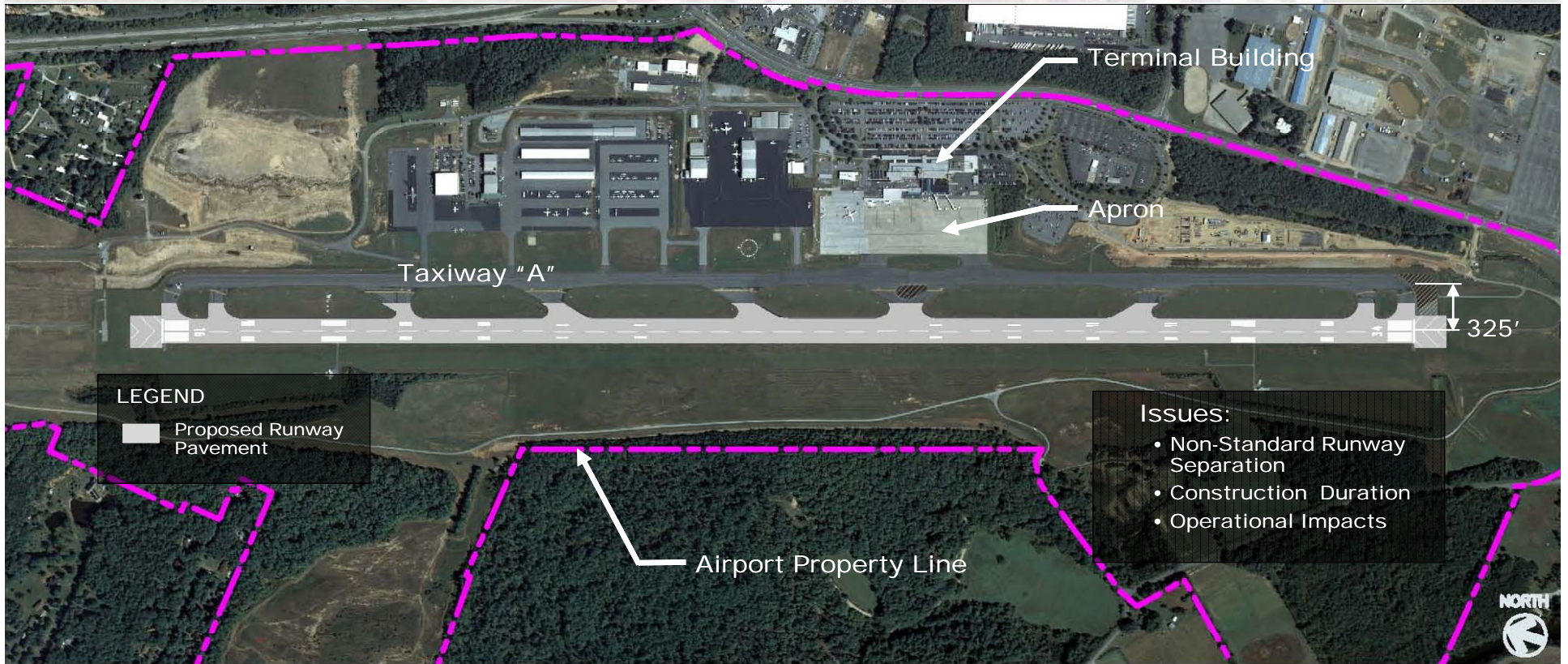
**Mandatory Hold Sign
(Black outline)**

Evaluation Summary

- **Pavement**
 - **Structure is sound**
 - **Rehabilitation is Recommended**
- **Lighting and NAVAID Evaluation Results**
 - **Replace all L-824 5,000V Cable expect for TDZ circuit**
 - **Fixture, Lamp, Globe, Base Plate, and Isolation Transformer replacement**
 - **New Sign Panels**
- **FAA Design Standards**
 - **Runway 16-34 and Taxiway "A" separation is non-standard (325' vs. 400')**

Option A

Rehabilitation – Full-time Closure (150 Days)

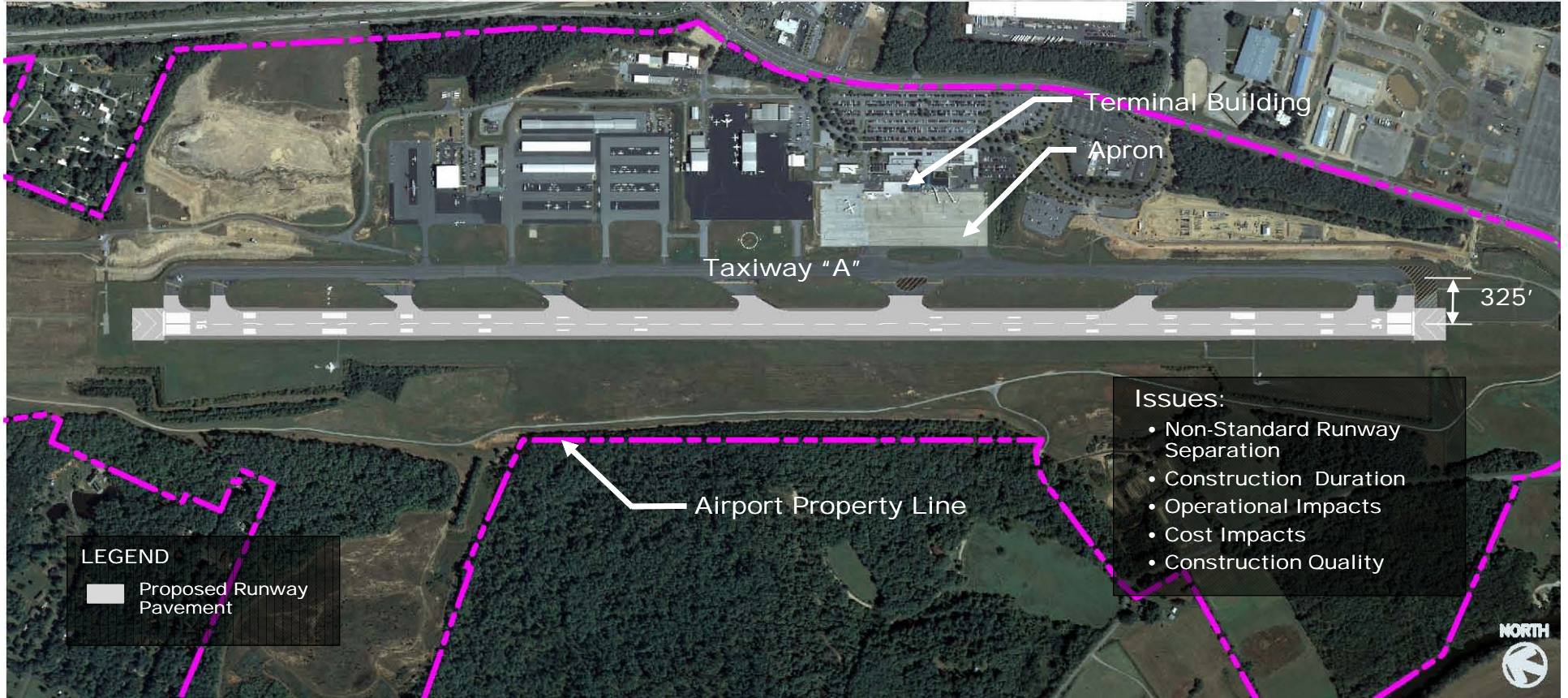


PHASING LEGEND

PHASE 1 - 150 CALENDAR DAYS

Option B

Rehabilitation – Night-time Closure



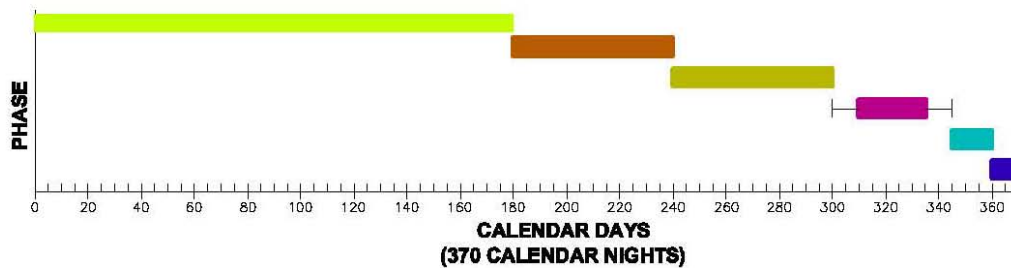
Option B

Rehabilitation – Nighttime Closure (370 Nights)



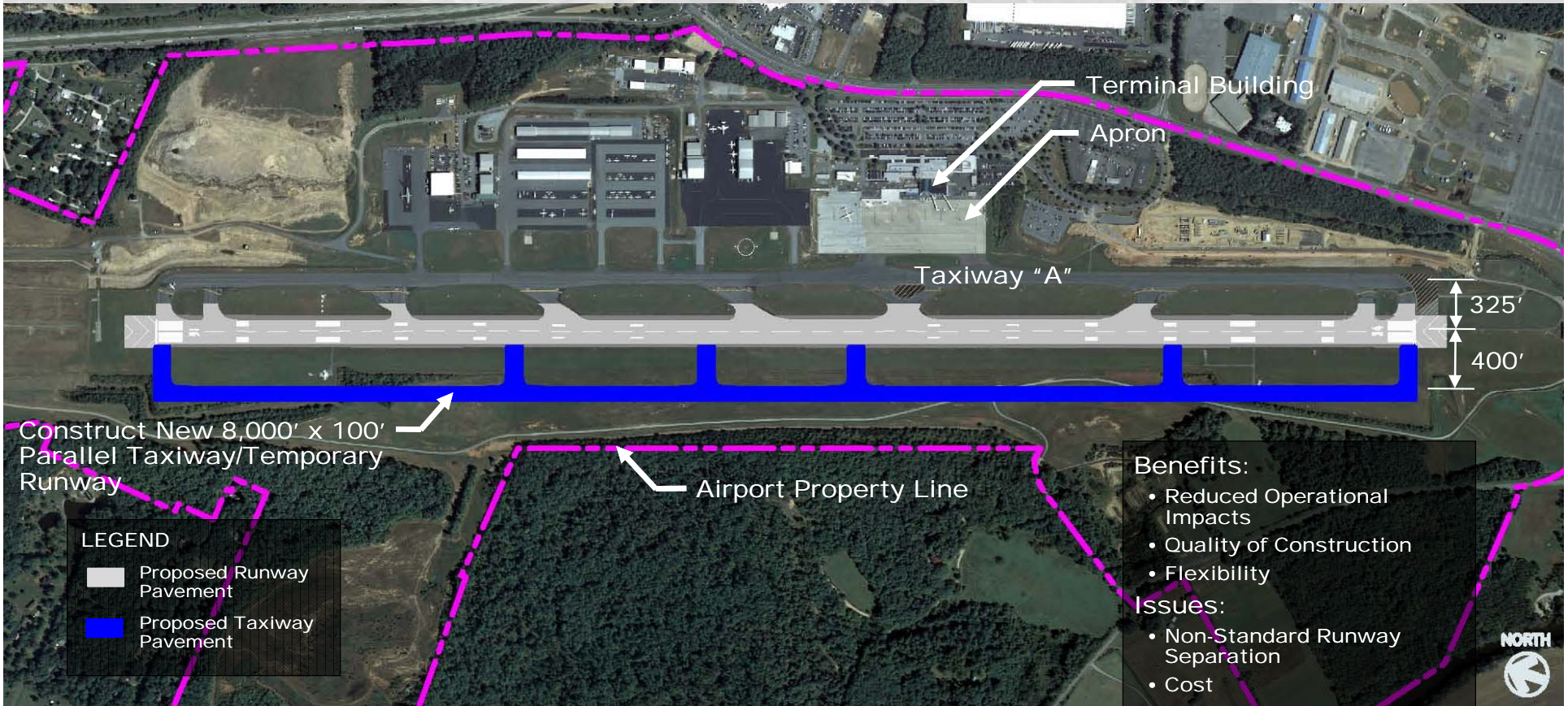
PHASING LEGEND

- PHASE 1 - 180 NIGHTS - NIGHTTIME CLOSURE (AIRFIELD LIGHTING IMPROVEMENTS)
- PHASE 2 - 60 NIGHTS - NIGHTTIME CLOSURE (PRELIMINARY PAVEMENT REPAIR)
- PHASE 3 - 60 NIGHTS - NIGHTTIME CLOSURE (SURFACE COURSE PAVING)
- PHASE 4 - 45 NIGHTS - NIGHTTIME CLOSURE (CONNECTOR TAXIWAY PAVING)
- PHASE 5 - 15 NIGHTS - NIGHTTIME CLOSURE (PAVEMENT GROOVING)
- PHASE 6 - 10 NIGHTS - NIGHTTIME CLOSURE (PAVEMENT MARKING)



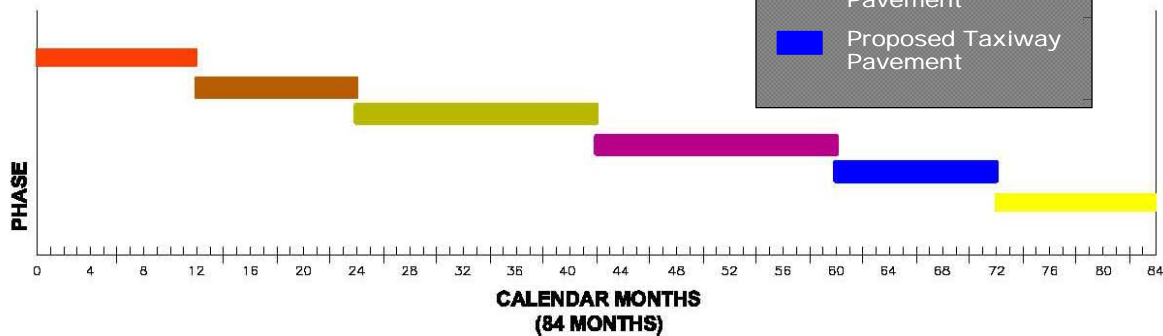
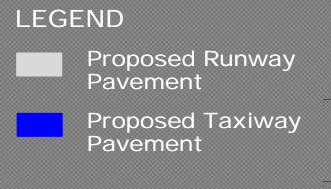
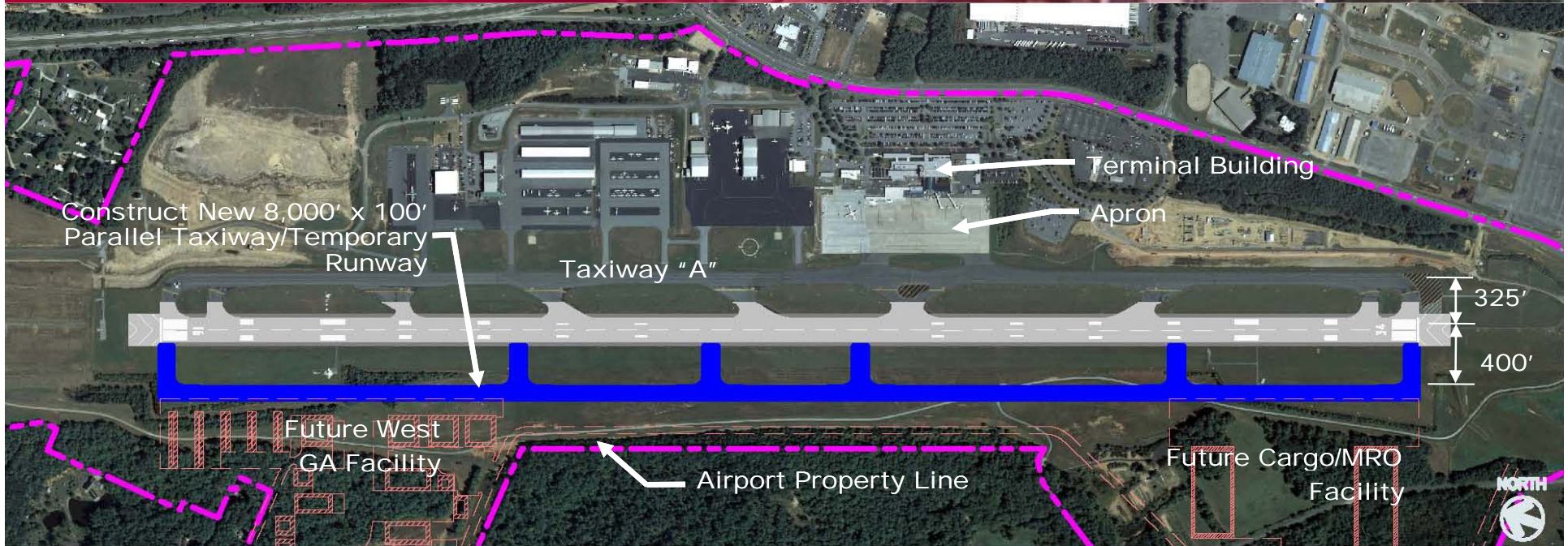
Option C

Rehab/Reconstruct In Place With Parallel Taxiway



Phasing - Runway Option C

Reconstruction In-Place w/Parallel Taxiway (84 Months)

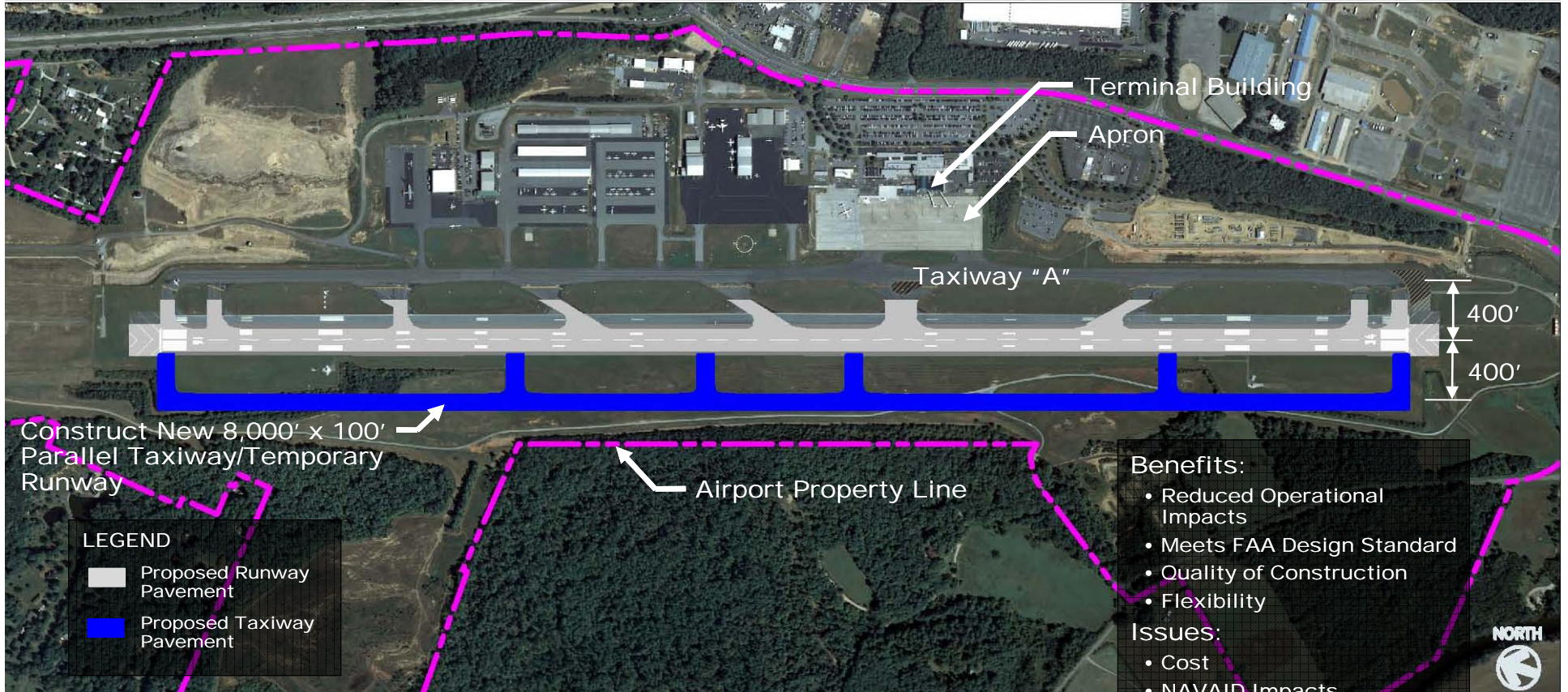


PHASING LEGEND

- PHASE 1 - 12 MONTHS - ENVIRONMENTAL/PRELIMINARY DESIGN**
- PHASE 2 - 12 MONTHS - TAXIWAY DESIGN, BIDDING AND AWARD**
- PHASE 3 - 18 MONTHS - TAXIWAY CONSTRUCTION PHASE I SITE CONSTRUCTION**
- PHASE 4 - 18 MONTHS - TAXIWAY CONSTRUCTION PHASE II SITE PAVING AND ELECTRICAL**
- PHASE 5 - 12 MONTHS - RUNWAY 16-34 DESIGN**
- PHASE 6 - 12 MONTHS - RUNWAY 16-34 CONSTRUCTION**

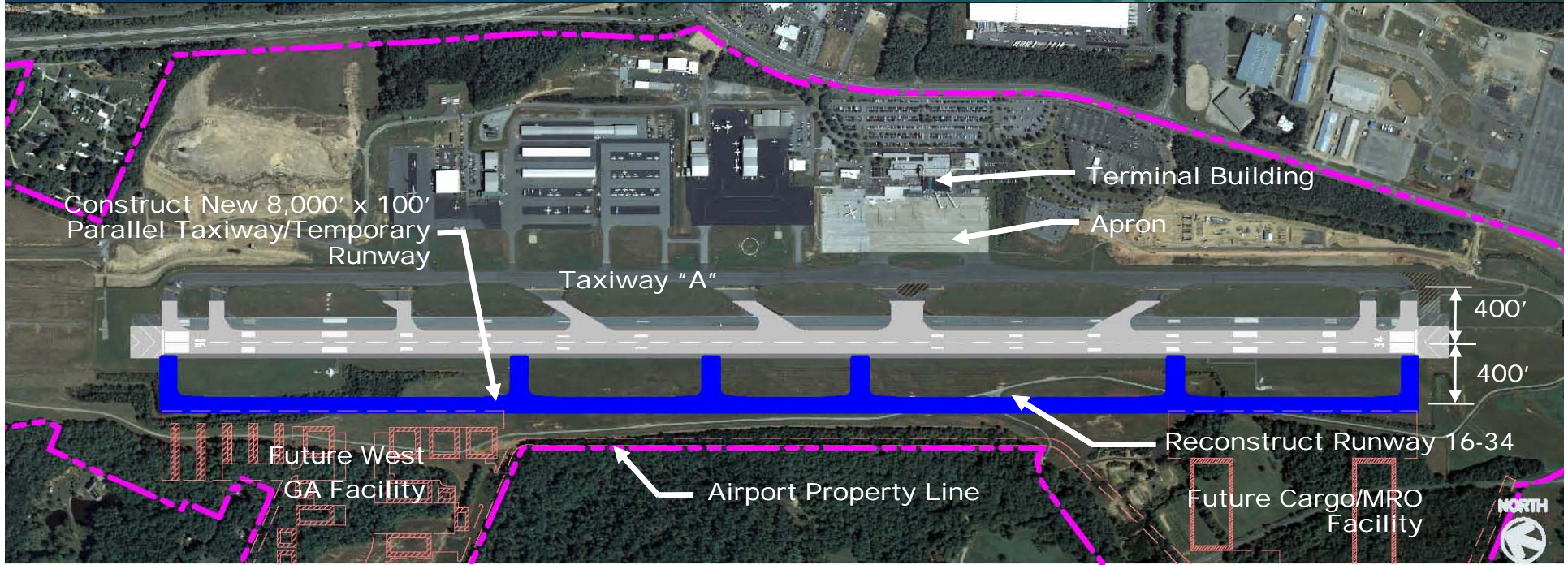
Option D

Reconstruction (75-foot Shift) W/ Parallel Taxiway



Phasing - Runway Option D

Reconstruction (75-foot Shift) w/Parallel Taxiway (84 Months)

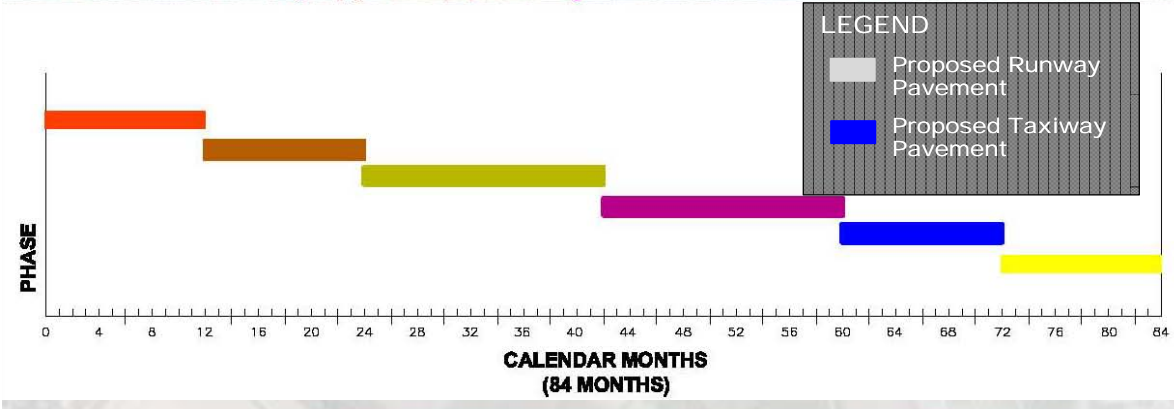


LEGEND

- Proposed Runway Pavement
- Proposed Taxiway Pavement

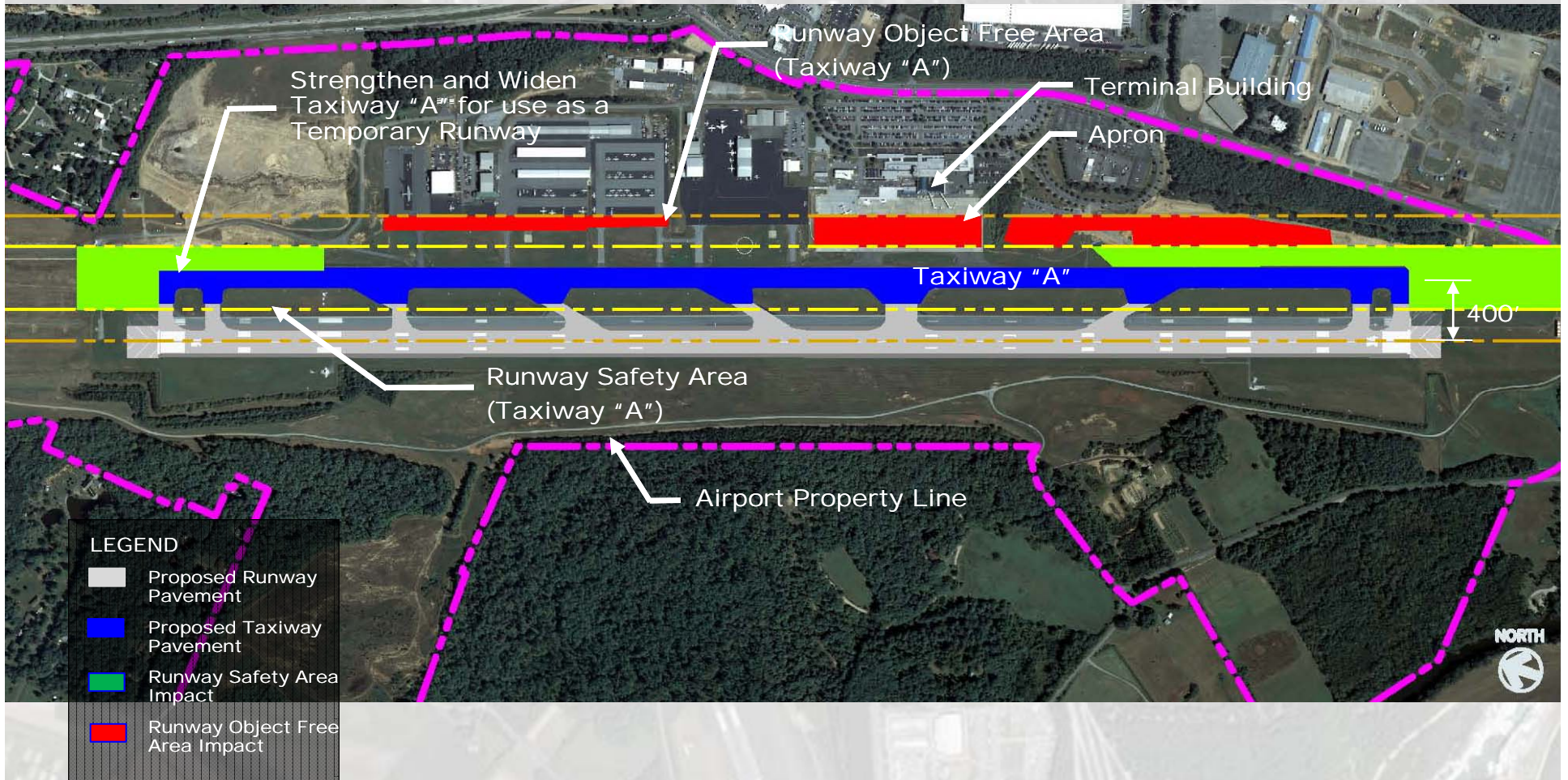
PHASING LEGEND

- PHASE 1 - 12 MONTHS - ENVIRONMENTAL/PRELIMINARY DESIGN**
- PHASE 2 - 12 MONTHS - TAXIWAY DESIGN, BIDDING AND AWARD**
- PHASE 3 - 18 MONTHS - TAXIWAY CONSTRUCTION PHASE I SITE CONSTRUCTION**
- PHASE 4 - 18 MONTHS - TAXIWAY CONSTRUCTION PHASE II SITE PAVING AND ELECTRICAL**
- PHASE 5 - 12 MONTHS - RUNWAY 16-34 DESIGN**
- PHASE 6 - 12 MONTHS - RUNWAY 16-34 CONSTRUCTION**



Option E

Rehab/Reconstruct (75-foot Shift) W/ Taxiway "A"



Cost Estimate(s)

Option	Construction	Environmental	Owner/Design/ CA/RPR	Total
Option A (Rehab/Daytime)	\$7,796,000	\$0	\$1,170,000	\$8,966,000
Option B (Rehab/Nighttime)	\$9,726,000	\$0	\$1,946,000	\$11,672,000
Option C (Reconstruction in place/Flexible)	\$47,841,000	\$350,000	\$7,177,000	\$55,368,000 (\$60,368,000*)
Option C (Reconstruction in place/Rigid)	\$54,444,000	\$350,000	\$8,167,000	\$62,961,000 (\$67,961,000*)
Option D (Reconstruction/75- foot shift/Flexible)	\$48,933,000	\$350,000	\$7,340,000	\$56,623,000 (\$61,623,000*)
Option D (Reconstruction/75- foot shift/Rigid)	\$55,829,000	\$350,000	\$8,375,000	\$64,554,000 (\$69,554,000*)
Option E (Reconstruction/ Taxiway A)	Not Viable	Not Viable	Not Viable	Not Viable

***\$5,000,000 Additional Cost for CAT II Upgrade**

Recommendation

- **Reconstruction (75-foot shift with Parallel Taxiway)**
 - **Corrects FAA Design Standard Deficiency**
 - **Improves Quality of Construction**
 - **Allows for Competitive Bidding of Pavement Materials**
 - **Minimizes Operational Impacts**
 - **Consistent with the Master Plan & Future West Side Development**

Next Step

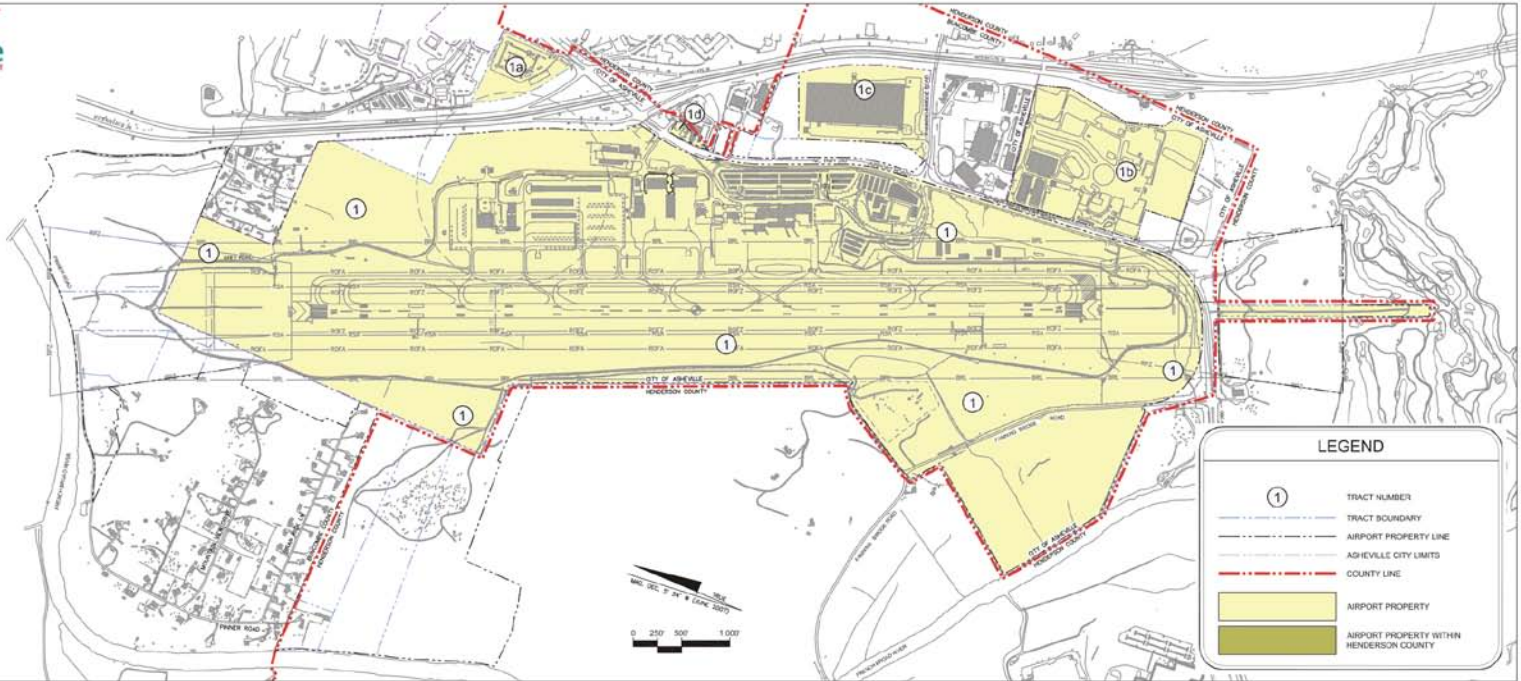


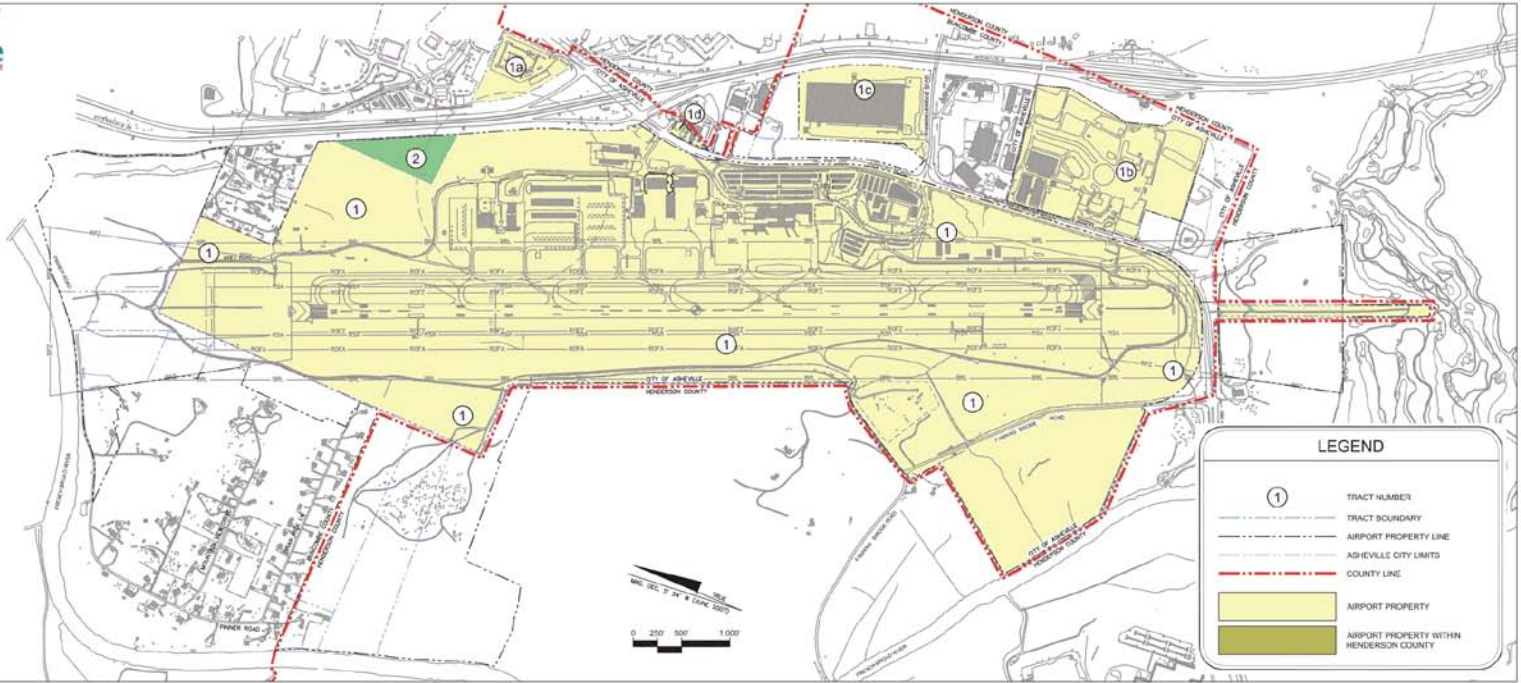


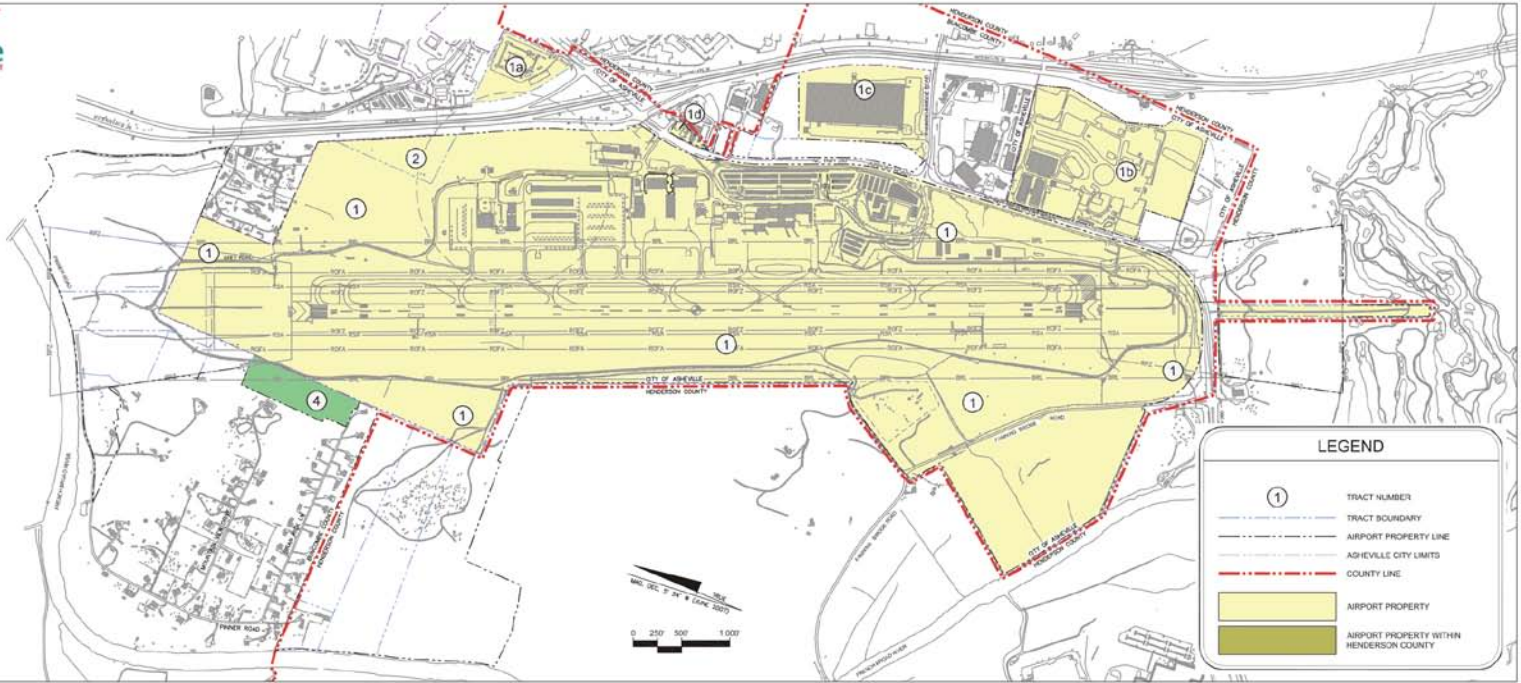
Exhibit A Property Map






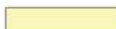

Asheville Regional Airport

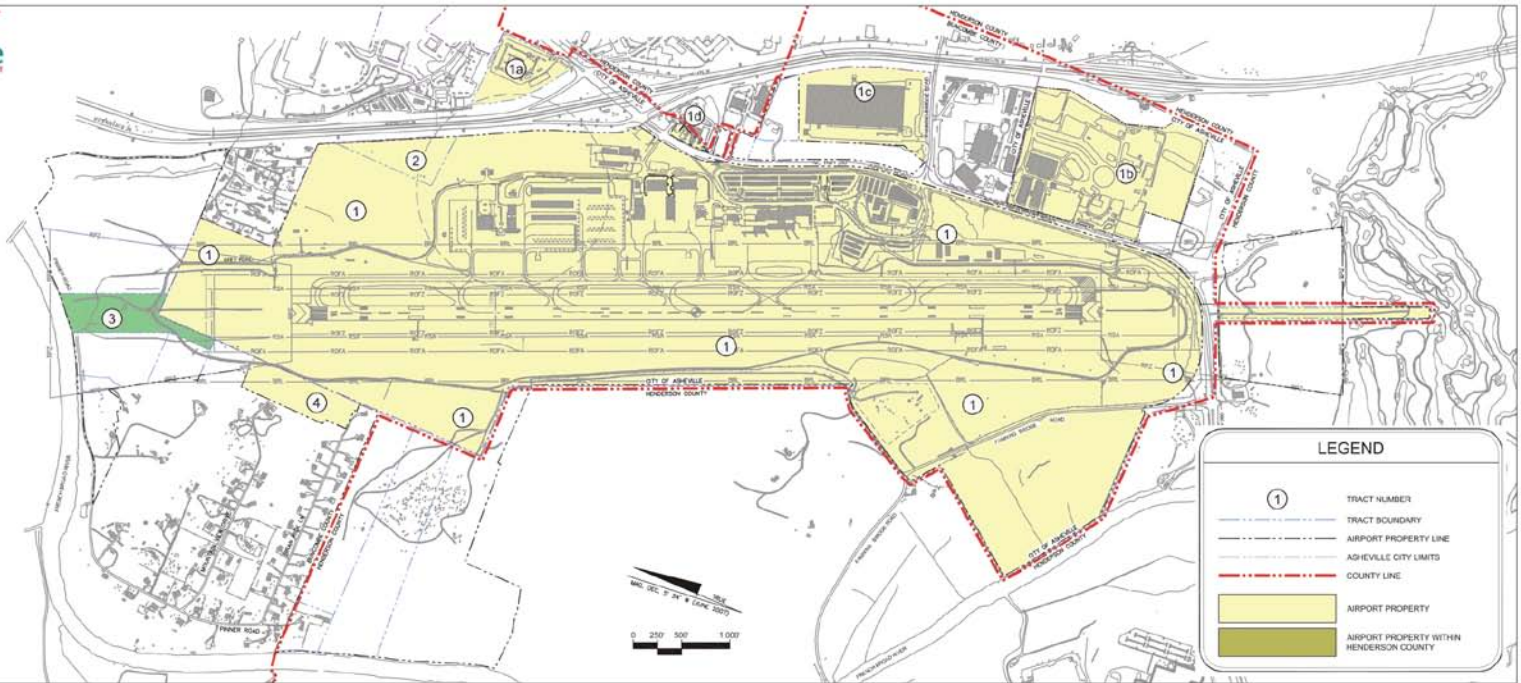




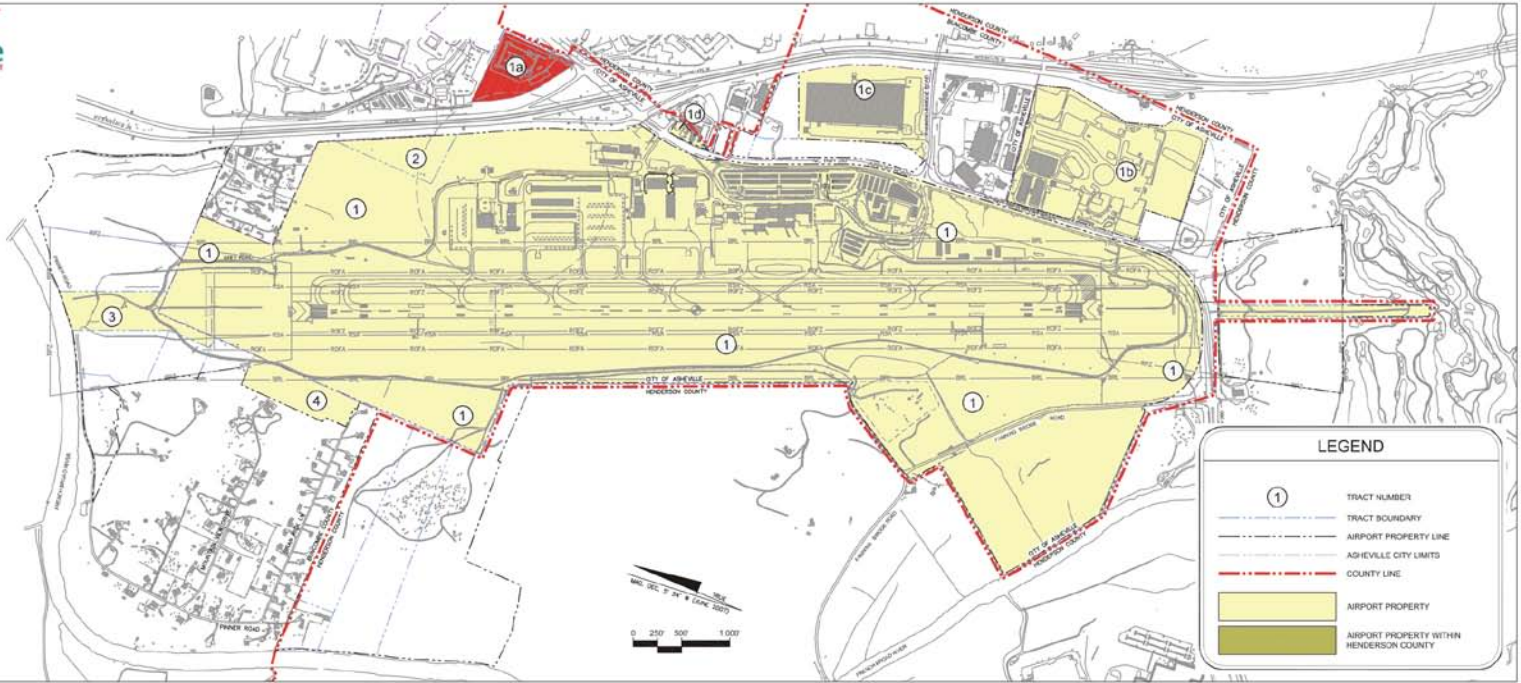


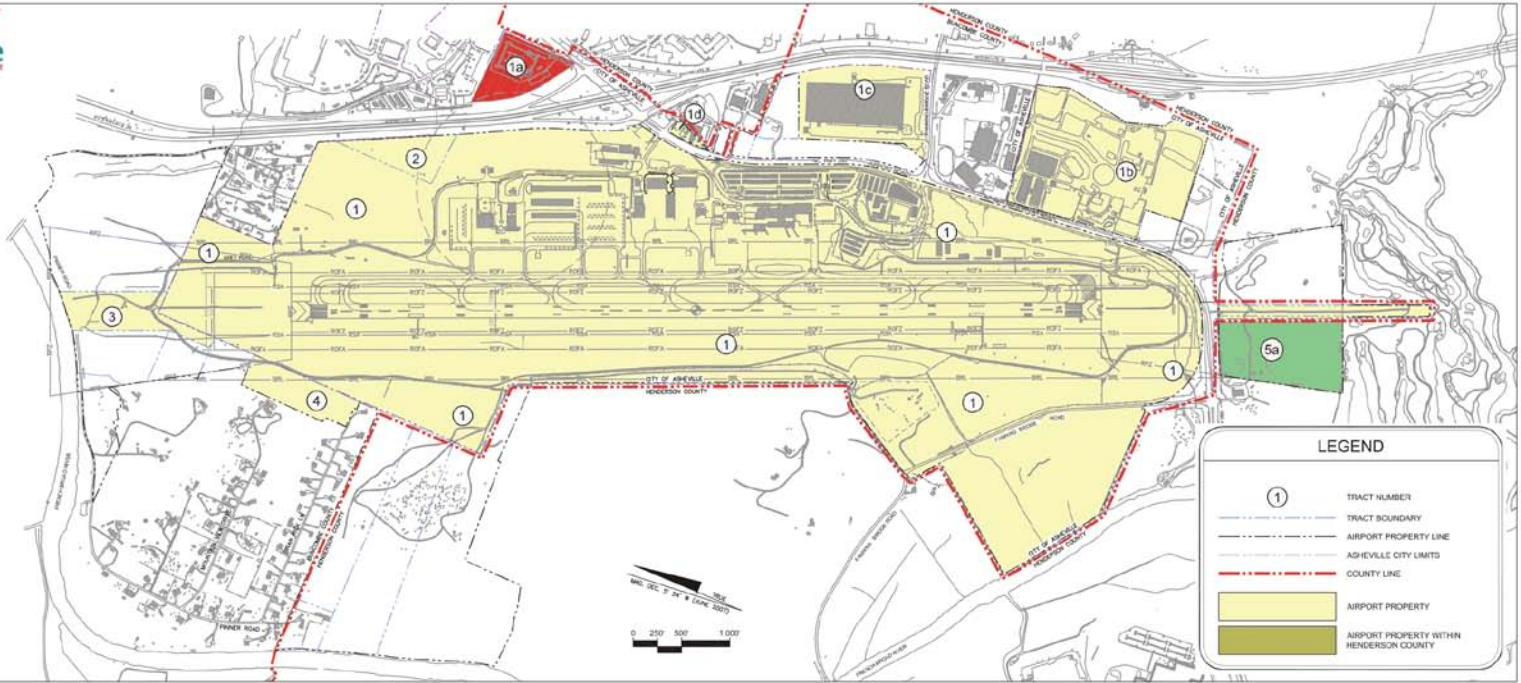


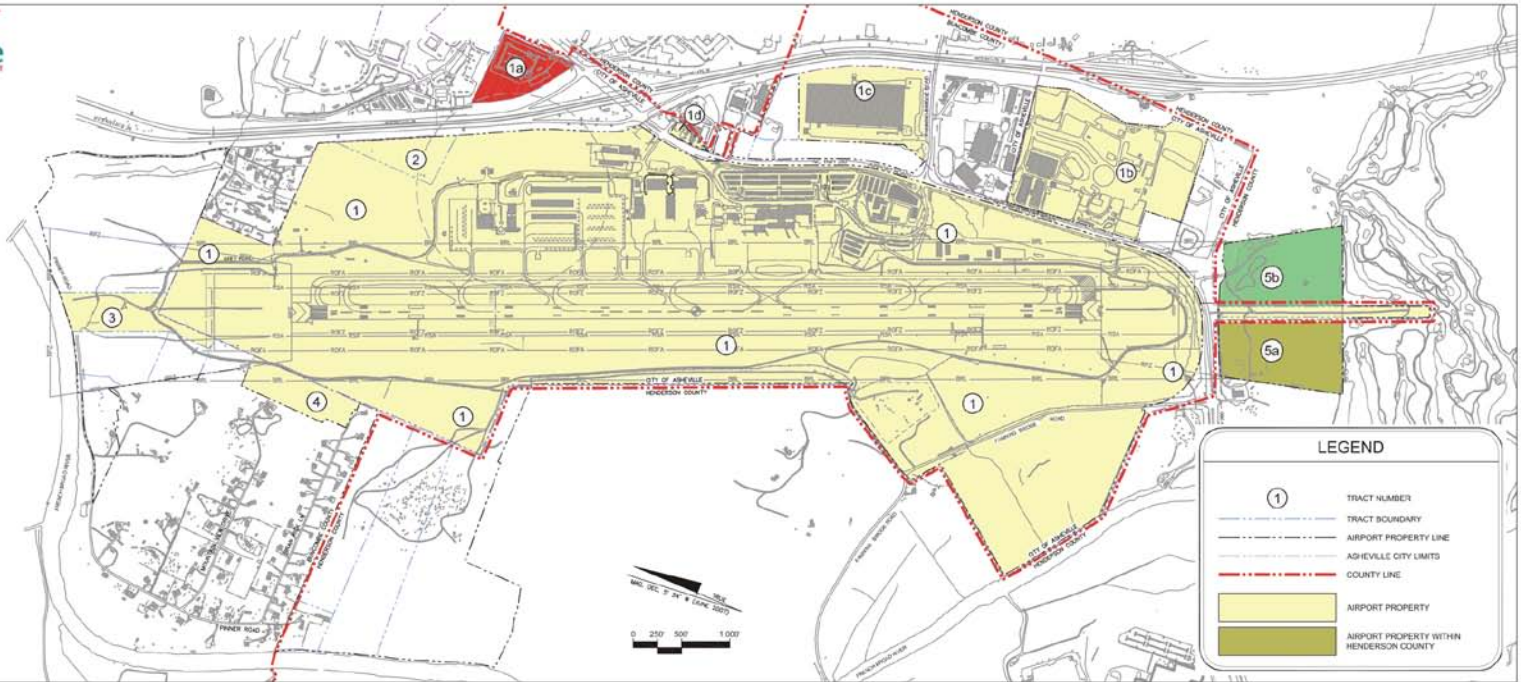
LEGEND	
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	TRACT BOUNDARY
	AIRPORT PROPERTY LINE
	ASHEVILLE CITY LIMITS
	COUNTY LINE
	AIRPORT PROPERTY
	AIRPORT PROPERTY WITHIN HENDERSON COUNTY

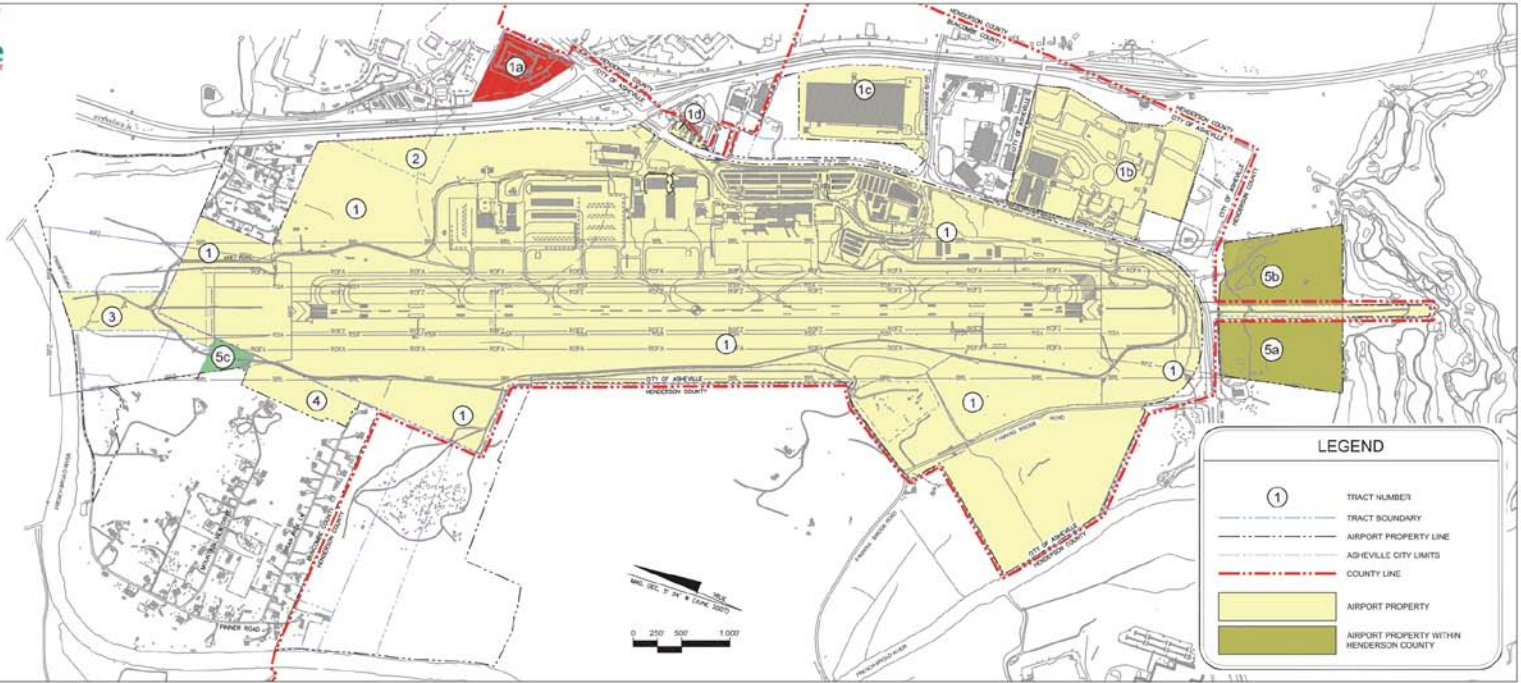


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(1)	TRACT NUMBER
---	TRACT BOUNDARY
---	AIRPORT PROPERTY LINE
---	ASHEVILLE CITY LIMITS
---	COUNTY LINE
[Yellow Box]	AIRPORT PROPERTY
[Green Box]	AIRPORT PROPERTY WITHIN HENDERSON COUNTY



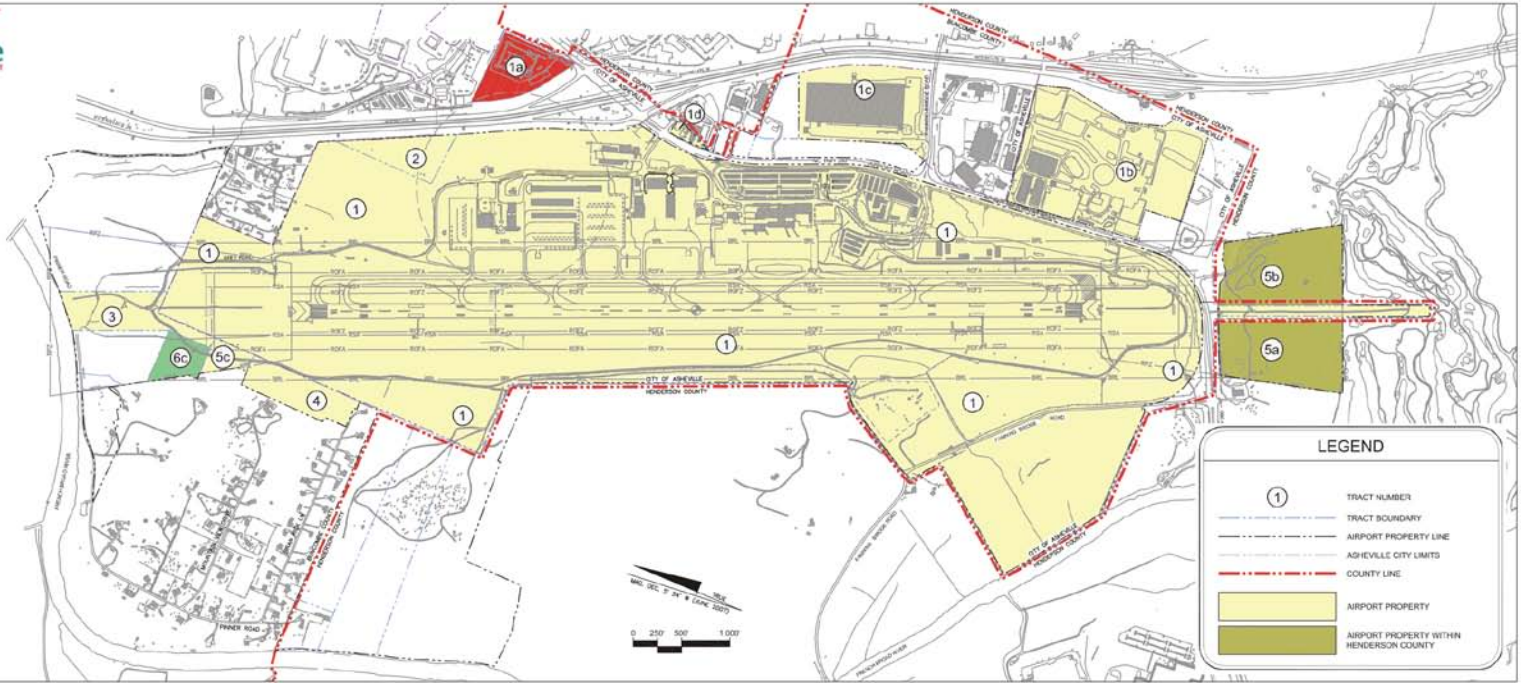


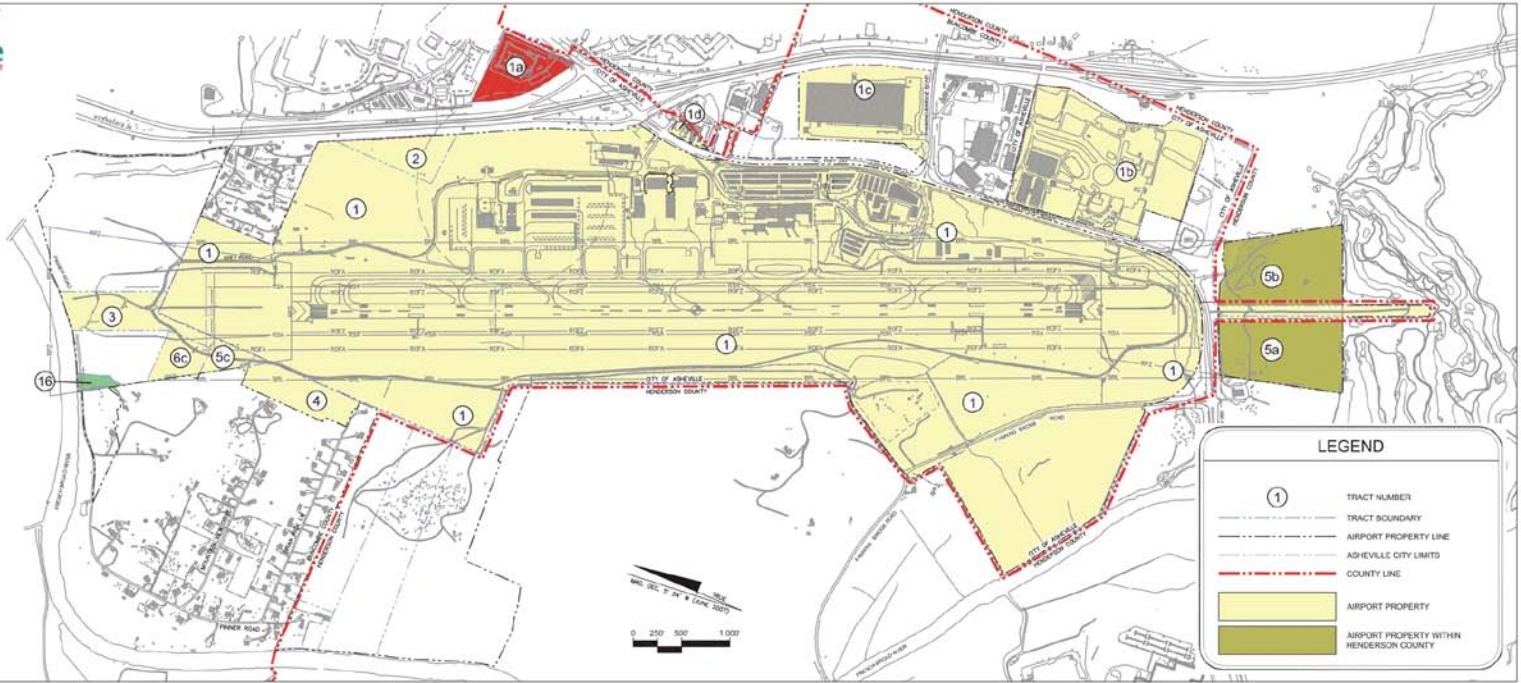


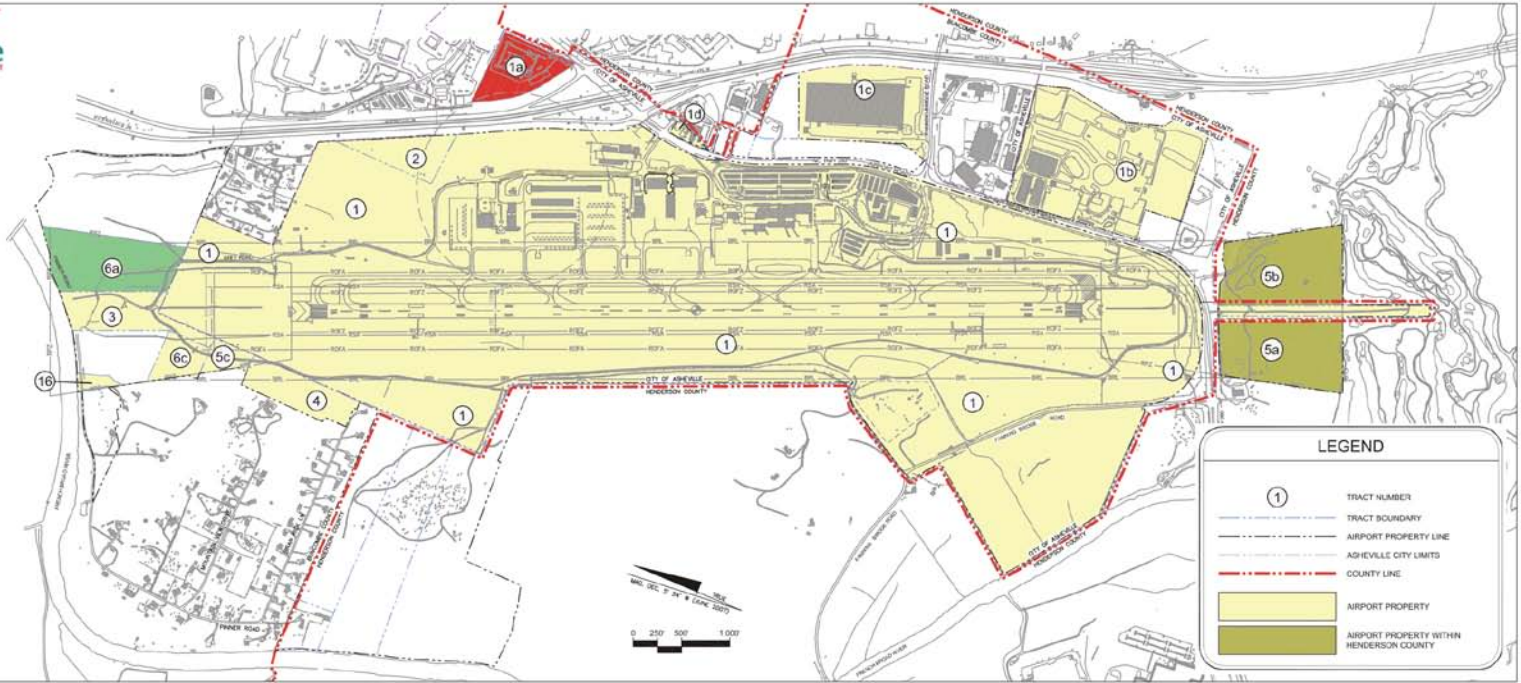


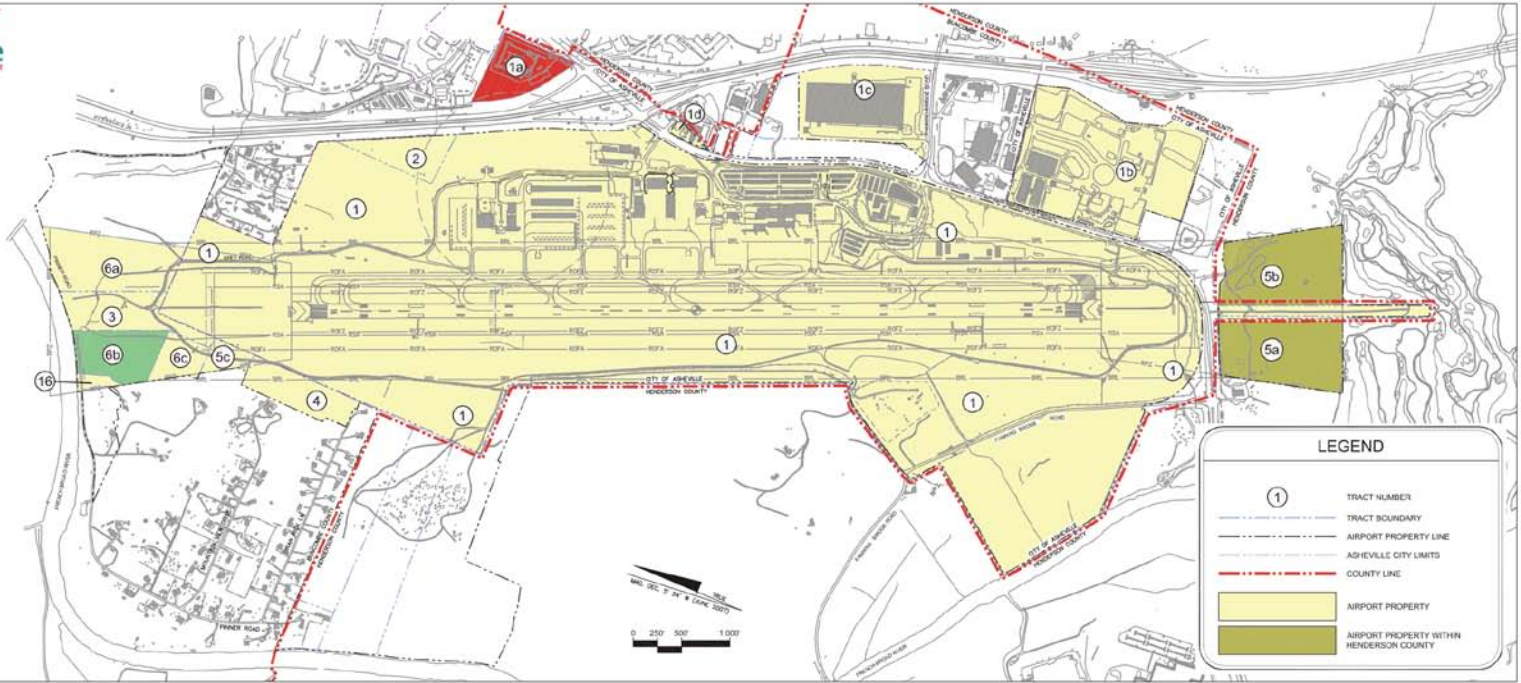
LEGEND

- 1 TRACT NUMBER
- TRACT BOUNDARY
- AIRPORT PROPERTY LINE
- ASHEVILLE CITY LIMITS
- COUNTY LINE
-
 AIRPORT PROPERTY
-
 AIRPORT PROPERTY WITHIN HENDERSON COUNTY

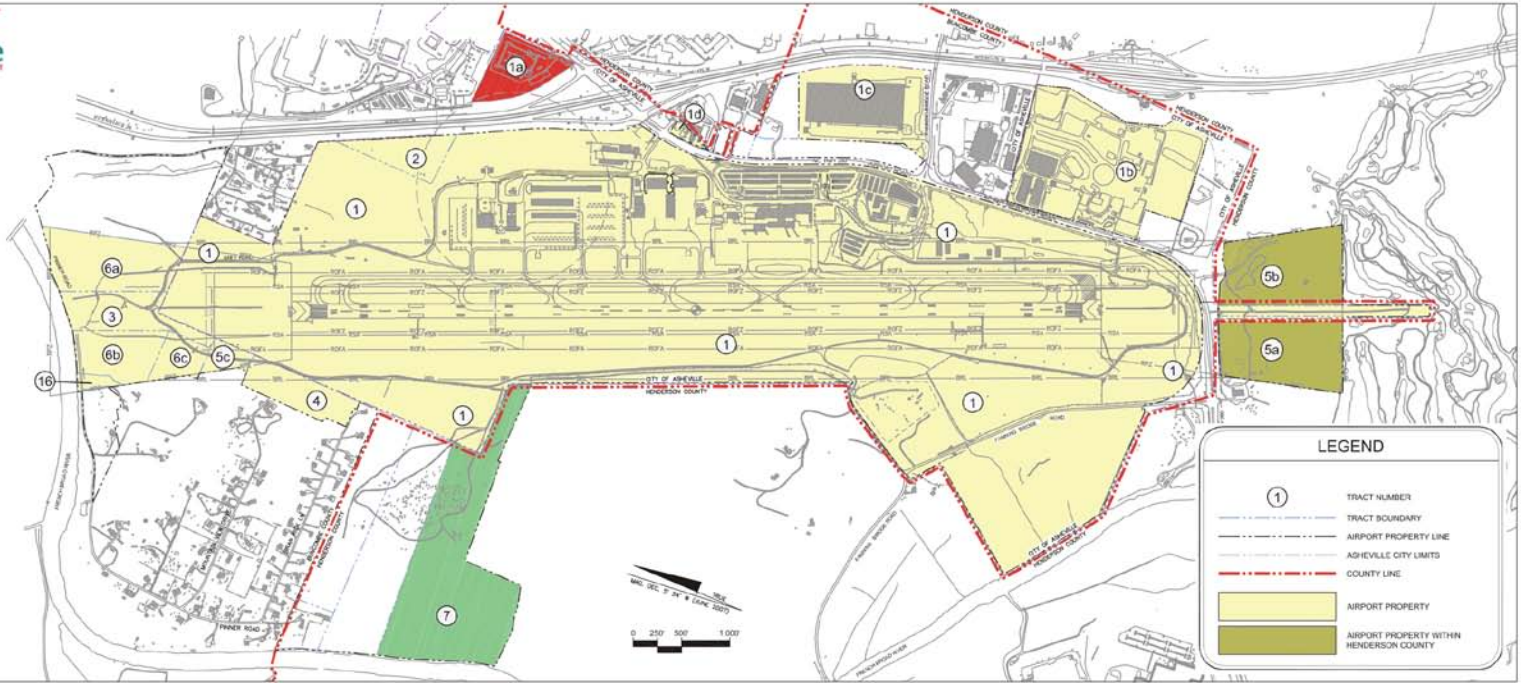


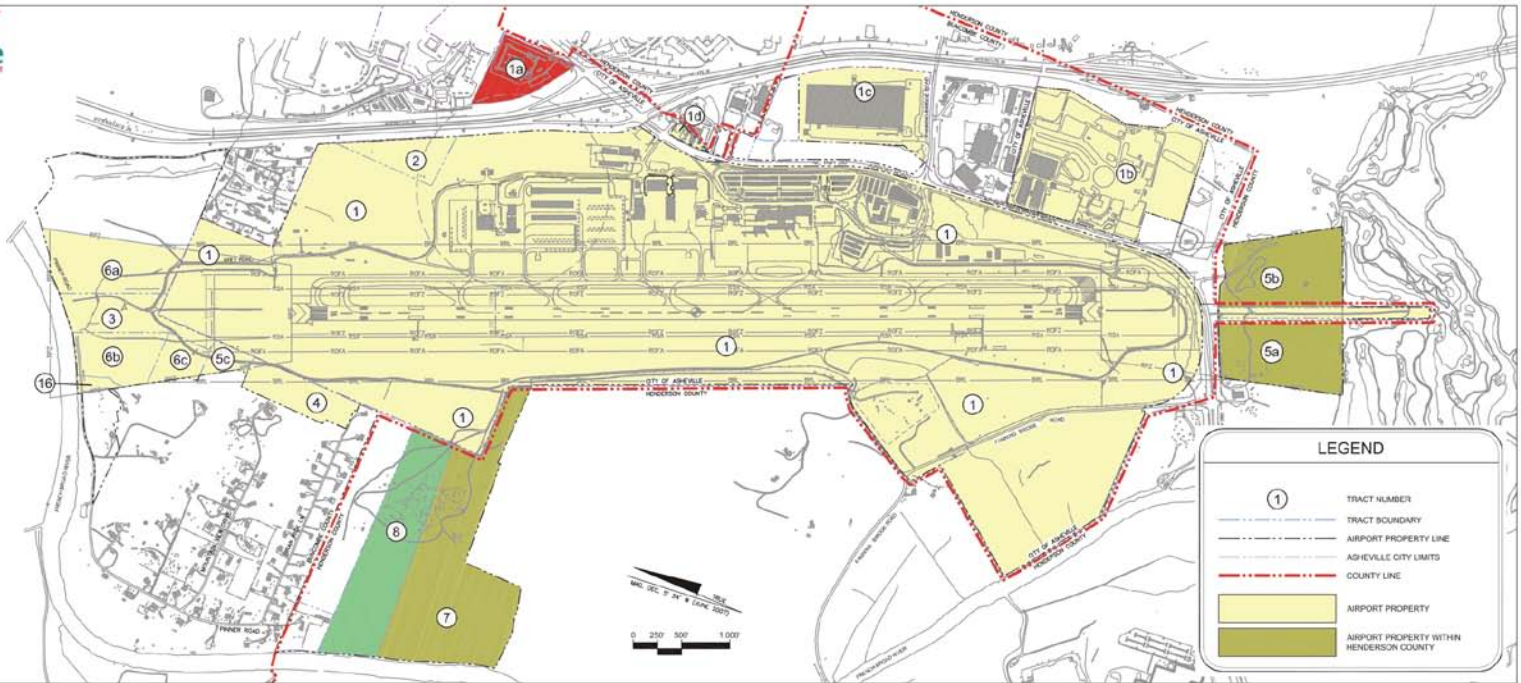


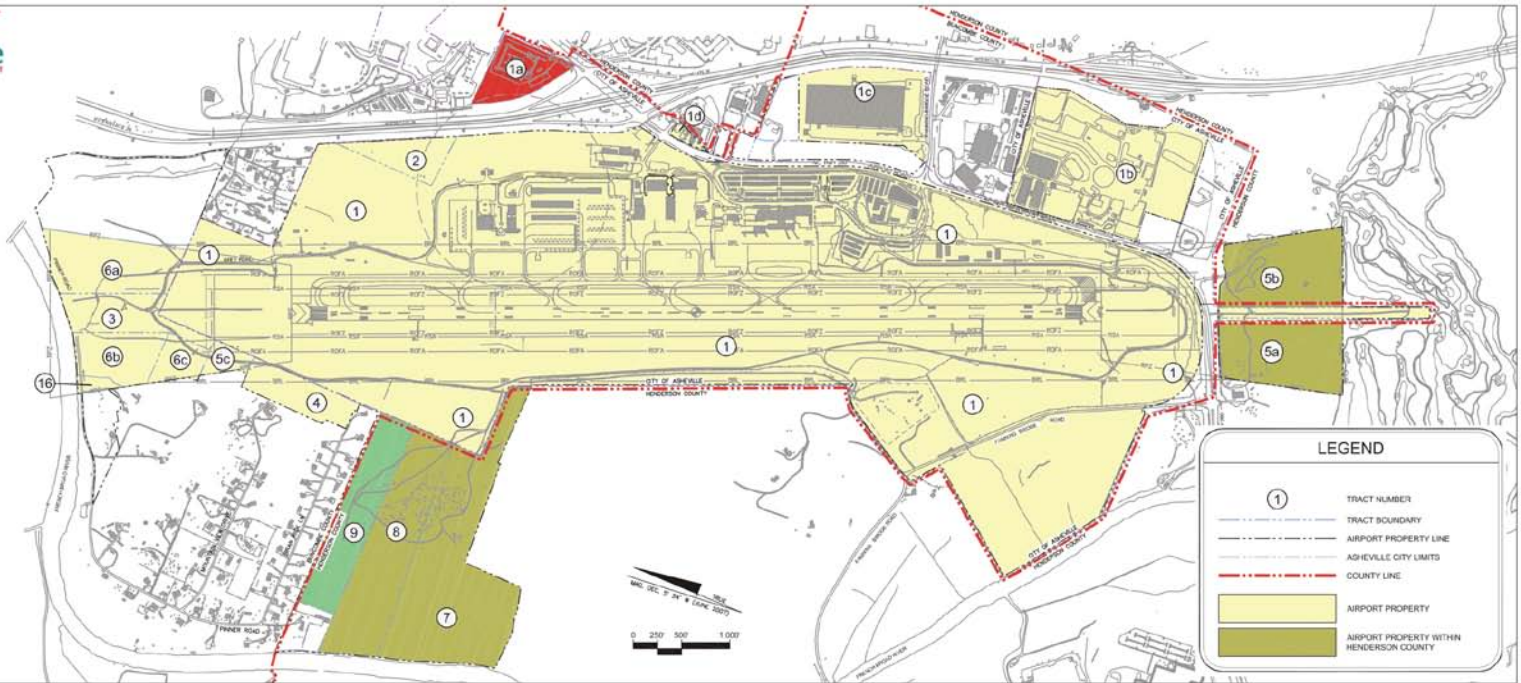











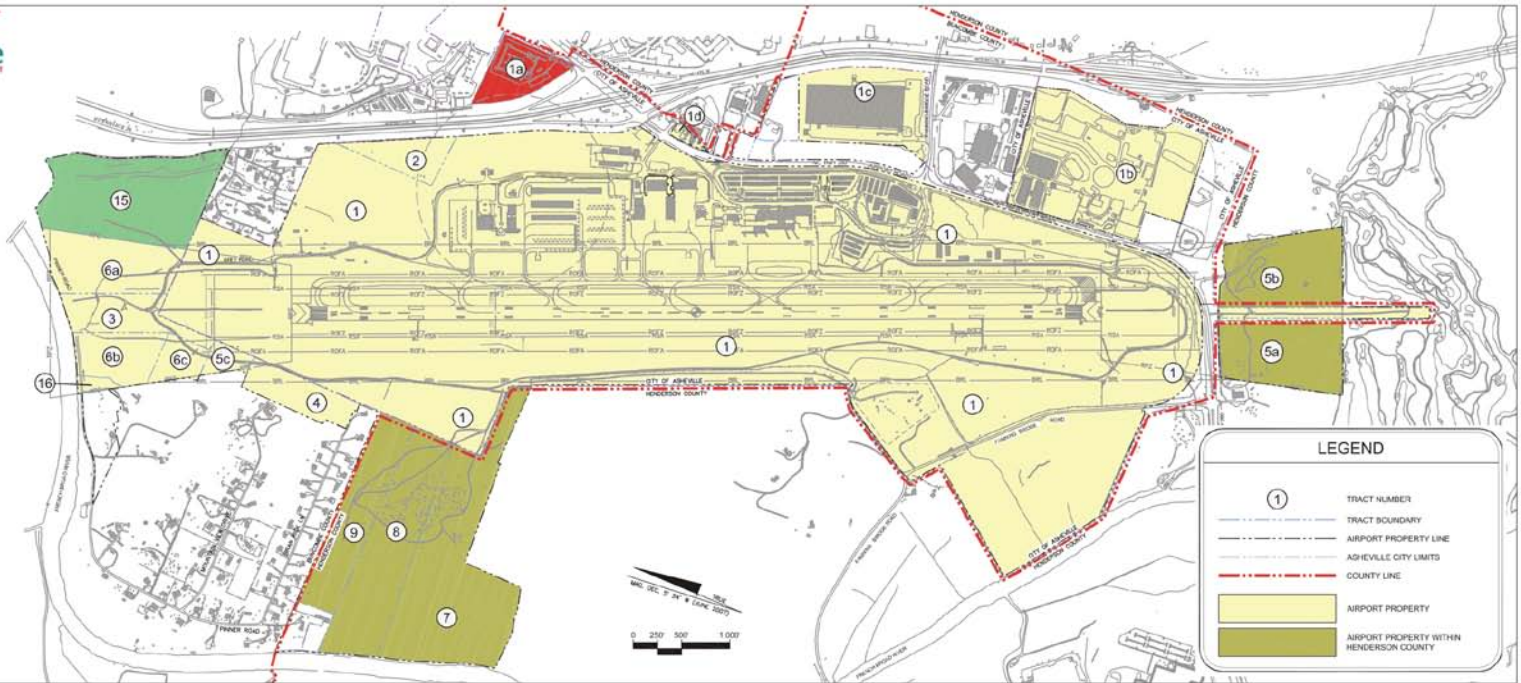
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---	TRACT BOUNDARY
- - - -	AIRPORT PROPERTY LINE
—	ASHEVILLE CITY LIMITS
- - - -	COUNTY LINE
[Yellow Box]	AIRPORT PROPERTY
[Green Box]	AIRPORT PROPERTY WITHIN HENDERSON COUNTY

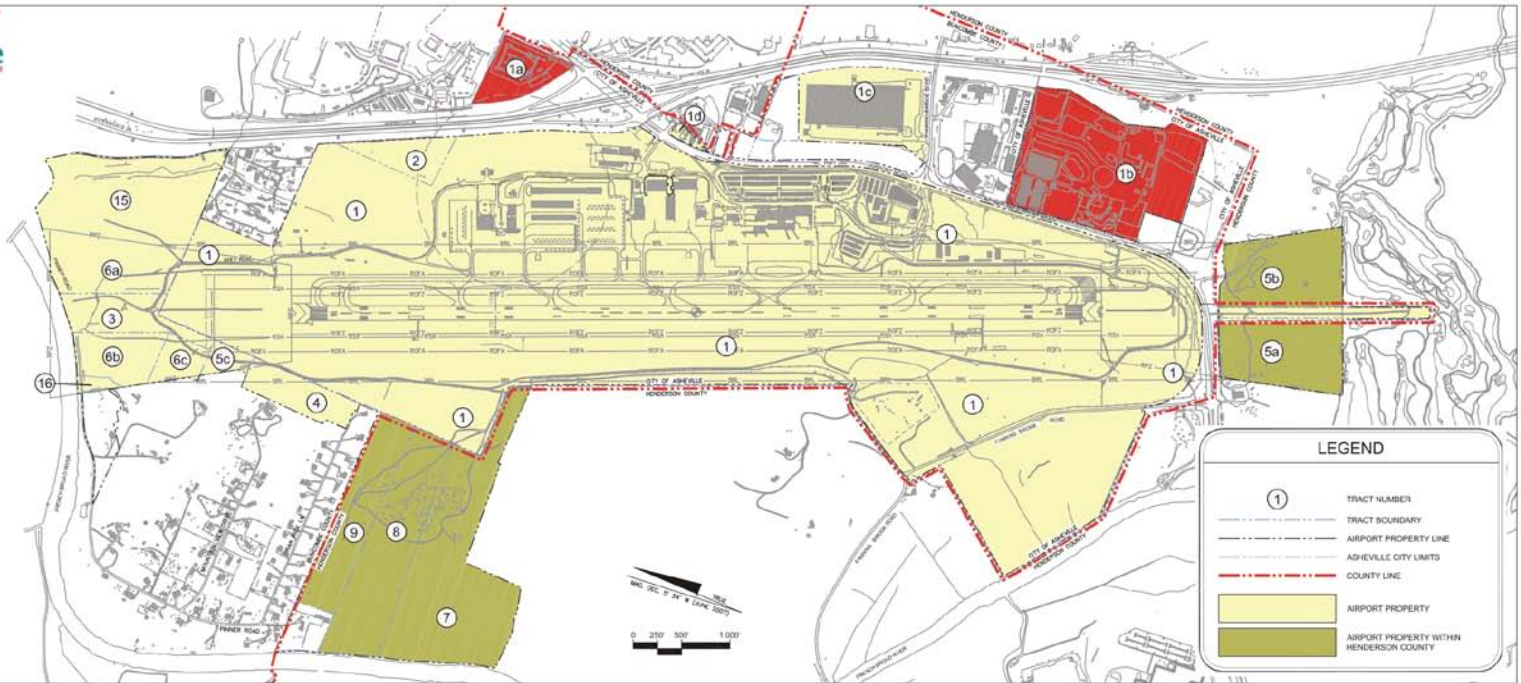


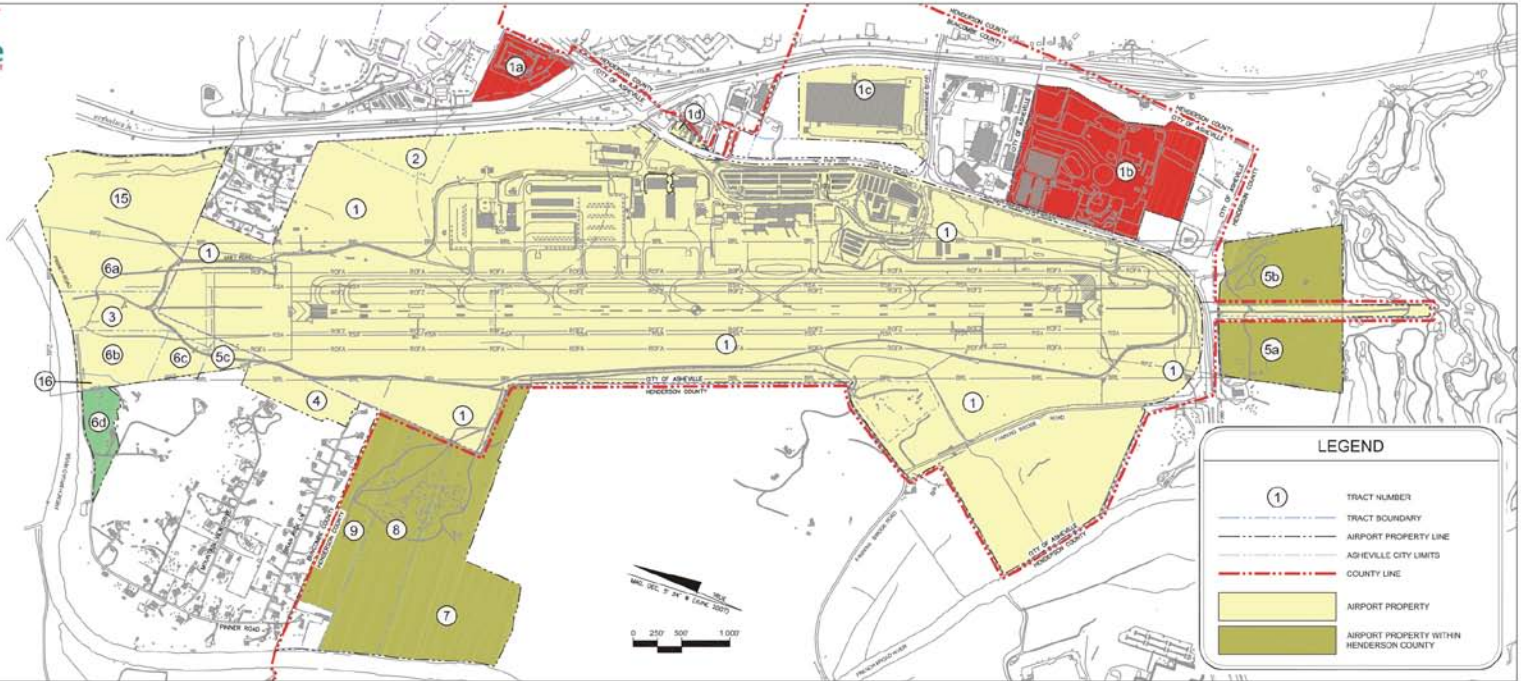


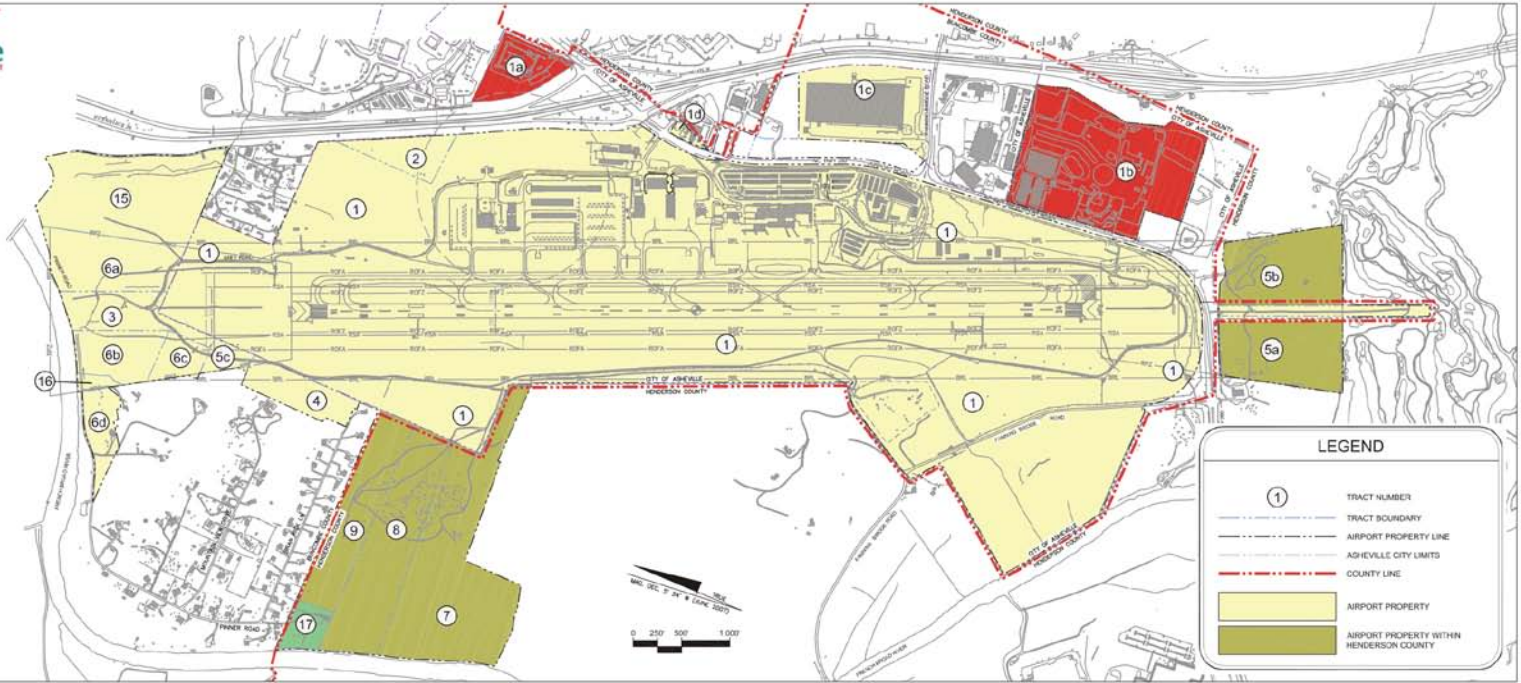


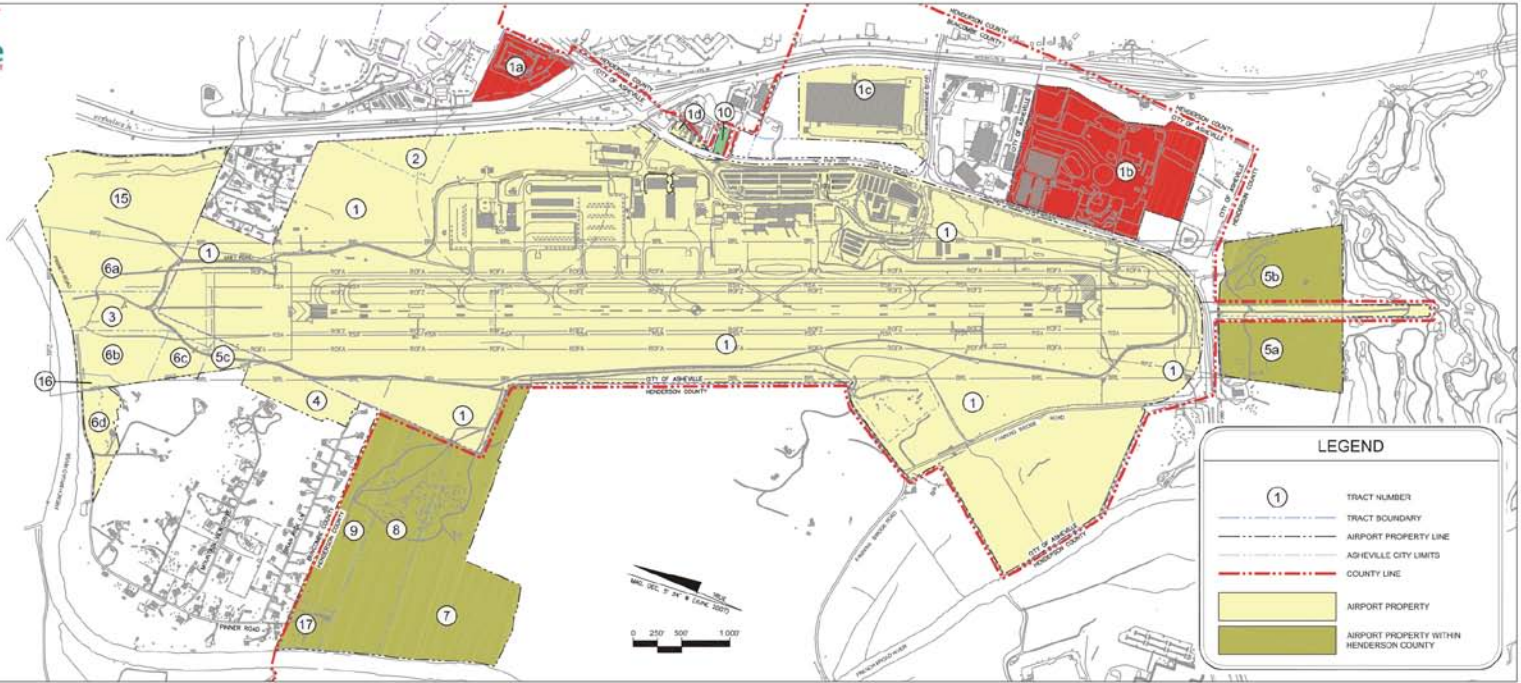
LEGEND	
	TRACT NUMBER
	TRACT BOUNDARY
	AIRPORT PROPERTY LINE
	ASHEVILLE CITY LIMITS
	COUNTY LINE
	AIRPORT PROPERTY
	AIRPORT PROPERTY WITHIN HENDERSON COUNTY

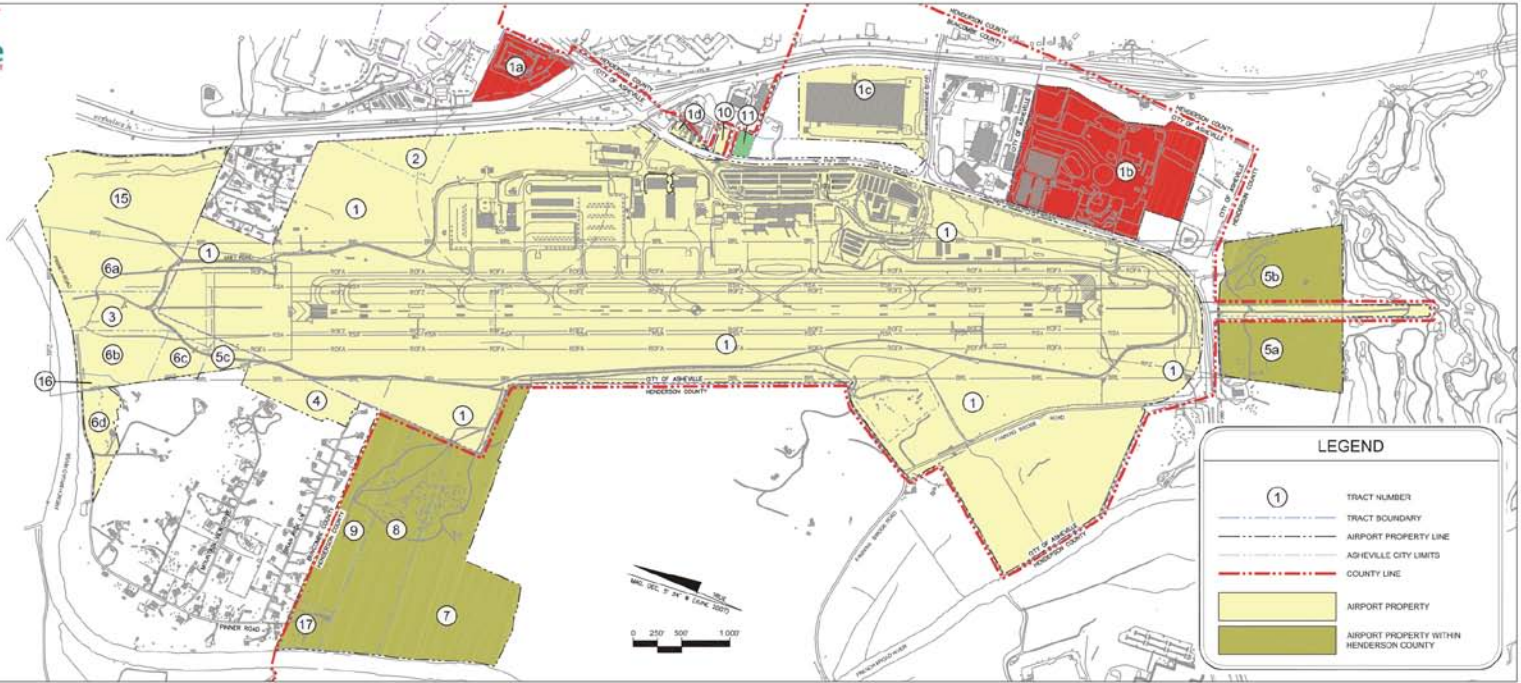




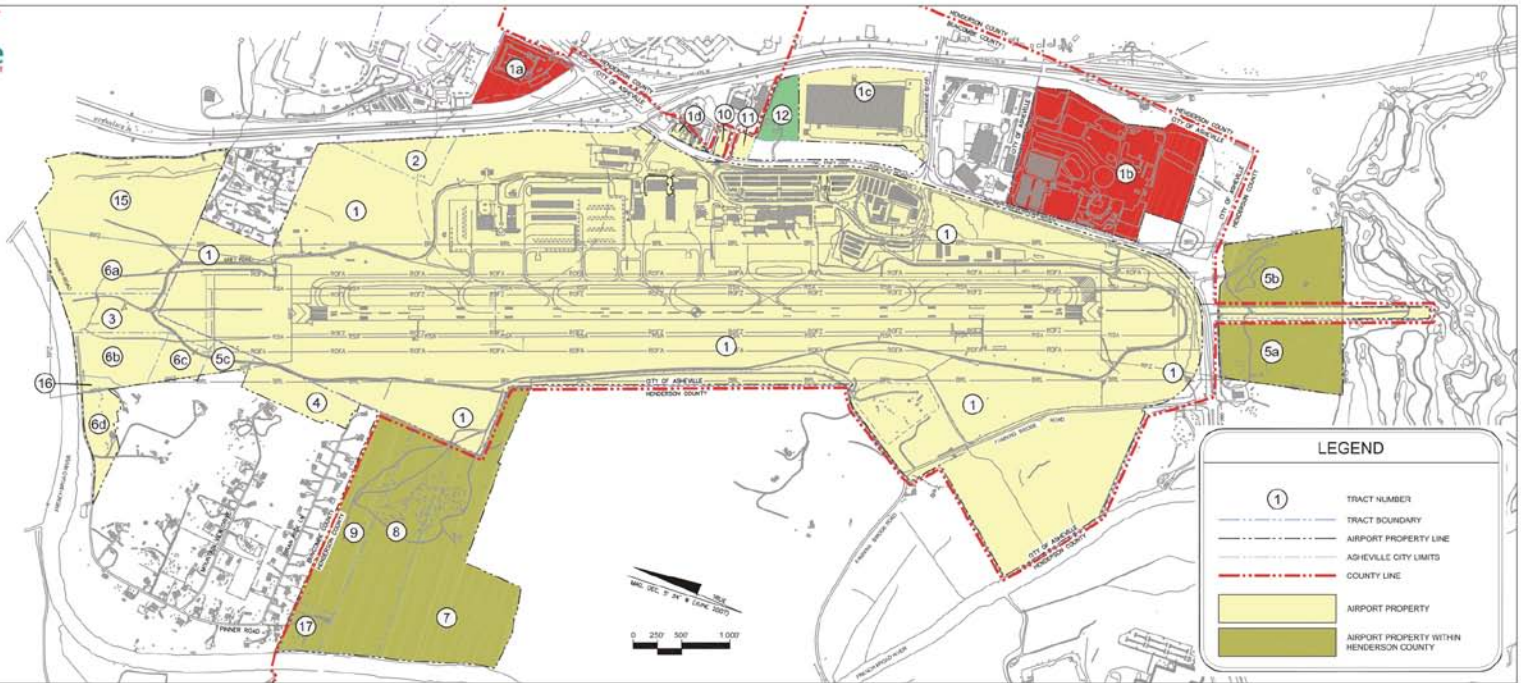


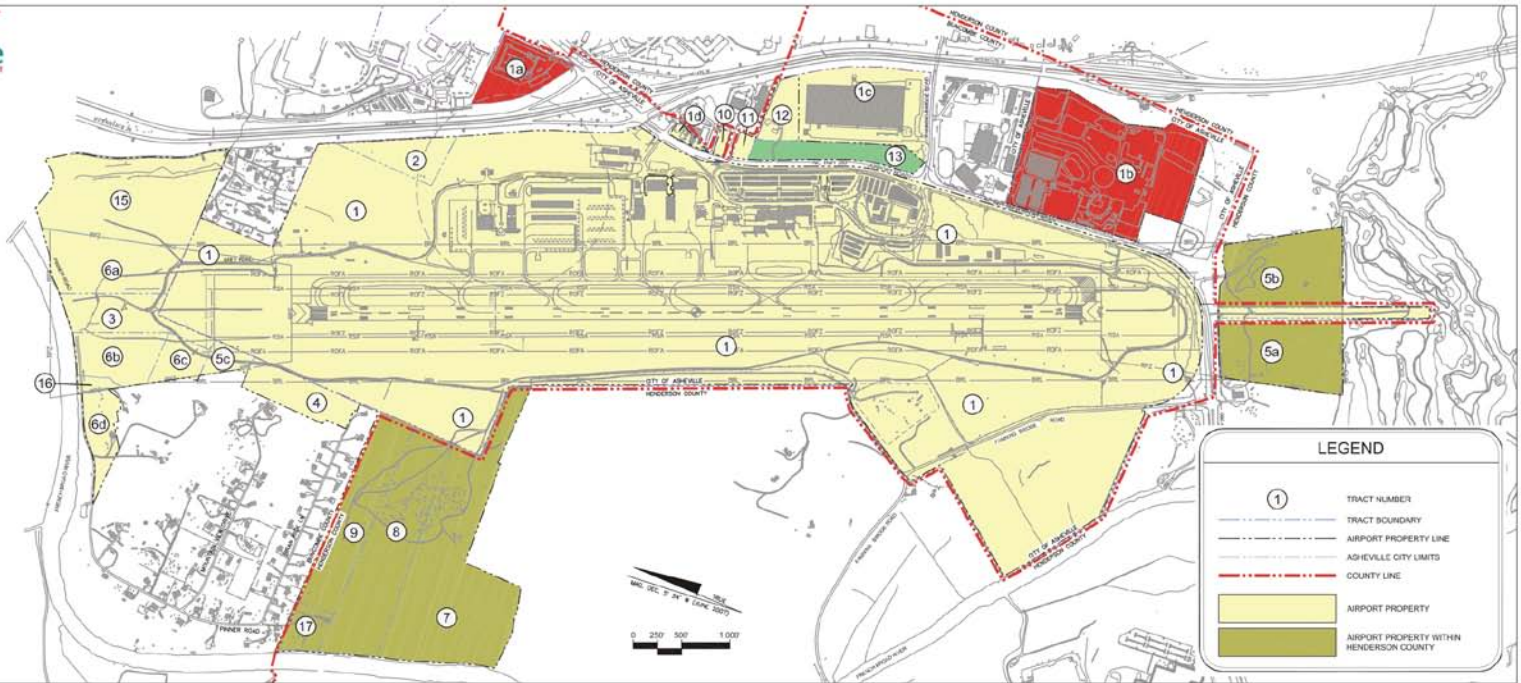


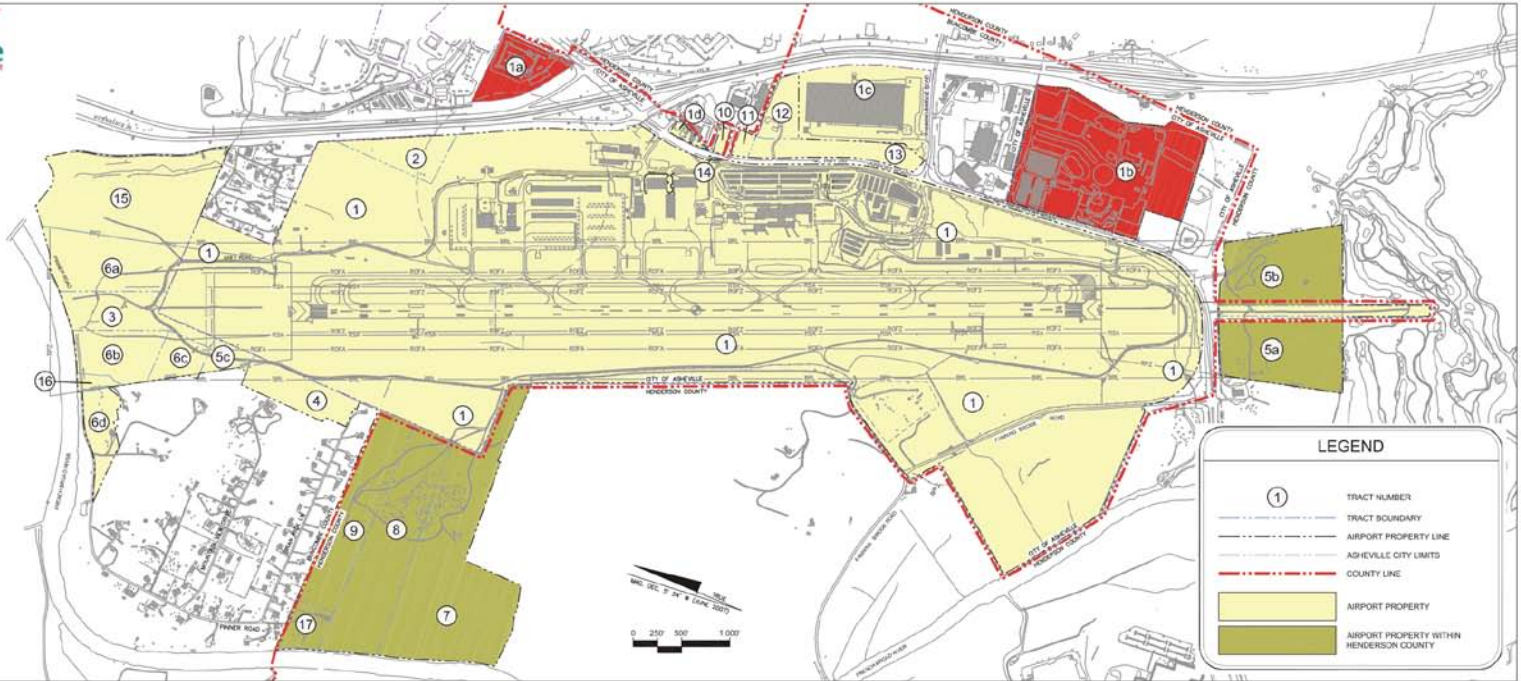


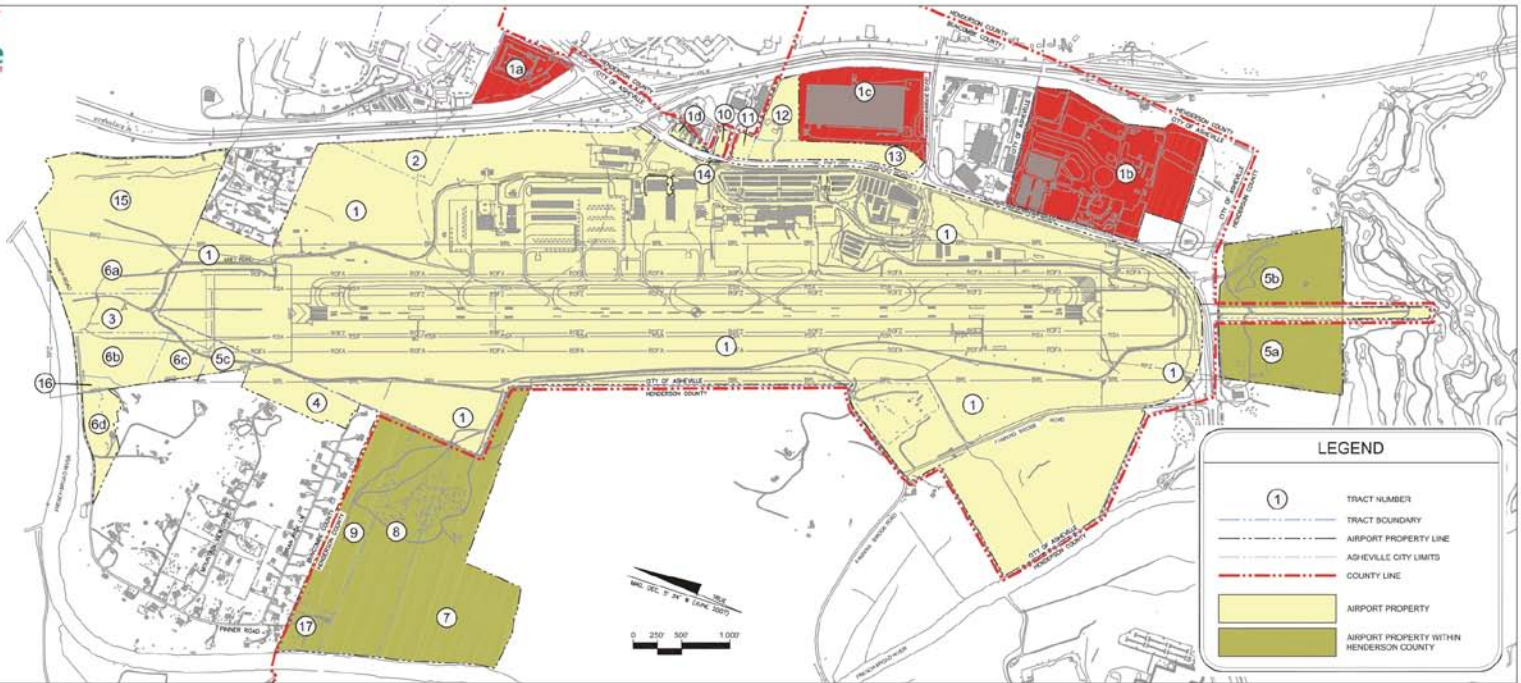


LEGEND	
(1)	TRACT NUMBER
---	TRACT BOUNDARY
---	AIRPORT PROPERTY LINE
---	ASHEVILLE CITY LIMITS
---	COUNTY LINE
[Yellow Box]	AIRPORT PROPERTY
[Olive Green Box]	AIRPORT PROPERTY WITHIN HENDERSON COUNTY









EXISTING AIRPORT PROPERTY

TRACT No.	ORIGINAL ACREAGE	CURRENT ACREAGE	PROPERTY INTEREST	PURCHASE INFORMATION			FUNDING INFORMATION				COMMENTS
				DATE	ORIGINAL OWNER	PURCHASE PRICE	SOURCE OF FUNDS	CITY FUNDS	FEDERAL FUNDS	AIRPORT FUNDS	
1	780.000		FEE SIMPLE	1958		\$502,140	FAAP - 01	\$251,070	\$251,070	-	
1a	10.370	10.370	FEE SIMPLE			-	-	\$388,900	-	-	Originally part of Tract 1. Tract leased to Holiday Inn until 2040. The City refunded \$388,900 to FAA in 1989 to release property.
1b	49.270	49.270	FEE SIMPLE	1996		-	-	-	-	-	Originally part of Tract 1. Tract now part of NC-AG Center Lease.
1c						-	-	-	-	-	Originally part of Tract 1. Currently owned by Minkles LLC.
1d	0.330	0.330	FEE SIMPLE			-	-	-	-	-	Originally part of Tract 1. Tract sold to NCDOT for widening of NC 280. Total compensation for this tract & others unknown was \$328,300
2	7.290	7.290	FEE SIMPLE	1981		-	ADAP - 05	-	-	-	
3	10.940	10.940	FEE SIMPLE	1982	Florence P. Emerson & Roger E. Pinner	\$29,000 +/-	ADAP - 05	-	-	-	(1270-712, 1284-352, 1306-113)
4	9.240	9.240	FEE SIMPLE	1981	Youngblood, Stevens, C.H.Q.	\$45,000 +/-	ADAP - 05	-	-	-	(1307-699, 1269-33, 1272-205)
5a	20.771	20.771	FEE SIMPLE	1990	Benjamin Eshleman et al	\$98,051	AIP - 07	-	\$49,026	\$49,026	(H 761-791)
5b	20.204	20.204	FEE SIMPLE	1990	Benjamin Eshleman et al	\$97,574	AIP - 07	-	\$48,787	\$48,787	(H 761-791)
5c	2.753	2.753	FEE SIMPLE	1990	Grady Pinner	\$27,520	AIP - 07	-	\$13,760	\$13,760	(1610-412)
6a,6b,6c,6d	36.66	36.66	FEE SIMPLE			\$410,432	AIP - 11	-	\$205,216	\$205,216	
6a	16.73	16.73	FEE SIMPLE	1991	H.T. Brown Farm	\$150,000 +/-	AIP - 11	-	-	-	(1639-707)
6b	9.38	9.38	FEE SIMPLE	1991	Florence P. Emerson & Roger E. Pinner	\$140,000 +/-	AIP - 11	-	-	-	(1639-122)
6c	4.64	4.64	FEE SIMPLE	1990	Richard & Grace Henninger	\$42,000 +/-	AIP - 11	-	-	-	(1613-569)
6d	5.91	5.91	FEE SIMPLE	1999	Florence P. Emerson & Roger E. Pinner	\$117,500 +/-	AIP - 11	-	-	-	(2088-406)
7	46.622	46.622	FEE SIMPLE	1991	Boy Scouts of America	\$496,943	AIP - 12	-	\$248,472	\$248,272	(H 779-8)
8	24.555	17.323	FEE SIMPLE	1993	Dorothy Allen et al	\$355,500	AIP - 16	-	\$222,976	\$132,524	(H 827-161)
9	28.634	18.370	FEE SIMPLE	1993	William & Claire Corn	\$238,000	AIP - 16	-	\$74,653	\$163,347	(H 831-546)
10	0.720	0.720	FEE SIMPLE	2005		-	-	-	-	-	Purchased in 2005 by ARRA. No additional information available. (See Lease Amend DB 4152-951)
11	1.000	1.000	FEE SIMPLE	2005		-	-	-	-	-	Purchased in 2005 by ARRA. No additional information available. (See Lease Amend DB 4152-951)
12	3.240	3.240	FEE SIMPLE	2005		-	-	-	-	-	Purchased in 2005 by ARRA. Tract leased to FAA on a year to year basis. No other information available. (See Lease Amend DB 4152-951)
13	8.000	8.000	FEE SIMPLE	2005		-	-	-	-	-	Purchased in 2005 by ARRA. No additional information available. (See Lease Amend DB 4152-951)
14	0.046	0.046	FEE SIMPLE			\$125,000	-	-	-	\$125,000	Small nuisance Tract purchased by ARRA. No other information available.
15	33.74	33.74	FEE SIMPLE	1995	Opal Page Crymble et al	\$470,000 +/-	-	-	-	-	(1873-296)
16	1.17	1.17	FEE SIMPLE	1990	Florence & James Steppleton	\$45,000 +/-	-	-	-	-	(1633-128)
17	5.859	5.859	FEE SIMPLE	2004	Henninger	\$111,321	-	-	-	\$111,321	

John J. Valentin, Regional Special Services Manager, Asheville Regional Airport, 2011.01.25.094
 Revised June 27, 2011 - 4:30pm by G. B. Baker, Jr.

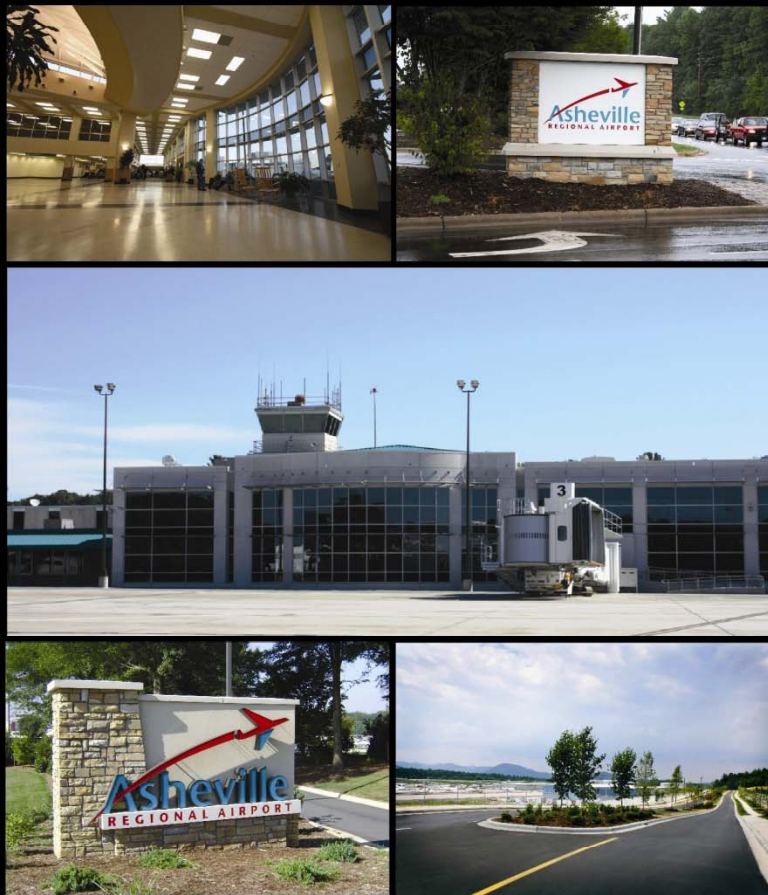


ASHEVILLE REGIONAL AIRPORT
EXHIBIT "A" PROPERTY LISTING

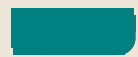
JANUARY 2011



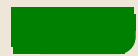
Proposed 2011/2012 Budget
Asheville Regional Airport Authority
February 11, 2011



Agenda



General Statistics



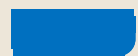
Proposed FY 2011/2012 O&M Budget



Proposed FY 2011/2012 Capital Budget



Proposed FY 2011/2012 Reserve Funds



Proposed FY 2011/2012 Estimated Cash Balance



Proposed FY 2011/2012 Supplemental Fees

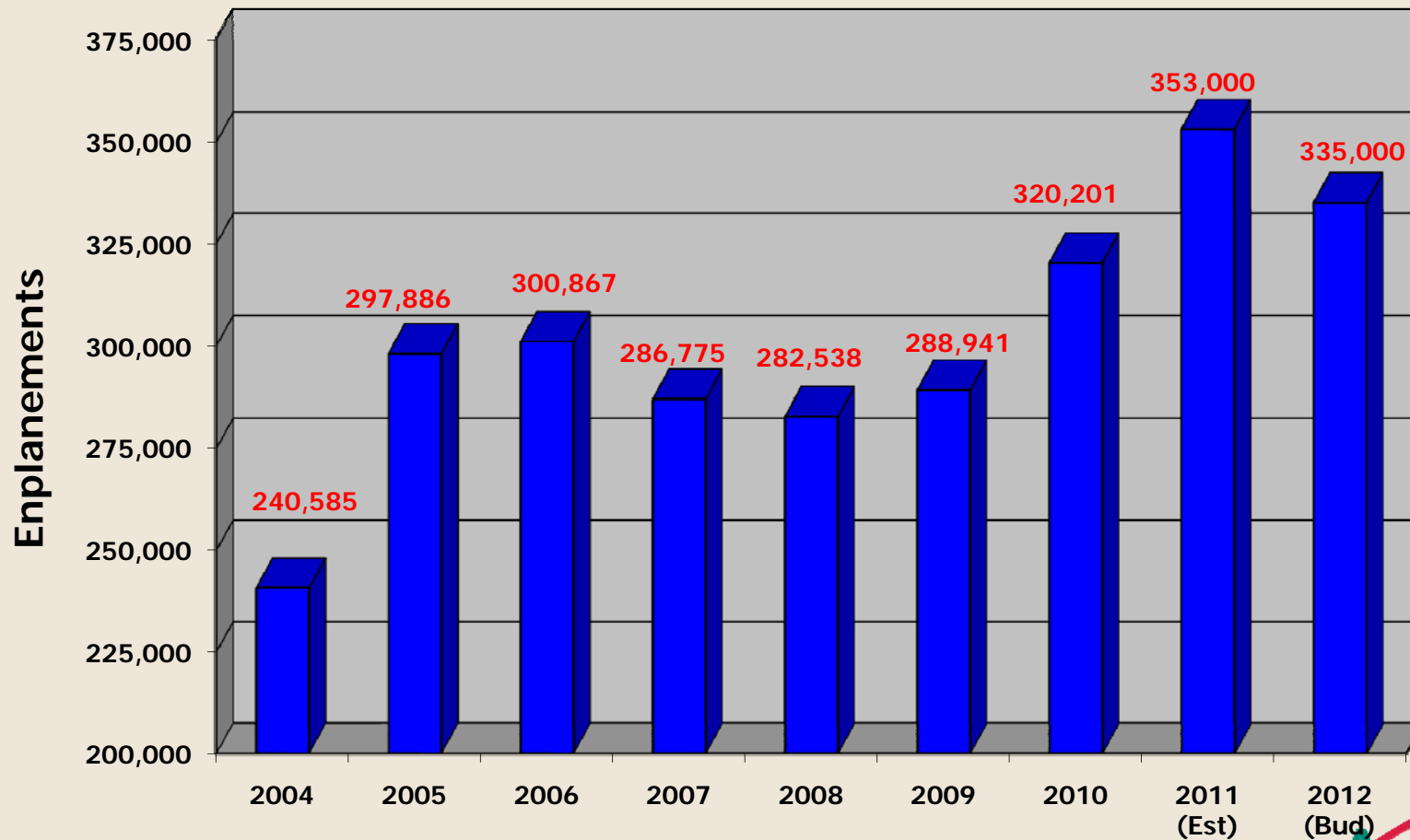


Questions and Comments

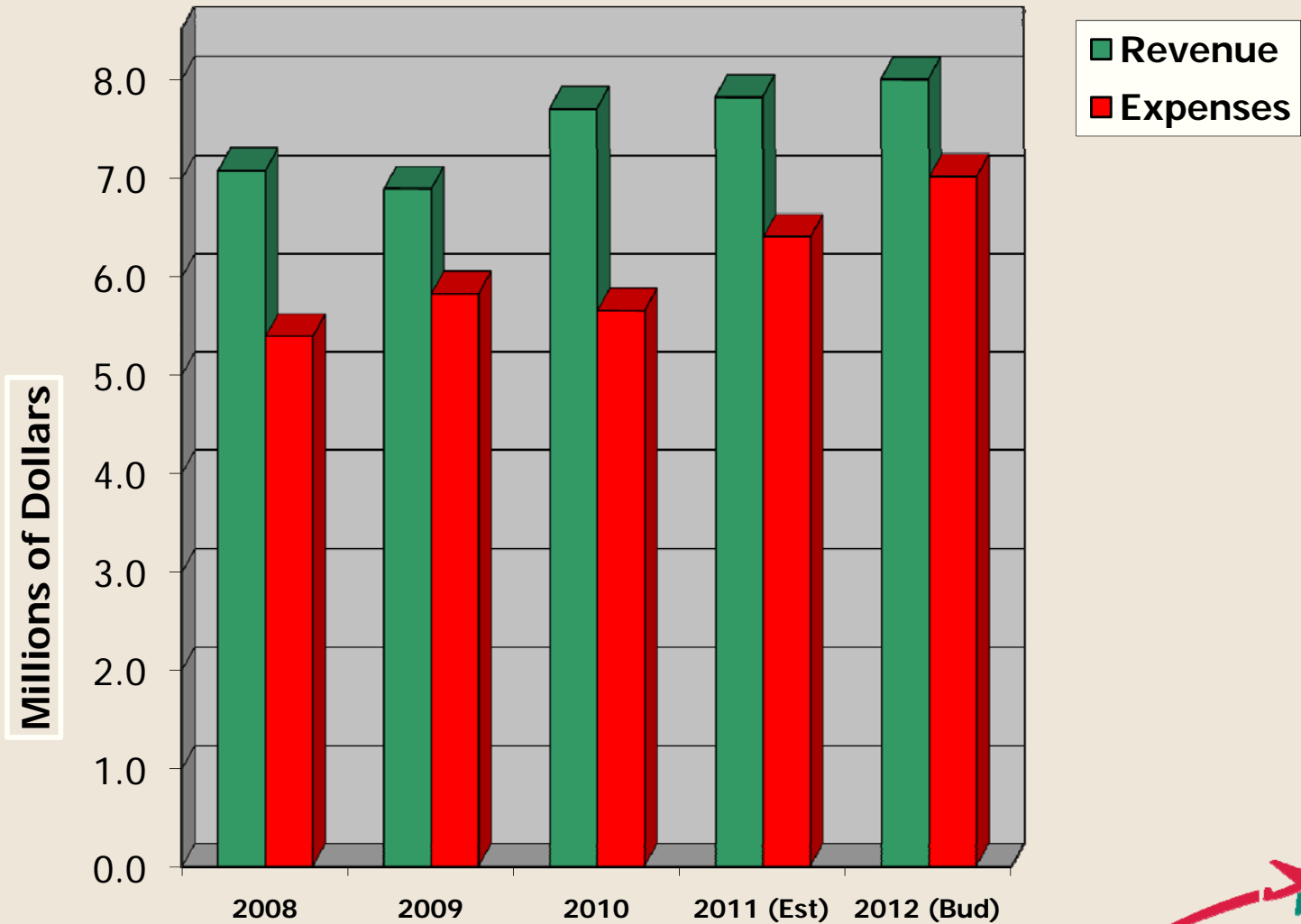


Passenger Traffic Growth

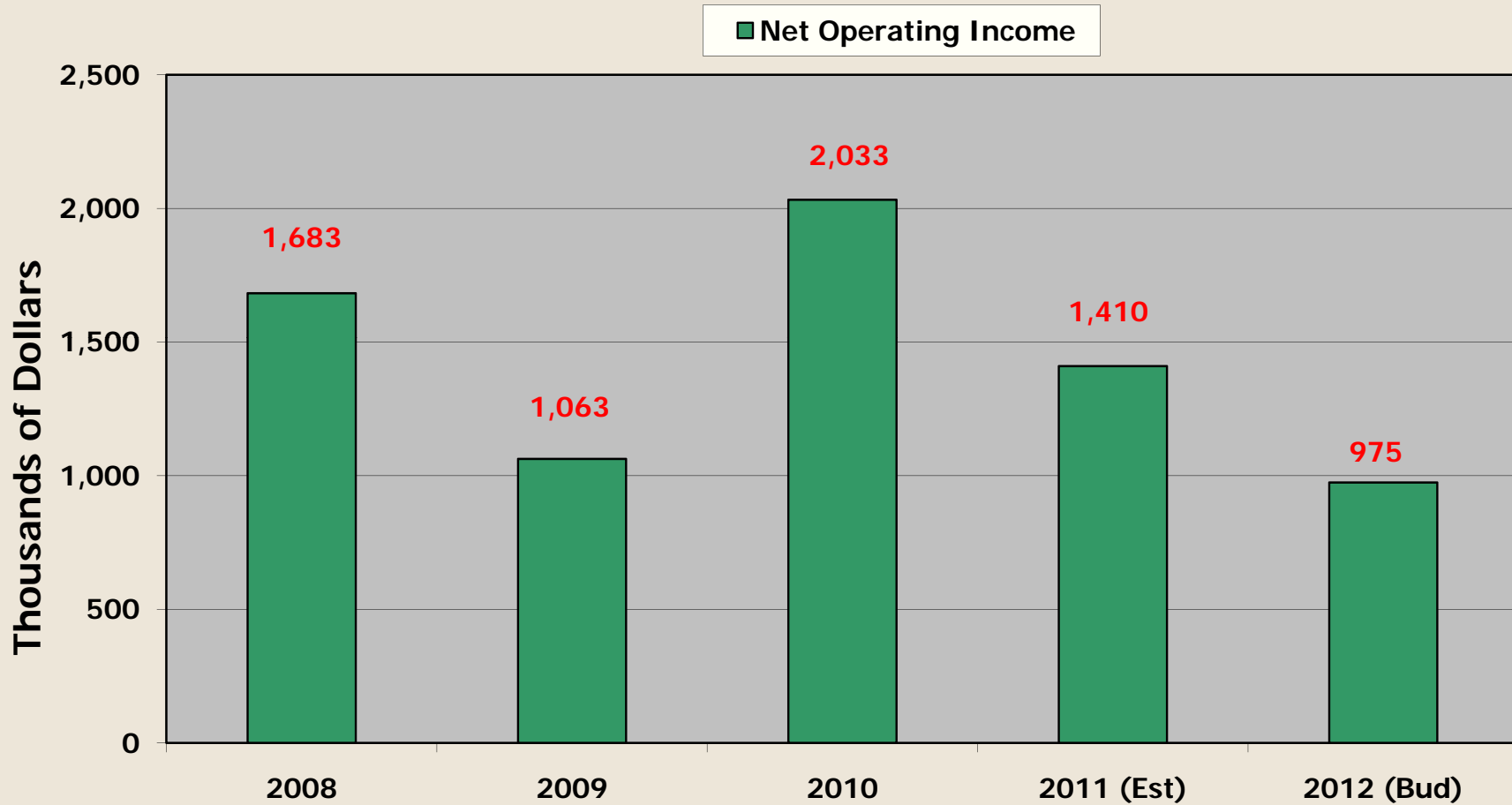
Fiscal Years 2004-2012 Passenger Traffic



Operating Revenues/Expenses FY 2008 through 2012



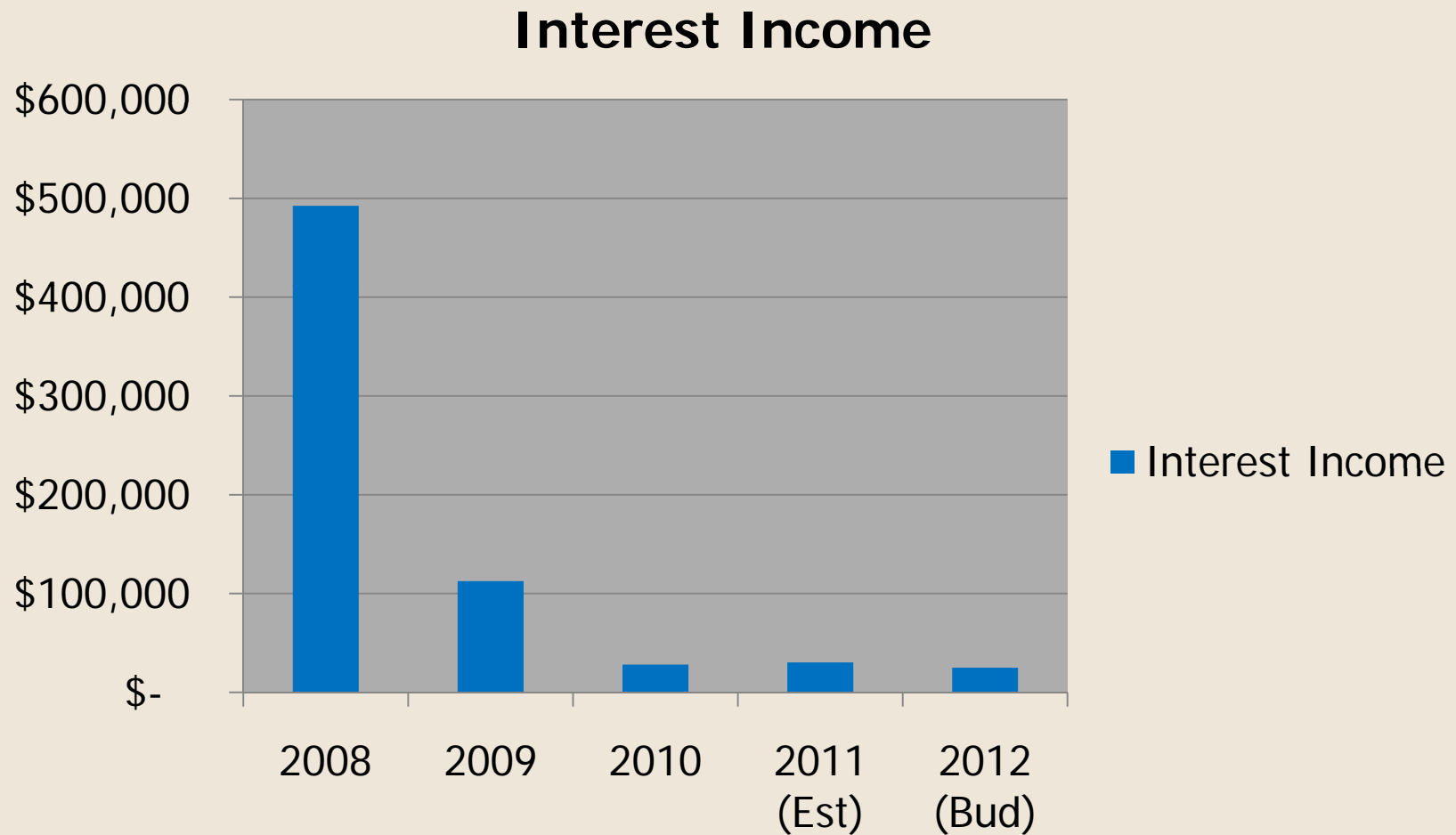
Net Operating Income FY 2008 through 2012 (a)

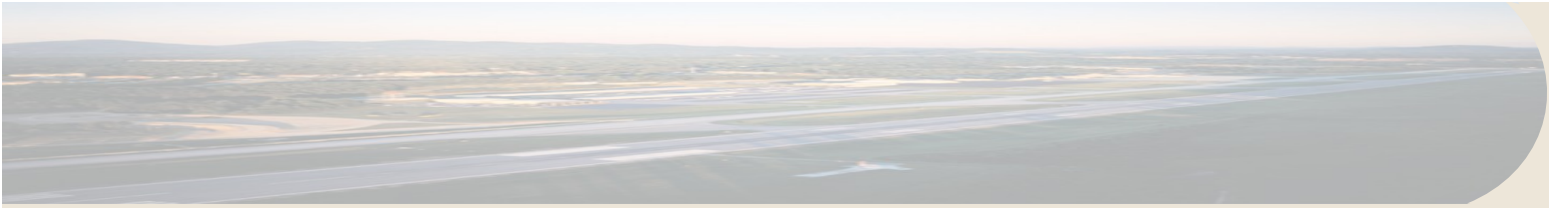


a. Includes operating revenues and expenses



Interest Income





Proposed O & M Budget

Basic O&M Budget Assumptions

OPERATING REVENUES:

- Passenger Enplanements – 335,000
- Public Parking increased to reflect current trend
- Airline rates & charges flat to FY 2010/2011
- Food & beverage & gift concessions revenue increased with new Paradies contract
- FBO revenues increased with new proposed Landmark contract



Basic O&M Budget Assumptions (cont'd)

OPERATING REVENUES (CONT'D) :

- No Guest Services ticket or apparel sales
- Public parking rate increase proposed. Standard Parking estimates \$310k increase in parking revenue. This amount is not included in budget to be conservative.
- Minor changes proposed to other supplemental fees



Basic O&M Budget Assumptions (cont'd)

OPERATING EXPENSES:

- Payroll includes Deputy Director position, full year of 2 vacant positions and increase in starting pay rate for custodial staff to \$9.50/hour “living wage”
- Salary adjustment pool budgeted at 5%
- New FAA-mandated Safety Management Systems cost
- New storm water testing costs



Basic O&M Budget Assumptions (cont'd)

OPERATING EXPENSES (CONT'D):

- Increased credit card fees on higher parking revenues
- New software & maintenance costs for new parking equipment
- Catching up on computer replacements
- Increased TV advertising



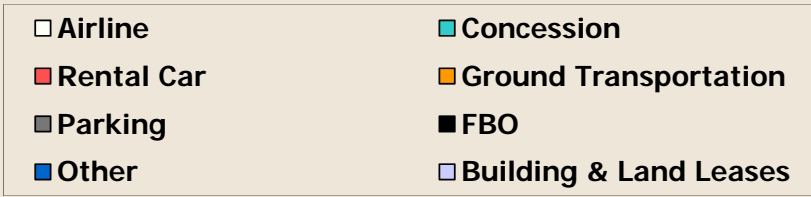
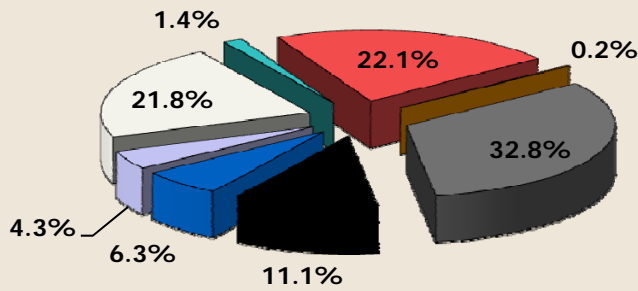
Proposed Budget

	Budget Amounts			Percent Change
	FY 10/11	FY 11/12	Difference	
Revenues				
Operating Revenues	\$ 7,290,878	\$ 7,991,407	\$ 700,529	9.6%
Investment Income	20,000	25,000	5,000	25.0%
Total Operating & Investment Revenues	7,310,878	8,016,407	705,529	9.7%
Expenses				
Operating Expenses	6,548,894	7,015,494	466,600	7.1%
Total Operating Expenses	6,548,894	7,015,494	466,600	7.1%
Net Operating & Investment Income	\$ 761,984	\$ 1,000,913	\$ 238,929	31.4%

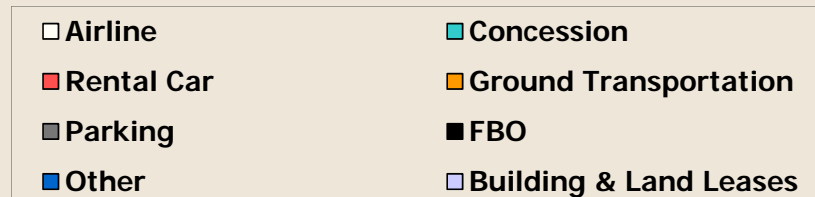
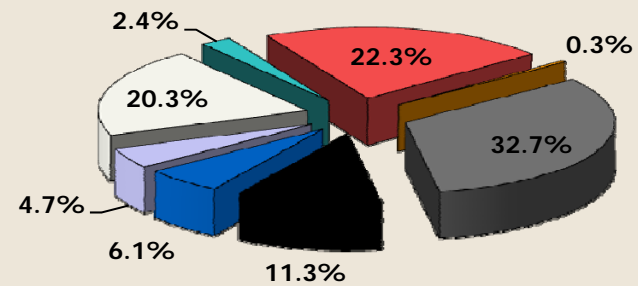


Sources of Operating Revenue

FY 2011 (Est)

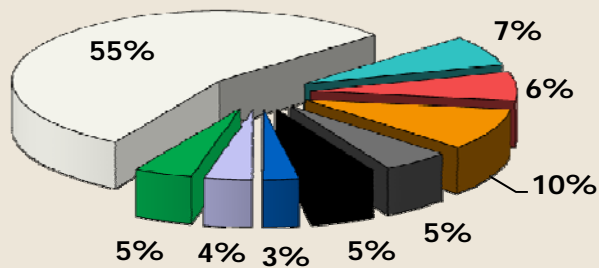


FY 2012 (Bud)

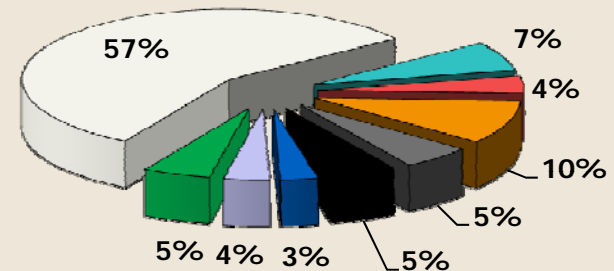


Operating Expenses by Category

FY 2011 (Est)



FY 2012 (Bud)



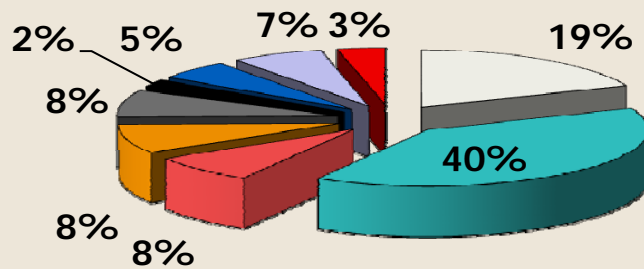
- Salaries & Benefits
- Professional Services
- Maintenance & Repair
- Insurance
- Other
- Utilities
- Contractual Services
- Supplies
- Promotional Activities

- Salaries & Benefits
- Professional Services
- Maintenance & Repair
- Insurance
- Other
- Utilities
- Contractual Services
- Supplies
- Promotional Activities



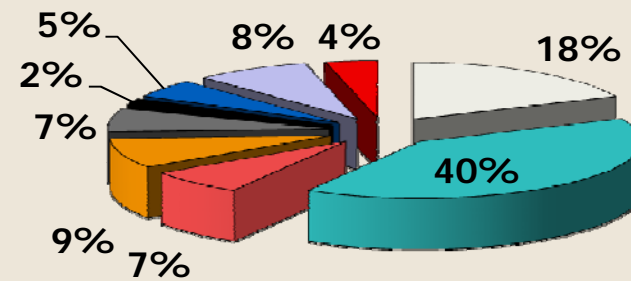
Operating Expenses By Department

FY 2011 (Est)



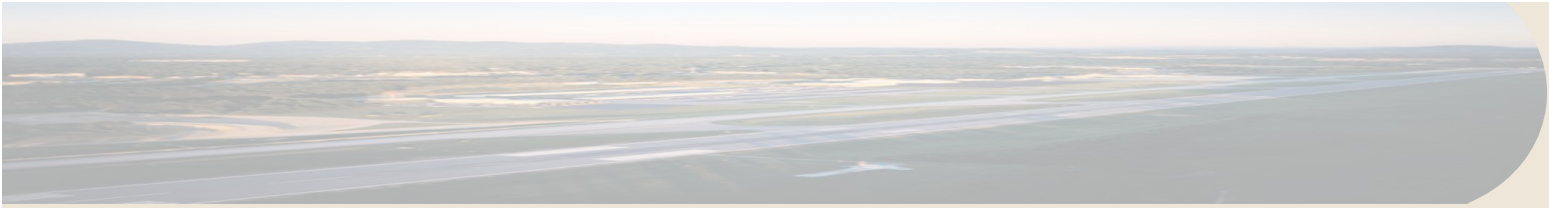
- Public Safety
- Operations & Maintenance
- Executive
- Information Technology
- Marketing and Public Relations
- Guest Services
- Finance
- Administration
- Development

FY 2012 (Bud)



- Public Safety
- Operations & Maintenance
- Executive
- Information Technology
- Marketing and Public Relations
- Guest Services
- Finance
- Administration
- Development





Proposed Capital Budget

Proposed Capital Budget

DESCRIPTION	TOTAL	Funding Source				
		FAA- AIP ENTITLEMENTS	FAA- AIP DISCRETIONARY	NCDOT	PFC's	AIRPORT AUTHORITY
Capital Improvements						
Airfield Improvements - Year 2	\$ 3,266,300		\$ 2,700,000	\$ 300,000		\$ 266,300
New Aircraft Rescue & Fire Fighting (ARFF) Facility	4,000,000	2,200,000			1,200,000	600,000
B Gates Renovation	250,000					250,000
Master Plan Update	750,000	712,500			37,500	-
						-
Total Capital Improvements	8,266,300	2,912,500	2,700,000	300,000	1,237,500	1,116,300



Proposed Capital Budget (cont'd)

DESCRIPTION	TOTAL	Funding Source				
		FAA- AIP ENTITLEMENTS	FAA- AIP DISCRETIONARY	NCDOT	PFC's	AIRPORT AUTHORITY
Equipment and Small Capital Outlay						
Boom Arm Mower	165,000					165,000
Snow Blower for Ventrac	5,500					5,500
Cabinets for Plans	15,000					15,000
AirIT EASE System Spares	15,000					15,000
Total Equipment and Small Capital Outlay	200,500	-	-	-	-	200,500



Proposed Capital Budget (cont'd)

DESCRIPTION	TOTAL	Funding Source				
		FAA-AIP ENTITLEMENTS	FAA-AIP DISCRETIONARY	NCDOT	PFC's	AIRPORT AUTHORITY
Renewal and Replacement						
Vehicle Replacements	96,607					96,607
Retrofit Canopy Metal Halide Fixtures with LED Lights	23,375					23,375
Upgrade Billboard to Digital	100,000					100,000
External Body Armor	22,800					22,800
Network Switch Hardware	55,000					55,000
Mobile Data Terminals	19,000					19,000
iPads for Authority Board	7,600					7,600
Total Renewal and Replacement	324,382	-		-	-	324,382
Total	\$ 8,791,182	\$ 2,912,500	\$ 2,700,000	\$ 300,000	\$ 1,237,500	\$ 1,641,182

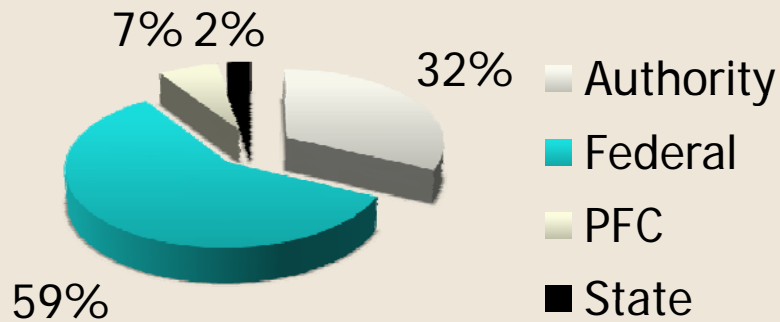
Note: All purchases over \$50,000 will be presented to the Authority Board for final approval before implementation

unless otherwise authorized by the Authority Board.

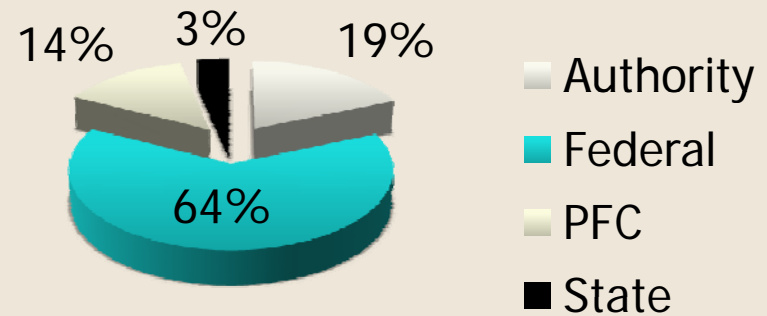


Capital Program Funding Sources

FY 2011 (Est)



FY 2012 (Bud)



Authority's Contribution - \$1,732,331

Authority's Contribution - \$1,641,182



Memorandum to Members of the Airport Authority From Lew Bleiweis, A.A.E., Airport Director

Budget Appropriation for Airport Deicing Effluent Limitation Guidelines

As presented to the Board in February 2010, the U.S. Environmental Protection Agency (EPA) published the proposed “Effluent Limitation Guidelines and New Source Performance Standards for the Airport Deicing Category” on August 28, 2009. The proposed standard has been under review, including public comments, since early 2010. It is expected that EPA is going to make a final ruling this coming April 2011. This regulation would require the Authority to change the type of pavement deicer it currently uses to a non-urea based product resulting in a considerable operating cost increase to the Authority. This regulation would also require the Authority to collect and properly dispose of the aircraft deicing fluid used by the airlines at AVL.

The proposed overall scope of the regulations is limited to primary commercial airports that conduct deicing operations and have more than 1,000 annual scheduled commercial jet departures. The technical requirements can be further divided into three classes of airports. AVL would fall into Class 2, which is for airports with equal to or more than 10,000 annual jet departures and less than 460,000 gallons of aircraft deicing fluid applied annually. The requirements would require AVL to collect 20% of the aircraft deicing fluid, certify use of non-urea based pavement deicers, and other minor items.



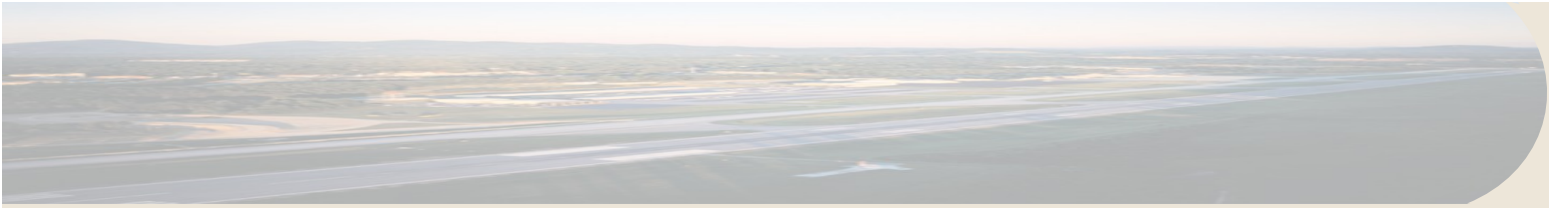
Memorandum to Members of the Airport Authority From Lew Bleiweis, A.A.E., Airport Director (cont'd)

At this time, as it was last year as well, the entire fiscal impact is unknown until the regulations are finalized. Furthermore, it is unknown when EPA will require implementation of the regulations.

In order to assist the Board in understanding the potential fiscal impact of this proposed regulation, Staff has prepared the following summary of potential costs that may be required. FAA entitlement money in the amount of \$750,000 has been set aside to accommodate the capital expenditures associated with the implementation. Operating expenditures will be allocated from either the operating budget or the fund balance.

1. Glycol Recovery Vehicle	\$400,000
2. Liquid Deicing Equipment	\$150,000
3. Non-Urea Deicing Fluid	\$300,000
4. Glycol Disposal	\$ cost unknown





Reserve Funds

Operations & Maintenance Reserve

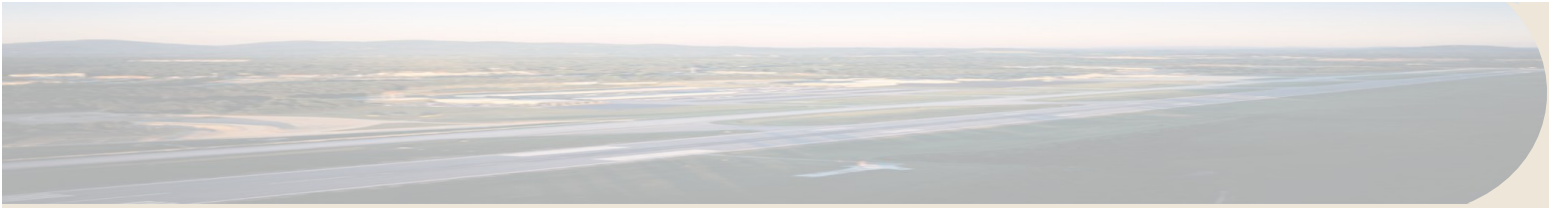
- **Description and Justification**
 - Established to cover fluctuations in cash flow and provide quick access to additional operational cash.
- **Equivalent to 6 months of budget FY 2011/2012 operations and maintenance expense.**
 - \$3,507,747 for FY 2011/2012



Emergency Repair Reserve

- **Description and Justification**
 - Established to cover emergency repairs and provide ready access to the required cash.
- **Previously have budgeted \$750,000 in Emergency Repair Costs**
 - Expect to spend \$100,000/year so have included that amount in budget
 - Do not expect to spend \$650,000 balance, but really intend for that to be a cash reserve





Estimated Cash Balance



Cash Balance

**ASHEVILLE REGIONAL AIRPORT AUTHORITY
ESTIMATED CASH BALANCE
As of June 30, 2012**

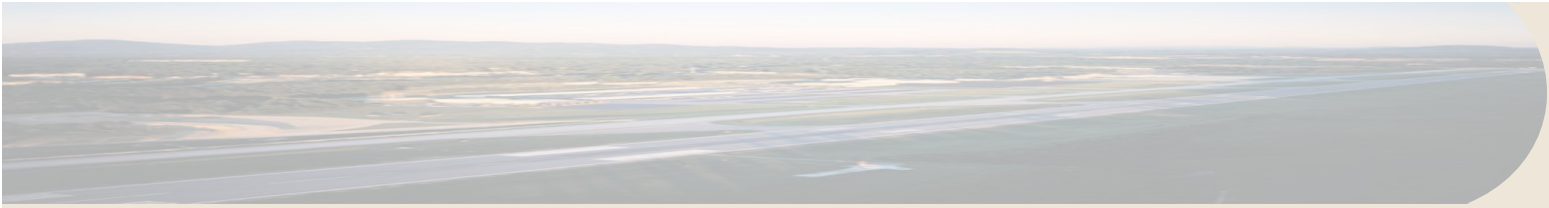
		Amount
Estimated Cash Balance as of June 30, 2011		\$ 9,199,580
Plus: Net Operating & Investment Revenues		1,000,913
Less Other Costs:		
Business Development Costs	(300,000)	
Contingency	(100,000)	
Debt Service	(763,844)	(1,163,844)
Plus Non-Operating Revenues:		
Passenger Facility Charges	1,395,000	
Customer Facility Charges	900,000	2,295,000
Plus Capital Contributions:		
Federal Grants - AIP Entitlements	2,912,500	
Federal Grants - AIP Discretionary Funds	2,700,000	
NC DOT Grants	300,000	5,912,500



Cash Balance (cont'd)

Less Capital Costs:		
Capital Improvements	(8,266,300)	
Equipment and Small Capital Outlay Fund	(200,500)	
Renewal and Replacements	(324,382)	
Carryover projects from FY2011	-	(8,791,182)
Estimated Cash Balance at June 30, 2012		8,452,967
Estimated Restricted Cash at June 30, 2012		160,000
<u>Reserves:</u>		
Operations & Maintenance Reserve (6 Months)		3,507,747
Emergency Repair Reserve		650,000
Estimated Unrestricted Undesignated Cash at June 30, 2012		\$ 4,135,220





Supplemental Fees

Proposed FY 2011/2012 Fees

	FY 2011/2012 Proposed Fees		FY 2010/2011 Current Fees	
	Cost	Per	Cost	Per
Maintenance				
Scissor Lift	\$ 100.00	day	\$ 100.00	use
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	\$ 100.00	use
Fork-lift	\$ 100.00	use	\$ 100.00	use
Tenant Sweeper	\$ 125.00	hour	\$ 100.00	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	\$ 75.00	use
Cores	\$ 40.00	each	\$ 30.00	each
Keys	\$ 12.00	each	\$ 5.00	each
Maintenance Labor Rate 1/	\$ 45.00	hour	\$ 40.00	hour
Large Dump Truck	\$ 200.00	hour		
Small Sweeper	\$ 200.00	hour		
Large Sweeper	\$ 300.00	hour		
Pressure Washer	\$ 125.00	hour		



Proposed FY 2011/2012 Fees (cont'd)

	FY 2011/2012 Proposed Fees		FY 2010/2011 Current 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
Maintenance Labor Rate 1/	\$ 45.00	hour	\$ 45.00	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/	\$ 40.00	hour		
IT Labor Rate - Network Related 1/	\$ 60.00	hour		

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

	Cost	Per	Cost	Per
<u>Identification Badge Fees and Charges</u>				
Initial Badge Issuance				
SIDA Badge (1)	\$ 52.00		\$ 52.00	
Non-SIDA Badge (2)	\$ 20.00		\$ 20.00	
Renewal of Badge				
SIDA Badge (2)	\$ 20.00		\$ 20.00	
Non-SIDA Badge (2)	\$ 20.00		\$ 20.00	
Lost Badge Replacement				
SIDA Badge (3)	\$ 30.00		\$ 30.00	
Non-SIDA Badge (3)	\$ 30.00		\$ 30.00	
Other Fees				
Finger Print Background Check Only	\$ 42.00		\$ 42.00	
Finger Print Background Check Only	\$ 10.00		\$ 10.00	

Notes:

1. Includes \$32.00 finger print background check, \$10.00 processing fee, and a \$10.00 media fee.
2. Includes \$10.00 processing fee and a \$10 Media Fee.
3. Includes \$10.00 processing fee, \$10 Media Fee, and a \$10.00 penalty fee.



Proposed FY 2011/2012 Fees (cont'd)

	FY 2011/2012 Proposed Fees		FY 2010/2011 Current Fees	
	Cost	Per	Cost	Per
<u>Parking</u>				
Long term	\$ 1.50	0 - 1 hour	\$ 1.00	0 - 1 hour
	\$ 1.50	each add'l hour	\$ 1.00	each add'l hour
	\$ 8.00	day	\$ 7.00	day
	\$ 48.00	week		
Short term	\$ 1.00	1/2 hour	\$ -	0 - 20 mins
			\$ 1.50	20 - 40 mins
			\$ 2.00	40 - 60 mins
			\$ 2.75	60 - 80 mins
			\$ 0.50	add every 20 mins
	\$ 12.50	day	\$ 12.00	day
Employee Parking Rate	\$ 50 / \$45	new/renewal	\$ 40.00	annual
Commuter Parking Rate	\$ 265 / \$250	new/renewal	\$ 240.00	annual
Fines	up to \$1,000	day	up to \$1,000	day
<u>Ground Transportation</u>				
Airport Ground Transportation Permit	\$ 175.00	annual	\$ 150.00	annual
Off-Airport Rental Car Fee	7.50%	of gross revenue	7.50%	of gross revenue



Thank You!



**Asheville Regional Airport Authority
Executive Summary
December-10**

AIRPORT ACTIVITY

	<u>Month</u>	<u>Variance to Prior Year</u>	<u>Calendar Year to Date</u>	<u>Variance to Prior Year</u>
Passenger Enplanements	26,315	16.4%	369,576	26.9%
Aircraft Operations				
Commercial	1,563	14.3%	20,765	18.0%
Scheduled Flights	749	16.8%		
Flight Cancellations	45			
Seats	36,021	15.0%	473,469	29.0%
Load Factor	73.1%	1.2%	78.1%	(1.6%)
General Aviation	2,443	(15.6%)	41,752	(7.5%)
Military	222	(30.6%)	4,823	29.8%

FINANCIAL RESULTS

	<u>Month</u>	<u>Variance to Budget</u>	<u>Fiscal Year to Date</u>	<u>Variance to Budget</u>
Operating Revenues	\$ 623,500	3.3%	\$ 4,129,578	11.0%
Operating Expenses	491,409	(21.6%)	2,929,882	(17.1%)
Net Operating Revenues before Depreciation	<u>\$ 132,091</u>	670.9%	<u>\$ 1,199,696</u>	534.5%
Net Non-Operating Revenues	<u>\$ 137,391</u>	29.9%	<u>\$ 1,249,907</u>	46.1%
Grants:				
FAA AIP Grants	\$ 101,707		\$ 3,503,873	
NC Dept of Transportation Grants	-		-	
Total	<u>\$ 101,707</u>		<u>\$ 3,503,873</u>	

CASH

Restricted	\$ 120,194
Designated for O&M Reserve	3,224,433
Unrestricted, Undesignated	6,734,060
Total	<u>\$ 10,078,687</u>

RECEIVABLES PAST DUE

	<u>Total</u>	<u>1-30 Days</u>	<u>31-60 Days</u>	<u>Over 60 Days</u>
Asheville Jet/Odyssey	\$ 65,421	\$ 54,781	\$ 10,640	
FAA/TSA	27,569	13,561	13,888	120
Enterprise	873			873
Express Jet	587	20		567
Piedmont/US Airways	446		446	
United	567			567
US Dept of Agriculture	816	816		
Miscellaneous	350	350		
Total	<u>\$ 96,629</u>	<u>\$ 69,528</u>	<u>\$ 24,974</u>	<u>\$ 2,127</u>
% of Total Receivables	<u>21.78%</u>			

Note: Excludes balances paid subsequent to month-end.

REVENUE BONDS PAYABLE

Rental Car Facilities Taxable Revenue Bond, Series 2007	
Original Amount	\$ 4,750,000
Current Balance	\$ 3,704,007

CAPITAL EXPENDITURES

Annual Budget	\$ 7,981,448
Year-to-Date Spending	\$ 3,318,865

REGULAR MEETING
ASHEVILLE REGIONAL AIRPORT AUTHORITY
January 14, 2011
8:30 a.m.

The Asheville Regional Airport Authority ("Authority") met on Friday, January 14, 2011 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: David R. Hillier, Chairman; Jeffrey A. Piccirillo, Secretary-Treasurer; Brownie Newman; Chuck McGrady; Bob Roberts and Martha Thompson

MEMBERS ABSENT: David Gantt, Vice-Chairman

STAFF AND LEGAL COUNSEL PRESENT: Vic Buchanan, Authority Legal Counsel; Lew Bleiweis, Airport Director; C. Jeffrey Augram, Chief of Public Safety; David Nantz, Director of Operations and Maintenance; Royce Holden, IT Director; Vickie Thomas, Director of Finance and Accounting; Tina Kinsey, Director of Marketing and Public Relations; Suzie Baker, Administration Manager; and Ellen Heywood, Recording Secretary

ALSO PRESENT: Bill Moyer; Ben Pace; Bob Palmer; Sonna Lyda; Mike Darcangelo, Avcon; Kevin Frank, Odyssey Aviation; Paul Puckli, RW Armstrong

CALL TO ORDER: The Chairman welcomed everyone in attendance and called the meeting to order at 8:30 a.m.

INTRODUCTION OF NEW STAFF MEMBER: The Director introduced Michael Reisman to the Board as the new Deputy Airport Director of Development and Operations. The Board welcomed Mr. Reisman.

APPEARANCES: None

PRESENTATIONS: None

FINANCIAL REPORT: The Director reviewed the airport activity section of the Executive Summary for the month of November and stated that staff expected enplanements for the calendar year to be around 365,000 which would be a record setting year. Mrs. Thomas reported on the financial results for the month of November

informing the Board that November was another good month with operating revenue 16.7% over budget while operating expenses were 13.7% below budget.

CONSENT AGENDA:

A. Approval of the Asheville Regional Airport Authority December 10, 2010 Regular Meeting Minutes:

B. Approval of the Asheville Regional Airport Authority December 10, 2010 Closed Session Minutes:

Mr. Piccirillo moved to approve the minutes for the December 10, 2010, Regular Meeting and December 10, 2010, Closed Session, and to seal and withhold the minutes for such closed session from public inspection so long as public inspection would frustrate its purpose or purposes. Ms. Thompson seconded the motion and it carried unanimously.

Mr. McGrady questioned whether old Closed Session minutes should be opened by the Authority Board for public inspection to show that the Authority is in compliance or if this was something legal counsel would automatically do. Mr. Buchanan responded that he had spoken to the Director about this. It was determined that the Director will view the closed session minutes and when it is the appropriate time he will make a recommendation to the Authority to open those minutes that should be opened. Mr. Buchanan further stated that closed session minutes have been opened in the past but that the minutes relating to personnel or litigation would remain closed. Mr. Buchanan thought it would be a good practice for the Authority to look at the minutes to determine if they should be opened with the recommendation coming from the Director. The Chairman stated that he liked the idea of the closed session minutes becoming open automatically after a certain time unless there was a reason not to. The Chairman charged the Director with recommending a policy on the opening of closed session minutes that the Authority could adopt.

OLD BUSINESS: None

NEW BUSINESS:

A. Approval of Lease Agreement with ProDIGIO, Inc. for Airport High Definition Television Concession: The Director informed the Board that last year CNN Airport News, which provided television service in the terminal, was upgrading the equipment for broadcasting at a cost to the Authority from \$5,000 to \$45,000. Staff looked into alternative solutions and discovered a new company providing programming

via the internet. ProDIGIQ is currently operating in 12 to 13 airports and has become quite successful. ProDIGIQ is proposing a 10-year contract to provide television programming. ProDIGIQ also provides destination marketing and would pay the Authority 15% of the gross revenue for any advertising revenue they receive. Programming can also be catered to the passengers at the various gates. This television service is of no cost to the Authority other than providing the televisions which are already in the terminal.

Mr. Newman questioned if there was any way to estimate the revenue which would be generated for the Authority. The Director responded that this was difficult to predict, this was more of an ancillary byproduct for the Authority to get some revenue, but could do some research of other airports to gather more information.

Mr. Piccirillo inquired as to the quality of the current televisions in the terminal building since the Authority would be responsible for upgrades. The Director replied that the majority of the televisions were either new or in good shape. The Director also informed the Board that the contract specifies that if ProDIGIQ changes their broadcasting style and the television equipment needs to be changed out before five years, which is the lifespan of the televisions, it would be the responsibility of ProDIGIQ to replace the equipment. After the five years and the equipment has cycled out, it would be the responsibility of the Authority to replace the televisions.

Mr. Newman asked if there was any concern about the quality of the programming and questioned if other programming would be available in the future. The Director stated that through his network of contacts, airports in Oregon and Providence, RI seemed to be pleased with the programming and that as ProDIGIQ expands to more airports, more programming would become available.

Mr. Roberts moved to approve the Agreement with ProDIGIQ, Inc. for an Airport High Definition Television Concession and authorize the Airport Director to execute the necessary documents. Mr. McGrady seconded the motion and it carried unanimously.

B. Adoption of New Lease Agreement with Encore Asheville FBO, L.L.C.

d/b/a Landmark Aviation: The Director informed the Board that two fixed base operators (FBO) currently operate at the airport. The Director has been approached by the CEOs of Landmark and Odyssey concerning the acquisition of Odyssey Aviation by Landmark Aviation. Due to the economy, Odyssey has seen a decline in revenue and Landmark has not seen the expectation of revenues they were hoping to see. The acquisition is friendly and is expected to be finalized at the end of the month. According to the terms of the current lease with Odyssey Aviation, Odyssey pays 5% of

gross revenues to the Authority, but no rent. The lease with Landmark Aviation was negotiated with land rent rather than gross revenues and a 5 cent fuel flowage fee. The Director has had preliminary negotiations with Landmark and because the rent structure of the two leases is very different, Landmark has asked to consolidate all the leases into one new lease. The Director intends for the lease to stay as revenue neutral as possible and convert all the leases to a per land rent and fuel flowage lease rather than a percent of gross lease. This type of rent structure will guarantee a set revenue stream to the Authority.

Mr. McGrady expressed concern with having one FBO again thereby creating a monopoly and asked if anyone had looked to see if there was an issue with a governmental agency creating such a monopoly. Mr. McGrady was also apprehensive about extending the Odyssey Aviation contract for another 20 years past the point it is set to expire. Mr. McGrady speculated if it would be to the Authority's advantage to keep the two contracts, leaving open the opportunity for a future Board in better economic times to have two FBO's and not tie into a really long lease. The Director responded that there is nothing in our leases that prohibits the assignment of these leases and there are extensions in the Odyssey agreements. The Director stated that FAA regulations prohibit airports from limiting FBO opportunities on airports as long as real estate is available for development. Landmark Aviation is a quality company located on many airports as a sole FBO. The Director felt that having one lease is easier for staff to monitor and control.

Mr. McGrady was not opposed to renegotiating the lease, however, he did have concerns with putting all the leases together with an extension of the entire lease to 2038. Mr. McGrady would prefer to allow the Board as much flexibility as possible and keep the term expirations renewable that are in place with respect to the 2017 lease with those terms. Mr. McGrady further stated that the agreements could still be squared up in terms of how the rent is computed or other terms that would make it easier to manage. Mr. McGrady recommended the Board authorize the Director to enter negotiations with Landmark but that any new contract should come before the Board for approval.

The Chairman asked the Director to respond to Mr. McGrady's point on the time the proposed negotiations extend to. The Director responded that the current lease with Landmark expires in 2039. Odyssey Aviation expires December 31, 2017 but does have an extension. There is a gap in terms so staff could go back and segregate the terms but it would be difficult once the property is wrapped up under one lease to say that one property has one term and the others expire in 2039. The Director also mentioned

one item in the current Landmark lease which requires the Authority to build a new ramp for Landmark at an approximate cost of \$850,000 by the end of this calendar year. A new ramp will not be needed with the acquisition of Odyssey, saving the Authority that money.

Mr. Newman felt the Authority should get something better than the current financial terms if the agreement were to be extended out and also felt the Board should review the final negotiated contract. The Director stated that the lease with Landmark expires in 2039 but also has a 10 year option. The lease also requires Landmark to spend \$10 million in capital improvements within the first 10 years of the lease. Landmark also plans on making significant improvements to the facilities that Odyssey occupies as they are not up to Landmark's standards. The Authority has seen a decline in the gross revenues from Odyssey Aviation because their revenue has gone down.

Mr. Roberts asked if this item could be deferred for 30 days and suggested staff prepare a comparison of the pros and cons of a new lease agreement for the February Board meeting. The Director did not feel holding off on the lease negotiations would hamper the acquisition deal.

The Chairman agreed with some of the concerns raised and instructed staff to prepare a summary of the pros and cons of a new lease with Landmark.

DIRECTOR'S REPORT:

The Director advised the Board that he had a couple of items to report that were not on the agenda.

A. FAA AIP Update: A new Congress is in session but a new long term authorization bill has not come out. Another three-month extension has been issued, extending the AIP to the end of March. Funds have not been released yet this year.

B. 50th Anniversary Celebration Details: The Director informed the Board that Tina Kinsey had a short presentation for the Board on the details for the 50th Anniversary of the airport. Mrs. Kinsey advised the Board that the goal of the year-long celebration was to connect with and engage the region. Items planned throughout the year include a special logo for the anniversary year, an update to the history wall in the terminal, more visually engaging website, Business After Hours event on March 10, special display in the art gallery, as well as a community event in the summer. The Board thanked Mrs. Kinsey for her presentation.

C. **Letter from Representative John Mica:** The Director advised the Board that a letter from Representative John Mica of Florida was available at their seats. Representative Mica is an advocate for private security firms at airports rather than the TSA.

D. **West Side Fill Project:** The Director had available a sample of the liner used in the West Side fill project and demonstrated the manner in which the layers of the liner were placed reiterating that this project far exceeds current EPA requirements.

INFORMATION SECTION: No comments

CLOSED SESSION: None

AUTHORITY MEMBERS' REPORTS:

B. **Discussion of Budget Workshop/Retreat Agenda:** The proposed agenda for the Budget Workshop/Retreat on February 25th was reviewed with the Chairman noting that two items on the agenda, Review and Summary of Runway Project and Airport Property Ownership, could possibly be moved to the February 11 meeting and asked for Board input. Mr. McGrady stated that he would be appreciative of the Airport Property Ownership item being moved to the February 11 meeting since he would be in attendance for that meeting.

The Chairman called for a brief recess at 9:27 a.m.

Mr. McGrady left the meeting at 9:27 a.m.

The Board reconvened at 9:37 a.m.

A. **Interviews of Candidates for Authority Board At Large Vacancy:** Individual interviews of the five candidates for the At Large vacancy were conducted. The Chairman informed each of the candidates that he would be in contact with them regarding the Board's decision. As there were several qualified candidates interviewed and it was an important decision to make, Board Members thought it best to review their notes before a candidate was selected. A discussion took place regarding a possible Special Meeting of the Board for the election of the At Large member.

PUBLIC AND TENANTS' COMMENTS: None

ADJOURNMENT: Ms. Thompson moved to adjourn the meeting at 10:47 a.m. Mr. Roberts seconded the motion and it carried unanimously.

The next regular meeting of the Authority will be on Friday, February 11, 2011 at 8:30 a.m. in the Conference Room at the Authority's Administrative Offices, Asheville Regional Airport, 61 Terminal Drive, Suite 1, Asheville, NC 28732.

Respectfully submitted,

Jeffrey A. Piccirillo
Secretary-Treasurer

Approved:

David R. Hillier
Chairman

**SPECIAL MEETING
ASHEVILLE REGIONAL AIRPORT AUTHORITY
January 21, 2011
8:30 a.m.**

The Asheville Regional Airport Authority ("Authority") met on Friday, January 21, 2011 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: David R. Hillier, Chairman; David Gantt, Vice-Chairman (via telephone); Jeffrey A. Piccirillo, Secretary-Treasurer (via telephone); Bob Roberts (via telephone); and Martha W. Thompson (via telephone).

MEMBERS ABSENT: Brownie Newman; Chuck McGrady

STAFF AND LEGAL COUNSEL PRESENT: Victor Buchanan, Authority Legal Counsel; Lew Bleiweis, Airport Director; and Ellen Heywood, Recording Secretary.

CALL TO ORDER: The Chairman welcomed everyone in attendance and called the meeting to order at 8:30 a.m.

APPOINTMENT OF AUTHORITY AT LARGE BOARD MEMBER: Ms. Thompson moved to appoint Mr. William Moyer as the Authority At Large Board Member pending Mr. McGrady's resignation. Mr. Moyer will fill the position until the term expires on June 30, 2012. Mr. Piccirillo seconded the motion and it carried unanimously. The Chairman stated that Mr. Newman asked that the Board be informed that he also supports the appointment of Mr. Moyer as the Authority At Large Board Member.

The consensus of the Board was for the Chairman to call Mr. Moyer to inform him of his appointment and arrange for an orientation meeting between the Chairman, Mr. Moyer and the Director. The Board agreed that Mr. Moyer would be sworn in at end of the February 11, 2011 Board meeting and would be a full participant at the Board Budget Workshop/Retreat meeting on February 25, 2011. The Chairman stated that he would send a letter to the other candidates informing them of the Board's decision.

ADJOURNMENT: At 8:33 a.m. Ms. Thompson moved to adjourn the meeting. Mr. Roberts seconded the motion and it carried unanimously.

Respectfully submitted,

Jeffrey A. Piccirillo
Secretary-Treasurer

Approved:

David R. Hillier
Chairman



MEMORANDUM

TO: Members of the Airport Authority

FROM: Lew Bleiweis, Airport Director

DATE: February 11, 2011

ITEM DESCRIPTION – Old Business Item A

Approval of Lease Agreement with Landmark Aviation, Inc. for a Fixed Based Operation

BACKGROUND

Odyssey Aviation is one of two fixed base operators (FBO) located on the Airport. Odyssey Aviation f/k/a Millionaire f/k/a Asheville Jet has been doing business at AVL for 30+ years. They have multiple leases, in addition to the FBO Lease, encompassing two bulk hangars, t-hangars, and a gravel parking area. The FBO agreement expires December 31, 2017, but has an option term for an additional 3 years 17 days. The leases for the bulk hangars extend to 2019/2021 respectively and the T-hangars lease extends to 2021. Odyssey Aviation owns FBOs in seven locations throughout the country.

Landmark Aviation is the second FBO located on the Airport. They have been doing business at AVL since April 1, 2009. The FBO agreement expires in 2039. Landmark Aviation owns FBOs in 41 locations throughout the United States, Canada, and Western Europe.

Landmark Aviation is in the process of acquiring the Odyssey Aviation chain and is planning to close on the business deal by the middle of February 2011.

Odyssey's agreements require payment to the Authority based on a percentage of gross revenue. Landmark's agreement requires payment based on a square foot rental rate and a \$0.05 fuel flowage fee.

To facilitate operational issues, Landmark has requested that all the agreements between both FBOs and the Authority be terminated and new agreements be executed concurrently.

Old Business – Item A



Landmark has requested the new agreement have terms and conditions similar to its existing agreement with an expiration date of 2039 and lease payments based on a square foot rental rate and a fuel flowage fee.

ISSUES

Currently, the Authority has an obligation to build an additional aircraft ramp for Landmark Aviation by the end of 2011. The cost estimate for this ramp is \$850,000 - \$1 mil. A renegotiated lease will alleviate the Authority of this financial obligation. The acquisition of Odyssey Aviation will once again leave AVL with only one FBO on the airport. Staff has checked with legal counsel and there are no local, state or federal regulations prohibiting the creation of a monopoly situation because of this acquisition. The FAA encourages self-sustaining business operations. They do not look at whether an operation is a monopoly but rather if there is an exclusive lease in place. The new lease with Landmark does not provide them an exclusive FBO operation at AVL. The airport has additional developable property to accommodate another FBO should one have interest in setting up operation in Asheville. The current agreements do not prohibit assignments and therefore the Authority has little or no power to prevent this acquisition, however, a new combined lease is not required.

ALTERNATIVES

The Authority Board could decide not to approve a new lease agreement with Landmark Aviation. The absence of a new long-term lease could leave the Authority without future financial stability and unamortized capital improvements made by the Authority. It would also leave multiple leases in place with different expiration dates and methods of lease payments.

FISCAL IMPACT

The initial fiscal impact with a new combined lease agreement with Landmark relieves the Authority of an \$850,000 - \$1 mil obligation.

Annual ground rent is estimated to be in the range of \$400,000 per year with an annual CPI increase. Annual building rent for the two bulk hangars and t-hangars is \$388,620 with an annual CPI increase. The total annual revenue with ground rent, building rent, fuel flowage fees and ancillary fees for a combined lease is estimated to be approximately \$900,000, an increase of approximately \$80,000 - \$100,000.



The building rents are based on an amortization schedule through 2021. This will allow the Authority to recoup its investment for the capital outlay made to construct the three facilities.

While the new lease can have multiple expiration dates representing the separate facilities, the existing Odyssey portion of the combined leases represent approximately \$750,000 of the total revenue. Over the length of the longer lease term requested by Landmark, the Authority is guaranteed, at present value, \$13,500,000.

RECOMMENDED ACTION

It is respectfully requested that the Authority Board resolve to (1) approve a new Lease Agreement with Landmark Aviation for a Fixed Based Operations; and (2) authorize the Airport Director to execute the necessary documents.

Attachment

ASHEVILLE REGIONAL AIRPORT AUTHORITY



**FIXED BASE OPERATOR
LEASE AGREEMENT**

Asheville Regional Airport
Fletcher, North Carolina

Effective Date:

Lessee:

**ENCORE ASHEVILLE FBO, L.L.C.
d/b/a
LANDMARK AVIATION**

**ASHEVILLE REGIONAL AIRPORT AUTHORITY
LEASE AGREEMENT**

THIS LEASE AGREEMENT ("Lease") is made to be effective as of the 1st day of February, 2011 (the "Effective Date"), among the **ASHEVILLE REGIONAL AIRPORT AUTHORITY**, as governing body of the Asheville Regional Airport, whose mailing address is 61 Terminal Drive, Suite 1, Fletcher, North Carolina 28732 ("**Authority**"), and **ENCORE ASHEVILLE FBO, L.L.C.**, d/b/a Landmark Aviation, a Texas Company, whose mailing address is 2930 W. Sam Houston Parkway N. Suite 150, Houston, TX 77043 ("**Lessee**").

W I T N E S S E T H:

WHEREAS, the parties hereto have previously entered into a long term Lease Agreement on November 9, 2007, Amendment #1 dated January 31, 2009, and Amendment #2 dated May 27, 2010; and

WHEREAS, Lessee has acquired Asheville Jet, Inc. d/b/a Odyssey Aviation, ("Odyssey"), a second Fixed Based Operator on the Airport and will satisfy all outstanding financial obligations of Odyssey owed to Authority; and

WHEREAS, Lessee desires to combine the leases of both operations into one new Lease Agreement; and

WHEREAS, Lessee agrees to terminate all existing lease agreements for both operations concurrently while executing a new lease agreement encompassing all the leased premises.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein set forth, Authority and Lessee agree and covenant as follows:

**ARTICLE I
PREMISES AND PERMITTED USES**

1.1 Demise of Premises.

Subject to the terms and conditions set forth in this Lease, Authority hereby demises and leases to Lessee and Lessee hereby leases from Authority, that certain land, and any buildings, structures, fixtures, fences, utility installations, parking facilities, landscaping and irrigation systems currently existing or hereafter located thereon at the Asheville Regional Airport, as more particularly described on **Exhibit "A"** hereto ("Premises"). Lessee hereby leases the Premises subject to, and Lessee hereby agrees to comply with: (i) all applicable building codes, zoning regulations, and municipal, county, state and federal laws, ordinances and regulations governing or

regulating the Premises or its uses, (ii) all covenants, easements and restrictions of record, (iii) "Rules, Regulations, and Minimum Standards Covering Airports Owned or Controlled by the Asheville Regional Airport Authority", as the same may be amended from time to time ("Minimum Standards"), and (iv) the Asheville Regional Airport Authority Master Plan dated January 2001, as the same may be modified hereafter (the "Master Plan"), (v) All Buildings on the Premises are leased on an exclusive basis for the term of the Lease. All apron areas are leased on a preferential use basis for the term of the Lease. Authority has the right to use the apron areas, more particularly the south ramp, on an as needed basis and shall notify Lessee not less than 24 hours in advance when such use is needed, (vi) Authority has future plans for a new aircraft rescue and firefighting facility (ARFF) which is currently planned for the south ramp area, as designated on Exhibit A. At such time Authority proceeds with the ARFF facility, Article XI of this Lease will not apply and the square footage of the ramp will be deducted from the Premises and the Ground Rent will be adjusted accordingly. All Exhibits referred to anywhere herein are deemed incorporated herein in their entirety.

1.2 Option Parcels - Right of First Refusal

From the Effective Date through October 31, 2017 of this Lease, so long as no Event of Default, as defined below, has occurred, Lessee shall have an option, on the same terms herein, except rent, to lease additional parcels of land, which are more particularly described on **Exhibit "B"** hereto ("Additional Premises"). Lessee shall be required to submit to the Authority a request in writing to take-down any of the Premises for development which must outline the amount of property requested, the intended use, and capital improvements to be constructed. Should Lessee exercise its option, the rent therefor must be agreed upon, in writing, by Authority and Lessee within thirty (30) days of exercise, or the exercise shall be ineffective and the option void. Lessee shall be required to commence construction of additional facilities on such Additional Premises within six months of exercising its option(s). Until Lessee exercises its option for the parcel(s) as depicted in **Exhibit "B"**, or such parcel is leased by another entity, Lessee shall pay to the Authority, as an option fee only and not as rent, \$0.025 per square foot annually for that portion of Additional Premises that has not been taken-down for development as outlined in this Section 1.2. If the Authority receives a written request or proposal that is acceptable to the Authority and meets the requirements of the Minimum Standards (if applicable) from an entity other than Lessee to lease all or a portion of the Additional Land, Lessee shall have 30 days upon written notification by the Authority to exercise or release its option on that portion of the Additional Premises requested by the other entity. Upon exercise of Lessee's option under this section 1.2, the portion of the Additional Premises taken-down shall thereafter be considered as "Premises" for purposes of this Lease.

1.3 Condition of Premises.

(a) Except as may be set forth in Paragraph 1.4 and Article VIII herein, Lessee accepts the Premises "AS-IS" including any environmental liability which may

have been caused by Odyssey prior to the date of acquisition by Lessee. Lessee acknowledges that Authority has made no representations or warranties relating to the suitability of the Premises for any particular use, and unless otherwise expressly provided in this Lease, Authority shall have no obligation whatsoever to repair, maintain, renovate or otherwise incur any cost or expense with respect to the Premises. Lessee shall not permit any unlawful nuisance, waste or injury on or to the Premises. Lessee agrees to surrender the Premises upon the expiration of this Lease, or earlier termination hereof, in a condition substantially similar to the condition of the Premises on the Commencement Date, ordinary wear and tear excepted.

1.4 Construction of Improvements by Lessee.

Lessee shall have sole responsibility for construction of the Lessee Improvements as defined in **Exhibit "C"** hereto, and is obligated to expend at least _____ on Lessee's Improvements and complete construction on or before _____. Lessee's additional Improvements shall be constructed based on the demand for additional facilities on the Premises and Lessee's exercise of its option under Section 1.2, if any. Lessee is required to provide evidence of such expenditures to Authority. Any construction by Lessee must be in accordance with all building codes and ordinances and shall also be governed by **Exhibit "D"** hereto. The installation of telecommunication systems including but not limited to voice, data, wired, and wireless systems all require the written approval of the Authority and are governed by **Exhibit "D"** hereto.

1.5 Quiet Enjoyment.

So long as Lessee fully performs all of the material terms and conditions of this Lease, Lessee shall peaceably and quietly have, hold and enjoy the Premises in accordance with the terms and conditions of this Lease, without disturbance from anyone acting through Authority.

1.6 Permitted Uses.

The Premises may only be used for the purpose of operating a Full Service Fixed Base Operation (FBO) and reasonably related functions, and the lease of office space to non-aviation businesses (the "Permitted Uses") in accordance with the terms and conditions of this Lease and shall not be used by anyone for any other purpose. Lessee must provide (1) Aircraft Airframe, Engine, and Accessory Maintenance and Repair services in accordance with the Minimum Standards (2) Ground service equipment (GSE) fueling services to air carriers and air carrier service providers if requested and (3) at least two of the following specialized services either directly or through an approved sublessee:

- a. Aircraft Sales
- b. Aircraft Rental

- c. Flight Training
- d. Avionics, Instrument, Propeller Repair
- e. Aircraft Charter and Air Taxi
- f. Aircraft Storage
- g. Specialized Commercial Flying Services
- h. Pilot Supply Store and Flight Planning Facilities

1.7 Signage.

All signage on the Premises must comply with the Minimum Standards and must be approved in writing by the Authority before being installed.

ARTICLE II
TERM OF LEASEHOLD

2.1 Initial Term.

The "Initial Term" of this Lease is defined as the Effective Date and shall run until March 31, 2039 (approximately 28 years) unless sooner terminated in accordance with the terms and provisions hereof.

2.2 Option to Extend Term.

So long as no Event of Default shall have occurred, if Lessee has invested a minimum of \$8,000,000, including Lessee's original buildout in 2009 and Lessee's Improvements as described in Section 1.4 and **Exhibit "C"**, within eight years of the Effective Date of this Lease, Lessee shall have the option to extend the term of this Lease for the "Extension Term" which is one consecutive additional period of ten years by notifying the Authority in writing at least one year prior to the expiration of the Initial Term. The Initial Term and Extension Term, if any, are collectively referred to as the "Term".

ARTICLE III
ANNUAL RENT

3.1 Annual Rent.

Lessee shall pay to the Authority annual rent for the Premises for each 12 month period or portion thereof during the Initial Term and any Extension Term of this Lease in the amounts detailed below. All rentals hereunder howsoever denominated, are due and payable on or before the first day of each calendar month (or partial calendar month), without demand, in amounts equal to one-twelfth (1/12) of the Ground and Building Rentals, as defined hereafter, then due, plus any sales or rent taxes due on that installment, in advance, in lawful money of the United States, without deduction or set-off, at the office of the Authority. Ground and Building Rentals for any partial

month due during the Term of this Lease shall be prorated based on the number of days in such month.

3.2 Calculation of Annual Rent.

A. Ground Rent.

For the first Lease Year of the Initial Term rentals for the Premises shall be at the rate of \$0.23 per square foot annually for land and preferential use aircraft apron which shall hereafter be called the "Ground Rent". At the commencement of the second Lease Year of the Initial Term and thereafter, Ground Rent shall be adjusted by utilizing the increase in the Consumer Price Index for All Urban Consumers, U.S. Average, All Items (1982-84 = 100) as compiled and published by the United States Department of Labor, Bureau of Labor Statistics, or any comparable successor index (the "Index"). The Index number for all items for the third month preceding the Rent Commencement Date shall be the "Base Index Number" and the corresponding Index Number for the same month of each year hereafter shall be called the "Current Index Number". The Current Index Number shall be divided by the Base Index Number and from the quotient thereof there shall be subtracted the number one and the result to the third decimal shall be the percentage of increase which, shall be applied to the Ground Rent. As soon as practical after the publication of the Index, Authority shall notify Lessee of the new Ground Rent, which shall be applicable on the anniversary date each year of the Lease Agreement. Ground Rent shall be recomputed annually. In no event shall the Ground Rent ever be less than the previous year.

The Ground Rent shall be due and payable in 12 equal monthly installments each all due in advance on the first day of each calendar month of the Term. Authority's failure to deliver to Lessee a computation of the adjusted Ground Rent, in no way waives, forgives or otherwise eliminates Lessee's obligation to pay the same once Authority has delivered the calculation to Lessee.

Notwithstanding the foregoing, if Authority should believe that Annual Rentals do not accurately reflect the fair market value of the Premises, then Authority may, no sooner than the fifth Lease Year of the Initial Term and then each fifth year thereafter (but not more frequently and not during any interim years) have the Premises appraised by an appraiser designated with the MAI certification by the American Institute of Real Estate Appraisers, which appraiser must be disinterested, from the Asheville area and actively engaged in the appraisal of commercial real estate for a period of not less than five years immediately preceding the appraisal. The appraisal must be as to the value of the Premises in an unimproved condition, with the exception that the aircraft apron associated with the Premises shall be valued as aircraft apron, and may be based on the value of comparable unimproved property at or near airports within

the State of North Carolina and/or the Buncombe County area and not merely at the Asheville Airport. Once the appraisal is complete, the new Ground Rent shall be the greater of: (a) ten percent of the newly appraised value of the Premises; or (b) the original Ground Rent for one year plus the sum of Adjustment Rentals for the prior five year period of the Term.

In no event shall the Ground Rent of the second or later five year period exceed 130% of the Ground of the prior five year period.

B. Building Rent.

For the first Lease Year of the Initial Term, rentals for the buildings shall be as listed below and shall hereafter be called the "Building Rent". Building Rent shall be adjusted each year on the anniversary dated using the same procedure as described for Ground Rent in Section 3.2.A above. Building Rent shall continue through January 31, 2021. Prior to the end of the 10th year, the Authority shall have the Buildings appraised by an appraiser designated with the MAI certification by the American Institute of Real Estate Appraisers, which appraiser must be disinterested, from the Asheville area and actively engaged in the appraisal of aviation and commercial real estate for a period of not less than five years immediately preceding the appraisal. The appraisal shall establish the fair market rental value of the Buildings. If Lessee does not agree with the appraised value, Lessee, at his expense, shall hire an appraiser with the same credentials to determine a fair market rental value. Should the two appraisals be more than 10% apart in rental value, a third appraiser, mutually acceptable to both Authority and Lessee, shall be hired to review both appraisals and establish the fair market rental value. From that point forward, the Building Rent shall continue to be adjusted each year utilizing the established procedure through the remainder of the Term.

1.	Bulk Hangar No. 1	\$108,000
2.	Bulk Hangar No. 2	\$203,620
3.	T-Hangars	\$77,000

3.3 Delinquent Rent.

If any amounts due from Lessee are not received within five business days after the date such payment is due, then Lessee shall pay Authority a late fee equal to the greater of five percent of the overdue amount or \$250.

ARTICLE IV
MAINTENANCE AND UTILITIES

4.1 Maintenance.

During the entire Term of this Lease, Lessee shall, at its sole cost and expense, keep, repair, replace and maintain the Premises, including, without limitation, the roof, exterior walls and foundation of any buildings, the electrical, HVAC, plumbing and security systems, fixtures, trade fixtures, machinery, furnishings, signage and all other portions of the Improvements, in good repair and working order (reasonable wear and tear excepted), and in a clean, neat, attractive, properly maintained and safe condition. All maintenance, repairs and replacements shall be of quality at least equal to the original in materials and workmanship. Lessee shall promptly repair and replace, at its expense and in a manner reasonably acceptable to Authority, any damage to Authority's property or to the property of others caused by Lessee or its officers, employees, agents, contractors, subcontractors, licensees or invitees. The Authority shall have the right to enter the Premises at any reasonable time to determine whether Lessee is complying with its maintenance obligations hereunder.

4.2 Trash and Garbage.

During the entire Term of this Lease, Lessee shall be responsible for the storage, collection and removal from the Premises of all trash, garbage and other refuse resulting from Lessee's activities on the Premises. Lessee shall provide appropriate, covered, metal receptacles for trash, garbage and other refuse, will maintain the receptacles in an attractive, safe and sanitary manner, and will store receptacles in inconspicuous places on the Premises that are screened from public view in accordance with the Minimum Standards.

4.3 Utilities.

During the entire Term of this Lease, Lessee shall be responsible, at Lessee's sole cost and expense, for any necessary installation of and costs related to utility services within and to the Premises. Lessee agrees that Authority shall have no liability to Lessee arising out of any interruption of utility service to the Premises, unless such interruption was caused by the willful act or gross negligence of the Authority.

ARTICLE V TAXES

5.1 Property Taxes and Assessments.

Lessee shall pay when due all taxes, assessments (including, without limitation, stormwater utility charges or payments in lieu of taxes) and impact fees levied against or in connection with the Premises, its leasehold interest therein, and any Improvements thereto, and shall pay when due all taxes and assessments levied against Lessee's personal property located on the Premises or otherwise arising out of its operations on the Premises. In the event Lessee fails to pay such taxes and assessments when due, Lessee shall be obligated to pay all resulting interest and penalties on such delinquent taxes and assessments. If this Lease 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 Lease commences on a date other than the first day of such tax year, Lessee shall only be responsible for paying the percentage of the tax calculated by dividing the number of days of that tax year prior to expiration, termination or commencement as applicable by 365 and multiplying the tax assessed by such quotient.

5.2 Taxes.

Lessee may exercise any rights provided by law to contest or pay under protest any taxes and shall not thereby be deemed in default under this Lease, provided that such contest or payment under protest does not result in the imposition of a lien for delinquent taxes on the Premises or any Improvements and Lessee promptly pays all taxes and assessments (and any interest and penalties with respect thereto) ultimately determined to be due. No provision of this Lease shall be construed as a release or waiver on the part of Authority of the right to assess, levy or collect any license, personal property, intangible, occupation or other tax which they, or either of them, may lawfully assess, levy or collect on the business or property of Lessee. Lessee's obligations under this Article shall survive the expiration or earlier termination of the term of this Lease.

5.3 Payment of Sales Tax.

Lessee shall be liable, at its sole cost and expense, for any sales, use or similar taxes with respect to all rentals, however denominated, in accordance with the provisions of this Lease. Lessee shall indemnify, defend and hold Authority completely harmless from and against any liability, including any interest and penalties, which might arise in connection with Lessee's failure to timely remit any such taxes.

ARTICLE VI **INSURANCE**

6.1 Hazard Insurance.

Lessee shall, at its sole expense, obtain and maintain throughout the Term of this Lease, property insurance on and for all Improvements, equipment, furnishings and other personal property now or hereafter erected, installed or used at the Premises, on a replacement cost basis (without deduction for depreciation), for the benefit of Authority and Lessee as their interests may appear, with such coverages, in such form, and with such company or companies as Authority shall approve in writing, including coverage for damage by fire, the elements or other casualty with standard extended endorsements. Lessee, on behalf of itself and its insurance carriers, hereby waives any and all rights of recovery which it may have against Authority or any other party who it is required to indemnify in accordance with the provisions of Article 9 below, for any loss of or damage to property it may suffer as a result of any fire or other peril insured

under an insurance policy which it is required to obtain hereunder. Notwithstanding the foregoing, any such indemnification and/or waiver shall not apply to any willful misconduct or gross negligence of Authority or its agents.

6.2 Liability Insurance.

Lessee shall, at its sole expense, obtain and maintain throughout the Term of this Lease, automobile liability insurance on all automobiles used in connection with its operations at the Premises of \$5,000,000.00 and commercial general liability insurance, inclusive of Product Liability, Premises Liability, and Hangar Keepers Liability, protecting the Authority and Lessee (including, without limitation, all members of the governing board of Authority), officers, agents and employees of each, from and against any and all liabilities arising out of or relating to Lessee's Permitted Uses, or the conduct of its operations on the Premises, in the amount of not less than \$25,000,000 (or such greater amount as may be maintained by Lessee from time to time) per occurrence, with no self-insured retention or deductible amount in excess of \$50,000.00, in such form, and with such company or companies as Authority shall approve in writing. Such insurance shall include contractual liability coverage for Lessee's covenants to indemnify the Authority and the other parties as required under this Lease and shall provide that it is primary insurance as respects any other valid and collectible insurance the Authority or any of the other additional insureds may possess, including any self-insured retention or deductible any of them may have, and that any other insurance carried by any of them shall be considered excess insurance only.

6.3 Workers' Compensation.

Lessee shall keep in force, at its sole expense, workers' compensation or similar insurance affording the required statutory coverage and requisite statutory limits. Such workers' compensation insurance or self insured program shall contain a waiver of any right of subrogation against Authority.

6.4 Employer's Liability.

Lessee shall also maintain throughout the term of this Lease employer's liability insurance with limits of liability of not less than \$500,000 for each of the "each accident," "disease policy limit," and "disease each employee coverage," or a self insured program with comparable coverage. Such employer's liability insurance or self insured program shall contain a waiver of any right of subrogation against Authority.

6.5 Certificates of Insurance.

Within 30 days after the Effective Date of this Lease, and within 30 days after the expiration of any policy or policies provided by Lessee hereunder, Lessee shall furnish an original certificate of insurance to Authority evidencing such coverage, naming the Authority as an additional insured under the property insurance required under Section 6.1, and naming the Authority as an additional insured under the liability

policies required under Section 6.2, and confirming that the policy or policies will not be canceled or modified nor the limits thereunder decreased without 30 days' prior written notice thereof to Authority. Lessee shall also provide Authority with copies of endorsements and other evidence of the coverage set forth in the certificate of insurance as Authority reasonably may request. If Lessee fails to comply with the terms of this Section, Authority, shall have the right, but not the obligation, to cause insurance as referenced herein to be issued, and in such event Lessee shall pay the premium for such insurance upon Authority's demand. Authority shall have the right, exercisable on 90 days' prior written notice to Lessee, to require Lessee, from time to time, to reasonably increase the monetary limits or coverages provided by such policy or policies.

ARTICLE VII
CONTRACT BOND, LETTER OF CREDIT OR CASH DEPOSIT

7.1 Contract Bond, Letter of Credit or Cash Deposit.

Lessee shall provide to Authority on the execution of this Agreement, a Cash Deposit, a Contract Bond or, at the option of Lessee (and subject to certain additional requirements as described below), an irrevocable standby Letter of Credit ("Letter of Credit") in the form attached hereto as **Exhibits "F" and "G"**. Such Cash Deposit, Contract Bond or Letter of Credit shall be effective as of the Effective Date hereof and shall be maintained by Lessee throughout the term of this Agreement in an amount equal to 25% of the first Lease Year Ground and Building Rentals (the amount of the Cash Deposit, Contract Bond or Letter of Credit shall be rounded to the nearest \$1,000. If in the reasonable business discretion of the Authority it is determined that the financial statements submitted by Lessee are insufficient for the Authority to determine Lessee's financial capability then Lessee will be required to submit a Cash Deposit, Contract Bond or Letter of Credit in an amount not to exceed 100% of the Base Rentals for the first Lease Year. Such Cash Deposit, Contract Bond or Letter of Credit shall guarantee the faithful performance by Lessee of all its obligations under this Agreement, including, without limitation, the payment by Lessee of all Annual Rent and Fees due hereunder. Any Contract Bond shall be on a form to be provided by Authority and shall be written by a Company licensed to do business in the State of North Carolina, which is acceptable to the Airport Director. Any Letter of Credit provided hereunder shall be on a form provided by the Authority and shall be issued by a bank, acceptable to the Airport Director, which is located within Buncombe County, North Carolina (unless the Airport Director waives such requirement in writing). In the event that any Contract Bond or Letter of Credit provided under this Section 7.1 shall be for a period of less than the full term of this Agreement, Lessee shall provide a renewal or replacement Contract Bond or Letter of Credit which complies with the requirements of this Section 7.1 at least 180 days prior to the date on which the previous Contract Bond or Letter of Credit expires. The Letter of Credit must contain a condition that it shall be deemed automatically extended without amendment for one year from the expiration date herein, or any future expiration date, unless 30 days

prior to any expiration date the Bank on which the Letter of Credit is drawn, shall notify the Authority in the manner required herein that such Bank elects not to consider the Letter of Credit renewed for any such additional period. Lessee's failure to timely provide a replacement Contract Bond or Letter of Credit hereunder shall constitute a default under this Agreement and the Authority shall be entitled to any remedies provided hereunder, and may, without limitation, proceed to recover under Lessee's existing Contract Bond or draw on the full amount of its existing Letter of Credit. If Lessee provides Authority with a Letter of Credit, Lessee shall maintain such Letter of Credit in effect for at least one year after the expiration or earlier termination of the Term. However, the Authority shall release any existing Letter of Credit provided by the Lessee upon the Authority's receipt of a replacement Letter of Credit that complies with the requirements of this Section 7.1.

ARTICLE VIII **ENVIRONMENTAL**

8.1 Lessee's Environmental Obligations.

Lessee shall comply with all "Environmental Laws", which are defined as all applicable federal, state and local statutes, laws, ordinances, regulations, administrative rulings, orders and requirements pertaining to the protection of the environment, including but not limited to, the Authority's rules and regulations regulating the use, storage, handling and disposal of any contaminant, toxic or hazardous waste, or any other substance the removal of which is required or the use of which is restricted, prohibited or penalized under any federal, state or local statute, law, ordinance, regulation, rule or judicial or administrative order with respect to environmental conditions, health, or safety, including, without limitation, asbestos or petroleum products ("Hazardous Substances"). Further, during the Term of this Lease, neither Lessee nor any agent or party acting at the direction or with the consent of Lessee shall use, store, handle or dispose of by any means any Hazardous Substances at the Premises, except that Lessee shall be entitled to use Hazardous Substances of the type and in the quantities typically used by companies performing similar aviation services in accordance with all applicable Environmental Laws.

Upon reasonable notice to Lessee, the Authority may conduct or cause to be conducted through a third party that it selects, an environmental audit or other investigation of Lessee's operations to determine whether Lessee has breached its obligations under this Article.

Within 30 days prior to the expiration or termination of this Lease, Lessee shall commence a Phase I Environmental Assessment ("Phase I EA") in accordance with ASTM Standard ASTM E-1527, or such other commonly recognized standard as may be in effect at that time. If the Phase I EA reveals any areas of environmental concern that, in the Authority's reasonable discretion, warrant further investigation, Lessee shall commence an appropriate Phase II Environmental Assessment ("Phase II EA") including sampling and analysis of soil and groundwater necessary to determine whether

contamination has occurred. Copies of the EAs shall be provided to the Authority upon completion and shall be certified to be for the benefit of the Authority by the environmental consultant performing the EA. Lessee shall promptly undertake and pursue diligently to completion any remedial measures indicated by the above-described environmental assessments where such conditions were attributable to actions at the Premises (or elsewhere at the Airport) by Lessee, its officers, employees, agents, contractors, subcontractors, licensees or invitees. All costs of the foregoing assessments shall be borne solely by Lessee.

Notwithstanding any other provision hereof, Lessee does not undertake any obligation to remediate, or to take any other action with respect to any environmental condition not attributable to actions at the Premises (or elsewhere at the Airport) by Lessee, its officers, employees, agents, contractors, subcontractors, licensees or invitees.

The provisions of this Section 8.1 shall survive the expiration or earlier termination of the term of this Agreement.

ARTICLE IX **INDEMNIFICATION**

9.1 Lessee Indemnification.

Lessee shall indemnify, defend and hold completely harmless Authority, from and against any and all liabilities attributable to actions at the Premises (or elsewhere at the Airport) by Lessee, its officers, employees, agents, contractors, subcontractors, licensees or invitees (including, but not limited to, liability with respect to any Hazardous Substances and liability under the Comprehensive Environmental Response, Compensation and Liability Act, as it may be amended from time to time ("CERCLA"), and any other Environmental Law), losses, suits, claims, demands, judgments, fines, damages, penalties, costs and expenses (including all costs for investigation and defense thereof, including, but not limited to court costs, reasonable expert fees and reasonable attorneys' fees and costs, including fees and charges for the services of paralegals or other personnel working under the supervision of such attorneys ["Attorneys' Fees"]) which may be incurred by, charged to or recovered from any of the foregoing: (i) by reason or on account of damage to or destruction of any property of Authority, or any property of, injury to or death to any person resulting from or arising out of Lessee's use, occupancy or maintenance of the Premises or any Improvements, or the Lessee's operations thereon, or the acts or omissions of Lessee's officers, employees, agents, contractors, subcontractors, licensees or invitees, regardless of where the damage, destruction, injury or death occurred, except to the extent that such liability, loss, suit, claim, demand, judgment, fine, damage, penalty, cost or expense was proximately caused by the person to be indemnified hereunder, (ii) arising out of the failure of Lessee to keep, observe or perform any of the covenants or agreements in this Lease to be kept, observed or performed by Lessee, or (iii) imposed

on or assessed against the Authority by reason of or arising out of any act or omission on the part of Lessee, any subtenant or any other person acting by, through or for Lessee or any subtenant of Lessee. Authority agrees to give Lessee reasonable notice of any suit or claim for which indemnification will be sought by it hereunder, to allow to the extent permitted by law and not reasonably detrimental to the interests of the Authority Lessee or its insurer to compromise and defend the same to the extent of its interest and to reasonably cooperate with the defense of any such suit or claim. The provisions of this Section 9.1 shall survive the expiration or earlier termination of this Lease with respect to any acts or omissions occurring during the term of this Lease.

9.2 Authority Indemnification.

To the extent not prohibited or limited by law, Authority shall indemnify, defend and hold completely harmless Lessee, from and against any and all liabilities attributable to actions at the Premises (or elsewhere at the Airport) by Authority, its officers, employees, agents, contractors, subcontractors, licensees or invitees (including, but not limited to, liability with respect to any Hazardous Substances and liability under the Comprehensive Environmental Response, Compensation and Liability Act, as it may be amended from time to time ("CERCLA"), and any other Environmental Law), losses, suits, claims, demands, judgments, fines, damages, penalties, costs and expenses (including all costs for investigation and defense thereof, including, but not limited to court costs, reasonable expert fees and reasonable attorneys' fees and costs, including fees and charges for the services of paralegals or other personnel working under the supervision of such attorneys ["Attorneys' Fees"]) which may be incurred by, charged to or recovered from any of the foregoing due to Authority's: (i) willful misconduct or (ii) gross negligence. The provisions of this Section 9.2 shall survive the expiration or earlier termination of this Lease with respect to any acts or omissions occurring during the term of this Lease.

ARTICLE X
DESTRUCTION OF IMPROVEMENTS

10.1 Obligations of Lessee.

In the event the Improvements are damaged or destroyed in whole or in part by fire or other casualty, Lessee shall give prompt written notice thereof to Authority, and Lessee, at its own expense, shall promptly repair, replace and rebuild the same, at least to the same extent as to the value and as nearly as practical to the character of the Improvements existing immediately prior to such time. Damage to the Improvements shall not cause an abatement of Lessee's obligation to pay any rentals due hereunder, howsoever denominated.

10.2 Insurance Proceeds.

Upon receipt by Lessee and the Authority of the proceeds of any property or builder's risk insurance policy or policies, Lessee and the Authority shall deposit same in an interest-bearing escrow account requiring the signatures of both parties for withdrawal to pay for the cost of such repair, replacement and rebuilding. Lessee shall receive and hold such proceeds (and any interest earned thereon) in trust for such work, and Lessee shall distribute such proceeds (and any interest earned thereon during construction) solely to pay the cost of such work. If the amount of such insurance proceeds (together with the interest earned thereon) is insufficient to pay the costs of the necessary repair, replacement or rebuilding of such damaged Improvements, Lessee shall pay any additional sums required, and if the amount of such insurance proceeds (together with the interest earned thereon) is in excess of the costs thereof, the amount of such excess shall be retained by Lessee. Notwithstanding the language of this Paragraph 10.2, in the event of total or partial destruction of the Premises, the parties will mutually evaluate a course of action that makes commercial sense regarding (i) insurance proceeds and (ii) whether or not this Lease should be terminated.

ARTICLE XI **CONDEMNATION**

11.1 Notice of Condemnation.

The party receiving any notice in connection with any proceedings or negotiations with respect to an actual or potential condemnation proceeding (a "Taking") shall promptly give the other party notice of the receipt, contents and date of the notice received.

11.2 Rights of Authority and Lessee.

Authority and Lessee shall each have the right to represent its respective interests in each proceeding or negotiation with respect to a Taking. Authority and Lessee each agrees to execute and deliver to the other any instrument that may be required or which would facilitate the provisions of this Lease relating to the condemnation.

11.3 Taking of Leasehold.

Upon a Taking of the entire Premises, Lessee's interest in this Lease shall continue until the Taking is completed by deed, contract or final order of condemnation; unless otherwise specified by court order at which time it shall terminate. If the Taking is of substantially all of the Premises, Lessee may, by notice to Authority within 90 days after Lessee receives notice of the Taking, elect to treat the taking in accordance with the preceding sentence. If Lessee does not so notify Authority, this Lease shall remain in full force and effect covering the balance of the

Premises not so taken, except that the Rent payable hereunder by Lessee shall be equitably adjusted (a "Partial Taking").

11.4 Obligations of Lessee under Partial Taking.

It is understood and agreed that all condemnation proceeds for any Partial Taking of the Premises shall be paid to Lessee to be held by it in trust and used for the repair and reconstruction of the Premises and replacement of the equipment, with any portion of such proceeds not needed for such repair, reconstruction and replacement to be distributed in accordance with the terms of Section 11.6. If as a result of a Partial Taking, Lessee's remaining Premises and Improvements do not meet the Minimum Standards for a Full Service Fixed Based Operator, Lessee may elect to have this Lease: (i) remain in full force and effect covering the balance of the Premises not so taken, except that the Rent payable hereunder by Lessee shall be equitably adjusted (a "Partial Taking"); or (ii) terminate this Lease.

11.5 Taking of Temporary Use of Premises and Improvements.

Upon any Taking of the temporary use of all or any part of the Premises or Improvements, or both, neither the Term nor the Rent shall be reduced or affected in any way and Lessee shall be entitled to any award for the use or estate taken. If a result of the Taking is to necessitate expenditures for reconstruction of the Improvements to make them reasonably suitable for Lessee's continued use in connection with its operations under this Lease, after the termination of such Taking, Lessee shall perform such work in accordance with the provisions of the Lease. Upon the completion of the work and the discharge of the Premises and Improvements from all liens or claims arising therefrom, Lessee shall be entitled to any surplus and shall be liable for any deficiency. If as a result of a Temporary Taking in excess of six (6) months, Lessee's remaining Premises and Improvements do not meet the Minimum Standards for a Full Service Fixed Based Operator, Lessee may elect to have this Lease: (i) remain in full force and effect covering the balance of the Premises not so taken, except that the Rent payable hereunder by Lessee shall be equitably adjusted (a "Partial Taking"); or (ii) terminate this Lease.

11.6 Taking by Authority.

Upon any Taking by Authority, Authority and Lessee will either agree to the amount to be paid by Authority for such Taking, or in the absence of such agreement, the matter will be determined in accordance with the laws of the State of North Carolina.

11.7 Deposit of Sums Payable on Taking.

If Authority and Lessee are unable to agree on how all sums payable by a third party on the Taking are to be distributed and disbursed as between Authority and Lessee, then Authority and Lessee agree to take such action as shall reasonably be

required to withdraw such sums from the registry of the Court and jointly deposit such sums in an interest bearing escrow account, and once agreement is reached between Authority and Lessee as to how such sums are to be distributed and disbursed (or the matter has been determined in accordance with the laws of the State of North Carolina), the interest earned on such sums shall be distributed between Authority and Lessee in the same proportion as the distribution of the principal amount of such sums.

ARTICLE XII **DEFAULT**

12.1 Events of Default by Lessee.

The occurrence of any of the following shall constitute an event of default (an "Event of Default") by Lessee under this Lease: (i) the failure of Lessee to make any payment of Base Rentals, Adjustment Rentals, or any other payment required to be made by Lessee hereunder, as all payments due from Lessee are rentals hereunder, regardless of how denominated, when due which failure is not remedied within five business days following receipt of written notice from Authority; (ii) the failure of Lessee to keep, observe or perform any other material covenants or agreements herein, and the continued failure to observe or perform any such covenant or agreement after a period of 30 days after written demand; (iii) commencement by or against the Lessee of an insolvency or bankruptcy proceeding, including, without limitation, a proceeding for liquidation, reorganization or for the readjustment of its indebtedness, or the insolvency of the Lessee, or an assignment or arrangement for the benefit of its creditors or the appointment of a receiver, trustee or custodian, provided, however, that any of the foregoing set forth in this subsection (iii) which is commenced by a person other than Lessee shall not constitute an Event of Default if it is discharged within 90 days following receipt of written notice from Authority; or (iv) the placement of any lien upon the Premises or any Improvements (excluding liens for taxes which are not delinquent and any Mortgages, as defined below, permitted hereunder) which is not discharged of record by payment or bond within 60 days following receipt of written notice from Authority, or any levy under any such lien.

12.2 Remedies for Default.

Upon the occurrence of an Event of Default, the Authority may in its sole discretion pursue any one or more of the following remedies, or such other remedies as may be available to the Authority at law or in equity:

(a) Authority may terminate the Lease and re-enter and repossess the Premises; or

(b) Authority may, without terminating this Lease, terminate Lessee's right to possession of the Premises, retake possession of the Premises, and recover immediately from the Lessee damages calculated as follows:

(i) all unpaid rentals that had been earned at the time of termination of Lessee's right to possession, together with,

(ii) the amount by which the unpaid rentals earned after the date of termination of Lessee's right to possession of the Premises until the time of award exceeds the amount of the loss of rentals and other payments due from Lessee that Lessee proves has been or could have reasonably been avoided, together with

(iii) the worth, at the time of the award, of the amount by which the unpaid rentals for the balance of the Term after the time of award exceeds the amount of the loss of rentals Lessee proves could reasonably be avoided. (For purposes of this subparagraph (iii), the worth, at the time of award, of such amount shall be determined by discounting such amount in accordance with accepted financial practice to its present worth at a rate of interest of four percent per year.)

For purposes of the calculation of damages described above, and in subsection (c) below, payments other than then current Base Rentals due from Lessee after the termination of Lessee's right to possession of the Premises shall be based upon the average of such payments payable during the 36 month period prior to the termination of possession (or, if shorter, the prior period of the Term of the Lease).

Upon entry of judgment for such damages, as described above, this Lease shall be deemed to be terminated; or

(c) Authority may, without terminating this Lease, terminate Lessee's right to possession of the Premises, retake possession of the Premises and re-let the Premises, or any part or parts thereof, for the account of Lessee, for a term which may, at Authority's option, be less than or exceed the period which would otherwise have constituted the balance of the Term of this Lease. In such event, Lessee shall pay to Authority any deficiency between the rentals herein reserved and the net amount of the rents and other charges collected on account of any other lease of the Premises for each month of the period which would otherwise have constituted the balance of the Term of this Lease. Authority may recover such deficiency from Lessee at the time each payment becomes due under the Lease, or, at Authority's option, upon the expiration of the Term of this Lease.

Irrespective of the exercise of either of the above-referenced options, Authority shall have the right to recover all unpaid rentals earned by Authority prior to the date of termination of possession or of the Lease, and all of Authority's costs, charges and expenses, including reasonable Attorneys' Fees, incurred in connection with the recovery of sums due under this Lease, or due to the breach of any covenant or agreement of Lessee contained in this Lease, including any costs and expenses of reletting the Premises, such as all necessary repairs and renovations, all brokerage fees and Attorneys' Fees. Authority will have the right at any time following an Event of Default to elect to terminate the Lease. No action taken by Authority pursuant to this

Section 12.2 shall be deemed to terminate this Lease unless written notice of termination is given by Authority to Lessee.

The rights and remedies given to Authority by this Lease shall not be exclusive, and in addition thereto, Authority shall have such other rights and may pursue such other remedies as are provided by law or in equity. All such rights and remedies shall be deemed to be cumulative, and the exercise of one such right or remedy by Authority shall not impair its standing to exercise any other right or remedy.

Lessee hereby expressly waives any notices of default not specifically provided for herein, and all rights of redemption, if any, granted under present or future law in the event Lessee shall be evicted or dispossessed for any cause, or in the event Authority shall obtain possession of the Premises by virtue of the provisions of this Agreement or otherwise.

12.3 Advances By Authority.

If Authority has paid any sums of money or incurred any obligation or expense for which Lessee is obligated to pay or reimburse Authority, or if Authority is required or elects to do so because of the failure of Lessee to perform any of the terms or conditions of this Lease, then the same shall be deemed rentals and shall be paid to Authority in accordance with Article III herein.

12.4 Non-Waiver By Authority.

No waiver of any covenant or condition or of the breach of any covenant or condition of this Lease shall constitute a waiver of any subsequent breach of such covenant or condition or justify or authorize the non-observance on any other occasion of the same or of any other covenant or condition hereof. The acceptance of Annual Rent, Rent or other payments from Lessee by Authority at any time when Lessee is in default under this Lease shall not be construed as a waiver of such default or of Authority's right to exercise any remedy arising out of such default, nor shall any waiver or indulgence granted by Authority to Lessee be taken as an estoppel against Authority, it being expressly understood that Authority may at any time thereafter, if such default continues, exercise any such remedy in the manner hereinbefore provided or as otherwise provided by law or in equity.

12.5 Events of Default by Authority.

The failure of Authority to keep, observe or perform any other material covenants or agreements herein, and the continued failure to observe or perform any such covenant or agreement after a period of thirty (30) days after written demand by Lessee shall constitute an Event of Default by Authority. Lessee shall be entitled to all remedies available by law in the Event of Default.

ARTICLE XIII
MISCELLANEOUS

13.1 Additional Provisions.

The Parties hereby agree that this Lease shall be subject to the provisions of **Exhibit "E"** hereto.

13.2 Other Fees.

(a) Authority will not assess landing fees on aircraft flying non-revenue flights.

(b) A Fuel Flowage Fee of Five Cents per gallon will be assessed for all fuel delivered, excluding fuel owned by the airlines, each month to the Lessee's Premises. Such Fuel Flowage Fees shall be reported and paid to the Authority by the 10th day of month for fuel delivered during the immediately preceding month. The Fuel Flowage Fee shall be subject to adjustment at the reasonable business discretion of the Authority but not sooner than the fifth Lease Year to reflect the prevailing rate at comparable airports in the southeastern United States.

(c) A Percentage Fee equal to five percent of all gross receipts received by Lessee for non-aeronautical services and products (i.e. rental cars, ground transportation, retail merchandise, food and beverage (excluding in-flight catering and vending machine sales, etc.) being provided on/from the Premises shall be assessed. Such Percentage Fees shall be reported and paid to the Authority by the 10th day of month for gross receipts earned during the immediately preceding month.

(d) A Percentage Fee equal to five percent of all gross receipts received by Lessee for all "into-plane" fueling services for airline fueling shall be assessed. Such Percentage Fees shall be reported and paid to the Authority by the 10th day of month for gross receipts earned during the immediately preceding month.

13.3 Books and Records/Authority's Right to Audit

(a) Within 90 days after the close of each 12 month period beginning with the Rent Commencement Date, Lessee at its own cost and expense shall provide to the Authority financial statements, specifically related to Fuel Flowage Fees and Percentage Fees, which shall be prepared in accordance with generally accepted accounting principles, together with a report on examination of such financial statements made in accordance with generally accepted auditing standards by an independent certified public accountant who is not an employee of Lessee or Lessee's Chief Financial Officer. The financial statements must be accompanied by schedules of gross receipts and payments for such 12 month period. If such schedules indicate that the Fuel Flowage Fees and/or Percentage Fees for such period have been overpaid, then the amount of overpayment shall be credited to the Fuel Flowage Fees and/or

Percentage Fees next due and owing from Lessee, unless the term hereof has expired, in which event such amount shall be promptly refunded by the Authority to Lessee. If such schedules indicate that the Fuel Flowage Fees and/or Percentage Fees for such 12 month period have been underpaid, then Lessee shall submit payment therefore to the Authority at the same time it submits to the statements required under this provision. Lessee shall, at all times during the term hereof, maintain complete and accurate books and records of all receipts and disbursements from its operations on the Premises, in a form consistent with good accounting practice, and cause to be installed for use at all times in the Premises such cash registers, invoicing machines, sales slips and other accounting equipment, devices and forms as are reasonably necessary to record properly, accurately and completely all fuel flowage (gallons and receipts) and non-aeronautical related sales/receipts of Lessee's from the Premises. Lessee's books and records shall be maintained in sufficient detail to allow the Authority or its representatives to audit, in accordance with generally accepted auditing standards, Lessee's gross receipts pursuant to this provision.

(b) The Authority shall further have the right, upon reasonable written notice to Lessee from the Airport Director and at the sole cost of the Authority to examine or designate a representative to examine the books and records of Lessee which relate to its operations on the Premises to determine the correctness of the Fuel Flowage Fees and Percentage Fees paid by Lessee to the Authority. If, as a result of such examination, it is established that the Fuel Flowage Fees and/or Percentage Fees for any period have been underpaid to the Authority, Lessee shall forthwith, upon written demand from the Airport Director, pay the difference to the Authority, together with interest thereon at the rate of one and one-half percent per month, from the date such amount or amounts should have been paid. Further, if such examination establishes that Company has underpaid Fuel Flowage Fees and/or Percentage Fees for any period by two percent or more, then the entire expense of such examination shall be borne by Lessee. Authority's rights under this provision shall survive the expiration or earlier termination of the term of this Lease. In the event of any conflict between any provision of this Lease and generally accepted accounting principles or generally accepted auditing standards, the provisions of this Lease shall control even where this Lease references such principles or standards. In particular, without limitation, Lessee shall maintain all records required under this Lease to the full extent required hereunder, even if some or all of such records would not be required under such general principals or standards.

(d) Lessee shall submit by the 10th of each month with the gross revenue reports, a detail report with an accurate accounting of gallons of fuel sold and gross sales of fuel sold, broken out by type of fuel. Lessee shall also provide information requested by Authority if such information is useful in compiling reports and data for the Authority Board or Federal Aviation Administration.

13.4 Specialized Aviation Service Operators.

The Authority may implement in its sole discretion permit and/or use fees for Specialized Aviation Service Operators (SASO). All SASOs, at a minimum, are required to execute a Space/Use Permit with the Authority and provide documentation and reports as required by the Authority.

13.5 Service Standards

Lessee shall provide first-class FBO services. The fees and charges for any goods or services provided by Lessee shall be reasonable and non-discriminatory. Lessee shall provide Authority from time to time, upon Authority's request, copies of Lessee's list of charges, operating leases, tenant leases and such other documents as Authority shall reasonably request.

13.6 Recording.

This Lease shall not be recorded. Simultaneously herewith, the parties will, if requested by the other, execute a Memorandum of Lease, which may be recorded by either party at the recording party's expense in the Public Records of Buncombe County, North Carolina.

13.7 Additional Reserved Rights of Authority.

Authority reserves the right to further develop, improve, repair and alter the Airport and all roadways, parking areas, facilities, landing areas and taxiways as it may reasonably see fit so long as Authority does not interfere with Lessee's quiet enjoyment of the Premises. Authority shall be free from any and all liability to Lessee for loss of business or damages of any nature whatsoever to Lessee occasioned by the making of such improvements, repairs, alterations and additions that do not interfere with Lessee's quiet enjoyment of the Premises. Authority reserves the right to establish such fees and charges for the use of the Airport by Lessee (excluding any additional charge for the use of the Premises) and all others similarly situated from time to time as Authority may deem advisable.

13.8 Leasehold Encumbrances.

(a) Mortgage Authorized

1. Lessee may encumber only its leasehold estate in the Premises and all of Lessee's personal property and assets located thereon (but not the Authority's interest or any other interest in the land) by the execution and delivery of a deed of trust or mortgage to an institutional lender (a "Mortgage"). Authority will not subordinate its interest in the Premises or in this Lease to any Mortgage. The Mortgagee of any such Mortgage may deliver to Authority a written notice specifying (i) the amount of the obligation secured by the Mortgage and the date(s) of the maturity thereof; and (ii) the name and address of the Mortgagee.

2. After receipt of such notice, Authority shall serve such Mortgagee in a manner required hereby, at the latest address furnished by such Mortgagee, a copy of every notice of default or demand served by Authority upon Lessee under the terms and provisions of this Lease so long as such Mortgage is in effect. In the event of any assignment of a Mortgage or in the event of a change of address of the Mortgagee or of an assignee of such Mortgage, notice of the new name and address shall be provided to Authority.

(b) Mortgagee's Rights. Upon receipt of a notice or demand in accordance with Section 13.8(a) above, Mortgagee shall have 30 days after receipt of such notice within which, at Mortgagee's election, either:

3. to cure the default if it can be cured by the payment or expenditure of money; or

4. to perform such other action as may be necessary to cure the default, but

5. if the default is not a default in the payment or expenditure of money and is curable and cannot reasonably be cured within 30 days, to commence performance within such 30 day period and thereafter diligently prosecute the same to completion, in which event the default will be deemed to have been cured.

6. In the event it is necessary for Mortgagee to obtain possession of the Premises in order to cure a default, Mortgagee shall be deemed to have complied with the provisions of Section 13.8(b)(iii) above if it institutes foreclosure proceedings within such 30 day period and completes such foreclosure proceedings or otherwise acquires Lessee's interest under this Lease with diligence and continuity and thereafter commences and diligently proceeds to cure such default; provided, however, that Mortgagee shall not be required to continue such possession or continue such foreclosure proceedings if the default which would have been the reason for serving a default notice shall be cured, and provided further, that nothing in this Section 13.8(b)

shall preclude Authority from exercising any rights or remedies under this Lease with respect to any other default by the Lessee during any period of such forbearance.

(c) Additional Rights of Mortgagee.

7. In the event of foreclosure by any Mortgagee, and subject to compliance with the requirements of Section 13.8, the purchaser at the foreclosure sale or the Person acquiring Lessee's interest in lieu of foreclosure shall succeed to and be bound by all of Lessee's rights, interests, duties and obligations under this Lease.

8. In the event that a Mortgagee shall become the owner or holder of the Lessee's interest by foreclosure of its Mortgage or by assignment of this Lease in lieu of foreclosure or otherwise, the term "Lessee", as used in this Lease, means only the owner or holder of the Lessee's interest for the time being so that, in the event of a sale, assignment or other disposition of the Lessee's interest in this Lease by the Mortgagee, the Mortgagee shall be entirely freed and relieved of all covenants and obligations of the Lessee under this Lease arising after the date of such sale, assignment or other disposition, and it shall be deemed and construed, without further agreement between Authority and Mortgagee or between Authority, Mortgagee and the Mortgagee's purchaser or assignee at any such sale or upon assignment of Lessee's interest, that the purchaser or assignee of Lessee's interest has assumed and agreed to carry out any and all covenants and obligations of Lessee.

9. So long as the Lessee's interest in this Lease shall be mortgaged to a Mortgagee, the parties agree for the benefit of such Mortgagee that Authority shall not sell, grant or convey to the Lessee all or any portion of the fee simple title to the Premises without the prior written consent of such Mortgagee. In the event of any such sale, grant or conveyance by Authority to the Lessee, Authority and the Lessee agree that no such sale, grant or conveyance shall create a merger of this Lease into a fee simple title to the Premises. This subsection 13.8(c)(iii) shall not be construed to prevent a sale, grant or conveyance of the fee simple title to any Person, firm or corporation other than the Lessee, its successor, legal representatives and assigns, provided such fee simple title transferred pursuant to any such sale, grant or conveyance shall be taken by such purchaser, grantee or recipient subject to the Mortgage, if any, whether recorded or unrecorded.

10. In the event of the termination of this Lease or of any succeeding lease made pursuant to the provisions of this Section 13.8(c) prior to its stated expiration date, or in the event of the termination of Lessee's right to possession of the Premises as a result of an event of default by Lessee hereunder and Mortgagee's receipt of notice pursuant to these terms, Authority will enter into a new lease of the Premises with Mortgagee or, at the request of such Mortgagee, with a corporation which is wholly owned by such Mortgagee, for the remainder of the term effective on the date of such termination of this Lease (or termination of Lessee's right to possession of the Premises) at the rentals and upon the covenants, agreements, terms,

provisions and limitations contained in this Lease, provided that such Mortgagee makes written request and executes, acknowledges and delivers to Authority such new lease within 30 days from the date of such termination of this Lease (or termination of Lessee's right to possession of the Premises) and such written request and such new lease are accompanied by payment to Authority of all amounts then due to Authority, including Attorneys' Fees incurred by Authority in connection with any such default and termination as well as in connection with the execution and delivery of such new lease. In addition, immediately upon execution of such new lease, Authority shall execute, acknowledge and deliver to Mortgagee an assignment of all subleases covering the Premises which theretofore may have been assigned and transferred to Authority and all subleases under which subtenants shall be required to attorn to Authority pursuant to the terms and conditions of such subleases or this Lease. Such assignment by Authority shall be deemed to be without recourse as against Authority.

(d) Reference in this Lease to a Mortgagee shall be deemed to refer, where circumstances require, to any assignee of a Mortgagee; provided that such assignee shall forward to the Authority a duplicate original of the assignment of the Mortgage and the note it secured, together with a written notice setting forth the name and address of the assignee.

(e) Should any Mortgagee request modifications to the foregoing provisions with regard to the rights of the Mortgagee and/or its successors, then prior to Authority considering the request, the sum of \$500 shall be paid to Authority to defray its expenses in the review of such request.

13.9 Assignment and Subletting.

(a) This lease shall not be assignable during the Construction Term. Authority recognizes that portions of the Premises may be sublet. However, Lessee shall not at any time sublet or sublease any portion of the Premises or Improvements to an aviation or non-aviation commercial business entity in whole or in part, without the prior approval of Authority, which approval shall not be unreasonably withheld. Lessee agrees to require any subtenant through a sublease agreement to comply with all Authority Rules and regulations and Minimum Standards as may be in effect. No sublease shall release Lessee from any of its obligations under this Lease unless the Authority agrees to such release in writing in its sole discretion.

(b) Lessee may assign this Lease without prior approval (but upon prior written notice to Authority) to a corporate parent, affiliate, sister company, or subsidiary (collectively, an "Affiliate"), upon submitting proof of such affiliation satisfactory to Authority. Otherwise, Lessee shall not assign this Lease to any person or entity without the prior approval of Authority, which approval shall not be unreasonably withheld.

(c) A change in ownership of or power to vote a majority of the outstanding voting stock of Lessee from the owners of such stock or those controlling the power to vote such stock on the date of this Lease, or if Lessee is a limited or a general partnership or other entity, any transfer of an interest in the partnership or other entity which results in a change in the control of such partnership or other entity is not an assignment for purposes of this Lease.

(d) Approvals required under this Paragraph shall be in writing. Any assignment or sublease, which is not in strict compliance with the terms and conditions of this Section 13.9, shall be void ab initio and shall be of no force or effect whatsoever.

(e) Lessee agrees to reimburse the Authority for its reasonable Attorneys' Fees and costs actually incurred in determining whether to give its consent to any proposed sublease or assignment, whether or not such consent is given, and the negotiation and preparation of any documents with respect to such sublease or assignment.

13.10 Notice.

Any notice permitted or required to be given under the terms of this Lease shall be in writing, addressed to the party to whom it is directed, and sent either by (1) hand delivery, (2) United States certified or registered mail, postage prepaid, return receipt requested or (3) prepaid overnight delivery by a nationally recognized company, to the address shown below or to such other address as either party may from time to time designate by written notice in accordance with this Section:

To Authority: Airport Director
Asheville Regional Airport Authority
61 Terminal Drive, Suite 1
Fletcher, North Carolina 28732

with copy to Authority's legal counsel:

Patla, Straus, Robinson & Moore, P.A.
Attention: Victor W. Buchanan
29 North Market/Post Office Box 7625
Asheville, NC 28801/28802

To Lessee: **Gregory Elliott**
Encore FBO Acquisition, L.L.C.
2930 W. Sam Houston Parkway N. Suite 150
Houston, TX 77043

with copy to Lessee's legal counsel:

R. Allen Ashcraft, Jr.
Squire, Sanders & Dempsey L.L.P.
6200 JPMorganChase Tower, 600 Travis
Houston, Texas 77002

Any such notice shall be deemed effective upon the first to occur of (a) receipt by the addressee, (b) the day following the notice having been provided to the nationally recognized overnight delivery company for overnight delivery, or (c) the third day following the deposit of the same in U.S. certified or registered mail.

IN WITNESS WHEREOF, the parties hereto by their duly authorized officers have caused this Lease to be executed in their names and their seals to be affixed hereto as of the day and year first above written.

WITNESSES:

Name: _____

LESSEE:

ENCORE FBO ACQUISITION, L.L.C,

By: _____

Name: _____

Title: _____

WITNESSES:

Name: _____

AUTHORITY:

**ASHEVILLE REGIONAL AIRPORT
AUTHORITY**

By: _____

Lew Bleiweis, A.A.E.
Airport Director

**EXHIBIT "A" and "A-1"
PREMISES**

DRAFT

EXHIBIT "B"
ADDITIONAL PREMISES



EXHIBIT "C"
LESSEE IMPROVEMENTS

Lessee shall make the following improvements to the Premises:

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**EXHIBIT "A" to EXHIBIT "C"
LESSEE IMPROVEMENTS**

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EXHIBIT "D"
CONSTRUCTION OF IMPROVEMENTS

1. Prior to commencement of construction of any Improvements, and prior to commencing to renovate, enlarge, demolish or modify any Improvements now or hereafter existing on the Premises, Lessee must obtain the approval of the Airport Director, which he may grant or withhold in his sole discretion. Lessee shall submit the plans and specifications (prepared in accordance with the Minimum Standards and under the seal of a duly licensed architect or engineer) to Authority for its approval (the "Plans"), in accordance with the approval process prescribed by Authority. No construction of any type shall commence prior to Lessee's receipt of: (i) Authority's written approval of the Plans, and (ii) a notice to proceed from the Authority.
2. Authority's approval of any Plans submitted by Lessee shall not constitute the assumption of any liability by Authority for the compliance or conformity of the Plans with applicable building codes, zoning regulations and municipal, county, state and federal laws, ordinances and regulations, or for their accuracy or suitability for Lessee's intended purpose, and Lessee shall be solely responsible for the Plans. Authority's approval of the Plans shall not constitute a waiver of Authority's right thereafter to require Lessee, at its expense, to amend the same so that they comply with building codes, zoning regulations, municipal, county, state and federal laws, ordinances and regulations either applicable at the time the Improvements were constructed or by laws otherwise made applicable to Lessee's Improvements, and to make such construction changes as are necessary so that the completed work is in conformity with the approved Plans.
3. In the event Authority does not approve the Plans, it shall notify Lessee of the changes required to be made (including reference to those portions of this Lease, the Minimum Standards and the Master Plan forming the basis for disapproval, if applicable), and Lessee shall promptly revise the Plans to incorporate the required changes, and shall resubmit revised Plans to the Authority for approval.
4. Lessee shall obtain, at its expense, all necessary licenses and permits to accomplish its Improvements, and shall pay all applicable impact fees relating thereto.
5. Once Lessee has commenced construction of any Improvements, such construction shall be pursued diligently to completion, subject to Force Majeure. All Improvements shall be constructed in accordance with the approved Plans, the Minimum Standards, and all applicable building codes, zoning regulations and municipal, county, state and federal laws, ordinances and regulations. Within ninety (90) days after completion of construction of the Improvements, Lessee shall, at its expense, provide Authority with record drawings showing the "as built" condition of any Improvements constructed by Lessee, in such format (including, without limitation a CAD format) as the Airport Director shall request.
6. Lessee hereby warrants and covenants to Authority that all Improvements now or hereafter erected on the Premises shall be at all times free and clear of all liens, claims and encumbrances and hereby agrees to indemnify and hold Authority harmless from and against any and all losses, damages and costs, including reasonable Attorneys' Fees relating to or arising out of any such lien, claim or encumbrance. If any such lien or notice of lien on account of the alleged debt of Lessee shall be filed against the Premises, Lessee's leasehold interest therein or any Improvements, the Lessee shall, within thirty (30) days after notice of filing thereof, cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. Prior to construction of any Improvements at the Premises, Lessee shall record and post a Notice of Commencement and all applicable payment bonds in accordance with applicable laws. No work hereunder shall be commenced until Lessee or its Contractor provides to Authority from a company reasonably acceptable to the Airport Director: (i) a surety payment bond for the benefit of Authority in the form attached hereto as Exhibit "I" in an amount equal to the total estimated cost of the work, which bond shall guarantee the payment of all contractors' and subcontractors' charges and charges of all other persons and firms supplying

services, labor, materials or supplies in connection with the work, (ii) a surety performance bond for the benefit of Authority, in the form attached hereto as Exhibit "J", in an amount equal to the total estimated cost of the work, which shall guarantee the prompt completion of the work by Lessee in accordance with the Plans, and (iii) a policy of builder's risk insurance. Subject to the approval of the Airport Director, Lessee may provide the Authority with a Construction Payment and Performance Agreement in place of a surety payment bond and surety performance bond. Such Construction Payment and Performance Agreement shall establish a Project Escrow Fund to ensure the payment and completion of Lessee's improvements and shall not be less than 110% of the Lessee's expected construction costs for each Phase of Lessee's improvements,

7. Nothing in this Lease shall be deemed or construed in any way as constituting the consent or request of Authority, express or implied, to any contractor, subcontractor, laborer, materialman, architect, surveyor or engineer for the performance of any labor or the furnishing of any materials or services for or in connection with the Premises or any part thereof. Notice is hereby given that the Authority shall not be liable for any labor or materials or services furnished or to be furnished to Lessee upon credit, and that no construction or other lien for labor, materials or services shall attach to or affect the fee or reversionary or other estate or interest of the Authority in the Premises or in this Lease. All persons dealing with the Premises and with Lessee are hereby put on notice that Lessee does not have the power to deal with the Premises in such a manner as to authorize the creation of construction liens, by implication or otherwise; and all persons making improvements to the Premises, either by doing work or labor or services or by supplying materials thereto, at the request of Lessee or persons dealing by, through or under Lessee, are hereby put on notice that they must look solely to the Lessee and not to the Premises or any part thereof or to this Lease for the payment of all services, labor or materials performed upon or delivered to the Premises.

8. Title to all Improvements now or hereafter constructed by Lessee on the Premises shall vest in Authority upon the completion of the Improvements. Lessee hereby covenants to execute and deliver to Authority any and all instruments or documents that Authority reasonably requests to effectively transfer, assign and convey such Improvements in fee to Authority. Lessee shall ensure that at the expiration of the Initial Term such Improvements are free of any liens or encumbrances. Notwithstanding anything to the contrary herein, it is further understood that the Authority shall at no time during the Term of this Lease Agreement or any extensions thereof be entitled to charge Lessee additional rent with respect to improvements paid for by the Lessee.

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EXHIBIT "E"
REQUIRED PROVISIONS

1. Authority's Reserved Rights. Authority reserves the right for itself and others to utilize and maintain any utility and drainage easements located on the Premises, and to run water, sewer, electrical, telephone, gas, drainage and other lines under or through the Premises and to grant necessary utility easements therefore, provided that in the exercise of such rights, Lessee's use of the Premises and any Improvements shall not be unreasonably impaired and any damage to the Premises or any Improvements caused by Authority as a result thereof shall be repaired without cost to Lessee.

2. Discrimination Not Permitted.

a) Lessee, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (i) 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 Premises, any Improvements or the Airport under the provisions of this Lease; (ii) that in the construction of any Improvements on, over or under the Premises and the furnishing of services thereon, no person on the grounds of race, color or national origin shall be excluded from participation, denied the benefits of, or otherwise be subject to discrimination; and (iii) that Lessee shall use the Premises and the Improvements 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 Acts of 1964, as the same may be amended. Likewise, Lessee shall comply with the laws of the State of North Carolina prohibiting discrimination because of race, color, religion, sex, national origin, age, handicap or marital status. Should the Lessee authorize another person, with Authority's prior written consent, to provide services or benefits upon the Premises or the Improvements, Lessee 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 subsection. Lessee shall furnish the original or a true copy of such agreement to Authority.

b) Lessee will provide all information and reports required by said regulations, or by directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by Authority or the Federal Aviation Administration to be pertinent to ascertain whether there has been compliance with said regulations and directives. Where any information required of Lessee is in the exclusive possession of another who fails or refuses to furnish this information, Lessee shall so certify to Authority or the Federal Aviation Administration, as appropriate, and shall set forth what efforts it has made to obtain the information.

c) In the event of a breach of any of the above non-discrimination covenants, Authority shall have the right to terminate this Lease and to re-enter and repossess said Premises and the Improvements, and hold the same as if this Lease had never been made or issued. The rights granted to Authority by the foregoing sentence shall not be effective until all applicable procedures of Title 49, Code of Federal Regulations, Part 21 are followed and completed, including exercise or expiration of appeal rights, and the completion of any judicial review.

d) Further, Lessee 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. Lessee also assures Authority that it will require its covered suborganizations to provide written assurances to the same effect and provide copies thereof to Authority.

e) Lessee further assures Authority that it will comply with pertinent statutes, Executive Orders, and such other rules as are promulgated to assure that no person shall on the grounds of race, creed, national origin, sex, age, handicap or marital status be excluded from participating in any activity conducted at or in connection with its operations at the Premises. Lessee also assures Authority that it will require its contractors and subtenants to provide assurances to the same effect and ensure that such assurances are included in contracts and subleases at all tiers which are entered into in connection with Lessee's operations at the Premises.

f) 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 nondiscrimination provisions concerning the use and operation of the Airport, and Lessee agrees that it will adopt such requirements as part of this Lease.

3. Federal Aviation Administration Requirements.

a) 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 Premises, together with the right to cause in the 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 airspace, and use of the airspace for landing on, taking off or operating on the Airport.

b) Lessee expressly agrees, on behalf of itself and its successors and assigns:

to restrict the height of structures, vegetation and other Improvements on the Premises in compliance with the requirements of Federal Aviation Administration Regulations, 14 CFR Part 77, as they may be amended from time to time; and

to prevent any use of the Premises and any Improvements which would unreasonably interfere with or adversely affect the operation and maintenance of the Airport, or which would otherwise constitute a hazard at the Airport.

4. Right to Operate Aircraft at Airport. Nothing contained in this Lease shall give Lessee the right to operate a scheduled airline at the Airport. The right to operate aircraft at the Airport may be obtained by a qualified lessee from Authority by executing an Operating Agreement in the form prescribed by the Authority.

5. Member Protection. No recourse under or upon any obligation, covenant or agreement contained in this Lease, or any other agreement or document pertaining to the operations of Lessee 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 Lease, shall be had against any member (including, without limitation, members of Authority's Board and members of Authority's citizens advisory committees), 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 Lease 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 Lease or the operations conducted pursuant to it, or for the payment for or to Authority, or any receiver therefor or otherwise of 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 Lease.

6. Authority Rules and Regulations. Lessee shall observe and comply with all reasonable rules and regulations of Authority which now exist or may hereinafter be promulgated from time to time governing all matters relating to the Airport, including, without limitation, access, use, safety and conduct of operations at the Airport and the safe use of Airport facilities. Authority shall, at Lessee's written request, furnish a copy of all such rules and regulations, and any amendments thereto, to Lessee.

7. Authority Access to Premises. Lessee grants Authority and its authorized agents full and free access to the Premises and all Improvements located thereon at all reasonable times (upon reasonable prior notice, except in the event of an emergency) for the purposes of examining the same and seeing that all of the obligations of Lessee hereunder are being met and performed, and for exercising the Authority's rights under Paragraph 4.1 of the Lease, and shall permit them to enter any building or structure on the Premises at any time in the event of an emergency. Authority and its employees, licensees, invitees, agents, patrons and suppliers, and its tenants and their employees, licensees, invitees, agents, patrons and suppliers, shall have the right of vehicular and pedestrian access, ingress and egress over all non-restricted access streets at the Airport.

8. Relationship of Parties. Nothing contained in this Lease shall be deemed or construed by Authority or Lessee or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association whatsoever between Authority and Lessee, it being expressly understood and agreed that neither the computation of Annual Rent, Rent nor any other provisions contained in this Lease nor any act or acts of the parties hereto shall be deemed to create any relationship between Authority and Lessee other than the relationship of landlord and tenant.

9. Exclusive Rights. The rights granted to Lessee under this Lease are not exclusive, except that Lessee shall have the exclusive use of the Buildings for the Term of this Lease in accordance with the provisions of this Lease. The Authority expressly reserves the right to grant to third parties rights and privileges on other portions of the Airport that are identical, in whole or in part, to those granted to Lessee hereunder.

10. Miscellaneous Provisions.

a) The section headings contained in this Lease 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 of this Lease.

b) Except as otherwise provided herein, the provisions of this Lease shall bind and inure to the benefit of the successors and assigns of the parties hereto.

c) Time is expressed to be of the essence of this Lease.

d) In the event that any proceeding at law or in equity arises hereunder or in connection herewith (including any appellate proceeding or bankruptcy proceeding) the prevailing party shall be awarded costs, reasonable expert fees and reasonable Attorney's Fees incurred in connection therewith.

e) This Lease was made in, and shall be governed by and construed in accordance with the laws of, the State of North Carolina. If any covenant, condition or provision contained in this Lease 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.

f) This Lease, together with the exhibits attached hereto, constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and any prior agreements, representations or statements heretofore made with respect to such subject matter, whether oral or written, and any contemporaneous oral agreements, representations or statements are merged herein. This Lease may be altered or amended only by written instrument executed by both parties hereto.

g) Words of gender used in this Lease shall be held and construed to include any other gender; and words in the singular shall be held to include the plural and vice versa unless the context otherwise requires.

h) Authority and Lessee represent and warrant to each other that they have dealt with no broker in connection with this Lease and the transactions contemplated hereby, and each agrees to indemnify and hold the other harmless in the event its representation and warranty contained herein is not true.

i) At the request of either party, the other shall with reasonable promptness deliver to the requesting party a written and acknowledged statement that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), that to the best of the responding party's knowledge, the requesting party is not in default under this Lease (or if the responding party has knowledge that the requesting party is in default, identifying the default), and providing such other information with respect to the Lease and the relationship between Authority and Lessee as may reasonably be requested.

j) **COMMUNICATIONS CONCERNING DISPUTED DEBTS. ALL (A) COMMUNICATIONS CONCERNING DISPUTES ABOUT DEBTS THAT ARE OWED OR MAY BE OWED PURSUANT TO THIS AGREEMENT, AND (B) INSTRUMENTS IN LESS THAN THE FULL AMOUNT CLAIMED BY THE AUTHORITY AND TENDERED AS FULL SATISFACTION OF A DISPUTED DEBT OR OTHER AMOUNT OWED, SHALL BE SENT CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE FOLLOWING:**

**AIRPORT DIRECTOR
ASHEVILLE REGIONAL AIRPORT AUTHORITY
61 Terminal Drive, Suite 1
Fletcher, North Carolina 28732**

k) In accordance with North Carolina law, Lessee is hereby advised as follows:

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. Fire Protection System. Lessee shall, at its own cost and expense, maintain in good working order in each building on the Premises where the same is required by applicable fire and safety standards a fire protection system satisfying applicable requirements of NFPA, the local building code enforcement agency and any other applicable legal requirements, which Lessee shall cause to be certified as meeting all applicable fire and safety standards upon installation, and recertified at least annually thereafter, by a qualified fire protection system inspector with a copy of each such certification provided to Authority.

12. Airport Security. Lessee shall comply with all applicable regulations of the Federal Aviation Administration relating to airport security (including, at the Authority's request and without limitation, all such regulations applicable to the Authority with respect to the operation of the Premises) and shall control the Premises so as to prevent or deter unauthorized persons from obtaining access to that portion of the Airport consisting of cargo areas, airside buildings, aircraft aprons, ramps, taxiways and runways (the "Air Operations Area"). Any fines or other penalties incurred by the Authority as a result of Lessee's breach of this Paragraph shall be included in the indemnification provided to Authority pursuant to Paragraph 8.1 of the Lease.

13. Compliance with Stormwater Regulations.

a) Lessee acknowledges that the Airport is subject to federal stormwater regulations, 40 C.F.R. Part 122 (the "Regulations"), which are applicable to, among other activities, (i) certain industrial activity, including, without limitation, the operation of a vehicle maintenance shop (including vehicle rehabilitation, mechanical repairs, painting, fueling, and lubrication), equipment cleaning operations and deicing operations and (ii) certain construction activity at the Airport. Lessee also acknowledges that it is familiar with the Regulations and agrees to comply with the Regulations as they may be amended from time to time. Lessee further acknowledges that it has been advised that the Authority has complied with the Regulations by obtaining coverage under the Environmental Protection Agency's Stormwater Multi-Sector General Permit for Industrial Activities (the "Multi-Sector Permit"). Lessee may be able to become a co-permittee under such Multi-Sector Permit by filing separately in accordance with the provisions of the Regulations and the Multi-Sector Permit. Lessee shall provide to the Authority's Development Manager copies of any such filings and such other information as the Airport Director may reasonably request with respect to Lessee's compliance with the Regulations. Lessee agrees to comply with such Multi-Sector Permit or any other permit obtained by Authority or Lessee in connection with the Regulations as they pertain to the Premises, and any modifications to or renewals thereof. Such permit will not cover construction activities as defined by the Regulations and will not eliminate the need to obtain permits from state or local agencies as applicable laws, ordinances or regulations may require.

b) If Lessee, or its authorized agents or representatives, engages in construction activity at the Airport, including, without limitation, clearing, grading, or excavation, Lessee shall determine whether the Regulations require a permit, and if so, Lessee shall obtain the permit, send a copy of the permit to the attention of the Authority's Airport Director, and comply with the permit conditions.

14. Americans with Disabilities Act. As used herein, "ADA" shall mean the Americans with Disabilities Act, P.L. 101-336, 104 Stat. 327 (1990), as amended from time to time, and the regulations promulgated thereunder. Lessee shall be responsible for any actions required to comply with ADA (including, without limitation, any actions required by the Authority to enable the Authority to meet its ADA obligations with respect to Lessee's operations) as a result of (i) any Improvements or modifications which it makes to the Premises, (ii) its particular use of the Premises and (iii) any changes to the ADA after the Effective Date. Any modification to the Premises, which Lessee is required to make under this Paragraph, shall be performed to the satisfaction of the Authority. In the event the Lessee shall fail to construct or modify any Improvements to the Premises as required under this Paragraph, the Authority shall have the right to enter the Premises and perform such modifications on the Lessee's behalf, without liability for any disruption to the Lessee's activities therein during the completion of or as a result of such modifications, and the cost of such modifications shall be invoiced to the Lessee and shall be promptly paid by the Lessee to the Authority as additional Rent hereunder.

15. Force Majeure. If either party hereto shall fail to timely perform any of its obligations under this Lease as a result of strikes, lockouts or labor disputes, inability to obtain labor or materials, government restrictions, fire or other casualty, adverse weather conditions not reasonably foreseeable at the location and time of year in question, by reason of war or other national emergency, acts of God or other causes beyond the reasonable control of the party obligated to perform, then such failure shall be excused and not constitute a default under this Lease by the party in question, but only to the extent and for the time occasioned by such event. In the event the rights and privileges hereunder are suspended, Annual Rent and Rent under this Lease shall not abate, and Lessee shall have the right to make any claim against any third party permitted by law and to receive any award paid with respect to such claim. In no event shall this provision excuse any failure by Lessee to pay Annual Rent or Rent or any other payment obligation hereunder. Nor shall this provision apply to any inability by Lessee to procure funds or obtain financing necessary to comply with Lessee's obligations under this Lease. In the event that the airport is closed for a period greater than ninety (90) consecutive days by reason of war or other national emergency, the Authority will assist Lessee, as allowable by applicable law, in obtaining compensation for the

unamortized portion of any Improvements constructed by Lessee on the Premises from the authority taking such action. However, in no case shall the Authority be liable for any damages arising out of such an event.

16. Subordination.

a) This Agreement shall be subject to all restrictions of record affecting the Airport and the use thereof, all federal, state, county and city laws and regulations affecting the same, and shall be subject and subordinate to the provisions of any and all existing agreements between the Authority and third parties, including, but not limited to, those between the Authority and the United States of America, the State of North Carolina, or the County of Buncombe, or their agencies, and to any future agreements between or among the foregoing relative to the operation or maintenance of the Airport, the execution of which may be required as a condition precedent to the expenditure of federal, state, county or city funds for the development of the Airport, or any part thereof. All provisions hereof shall be subordinate to the right of the United States to occupy or use the Airport, or any part thereof, during time of war or national emergency.

b) In the event the Federal Aviation Administration or its successors require modifications or changes in this Agreement as a condition precedent to the granting of its approval or to the obtaining of funds for the improvement of the Airport, Lessee hereby consents to any and all such modifications and changes as may be reasonably required.

c) Notwithstanding the foregoing provisions of this Paragraph, in the event any such restrictions, agreements or modifications to this Lease increase the Annual Rent payable hereunder or materially and adversely affect the ability of Lessee to use the Premises for the purposes permitted under this Lease, Lessee shall have the right to terminate this Lease by written notice to the Authority.

17. Public Entity Crimes Law. The Lessee acknowledges the following notice:

A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of \$25,000 for a period of 36 months from the date of being placed on the convicted vendor list.

18. Tax Exempt Status of Authority Revenue Bonds. Lessee agrees to comply promptly with any applicable provisions of any federal tax statute, and all regulations or other binding authority promulgated or decided thereunder, as required to permit the Authority's capital expansion projects to be planned and constructed by Authority with revenue bonds the interest on which is generally exempted from federal income taxation, other than any applicable individual or corporate alternative minimum taxes (and other than during any period while such revenue bonds are held by a "substantial user" of the projects financed by those revenue bonds or a "related person" to a "substantial user"), including, without limitation, the execution by Lessee and delivery to Authority of an election not to claim depreciation or any investment credit with respect to any portion of such capital expansion projects or any other portion of the Airport System in the form attached hereto as Exhibit "F" simultaneously with the execution of this Lease. Such exhibit shall be deemed to be part of this Lease and shall be binding upon Lessee, its successors and assigns.

19. Visual Arts. Lessee shall not permit a work of visual art, as defined in 17 USC § 101, to be installed in the Premises 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.

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DRAFT

EXHIBIT "F"
CONTRACT BOND FORM

KNOW ALL MEN BY THESE PRESENTS: That _____, a corporation organized under the laws of _____ (hereinafter called the "Principal"), and _____ a corporation of the State of _____ which is licensed to do business in the State of North Carolina (hereinafter referred to as the "Surety"), are held and firmly bound unto the Asheville Regional Airport Authority (hereinafter called the "Authority") in the full and just sum of _____ (the "Sum") covering the period _____, 20__ through _____, 20____, inclusive, to the payment of which Sum and truly to be made, the said Principal and Surety bind themselves, their heirs, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, under the terms of that Lease Agreement (hereinafter referred to as the "Agreement"), by and between the Principal and the Authority, the Principal shall lease certain real property at Asheville Regional Airport pursuant to the Agreement, and such Agreement is hereby incorporated herein by reference and made a part hereof;

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH that if the Principal shall well and truly keep, do and perform, each and every, all and singular, the matters and things in said Agreement set forth and specified to be by the Principal kept, done and performed at the time and in the manner specified in said Agreement, and the Principal shall pay over, make good, and reimburse to the Authority, all sums required by it to be paid, and all loss and damage (including reasonable attorneys' fees) which the Authority may sustain by reason of any failure or default on the part of the Principal, then this obligation shall be void; otherwise it shall remain in full force and effect.

In the event that the Principal shall default in any of the terms, covenants and conditions of the Agreement during the period in which this Contract Bond is in effect, the Surety shall remain liable to the Authority beyond the date of the expiration hereof for all sums provided for in the Agreement remaining unpaid as of the date of expiration of this Contract Bond and for all loss or damage (including reasonable attorney's fees) resulting from such default up to the amount of the Sum.

In the event that Principal becomes a debtor under any chapter of the Federal bankruptcy laws, or becomes subject to any other statute providing for the recovery of transfers of payments or property, the obligations of the Surety hereunder shall include the obligation to reimburse the Authority for any transfers or payments under the Agreement made by Principal to the Authority prior to the commencement of such proceedings to the extent that such transfers or payments are voided and recovered from the Authority by Principal, or by a creditor of Principal, or by a trustee, receiver, custodian or similar official appointed for Principal or for substantially all of Principal's assets. Provided, however, that the obligations set forth in the preceding sentence shall be reduced pro tanto upon: (1) the entry of a final, non-appealable order of a court of competent jurisdiction permitting the Authority to retain all or any portion of such transfers or payments; (2) the execution of an agreement and approval thereof (if in the reasonable exercise of the Authority's judgment such approval is necessary) by a final non-appealable order of a court of competent jurisdiction permitting the Authority to retain all or any portion of such transfers or payments; or (3) the expiration of the applicable statute of limitations with respect to the avoidance and recovery of such transfers or payments without any claim therefore having been made against the Authority.

In the event the Surety fails to fulfill its obligations under this Contract Bond, then the Surety shall also indemnify and save the Authority harmless from any and all loss, damage, cost, and expense (including reasonable attorneys' fees) arising from or in connection with the enforcing of the Surety's obligations hereunder. This paragraph shall survive the expiration of this Contract Bond.

The Surety's obligations hereunder shall remain in full force and effect notwithstanding (i) amendments or modifications to the Agreement entered into by the Authority and Principal without the Surety's knowledge or consent, (ii) waivers of compliance with, or of any default under, the Agreement granted by the Authority to the Principal without the Surety's knowledge or consent, or (iii) the rejection of the Agreement and the discharge of Principal from its obligations under the Agreement as a result of any proceeding initiated under the Federal bankruptcy laws, and as the same may hereafter be amended, or under any similar state or federal law, or any limitation of the liability of Principal or its estate as a result of any such proceeding, or the assumption by Principal of the Concession as a result of any such proceeding, notwithstanding the finding by a court of competent jurisdiction that Principal has provided the Authority with adequate assurance of future performance under the Agreement.

This Bond has been negotiated and executed in and shall be governed by and construed in accordance with the laws of the State of North Carolina. The execution of this Contract Bond by Surety shall constitute Surety's consent in the event of any litigation arising under this Contract Bond to the personal jurisdiction of, venue in and, convenience of the forum of the Circuit Court for Buncombe County, North Carolina and the U.S. District Court for the Western District of North Carolina for such purposes.

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IN WITNESS WHEREOF, the Principal and Surety have executed this instrument under their several seals on the __ day of _____, 20____, the name and corporate seal of each corporate party being hereto affixed and these presents fully signed by its undersigned representative, pursuant to authority of its governing body.

Signed, sealed and delivered
in the presence of:

(Seal)

(Seal)

(Countersigned by North Carolina Registered Agent)

Note: If Principal and Surety are corporations, the respective corporate seals shall be affixed and attached.

Surety shall execute and attach a certified copy of Power of Attorney Appointing Individual Attorney-In-Fact for execution of Contract Bond on behalf of Surety.

Principal

By: _____
(Official Title)

Surety

By: _____
(Official Title)

EXHIBIT "G"
IRREVOCABLE STAND-BY LETTER OF CREDIT FORM

_____ [Date]

IRREVOCABLE STAND-BY LETTER OF CREDIT NO.: _____

EXPIRATION DATE: _____

AGGREGATE AMOUNT: _____ and _____/100 Dollars

BENEFICIARY: Asheville Regional Airport Authority
708 Airport Road
Fletcher, NC 28732

Dear Sir or Madam:

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

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

Certification that Company has failed to faithfully perform one or more of its obligations to the Authority under that certain _____ Agreement and Lease for the management and operation of a _____ dated _____, 20____, as may be amended from time to time (the "Agreement"), by and between Company and the Authority; and

Certification of (i) the amount of damages and expenses which, in his/her determination, the Authority has suffered or incurred as a result of such failure by Company, and/or (ii) the amount of any fees, charges and other sums past due and remaining unpaid from Company to the Authority under such Agreement, together with the amounts of any interest thereon to the extent required or allowed under such Agreement; and/or

Certification (1) that Company has failed to provide to the Authority an irrevocable stand-by letter of credit to replace this irrevocable stand-by letter of credit on or before the date such replacement was due under such Agreement or has failed to so provide a replacement irrevocable stand-by letter of credit in the form required by or in accordance with the requirements of the Agreement, and (2) of the amount of the required replacement irrevocable stand-by letter of credit. Each sight draft drawn hereunder shall be in an amount which is the lesser of the total amount of damages and expenses plus fees, charges and other sums past due and remaining unpaid, together with any interest thereon, or the amount of the required

replacement irrevocable stand-by letter of credit, as certified in the Statement of Certification submitted with such draft.

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

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

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

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

_____ **[Bank Name]**

By: _____

Title: _____

EXHIBIT "A" TO EXHIBIT "G"
STATEMENT OF CERTIFICATION FORM

TO: _____ [Bank Name]

DATE: _____

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

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

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

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

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

Dated this _____ day of _____, 20_____.

ASHEVILLE REGIONAL AIRPORT AUTHORITY

By: _____

Printed Name: _____

Title: _____

EXHIBIT "H"
PAYMENT BOND FORM

KNOW ALL MEN BY THESE PRESENT that _____, hereinafter referred to as Principal, and _____, a corporation organized under the laws of the State of _____ and licensed to do business in the State of North Carolina, hereinafter referred to as Surety, are held and firmly bound unto the Asheville Regional Airport Authority (the "Authority"), as Obligee, hereinafter referred to as the Authority, in the Penal Sum of _____ DOLLARS (\$_____), for the payment of which sum well and truly made, Principal and Surety bind ourselves, our heirs, personal representatives, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Principal executed Lease Agreement on _____, 20__ for property at Asheville Regional Airport, which is incorporated herein by reference, made a part hereof, and is hereinafter referred to as the Agreement, and

WHEREAS, Principal has by written agreement dated _____, entered into a contract, hereinafter referred to as the Contract, with _____, hereinafter referred to as Contractor, for the construction at the Airport as described in the Agreement; and

WHEREAS, under the terms of the Agreement, Principal is required to indemnify and hold harmless Authority from and against any and all claims of claimants, as defined in the General Statutes of North Carolina, for installations and improvements at the Authority as described in the Agreement, and is also required to provide a bond protecting the rights of such claimants to payment for services, labor, materials or supplies used directly or indirectly in the prosecution of the installations and improvements at the Authority as described in the Agreement; and

WHEREAS, Surety is authorized to do business in the State of North Carolina;

NOW, THEREFORE, the condition of this obligation is such that if Principal shall promptly make payments to all claimants as defined in the General Statutes of North Carolina, supplying Principal and/or Contractor with services, labor, materials, or supplies, used directly or indirectly by Principal and/or Contractor in the prosecution of the improvements and installations at the Authority as provided for in the Agreement and the Contract, then this obligation shall be void; otherwise, it shall remain in full force and effect, subject, however, to the following conditions:

1. This bond is furnished for the purpose of complying with the requirements of the General Statutes of North Carolina, to the extent applicable; and for the purpose of exempting any legal or equitable interest in real property owned by Authority or the Principal from liens, and complying with the requirements of the General Statutes of North Carolina, to the extent applicable.

2. It is a specific condition of this bond that a claimant's right of action on the bond is limited to the provisions of the General Statutes of North Carolina, including, but not limited to, the one-year (1) time limitation within which suits may be brought.

Therefore, a claimant, except a laborer, who is not in privity with the Principal and who has not received payment for his services, labor, materials or supplies shall, within forty-five (45) days after beginning to furnish services, labor, materials or supplies for the prosecution of the work, furnish the Principal with a notice that he intends to look to the bond for protection. Any claimant who has not received payment for his services, labor, materials or supplies shall, within ninety (90) days after performance of the services or labor or completion of delivery of the materials or supplies, deliver to the Principal and to the Surety written notice of the performance of the services or labor or delivery of the materials or supplies and of the nonpayment. No action for the services, labor, materials or supplies may

be instituted against the Principal or the Surety unless both notices have been given. No action shall be instituted against the Principal or the Surety on the bond after one (1) year from the performance of the services or labor or completion of the delivery of the materials or supplies.

3. The Surety's obligations hereunder shall remain in full force and effect notwithstanding (i) amendments or modifications to the Agreement or Contract entered into by Authority, Principal and/or Contractor without the Surety's knowledge or consent, (ii) waivers of compliance with or any default under the Lease or Contract granted by Authority to Principal or by Principal to Contractor without the Surety's knowledge or consent, (iii) the discharge of Principal from its obligations under the Agreement or Contract as a result of any proceeding initiated under The Bankruptcy Code of 1978, as the same may be amended, or any similar state or federal law, or any limitation of the liability of Principal or its estate as a result of any such proceeding, or (iv) any other action taken by the Authority, Principal or Contractor that would, in the absence of this clause, result in the release or discharge by operation of law of the Surety from its obligations hereunder.

4. Any changes in or under the Agreement or Contract and compliance or noncompliance with any formalities connected with the Agreement or Contract or the changes therein shall not affect Surety's obligations under this bond, and Surety hereby waives notice of any such changes. Further, Principal and Surety acknowledge that the Penal Sum of this bond shall increase or decrease in accordance with approved changes or other modifications to the Agreement and/or the Contract.

[THIS SPACE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the Principal and Surety have executed this instrument under their several seals on the __ day of _____, 20____, the name and corporate seal of each corporate party being hereto affixed and these presents fully signed by its undersigned representative, pursuant to authority of its governing body.

Signed, sealed and delivered
in the presence of:

(Seal)

(Seal)

(Countersigned by North Carolina Registered Agent)

Note: If Principal and Surety are corporations, the respective corporate seals shall be affixed and attached.

Surety shall execute and attach a certified copy of Power of Attorney Appointing Individual Attorney-In-Fact for execution of Payment Bond on behalf of Surety.

By: _____

Principal

(Official Title)

By: _____

Surety

(Official Title)

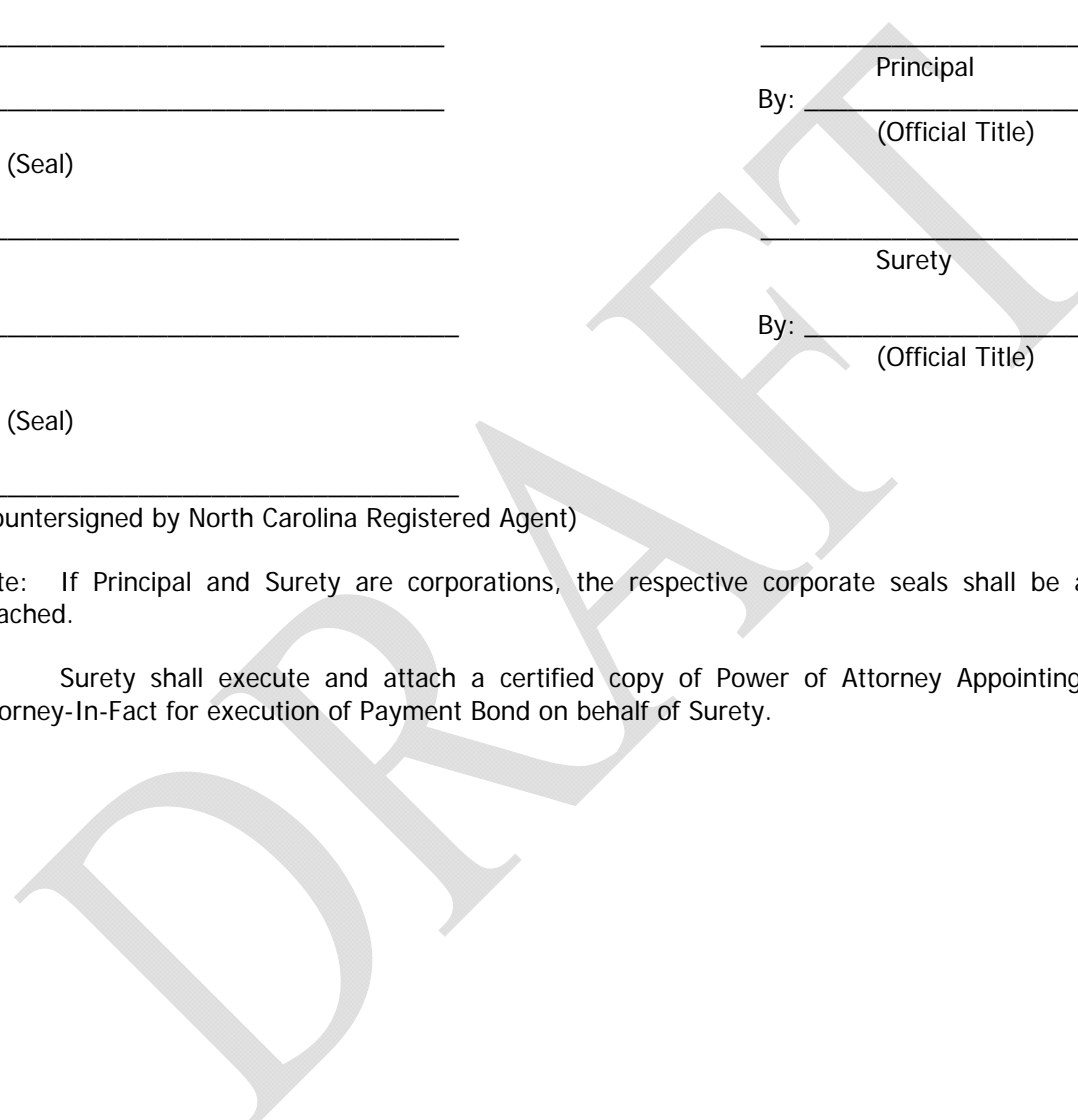


EXHIBIT "I"
PERFORMANCE BOND FORM

KNOW ALL MEN BY THESE PRESENTS that _____
_____, hereinafter referred to as Principal, and _____ a corporation
organized under the laws of the State of _____ and licensed to do business in the State of
North Carolina, hereinafter referred to as Surety, are held and firmly bound unto the Asheville Regional
Airport Authority as Oblige, hereinafter referred to as Company, in the Penal Sum of
_____ DOLLARS (\$_____), for the payment of which sum well and
truly made, Principle and Surety bind ourselves, our heirs, personal representatives, successors and
assigns, jointly and severally, firmly by these presents.

WHEREAS, Principal has been awarded real property at _____, in
accordance with the Agreement dated _____, which is incorporated herein by reference,
made a part hereof, and is hereinafter referred to as the Lease; and

WHEREAS, Principal has by written agreement dated _____, entered into a contract,
hereinafter referred to as the Contract, with _____, hereinafter referred to as
Contractor, for the construction of improvements to the above-described real property in accordance with
the plans and specifications prepared by _____, dated _____, which
were approved by Authority, and which are incorporated herein by reference and made a part hereof,
and which are hereinafter referred to as the Plans and Specifications; and

WHEREAS, under the terms of the Lease, Principal is permitted or required to complete the
improvements to the above-described property in accordance with the Plans and Specifications and the
requirements of the Lease, and is also required to provide a bond guaranteeing the faithful performance
of such improvements by the Principal and the Contractor or such replacement contractors as Principal
may employ; and

WHEREAS, Surety is authorized to do business in the State of North Carolina;

NOW, THEREFORE, the condition of this obligation is such that if Principal, by and through
Contractor or such replacement contractors as Principal may employ:

1. Promptly and faithfully completes and performs such improvements in accordance with
the Plans and Specifications, the Contract, and the obligations imposed upon Principal by the Lease in
connection therewith, in the time and manner prescribed in the Lease and Contract,

2. Pays Authority all losses, damages (liquidated or actual), including, but not limited to,
damages caused by delays in performance of the Principal or the Contractor, expenses, costs and
attorney's fees, including appellate proceedings, that Authority sustains resulting directly or indirectly
from failure of the Principal or the Contractor to complete the improvements in accordance with the Plans
and Specifications or the terms of the Contract, or from any breach or default by Principal or the
Contractor under the Lease in connection therewith, and

3. Pays Authority all losses, damages, expenses, costs, attorneys' fees and other legal costs
(including, but not limited to, those for investigative and legal support services), including those incurred
in appellate proceedings, that the Authority sustains resulting directly or indirectly from conduct of the
Principal or the Contractor, including, but not limited to, want of care or skill, negligence, patent
infringement, or intentionally wrongful conduct on the part of the Principal or the Contractor, their
officers, agents, employees or any other person or entity for whom the Principal or the Contractor are
responsible, then this bond is void; otherwise it shall remain in full force and effect.

In the event that the Principal, individually or by and through the Contractor or such replacement contractors as Principal may employ, shall fail to complete the improvements in accordance with the Plans and Specifications or the terms of the Contract, or to perform any of the terms, covenants and conditions of the Lease related to construction of such improvements during the period in which this Performance Bond is in effect, the Surety shall remain liable to the Authority for all such loss or damage, including reasonable attorneys' fees and other legal costs resulting from any failure to perform up to the amount of the Penal Sum.

In the event that the Surety fails to fulfill its obligations under this Performance Bond, then the Surety shall also indemnify and save the Authority harmless from any and all loss, damage, cost and expense, including reasonable attorneys' fees and other legal costs for all trial and appellate proceedings, resulting directly or indirectly from the Surety's failure to fulfill its obligations hereunder. This paragraph shall survive the termination or cancellation of this Performance Bond. The obligations set forth in this paragraph shall not be limited by the Penal Sum of this Bond.

The Surety's obligations hereunder shall be direct and immediate and not conditional or contingent upon Authority's pursuit of its remedies against Principal, and shall remain in full force and effect notwithstanding (i) amendments or modifications to the Lease or the Contract entered into by Authority, Principal and/or Contractor without the Surety's knowledge or consent, (ii) waivers of compliance with or any default under the Lease or the Contract granted by Authority to Principal or by Principal to Contractor without the Surety's knowledge or consent, (iii) the discharge of Principal from its obligations under the Lease or the Contract as a result of any proceeding initiated under The Bankruptcy Code of 1978, as the same may be amended, or any similar state or federal law, or any limitation of the liability of Principal or its estate as a result of any such proceedings, or (iv) any other action taken by Authority or Principal or Contractor that would, in the absence of this clause, result in the release or discharge by operation of law of the Surety from its obligations hereunder.

The institution of suit upon this Bond is subject to a statute of limitations of four (4) years for claims arising out of the actual construction of improvements and five (5) years for all other claims arising out of this written contract, as set forth the General Statutes of North Carolina.

Any changes in or under the Lease or the Contract and compliance or noncompliance with any formalities connected with the Lease or the Contract or the changes therein shall not affect Surety's obligations under this bond, and Surety hereby waives notice of any such changes. Further, Principal and Surety acknowledge that the Penal Sum of this bond shall increase or decrease in accordance with approved changes or other modifications to the Lease and/or the Contract.

[THIS SPACE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the Principal and Surety have executed this instrument under their seals on the _____ day of _____, 20____, the name and corporate seal of each corporate party being hereto affixed and these presents fully signed by its undersigned representative, pursuant, authority of its governing body.

Signed, sealed and delivered
in the presence of:

(Seal)

(Seal)

(Countersigned by North Carolina Registered Agent)

Note: If Principal and Surety are corporations, the respective corporate seals shall be affixed and attached.

Surety shall execute and attach a certified copy of Power of Attorney Appointing Individual Attorney-In-Fact for execution of Performance Bond on behalf of Surety.

By: _____

Principal

(Official Title)

By: _____

Surety

(Official Title)

EXHIBIT "J"
ELECTION FORM

The undersigned, a duly authorized official of the Contracting Party, hereby elects (pursuant to Section 142(b)(1)(B)(i) of the Code) not to claim depreciation or an investment credit with respect to the Property described above. This Election is being made in connection with the execution of the lease, service contract, management contract or other contract (the "Contract") pertaining to the Property.

Contracting Party understands that this Election is irrevocable, and that this Election is binding on all successors in interest under the Contract regardless of whether the obligations issued to provide the Property remain outstanding. Furthermore, the Contract and any publicly recorded document recorded in lieu of such Contract states that neither the Contracting Party nor any successor in interest under the Contract may claim depreciation or an investment credit with respect to the Property.

In addition, Contracting Party agrees that it shall not use any portion of the Property for office space or, alternatively (and subject to the terms of its Contract with the Asheville Regional Airport Authority), shall limit its use of any portion of the Property for office space so that no more than a de minimis amount [not more than five percent (5%)], if any, of the functions to be performed in such office space will not be directly related to the day-to-day operations either at the Property or more generally at Asheville Regional Airport. Contracting Party agrees that this provision shall be binding upon any assignees, sublessees or other successors in interest.

The Issuing Authority is being provided with a copy of this Election concurrent with its execution. In addition, the Issuing Authority and the Contracting Party will retain copies of this Election in their respective records for the entire term of the Contract.

By: _____
Title: _____
Date: _____



MEMORANDUM

TO: Members of the Airport Authority

FROM: Lew Bleiweis, Airport Director

DATE: February 11, 2011

ITEM DESCRIPTION – New Business Item A

Approval of Airline Incentives for Vision Airlines

BACKGROUND

In 1994, Vision Airlines (Vision) started operation in Las Vegas, Nevada as a tour operator providing tours over the Grand Canyon. Within a short period of time, Vision became the largest aviation tour operator in the region. Vision then progressed into the aircraft charter business and has become one of the premier charter operators in the United States.

Vision currently operates a fleet of Dornier 328 (30 seat turbo-prop), Boeing 737, and Boeing 767 aircraft.

Vision is now entering the scheduled passenger airline business and starting operations in a multitude of cities with a hub operation at the Northwest Florida Regional Airport (VPS) located near Ft. Walton/Destin, Florida.

As one of the rollout cities, Vision has proposed non-stop service between Asheville and Ft. Walton Beach, Florida. The service would start April 1, 2011 with two flights per week utilizing a 147 passenger Boeing 737 aircraft.

ISSUES

The Authority's policies currently provide for airline incentives to be offered for new airline service to any of the airport's top 20 non-stop destinations. Ft. Walton/Destin, Florida does not fall within the top 20 markets and therefore, an exemption of the policy is needed to be made by the Authority Board.

New Business – Item A



ALTERNATIVES

None

FISCAL IMPACT

Staff would like to officially offer Vision an incentive package in the amount of \$40,000 for initial service marketing, an additional \$60,000 of marketing money within a couple of months should the service prove to be successful, up to \$20,000 for station start-up costs (inclusive of \$15,000 for the Air IT equipment programming), and Waived rents and fees (totaling approximately \$60,000) for up to one year of service for this specific service route. Funds are currently in the budget for this type of business development.

RECOMMENDED ACTION

It is respectfully requested that the Authority Board resolve to (1) approve airline incentives with Vision Airlines for AVL- VPS service; and (2) authorize the Airport Director to execute the necessary documents.



MEMORANDUM

TO: Members of the Airport Authority

FROM: Vickie Thomas, Director of Finance and Accounting

DATE: February 11, 2011

ITEM DESCRIPTION – New Business Item B

Proposed FY10/11 Budget Amendment

BACKGROUND

The public parking facilities management contract with Standard Parking (Standard) provided that an evaluation of the parking equipment would be made, and Standard would purchase new parking equipment deemed necessary by the Authority. The contract provides that the Authority will either reimburse Standard for the full cost of any new equipment or will make reimbursement on a monthly basis over the remaining term of the contract.

Standard has paid \$344,330 for the new parking equipment, and is ready to begin billing for their reimbursement. The FY10/11 Operations Department budget includes \$101,772 for monthly amortization payments. Given that the 5.73% interest rate that the Authority would be charged in the monthly amortization is considerably higher than the under 1% rate that the Authority earns on its funds, and given that FY10/11's Parking Lot revenue is over budget enough to cover the \$242,558 additional FY10/11 cost, we recommend that the Authority purchase the equipment outright in FY10/11.

ISSUES

The budget needs to be amended to provide for the additional cost and the related increase in parking revenue.

New Business – Item B



ALTERNATIVES

We could reimburse Standard Parking on a monthly basis over the remaining life of the contract.

FISCAL IMPACT

The budget amendment will increase FY10/11's budgeted Equipment and Small Capital Outlay expenditures by \$344,330, decrease budgeted Operations Department expenditures by \$101,772, and increase Parking Lot revenues by \$242,558.

RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to amend the FY10/11 budget by adopting the following budget ordinance amendment:

BE IT ORDAINED by the Asheville Regional Airport Authority that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2011:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Equipment and Small Capital Outlay		\$344,330
Operations Department	\$101,772	
Totals	\$101,772	\$344,330

This will result in a net increase of \$242,558 in the appropriations. To provide the additional revenue for the above, revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Parking Lot/Roadway		\$242,558
Totals	\$0	\$242,558



Section 2. Copies of this budget amendment shall be furnished to the Secretary of the Asheville Regional Airport Authority, who for purposes of this ordinance, is designated as the Clerk to the Asheville Regional Airport Authority, and to the Budget Officer and to the Finance Officer for their direction.

Adopted this 11th day of February, 2011.

David Hillier, Chairman

Attested by:

Jeffrey A. Piccirillo, Secretary-Treasurer



MEMORANDUM

TO: Members of the Airport Authority

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

DATE: February 11, 2011

ITEM DESCRIPTION – Information Section Item A

December, 2010 Traffic Report – Asheville Regional Airport

SUMMARY

December 2010 overall passenger traffic numbers were up 18.2%. Passenger traffic numbers reflect a 16.4% increase in passenger enplanements from December 2009. Enplanements for fiscal year to date total 210,180.

AIRLINE PERFORMANCE

AirTran Airways: AirTran's December 2010 enplanements increased by 15.6% compared to December 2009. There were no flight cancellations for the month.

Continental Airlines: Year over Year passenger enplanements for Continental in December 2010 were down by 5.1%. There were three (3) flight cancellations for the month.

Delta Airlines: Delta's December 2010 enplanements increased by 20.2% compared to December 2009. There were twenty (20) flight cancellations for the month.

United Airlines: In December 2010, United Airlines saw an increase in enplanements by 100.1% over the same period last year. There were no flight cancellations for the month.

US Airways: US Airways' December 2010 passenger enplanements represent a 23.8% increase. There were twenty-two (22) flight cancellations for the month.

Monthly Traffic Report Asheville Regional Airport

December 2010



Category	Dec 2010	Dec 2009	Percentage Change	*CYTD-2010	*CYTD-2009	Percentage Change	*MOV12-2010	*MOV12-2009	Percentage Change
Passenger Traffic									
Enplaned	26,315	22,599	16.4%	369,576	291,199	26.9%	369,576	291,199	26.9%
Deplaned	<u>26,543</u>	<u>22,135</u>	19.9%	<u>366,184</u>	<u>288,244</u>	27.0%	<u>366,184</u>	<u>288,244</u>	27.0%
Total	52,858	44,734	18.2%	735,760	579,443	27.0%	735,760	579,443	27.0%
Aircraft Operations									
Airlines	103	41	151.2%	1,160	363	219.6%	1,160	363	219.6%
Commuter /Air Taxi	<u>1,460</u>	<u>1,327</u>	10.0%	19,605	17,234	13.8%	19,605	17,234	13.8%
Subtotal	<u>1,563</u>	<u>1,368</u>	14.3%	<u>20,765</u>	<u>17,597</u>	18.0%	<u>20,765</u>	<u>17,597</u>	18.0%
General Aviation	2,443	2,895	-15.6%	41,752	45,125	-7.5%	41,752	45,125	-7.5%
Military	<u>222</u>	<u>320</u>	-30.6%	<u>4,823</u>	<u>3,715</u>	29.8%	<u>4,823</u>	<u>3,715</u>	29.8%
Subtotal	<u>2,665</u>	<u>3,215</u>	-17.1%	<u>46,575</u>	<u>48,840</u>	-4.6%	<u>46,575</u>	<u>48,840</u>	-4.6%
Total	4,228	4,583	-7.7%	67,340	66,437	1.4%	67,340	66,437	1.4%
Fuel Gallons									
100LL	7,752	8,776	-11.7%	216,837	212,209	2.2%	216,837	212,209	2.2%
Jet A (GA)	78,653	72,267	8.8%	1,137,293	1,068,609	6.4%	1,137,293	1,068,609	6.4%
Subtotal	<u>86,405</u>	<u>81,043</u>	6.6%	<u>1,354,130</u>	<u>1,280,818</u>	5.7%	<u>1,354,130</u>	<u>1,280,818</u>	5.7%
Jet A (A/L)	<u>243,081</u>	<u>230,151</u>	5.6%	<u>3,517,752</u>	<u>2,499,258</u>	40.8%	<u>3,517,752</u>	<u>2,499,258</u>	40.8%
Total	329,486	311,194	5.9%	4,871,882	3,780,076	28.9%	4,871,882	3,780,076	28.9%

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

Wednesday, February 02, 2011

Airline Enplanements, Seats, and Load Factors

Asheville Regional Airport

December 2010



	Dec 2010	Dec 2009	Percentage Change	*CYTD-2010	*CYTD-2009	Percentage Change
AirTran Airways						
Enplanements	1,260	1,090	15.6%	24,990	8,688	187.6%
Seats	1,521	1,521	0.0%	29,975	10,179	194.5%
Load Factor	82.8%	71.7%	15.6%	83.4%	85.4%	-2.3%
American Airlines						
Enplanements	0	0	#Num!	7,318	0	#Div/0!
Seats	0	0	#Num!	9,194	0	#Div/0!
Load Factor	#Num!	#Num!	#Error	79.6%	#Num!	#Error
Continental Airlines						
Enplanements	1,954	2,058	-5.1%	27,960	30,550	-8.5%
Seats	2,800	2,800	0.0%	38,900	40,850	-4.8%
Load Factor	69.8%	73.5%	-5.1%	71.9%	74.8%	-3.9%
Delta Air Lines						
Enplanements	11,338	9,433	20.2%	160,967	130,851	23.0%
Seats	15,100	13,850	9.0%	204,075	167,020	22.2%
Load Factor	75.1%	68.1%	10.2%	78.9%	78.3%	0.7%
Northwest Airlines						
Enplanements	0	1,165	-100.0%	791	19,930	-96.0%
Seats	0	1,500	-100.0%	1,450	24,550	-94.1%
Load Factor	#Num!	77.7%	#Error	54.6%	81.2%	-32.8%
United Airlines						
Enplanements	2,113	1,056	100.1%	29,578	1,056	2700.9%
Seats	2,950	1,350	118.5%	37,500	1,350	2677.8%
Load Factor	71.6%	78.2%	-8.4%	78.9%	78.2%	0.8%

	Dec 2010	Dec 2009	Percentage Change	*CYTD-2010	*CYTD-2009	Percentage Change
US Airways						
Enplanements	9,650	7,797	23.8%	117,972	100,124	17.8%
Seats	13,650	10,300	32.5%	152,375	122,985	23.9%
Load Factor	70.7%	75.7%	-6.6%	77.4%	81.4%	-4.9%
Totals						
Enplanements	26,315	22,599	16.4%	369,576	291,199	26.9%
Seats	36,021	31,321	15.0%	473,469	366,934	29.0%
Load Factor	73.1%	72.2%	1.2%	78.1%	79.4%	-1.6%

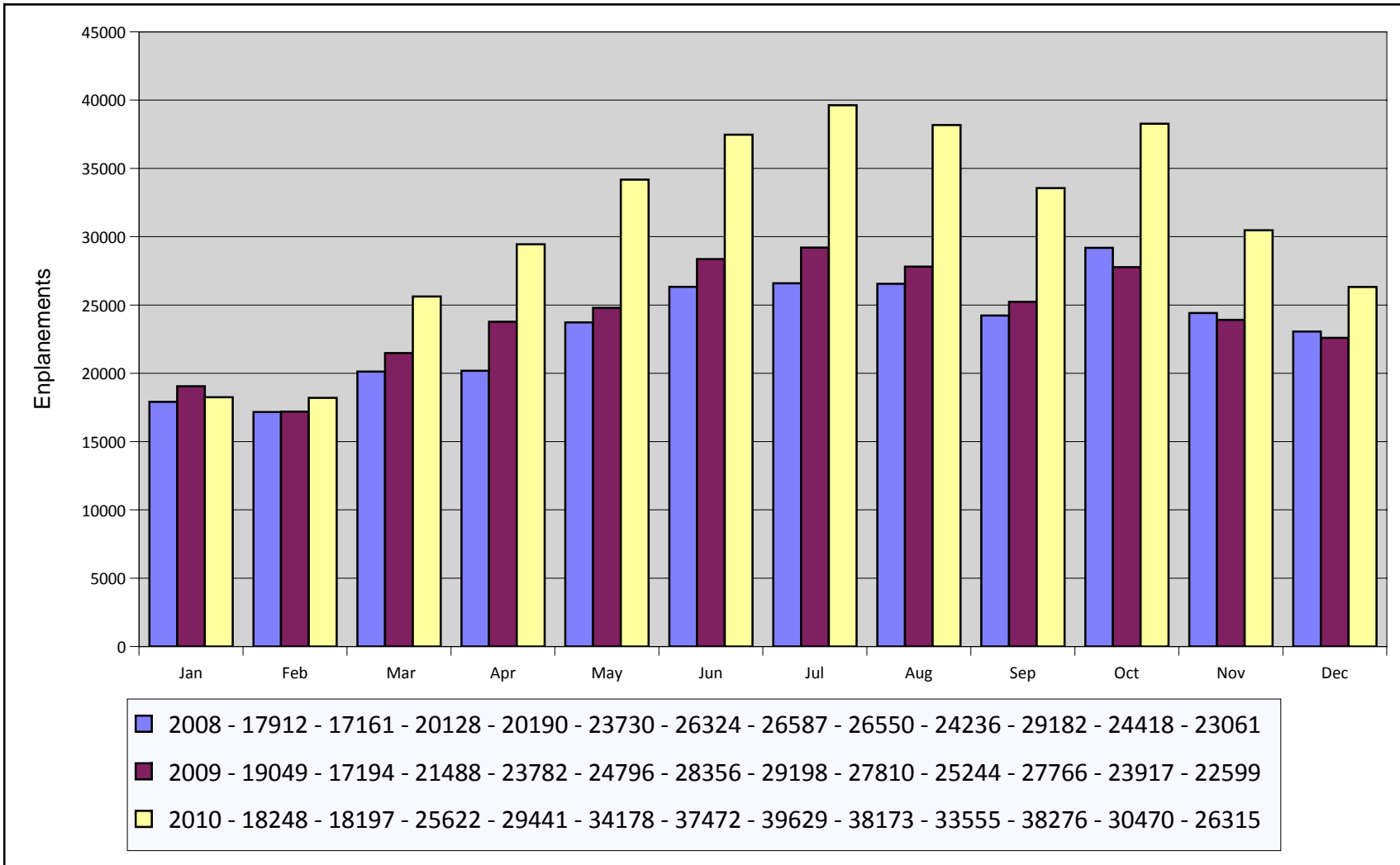
Airline Flight Completions Asheville Regional Airport

December 2010

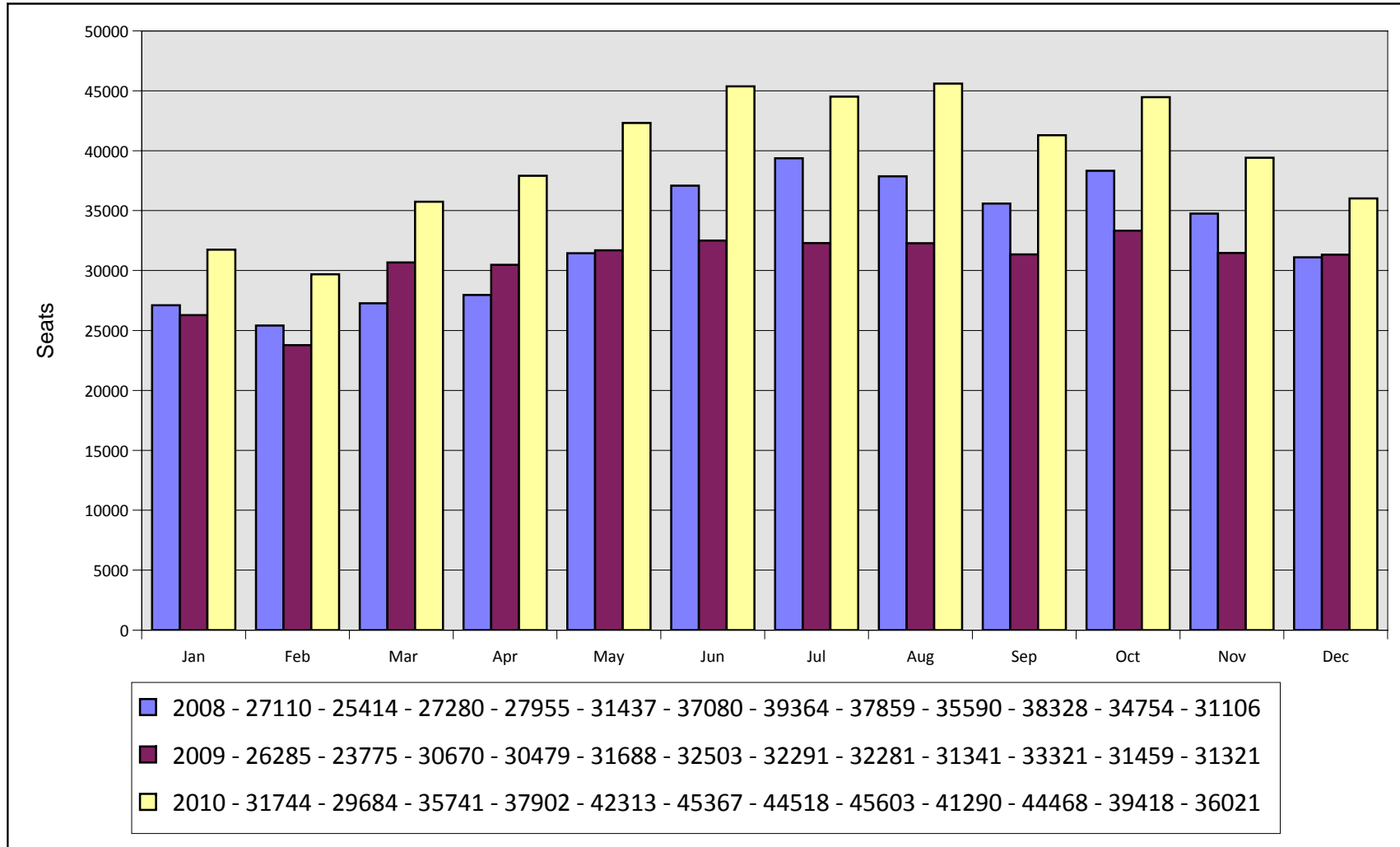


Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed
			Mechanical	Weather	Other		
AirTran Airways	13	0	0	0	0	0	100.0%
American Airlines	0	0	0	0	0	0	#Num!
Continental Airlines	59	0	0	3	0	3	94.9%
Delta Air Lines	323	0	1	19	0	20	93.8%
Northwest Airlines	0	0	0	0	0	0	#Num!
United Airlines	59	0	0	0	0	0	100.0%
US Airways	295	1	3	16	2	22	92.5%
Total	749	1	4	38	2	45	94.0%

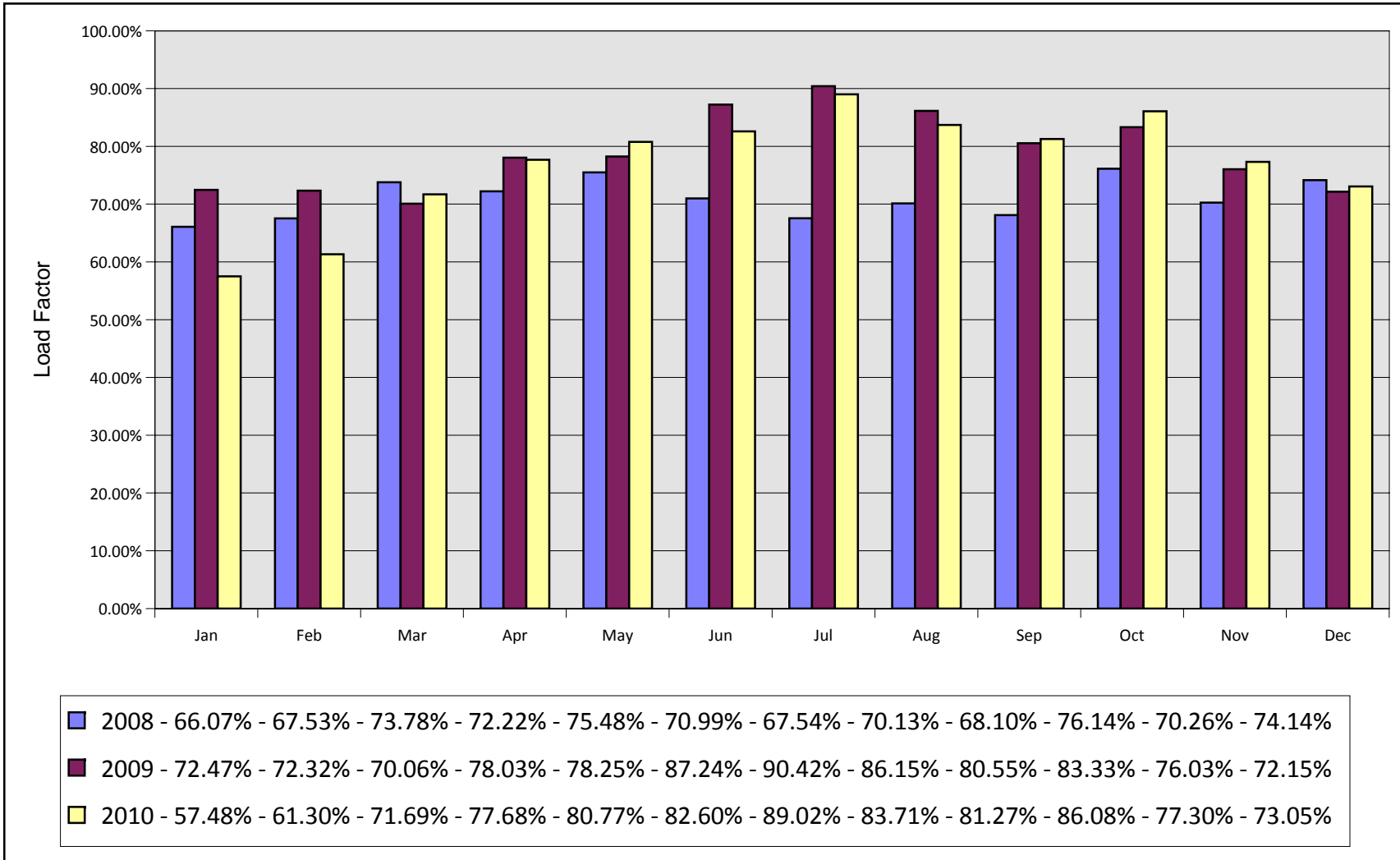
Monthly Enplanements By Year Asheville Regional Airport



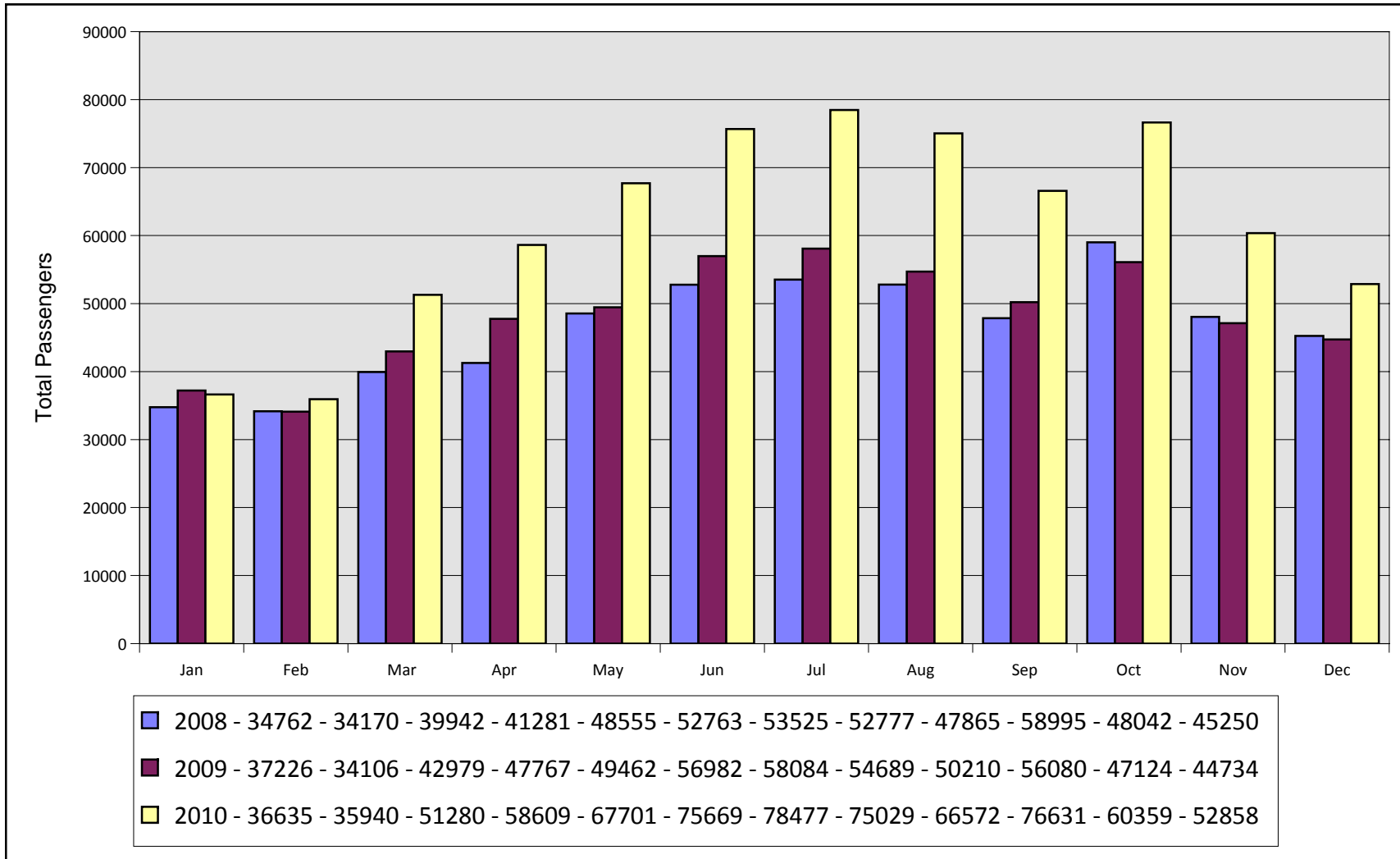
Monthly Seats By Year Asheville Regional Airport



Monthly Load Factors By Year Asheville Regional Airport

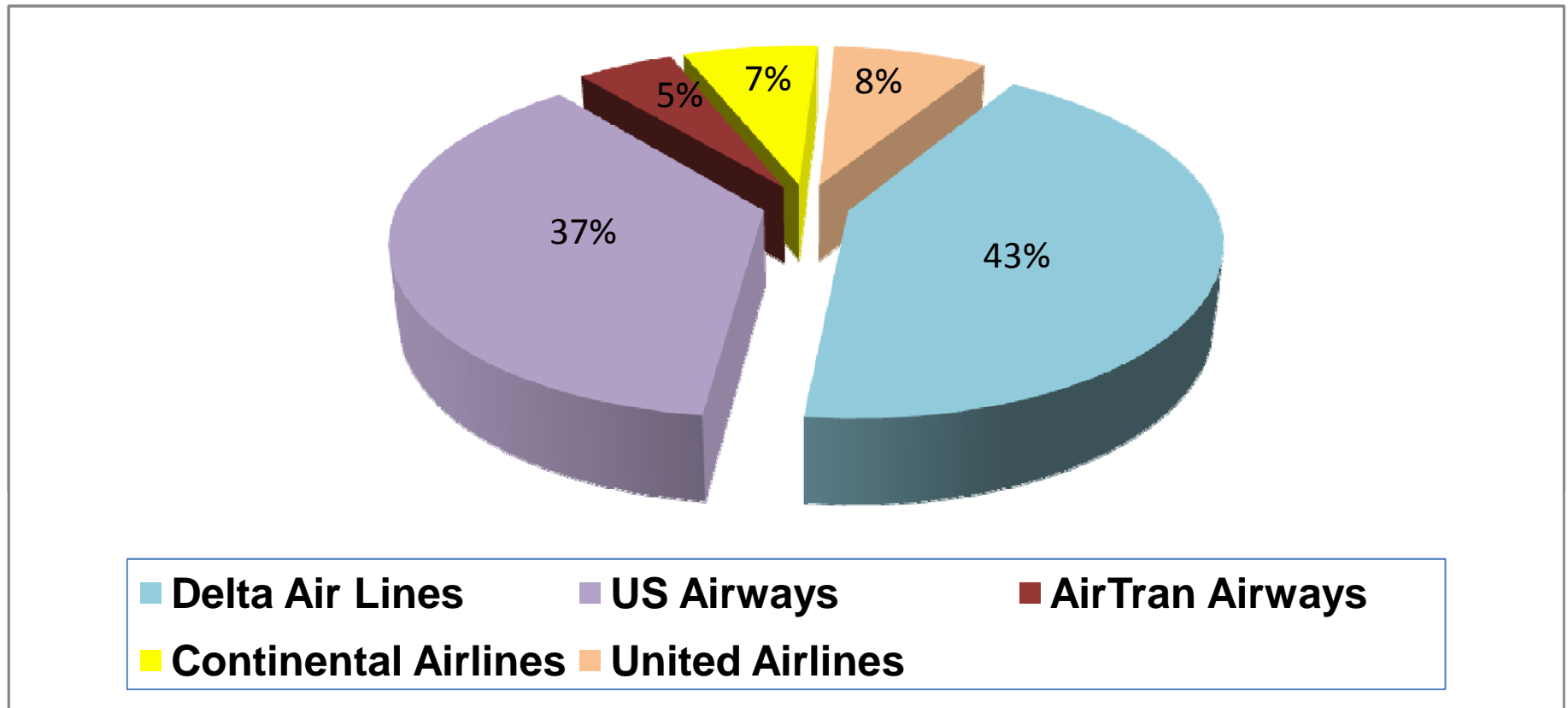


Total Monthly Passengers By Year Asheville Regional Airport

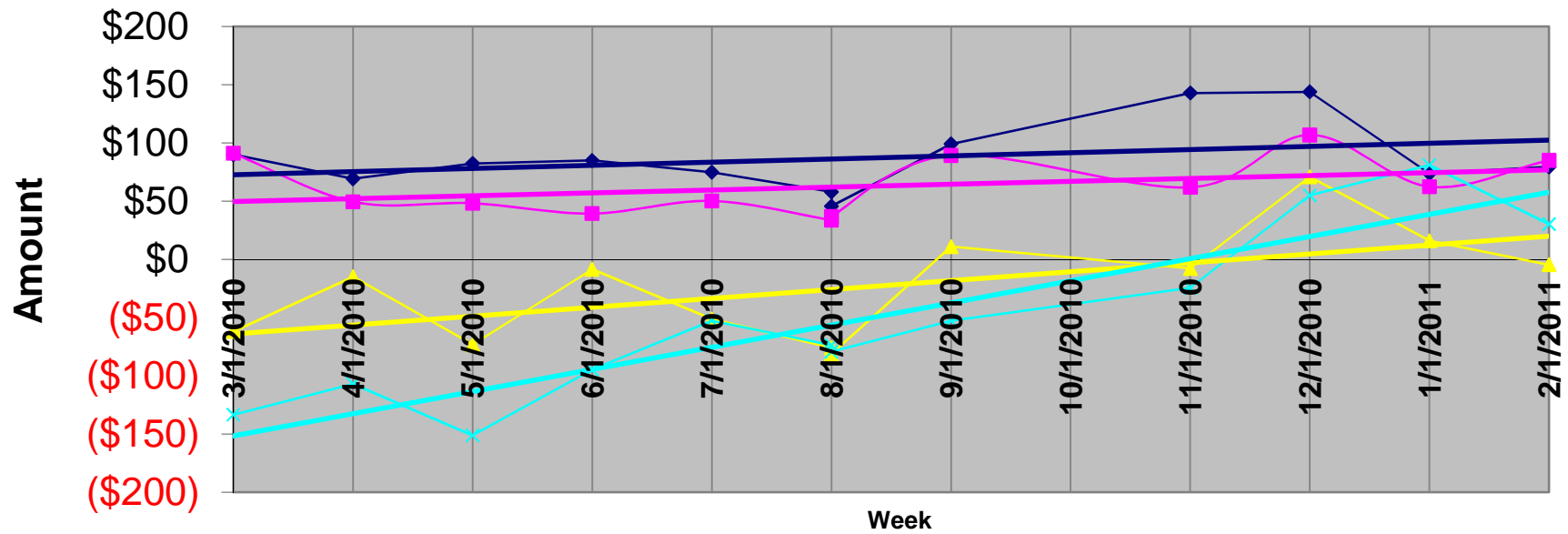


Airline Market Share Analysis (Enplanements) Asheville Regional Airport

Report Period From December 2010 Through December 2010



AVL Average Airfare Differences 21 Day Advance Purchase, 3 Day Stay



◆ ATL
 ■ CLT
 ▲ GSP
 ✕ TRI
— Linear (ATL)
— Linear (CLT)
— Linear (GSP)
— Linear (TRI)

Asheville Regional Airport
Sample airfares as of 2/3/11
21 Day Advance Purchase, 3 day Stay

		Difference in Fares								
		<u>ASHEVILLE</u>	<u>ATLANTA</u>	<u>CHARLOTTE</u>	<u>GREENVILLE</u>	<u>IRI- CITIES</u>	<u>ATLANTA</u>	<u>CHARLOTTE</u>	<u>GREENVILLE</u>	<u>IRI- CITIES</u>
ABQ	Albuquerque	\$371	\$427	\$357	\$496	\$437	(\$56)	\$14	(\$125)	(\$66)
ATL	Atlanta	\$341		\$157	\$301	\$353	\$341	\$184	\$40	(\$12)
AUS	Austin	\$317	\$319	\$228	\$364	\$364	(\$2)	\$89	(\$47)	(\$47)
BWI	Baltimore	\$281	\$209	\$167	\$246	\$247	\$72	\$114	\$35	\$34
BOS	Boston	\$323	\$239	\$156	\$306	\$308	\$84	\$167	\$17	\$15
ORD	Chicago	\$301	\$209	\$242	\$316	\$301	\$92	\$59	(\$15)	\$0
CVG	Cincinnati	\$279	\$197	\$226	\$203	\$236	\$82	\$53	\$76	\$43
CLE	Cleveland	\$344	\$197	\$362	\$349	\$247	\$147	(\$18)	(\$5)	\$97
DFW	Dallas	\$323	\$239	\$272	\$361	\$250	\$84	\$51	(\$38)	\$73
DEN	Denver	\$330	\$284	\$387	\$346	\$340	\$46	(\$57)	(\$16)	(\$10)
DTW	Detroit	\$284	\$209	\$264	\$279	\$361	\$75	\$20	\$5	(\$77)
FLL	Fort Lauderdale	\$346	\$197	\$281	\$425	\$354	\$149	\$65	(\$79)	(\$8)
RSW	Ft. Myers	\$506	\$271	\$403	\$463	\$412	\$235	\$103	\$43	\$94
BDL	Hartford	\$355	\$428	\$205	\$567	\$251	(\$73)	\$150	(\$212)	\$104
IAH	Houston	\$456	\$227	\$271	\$287	\$249	\$229	\$185	\$169	\$207
IND	Indianapolis	\$337	\$189	\$203	\$256	\$247	\$148	\$134	\$81	\$90
JAX	Jacksonville	\$287	\$179	\$217	\$243	\$247	\$108	\$70	\$44	\$40
MCI	Kansas City	\$317	\$209	\$225	\$276	\$250	\$108	\$92	\$41	\$67
LAS	Las Vegas	\$465	\$360	\$367	\$455	\$444	\$105	\$98	\$10	\$21
LAX	Los Angeles	\$317	\$280	\$359	\$391	\$365	\$37	(\$42)	(\$74)	(\$48)
MHT	Manchester	\$374	\$310	\$225	\$417	\$321	\$64	\$149	(\$43)	\$53
MEM	Memphis	\$393	\$164	\$249	\$388	\$243	\$229	\$144	\$5	\$150
MIA	Miami	\$411	\$335	\$296	\$476	\$409	\$76	\$115	(\$65)	\$2
MKE	Milwaukee	\$337	\$207	\$203	\$271	\$246	\$130	\$134	\$66	\$91
MSP	Minneapolis/Saint Paul	\$411	\$229	\$274	\$345	\$260	\$182	\$137	\$66	\$151
BNA	Nashville	\$268	\$365	\$216	\$203	\$246	(\$97)	\$52	\$65	\$22
MSY	New Orleans	\$303	\$216	\$242	\$321	\$313	\$87	\$61	(\$18)	(\$10)

LGA	New York	\$399	\$254	\$201	\$467	\$247	\$145	\$198	(\$68)	\$152
EWR	Newark	\$406	\$254	\$217	\$358	\$247	\$152	\$189	\$48	\$159
MCO	Orlando	\$332	\$221	\$250	\$417	\$374	\$111	\$82	(\$85)	(\$42)
PHL	Philadelphia	\$303	\$199	\$203	\$266	\$247	\$104	\$100	\$37	\$56
PHX	Phoenix	\$319	\$329	\$281	\$258	\$340	(\$10)	\$38	\$61	(\$21)
PIT	Pittsburgh	\$297	\$207	\$213	\$273	\$247	\$90	\$84	\$24	\$50
PDX	Portland	\$317	\$519	\$259	\$474	\$496	(\$202)	\$58	(\$157)	(\$179)
PVD	Providence	\$380	\$339	\$205	\$355	\$270	\$41	\$175	\$25	\$110
RDU	Raleigh/Durham	\$308	\$167	\$197	\$236	\$247	\$141	\$111	\$72	\$61
RIC	Richmond	\$318	\$194	\$197	\$258	\$247	\$124	\$121	\$60	\$71
STL	Saint Louis	\$318	\$204	\$223	\$268	\$247	\$114	\$95	\$50	\$71
SLC	Salt Lake City	\$530	\$510	\$524	\$634	\$638	\$20	\$6	(\$104)	(\$108)
SAT	San Antonio	\$327	\$239	\$228	\$306	\$355	\$88	\$99	\$21	(\$28)
SAN	San Diego	\$400	\$402	\$232	\$446	\$466	(\$2)	\$168	(\$46)	(\$66)
SFO	San Francisco	\$327	\$349	\$351	\$443	\$391	(\$22)	(\$24)	(\$116)	(\$64)
SRQ	Sarasota/Bradenton	\$352	\$236	\$223	\$283	\$401	\$116	\$129	\$69	(\$49)
SEA	Seattle	\$317	\$330	\$349	\$426	\$310	(\$13)	(\$32)	(\$109)	\$7
SYR	Syracuse	\$306	\$327	\$205	\$376	\$255	(\$21)	\$101	(\$70)	\$51
TPA	Tampa	\$263	\$217	\$243	\$283	\$247	\$46	\$20	(\$20)	\$16
YYZ	Toronto	\$631	\$654	\$670	\$667	\$590	(\$23)	(\$39)	(\$36)	\$41
DCA	Washington DC	\$314	\$236	\$261	\$273	\$247	\$78	\$53	\$41	\$67
IAD	Washington DC	\$314	\$247	\$213	\$251	\$247	\$67	\$101	\$63	\$67
PBI	West Palm Beach	\$367	\$222	\$272	\$387	\$354	\$145	\$95	(\$20)	\$13

*These sample airfares were available 2/3/11, based on a 21 day advance purchase and a 3 day stay. Other restrictions may apply. To obtain the most up-to-date pricing information for your travel needs, please contact your travel agent or visit the following web sites: www.aa.com; www.airtran.com; www.continental.com; www.delta.com; www.united.com; www.usairways.com; www.travelocity.com; www.orbitz.com; or www.expedia.com. Airfares are subject to change without notice - and lower airfares are often not available on all dates. Please see our "special airfares" section on our web site for any last minute airfare specials. Sample airfares will be updated each Tuesday.

\$79 \$85 (\$5) \$30
Average Fare difference

Blue highlighted numbers represent fare differentials in excess of \$35 for GSP, \$70 for CLT, \$100 for ATL, and \$35 for TRI.

Asheville Regional Airport
Sample airfares as of 2/3/11
0 Day Advance Purchase, 3 day Stay

		Difference in Fares								
		<u>ASHEVILLE</u>	<u>ATLANTA</u>	<u>CHARLOTTE</u>	<u>GREENVILLE</u>	<u>IRI- CITIES</u>	<u>ATLANTA</u>	<u>CHARLOTTE</u>	<u>GREENVILLE</u>	<u>IRI- CITIES</u>
ABQ	Albuquerque	\$829	\$672	\$660	\$821	\$669	\$157	\$169	\$8	\$160
ATL	Atlanta	\$459		\$377	\$468	\$587	\$459	\$82	(\$9)	(\$128)
AUS	Austin	\$685	\$487	\$458	\$675	\$569	\$198	\$227	\$10	\$116
BWI	Baltimore	\$456	\$304	\$227	\$414	\$621	\$152	\$229	\$42	(\$165)
BOS	Boston	\$597	\$442	\$309	\$537	\$647	\$155	\$288	\$60	(\$50)
ORD	Chicago	\$556	\$334	\$682	\$457	\$437	\$222	(\$126)	\$99	\$119
CVG	Cincinnati	\$652	\$423	\$820	\$509	\$442	\$229	(\$168)	\$143	\$210
CLE	Cleveland	\$685	\$459	\$521	\$591	\$381	\$226	\$164	\$94	\$304
DFW	Dallas	\$449	\$419	\$582	\$451	\$488	\$30	(\$133)	(\$2)	(\$39)
DEN	Denver	\$665	\$427	\$603	\$633	\$667	\$238	\$62	\$32	(\$2)
DTW	Detroit	\$685	\$394	\$571	\$634	\$671	\$291	\$114	\$51	\$14
FLL	Fort Lauderdale	\$575	\$219	\$553	\$909	\$615	\$356	\$22	(\$334)	(\$40)
RSW	Ft. Myers	\$595	\$377	\$492	\$783	\$524	\$218	\$103	(\$188)	\$71
BDL	Hartford	\$641	\$749	\$487	\$604	\$463	(\$108)	\$154	\$37	\$178
IAH	Houston	\$514	\$381	\$1,328	\$729	\$457	\$133	(\$814)	(\$215)	\$57
IND	Indianapolis	\$498	\$324	\$489	\$465	\$643	\$174	\$9	\$33	(\$145)
JAX	Jacksonville	\$507	\$259	\$395	\$741	\$473	\$248	\$112	(\$234)	\$34
MCI	Kansas City	\$523	\$366	\$397	\$564	\$543	\$157	\$126	(\$41)	(\$20)
LAS	Las Vegas	\$722	\$570	\$759	\$601	\$652	\$152	(\$37)	\$121	\$70
LAX	Los Angeles	\$700	\$574	\$669	\$751	\$717	\$126	\$31	(\$51)	(\$17)
MHT	Manchester	\$631	\$467	\$457	\$550	\$647	\$164	\$174	\$81	(\$16)
MEM	Memphis	\$518	\$399	\$644	\$513	\$518	\$119	(\$126)	\$5	\$0
MIA	Miami	\$671	\$433	\$755	\$652	\$647	\$238	(\$84)	\$19	\$24
MKE	Milwaukee	\$497	\$346	\$519	\$447	\$886	\$151	(\$22)	\$50	(\$389)
MSP	Minneapolis/Saint Paul	\$654	\$471	\$646	\$587	\$591	\$183	\$8	\$67	\$63
BNA	Nashville	\$638	\$572	\$556	\$929	\$822	\$66	\$82	(\$291)	(\$184)
MSY	New Orleans	\$1,079	\$471	\$964	\$524	\$966	\$608	\$115	\$555	\$113

LGA	New York	\$749	\$400	\$329	\$769	\$557	\$349	\$420	(\$20)	\$192
EWR	Newark	\$713	\$482	\$429	\$419	\$455	\$231	\$284	\$294	\$258
MCO	Orlando	\$239	\$323	\$347	\$953	\$365	(\$84)	(\$108)	(\$714)	(\$126)
PHL	Philadelphia	\$597	\$501	\$303	\$644	\$613	\$96	\$294	(\$47)	(\$16)
PHX	Phoenix	\$576	\$597	\$493	\$519	\$667	(\$21)	\$83	\$57	(\$91)
PIT	Pittsburgh	\$481	\$414	\$383	\$397	\$577	\$67	\$98	\$84	(\$96)
PDX	Portland	\$830	\$889	\$639	\$886	\$720	(\$59)	\$191	(\$56)	\$110
PVD	Providence	\$622	\$547	\$457	\$546	\$647	\$75	\$165	\$76	(\$25)
RDU	Raleigh/Durham	\$729	\$289	\$943	\$686	\$489	\$440	(\$214)	\$43	\$240
RIC	Richmond	\$646	\$386	\$540	\$772	\$751	\$260	\$106	(\$126)	(\$105)
STL	Saint Louis	\$522	\$381	\$471	\$457	\$715	\$141	\$51	\$65	(\$193)
SLC	Salt Lake City	\$1,224	\$752	\$655	\$716	\$1,116	\$472	\$569	\$508	\$108
SAT	San Antonio	\$577	\$484	\$446	\$585	\$517	\$93	\$131	(\$8)	\$60
SAN	San Diego	\$830	\$918	\$669	\$886	\$839	(\$88)	\$161	(\$56)	(\$9)
SFO	San Francisco	\$830	\$741	\$669	\$906	\$1,111	\$89	\$161	(\$76)	(\$281)
SRQ	Sarasota/Bradenton	\$563	\$399	\$530	\$714	\$809	\$164	\$33	(\$151)	(\$246)
SEA	Seattle	\$827	\$683	\$699	\$883	\$700	\$144	\$128	(\$56)	\$127
SYR	Syracuse	\$597	\$471	\$436	\$582	\$763	\$126	\$161	\$15	(\$166)
TPA	Tampa	\$243	\$329	\$425	\$764	\$627	(\$86)	(\$182)	(\$521)	(\$384)
YYZ	Toronto	\$1,008	\$1,454	\$1,553	\$986	\$998	(\$446)	(\$545)	\$22	\$10
DCA	Washington DC	\$434	\$378	\$645	\$560	\$1,213	\$56	(\$211)	(\$126)	(\$779)
IAD	Washington DC	\$434	\$389	\$401	\$560	\$1,213	\$45	\$33	(\$126)	(\$779)
PBI	West Palm Beach	\$677	\$260	\$505	\$729	\$803	\$417	\$172	(\$52)	(\$126)

\$156 \$55 (\$17) (\$40)

Average Fare difference

*These sample airfares were available 2/3/11, based on a 0 day advance purchase and a 3 day stay. Other restrictions may apply. To obtain the most up-to-date pricing information for your travel needs, please contact your travel agent or visit the following web sites: www.aa.com; www.airtran.com; www.continental.com; www.delta.com; www.united.com; www.usairways.com; www.travelocity.com; www.orbitz.com; or www.expedia.com. Airfares are subject to change without notice - and lower airfares are often not available on all dates. Please see our "special airfares" section on our web site for any last minute airfare specials. Sample airfares will be updated each Tuesday.

Blue highlighted numbers represent fare differentials in excess of \$35 for GSP, \$70 for CLT, \$100 for ATL, and \$35 for TRI.

Schedule Compare Report for all Airlines for Passenger flights between AVL and ALL for Feb11 vs. Feb10

AI	Ops/Week				Seats/Week			
	Feb11	Feb10	Diff	Pct Chg	Feb11	Feb10	Diff	Pct Chg
US	122	94	28	29.79	6,048	4,674	1,374	29.40
UA	28	28	0	0.00	1,400	1,400	0	0.00
FL	6	6	0	0.00	702	702	0	0.00
CO	24	26	-2	-7.69	1,200	1,300	-100	-7.69
DL	142	151	-9	-5.96	7,100	7,550	-450	-5.96
TOTAL	322	305	17	5.57	16,450	15,626	824	5.27

Schedule Compare Report for all Airlines for Passenger flights between AVL and ALL for Mar11 vs. Mar10

AI	Ops/Week				Seats/Week			
	Mar11	Mar10	Diff	Pct Chg	Mar11	Mar10	Diff	Pct Chg
US	136	102	34	33.33	6,592	5,022	1,570	31.26
UA	28	28	0	0.00	1,400	1,400	0	0.00
FL	6	6	0	0.00	702	702	0	0.00
CO	24	24	0	0.00	1,200	1,200	0	0.00
DL	146	168	-22	-13.10	7,300	8,400	-1,100	-13.10
TOTAL	340	328	12	3.66	17,194	16,724	470	2.81

Schedule Compare Report for all Airlines for Passenger flights between AVL and ALL for Apr11 vs. Apr10

AI	Ops/Week				Seats/Week			
	Apr11	Apr10	Diff	Pct Chg	Apr11	Apr10	Diff	Pct Chg
US	148	112	36	32.14	7,206	5,496	1,710	31.11
V2	4	0	4	100.00	488	0	488	100.00
UA	28	28	0	0.00	1,400	1,400	0	0.00
FL	6	6	0	0.00	702	702	0	0.00
CO	24	28	-4	-14.29	1,200	1,400	-200	-14.29
AA	0	14	-14	-100.00	0	616	-616	-100.00
DL	158	174	-16	-9.20	7,900	8,700	-800	-9.20
TOTAL	368	362	6	1.66	18,896	18,314	582	3.18



MEMORANDUM

TO: Members of the Airport Authority

FROM: Vickie Thomas, Director of Finance & Accounting

DATE: February 11, 2011

ITEM DESCRIPTION – Information Section Item B

Asheville Regional Airport – Explanation of Extraordinary Variances
Month Ended December, 2010 (Month 6 of FY-2011)

SUMMARY

Operating Revenues for the month of December were \$623,500, 3.34% over budget. Operating Expenses for the month were \$491,409, 21.56% under budget. As a result, Net Operating Revenues before Depreciation were \$155,229 over budget. Net Non-Operating Revenues were \$137,391, 29.92% over budget.

Year-to-date Operating Revenues were \$4,129,578, 10.96% over budget. Year-to-date Operating Expenses were \$2,929,882, 17.06% below budget. Net Operating Revenues before Depreciation were \$1,010,630 over budget. Net Non-Operating Revenues for the year were \$1,249,907, 46.11% over budget.

REVENUES

Significant variations to budget for December were:

Terminal Space Rentals-Airline	\$12,030	13.47%	Higher than budgeted enplanements
Auto Parking	\$34,184	22.07%	Higher than budgeted enplanements
Reimbursable Costs	(\$29,188)	(100.00%)	Timing of Avcon costs billed to Charah
Passenger Facility Charges	\$27,713	38.75%	Higher than budgeted enplanements



EXPENSES

Significant variations to budget for December were:

Professional Services	(\$25,770)	(84.22%)	Timing of Professional Services spending
Other Contractual Services	(\$17,255)	(28.95%)	Budgeted parking equipment installment not paid & timing of IT service billings
Contingency	(\$14,884)	(100.00%)	No Contingency spending
Reimbursable Costs	(\$29,188)	(100.00%)	Timing of Avcon costs billed to Charah

STATEMENT OF NET ASSETS

Significant variations to prior month were:

Grants Receivable – Grants Receivable decreased by \$428k mainly due to reduced spending on the A Gates project as it nears completion.

Accounts Payable & Accrued Liabilities – Accounts Payable & Accrued Liabilities decreased by \$823k due to reduced spending on capital projects as they near completion.

**ASHEVILLE REGIONAL AIRPORT
INVESTMENT AND INTEREST INCOME SUMMARY
As of December 31, 2010**

<u>Institution:</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Investment Amount</u>	<u>Monthly Interest</u>
Bank of America			0.30%	\$ 3,777,469	946
Petty Cash				100	
NC Capital Management Trust				216,962	23
Wachovia-Gov. Advantage Acct.			0.20%	3,631,777	594
PFC Revenue Account			0.30%	376,206	80
Additional Collateral Fund			0.20%	1,955,979	314
 <u>Restricted Cash:</u>					
CFC Revenue			0.05%	120,194	6
 <u>Commercial Paper:</u>				 0	
Total				<u>\$ 10,078,687</u>	<u>\$ 1,963</u>

<u>Investment Diversification:</u>	
1.BANKS	42.41%
2.CAP.TRUST	2.15%
3.GOV.ADV.ACCTS.	55.44%
4.COM.PAPER	0.00%
5. FED. AGY	0%
	<u>100.00%</u>

**ASHEVILLE REGIONAL AIRPORT
STATEMENT OF CHANGES IN FINANCIAL POSITION
For the Month Ended December 31, 2010**

	<u>Current Month</u>	<u>Prior Period</u>
Cash and Investments Beginning of Period	\$ 10,005,340	\$ 10,010,179
Net Income/(Loss) Before Capital Contributions	(80,229)	6,448
Depreciation	349,711	349,711
Decrease/(Increase) in Receivables	770,387	649,372
Increase/(Decrease) in Payables	(909,029)	(659,268)
Decrease/(Increase) in Prepaid Expenses	18,357	18,357
Decrease/(Increase) in Long Term Assets	(143,358)	(504,429)
Principal Payments of Bond Maturities	(34,199)	(34,034)
Contributed Capital	101,707	169,004
Increase(Decrease) in Cash	<u>73,347</u>	<u>(4,839)</u>
Cash and Investments End of Period	<u><u>\$ 10,078,687</u></u>	<u><u>\$ 10,005,340</u></u>

Asheville Regional Airport Authority
Cost Centers Statement of Revenue, Expenses and Changes in Net Assets

For the Month Ending December 31, 2010

	December Actual	December Budget	Variance \$	Variance %	YTD Actual	YTD Budget	Variance \$	Variance %	Annual Budget
Operating Revenue:									
Terminal	\$281,252	\$268,226	\$13,026	4.86%	\$1,745,023	\$1,662,354	\$82,669	4.97%	\$3,347,801
Airfield	70,953	66,645	4,308	6.46%	447,327	408,767	38,560	9.43%	826,157
Hangar	63,163	64,374	(1,211)	(1.88%)	424,693	424,645	48	0.01%	818,890
Parking Lot/Roadway	195,654	161,670	33,984	21.02%	1,367,357	996,450	370,907	37.22%	2,138,860
Land Use Fees	12,478	42,452	(29,974)	(70.61%)	145,178	229,458	(84,280)	(36.73%)	484,170
Total Operating Revenue	\$623,500	\$603,367	\$20,133	3.34%	\$4,129,578	\$3,721,674	\$407,904	10.96%	\$7,615,878
Operating Expenses:									
Administrative	\$170,783	\$246,613	(\$75,830)	(30.75%)	\$1,066,218	\$1,405,386	(\$339,168)	(24.13%)	\$3,083,068
Terminal	150,874	170,101	(19,227)	(11.30%)	839,238	961,690	(122,452)	(12.73%)	1,949,764
Airfield	135,165	134,018	1,147	0.86%	693,637	741,964	(48,327)	(6.51%)	1,501,160
Hangar	-	-	-	0.00%	1,762	-	1,762	0.00%	-
Parking Lot	27,675	40,489	(12,814)	(31.65%)	210,183	242,936	(32,753)	(13.48%)	485,871
Rental Car Service Facility	4,181	5,263	(1,082)	(20.56%)	21,387	25,757	(4,370)	(16.97%)	57,616
Land Use Expenses	2,731	30,021	(27,290)	(90.90%)	97,457	154,875	(57,418)	(37.07%)	335,000
Total Operating Expenses	\$491,409	\$626,505	(\$135,096)	(21.56%)	\$2,929,882	\$3,532,608	(\$602,726)	(17.06%)	\$7,412,479
Operating Revenue before Depreciation									
	\$132,091	(\$23,138)	\$155,229	(670.88%)	\$1,199,696	\$189,066	\$1,010,630	534.54%	\$203,399
Depreciation	349,711	-	349,711	0.00%	2,098,263	-	2,098,263	0.00%	-
Operating Income(Loss) Before Non-Operating Revenue and Expenses									
	(\$217,620)	(\$23,138)	(\$194,482)	840.53%	(\$898,567)	\$189,066	(\$1,087,633)	(575.27%)	\$203,399
Non-Operating Revenue and Expense									
Customer Facility Charges	\$53,352	\$50,600	\$2,752	5.44%	\$517,940	\$431,650	\$86,290	19.99%	\$840,000
Passenger Facility Charges	99,233	71,520	27,713	38.75%	823,562	524,480	299,082	57.02%	1,192,000
Interest Revenue	2,843	1,667	1,176	70.55%	19,074	10,000	9,074	90.74%	20,000
Interest Expense	(18,037)	(18,037)	-	0.00%	(110,669)	(110,669)	-	0.00%	(215,397)
Sale of Assets	-	-	-	0.00%	-	-	-	0.00%	-
Non-Operating Revenue-Net	\$137,391	\$105,750	\$31,641	29.92%	\$1,249,907	\$855,461	\$394,446	46.11%	\$1,836,603

Income (Loss) Before Capital Contributions	<u>(\$80,229)</u>	<u>\$82,612</u>	<u>(\$162,841)</u>	<u>(197.12%)</u>	<u>\$351,340</u>	<u>\$1,044,527</u>	<u>(\$693,187)</u>	<u>(66.36%)</u>	<u>\$2,040,002</u>
Capital Contributions	<u>\$101,707</u>	<u>\$0</u>	<u>\$101,707</u>	<u>0.00%</u>	<u>\$3,503,873</u>	<u>\$0</u>	<u>\$3,503,873</u>	<u>0.00%</u>	<u>\$0</u>
Increase in Net Assets	<u>\$21,478</u>	<u>\$82,612</u>	<u>(\$61,134)</u>	<u>(74.00%)</u>	<u>\$3,855,213</u>	<u>\$1,044,527</u>	<u>\$2,810,686</u>	<u>269.09%</u>	<u>\$2,040,002</u>

Asheville Regional Airport Authority
Detailed Statement of Revenue, Expenses and Changes in Net Assets

For the Month Ending December 31, 2010

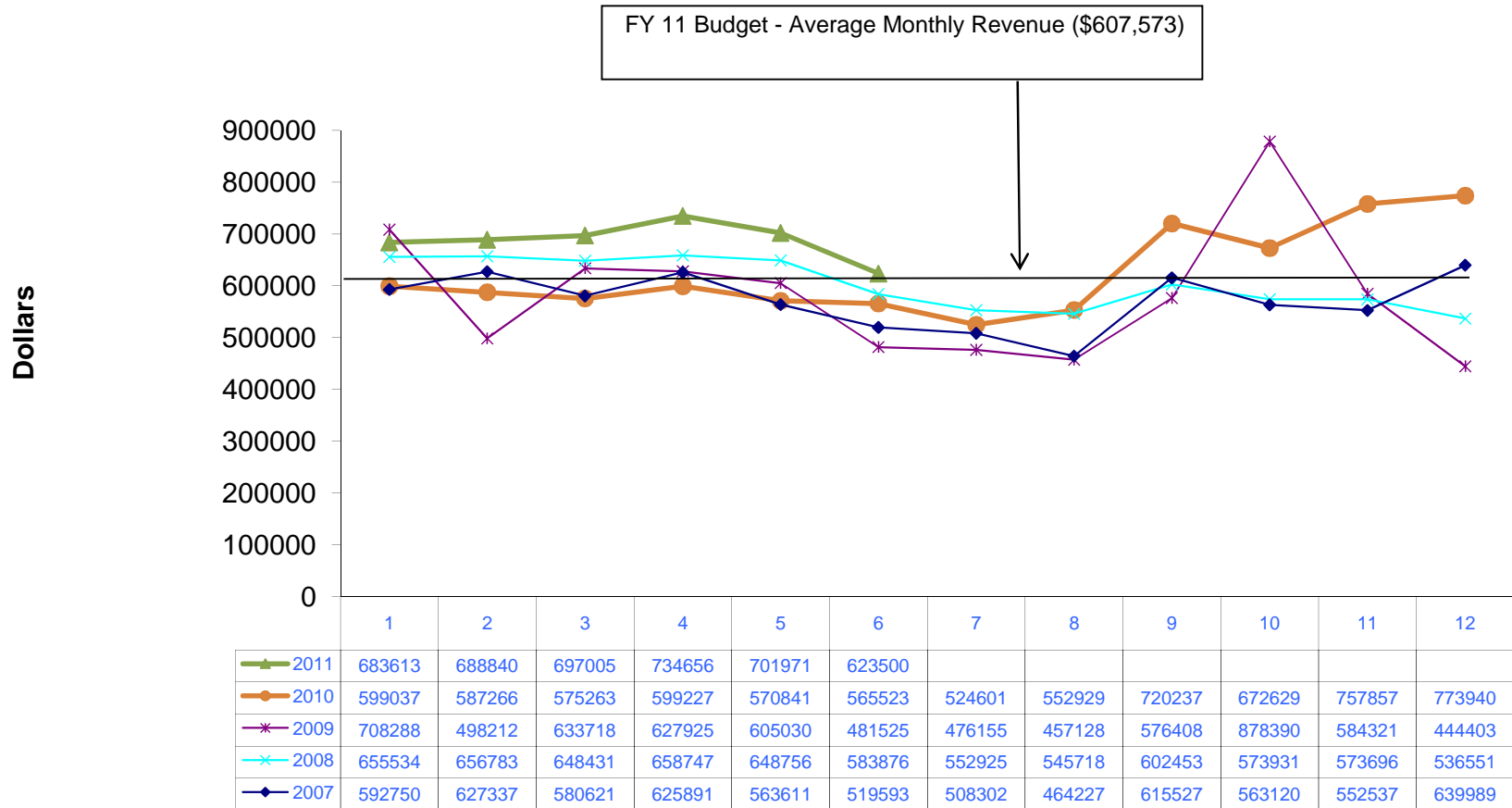
	December Actual	December Budget	Variance \$	Variance %	YTD Actual	YTD Budget	Variance \$	Variance %	Annual Budget
Operating Revenue:									
Terminal Space Rentals - Non Airline	\$16,228	\$15,659	\$569	3.63%	\$95,663	\$93,956	\$1,707	1.82%	\$187,911
Terminal Space Rentals - Airline	101,309	89,279	12,030	13.47%	668,298	594,714	73,584	12.37%	1,189,080
Concessions	10,854	16,308	(5,454)	(33.44%)	57,641	91,849	(34,208)	(37.24%)	197,200
Auto Parking	189,094	154,910	34,184	22.07%	1,354,897	985,340	369,557	37.51%	2,114,400
Rental Car - Car Rentals	107,215	103,239	3,976	3.85%	633,882	615,437	18,445	3.00%	1,234,860
Rental Car - Facility Rent	45,405	44,884	521	1.16%	263,307	261,001	2,306	0.88%	523,130
Commercial Ground Transportation	6,560	6,760	(200)	(2.96%)	12,460	11,110	1,350	12.15%	24,460
Landing Fees	36,425	33,885	2,540	7.50%	236,343	209,467	26,876	12.83%	423,037
FBO'S/SASO'S	63,163	64,374	(1,211)	(1.88%)	424,693	424,645	48	0.01%	818,890
Building Leases	10,170	11,119	(949)	(8.53%)	61,416	66,715	(5,299)	(7.94%)	133,430
Land Leases	1,915	2,062	(147)	(7.13%)	11,552	12,370	(818)	(6.61%)	24,740
Other Leases/Fees	35,162	31,700	3,462	10.92%	238,060	205,197	32,863	16.02%	419,740
Reimbursable Costs	-	29,188	(29,188)	(100.00%)	71,366	149,873	(78,507)	(52.38%)	325,000
Total Operating Revenue	\$623,500	\$603,367	\$20,133	3.34%	\$4,129,578	\$3,721,674	\$407,904	10.96%	\$7,615,878
Operating Expenses:									
Personnel Services	\$305,480	\$310,318	(\$4,838)	(1.56%)	\$1,669,983	\$1,781,194	(\$111,211)	(6.24%)	\$3,626,342
Professional Services	4,830	30,600	(25,770)	(84.22%)	89,085	184,239	(95,154)	(51.65%)	320,450
Accounting & Auditing	-	-	-	0.00%	15,902	16,000	(98)	(0.61%)	20,000
Other Contractual Services	42,341	59,596	(17,255)	(28.95%)	297,749	371,377	(73,628)	(19.83%)	736,910
Travel & Training	4,638	6,510	(1,872)	(28.76%)	31,018	59,061	(28,043)	(47.48%)	146,150
Communications & Freight	2,158	5,645	(3,487)	(61.77%)	29,107	32,868	(3,761)	(11.44%)	65,336
Utility Services	47,654	46,760	894	1.91%	203,783	208,090	(4,307)	(2.07%)	438,532
Rentals & Leases	1,570	1,591	(21)	(1.32%)	7,483	7,348	135	1.84%	14,695
Insurance	15,134	15,583	(449)	(2.88%)	90,803	93,500	(2,697)	(2.88%)	187,000
Repairs & Maintenance	16,988	22,113	(5,125)	(23.18%)	138,583	132,778	5,805	4.37%	265,456
Advertising, Printing & Binding	5,727	3,364	2,363	70.24%	49,029	46,474	2,555	5.50%	185,786
Promotional Activities	14,778	20,172	(5,394)	(26.74%)	32,219	38,583	(6,364)	(16.49%)	62,200
Other Current Charges & Obligations	6,372	10,898	(4,526)	(41.53%)	35,430	36,638	(1,208)	(3.30%)	69,779
Office Supplies	142	1,431	(1,289)	(90.08%)	3,464	8,588	(5,124)	(59.66%)	17,175
Operating Supplies	20,794	27,885	(7,091)	(25.43%)	84,308	151,599	(67,291)	(44.39%)	314,553
Books, Publications, Subscriptions & Meml	1,921	3,268	(1,347)	(41.22%)	17,496	23,765	(6,269)	(26.38%)	38,502
Contingency	-	14,884	(14,884)	(100.00%)	-	89,307	(89,307)	(100.00%)	178,613
Emergency Repair	882	8,333	(7,451)	(89.42%)	12,388	50,000	(37,612)	(75.22%)	100,000
Reimbursable Costs	-	29,188	(29,188)	(100.00%)	71,366	149,873	(78,507)	(52.38%)	325,000
Business Development	-	8,366	(8,366)	(100.00%)	50,686	51,326	(640)	(1.25%)	300,000
Total Operating Expenses	\$491,409	\$626,505	(\$135,096)	(21.56%)	\$2,929,882	\$3,532,608	(\$602,726)	(17.06%)	\$7,412,479

Operating Revenue before Depreciation	\$132,091	(\$23,138)	\$155,229	(670.88%)	\$1,199,696	\$189,066	\$1,010,630	534.54%	\$203,399
Depreciation	349,711	-	349,711	0.00%	2,098,263	-	2,098,263	0.00%	-
Operating Income(Loss) Before Non-Operating Revenue and Expenses	(\$217,620)	(\$23,138)	(\$194,482)	840.53%	(\$898,567)	\$189,066	(\$1,087,633)	(575.27%)	\$203,399
Non-Operating Revenue and Expense									
Customer Facility Charges	\$53,352	\$50,600	\$2,752	5.44%	\$517,940	\$431,650	\$86,290	19.99%	\$ 840,000
Passenger Facility Charges	99,233	71,520	27,713	38.75%	823,562	524,480	299,082	57.02%	1,192,000
Interest Revenue	2,843	1,667	1,176	70.55%	19,074	10,000	9,074	90.74%	20,000
Interest Expense	(18,037)	(18,037)	-	0.00%	(110,669)	(110,669)	-	0.00%	(215,397)
Sale of Assets	-	-	-	0.00%	-	-	-	0.00%	-
Non-Operating Revenue-Net	\$137,391	\$105,750	\$31,641	29.92%	\$1,249,907	\$855,461	\$394,446	46.11%	\$1,836,603
Income (Loss) Before Capital Contributions	(\$80,229)	\$82,612	(\$162,841)	(197.12%)	\$351,340	\$1,044,527	(\$693,187)	(66.36%)	\$2,040,002
Capital Contributions	\$101,707	\$0	\$101,707	0.00%	\$3,503,873	\$0	\$3,503,873	0.00%	\$0
Increase in Net Assets	\$21,478	\$82,612	(\$61,134)	(74.00%)	\$3,855,213	\$1,044,527	\$2,810,686	269.09%	\$2,040,002

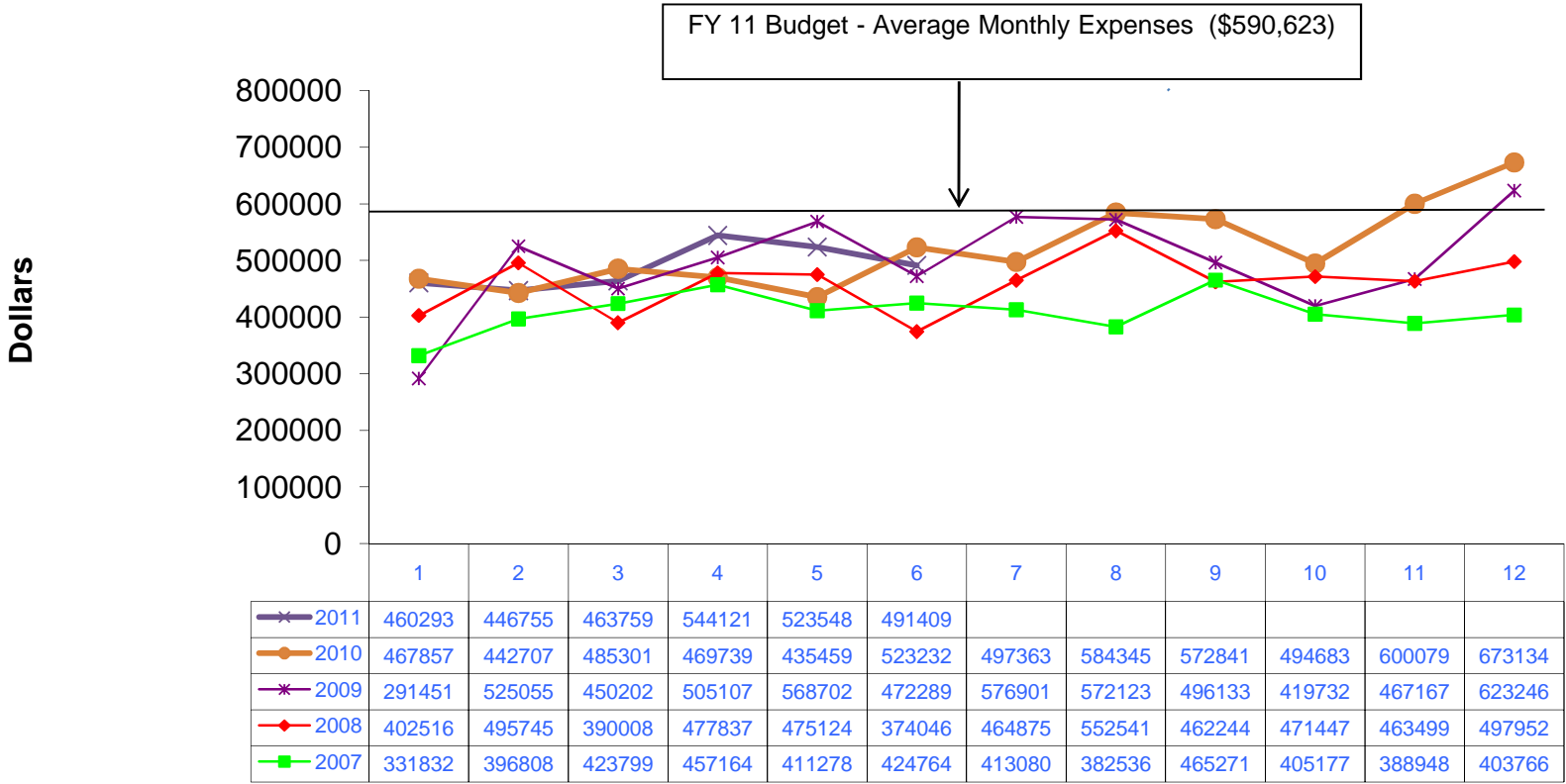
ASHEVILLE REGIONAL AIRPORT AUTHORITY
STATEMENT OF FINANCIAL POSITION
As of December 31, 2010

<u>ASSETS</u>	<u>December</u>	<u>Last Month</u>
Current Assets:		
Unrestricted Net Assets:		
Cash and Cash Equivalents	\$9,958,493	\$9,832,917
Accounts Receivable	542,503	700,395
Passenger Facility Charges Receivable	218,000	218,000
Refundable Sales Tax Receivable	118,303	303,020
Grants Receivable	725,891	1,153,669
Prepaid Expenses	112,954	131,311
Total Unrestricted Assets	<u>11,676,144</u>	<u>12,339,312</u>
Restricted Assets:		
Cash and Cash Equivalents	120,194	172,423
Total Restricted Assets	<u>120,194</u>	<u>172,423</u>
 Total Current Assets	 <u>11,796,338</u>	 <u>12,511,735</u>
Noncurrent Assets:		
Construction in Progress	11,588,471	11,445,113
Property and Equipment - Net	59,718,326	60,068,037
Total Noncurrent Assets	<u>71,306,797</u>	<u>71,513,150</u>
	<u>\$83,103,135</u>	<u>\$84,024,885</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Payable from Unrestricted Assets:		
Accounts Payable & Accrued Liabilities	\$611,122	\$1,433,742
Customer Deposits	750	750
Unearned Revenue	210,842	301,612
Construction Contract Retainages	637,235	632,873
Revenue Bond Payable - Current	423,481	421,448
Total Payable from Unrestricted Assets	<u>1,883,430</u>	<u>2,790,425</u>
 Total Current Liabilities	 <u>1,883,430</u>	 <u>2,790,425</u>
Noncurrent Liabilities:		
Other Postemployment Benefits	584,737	584,737
Compensated Absences	232,966	232,966
Net Pension Obligation-LEO Special Separation Allowance	(13,913)	(13,913)
Revenue Bond Payable - Noncurrent	3,280,526	3,316,758
Total Noncurrent Liabilities	<u>4,084,316</u>	<u>4,120,548</u>
 Total Liabilities	 <u>5,967,746</u>	 <u>6,910,973</u>
Net Assets:		
Invested in Capital Assets	66,965,555	67,142,071
Restricted	120,194	172,423
Unrestricted	10,049,640	9,799,418
Total Net Assets	<u>77,135,389</u>	<u>77,113,912</u>
	<u>\$83,103,135</u>	<u>\$84,024,885</u>

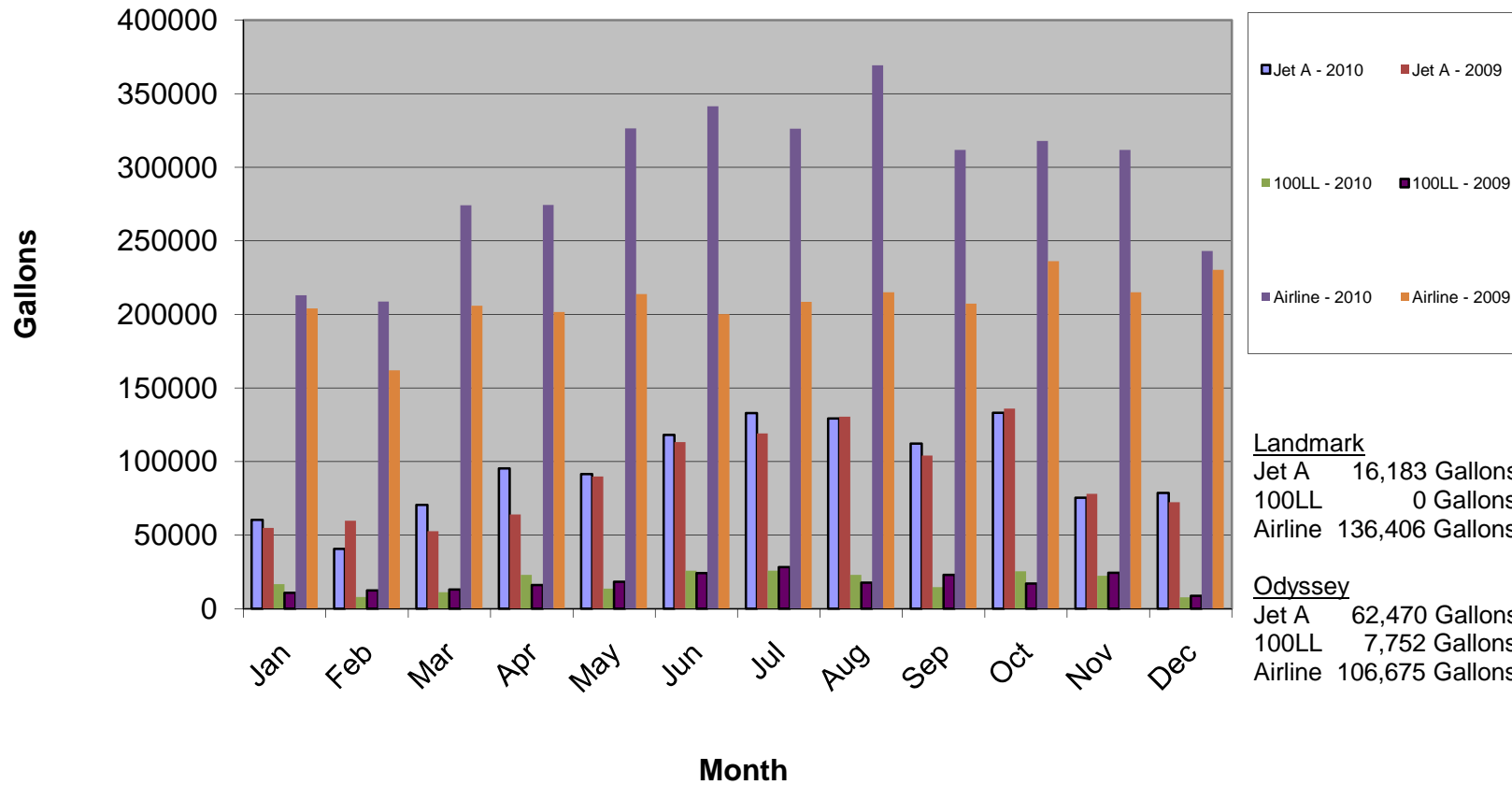
ASHEVILLE REGIONAL AIRPORT Annual Operating Revenue by Month December 2010



ASHEVILLE REGIONAL AIRPORT Annual Operating Expenses by Month December 2010



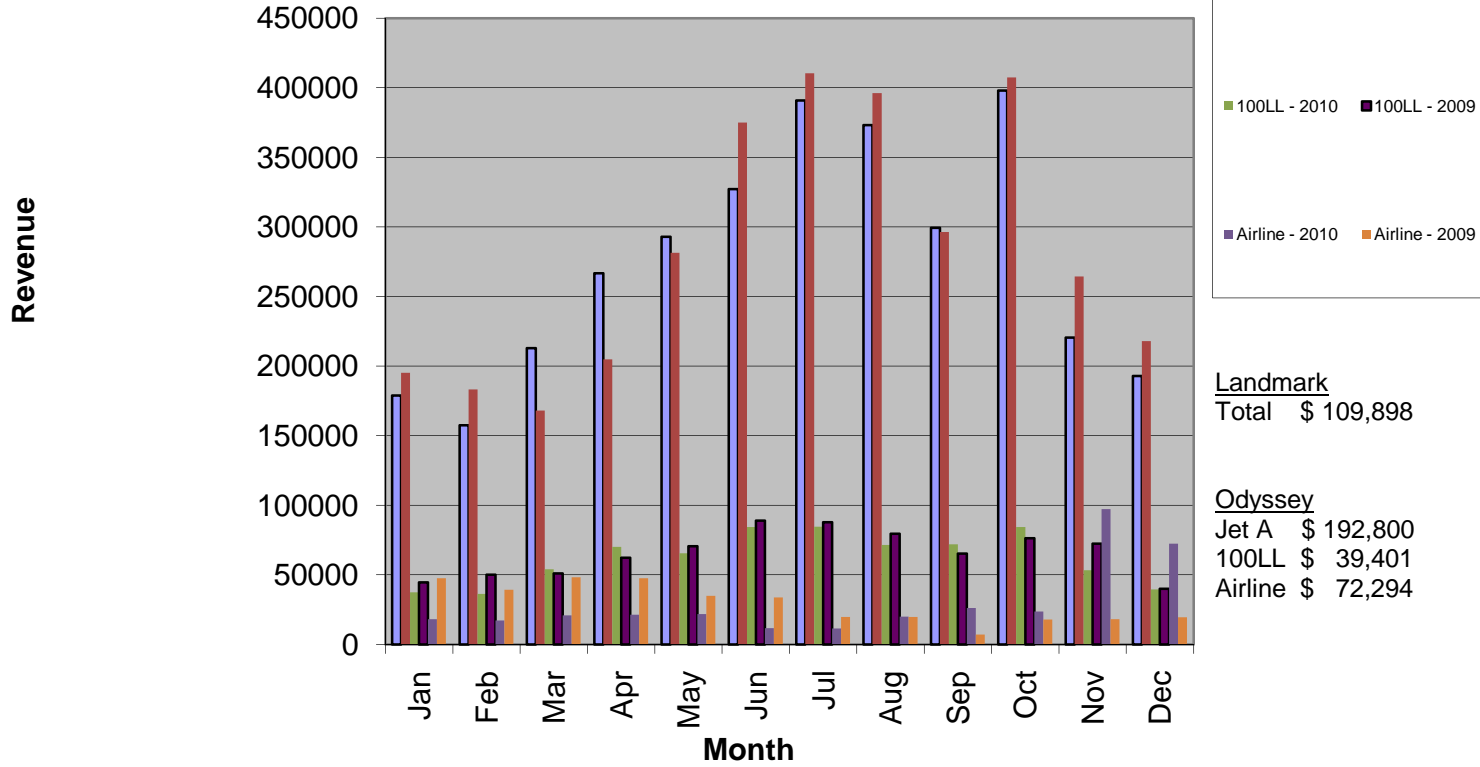
AVL Fuels Sales - Gallons December 2010



Landmark
 Jet A 16,183 Gallons
 100LL 0 Gallons
 Airline 136,406 Gallons

Odyssey
 Jet A 62,470 Gallons
 100LL 7,752 Gallons
 Airline 106,675 Gallons

AVL Fuels Sales - Revenue December 2010



**Asheville Regional Airport Authority
Construction Capital Carryover Schedule
As of December 31, 2010**

Project	Original Board Authorized Amount	Carryover Approved in FY2011 Budget	FY2011 Spending Through 11/30/2010	Cumulative Spending at 11/30/2010
A Gate Terminal Renovation	10,621,272	2,983,265	2,372,222	10,010,229
Landside Roadway and Parking	5,293,995	317,905	234,464	5,210,554
North General Aviation Expansion	3,700,000	309,010	-	3,390,990
PC Air and Fixed Ground Power	561,080	553,127	471,960	479,913
	20,176,347	4,163,307	3,078,646	19,091,686

Asheville Regional Airport Authority
Project Report - February 2011

Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 02/03/2011)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 02/03/2011)	Start Date	End Date	Current Project Status (as of 02/03/2011)
Planning Phase														
None														
1	Environmental Assessment - New Taxiway Construction and Runway 16/34 Reconstruction	An environmental assessment is needed as a prerequisite to obtain FAA funding. Funding is for the new construction of the additional taxiway and the reconstruction of runway 16/34.	LPA Group	\$193,293.00		N/A	\$0.00	0.00%	\$212,622.00	30%	\$135,305.10	Sep-10	Spring 2011	LPA Group has submitted the EA Report to the FAA. Clearwater Environment did a walk through the wetland areas with the Army Corps of Engineers for their review on Feb 2, 2011.
Design Phase														
None														
Construction Phase														
1	A Gates - Terminal Renovation & Improvements Project	Renovation & Improvements to the A Gates terminal area.	RS&H	\$1,697,298.00	Shelco Inc.	\$7,849,000.00	(\$306,954.25)	-3.91%	\$ 10,621,272.00	99%	\$10,526,000.27	July '09	Jan-11	Substantial completion was reached on January 3, 2011. Punch list work is almost complete. TSA and Housekeeping staff have relocated to new office spaces.
1a		2 Passenger Boarding Bridges	RS&H	(included above)	ThyssenKrupp Airport Systems	\$940,406.00	\$6,220.36	0.66%	(included above)	98%	\$904,075.36	Jul-09	Nov-10	Bag Lift equipment is still having operational issues. Current negotiations with RS&H and Contractor to design a new reliable solution is underway.
2	Landside Parking and Roadway Access Project	The Landside Parking and Roadway Access Project includes 3 components of work: public parking lots, terminal access roadway, general aviation access roadway, and expansion of the toll plaza facility.	LPA Group	\$729,044.00	(see below)	na	na	na	\$5,293,994.37	99%	\$5,241,002.08	Jul-09	Jun-10	The Authority Board approved the award of all contracts related to the Landside Roadway and Parking Improvements Project. All components of the project are near completion. For more information, see individual components below.
2a		Parking Lot and Terminal Drive	LPA Group	(included above)	APAC	\$1,614,092.45	\$52,584.90	3.26%	(included above)	99%	\$1,731,338.78	Jul-09	Nov-10	A few trees will be replaced in Spring. Once completed, this project will be closed.
2b		Wright Brothers Way Improvements Project	LPA Group	(included above)	Moore and Sons Construction Co.	\$1,700,922.00	\$54,836.42	3.22%	(included above)	99%	\$1,737,766.76	Jul-09	Nov-10	City of Asheville is requiring four flared end sections be installed at the outlet pipes for storm drainage. LPA Group is working with the Contractor to get pricing for work to be completed. Once complete, the City will issue a CO and the project will be closed out. Re-seeding of grass will be done in Spring in bare areas.
3	North General Aviation Expansion Project	The North GA project includes multiple phases; phase one consisted of tree harvesting and logging operations, phase two included clearing and grubbing of the site and phase three involves the placement and compaction of structural fill material for the site.	AVCON	\$99,100.00	Charah	\$1,840,231.00	\$25,494.00	7.24%	\$3,700,000.00	99%	\$ 3,390,990.08	Nov-07	Spring 2011	DENR is expected to close out the project in early Spring, once the grass has established. Seeding was performed in late September 2010. Perimeter road has been repaved and is completed.

Asheville Regional Airport Authority
Project Report - February 2011

Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 02/03/2011)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 02/03/2011)	Start Date	End Date	Current Project Status (as of 02/03/2011)
5	Pre-Conditioned Air and Fixed Ground Power	Pre-Conditioned Air and Fixed Ground Power will be added to all boarding bridges for customer comfort and functionality	RS&H	\$8,000.00	INET Airport System Inc.	\$502,800.00	\$32,191.00	6.40%	\$561,080.00	100%	\$532,301.71	Jul-09	Nov-10	This project is completed as of Mid January 2011.
6	Westside Area 4 Phase 1 and 1A Construction	Construction for the Westside Project to level land utilizing engineered ash to fill and top with soil embankment/cap for future development.	AVCON	\$290,000.00	Charah	N/A	\$42,750.00	14.74%	\$325,000.00* <i>(project expenses are being reimbursed by Charah through a separate agreement)</i>	25%	\$138,942.30	Jul-10	Dec-11	Fly ash fill work continues, weather permitting. One 450ft cell has been filled and covered with fill work moving forward on the next cell. Clearing and grubbing is at a stopping point until Spring.

Airportsurvey.com



AVL

Airport Facilities Review For 4th Quarter 2010

Welcome

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

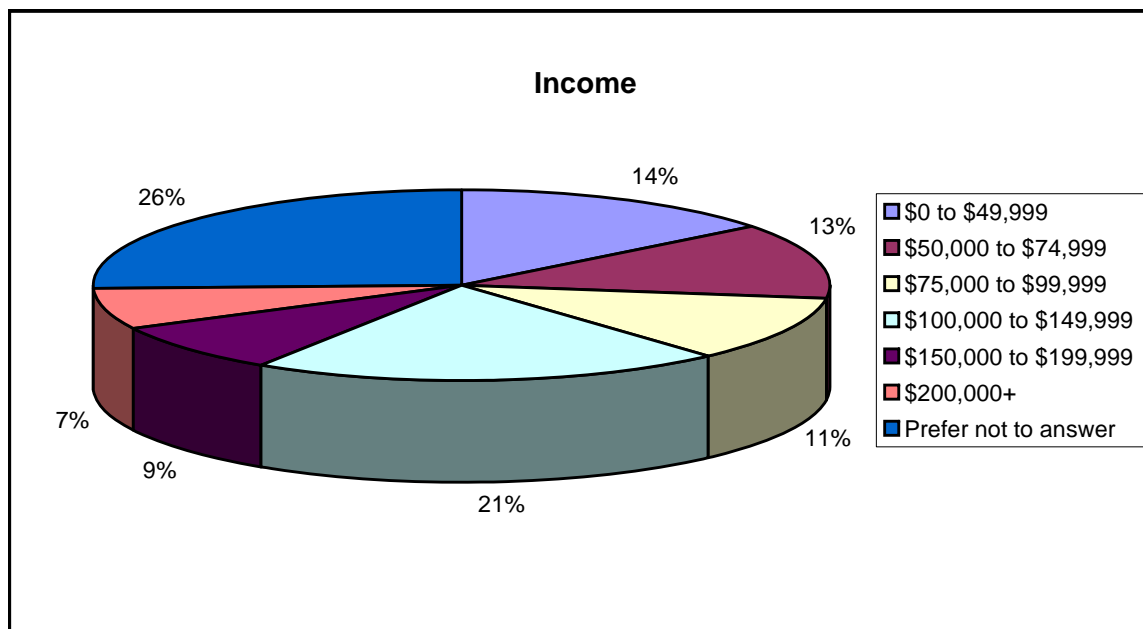
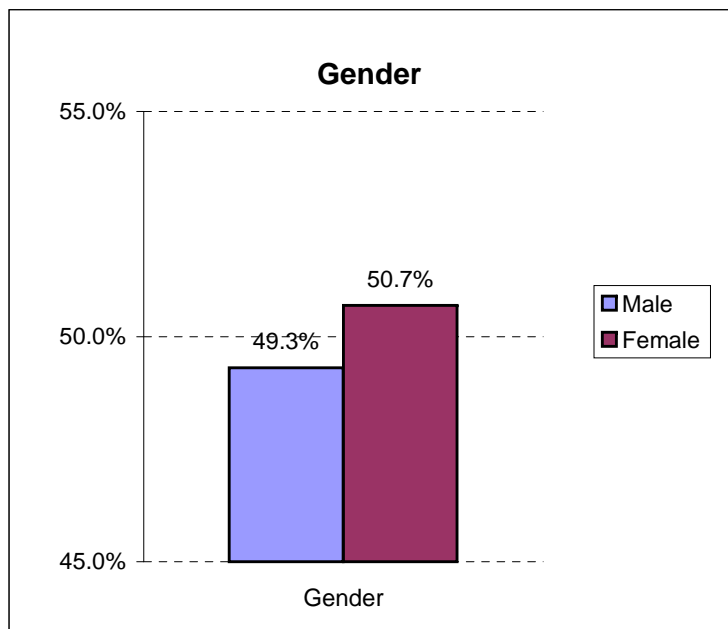
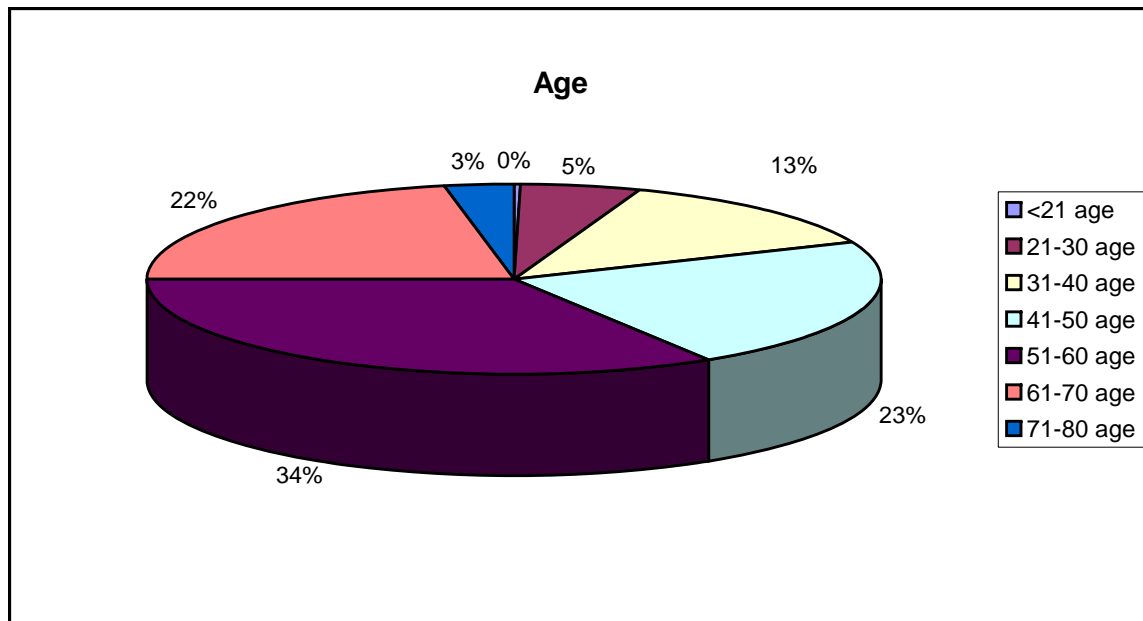
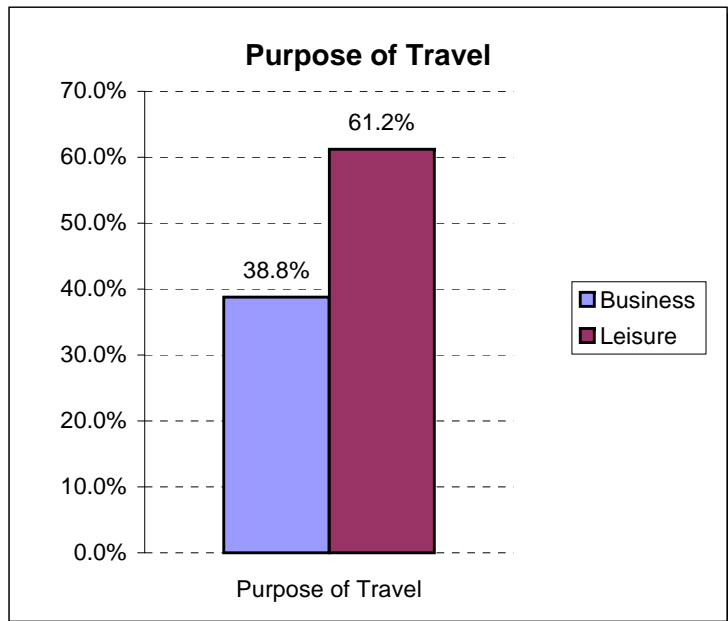
No representations are made as to the completeness or accuracy of information contained herein. Airport facility raw data is available upon request.

Overview

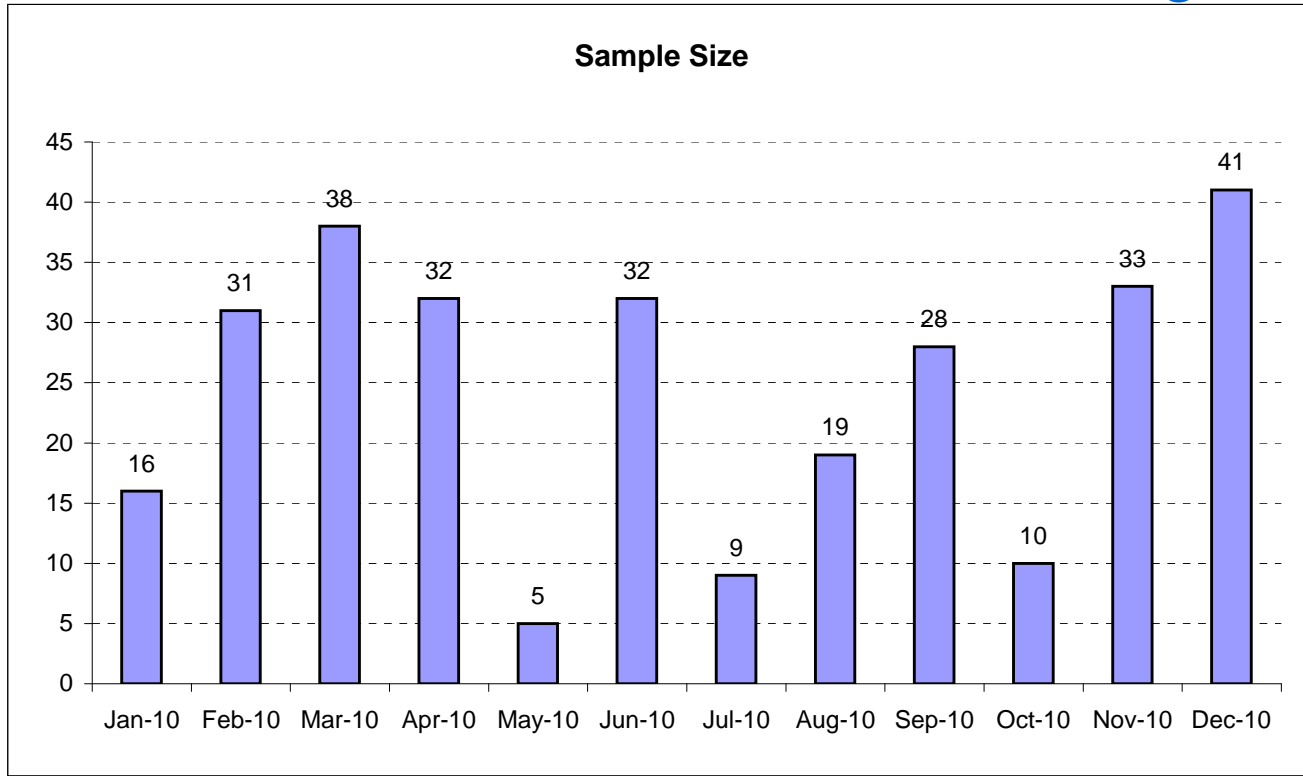
- ***Airportsurvey.com*** is an ongoing, all-inclusive online passenger satisfaction survey program from Canmark Research Center
- Invitations to take the survey are distributed at select airports across the country
- Over 30 airports participate
- Each survey invitation card is single-use, and must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

*Updated 3rd Quarter 2009

Passenger Demographics



General Findings



Sample is clustered around airport invitation distribution dates.

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

	AVL	Similar	+/-	Pct
Overall	4.10	4.16	(0.06)	-1.3%
Availability of parking	3.81	4.05	(0.24)	-6.2%
Cost of parking	3.49	3.40	0.10	2.8%
Clear, easy to follow signs	4.02	3.94	0.08	2.0%
Cleanliness	4.27	4.22	0.05	1.2%
Restrooms	4.20	4.09	0.11	2.6%
Concessions / restaurants	2.90	3.43	(0.52)	-18.1%
Transportation to your gate / concourse / terminal	3.96	3.92	0.04	1.1%
Security: Wait time at checkpoint	4.22	4.22	0.01	0.1%
Security: Professionalism of personnel	4.31	4.25	0.05	1.3%
Security: Confidence in airport security procedures	4.05	4.01	0.04	1.0%

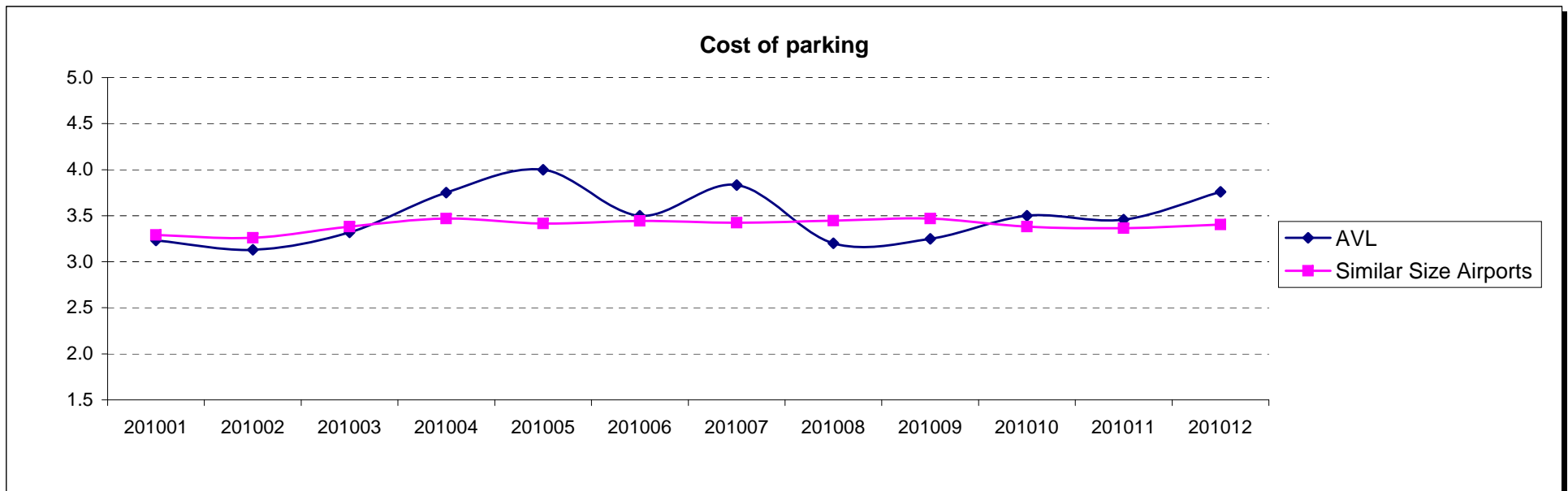
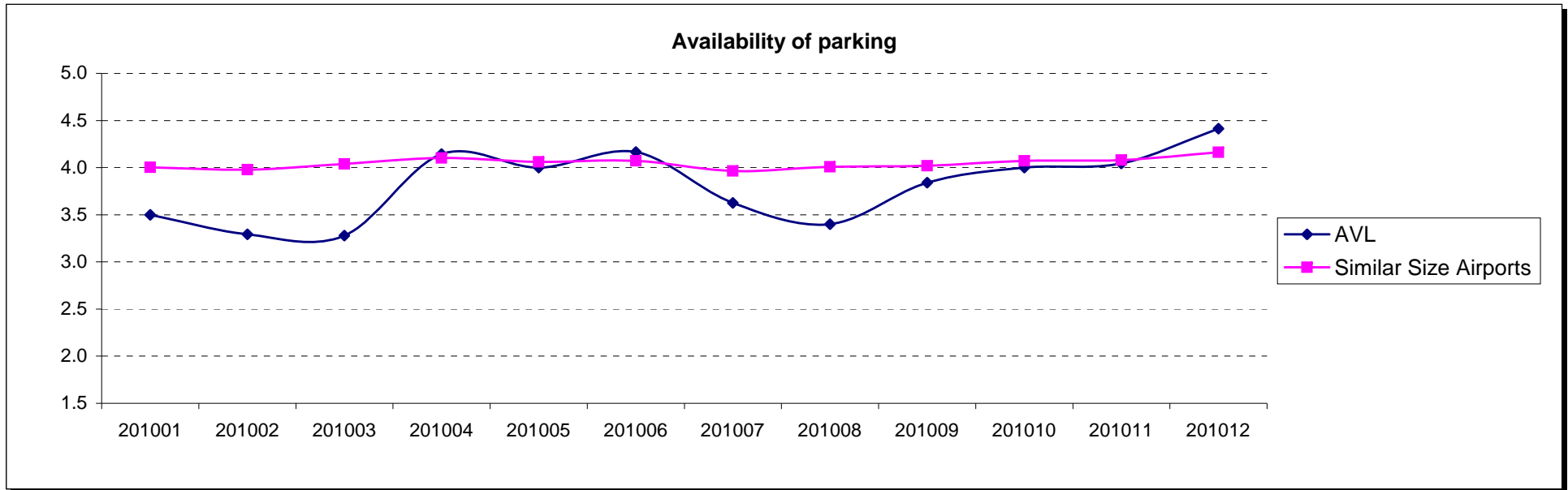
Statistical means testing not performed on results

AVL	
Responses	294

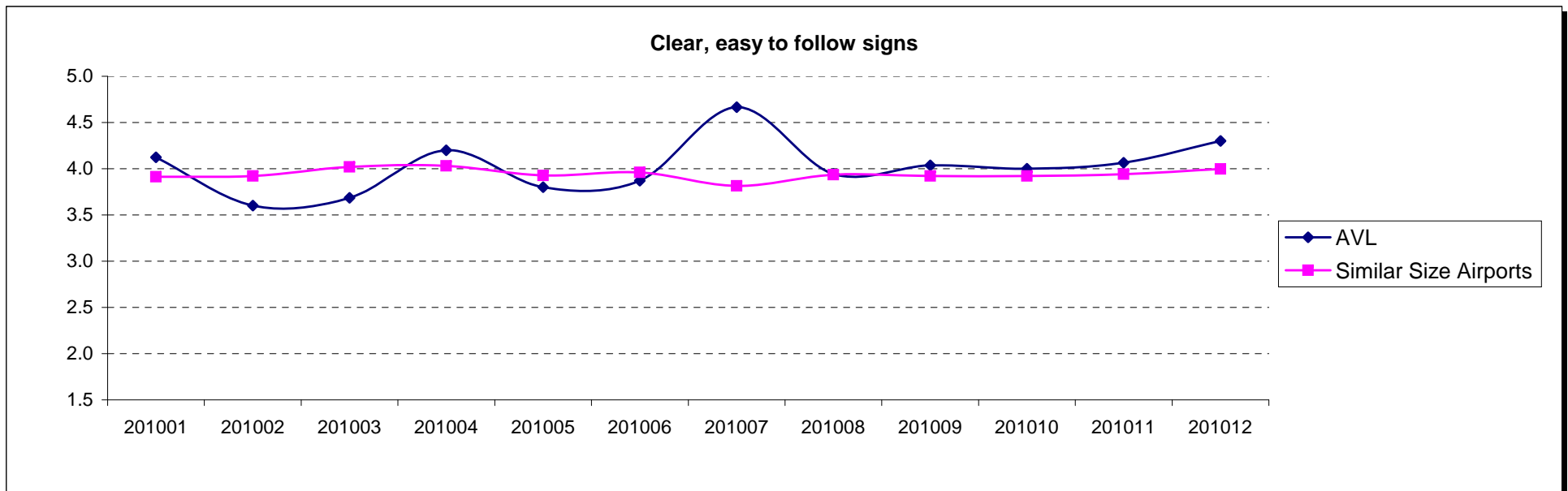
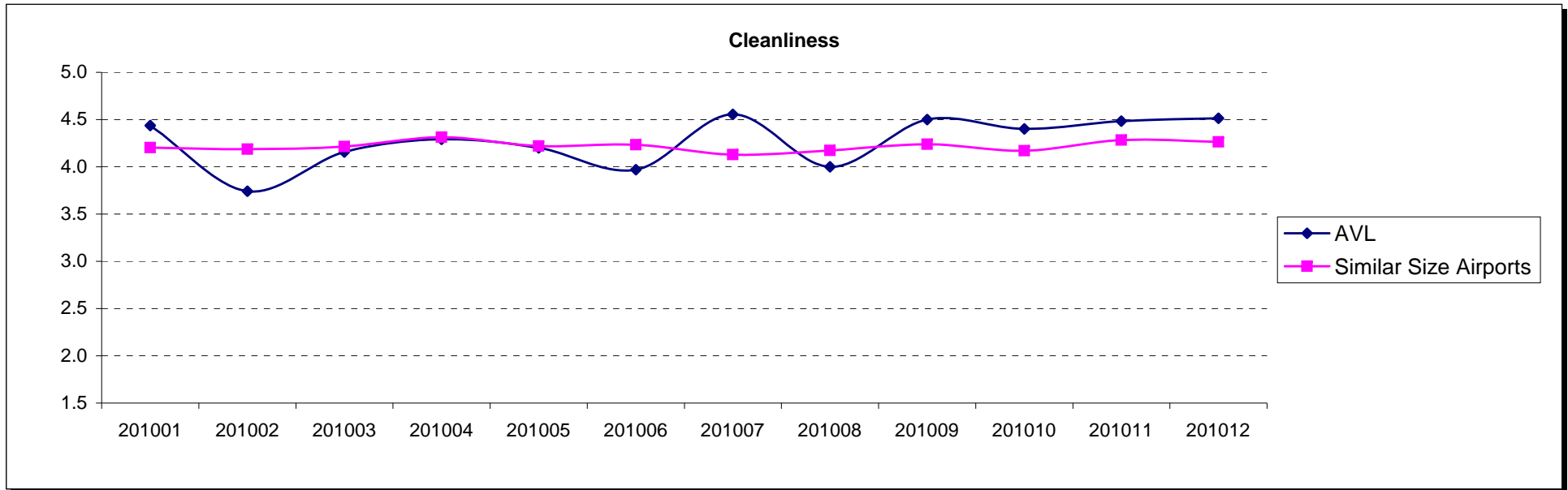
Overall Satisfaction with Airport Facilities



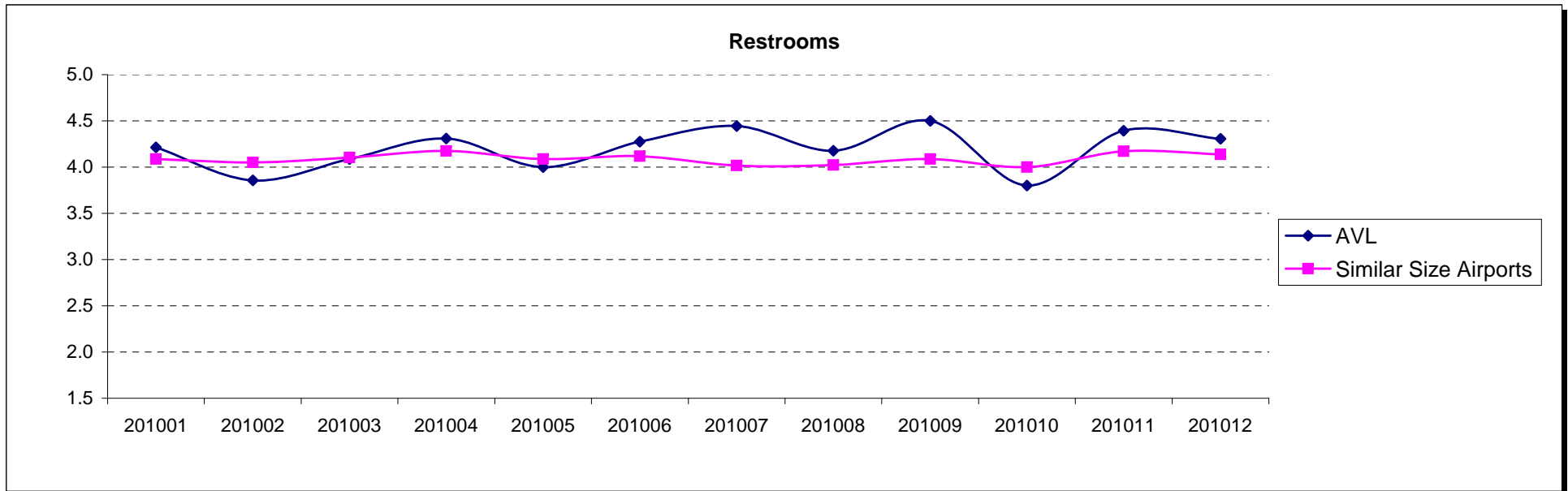
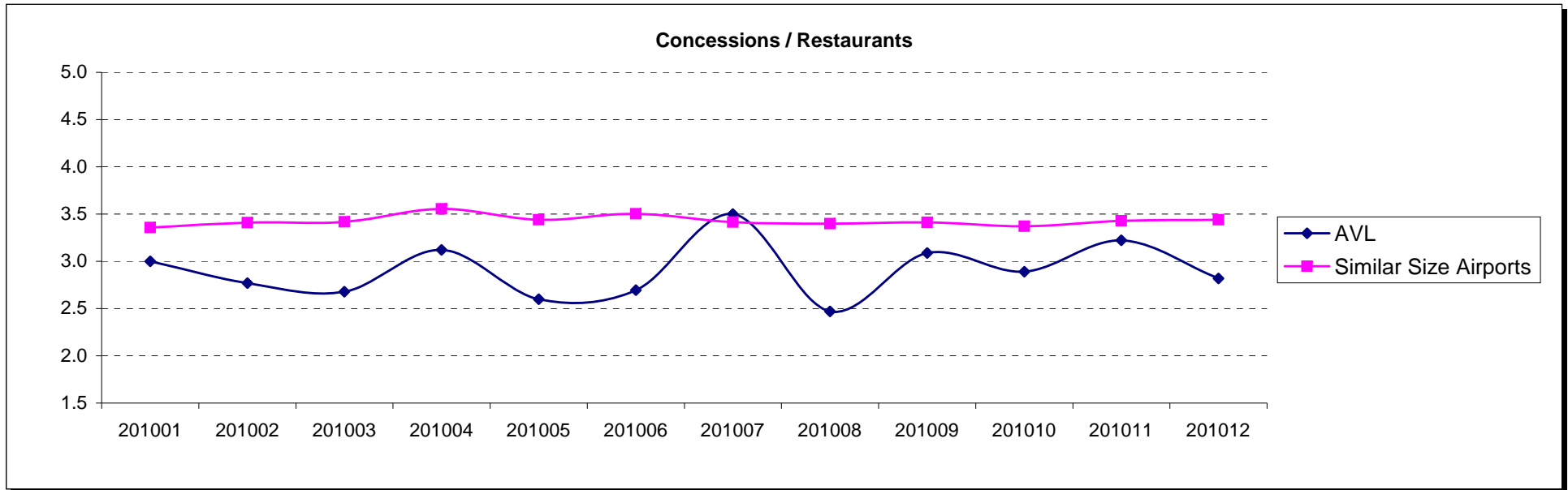
Parking Satisfaction



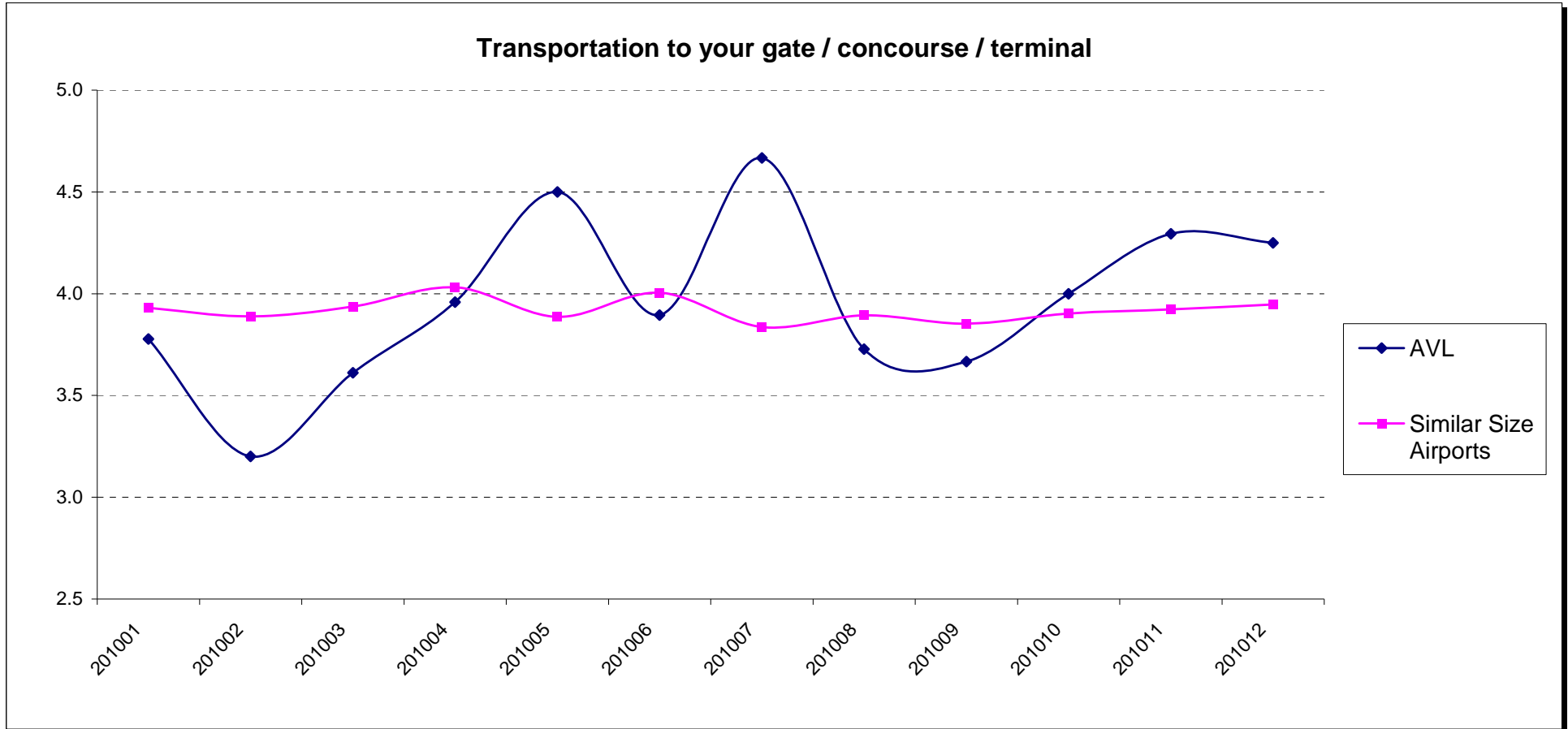
Cleanliness and Signage



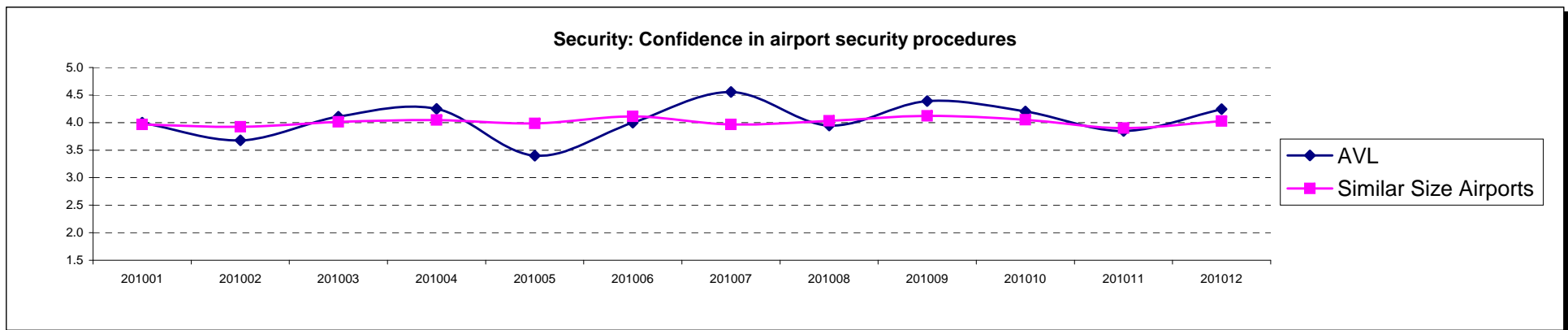
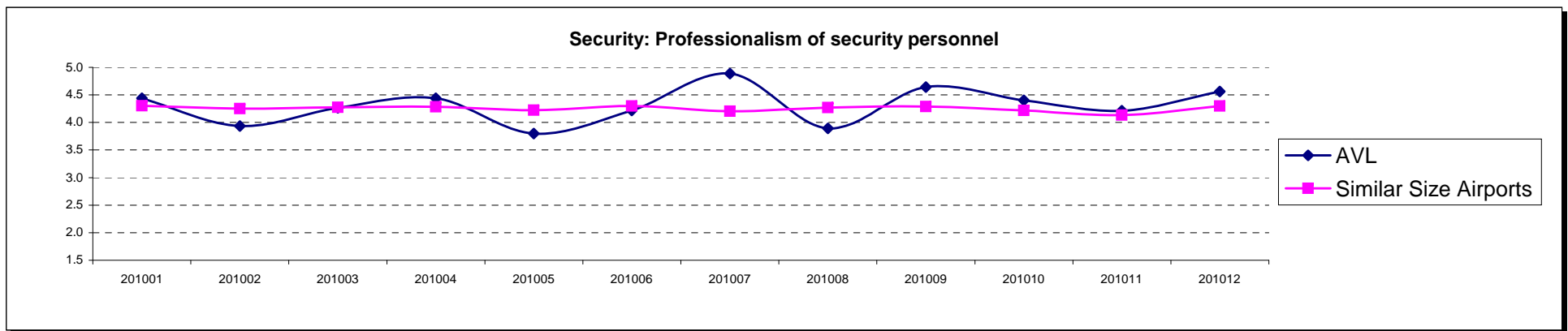
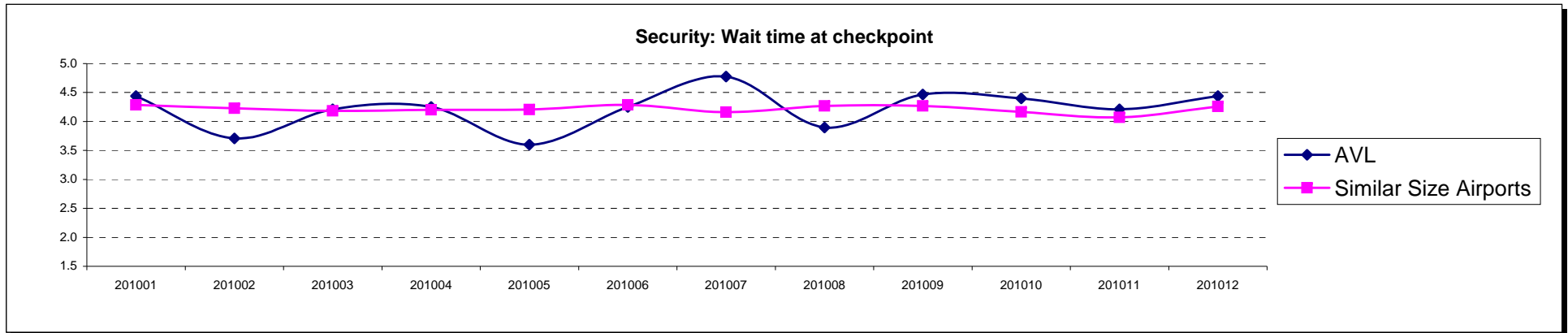
Concessions and Restrooms



Transportation to Departure Gate



Airport Security



Appendix A - Geographic Breakdown of Respondents

AR	1	TN	12
AZ	2	TX	8
CA	6	UT	2
CO	1	VA	1
CT	1	WA	3
DC	1	WI	2
FL	15		
GA	2		
IA	1		
ID	1		
IL	4		
IN	1		
KS	2		
MA	1		
MI	3		
MN	2		
NC	186		
NJ	1		
NM	1		
NV	2		
NY	9		
OH	1		
OK	2		
OR	2		
PA	2		
SC	13		

Note: Only includes passengers who indicated state of residence

Appendix B - About Canmark

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

Appendix C - Contacts

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