



AGENDA

Asheville Regional Airport Authority Regular Meeting
Friday, January 14, 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: None
- IV. FINANCIAL REPORT ([document](#))
- V. CONSENT AGENDA:
 - A. Approval of the Asheville Regional Airport Authority December 10, 2010 Regular Meeting Minutes ([document](#))
 - B. Approval of the Asheville Regional Airport Authority December 10, 2010 Closed Session Minutes
- VI. OLD BUSINESS: None
- VII. NEW BUSINESS:
 - A. Approval of Lease Agreement with ProDIGIO, Inc. for Airport High Definition Television Concession ([document](#))
 - B. Approval of New Lease Agreement with Encore Asheville FBO, L.L.C. d/b/a Landmark Aviation ([document](#))



VIII. DIRECTOR'S REPORT:

- A. FAA AIP Update
- B. 50th Anniversary Celebration Details

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. November, 2010 Traffic Report ([document](#))
- B. November, 2010 Monthly Financial Report ([document](#))
- C. January, 2011 Development/Project Status Report ([document](#))
- D. Potential Board Items for the Next Regular Scheduled Meeting:
 - Budget Presentation
 - Service Recognition Award For Chuck McGrady
 - Swearing in of New Board Member

X. AUTHORITY MEMBERS' REPORTS:

- A. Interviews of Candidates for Authority Board At Large Vacancy
- B. Discussion of Budget Workshop/Retreat Agenda

XI. PUBLIC AND TENANTS' COMMENTS:

XII. CLOSED SESSION: None

XIII. CALL FOR NEXT MEETING:

XIV. ADJOURNMENT.



Respectfully submitted,

Lew Bleiweis, A.A.E.
Airport Director

Approved:

David Hillier
Chairman

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

**Asheville Regional Airport Authority
Executive Summary
November-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	30,470	27.4%	343,261	27.8%
Aircraft Operations				
Commercial	1,693	19.4%	19,202	18.3%
Scheduled Flights	759	22.8%		
Flight Cancellations	8			
Seats	39,418	25.3%	437,448	30.3%
Load Factor	77.3%	1.7%	78.5%	(2.0%)
General Aviation	3,088	(21.9%)	39,309	(6.9%)
Military	455	(5.0%)	4,601	35.5%

FINANCIAL RESULTS

	<u>Month</u>	<u>Variance to Budget</u>	<u>Fiscal Year to Date</u>	<u>Variance to Budget</u>
Operating Revenues	\$ 701,971	16.7%	\$ 3,506,079	12.4%
Operating Expenses	523,548	(13.7%)	2,438,475	(16.1%)
Net Operating Revenues before Depreciation	<u>\$ 178,423</u>	3,446.9%	<u>\$ 1,067,604</u>	403.1%
Net Non-Operating Revenues	<u>\$ 177,736</u>	40.1%	<u>\$ 1,112,516</u>	48.4%
Grants:				
FAA AIP Entitlements	\$ 169,004		\$ 3,402,166	
NC Dept of Transportation Grants	-		-	
Total	<u>\$ 169,004</u>		<u>\$ 3,402,166</u>	

CASH

Restricted	\$ 172,423
Designated for O&M Reserve	3,224,433
Unrestricted, Undesignated	6,608,484
Total	<u>\$ 10,005,340</u>

RECEIVABLES PAST DUE

	<u>Total</u>	<u>1-30 Days</u>	<u>31-60 Days</u>	<u>Over 60 Days</u>
AirTran	\$ 13,359	\$ 13,359		
American Airlines	567	-	567	
Asheville Jet/Odyssey	33,287	33,287		
Avis	583	-	583	
Budget	187	187		
FAA/TSA	33,384	23,546	9,718	120
Enterprise	971	98	873	
Express Jet	567		567	
United Airlines	567		567	
US Dept of Agriculture	10		10	
Total	<u>\$ 83,482</u>	<u>\$ 70,477</u>	<u>\$ 12,885</u>	<u>\$ 120</u>
% of Total Receivables	<u>14.52%</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	\$ 3,738,206

CAPITAL EXPENDITURES

Annual Budget	\$ 7,838,948
Year-to-Date Spending	\$ 3,175,507

**REGULAR MEETING
ASHEVILLE REGIONAL AIRPORT AUTHORITY
December 10, 2010
8:30 a.m.**

The Asheville Regional Airport Authority ("Authority") met on Friday, December 10, 2010 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, Jeffrey A. Piccirillo, Secretary-Treasurer; Brownie Newman; Chuck McGrady; Bob Roberts and Martha Thompson

MEMBERS ABSENT: None

STAFF AND LEGAL COUNSEL PRESENT: Cindy Rice, 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; Amy Burritt, Marketing Supervisor and Ellen Heywood, Recording Secretary.

ALSO PRESENT: Bill Sandifer, RS&H; Bob Palmer

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

APPEARANCES: None

PRESENTATIONS:

A. Marketing Plan: Tina Kinsey appeared before the Board to give an overview of the new Marketing Plan. Mrs. Kinsey addressed what the plan will help achieve including goals and objectives. The goals of the plan were identified as attracting more passengers, maintaining growth achieved in FY 09/10, and increasing aircraft seats and service.

Mr. McGrady arrived at 8:35 a.m.

Mrs. Kinsey reviewed our target and geographic markets, stating that 70% of our passengers come from Buncombe, Henderson, McDowell and Jackson counties. Mrs. Kinsey also informed the Board that five outside sources of data were used for analysis. Mrs. Kinsey further detailed the airport's strengths, weaknesses, opportunities and threats. The Board was advised of the tactics that will be employed including a leakage study, which is already in progress; air service master development plan; relationship building strategies; advertising blitz; loyalty program for frequent travelers; plans for 50th anniversary celebrations; and outreach to the business community. In addition, the marketing items accomplished to date were reviewed.

There were brief discussions on the leisure/business travel ratio and the opportunity to coordinate marketing of the airport with the local tourism industry.

The Chairman thanked Mrs. Kinsey for her wonderful presentation and requested details of the 50th anniversary celebrations at the January Board meeting.

FINANCIAL REPORT: The Director reviewed the airport activity section of the Executive Summary for the month of October and noted another favorable month. Enplanements for the calendar year are anticipated in the 360,000 range. Vickie Thomas reported on the financial results stating that operating revenue for the month continues to be up and operating expenses down. The cash position for the month totals \$10,010,179 and the Board was advised that this is the first time since November, 2008 where the cash position was above \$10 million.

CONSENT AGENDA:

The Chairman advised the Board that Consent Agenda Item B was to be pulled for a separate vote. Mr. Gantt moved to recuse Ms. Thompson due to a conflict of interest on this item. Mr. Piccirillo seconded the motion and it carried unanimously.

B. Approval of Amendment to Contract for Scope of Services and Fees (Number 11) with AVCON Engineers & Planners, Inc.: Mr. Newman moved to approve the Amendment to Contract for Scope of Services and Fees (Number 11) with AVCON Engineers & Planners, Inc. Mr. Gantt seconded the motion and it carried unanimously.

Ms. Thompson returned.

A. Approval of the Asheville Regional Airport Authority October 8, 2010 Regular Meeting Minutes:

C. Approval of Award of Contract for Purchase of Electric Belt Loaders:

D. Approval of Award of Contract for Purchase of Roadway/Airfield Sweeper:

Mr. McGrady moved to approve Consent Agenda Items A, C and D. Mr. Roberts seconded the motion and it carried unanimously.

OLD BUSINESS: None

NEW BUSINESS:

A. Approval of Resolution Number 041307-02 Concerning the Implementation and Collection of a Customer Facility Charge: The Director reported on the Board's approval of a resolution in May of 2004 implementing a Customer Facility Charge (CFC) of \$2.00 per car rental transaction day for the funding of capital improvements for the rental car companies. An increase in the CFC to \$4.00 per car rental transaction day was approved by the Board in April of 2007 to fund the construction of a new rental car maintenance and storage facility and support the bond taken out to cover the debt for that facility. The Director advised the Board that 50% of the outstanding amount of the bonds has to be maintained in a collateral fund unless the revenue to debt ratio is equal to or exceeds 165% of the yearly debt service. If the ratio is met for two consecutive years, the bond holder will release the additional collateral fund back to the Authority. The Authority is in the third year of repayment of the bond. The first year ratio was 170% but the second year was 162%. The bond holder has agreed to release the additional collateral fund of approximately \$2,000,000.00 to the Authority but can request it be put back in the collateral fund if the Authority falls below the 165% revenue to debt ratio. The Director requested the Board increase the CFC by .25 cents to \$4.25 per car rental transaction day. This will generate an estimated \$52,500 annually and create a \$34,500 cushion to guarantee that the 165% revenue to debt ratio is maintained.

The Chairman affirmed that this was more of a precautionary measure. The Director agreed and informed the Board that the \$2,000,000 the bond holder returns to us would have to be restricted or reserved by the Authority as the bond holder would require the funds be returned if the 165% revenue to debt ratio is not maintained. The Chairman inquired if the \$2,000,000 was shown as restricted on the Executive Summary

and the Director agreed that it was as this just occurred at the end of November and will appear as undesignated, unrestricted on the next Executive Summary.

Mr. Newman questioned the length of the bond and the Director responded that this is year three of a 10 year bond.

Mr. McGrady moved to approve the Resolution to Amend Resolution Number 041307-02 Concerning the Implementation and Collection of a Customer Facility Charge as outlined below. Mr. Gantt seconded the motion and it carried unanimously.

RESOLUTION NUMBER 121010-03

A RESOLUTION TO AMEND RESOLUTION NUMBER 041307-02 AUTHORIZING THE IMPOSITION AND COLLECTION OF A CUSTOMER FACILITY CHARGE OF \$4.00 PER CAR RENTAL TRANSACTION DAY ON ALL CAR RENTAL CONTRACTS ISSUED FOR THE RENTAL OF PASSENGER MOTOR VEHICLES AT THE ASHEVILLE REGIONAL AIRPORT

WHEREAS, the Asheville Regional Airport Authority ("Authority") is a joint governmental agency organized and created by the City of Asheville and the County of Buncombe, pursuant to Article 20 of Chapter 160A of the General Statutes of North Carolina; and

WHEREAS, the Authority operates the Asheville Regional Airport("Airport"); and

WHEREAS, the Authority on May 17, 2004, adopted a resolution authorizing the imposition and collection of a customer facility charge of \$2.00 per car rental transaction day on all car rental contracts issued for the rental of passenger motor vehicles at the Asheville Regional Airport; and

WHEREAS, the Authority, on or about July 1, 2004, began imposing and have said Car Rental Operators collect, on behalf of the Authority, a Customer Facility Charge of \$2.00 per Car Rental Transaction Day on all Car Rental Contracts; and

WHEREAS, the Authority on April 13, 2007, adopted amended Resolution Number 041307-02 increasing the Customer Facility Charge from \$2.00 per Car Rental Transaction Day to \$4.00 per Car Rental Transaction Day to fund certain car rental facilities and other ground transportation projects which will benefit Car Rental Operators and their Customers at the Airport; and

WHEREAS, the imposition and collection of said Customer Facility Charge is hereby determined to be in the public interest of providing and maintaining facilities

and service to Car Rental Operators, their Customers, and the traveling public using the Airport; and

WHEREAS, the Airport Director recommends that the Authority amend Resolution Number 041307-02 to increase the Customer Facility Charge of \$4.00 per Car Rental Transaction Day to \$4.25 per Car Rental Transaction Day, effective February 1, 2011.

NOW, THEREFORE, Be It Resolved and Adopted by the Authority as follows:

1. SECTION 1 (a) of Resolution Number 041307-02 shall be replaced in its entirety and read as follows:
 - (a) "Customer Facility Charge" means a charge of \$4.25 per Car Rental Transaction Day.
2. All other sections and provisions of Resolution Number 041307-02 not specifically amended shall remain in full force and effect.
3. This Resolution shall take effect at 12:01 A.M., February 1, 2011, and shall apply to each and every Car Rental Contract covering the rental of any passenger motor vehicle at the Airport on or after February 1, 2011.

Adopted this 10th day of December, 2010.

ASHEVILLE REGIONAL AIRPORT AUTHORITY

Jeffrey A. Piccirillo
Secretary-Treasurer

David R. Hillier
Chairman

B. Adoption of Asheville Regional Airport Five-Year Capital Improvement Plan (CIP) for FY 2012-2016: The Director reported that the Federal Aviation Administration (FAA) requires all airports to submit a five-year CIP each year to be eligible for federal funding of projects. The CIP is based on capital projects identified in the 2005 Terminal Area Planning Study and also the improvements to the taxiway and runway. The Director reviewed the revisions from last year's CIP. Fiscal Year 2012 includes the construction of an ARFF Facility for \$4,000,000 and the Airfield Improvement Program (AIP) for \$3.2 million. This AIP is an accumulation of the current year \$880,000 which will not be seen in this current fiscal year because the LOI

application process will not be determined until November of 2011. Those funds were programmed from 2011 down to 2012. The Director identified the only other additions to the CIP as snow removal equipment in FY 2013 and FY 2014, and Passenger Board Bridges for the B gates in FY 2016. The total cost of the CIP is \$61.6 million of which \$4.2 will be paid with airport funds and the remainder of which covered by federal and state funds and PFC collections.

Mr. Newman inquired about the terminal renovations in the B Gates and the Director responded that \$250,000 was earmarked for painting, carpeting, terrazzo and cosmetic renovations to correspond with the newly renovated gates 1 through 3.

Mr. McGrady moved to adopt the Five-Year CIP for FY2012–2016 as presented for submission to the FAA. Mr. Roberts seconded the motion and it carried unanimously.

C. Approval of an Agreement with SpectraSite Communications, LLC for a Multi-Carrier In-Building Neutral Host Lease Agreement: The Director informed the Board that SpectraSite Communications in partnership with American Tower Corporation provides cell phone towers to individual wireless communication companies such as Verizon, AT&T, etc. The closest cell phone tower is nearing capacity and there is weak reception in some areas in the terminal building. SpectraSite would provide a horizontal antenna system that replicates a vertical tower behind the scenes in HVAC ducts, raceways, conduits and telecommunication pathways in the terminal and is proposing a 10 to 15 year lease. Estimated revenue for the Authority is \$75,000 to \$150,000 over the length of the lease depending on the term and the number of companies who contract with SpectraSite. Installation of an internal wireless system would provide better reception for passengers and be of no cost to the Authority.

Mr. McGrady stated that he understood that installation of SpectraSite's equipment would in no way interfere with the plans the Authority has for any improvements or necessary maintenance. The Director agreed that this was correct and that SpectraSite's equipment was movable.

Ms. Thompson moved to approve an Agreement with SpectraSite Communications, LLC for a Multi-Carrier In-Building Neutral Host Lease and authorize the Airport Director to negotiate terms of the agreement and execute the necessary documents. Mr. Roberts seconded the motion and it carried unanimously.

D. Approval of a New Task Order with RS&H for the Development of the FAA Letter of Intent Application: The Director reminded the Board of their decision to move forward with the West Parallel Taxiway and Runway Reconstruction Project pending funding from the FAA. The FAA's Letter of Intent program assists airports that are seeking funding for a major capital project intended to preserve or enhance airfield capacity and safety. Staff has never submitted a LOI application and is seeking the Board's approval to contract with RS&H for professional assistance in the development of the project financial plan and LOI application. The scope of service proposed by RS&H is for an amount not-to-exceed \$50,000. The cost for these services is covered in the current fiscal budget and is also reimbursable as part of a future FAA grant if staff decides to seek reimbursement.

The Chairman inquired who on the staff would work with RS&H on the LOI application. The Director responded that the Deputy Director of Development and Operations would as well as the Director of Finance and Accounting and a cross of other staff members. The Chairman asked if staff would have the expertise to prepare any future LOI applications once this application process with RS&H was completed. The Director responded that he did not anticipate any projects big enough to require an LOI but that staff should be able to prepare an LOI application in the future.

Mr. Roberts questioned if overhead of 178% was typical in the industry. The Director replied that he had already asked that question and that this was standard. The Director further stated that the amount of overhead and profit should fall between 2-3 times of what the actual labor costs are and this overhead is acceptable.

Mr. McGrady moved to approve a new Task Order with Reynolds, Smith & Hills, Inc. for the Development of the FAA Letter of Intent Application in an amount not-to-exceed \$50,000 and authorize the Airport Director to execute the necessary documents. Mr. Gantt seconded the motion and it carried unanimously.

E. Approval of Contract with Newton & Associates for Completion and Implementation of a Passenger Facility Charge (PFC) Application: The Director advised the Board that the current PFC Application No. 4 which was approved in 2007 is set to expire in August 2011. Due to an increase in the enplanements, the Authority is collecting the PFC revenue faster than anticipated and the maximum amount allowed under this application will be collected within the next two months causing this application to be closed out. Since there are projects identified in the CIP which will be eligible for PFC revenue, a new application needs to be submitted. Staff has limited knowledge on completing a PFC application so the Director requested the

Board approve a contract with Newton & Associates for the completion of a new PFC application while training staff in the process. The contract with Newton & Associates is for a not to exceed amount of \$41,800 and is reimbursable through PFC funding.

The Chairman inquired if staff would have the expertise to complete a PFC application after going through the process with Newton & Associates. The Director responded that staff would be able to complete a future PFC application after training.

Mr. McGrady moved to approve a Contract with Newton & Associates for Completion and Implementation of a Passenger Facility Charge Application in an amount not-to-exceed \$41,800 and authorize the Airport Director to execute the necessary documents. Ms. Thompson seconded the motion and it carried unanimously.

F. Proposed FY10/11 Budget Amendment: Vickie Thomas reported that there is a need for an amendment to the FY10/11 Budget to provide for the revenue and expenditures in the Consent Agenda and New Business items just approved by the Board. Mrs. Thomas stated that staff needs to reimburse the Reimbursable Costs revenues and expenditures by \$42,750 to provide for the increase in the Avcon Engineers and Planners contract costs that are to be reimbursed by Charah. Also required is \$142,500 to increase Equipment and Small Capital Outlay expenditures for the purchase of the electric belt loaders while also increasing the NC DOT Grant revenue by \$142,500. An increase of \$41,800 in the Executive Department expenditures for the contract with Newton & Associates will be necessary and also an increase in the Passenger Facility Charges revenue by \$41,800. The budget amendment will increase the FY 10/11 budgeted revenues and expenditures by a total of \$227,050 to provide for these changes.

Mrs. Thomas requested the 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>
Executive Department		\$41,800
Reimbursable Costs		42,750
Equipment and Small Capital Outlay		142,500
Totals	<u>\$0</u>	<u>\$227,050</u>

This will result in a net increase of \$227,050 in the appropriations. To provide the additional revenue for the above, revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Reimbursable Costs		\$42,750
Passenger Facility Charges		41,800
NC DOT Grants		142,500
Totals	<u>\$0</u>	<u>\$227,050</u>

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 10th day of December, 2010.

David Hillier, Chairman

Attested by:

Jeffrey Piccirillo, Secretary-Treasurer

Mr. McGrady moved to approve the Amendment to the FY10/11 Budget as presented by staff. Mr. Gantt seconded the motion and it carried unanimously.

DIRECTOR'S REPORT:

The Director advised the Board that he had a few items to report that were not on the agenda and also requested that Item C be reviewed at the end of his report.

A. Distribution of Audit Report: Copies of the bound Audit Report were available for the Board at their seats. The Director reminded the Board that the audit report was accepted by the Authority Board at the October 8, 2010 Board meeting pending LGC approval. The audit has received LGC approval.

B. Appointment to ACRP Research Panel: The Director informed the Board that he had been asked to serve on a panel for the Airport Cooperative Research Program (ACRP) in Washington, DC. ACRP is an arm of the National Transportation Research Board which is an arm of the National Academies of Science. The research subject is understanding airline and passenger choice in multiple airport regions and the data gathered will help airports understand why airlines make their decisions and passengers make their choices. The panel is composed of representatives from five airports, an airline and two members from the FAA. The panel has developed the scope of services for a consultant and will meet again in March to select a consultant who will have a timeframe of 15 months to complete the research and will have a \$250,000 grant to work with.

D. Transfer to Contingency from IT Expenditures for A Gates: The Director reminded the Board that at the October 8, 2010 Board meeting he had reported that \$9,700 was transferred from Contingency to Small Equipment Capital Outlay for IT equipment for the A gates project and that the funds would be transferred back to Contingency once the contract was amended with Shelco for these allowances. The Director advised the Board that the change order for the Shelco contact was accepted and the \$9,700 was transferred back to Contingency.

E. American Airlines: The Director reported that American Airlines has notified staff that service to Dallas will be coming back to Asheville as seasonal service beginning next June through October. The Director reported that staff will continue to try to convince American to become an annual operator at AVL.

F. MSE Branded Foods: Paradies has announced that the general manager for MSE in AVL will become a Paradies employee effective December 31. MSE has promoted an employee in Asheville to be the interim manager until Paradies opens their restaurant and gift shop on March 1. MSE is winding down the inventory of stock for

news and gift items and is closing the Subway effective January 1. MSE will keep the hot grill open rather than Subway as the grill provides the food for the airside kiosk. Signs will be constructed for passengers and will focus on the news that Paradies will be opening a full-service restaurant and store in March.

G. TSA Screening Process: Even with the busy traveling season, staff has not received any complaints on the pat downs for TSA's new screening process. The Director attributed this to a very courteous and professional TSA staff here in Asheville.

H. Personnel Changes: The Director reported a couple of personnel changes in the organization. The Maintenance Department had the Maintenance Coordinator employee vacate but was pleased to report that an employee from Guest Services has been promoted to this position. The full-time Guest Services position has been changed to two part-time positions with one new employee already hired and interviews taking place for the second spot. The Authority is at 60 full-time equivalents although the budget allows for 61 full-time equivalents.

C. Paradies Update: Some slides of the drawings for Paradies' new airside restaurant and gift shop, Blue Ridge Trading and Tavern, were shown to the Board. Construction is set to start the week of December 13 and the restaurant and shop will be open on March 1st.

INFORMATION SECTION: Mr. Roberts noted that depreciation is not budgeted in the financial reporting. Mrs. Thomas stated that this was correct as governmental accounting reports the actuals.

The Chairman stated that the Closed Session would come before the Authority Members' Reports. At 9:47 a.m. the Chairman called for a break.

CLOSED SESSION: At 9:54 a.m. Mr. McGrady moved to go into Closed Session Pursuant to Subsections 143-318.11 (a) (3) and (4) of the General Statutes of North Carolina for the following purposes:

To consult with the Asheville Regional Airport Authority legal counsel in order to preserve the attorney-client privilege between the Asheville Regional Airport Authority and its legal counsel, and during this Closed Session, or a portion thereof, the Asheville Regional Airport Authority expects to consult with its legal counsel concerning an existing lawsuit commenced in the Buncombe County Superior Court, File Number 08 CvS 697, the parties to which are Asheville Jet, Inc. d/b/a Million Air Asheville (which is

now d/b/a Odyssey Aviation), as plaintiff, and the City of Asheville, the Asheville Regional Airport Authority, and possibly the County of Buncombe, as defendants; and

To consult with legal counsel in order to discuss matters relating to the location and/or expansion of industries or other businesses in the area served by the Asheville Regional Airport Authority, including agreement on a tentative list of economic development incentives that may be offered by the Asheville Regional Airport Authority in negotiations. Mr. Roberts seconded the motion and it carried unanimously.

Open Session resumed at 10:10 a.m.

AUTHORITY MEMBERS' REPORTS: The Chairman noted that a couple of items needed to be reviewed that were not on the agenda.

A. Discussion of Airport Director Evaluation Timeline: The Chairman advised the Board that the annual evaluation form for the Director would be distributed to the Board in late December or early January for discussion at the February Board meeting. Mr. Gantt stated that he would like the Board to consider using a process called 360 Evaluations for the Director's evaluation if not this year then possibly in the future. With this evaluation process the Director would be evaluated by the Board as well as his peers. Mr. Gantt has used this in the past and felt it was a superior way to attain information on how the person is doing as well as how the individual's performance is perceived by others. Mr. Gantt further stated that this process is also a great teaching tool. Mr. Piccirillo commented that this process is a great development tool as well. The Chairman felt this was a good suggestion for next year when there was more time to plan for a more involved process.

B. Discussion of Authority Board Conference Attendance: The Chairman requested the Board members identify any upcoming aviation industry conferences that were of interest to them. Ms. Thompson and Mr. Roberts both stated they felt the ACI-NA Board Member and Commissioners Conference in May would be of benefit to them. The Chairman also expressed interest in that same conference but will wait to see if the new Board member would be amenable to attending. The Chairman requested the Director make a note to update the new Board member on the conference schedule.

The Director requested the Board also consider travel for the FY11/12 budget and the Chairman responded that a discussion could take place at the budget workshop.

C. Discussion of West Side Project Tour: The Chairman stated that Mrs. Kinsey had expressed interest in partnering with a local nonprofit and the Chairman felt the French Broad river keeper might be a logical choice. A discussion took place regarding the benefits of working with a nonprofit for purposes of maintaining transparency as well as the potential to disseminate accurate information on the Westside fill project while curbing misinformation.

Mr. Roberts asked about the scope of complaints on this project. Mr. McGrady responded that he has basically heard that the coal ash has elements to it that could be problematic to the river if it were to get in the river and also the migration of the coal ash through the wind or otherwise to places other than where it is being filled. Mr. McGrady further stated that there were not a large number of people expressing concern but felt that any issues should be addressed with the correct information and the Board should be proactive on this subject. Mr. Gantt also agreed with Mr. McGrady and thought it was important for people to tour the Westside fill area. Mr. Newman stated the management of coal ash was a big issue nationally rather than a broad awareness locally. Mr. Newman also felt that there was the potential for it to be elevated to a higher profile issue with inaccurate information that could be detrimental to the airport. Mr. Newman thought it best to educate a few key people that have shown concern how the project is being handled responsibly. Mr. Newman's further stated the airport is already meeting the regulations for the management of coal ash as a fill if the state decides in the future to make coal ash a regulated hazardous waste. Mr. Newman felt the project is a sort of model for best practices for how to treat the use of coal ash from a water quality standpoint.

A discussion ensued of the necessity for a tour of the Westside fill area for a small number of groups such as Riverlink, Western North Carolina Alliance, UNCA and Warren Wilson professors, and a few Board members. The Board was in consensus to invite a few key groups for a tour of this area in order to clarify any misconceptions on the project.

Mr. Roberts also questioned whether or not a makeup of the liners used in the project as well as a map could be made available for members of the public to see. The Director responded that the company working on the project can provide a cross-sectional piece of the material used as a liner to the Authority for anyone who wishes to see it.

Ms. Thompson stated that she was very proud of the state-of-the art project happening here at the airport and that it was a project the whole nation can look at as a template for the proper management of coal ash.

D. Review and Discussion of Applications for Authority Board At Large Vacancy: Mr. McGrady urged the Board to consider an applicant from Henderson County to fill the At Large vacancy.

Mr. McGrady left the meeting at 10:41 a.m.

A discussion on the consideration of a late application for the At Large vacancy took place. The consensus of the Board was to reject the application.

The Chairman suggested the Board select a minimum of three candidates and a maximum of six candidates for interviews at the January Board meeting. The Board agreed with this suggestion. The Board Members were polled on the candidates to be interviewed. The consensus of the Board was to interview five candidates: Mr. Palmer, Mr. Stroud, Ms. Lyda, Mr. Moyer, and Mr. Pace.

A discussion of the interview process at the January meeting took place. Mr. Newman suggested having a discussion after the interviews are conducted and have each Board Member identify a candidate and it's possible a clear candidate will be apparent. Mr. Newman felt this would be a better process than having a motion made and voted on. Mr. Gantt also suggested polling the Board.

PUBLIC AND TENANTS' COMMENTS: None

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

The next regular meeting of the Authority will be on Friday, January 14, 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



MEMORANDUM

TO: Members of the Airport Authority

FROM: Lew Bleiweis, Airport Director

DATE: January 14, 2011

ITEM DESCRIPTION – New Business Item A

Approval of Lease Agreement with ProDIGIQ, Inc. for Airport High Definition Television Concession

BACKGROUND

Last year staff informed the Board that the agreement with CNN Airport News was being terminated by the Authority. CNN provided its airport news television programming in the airport and was upgrading broadcasting equipment. This change of equipment was going to cost the Authority anywhere from \$5,000 - \$45,000 to purchase the new equipment. The Authority was also paying for this service.

Staff looked for an alternative company that was capable of providing television programming in the terminal building. At the time, ProDIGIQ was a new company providing television programming through the internet. In addition to television programming, ProDIGIQ provides advertising and destination marketing via the television equipment. Two airports were subscribing to the service.

Over the past year while the terminal construction project was underway, staff negotiated terms for a contract with ProDIGIQ to provide television and advertising programming in the terminal building. ProDIGIQ has also expanded and is now in 12 airports with a few more to be added in the 1st quarter of 2011.

Current stations being televised by ProDIGIQ are: AccuWeather, CBS MoneyWatch, CBS CHOW.com, Holiday Kitchen.tv, High Impact Television, Explore.org, Cinelan, and Summer Kitchen.tv.

ProDIGIQ is proposing a 10 year agreement to provide television programming in the terminal.

New Business – Item A



ISSUES

None

ALTERNATIVES

The Authority Board could decide they want to subscribe to CNN Airport News Network and pay for television programming.

FISCAL IMPACT

The agreement provides for ProDIGIQ to pay the Authority a concession fee of 15% of gross revenues derived from the television advertising and destination marketing broadcasted over the terminal building televisions.

RECOMMENDED ACTION

It is respectfully requested that the Authority Board resolve to (1) approve an Agreement with ProDIGIQ, Inc. for an Airport High Definition Television Concession; and (2) authorize the Airport Director to execute the necessary documents.

Attachment

**AIRPORT HIGH DEFINITION
TELEVISION CONCESSION
AGREEMENT**



Fletcher, NC

Effective Date

ProDIGIQ, Inc.
Concessionaire

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**AIRPORT HIGH DEFINITION TELEVISION CONCESSION AGREEMENT
ASHEVILLE REGIONAL AIRPORT**

THIS CONCESSION AGREEMENT (the "Agreement") is made and entered into this _____ day of _____, 2011, by and between the ASHEVILLE REGIONAL AIRPORT AUTHORITY, a public and governmental body, existing under and by virtue of the laws of the State of North Carolina, whose address is 61 Terminal Drive, Suite 1, Fletcher, North Carolina 28732 (the "Authority"), and ProDIGIQ, INC, whose address is 26500 West Agoura Road, Suite 102-796, Calabasas, CA 91302 (the "Company").

W I T N E S S E T H:

WHEREAS, pursuant to an agreement dated November 1, 1979, as amended, with the City of Asheville (hereinafter referred to as "City"), Authority controls, operates, and maintains an airport in Buncombe County, State of North Carolina, known as Asheville Regional Airport (hereinafter referred to as "Airport"); and

WHEREAS, Authority operates and maintains a Terminal Building at the Airport, which contains facilities for basic passenger processing and related services and amenities (hereinafter referred to as the "Terminal Building"); and

WHEREAS, Authority has designated certain areas within the Terminal Building from which may be offered high definition television programming for the benefit and convenience of airline passengers and other visitors; and

WHEREAS, in accordance with Authority's "Policy for Awarding Concession and Consumer Service Privileges in the Terminal Complex at Asheville Regional Airport, Asheville, North Carolina," as amended (the "Concession Policy"), Company and Authority have agreed on the terms and conditions hereinafter set forth for a high definition television concession in the Terminal Complex at the Asheville Regional Airport; and

WHEREAS, Company warrants to Authority that it meets the eligibility criteria, and it is qualified to conduct the business and meet the obligations hereinafter stated;

NOW, THEREFORE, for and in consideration of the premises and of the mutual covenants hereinafter contained, the parties hereto do hereby agree as follows:

ARTICLE 1 - DEFINITIONS

Capitalized terms used in this Agreement and not otherwise defined shall have the following meanings:

A. **"Affiliate"** of any person shall mean any other person directly or indirectly controlling or controlled by, or under direct or indirect common control with such specified person. For the purpose of this definition, "control", when used with respect to any specified person means the power to direct the management and policies of such person directly or indirectly, whether through the ownership of voting securities, by control or otherwise.

B. **"Agreement"** means this High Definition Television Concession Management Agreement by and between Authority and Company.

C. **"Agreement Period"** means the Initial Period and each subsequent twelve-month period beginning on _____ and ending on, _____ during the term of this Agreement; provided, however, that with respect to any year in which the term of this Agreement expires or is terminated in accordance with the provisions of this Agreement, Agreement Period shall mean the period from the first day of the Initial Period or other Agreement Period to the date of expiration or termination of the term.

D. **"Airport "** means the Asheville Regional Airport located in Asheville, North Carolina.

E. **"Airport Director"** means the Airport Director of the Authority or his designee.

F. **"Attorneys' Fees"** means attorneys' fees and costs, including, without limitation, fees and charges for the services of paralegals or other personnel who operate for and under the supervision of the attorneys and whose time is customarily charged to clients.

G. **"Commencement Date"** means _____, 2011.

H. **"Concession"** means this High Definition Television Concession.

I. **"CPU Units"** means any device, provided, used, located, and installed by Company necessary to run the television/promotional programming in the Terminal Complex.

J. **"Disadvantaged Business Enterprise or DBE"** "Disadvantaged Business Enterprise or DBE" means: a for-profit small business concern: (i) That is at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged individuals or, in the case of a corporation, in which 51 percent of the stock is owned by one or more such individuals; and (ii) Whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.

K. **"Digital Content"** means all destination specific information, local information, passenger related information, breaking news, sports, business news, and entertainment.

L. **"Gross Receipts"** means all receipts derived or earned by Company, or any affiliates of Company, in connection with all (1) Digital Content that provides revenue to Company, (2) advertisements, and (3) sponsorships of TVs managed by Company at the Airport under the terms of this Agreement, excluding:

Amounts of any separately stated federal, state and local sales or use taxes collected.

Company's Gross Receipts shall be computed and audited in accordance with the provisions of the Agreement. In the event of any conflict between the provisions of the Agreement and generally accepted accounting principles or generally accepted auditing standards, the provisions of the Agreement shall control, and the provisions of the Agreement shall not be

limited by such accounting principles or audit standards per the provisions of this Agreement.

M. **"Initial Period" or "Initial Agreement Period"** means the period which begins on the Commencement Date and ends _____, 2021.

N. **"Premises"** means the areas of the Terminal Complex described in Article 2, below, in which Company is granted the right to operate the Concession in accordance with the terms and conditions of this Agreement, together with any additional areas in the Terminal Complex in which Company may be granted such rights.

O. **"Terminal Complex"** means collectively the landside and airside buildings at the Airport.

ARTICLE 2 - RIGHTS AND PRIVILEGES GRANTED TO COMPANY

A. Rights and Premises.

1. The Authority hereby grants to Company the non-exclusive right and privilege, and Company hereby assumes the obligation, to provide an airport TV network through the use of Wide Screen High Definition LCD TVs to show Digital Content that enhances passenger experience at the Airport, in the areas of the Premises shown in Exhibit "A" hereto, and in accordance with the provisions of this Agreement.

2. Company shall not use or permit the Premises to be used for any purposes other than as described in this **Article 2.A.** without the prior written approval of the Authority not for any use in violation of any applicable building codes, zoning regulations, municipal, county, state or federal laws, ordinances or regulations.

B. Occupancy of Premises and Commencement of Business.

This Agreement shall become operative upon the Effective Date of this Agreement. Company shall be required to open for business and commence paying Concession Fees in accordance with **Article 5.A.** on the applicable Commencement Date.

C. Non-exclusivity.

It is expressly provided that the rights and privileges granted hereunder are non-exclusive, and nothing contained in this Agreement shall preclude the Authority from installing and/or leasing, or granting rights to one or more third parties to install and/or sell advertising of any kind or in any location during the term of this Agreement on any terms the Authority determines to be appropriate in its sole discretion.

D. Relocation/Surrender of Premises.

1. Notwithstanding any other provision of this Agreement, the Authority

shall have the right at any time during the term of this Agreement to require Company to surrender any TV in order to accommodate a change in the design or use of the Terminal Complex. In such event, the Authority shall, in its sole discretion, either:

a. provide Company with a substitute area which the Airport Director determines to be reasonably equivalent in value, though not necessarily identical in size or otherwise, to the area surrendered; all reasonable relocation expenses shall be reimbursed by the Authority or,

b. grant Company an equitable reduction in the Concession Fee.

2. The Authority shall in no event be liable to the Company for any inconvenience or loss of business as a result of the Company being required to move or surrender any TV. If the TVs required to be surrendered by Company are more than 50% identified in **Exhibit A** initially included in the Agreement, the Company may terminate this Agreement.

ARTICLE 3 - USE OF PREMISES

A. Permitted Uses.

1. The Premises and/or TVs shall be used by Company during the term hereof only for the provision of providing Digital Content in accordance with the terms of this Agreement.

2. All Digital Content (television programming excluded) including, without limitation, text, artwork and photographs shall be submitted to the Airport Director or designee for review and approval not less than ten business days prior to installation.

B. Relation to Other Concessions.

This Agreement is separate and distinct from, and shall be construed separately from, any other agreement between Company and the Authority (subject to the provisions of **Article 12.A**) and from any other, similar agreement between the Authority and any other person operating a concession at the Airport, and the fact that any such other agreement may contain provisions which differ from those contained herein shall have no bearing on the construction of this Agreement.

ARTICLE 4 - TERM

Basic Term. This Agreement shall become effective upon execution by the parties hereto. The term of this Agreement shall commence on the Commencement Date and end on _____, 2021 hereinafter referenced to as the "Basic Term", unless sooner terminated in accordance with the terms and provisions hereof.

ARTICLE 5 - CONCESSION FEES AND ACCOUNTING RECORDS

A. **Concession Fee.** Company shall pay to the Authority, for each Agreement

Period of the term of this Agreement, a Concession Fee, in an amount equal to 15% of Gross Receipts.

B. Monthly Payments of Fees.

1. Notwithstanding anything to the contrary elsewhere herein, the monthly determination of Concession Fee due pursuant to the Percentages of Gross Receipts shall be made on a monthly basis. Company shall pay to Authority, without demand, at the office of the Director of Finance and Accounting, on the fifteenth (15th) day of the month following each calendar month of the term hereof, a sum of money equal to the amount, if any, by which the total of the Percentage fees applicable to Company's Gross Receipts (as set forth in **Article 5.A.**, above). Company shall provide the Director of Finance and Accounting with a statement, in the form of the "Revenue Report" attached hereto as **Exhibit B** which form the Airport Director may amend from time to time in his discretion, which sets forth the Company's Gross Receipts for the prior calendar month and is signed by an officer (if Company is a corporation), partner (if a partnership), or owner (if a sole proprietorship) of Company, and which sets forth Company's Gross Receipts during such preceding calendar month and identifies all receipts derived by Company during such calendar month which have been excluded from the computation of Gross Receipts.

C. Sales, Use, Ad Valorem and Other Taxes. Company shall be solely responsible for the payment of all sales, use, ad valorem and other taxes levied upon the Premises and also upon the fees and other charges payable by Company to Authority hereunder, whether or not the same shall have been billed or collected by Authority, together with any and all interest and penalties levied thereon, and Company hereby agrees to indemnify Authority and hold it harmless from and against all claims by any taxing authority that the amounts, if any, collected from Company and remitted to the taxing authority by Authority, or the amounts, if any, paid directly by Company to such taxing authority, were less than the total amount of taxes due, and for any sums including interest and penalties payable by Authority as a result thereof. The provisions of this paragraph shall survive the expiration or prior termination of this Agreement.

D. Annual Certification of Fees. Within 90 days after the close of each yearly anniversary of the term hereof, Company at its own cost and expense shall provide to the Director of Finance and Accounting financial statements prepared in accordance with generally accepted accounting principles applied on a consistent basis for its operations at the Premises, together with a report on examination of such financial statements made in accordance with generally accepted auditing standards by Company's Chief Financial Officer. The financial statements must be accompanied by schedules of Gross Receipts and Concession Fees for such Agreement Period. If such schedules indicate that the Concession Fees for such period have been overpaid, then the amount of overpayment shall be credited to the Concession Fees next due and owing from Company, unless the term hereof has expired, in which event such amount shall be promptly refunded by the Authority to Company. If such schedules indicate that the Concession Fees for such Agreement Period have been underpaid, then Company shall submit payment therefore to the Authority at the Office of the Director of Finance and Accounting at the same time it submits to the Director of Finance and Accounting the statements required under this Article, together with interest on any underpaid Concession Fees at the rate set forth in **Article 15.F.**, below, from the date such fees or charges should have been paid.

E. **Books and Records/Authority's Right to Audit.** Company 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 sales of Company from the Premises. Company'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, Company's Gross Receipts as defined in **Article 1.L.**, above. Company shall account for all revenues of any nature related to transactions in connection with this Agreement in a manner which segregates in detail those transactions from other transactions of Company and which supports the amounts reported to the Authority in Company's monthly "Revenue Report" schedules prepared in accordance with **Article 5.B.** At a minimum, Company's accounting for such receipts shall include the following:

1. A compiled report of transactions from the Premises showing all Gross Receipts and all exclusions from Gross Receipts by category (as set forth in **Article 1.L.**), which report shall be totaled by month. The monthly total shall correspond with the amounts reported to Authority on Company's monthly "Revenue Reports" under **Article 5.B.**; and

2. Such other records, if any, which would normally be examined by an independent certified public accountant in performing an examination of Company's Gross Receipts in accordance with generally accepted auditing standards and the provisions of this Agreement.

Such records may be in the form of (a) electronic media compatible with the Authority's computers, and/or (b) a computer run hard copy. The Airport Director may require other records necessary in his determination to enable the accurate audit of Company's Gross Receipts hereunder. Upon thirty (30) days written notice from the Airport Director, all such books and records, including the general ledger and bank statements and all federal, state and local tax returns relating to Company's sales, shall, be made available, either at the Premises, or at the Airport Director's option, at the offices of the Authority, for inspection by the Authority through its duly authorized representatives at any time for up to three (3) years subsequent to expiration of the Agreement Period to which such books and records relate (and Company shall not be obligated to retain such books and records subsequent to the termination of such three (3) year period). The Authority shall further have the right, upon reasonable written notice to Company from the Airport Director and at the sole cost of the Authority except as specified below, to examine or designate a representative to examine the books and records of Company which relate to its operations on the Premises to determine the correctness of the Concession Fees paid by Company to the Authority for any or all of the three (3) Agreement Periods immediately preceding such examination. If, as a result of such examination, it is established that the Concession Fees for any Agreement Period have been underpaid to the Authority, Company shall forthwith, upon written demand from the Airport Director, pay the difference to the Authority, together with interest thereon at the rate set forth in **Article 15.F.**, below, from the date such amount or amounts should have been paid. Further, if such examination establishes that Company has underpaid Concession Fees for any Agreement Period by two percent (2%) or more, then the entire expense of such examination shall be borne by

Company. Authority's rights under this **Article 5.E.** shall survive the expiration or earlier termination of the term of this Agreement. In the event of any conflict between any provision of this Agreement and generally accepted accounting principles or generally accepted auditing standards, the provisions of this Agreement shall control even where this Agreement references such principles or standards. In particular, without limitation, Company shall maintain all records required under this Agreement to the full extent required hereunder, even if some or all of such records would not be required under such general principals or standards.

F. **Additional Sums Due the Authority.** If the Authority has paid any sum or has incurred any obligation or expense for which Company agreed to pay or reimburse the Authority, or if the Authority is required or elects to pay any sum or incur any obligation or expense because of the failure, neglect or refusal of Company to perform or fulfill any of the terms or conditions of this Agreement, then the same shall be deemed additional fees due hereunder, and Company shall, immediately upon demand by the Airport Director, reimburse the Authority therefore.

G. **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 by certified mail, return receipt requested to the following:

Director of Finance and Accounting
Asheville Regional Airport Authority
Asheville Regional Airport
61 Terminal Drive, Suite 1
Fletcher, North Carolina 28732

ARTICLE 6 - Not Applicable

[This Area Intentionally Left Blank]

ARTICLE 7 - OBLIGATIONS OF COMPANY

A. **Standards for Operating Concession.** Company shall, at all times, comply with the Standards for Operating Concessions attached hereto as **Appendix 1** and are incorporated herein by reference.

B. **Maintenance of Premises.**

1. **MAINTENANCE OF CPU UNITS.** Company shall provide maintenance and repair service to keep any and all CPU Units operating properly. Such service shall be provided within seven days, following written notification to Company by client or Authority that such service is required. In the event immediate repair is not possible, Concessionaire shall make repairs and restore any malfunctioning or inoperative CPU unit to a satisfactory working condition within 15 days following notification by client or the Authority. Company will provide the Authority with daytime and after hours contact information for the maintenance provider.

2. **UPGRADE OF THE CPU UNITS.** Company shall be completely responsible for the regular upgrades of the CPU units to provide uninterrupted service at the Airport. Company shall manage operational download speeds so not to exceed 3Mbps download and 1.5 Mbps upload.

3. **SOFTWARE UPGRADES AND MAINTENANCE.** Company shall be completely responsible for the upgrade and maintenance of the software that will support the operation of the digital program at the Airport.

4. **REMOTE SERVER MAINTENANCE AND UPGRADES.** Company shall be completely responsible for the maintenance and upgrades of the servers that will support the operation of the digital program at the Airport.

5. **SOURCING OF DIGITAL CONTENT.** Company shall be responsible for acquiring the digital content that will be shown on the TVs. The Authority shall be given the opportunity to approve all content that Company intends to show on the TVs as provided for in **Article 3.A.2.** Television stations must be approved in advance before added to the channel line-up. Company shall endeavor to keep all display units filled with content that enhances passenger experience.

6. **QUALITY OF DIGITAL CONTENT AND SERVICES.** In entering into this Agreement, Company agrees that, to the full and complete satisfaction of Airport and in full conformity with any and all applicable Federal, State and local statutes, laws, ordinances, codes, rules and regulations, Company shall ensure that any and all content provided by Company shall be of the highest quality. Any content found to be objectionable by Authority shall be removed from TV immediately by Company.

7. **CLOSE CAPTIONING.** The Company shall ensure that Close Captioning is provisioned for all TVs when and where available.

8. **SUPPORT OF PROGRAM.** To support the program financially, Company will solicit sponsorship and advertising from local, destinations that may be reached from

Asheville Regional Airport, and regional, national, and international brands. However, despite Company's best efforts, it is recognized that from time to time and for short periods of time, Company may be unable to get revenue producing ads for reasons beyond the Company's control. During such periods of time, the Company will provide "filler" exhibits of an educational, charitable or informational nature. Such "filler" material may be displayed free of charge, subject to the prior approval of the Airport Director.

9. **COMPANY'S RIGHT OF INGRESS AND EGRESS.** Company, its agents and employees, shall have the right of ingress and egress to and from the Terminal Building at all reasonable times in order to carry out the terms and conditions of this Agreement.

10. **HAZARDOUS CONDITIONS.** Company shall correct any hazardous or potentially hazardous condition in the Premises, or in the areas surrounding the Premises whose maintenance is the Company's responsibility, immediately upon receipt of oral notice from the Airport Director. At the direction of the Airport Director, Company shall close the Premises until such hazardous or potentially hazardous condition is removed.

C. **Correction of Violations.**

Notwithstanding any other provision of this Agreement, if the Airport Director, in his sole discretion, determines that a condition on the Premises is hazardous or potentially hazardous to persons or property, he may direct Company to correct such condition, either in writing or orally, and Company shall, at its expense immediately comply with such directive. If the Airport Director directs it to do so, Company shall close the Premises or any portion thereof until such hazardous or potentially hazardous condition is corrected. The Authority may declare Company in default of this Agreement for failure to promptly comply with a directive of the Airport Director without reference to the thirty (30) day notice period set forth in **Article 14.A.**

D. **Cooperation with Successor Concessionaire.** Upon the expiration or earlier termination of this Agreement, Company agrees to cooperate fully with the Authority and with all successor concessionaires to ensure a smooth transition from Company to such successor concessionaires and to provide continuity of first-class services to the traveling public.

ARTICLE 8 - OBLIGATIONS OF THE AUTHORITY

A. **Authority's Maintenance Obligation.**

1. **STRUCTURAL MAINTENANCE.** The Authority agrees to make all necessary structural repairs to the Premises at its own expense; provided, however, that for purposes of this Agreement such structural repairs shall not include repairs to any CPU Units installed by Company. Company shall reimburse the Authority, within ten (10) days of receipt of written demand for the cost and expense of any structural repairs required as the result of the negligent or intentional acts of Company, its owners, officers, partners, employees, agents, contractors, subcontractors, licensees or invitees. Company shall give the Authority written notice describing any repair which is the responsibility of the Authority and the repair process shall be commenced by the Authority promptly after its receipt of such written notice if the Authority agrees that such repair is required and is the Authority's responsibility hereunder.

2. **INSTALLATION OF TVs.** Upon commencement of this agreement, Authority shall provide four new 40" or 52" LCD TVs (Size is dependent on location) installed with ceiling speakers at the departure gate locations. The Airport will use concessionaire's expertise and will work with the concessionaire to determine the optimum location for the installations.

3. **MAINTENANCE OF TVs.** The Authority shall be responsible for the maintenance, repair or replacement of TVs, speakers and installation that are malfunctioning or inoperative. Airport will fix any maintenance or repair issues related to TV, speakers, and installation within 15 days, provided parts and service are available to make such repairs, of being notified by the Company.

4. **UPGRADE OF TVs.** The Authority shall be responsible for the upgrade of the TVs every five years starting with the go-live date of the Concessionaire's program. If Company upgrades its equipment or service which requires new technology outside the five-year upgrade period, Company shall be required to upgrade TVs to accommodate the new technology.

5. **UTILITIES.** During the life of this Agreement, at no cost to Company, Authority shall provide electrical power and wired Internet access, with 3Mbps download and 1.5Mbps upload speeds, to be used solely for the operation of digital TVs installed by Company at the Airport, pursuant to this Agreement. Authority shall endeavor to provide electrical power and wired Internet access in a consistent and uninterrupted manner.

6. **REPORTS.** Authority shall provide Company with periodic reports of passenger traffic and such other information as may be useful to Company in enhancing passenger experience and as may reasonably be available to Authority without undue expense.

7. **LOGO.** The Authority agrees to allow Company to display its logo at the bottom of the TVs to be displayed on top of the TV manufacturer's logo.

8. **AUDIO.** The Authority agrees to ensure the audio of the TV is maintained at desirable levels. Authority may silence TVs from time to time to accommodate special events.

B. No Other Obligation of the Authority.

1. Company acknowledges that the Authority has made no representations or warranties concerning the suitability of the Premises for the Company's use or for any other use, and that except as expressly provided in this Agreement, the Authority shall have no obligations whatsoever to repair, maintain, renovate or otherwise incur any cost or expense with respect to the Premises or any CPU Unit, installed or used on or in the Premises.

2. Company hereby confirms that it has made its own investigation of all the costs of doing business under this Agreement, including the costs of installing CPU Units on the Premises, and the costs of furnishings, fixtures, trade fixtures, signs, inventory and equipment needed to operate from the Premises hereunder; that it has done its own projections of the

volume of business it expects to generate in operating from the Premises hereunder; that it is relying on its own business judgment concerning its prospects for operating on the Premises under this Agreement on a profitable basis; and that Authority has not made any representations or warranties with respect to any such matters.

3. Authority does not warrant the accuracy of any statistics provided by Authority or anyone on its behalf. Additionally, Authority does not warrant the accuracy of any projections relating to the Airport and its operations. Company agrees that Authority shall not be responsible for any inaccuracies in such statistics, projections or their interpretation.

4. All statements contained in this Agreement or otherwise made by Authority or anyone on its behalf concerning any measurement relating to the Premises or any other area of the Airport are approximate only, and any inaccuracy in such statements of measurements shall not give rise to any claim by Company under or in connection with this Agreement.

5. Authority shall not be liable to Company for any loss of business or damages sustained by Company as a result of any change in the operation or configuration of, or any change in any procedure governing the use of, the Terminal Complex or the Airport, including, but not limited to, any restriction of access to the Airside portions of the Terminal complex to ticketed passengers, except as otherwise provided herein.

ARTICLE 9 - AUTHORITY'S RIGHT TO REPAIR OR ALTER FACILITIES

Notwithstanding any other provisions herein contained, Authority shall have the absolute right to make any repairs, alterations, and additions to the Terminal Complex, as well as the right to enter the Premises for the purpose of so doing, free from any and all liability to Company for any loss of business or damages sustained by Company for whatever reason as a result of the making of any such repairs, alterations or additions, except as otherwise provided herein.

ARTICLE 10 - INDEMNIFICATION AND INSURANCE

A. **Indemnification.** Company shall indemnify, defend and hold completely harmless Authority, the City and the members (including, without limitation, all members of the governing board of Authority, the Buncombe County Commission, the Asheville City Council and the advisory committees of each), officers, agents and employees of each, from and against any and all claims, suits, demands, judgments, losses, costs, fines, penalties, damages, liabilities (including statutory liability and liability under Workers' Compensation Laws), and expenses (including all costs for investigation and defense thereof, including, but not limited to, court costs, reasonable expert witness fees and Attorneys' Fees) which may be incurred by, charged to or recovered from any of the foregoing (a) arising directly or indirectly out of the use, occupancy or maintenance of the Premises, including any Improvement thereto, or Company's operations at the Airport or in connection with any of Company's rights and obligations contained in this Agreement, including, but not limited to, any and all claims for damages as a result of the injury to or death of any person or persons, or damage to any property which arises as a result of any act or omission on the part of the Company or its

officers, partners, employees, agents, contractors, subcontractors, licensees or invitees, regardless of where the damage, injury or death occurred, unless such claim, suit, demand, judgment, loss, cost, fine, penalty, damage, liability or expense was proximately caused solely by Authority's negligence or by the joint negligence of Authority and any person other than Company or Company's officers, partners, employees, agents, contractors, subcontractors, licensees or invitees or (b) arising out of the failure of Company to keep, observe or perform any of its obligations under this Agreement. Authority shall give Company reasonable notice of any suit or claim for which indemnification will be sought under this **Article 10.A.**, allow Company or its insurer to compromise and defend the same to the extent of its interests (subject to Authority's right to approve any proposed settlement, which approval shall not be unreasonably withheld) and reasonably cooperate with the defense of any such suit or claim. In carrying out its obligations under this **Article 10.A.**, Company shall use counsel reasonably acceptable to Authority.

B. Liability Insurance.

1. Company, at its own cost and expense, shall purchase comprehensive commercial general liability insurance protecting Company, the Authority, Buncombe County, and the City of Asheville, and the members (including, without limitation, all members of the governing board of Authority, the Buncombe County Commission, and the Asheville City Council and the advisory committees of each), officers, agents and employees of each, from and against any and all liabilities arising out of or relating to Company's use or occupancy of, or to the conduct of its operations on, the Premises and at the Airport. Such insurance shall be effective at the date of this Agreement and shall be maintained by Company throughout the term of this Agreement. Limits of liability thereunder shall not be less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00), combined single limit or its equivalent, per occurrence, and the policy shall be in a form and with a company or companies acceptable to the Airport Director, and with contractual liability coverage for Company's covenants to and indemnification of Authority, the County and the City under this Agreement. This insurance shall provide that it is primary insurance as respects any other valid and collectible insurance Authority may possess, including any self-insured retention Authority may have, and that any such other insurance Authority does possess shall be considered excess insurance only. This insurance shall also provide that it shall act for each insured and each additional insured as though a separate policy had been written for each; provided, however, that this provision shall not operate to increase the policy limits of the insurance.

2. If the nature of Company's use of the Premises or business operations on the Premises are such as to place any or all of its employees under the coverage of workers' compensation or similar statutes, Company shall also purchase workers' compensation or similar insurance with a company or companies acceptable to Authority affording the required statutory coverage and containing the requisite statutory limits to be effective at least twenty (20) days prior to the Commencement Date or to the commencement of any construction or installation on the Premises, whichever first occurs, and to be maintained by Company throughout the term of this Agreement.

3. The declarations page(s) or certificate of insurance in an ACORD form or its equivalent from all insurance policies obtained by Company in accordance with the provisions of this **Article 10.B.** shall be furnished to the Airport Director by the date of this Agreement

and at least thirty (30) days prior to the expiration or termination of the coverage provided under any prior policy. Such declarations page(s) shall indicate that the Authority and City and the members (including, without limitation, all members of the governing board of the Authority, the Buncombe County Commission, the Asheville City Council, and the advisory committees of each), officers, employees and agents of each are named as additional insured. Each declaration page shall indicate that such insurance coverage will not be reduced or canceled without having first given at least thirty (30) days' prior written notice to the Airport Director. The Airport Director shall have the right to alter the monetary limits or coverage herein specified from time to time during the term of this Agreement, and Company shall comply with all reasonable requests of the Airport Director with respect thereto.

C. Property Insurance.

1. Authority may, at its option, maintain property insurance on the Terminal Complex, but it is expressly understood that such insurance shall not cover CPU Units, furnishings, fixtures, trade fixtures, signs, equipment or other property of Company.

2. Company shall, without expense to Authority, obtain and maintain in effect through the term of this Agreement property insurance on the full insurable value of all CPU Units, and equipment hereafter installed on the Premises by Company, on a replacement cost basis, in such form and with such company or companies as the Airport Director shall approve. Such insurance shall be effective by the date of this Agreement, shall be maintained by Company throughout the term of this Agreement, shall have furnished with it to the Authority the declarations page(s) from the insurance policy or policies evidencing such coverage, and such declarations page shall indicate the names of the additional insureds and that the policy or policies will not be cancelled or reduced or otherwise modified without at least thirty (30) days prior written notice thereof to the Authority.

3. At least twenty (20) days prior to the Commencement Date or the commencement of any construction or installation on the Premises, whichever first occurs, and at least thirty (30) days prior to the expiration of any policy or policies theretofore provided by Company under this **Article 10.C.**, Company shall furnish to the Airport Director the declarations page(s) from the insurance policy or policies evidencing such coverage, and such declarations page(s) shall indicate that Authority, Company are named as loss payees as their interests may appear, and that the policy or policies will not be canceled or reduced without thirty (30) days' prior written notice thereof to Authority.

4. Company, on behalf of itself and its insurance carrier(s), hereby waives any and all rights of recovery which it may have against Authority or the City for any loss of or damage to property it may suffer as a result of any fire or other peril normally insured against under a policy of property insurance.

D. Authority's Right to Purchase. If Company does not comply with its covenants made in paragraphs B or C of this **Article 10**, the Airport Director shall have the right, but not the obligation, to obtain such insurance and, in such event Company shall pay the premium for such insurance upon the Airport Director's demand.

E. Member Protection. No recourse under or upon any obligation, covenant or

agreement contained in this Agreement, or any other agreements or documents pertaining to the operations of Company under this Agreement, as this Agreement may from time to time be altered or amended in accordance with the provisions hereof, or under any judgment obtained against Authority, or by enforcement of any assessment or by any legal or equitable proceeding by virtue of any statute or otherwise, under or independent of this Agreement, shall be had against any past, present or future member, officer, employee or agent, of Authority, as such, either directly or through Authority or otherwise, for any claim arising out of this Agreement or the operations conducted pursuant to it, or for any sum that may be due and unpaid by Authority. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any Authority member, officer, employee or agent, as such, to respond by reason of any act or omission on his or her part or otherwise for any claim arising out of this Agreement or the operations conducted pursuant to it, or for the payment of or to Authority, or any receiver therefore 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 Agreement.

F. **Survival of Provisions.** The provisions of this **Article 10** shall survive the expiration or earlier termination of this Agreement.

ARTICLE 11 - DAMAGE OR DESTRUCTION

A. **Minor Damage.** If all or a portion of the Premises are partially damaged by fire, explosion, the elements, the public enemy, or other casualty, but not rendered untenable, the same will be repaired with due diligence by Authority, to the extent of its receipt of insurance proceeds therefor, subject to the limitations of **Article 11.D.**, below; provided, however, that if the damage is caused by the negligent act or omission of Company, its officers, agents, employees, contractors, subcontractors, licensees or invitees, Company shall be responsible for reimbursing Authority for the cost and expense incurred in such repair. In the event of such minor damage there will be no abatement of the Concession Fees payable by Company to Authority hereunder.

B. **Substantial Damage.** If all or a portion of the Premises shall be damaged by fire, explosion, the elements, public enemy, or other casualty, to such an extent as to render the Premises or such portion thereof untenable, but which can reasonably be repaired within thirty (30) days, the same shall be repaired with due diligence by Authority at its own cost and expense, subject to the limitations of **Article 11.D.**, below Company shall be responsible for reimbursing Authority for the cost and expenses incurred by it in such repair.

C. **Extensive Damage.**

1. In the event that all or a portion of the Premises are destroyed by fire, explosion, the elements, the public enemy or other casualty, or so damaged that they are untenable and cannot reasonably be repaired within thirty (30) days, Authority shall be under no obligation to repair, replace or reconstruct the Premises, and may terminate this Agreement. The Concession Fees payable by Company to Authority hereunder shall abate as of the time of the Company's redelivery of the Premises to Authority and shall thereafter cease until such time as said Premises are restored so as to render the Premises tenantable and returned to Company or Authority elects to terminate this Agreement by written notice to

Company. If within three months after the time of such damage or destruction Authority has neither elected to terminate this Agreement nor repaired, replaced or reconstructed the Premises to the extent required by **Article 11.D.**, below, Company may terminate this Agreement by written notice to Authority.

2. Notwithstanding the foregoing, if said Premises are destroyed or so damaged and rendered untenable so that they cannot reasonably be repaired within thirty (30) days as a result of the negligent act or omission of Company, its officers, agents, servants, employees, contractors, subcontractors, licensees or invitees, the Concession Fees payable hereunder shall not abate and Authority may, in its discretion, require Company to complete repair and reconstruction of said Premises promptly and pay the costs therefore, or Authority may repair and reconstruct said Premises, and Company shall be responsible for reimbursing Authority for the costs and expenses incurred in such repair and reconstruction.

D. **Limits of Authority's Obligations Defined.** In the application of the provisions of paragraphs A through C of this Article, Authority shall in no event be obligated to repair, replace or reconstruct the Premises in any manner.

E. **Damage or Destruction of CPU Units.** Should the Company's CPU Units on the Premises, be destroyed or damaged, whether or not said damage or destruction is covered by insurance, Company shall, at its sole cost and expense, replace all the CPU Units on the Premises with all such replacements being of equal quality to those originally installed by Company in the Premises, except in the event that the Premises are so damaged that they are untenable and cannot reasonably be repaired within thirty (30) days and Authority has elected to terminate this Agreement as provided in **Article 11.C.**, above. If Company fails to repair or replace such improvements in accordance with a schedule approved by Authority, Authority shall have the right (but not the obligation) to make such repairs and/or replacement and recover from Company the cost and expense thereof.

ARTICLE 12- DEFAULT

A. **Events of Default.** Any one of the following events shall constitute an "Event of Default" by Company hereunder:

1. The failure of Company to make any payment required to be made by Company hereunder when due as herein provided, which failure is not remedied within ten (10) days after notice being given to Company;

2. The failure of Company to provide any financial report required to be submitted to Authority or any officer or employee thereof by Company when due as herein provided, which failure is not remedied within ten (10) days after notice thereof;

3. The failure of Company to keep, observe or perform any of the other covenants or agreements herein required to be kept, observed or performed by Company, and continued failure to observe or perform any such covenant or agreement after a period of thirty (30) days after notice thereof;

4. The repeated failure (defined for this purpose as at least three (3) such

failures within any consecutive twelve-month period) of Company to make any payment required to be made by Company hereunder (provided that notice of such failure shall have been given to Company, but regardless of whether Company shall have remedied any such failure, or Company's repeated failure to keep, observe or perform any of the other covenants or agreements herein contained to be kept, observed or performed by Company regardless of whether Company shall have remedied any such failure within the time provided for in such notice);

5. The discovery by the Airport Director that any written material statement of fact furnished by Company in connection with its proposal for this Concession is false or materially misleading;

6. Abandonment of the Premises at any time prior to the expiration of this Agreement without the prior written consent of Authority, except as permitted under the provisions of this Agreement;

7. Commencement by Company or by any guarantor or surety of this Agreement, in any court pursuant to any statute of the United States or of any State, territory or government, of an insolvency or bankruptcy proceeding, including, without limitation, a proceeding for liquidation, reorganization or for the adjustment of its indebtedness;

8. Commencement of any insolvency or bankruptcy proceeding (including, without limitation, a proceeding for liquidation, reorganization or for adjustment of indebtedness) against Company or any guarantor or surety of this Agreement, if an order for relief is entered against such party and the same is not stayed or vacated within thirty (30) days after entry thereof, or if such party fails to secure a discharge of the proceedings within sixty (60) days after the filing thereof;

9. Insolvency of Company or any guarantor or surety of this Agreement, or if Company or any guarantor or surety of this Agreement is generally unable to pay its debts as they become due;

10. The making by Company or by any guarantor or surety of this Agreement of an assignment for the benefit of its creditors or the filing of a petition for or the entering into of an arrangement with its creditors;

11. The appointment or sufferance of a receiver, trustee or custodian to take possession of all or substantially all of the property of Company or of any guarantor or surety of this Agreement, whether or not judicial proceedings are instituted in connection with such appointment or sufferance;

12. The placement of any lien upon the Premises or any improvements thereto which is not discharged of record within thirty (30) days, or any levy under any such lien; or

13. The occurrence of an event of default under any other agreement, concession or otherwise, between Company and Authority. In addition, Company hereby agrees that the occurrence of an Event of Default under this Agreement shall constitute an

event of default under any agreement, concession or otherwise, between Company and Authority.

14. The failure of Company to maintain its eligibility as a DBE (as long as it's not for Company's growth that exceeds DBE qualifications) , the failure of Company to provide Authority with updated Schedules A (and B, if applicable) as required in Appendix I.M. within thirty (30) days after the date such updated Schedules are due, or the failure by Company to provide the Authority with such information in connection with its DBE eligibility as it may from time to time reasonably requested within thirty (30) days of such request.

B. Remedies Upon Company's Default. Upon the occurrence of any Event of Default, as defined in **Article 12.A.**, above, the Authority may pursue any of the following remedies, or such other remedies as may be available to the Authority at law or in equity:

1. The Authority may terminate this Agreement by giving notice thereof to Company. In such event, the term of this Agreement shall cease as of the date of such notice of termination and any and all rights, title and interest of Company hereunder shall likewise cease without further notice or lapse of time, as fully and with like effect as if the entire term or any option period of this Agreement had elapsed; or

2. Without terminating this Agreement, terminate Company's right to possession of the Premises, retake possession of the Premises, and recover immediately from the Company damages calculated as follows:

a. all unpaid Concession Fees that had been earned at the time of termination of Company's right to possession.

C. Company's Remedies. Upon 30 days' written notice to the Authority, Company may terminate this Agreement and all of its obligations hereunder, if Company is not in default in payment obligations and upon or after the occurrence of any of the following events: (a) the inability of Company to use Airport for a period of longer than 90 consecutive days due to war, terrorism, or the issuance of any order, rule or regulation by a competent governmental authority or court having jurisdiction over Authority, preventing Company from operating its business for a period of 90 consecutive days, provided, however that such inability or such order, rule or regulation is not due to any fault or negligence of Company, and (b) the inability of Company through no fault of its own to use any portion of Assigned Areas over a period of 90 days or more and that inability causes a reduction in revenue of 50% or more.

D. Further Provisions Regarding Default.

1. In any event and irrespective of any option exercised, Company shall pay to the Authority upon demand all of the unpaid Concession Fees and other sums due from Company hereunder prior to the date that Authority terminates the Agreement or Company's right to possession of the Premises, and all of Authority's costs, charges and expenses, including reasonable Attorney's Fees, and fees of agents and others retained by Authority, incurred in connection with the recovery of sums due under this Agreement, or because of the breach of any covenant or agreement of Company contained in this Agreement or for any other relief against Company, and including, with respect to the options set forth in **Article 12.B.**

Even if it has previously elected to proceed under **Article 12.B.**, above, Authority may, at any time thereafter, elect to terminate the Agreement; provided, however, that no action taken by Authority pursuant to this Article 14 shall be deemed to terminate this Agreement unless written notice of termination is given by the Authority to Company.

2. No waiver of any covenant or condition or of the breach of any covenant or condition of this Agreement shall be taken to constitute a waiver of any subsequent breach of such covenant or condition or to justify or authorize the non-observance on any other occasion of the same or of any other covenant or condition hereof. The acceptance by Authority of any sums from Company at any time when Company is in default under any covenant or condition hereof 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 Company be taken as an estoppel against the Authority, it being expressly understood that the 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.

3. The rights and remedies given to Authority by this Agreement 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.

4. It is expressly agreed that in the event of default by Company hereunder, Authority shall have a lien upon all goods, chattels, personal property and equipment of any description belonging to Company which are located on, or become a part of the Premises or any improvements thereto, as security for any fees or other charges which are then due or which become due for the remainder of the term of this Agreement, which lien shall not be in lieu of or in any way affect the statutory landlord's lien given by law, and Company shall not remove or permit the removal of any of such property until all defaults under this Agreement have been cured.

ARTICLE 13 - ASSIGNMENT AND SUBCONTRACTS

A. **Authority's Rights to Approve Assignments and Subcontracts.** Company shall not sell, assign, sublease or transfer this Agreement or any of its rights and privileges hereunder or permit any such sale, assignment, sublease or transfer to occur by operation of law, or contract for the performance of any of the services to be provided by it hereunder without the Authority's prior written approval, which approval shall not be unreasonably withheld. Any cost of considering or approving such a request for assignment or subcontract shall be borne by Company.

B. **Change of Control.** If Company is a corporation the issuance or sale, transfer or other disposition of a sufficient number of shares of stock in the Company to result in a change of control of Company shall be deemed an assignment of this Agreement for purposes of this **Article 13**. If the Company is a partnership, transfer of any interest in the partnership, which results in a change in control of such Company, shall be deemed an assignment of this Agreement for purposes of this **Article 13**.

ARTICLE 14 - WAIVER OF CLAIMS

Company hereby waives any and all claims it now has or may hereafter have against the City and Authority, and against any member (including, without limitation, all members of the governing board of Authority, the Asheville City Council, and the advisory committees of each), officer, agent or employee of each, for any loss of anticipated profits caused by any suit or proceeding attacking directly or indirectly the validity of this Agreement or any part thereof, or by any judgment or award in any suit or proceeding declaring this Agreement null and void or voidable, or delaying the same or any part thereof from being carried out. Company further hereby waives any and all claims for compensation for any and all loss or damage sustained by reason of any delay in making the Premises available to Company or by reason of any defects or deficiencies in the Premises or in the Terminal Complex or because of any interruption in any of the services thereto, including, but not limited to, power, gas, telephone, heating, air-conditioning or water supply systems, drainage or sewage systems, and Company hereby expressly releases the City, County, and Authority from any and all demands, claims, actions, and causes of action arising from any of such causes.

ARTICLE 15 - REQUIRED, GENERAL AND MISCELLANEOUS PROVISIONS

A. **Required Covenants.** The provisions set forth in the Required Covenants, attached hereto as **Appendix 2**, are incorporated herein as if set forth in this Agreement verbatim. The Authority shall have the right to enforce the Required Covenants.

B. **Remedies; Attorneys' Fees and Costs.** All remedies provided to the Authority in this Agreement shall be deemed cumulative and additional, and not in lieu of or exclusive of each other or of any other remedy available at law or in equity arising hereunder. In the event that any proceedings at law or in equity arise hereunder or in connection herewith (including any appellate proceedings or bankruptcy proceedings), the prevailing party shall be awarded costs, reasonable Attorneys' Fees, reasonable expert witness fees, and any other expenses incurred in connection with such proceedings.

C. **Warranty of Company as to Conflicts of Interest.** Company represents and warrants to Authority that, except as may be disclosed in an Addendum hereto, no member, officer, employee or agent of Authority has any interest, direct or indirect, in the business of Company to be conducted hereunder, and that no such persons shall have any such interest at any time during the term hereof.

D. **Notices.** All notices required or permitted to be given by Authority to Company hereunder shall be in writing and delivered to it by hand delivery at the Airport, or by courier service providing a written record of the date of delivery or United States certified mail, postage prepaid, return receipt requested, addressed to Company at the address shown on page one hereof. All notices required or permitted to be given to Authority hereunder shall also be in writing and delivered to it by courier service providing a written record of the date of delivery or United States certified mail, postage prepaid, return receipt requested addressed to:

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

Either party may change its address for purposes of this paragraph by written notice similarly given. Notices shall be deemed given the first to occur of actual receipt; the day following the placement with an overnight courier service for next day delivery, properly addressed and fee prepaid; or the third day following the deposit of the same in United States Certified Mail, properly addressed and postage prepaid.

E. **Regulations of Authority.** The rights and privileges granted to Company hereunder and the occupancy and use by Company of the Premises shall at all times be subject to the reasonable rules and regulations of Authority as the same are now or may hereafter be prescribed through the lawful exercise of its power, including, but not limited to, all applicable provisions of Authority's Policy and Procedures Manual as the same may be amended from time to time.

F. **Interest.** Any sums payable to Authority by Company under any provisions of this Agreement which are not paid when due shall bear interest at the rate of eighteen percent (18%) per annum (or, if less, the maximum rate of interest allowed by law) from the due date thereof until paid.

G. **Miscellaneous Provisions.**

1. Company and its employees shall promptly observe and comply with applicable provisions of all municipal, county, state or federal laws, ordinances, regulations or rules which govern or apply to Company or to its operations hereunder.

2. Company shall, at its own cost and expense, procure and keep in force during the term of this Agreement, all necessary licenses, registrations, certificates, bonds, permits, and other authorizations as are required by law in order for Company to operate from the Premises granted hereunder, and shall pay all taxes (including sales and use taxes), assessments (including, without limitation, stormwater utility fees), excises, license, certification, permit and examination fees and impact fees which may be assessed, levied, exacted or imposed by all governmental authorities having jurisdiction, on Company's property, on its operations, on its gross receipts, on its income, on this Agreement and the fees payable to Authority hereunder, on the rights and privileges granted to Company herein, on the Premises, and Company shall make and file all applications, reports, and returns required in connection therewith.

3. Company shall, at its own cost, ensure that its CPU Units and equipment and the functions it performs hereunder comply with the requirements of the Americans with Disabilities Act ("ADA"), P.L. 101-336, 104 Stat. 327 (1990).

4. Company agrees to repair promptly, at its sole cost and expense and in a manner acceptable to Authority, any damage caused by Company or any of its officers, agents,

employees, contractors, subcontractors, licensees or invitees to the Airport, subject to the provisions of **Article 10.C.**, above.

5. Company is not authorized to act as Authority's agent hereunder and shall have no authority, express or implied, to act for or bind Authority hereunder and nothing contained in this Agreement shall be deemed or construed by Authority or Company or by any third party to create the relationship of partnership or of joint venture. No provision of this Agreement shall be deemed to make Authority the joint employer of any employee of Company.

6. Authority, through its designated agents, shall have the right during Company's normal business hours (and at any time during an emergency) to inspect the Premises and the property of Company located thereon, in order to enforce this Agreement, to enforce applicable laws and regulations, and to protect persons and property.

7. The Article and paragraph headings herein 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 Agreement.

8. Time is expressed to be the essence of this Agreement.

9. This Agreement will inure to the benefit of and shall be binding upon the parties hereto and their authorized successors and assigns.

10. If any covenant, condition or provision of this Agreement is held to be invalid by any court of competent jurisdiction, such holding shall not affect the validity of any other covenant, condition or provision contained herein.

11. Except as otherwise provided herein, if certain action may be taken only with the consent or approval of the Airport Director or the Authority, or if a determination or judgment is to be made by the Airport Director or the Authority, such consent or approval may be granted or withheld, or such determination or judgment shall be made, in the sole discretion of the Airport Director or the Authority.

12. Authority reserves the right to further develop, improve, repair and alter the Airport and all roadways, parking areas, terminal complex (including entering the Premises), landing areas and taxiways as it may reasonably see fit, free from any and all liability to Company for the loss of business or damages of any nature whatsoever to Company occasioned during the making of such improvements, repairs, alterations and additions including, but not limited to, any damages resulting from negligence of the Authority or its employees, agents or contractors.

13. As required by North Carolina law, the Authority hereby includes the following notification as part of this Agreement:

Radon Gas: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in North

Carolina. Additional information regarding radon and radon testing may be obtained from your county public health unit.

14. Company understands that the Premises are located within or adjacent to the air operations area of the Airport. Company shall comply with all applicable regulations of the Federal Aviation Administration relating to Airport security and shall control the Premises and adjoining elevators so as to prevent unauthorized persons from obtaining access to the air operations area of the Airport. Any fines or other penalties incurred by the Authority as a result of Company's (or its subtenants') breach of this **Article 15.G.14.** shall be included in the indemnification provided to Authority pursuant to **Article 10.A.** hereof.

15. This Agreement shall be subject to cancellation and termination by Company without penalty at any time during the life hereof, as of the date on which any one or more of the following shall occur:

a. The lawful assumption by the United States Government, or any authorized agency thereof, of the operation, control or use of the Airport, or any substantial part(s) thereof, in such manner as to substantially restrict Company's herein authorized commercial activities thereon for a period of at least 90 days.

b. Issuance by any court of competent jurisdiction of an injunction in any way preventing or restraining the use of the Airport, and the remaining-in-force of such injunction for a period of at least 90 days.

c. Any situation which shall result in the Airport's temporary or permanently ceasing to be operated by Airport as an air terminal serving scheduled passenger airlines for a period of at least 90 days.

d. If at any time during the term of this Agreement, the passenger enplanements should reduce by 50% of the passenger enplanements on the date this Agreement was executed.

e. The Airport decides to use any other sponsor of the television programming or on-screen advertising at the Airport. If Airport and Company mutually agree on such an agreement for other sponsors, then Airport and Company will share the revenues 50% each from the revenue generated from such new sponsor.

f. The Airport fails to provide consistent internet access or electricity to run the TV network at the Airport. Unavailability of internet access or electricity for more than 60 minutes, six times during any consecutive six-month period will be cause for termination.

g. In spite of best efforts, Company is unable to support the program financially through advertising at the Airport. In such instance, Company shall provide 180-day notice of termination.

H. **Applicable Law.** This Agreement has been entered into and shall be governed by, and shall be construed and interpreted in accordance with the laws of, the State of North Carolina. Any proceedings whether local, state or Federal brought by any party to this Agreement, arising out of any covenant, provision or condition of this Agreement shall be filed in a court of competent jurisdiction in Buncombe County, North Carolina.

I. **Entire Agreement.** This Agreement, together with the Appendices and 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 made with respect to such subject matter, whether oral or written, and any contemporaneous oral agreements, representations or statements with respect to such subject matter, are merged herein; provided, however, that Company hereby affirms the completeness and accuracy of the information provided by Company to Authority in the Proposal, and in all attachments thereto and enclosures therewith, submitted by Company to Authority in connection with the award of the Concession.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed the day and year first above written.

**ASHEVILLE REGIONAL
AIRPORT AUTHORITY**

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

Title: _____
Airport Director

ATTEST: _____

ProDIGIQ, INC.

By: _____

Name: _____

Title: _____

ATTEST: _____

APPENDIX 1

Standards for Operating Concession

A. **Operating Hours.** Company shall operate the Airport High Definition Television Concession in accordance with the provisions of this Agreement twenty four (24) hours a day seven (7) days per week throughout the term hereof.

B. **Type of Operation.** Company shall at all times during the term hereof operate and maintain a first-class high definition television concession. Company shall maintain a sufficient number of trained personnel to ensure that all CPU Units are maintained and operational at all times. Any item which the Airport Director deems offensive to the general public shall be promptly and permanently removed by Company from the TVs upon notice from the Airport Director.

C. **Standards of Service.** Except as the Airport Director may otherwise agree in writing, Company shall operate this Concession only through its own employees. Company shall comply with the requirements of all statutes, regulations and rules applicable to its employment practices in connection with the operation of this Concession, including, without limitation, the Fair Labor Standards Act, shall pay all appropriate federal and state employment and withholding taxes, and shall maintain records demonstrating compliance with the foregoing. All such records shall, upon reasonable notice from the Airport Director, be made available, either at the offices of Company, or, at the Airport Director's option, at the offices of the Authority, for inspection by Authority, through its duly authorized representatives as often as the Airport Director shall request for a period of up to four (4) years after the end of the Agreement Period to which such records pertain.

D. **Manager.** The management, maintenance, and operation of the Concession conducted thereon shall be at all times during the term hereof under the supervision and direction of an active, qualified, competent, and experienced manager who shall at all times be subject to the direction and control of Company.

E. **Sales Representative.** Company shall employ a sales representative to support this Advertising Concession..

F. **Personnel.**

1. Company shall, in its operation of the TVs under this Agreement, employ or permit the employment of only such personnel that will assure a high standard of service to the public. All such personnel, while on or about the Terminal Complex, shall be clean, neat in appearance, uniformly attired (with appropriate identification badge displaying no less than Company's and employee name), and courteous at all times.

2. No personnel employed by Company, while on or about the Airport, shall use improper language, act in a loud, boisterous, or otherwise improper manner, or be permitted to solicit business in an inappropriate manner within the Terminal Complex. Company shall maintain a sufficient number of trained personnel to ensure that customers of Company will receive prompt and courteous service at all time.

G. **Automobile Parking.** The Authority shall provide one parking space for Company's personnel. Employee parking will be provided by the Authority at a parking lot that is not adjacent to the Terminal Complex. Use of the manager's space and the employee parking lot shall be subject to the Authority's rules and regulations, including payment of fees and any taxes for the manager's space and the employee parking lot set by the Authority and subject to change from time to time at the Authority's discretion.

H. **No Smoking Policy.** Except for areas otherwise designated by Authority, the Airport is a non-smoking facility and Company expressly agrees to abide by the Authority's no smoking policy.

APPENDIX 2

Required Covenants

A. **Agreements with the United States, State of North Carolina, County of Buncombe and City of Asheville.** 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 Authority and the City of Asheville, and those between Authority or the City of Asheville and the United States of America, the State of North Carolina, or the County of Buncombe, or their boards, agencies or commissions, 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. **Right to Amend.** In the event that the Federal Aviation Administration or its successors requires modifications or changes in this Agreement as a condition precedent to the granting of its approval or to the obtaining of funds for improvements at the Airport, Company hereby consents to any and all such modifications and changes as may be reasonably required.

C. **Covenants Against Discrimination.**

1. Company on behalf of itself, its successors in interest and its assigns, as a part of the consideration hereof, does hereby covenant and agree that (1) no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Premises or the Airport; (2) that in the furnishing of services at the Airport in connection therewith, no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and (3) that Company shall operate at the Airport in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally assisted programs of the Department of Transportation-effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended. Likewise, Company shall comply with laws of the State of North Carolina, prohibiting discrimination because of race, color, religion, sex, national origin, age, handicap or marital status. Should Company authorize another person or entity, with Authority's prior written consent, to provide services or benefits in or in connection with its rights or obligations under this Agreement, Company shall obtain from such person or entity a written agreement pursuant to which such person or entity shall, with respect to the services or benefits which it is authorized to provide, undertake for itself the obligations contained in this paragraph. Company shall furnish the original or a true copy of such agreement to Authority.

2. Company 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 Company is in the exclusive possession of another who fails or refuses to furnish this information, Company 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.

3. In the event of a breach of any of the above nondiscrimination covenants, Authority shall have the right to impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate. Such rights shall include the right to terminate this Agreement and to re-enter and repossess the Premises and the improvements thereto, and hold the same as if this Agreement had never been made. The rights granted to Authority by the foregoing sentence shall not be effective until the procedures of Title 49, Code of Federal Regulations, Part 21 are followed and completed, including exercise or expiration of appeal rights.

4. Company 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, Nondiscrimination 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 from time to time. Company also assures Authority that it will require its covered sub organizations to provide assurances to the same effect and provide copies thereof to the Airport Director.

5. Company further assures Authority that it will comply with pertinent statutes, Executive Orders and such rules as are promulgated to assure that no person shall on the grounds of race, creed, color, national origin, sex, age or handicap be excluded from participating in any activity conducted at or in connection with its operations at the Premises. Company also assures Authority that it will require its contractors and sub lessees 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 Company's operations at the Premises.

6. a. This Agreement is subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR Part 23, subpart F. Company agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement covered by 49 CFR Part 23, subpart F.

b. Company agrees to include the above statements in any subsequent concession agreements that it enters and cause those businesses to similarly include the statements in further agreements.

7. 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 Company agrees that it will adopt such requirements as part of this Agreement.

D. **Right to Modify.** The parties hereto covenant and agree that, during the term

hereof, Authority may unilaterally modify this Agreement upon advice of its legal counsel, in order to conform to judicial or Federal Trade Commission rulings or opinions. This Article shall not preclude Company from contesting said rulings or opinions, but Company shall abide by the unilateral change while such a challenge is pending. Except as otherwise specifically provided in this Agreement, this Agreement may not be modified except by a written instrument signed by both parties.

E. **Tax Exempt Status of Authority Revenue Bonds.** Company agrees to comply promptly with any applicable provisions of any federal tax statute, and all regulations or other binding authority promulgated or decided there under, 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 exempt 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 such revenue bonds or a "related person" to a "substantial user"), including, without limitation, the execution by Company and delivery to Authority on the date of execution of this Agreement 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 in the form attached hereto as **Exhibit D**. Such **Exhibit D** shall be deemed to be a part of this Agreement and shall be binding upon Company, its successors and assigns.

EXHIBIT A

EXHIBIT B

REVENUE REPORT

**AIRPORT HIGH DEFINITION TELEVISION CONCESSION AGREEMENT
ASHEVILLE REGIONAL AIRPORT**

Report for (Month, Year): _____

Company Name: _____

Address: _____

Monthly Gross Receipts: \$ _____ (A)

Percentage Fee x _____ % (B)

Percentage Fee Payment \$ _____ (AxB)
(C)

Amount Due Authority \$ _____ (C)

Name of Person(s) Submitting Report Title

(_____) _____
Phone Number Date

1. All revenues derived from operations of the Premises as defined in Article 1. of the Airport High Definition Television Concession Agreement.
2. Percentage Fee as outline in Article 5.A. of the Concession Agreement.
3. Minimum Annual Concession Fee proposed by Company as outlined in Article 5.A.

EXHIBIT C

**CERTIFICATE OF INSURANCE
AIRPORT HIGH DEFINITION TELEVISION CONCESSION AGREEMENT
ASHEVILLE REGIONAL AIRPORT**

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

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

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

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

EXHIBIT D

Tax Election Form

The undersigned, a duly authorized official of the Contracting Party, hereby elects (pursuant to Section 142 (b) (1) (B) (i) of the Internal Revenue Code) not to claim depreciation or an investment credit with respect to the Property described above. This Election is being made as in connection with the execution of a 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 Premises 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 such Property for such 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, sub lessees 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: _____
Printed Name _____
Title _____

EXHIBIT E

DBE Goal Form



MEMORANDUM

TO: Members of the Airport Authority

FROM: Lew Bleiweis, Airport Director

DATE: January 14, 2011

ITEM DESCRIPTION – New Business Item B

Approval of Lease Agreement with Encore Asheville FBO, L.L.C. d/b/a Landmark Aviation 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. Odyssey Aviation owns FBOs in seven locations throughout the country.

Encore Asheville FBO, L.L.C. d/b/a 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. Encore owns FBOs in 41 locations throughout the United States, Canada, and Western Europe.

Encore is in the process of acquiring Odyssey Aviation and is planning to close on the business deal by the end of January 2011.

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

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

New Business – Item B



Encore 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

The acquisition of Odyssey Aviation will once again leave AVL with only one FBO on the airport and limiting customer choice. The current agreements do not prohibit assignments and therefore the Authority has little or no power to prevent this acquisition.

ALTERNATIVES

The Authority Board could decide not to approve a new lease agreement with Encore. The absence of a new lease would leave multiple leases in place with different expiration dates and methods of lease payments. It will also cause undue difficulties for staff.

FISCAL IMPACT

During preliminary discussions, Encore was advised by staff that if a new lease was created it would be as close to revenue neutral as the existing leases. Encore also accepted responsibility for reasonable legal fees incurred by the Authority associated with the acquisition and new lease agreements.

RECOMMENDED ACTION

It is respectfully requested that the Authority Board resolve to (1) approve a new Lease Agreement with Encore Asheville FBO, L.L.C. d/b/a Landmark Aviation for a Fixed Based Operation; and (2) authorize the Airport Director to negotiate the terms of combined leases and execute the necessary documents.



MEMORANDUM

TO: Members of the Airport Authority

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

DATE: January 14, 2011

ITEM DESCRIPTION – Information Section Item A

November, 2010 Traffic Report – Asheville Regional Airport

SUMMARY

November 2010 overall passenger traffic numbers were up 28.1%. Passenger traffic numbers reflect a 27.4% increase in passenger enplanements from November 2009. Enplanements for fiscal year to date total 183,261.

AIRLINE PERFORMANCE

AirTran Airways: AirTran's November 2010 enplanements increased by 41.3% compared to November 2009. There were no flight cancellations for the month.

Continental Airlines: Year over Year passenger enplanements for Continental in November 2010 were up by 29.7%. There were four (4) flight cancellations for the month.

Delta Airlines: Delta's November 2010 enplanements increased by 5.3% compared to November 2009. There was one (1) flight cancellation for the month.

US Airways: US Airways' November 2010 passenger enplanements represent a 44.3% increase. There were three (3) flight cancellations for the month.

Monthly Traffic Report

Asheville Regional Airport

November 2010



Category	Nov 2010	Nov 2009	Percentage Change	*CYTD-2010	*CYTD-2009	Percentage Change	*MOV12-2010	*MOV12-2009	Percentage Change
Passenger Traffic									
Enplaned	30,470	23,917	27.4%	343,261	268,600	27.8%	365,860	291,661	25.4%
Deplaned	<u>29,889</u>	<u>23,207</u>	28.8%	<u>339,641</u>	<u>266,109</u>	27.6%	<u>361,776</u>	<u>288,298</u>	25.5%
Total	60,359	47,124	28.1%	682,902	534,709	27.7%	727,636	579,959	25.5%
Aircraft Operations									
Airlines	108	28	285.7%	1,057	322	228.3%	1,098	335	227.8%
Commuter /Air Taxi	<u>1,585</u>	<u>1,390</u>	14.0%	18,145	15,907	14.1%	19,472	17,334	12.3%
Subtotal	<u>1,693</u>	<u>1,418</u>	19.4%	<u>19,202</u>	<u>16,229</u>	18.3%	<u>20,570</u>	<u>17,669</u>	16.4%
General Aviation	3,088	3,955	-21.9%	39,309	42,230	-6.9%	42,204	45,103	-6.4%
Military	<u>455</u>	<u>479</u>	-5.0%	<u>4,601</u>	<u>3,395</u>	35.5%	<u>4,921</u>	<u>3,554</u>	38.5%
Subtotal	<u>3,543</u>	<u>4,434</u>	-20.1%	<u>43,910</u>	<u>45,625</u>	-3.8%	<u>47,125</u>	<u>48,657</u>	-3.1%
Total	5,236	5,852	-10.5%	63,112	61,854	2.0%	67,695	66,326	2.1%
Fuel Gallons									
100LL	22,362	24,391	-8.3%	209,085	203,433	2.8%	217,861	215,502	1.1%
Jet A (GA)	75,371	77,919	-3.3%	1,058,640	996,342	6.3%	1,130,907	1,067,607	5.9%
Subtotal	<u>97,733</u>	<u>102,310</u>	-4.5%	<u>1,267,725</u>	<u>1,199,775</u>	5.7%	<u>1,348,768</u>	<u>1,283,109</u>	5.1%
Jet A (A/L)	<u>311,685</u>	<u>214,940</u>	45.0%	<u>3,274,671</u>	<u>2,269,107</u>	44.3%	<u>3,504,822</u>	<u>2,515,862</u>	39.3%
Total	409,418	317,250	29.1%	4,542,396	3,468,882	30.9%	4,853,590	3,798,971	27.8%

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

Tuesday, December 21, 2010

Airline Enplanements, Seats, and Load Factors

Asheville Regional Airport

November 2010



	Nov 2010	Nov 2009	Percentage Change	*CYTD-2010	*CYTD-2009	Percentage Change
AirTran Airways						
Enplanements	1,369	969	41.3%	23,730	7,598	212.3%
Seats	1,638	1,404	16.7%	28,454	8,658	228.6%
Load Factor	83.6%	69.0%	21.1%	83.4%	87.8%	-5.0%
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	3,927	3,027	29.7%	26,006	28,492	-8.7%
Seats	5,500	4,100	34.1%	36,100	38,050	-5.1%
Load Factor	71.4%	73.8%	-3.3%	72.0%	74.9%	-3.8%
Delta Air Lines						
Enplanements	11,119	10,561	5.3%	149,629	121,418	23.2%
Seats	13,750	14,220	-3.3%	188,975	153,170	23.4%
Load Factor	80.9%	74.3%	8.9%	79.2%	79.3%	-0.1%
Northwest Airlines						
Enplanements	0	1,267	-100.0%	791	18,765	-95.8%
Seats	0	1,500	-100.0%	1,450	23,050	-93.7%
Load Factor	#Num!	84.5%	#Error	54.6%	81.4%	-33.0%
United Airlines						
Enplanements	2,375	0	#Div/0!	27,465	0	#Div/0!
Seats	3,000	0	#Div/0!	34,550	0	#Div/0!
Load Factor	79.2%	#Num!	#Error	79.5%	#Num!	#Error

Tuesday, December 21, 2010

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

	Nov 2010	Nov 2009	Percentage Change	*CYTD-2010	*CYTD-2009	Percentage Change
US Airways						
Enplanements	11,680	8,093	44.3%	108,322	92,327	17.3%
Seats	15,530	10,235	51.7%	138,725	112,685	23.1%
Load Factor	75.2%	79.1%	-4.9%	78.1%	81.9%	-4.7%
Totals						
Enplanements	30,470	23,917	27.4%	343,261	268,600	27.8%
Seats	39,418	31,459	25.3%	437,448	335,613	30.3%
Load Factor	77.3%	76.0%	1.7%	78.5%	80.0%	-2.0%

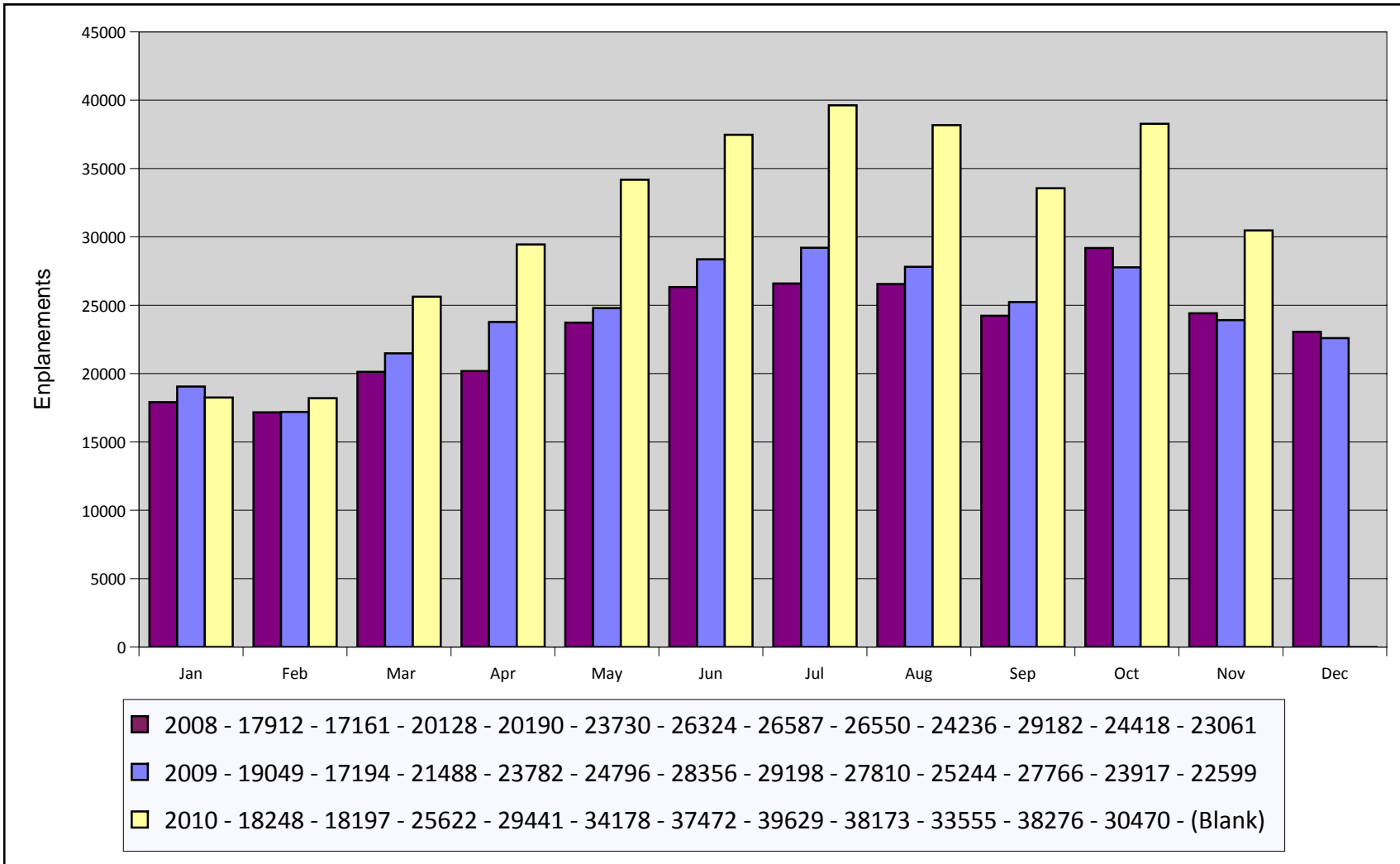
Airline Flight Completions Asheville Regional Airport

November 2010

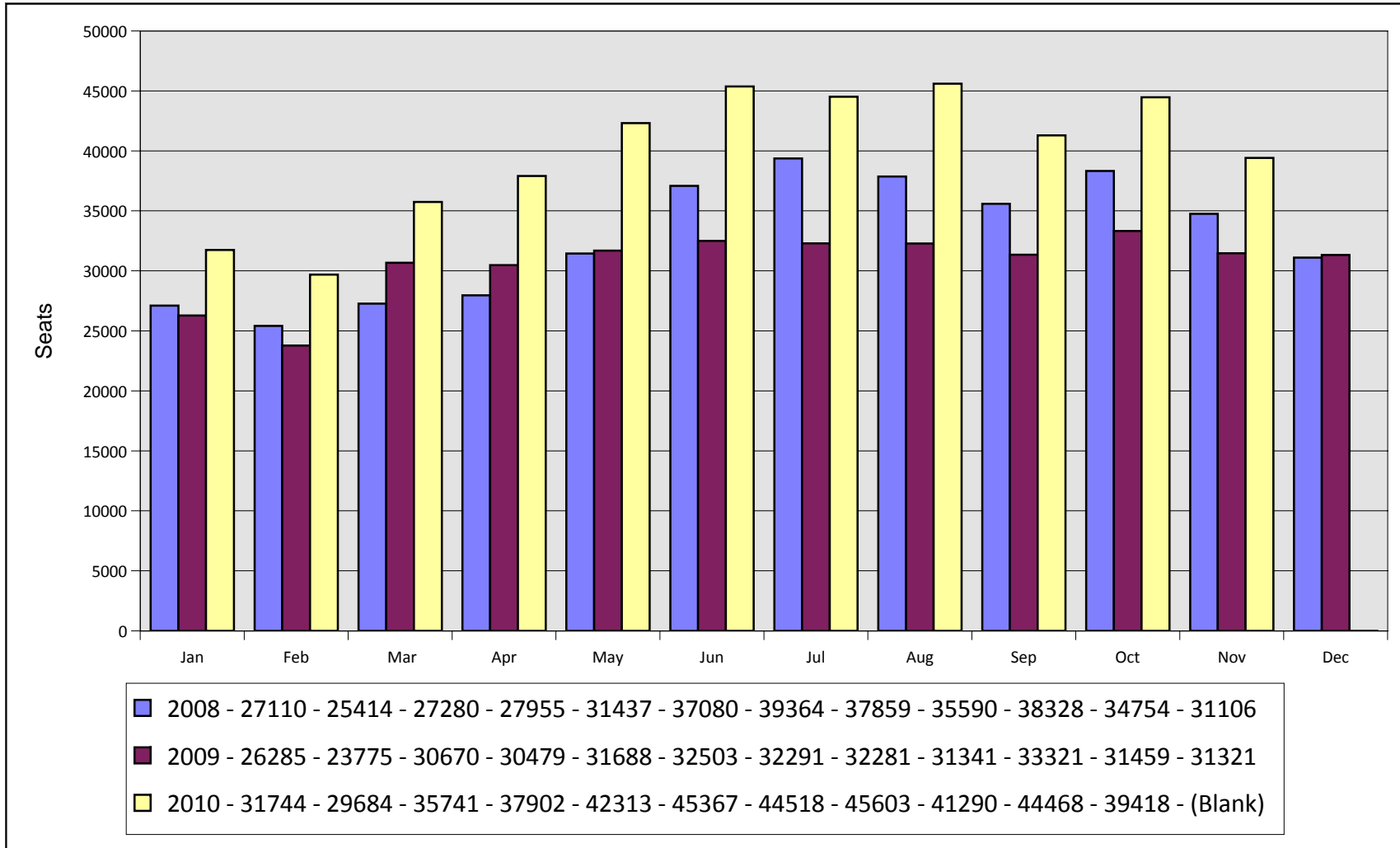


Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed
			Mechanical	Weather	Other		
AirTran Airways	14	0	0	0	0	0	100.0%
American Airlines	0	0	0	0	0	0	#Num!
Continental Airlines	114	0	1	3	0	4	96.5%
Delta Air Lines	276	0	0	1	0	1	99.6%
Northwest Airlines	0	0	0	0	0	0	#Num!
United Airlines	60	0	0	0	0	0	100.0%
US Airways	295	0	3	0	0	3	99.0%
Total	759	0	4	4	0	8	98.9%

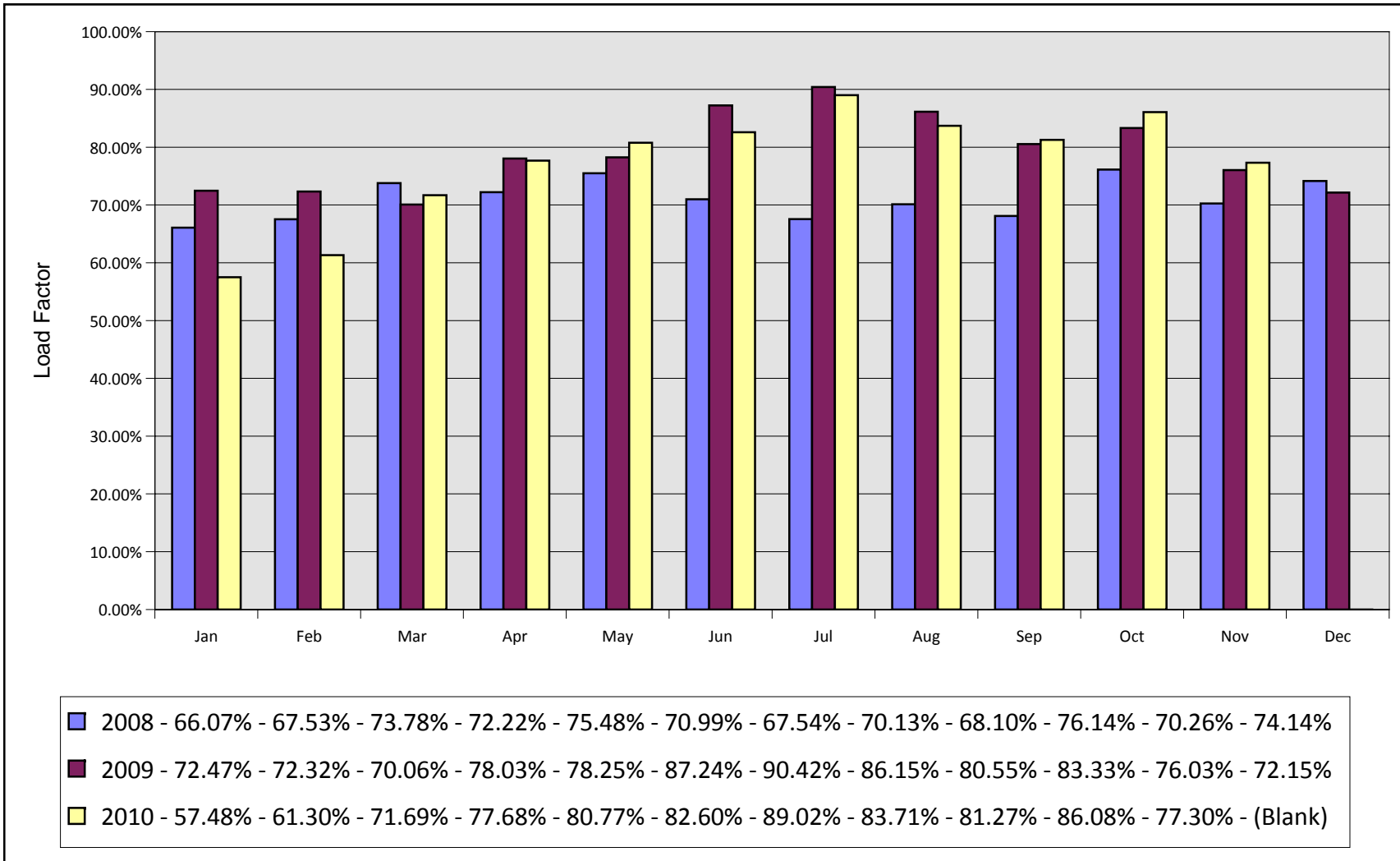
Monthly Enplanements By Year Asheville Regional Airport



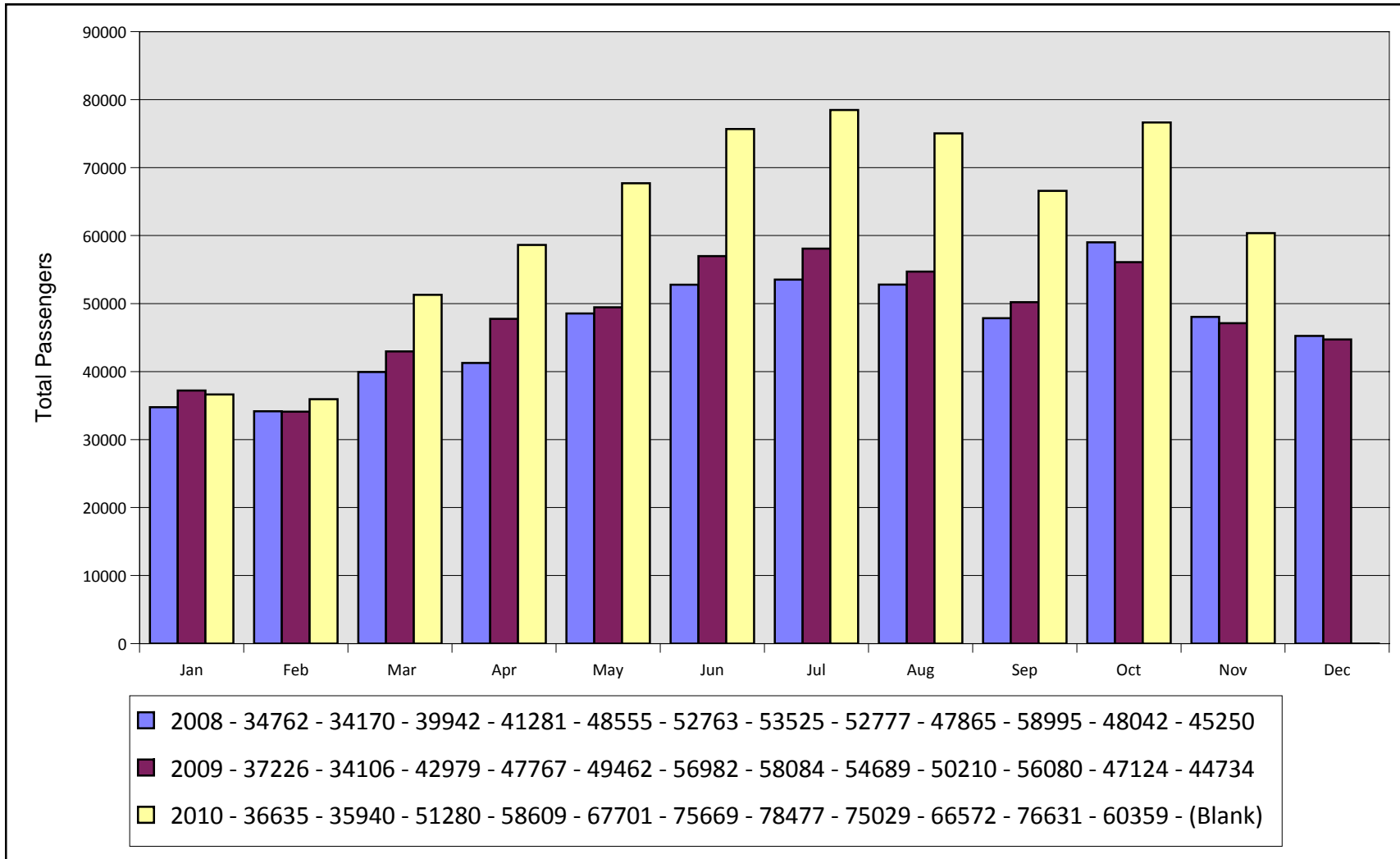
Monthly Seats By Year Asheville Regional Airport



Monthly Load Factors By Year Asheville Regional Airport

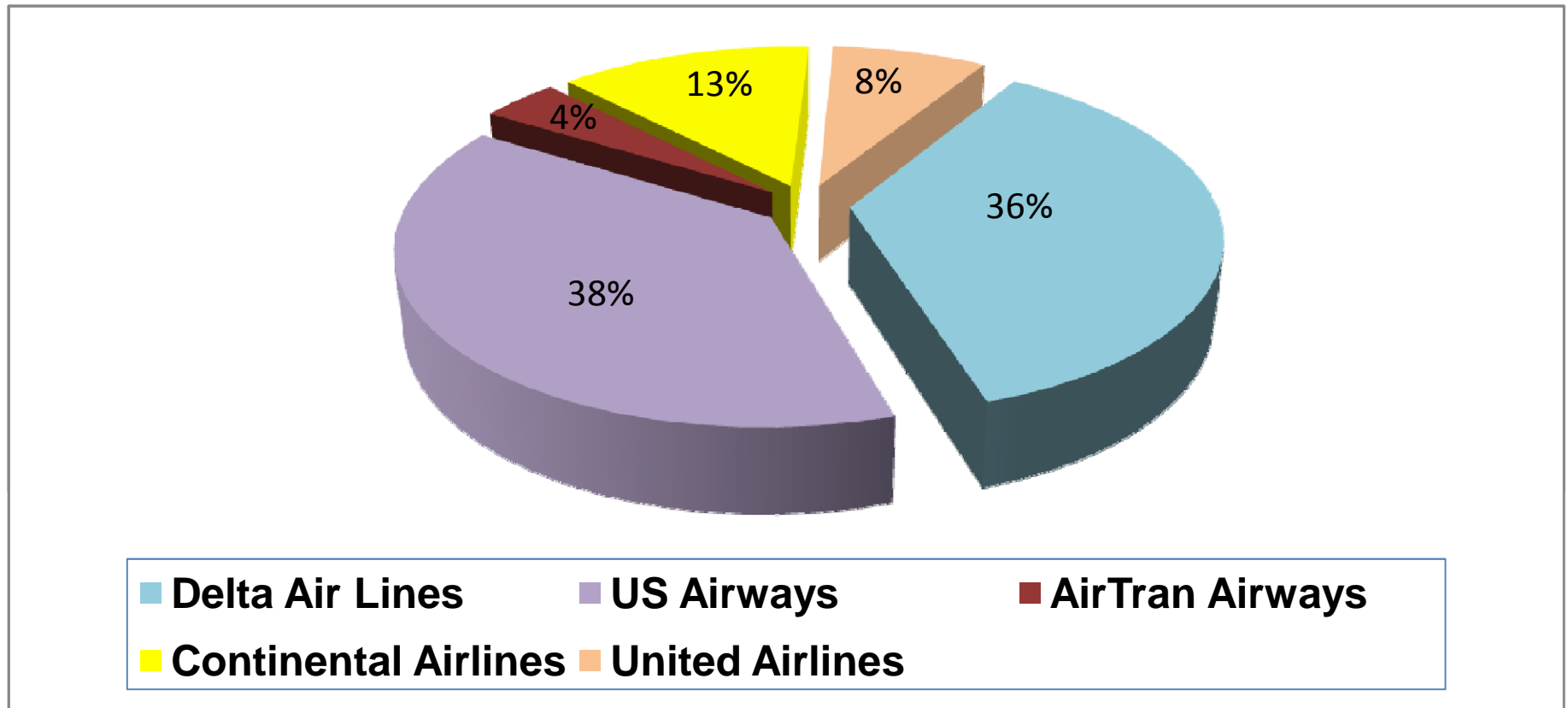


Total Monthly Passengers By Year Asheville Regional Airport

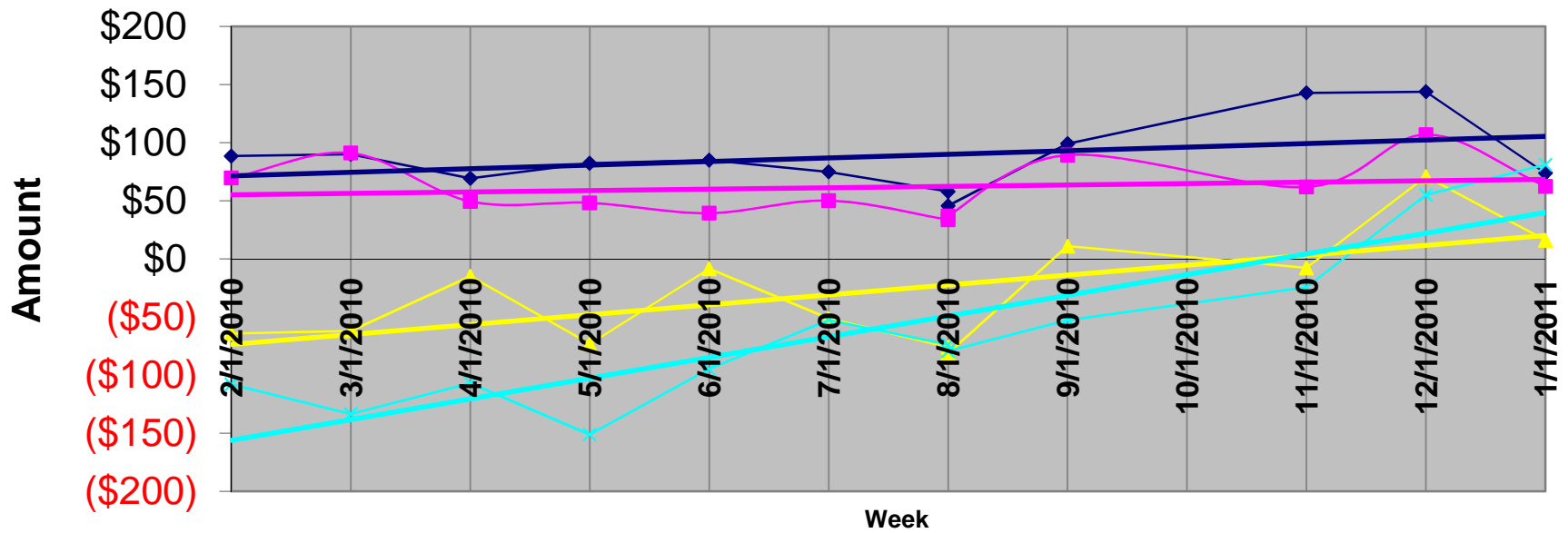


Airline Market Share Analysis (Enplanements) Asheville Regional Airport

Report Period From November 2010 Through November 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 1/3/11
21 Day Advance Purchase, 3 day Stay

		Difference in Fares								
		<u>ASHEVILLE</u>	<u>ATLANTA</u>	<u>CHARLOTTE</u>	<u>GREENVILLE</u>	<u>TRI-CITIES</u>	<u>ATLANTA</u>	<u>CHARLOTTE</u>	<u>GREENVILLE</u>	<u>TRI-CITIES</u>
ABQ	Albuquerque	\$390	\$299	\$320	\$414	\$395	\$91	\$70	(\$24)	(\$5)
ATL	Atlanta	\$309		\$209	\$289	\$399	\$309	\$100	\$20	(\$90)
AUS	Austin	\$317	\$389	\$215	\$313	\$237	(\$72)	\$102	\$4	\$80
BWI	Baltimore	\$257	\$233	\$157	\$193	\$237	\$24	\$100	\$64	\$20
BOS	Boston	\$305	\$308	\$123	\$295	\$237	(\$3)	\$182	\$10	\$68
ORD	Chicago	\$283	\$283	\$357	\$219	\$289	\$0	(\$74)	\$64	(\$6)
CVG	Cincinnati	\$410	\$288	\$588	\$407	\$236	\$122	(\$178)	\$3	\$174
CLE	Cleveland	\$332	\$249	\$363	\$276	\$237	\$83	(\$31)	\$56	\$95
DFW	Dallas	\$214	\$305	\$373	\$204	\$348	(\$91)	(\$159)	\$10	(\$134)
DEN	Denver	\$317	\$239	\$379	\$313	\$237	\$78	(\$62)	\$4	\$80
DTW	Detroit	\$444	\$273	\$387	\$313	\$349	\$171	\$57	\$131	\$95
FLL	Fort Lauderdale	\$341	\$153	\$309	\$277	\$237	\$188	\$32	\$64	\$104
RSW	Ft. Myers	\$341	\$255	\$215	\$277	\$237	\$86	\$126	\$64	\$104
BDL	Hartford	\$335	\$467	\$235	\$277	\$237	(\$132)	\$100	\$58	\$98
IAH	Houston	\$450	\$313	\$523	\$233	\$236	\$137	(\$73)	\$217	\$214
IND	Indianapolis	\$357	\$249	\$225	\$309	\$237	\$108	\$132	\$48	\$120
JAX	Jacksonville	\$275	\$221	\$335	\$651	\$237	\$54	(\$60)	(\$376)	\$38
MCI	Kansas City	\$305	\$190	\$215	\$295	\$237	\$115	\$90	\$10	\$68
LAS	Las Vegas	\$377	\$290	\$349	\$339	\$297	\$87	\$28	\$38	\$80
LAX	Los Angeles	\$357	\$290	\$330	\$339	\$297	\$67	\$27	\$18	\$60
MHT	Manchester	\$353	\$375	\$201	\$295	\$237	(\$22)	\$152	\$58	\$116
MEM	Memphis	\$433	\$226	\$412	\$428	\$233	\$207	\$21	\$5	\$200
MIA	Miami	\$415	\$225	\$327	\$524	\$237	\$190	\$88	(\$109)	\$178
MKE	Milwaukee	\$358	\$273	\$213	\$296	\$282	\$85	\$145	\$62	\$76
MSP	Minneapolis/Saint Paul	\$393	\$321	\$469	\$339	\$237	\$72	(\$76)	\$54	\$156
BNA	Nashville	\$443	\$353	\$228	\$151	\$236	\$90	\$215	\$292	\$207
MSY	New Orleans	\$285	\$185	\$216	\$259	\$237	\$100	\$69	\$26	\$48

LGA	New York	\$501	\$307	\$183	\$316	\$237	\$194	\$318	\$185	\$264
EWR	Newark	\$391	\$373	\$271	\$276	\$237	\$18	\$120	\$115	\$154
MCO	Orlando	\$160	\$249	\$177	\$213	\$224	(\$89)	(\$17)	(\$53)	(\$64)
PHL	Philadelphia	\$285	\$295	\$271	\$280	\$237	(\$10)	\$14	\$5	\$48
PHX	Phoenix	\$347	\$280	\$246	\$313	\$290	\$67	\$101	\$34	\$57
PIT	Pittsburgh	\$285	\$180	\$201	\$273	\$237	\$105	\$84	\$12	\$48
PDX	Portland	\$377	\$333	\$359	\$353	\$465	\$44	\$18	\$24	(\$88)
PVD	Providence	\$359	\$340	\$171	\$295	\$237	\$19	\$188	\$64	\$122
RDU	Raleigh/Durham	\$307	\$189	\$317	\$293	\$237	\$118	(\$10)	\$14	\$70
RIC	Richmond	\$349	\$253	\$199	\$449	\$237	\$96	\$150	(\$100)	\$112
STL	Saint Louis	\$331	\$253	\$215	\$266	\$237	\$78	\$116	\$65	\$94
SLC	Salt Lake City	\$381	\$280	\$349	\$605	\$437	\$101	\$32	(\$224)	(\$56)
SAT	San Antonio	\$377	\$311	\$206	\$331	\$237	\$66	\$171	\$46	\$140
SAN	San Diego	\$403	\$355	\$312	\$339	\$297	\$48	\$91	\$64	\$106
SFO	San Francisco	\$357	\$300	\$379	\$353	\$297	\$57	(\$22)	\$4	\$60
SRQ	Sarasota/Bradenton	\$487	\$249	\$337	\$561	\$237	\$238	\$150	(\$74)	\$250
SEA	Seattle	\$407	\$300	\$300	\$353	\$382	\$107	\$107	\$54	\$25
SYR	Syracuse	\$305	\$346	\$219	\$430	\$237	(\$41)	\$86	(\$125)	\$68
TPA	Tampa	\$187	\$249	\$215	\$520	\$237	(\$62)	(\$28)	(\$333)	(\$50)
YYZ	Toronto	\$608	\$632	\$576	\$637	\$568	(\$24)	\$32	(\$29)	\$40
DCA	Washington DC	\$384	\$273	\$289	\$340	\$237	\$111	\$95	\$44	\$147
IAD	Washington DC	\$384	\$273	\$289	\$318	\$237	\$111	\$95	\$66	\$147
PBI	West Palm Beach	\$341	\$153	\$239	\$277	\$237	\$188	\$102	\$64	\$104

*These sample airfares were available 1/3/11, 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.

\$74 \$62 \$16 \$81

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 1/3/11
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	\$805	\$659	\$520	\$805	\$605	\$146	\$285	\$0	\$200
ATL	Atlanta	\$459		\$318	\$469	\$621	\$459	\$141	(\$10)	(\$162)
AUS	Austin	\$667	\$468	\$416	\$657	\$551	\$199	\$251	\$10	\$116
BWI	Baltimore	\$550	\$305	\$210	\$441	\$613	\$245	\$340	\$109	(\$63)
BOS	Boston	\$579	\$470	\$298	\$498	\$536	\$109	\$281	\$81	\$43
ORD	Chicago	\$474	\$312	\$562	\$439	\$407	\$162	(\$88)	\$35	\$67
CVG	Cincinnati	\$640	\$477	\$744	\$497	\$430	\$163	(\$104)	\$143	\$210
CLE	Cleveland	\$673	\$408	\$404	\$579	\$347	\$265	\$269	\$94	\$326
DFW	Dallas	\$465	\$467	\$725	\$421	\$455	(\$2)	(\$260)	\$44	\$10
DEN	Denver	\$797	\$417	\$585	\$638	\$457	\$380	\$212	\$159	\$340
DTW	Detroit	\$495	\$377	\$610	\$479	\$659	\$118	(\$115)	\$16	(\$164)
FLL	Fort Lauderdale	\$560	\$246	\$344	\$643	\$517	\$314	\$216	(\$83)	\$43
RSW	Ft. Myers	\$577	\$388	\$374	\$609	\$455	\$189	\$203	(\$32)	\$122
BDL	Hartford	\$623	\$859	\$495	\$597	\$412	(\$236)	\$128	\$26	\$211
IAH	Houston	\$496	\$504	\$773	\$711	\$371	(\$8)	(\$277)	(\$215)	\$125
IND	Indianapolis	\$571	\$263	\$364	\$498	\$494	\$308	\$207	\$73	\$77
JAX	Jacksonville	\$499	\$235	\$354	\$742	\$409	\$264	\$145	(\$243)	\$90
MCI	Kansas City	\$531	\$360	\$264	\$518	\$481	\$171	\$267	\$13	\$50
LAS	Las Vegas	\$677	\$596	\$415	\$636	\$559	\$81	\$262	\$41	\$118
LAX	Los Angeles	\$760	\$709	\$638	\$862	\$717	\$51	\$122	(\$102)	\$43
MHT	Manchester	\$721	\$521	\$297	\$967	\$635	\$200	\$424	(\$246)	\$86
MEM	Memphis	\$537	\$330	\$571	\$542	\$425	\$207	(\$34)	(\$5)	\$112
MIA	Miami	\$661	\$311	\$517	\$640	\$629	\$350	\$144	\$21	\$32
MKE	Milwaukee	\$564	\$330	\$409	\$468	\$450	\$234	\$155	\$96	\$114
MSP	Minneapolis/Saint Paul	\$732	\$402	\$563	\$621	\$526	\$330	\$169	\$111	\$206
BNA	Nashville	\$626	\$560	\$564	\$917	\$810	\$66	\$62	(\$291)	(\$184)
MSY	New Orleans	\$585	\$410	\$461	\$561	\$481	\$175	\$124	\$24	\$104

LGA	New York	\$839	\$485	\$310	\$834	\$467	\$354	\$529	\$5	\$372
EWR	Newark	\$713	\$553	\$331	\$791	\$369	\$160	\$382	(\$78)	\$344
MCO	Orlando	\$217	\$317	\$274	\$677	\$275	(\$100)	(\$57)	(\$460)	(\$58)
PHL	Philadelphia	\$579	\$457	\$713	\$644	\$601	\$122	(\$134)	(\$65)	(\$22)
PHX	Phoenix	\$642	\$527	\$309	\$586	\$499	\$115	\$333	\$56	\$143
PIT	Pittsburgh	\$537	\$395	\$282	\$434	\$461	\$142	\$255	\$103	\$76
PDX	Portland	\$805	\$663	\$709	\$886	\$741	\$142	\$96	(\$81)	\$64
PVD	Providence	\$623	\$463	\$333	\$578	\$635	\$160	\$290	\$45	(\$12)
RDU	Raleigh/Durham	\$836	\$263	\$754	\$636	\$477	\$573	\$82	\$200	\$359
RIC	Richmond	\$757	\$390	\$433	\$626	\$739	\$367	\$324	\$131	\$18
STL	Saint Louis	\$609	\$452	\$304	\$451	\$533	\$157	\$305	\$158	\$76
SLC	Salt Lake City	\$826	\$962	\$659	\$759	\$766	(\$136)	\$167	\$67	\$60
SAT	San Antonio	\$681	\$465	\$354	\$560	\$428	\$216	\$327	\$121	\$253
SAN	San Diego	\$820	\$931	\$937	\$903	\$797	(\$111)	(\$117)	(\$83)	\$23
SFO	San Francisco	\$797	\$561	\$932	\$873	\$687	\$236	(\$135)	(\$76)	\$110
SRQ	Sarasota/Bradenton	\$585	\$295	\$455	\$722	\$614	\$290	\$130	(\$137)	(\$29)
SEA	Seattle	\$887	\$1,219	\$796	\$893	\$1,011	(\$332)	\$91	(\$6)	(\$124)
SYR	Syracuse	\$579	\$564	\$407	\$564	\$745	\$15	\$172	\$15	(\$166)
TPA	Tampa	\$252	\$353	\$374	\$715	\$483	(\$101)	(\$122)	(\$463)	(\$231)
YYZ	Toronto	\$989	\$1,051	\$1,153	\$1,007	\$976	(\$62)	(\$164)	(\$18)	\$13
DCA	Washington DC	\$422	\$390	\$578	\$548	\$874	\$32	(\$156)	(\$126)	(\$452)
IAD	Washington DC	\$422	\$390	\$578	\$567	\$899	\$32	(\$156)	(\$145)	(\$477)
PBI	West Palm Beach	\$659	\$213	\$331	\$623	\$611	\$446	\$328	\$36	\$48

*These sample airfares were available 1/3/11, 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.

\$153 \$126 (\$19) \$53

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.

Schedule Compare Report for all Airlines for Passenger flights between AVL and ALL for Jan11 vs. Jan10

AI	Ops/Week				Seats/Week			
	Jan11	Jan10	Diff	Pct Chg	Jan11	Jan10	Diff	Pct Chg
US	122	94	28	29.79	6,048	4,674	1,374	29.40
DL	140	136	4	2.94	7,000	6,800	200	2.94
FL	6	6	0	0.00	702	702	0	0.00
UA	28	28	0	0.00	1,400	1,400	0	0.00
CO	24	26	-2	-7.69	1,200	1,300	-100	-7.69
NW	0	14	-14	-100.00	0	700	-700	-100.00
TOTAL	320	304	16	5.26	16,350	15,576	774	4.97

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



MEMORANDUM

TO: Members of the Airport Authority

FROM: Vickie Thomas, Director of Finance & Accounting

DATE: January 14, 2011

ITEM DESCRIPTION – Information Section Item B

Asheville Regional Airport – Explanation of Extraordinary Variances
Month Ended November, 2010 (Month 5 of FY-2011)

SUMMARY

Operating Revenues for the month of November were \$701,971, 16.68% over budget. Operating Expenses for the month were \$523,548, 13.74% under budget. As a result, Net Operating Revenues before Depreciation were \$183,754 over budget. Net Non-Operating Revenues were \$177,736, 40.05% over budget.

Year-to-date Operating Revenues were \$3,506,079, 12.44% over budget. Year-to-date Operating Expenses were \$2,438,475, 16.09% below budget. Net Operating Revenues before Depreciation were \$855,401 over budget. Net Non-Operating Revenues for the year were \$1,112,516, 48.39% over budget.

REVENUES

Significant variations to budget for November were:

Terminal Space Rentals-Airline	\$12,274	12.86%	Higher than budgeted enplanements
Auto Parking	\$70,598	46.62%	Higher than budgeted enplanements
Passenger Facility Charges	\$40,752	48.84%	Higher than budgeted enplanements



EXPENSES

Significant variations to budget for November were:

Personnel Services	(\$25,320)	(8.38%)	Deputy Director position vacant & lower than budgeted healthcare and other benefit costs
Professional Services	(\$20,255)	(38.75%)	Timing of Professional Services spending
Other Contractual Services	(\$10,448)	(16.66%)	Timing of Contractual Services spending
Operating Supplies	(\$10,347)	(46.36%)	No Guest Services ticket sales & timing of other operating supply purchases
Contingency	(\$14,884)	(100.00%)	No Contingency spending

STATEMENT OF NET ASSETS

Significant variations to prior month were:

Cash – Unrestricted Cash increased and Restricted Cash decreased due to Wells Fargo unrestricting our \$1,996k Additional Collateral Funds account established pursuant to our bond agreement with them.

Grants Receivable – Grants Receivable decreased by \$650k mainly due to reduced spending on the A Gates project as it nears completion.

Construction in Progress – Construction in Progress increased by \$504k due to planned capital spending.

Construction Contract Retainages – Construction Contract Retainages decreased by \$533k due to the payment of retainage to APAC now that the parking lot work is completed and due to reducing the required retainage on the A Gates project from 10% to 5% as the project nears completion.

**ASHEVILLE REGIONAL AIRPORT
INVESTMENT AND INTEREST INCOME SUMMARY
As of November 30, 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%	\$ 3,752,136	1,002
Petty Cash				100	
NC Capital Management Trust				216,940	21
Wachovia-Gov. Advantage Acct.			0.20%	3,631,184	569
PFC Revenue Account			0.30%	276,892	50
Additional Collateral Fund			0.20%	1,955,665	325
<u>Restricted Cash:</u>					
CFC Revenue			0.05%	172,423	6
<u>Commercial Paper:</u>				0	
Total				<u>\$ 10,005,340</u>	<u>\$ 1,973</u>

Investment Diversification:

1.BANKS	41.99%
2.CAP.TRUST	2.17%
3.GOV.ADV.ACCTS.	55.84%
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 November 30, 2010**

	<u>Current Month</u>	<u>Prior Period</u>
Cash and Investments Beginning of Period	\$ 10,010,179	\$ 9,632,957
Net Income/(Loss) Before Capital Contributions	6,448	86,004
Depreciation	349,711	349,711
Decrease/(Increase) in Receivables	649,372	310,235
Increase/(Decrease) in Payables	(659,268)	(263,425)
Decrease/(Increase) in Prepaid Expenses	18,357	18,357
Decrease/(Increase) in Long Term Assets	(504,429)	(89,790)
Principal Payments of Bond Maturities	(34,034)	(33,870)
Contributed Capital	169,004	-
Increase(Decrease) in Cash	<u>(4,839)</u>	<u>377,222</u>
Cash and Investments End of Period	<u>\$ 10,005,340</u>	<u>\$ 10,010,179</u>

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

For the Month Ending November 30, 2010

	November Actual	November Budget	Variance \$	Variance %	YTD Actual	YTD Budget	Variance \$	Variance %	Annual Budget
Operating Revenue:									
Terminal	\$289,290	\$273,808	\$15,482	5.65%	\$1,463,770	\$1,394,128	\$69,642	5.00%	\$3,347,801
Airfield	73,590	66,645	6,945	10.42%	376,374	342,122	34,252	10.01%	826,157
Hangar	67,639	67,274	365	0.54%	361,530	360,271	1,259	0.35%	818,890
Parking Lot/Roadway	222,458	151,430	71,028	46.90%	1,171,704	834,780	336,924	40.36%	2,138,860
Land Use Fees	48,994	42,451	6,543	15.41%	132,701	187,004	(54,303)	(29.04%)	484,170
Total Operating Revenue	\$701,971	\$601,608	\$100,363	16.68%	\$3,506,079	\$3,118,305	\$387,774	12.44%	\$7,615,878
Operating Expenses:									
Administrative	\$185,139	\$259,375	(\$74,236)	(28.62%)	\$895,435	\$1,158,773	(\$263,338)	(22.73%)	\$3,083,068
Terminal	123,548	153,006	(29,458)	(19.25%)	688,364	791,589	(103,225)	(13.04%)	1,949,764
Airfield	123,470	120,225	3,245	2.70%	558,472	607,946	(49,474)	(8.14%)	1,501,160
Hangar	-	-	-	0.00%	1,762	-	1,762	0.00%	-
Parking Lot	46,874	40,489	6,385	15.77%	182,509	202,446	(19,937)	(9.85%)	485,871
Rental Car Service Facility	2,706	3,823	(1,117)	(29.22%)	17,206	20,494	(3,288)	(16.04%)	57,616
Land Use Expenses	41,811	30,021	11,790	39.27%	94,727	124,854	(30,127)	(24.13%)	335,000
Total Operating Expenses	\$523,548	\$606,939	(\$83,391)	(13.74%)	\$2,438,475	\$2,906,102	(\$467,627)	(16.09%)	\$7,412,479
Operating Revenue before Depreciation									
	\$178,423	(\$5,331)	\$183,754	(3,446.90%)	\$1,067,604	\$212,203	\$855,401	403.11%	\$203,399
Depreciation	349,711	-	349,711	0.00%	1,748,553	-	1,748,553	0.00%	-
Operating Income(Loss) Before Non-Operating Revenue and Expenses									
	(\$171,288)	(\$5,331)	(\$165,957)	3,113.06%	(\$680,949)	\$212,203	(\$893,152)	(420.90%)	\$203,399
Non-Operating Revenue and Expense									
Customer Facility Charges	\$69,772	\$60,000	\$9,772	16.29%	\$464,588	\$381,050	\$83,538	21.92%	\$840,000
Passenger Facility Charges	124,192	83,440	40,752	48.84%	724,329	452,960	271,369	59.91%	1,192,000
Interest Revenue	1,973	1,667	306	18.36%	16,231	8,333	7,898	94.78%	20,000
Interest Expense	(18,201)	(18,201)	-	0.00%	(92,632)	(92,632)	-	0.00%	(215,397)
Sale of Assets	-	-	-	0.00%	-	-	-	0.00%	-
Non-Operating Revenue-Net	\$177,736	\$126,906	\$50,830	40.05%	\$1,112,516	\$749,711	\$362,805	48.39%	\$1,836,603

Income (Loss) Before Capital Contributions	<u>\$6,448</u>	<u>\$121,575</u>	<u>(\$115,127)</u>	<u>(94.70%)</u>	<u>\$431,567</u>	<u>\$961,914</u>	<u>(\$530,347)</u>	<u>(55.13%)</u>	<u>\$2,040,002</u>
Capital Contributions	<u>\$169,004</u>	<u>\$0</u>	<u>\$169,004</u>	<u>0.00%</u>	<u>\$3,402,166</u>	<u>\$0</u>	<u>\$3,402,166</u>	<u>0.00%</u>	<u>\$0</u>
Increase in Net Assets	<u>\$175,452</u>	<u>\$121,575</u>	<u>\$53,877</u>	<u>44.32%</u>	<u>\$3,833,733</u>	<u>\$961,914</u>	<u>\$2,871,819</u>	<u>298.55%</u>	<u>\$2,040,002</u>

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

For the Month Ending November 30, 2010

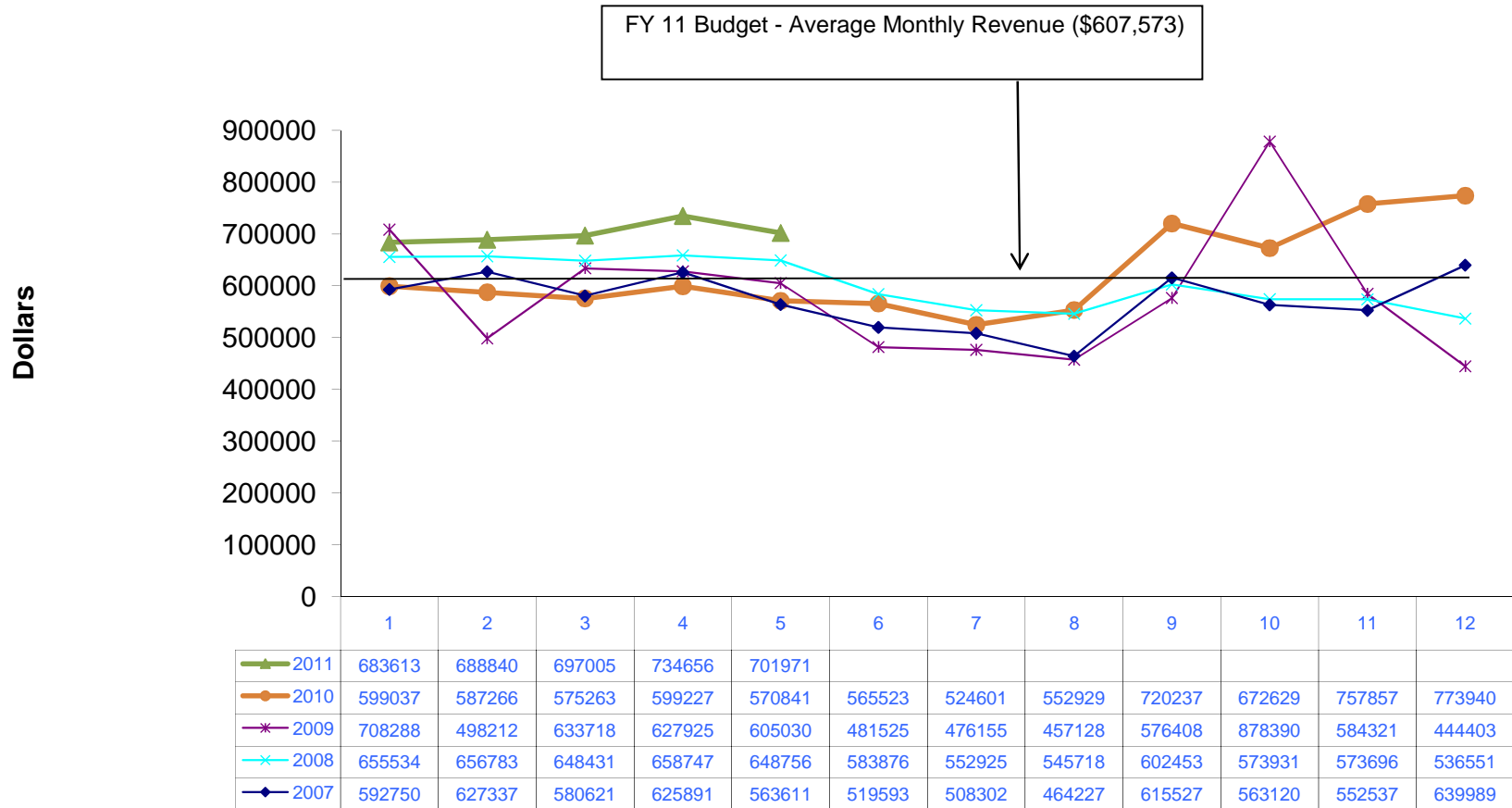
	<u>November Actual</u>	<u>November Budget</u>	<u>Variance \$</u>	<u>Variance %</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance \$</u>	<u>Variance %</u>	<u>Annual Budget</u>
Operating Revenue:									
Terminal Space Rentals - Non Airline	\$16,228	\$15,659	\$569	3.63%	\$79,435	\$78,296	\$1,139	1.45%	\$187,911
Terminal Space Rentals - Airline	107,749	95,475	12,274	12.86%	566,989	505,435	61,554	12.18%	1,189,080
Concessions	10,000	16,308	(6,308)	(38.68%)	46,787	75,540	(28,753)	(38.06%)	197,200
Auto Parking	222,028	151,430	70,598	46.62%	1,165,804	830,430	335,374	40.39%	2,114,400
Rental Car - Car Rentals	106,843	103,239	3,604	3.49%	526,668	512,198	14,470	2.83%	1,234,860
Rental Car - Facility Rent	42,964	42,492	472	1.11%	217,901	216,117	1,784	0.83%	523,130
Commercial Ground Transportation	430	-	430	0.00%	5,900	4,350	1,550	35.63%	24,460
Landing Fees	38,294	33,885	4,409	13.01%	199,918	175,582	24,336	13.86%	423,037
FBO'S/SASO'S	67,639	67,274	365	0.54%	361,530	360,271	1,259	0.35%	818,890
Building Leases	10,170	11,119	(949)	(8.53%)	51,246	55,596	(4,350)	(7.82%)	133,430
Land Leases	1,915	2,062	(147)	(7.13%)	9,637	10,308	(671)	(6.51%)	24,740
Other Leases/Fees	40,802	33,477	7,325	21.88%	202,898	173,497	29,401	16.95%	419,740
Reimbursable Costs	36,909	29,188	7,721	26.45%	71,366	120,685	(49,319)	(40.87%)	325,000
Total Operating Revenue	\$701,971	\$601,608	\$100,363	16.68%	\$3,506,079	\$3,118,305	\$387,774	12.44%	\$7,615,878
Operating Expenses:									
Personnel Services	\$276,777	\$302,097	(\$25,320)	(8.38%)	\$1,364,504	\$1,470,876	(\$106,372)	(7.23%)	\$3,626,342
Professional Services	32,012	52,267	(20,255)	(38.75%)	84,255	153,640	(69,385)	(45.16%)	320,450
Accounting & Auditing	-	-	-	0.00%	15,902	16,000	(98)	(0.61%)	20,000
Other Contractual Services	52,248	62,696	(10,448)	(16.66%)	255,408	311,781	(56,373)	(18.08%)	736,910
Travel & Training	5,735	6,876	(1,141)	(16.59%)	26,380	52,551	(26,171)	(49.80%)	146,150
Communications & Freight	6,060	5,395	665	12.33%	26,949	27,223	(274)	(1.01%)	65,336
Utility Services	30,502	27,785	2,717	9.78%	156,130	161,330	(5,200)	(3.22%)	438,532
Rentals & Leases	1,045	1,041	4	0.38%	5,913	5,756	157	2.73%	14,695
Insurance	15,134	15,583	(449)	(2.88%)	75,669	77,917	(2,248)	(2.89%)	187,000
Repairs & Maintenance	31,391	22,213	9,178	41.32%	121,595	110,665	10,930	9.88%	265,456
Advertising, Printing & Binding	3,710	3,839	(129)	(3.36%)	43,302	43,110	192	0.45%	185,786
Promotional Activities	4,852	4,883	(31)	(0.63%)	17,441	18,411	(970)	(5.27%)	62,200
Other Current Charges & Obligations	5,730	5,348	382	7.14%	29,058	25,740	3,318	12.89%	69,779
Office Supplies	761	1,431	(670)	(46.82%)	3,322	7,156	(3,834)	(53.58%)	17,175
Operating Supplies	11,971	22,318	(10,347)	(46.36%)	63,513	123,714	(60,201)	(48.66%)	314,553
Books, Publications, Subscriptions & Meml	4,242	12,396	(8,154)	(65.78%)	15,576	20,498	(4,922)	(24.01%)	38,502
Contingency	-	14,884	(14,884)	(100.00%)	-	74,422	(74,422)	(100.00%)	178,613
Emergency Repair	-	8,333	(8,333)	(100.00%)	11,506	41,667	(30,161)	(72.39%)	100,000
Reimbursable Costs	36,909	29,188	7,721	26.45%	71,366	120,685	(49,319)	(40.87%)	325,000
Business Development	4,469	8,366	(3,897)	(46.58%)	50,686	42,960	7,726	17.98%	300,000
Total Operating Expenses	\$523,548	\$606,939	(\$83,391)	(13.74%)	\$2,438,475	\$2,906,102	(\$467,627)	(16.09%)	\$7,412,479

Operating Revenue before Depreciation	\$178,423	(\$5,331)	\$183,754	(3,446.90%)	\$1,067,604	\$212,203	\$855,401	403.11%	\$203,399
Depreciation	349,711	-	349,711	0.00%	1,748,553	-	1,748,553	0.00%	-
Operating Income(Loss) Before Non-Operating Revenue and Expenses	(\$171,288)	(\$5,331)	(\$165,957)	3,113.06%	(\$680,949)	\$212,203	(\$893,152)	(420.90%)	\$203,399
Non-Operating Revenue and Expense									
Customer Facility Charges	\$69,772	\$60,000	\$9,772	16.29%	\$464,588	\$381,050	\$83,538	21.92%	\$ 840,000
Passenger Facility Charges	124,192	83,440	40,752	48.84%	724,329	452,960	271,369	59.91%	1,192,000
Interest Revenue	1,973	1,667	306	18.36%	16,231	8,333	7,898	94.78%	20,000
Interest Expense	(18,201)	(18,201)	-	0.00%	(92,632)	(92,632)	-	0.00%	(215,397)
Sale of Assets	-	-	-	0.00%	-	-	-	0.00%	-
Non-Operating Revenue-Net	\$177,736	\$126,906	\$50,830	40.05%	\$1,112,516	\$749,711	\$362,805	48.39%	\$1,836,603
Income (Loss) Before Capital Contributions	\$6,448	\$121,575	(\$115,127)	(94.70%)	\$431,567	\$961,914	(\$530,347)	(55.13%)	\$2,040,002
Capital Contributions	\$169,004	\$0	\$169,004	0.00%	\$3,402,166	\$0	\$3,402,166	0.00%	\$0
Increase in Net Assets	\$175,452	\$121,575	\$53,877	44.32%	\$3,833,733	\$961,914	\$2,871,819	298.55%	\$2,040,002

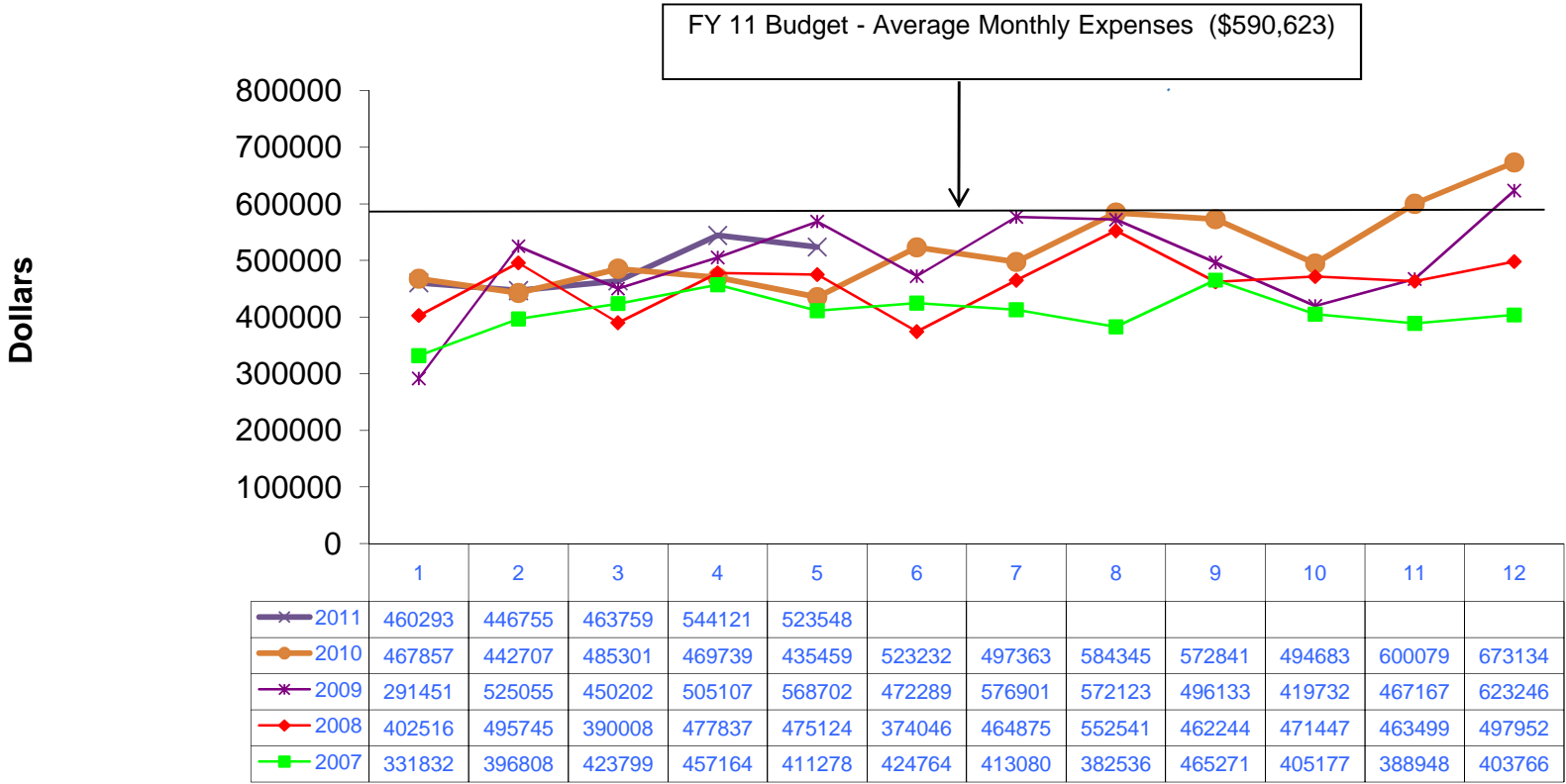
ASHEVILLE REGIONAL AIRPORT AUTHORITY
STATEMENT OF FINANCIAL POSITION
As of November 30, 2010

	<u>November</u>	<u>Last Month</u>
<u>ASSETS</u>		
Current Assets:		
Unrestricted Net Assets:		
Cash and Cash Equivalents	\$9,832,917	\$7,929,898
Accounts Receivable	700,395	735,250
Passenger Facility Charges Receivable	218,000	218,000
Refundable Sales Tax Receivable	303,020	267,954
Grants Receivable	1,153,669	1,803,252
Prepaid Expenses	131,311	149,668
Total Unrestricted Assets	<u>12,339,312</u>	<u>11,104,022</u>
Restricted Assets:		
Cash and Cash Equivalents	172,423	2,080,281
Total Restricted Assets	<u>172,423</u>	<u>2,080,281</u>
 Total Current Assets	 <u>12,511,735</u>	 <u>13,184,303</u>
Noncurrent Assets:		
Construction in Progress	11,445,113	10,940,684
Property and Equipment - Net	60,068,037	60,417,748
Total Noncurrent Assets	<u>71,513,150</u>	<u>71,358,432</u>
	<u>\$84,024,885</u>	<u>\$84,542,735</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Payable from Unrestricted Assets:		
Accounts Payable & Accrued Liabilities	\$1,433,742	\$1,613,000
Customer Deposits	750	750
Unearned Revenue	301,612	248,008
Construction Contract Retainages	632,873	1,166,487
Revenue Bond Payable - Current	421,448	419,424
Total Payable from Unrestricted Assets	<u>2,790,425</u>	<u>3,447,669</u>
 Total Current Liabilities	 <u>2,790,425</u>	 <u>3,447,669</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	3,316,758	3,352,816
Total Noncurrent Liabilities	<u>4,120,548</u>	<u>4,156,606</u>
 Total Liabilities	 <u>6,910,973</u>	 <u>7,604,275</u>
Net Assets:		
Invested in Capital Assets	67,142,071	66,419,705
Restricted	172,423	2,080,281
Unrestricted	9,799,418	8,438,474
Total Net Assets	<u>77,113,912</u>	<u>76,938,460</u>
	<u>\$84,024,885</u>	<u>\$84,542,735</u>

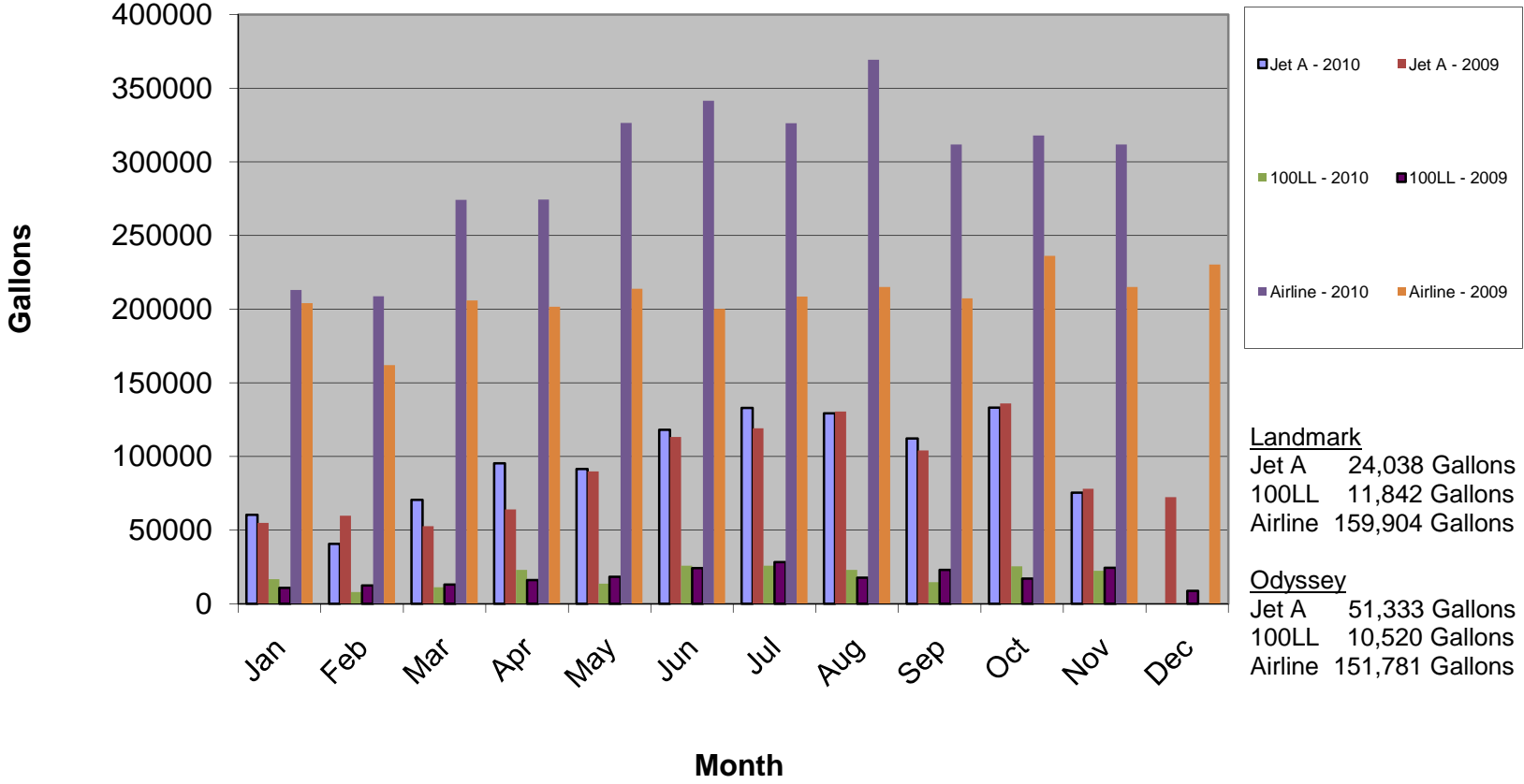
ASHEVILLE REGIONAL AIRPORT Annual Operating Revenue by Month November 2010



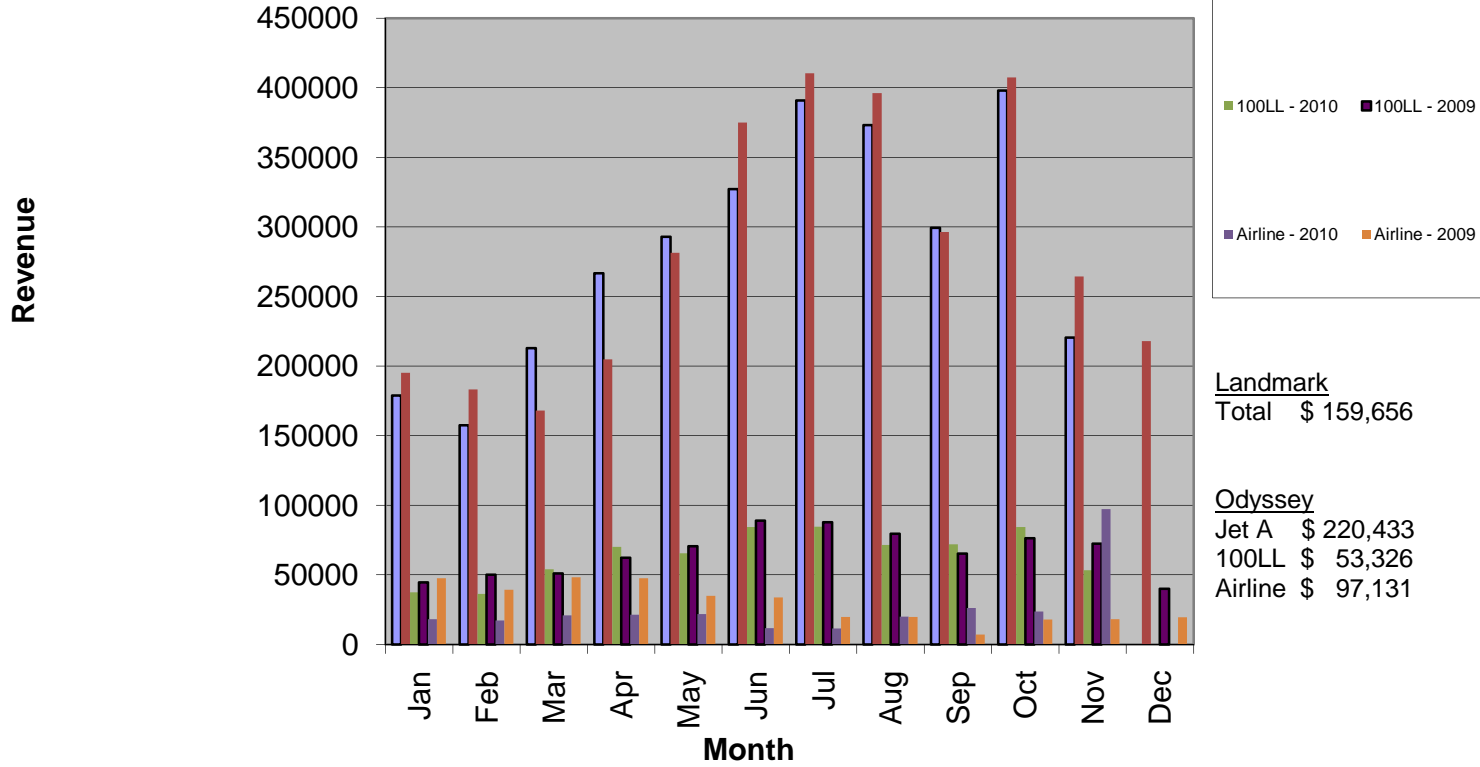
ASHEVILLE REGIONAL AIRPORT Annual Operating Expenses by Month November 2010



AVL Fuels Sales - Gallons November 2010



AVL Fuels Sales - Revenue November 2010



**Asheville Regional Airport Authority
Construction Capital Carryover Schedule
As of November 30, 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	2,270,515	9,908,522
Landside Roadway and Parking	5,293,995	317,905	234,228	5,210,318
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	2,976,703	18,989,743

Asheville Regional Airport Authority
Project Report - January 2011

Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 12/31/2010)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 12/31/2010)	Start Date	End Date	Current Project Status (as of 12/31/2010)
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%	\$94,713.57	Sep-10	Spring 2011	LPA Group will be forwarding their initial draft EA report on January 10th to the Airport Director for review. The FAA will need 30 days to review. The EA Report will be completed prior to the LOI scheduled to be submitted in March 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	(\$388,016.25)	-4.94%	\$ 10,621,272.00	98%	\$10,299,748.98	July '09	Jan-11	Phase II work is complete. Phase I and II punch list work is being finalized. TCO for 2nd floor is approved and TSA is beginning to move to new offices. Final CO for the project will be obtained by end of January.
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	Replacement bag lift equipment has been received and is operational. Final aircraft stripping is being finalized first week of January.
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	Landscaping punch list work is being completed. All other punch list items have been completed.
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	Landscaping punch list work is being completed. All other punch list items have been completed.
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. Perimeter road has been repaved and is completed.
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	95%	\$399,582.71	Jul-09	Nov-10	Replacement equipment has been installed and is operational. Protective bollards will be installed first week of January.

Asheville Regional Airport Authority
Project Report - January 2011

Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 12/31/2010)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 12/31/2010)	Start Date	End Date	Current Project Status (as of 12/31/2010)
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%	\$90,331.04	Jul-10	Dec-11	Work has been halted due to weather conditions. The ash fill will resume when weather conditions improve or early Spring.